



## **Champions Health and Fitness: Marketing Plan**

By: Danielle, Lanie, Alex, Alesha, Naadiya, Amanda & Adam

Marketing Management 6162 with Dr. Judy Siguaw

East Carolina University College of Business

Due: February 14, 2023

# Table of Contents

<b>1. Executive Summary - Alesha</b>	<b>4</b>
<b>2. Internal Analysis</b>	<b>4</b>
2.1 Company Profile - Lanie	4-5
2.2 Mission Statement - Adam	5
2.3 Vision Statement - Amanda	5
2.4 Current Marketing Plan - Lanie	5-6
2.5 Marketing Problem - Adam	6-7
2.6 Organizational Excellence - Lanie	7
<b>3. External Analysis</b>	<b>7</b>
3.1 Cultural and Social Environment - Alesha	7-9
3.2 Demographic - Alesha	10
3.3 Competition - Amanda	10-12
3.4 Political and Legal - Lanie	12-14
3.5 Economic - Alex	14-17
3.6 Technological Environment - Alex	17- 19
<b>4. Market Segmentation</b>	<b>20</b>
4.1 Market Segment 1 - Naadiya	20
4.2 Market Segment 2 - Alex	20-21
4.3 Target Market - Naadiya, Alex	21-22
<b>5. Marketing Strategy</b>	<b>22</b>
5.1: SWOT Analysis - Amanda, Alex	22-23
5.1.2 Weaknesses - Amanda	23-25
5.1.3 Opportunities - Alex	25-27
5.1.4 Threats - Alex	27-28

5.2 Integration of SWOT Elements (TOWS) - Naadiya	28-29
<b>6. Marketing Objectives - Naadiya</b>	<b>29</b>
<b>7. Positioning and Differentiation - Lanie</b>	<b>30</b>
7.1: Product Position - Lanie	30
7.2 Competitive Advantage - Amanda	33
<b>8. Marketing Mix</b>	<b>34</b>
8.1 Product - Lanie	34
8.2 Price	34
8.2.1: Pricing Objectives and Pricing Policy - Adam	34
8.2.2: Break-Even Analysis - Alex	35-38
8.2.3 Price Setting - Lanie	38-39
8.3: Place - Alesha	39-40
8.4 Promotion	40
8.4.1: Promotional Message and Appeal - Alesha	40-41
8.4.2 Promotional Strategy - Lanie	41-43
8.4.3 Examples of Ads - Amanda	43-44
<b>9. Resources Needed - Adam</b>	<b>44-45</b>
<b>10. Projected Income Statement - Alex</b>	<b>45-46</b>
<b>11. Evaluate and Monitor - Danielle</b>	<b>47</b>
<b>12. References</b>	<b>48</b>

## **1. Executive Summary - Alesha**

Champions Health and Fitness is a local gym in Winterville near Greenville, North Carolina. Founded in 1984, Champions Health and Fitness has evolved and relocated from a small personal gym to a regularly frequented fitness center in downtown Greenville. As a still ever-growing company, Champions Health and Fitness prides itself on being a limited channel distributor with close relations holding consumers at the forefront of its marketing.

Champions Health and Fitness is naturally welcoming to all but specializes in catering to the population of high-income, married, Caucasian women who tend to have older children. Given that Champions Health and Fitness is a small, local business, they have taken the initiative to provide high-quality products and customer service to make up for their small size.

Currently, Champions Health and Fitness has a hard time with market penetration as they are the only company of its brand and therefore have no franchise or chains on which to base itself. Due to the lack of means to expand, Champions Health and Fitness is involuntarily inflexible in its target market. Their competitors are high-volume franchise gyms that overmarket themselves. Champions Health and Fitness has no desire to overmarket itself. Champions plans to increase its market share by 5% as of February 01, 2024. Champions Health and Fitness will continue to market their services with promotional items such as 10% off their gym membership and offering high-quality recreational items.

For product development, Champions Health and Fitness have taken a publishing distribution approach and promoted to their market by engaging with them via their website and social media platforms.

Champions Health and Fitness enclose no annual business report because they are a small, niche business. The metrics provided are based on historical data and estimations to

protect the privacy and integrity of the company. The estimated profit that Champions Health and Fitness will incur annually is estimated to be around \$235,073.50.

## **2. Internal Analysis**

### **2.1 Company Profile - Lanie**

Champions Health and Fitness is a local health club located in Winterville, North Carolina. The owner, Greg Lassiter, first opened the gym in 1984 under the name Body and Health Gym. After four successful years in business, the gym moved to downtown Greenville, North Carolina and changed its name to Champions Health and Fitness. Following two more relocations, Champions settled in Winterville where it remains today (*About*, 2019).

Champions started as a small gym with only three pieces of equipment and an aerobics room. Since then, it has grown significantly with its current two-and-a-half-million-dollar facility boasting over 20,000 square feet of modern equipment including machines, free-weights, and space for group fitness classes such as High Intensity Interval Training (H.I.T.T.), Zumba, boxing, and more (*About*, 2019). Champions Health and Fitness not only offers top of the line training facilities, but also prides itself on impeccable customer service across 20 employees (Dawson, 2018), and its ability to build relationships with members. After almost forty years in business, Champions Health and Fitness has offered thousands of patrons the opportunity to better their overall health and become the best version of themselves.

### **2.2 Mission Statement - Adam**

Champions Health & Fitness provides a balanced life which leads to good health, with an enhanced quality of life and, built on self-confidence, along with a strengthened mental and physical appearance.

### **2.3 Vision Statement - Amanda**

Champions Health and Fitness will provide a caring environment with cutting edge equipment, trending group fitness formats, and impeccable customer service to help members achieve their health and wellness goals and to make it the preferred gym in Greenville, North Carolina.

### **2.4 Current Marketing Plan - Lanie**

Champions Health and Fitness has emphasized market penetration and product development in its current and past marketing plans. To draw in competing gym members and influence non-users to join its facility, Champions highlights its superb customer service and its determination to make members feel welcomed and valued. Champions has also consistently offered promotions such as a ten percent off discount from its regular rate for customers who renew memberships to encourage repeat and continuous business. Regarding product development, Champions provides trending fitness classes such as Zumba and H.I.T.T. and offers the most up-to-date equipment. Champions heavily relies on word-of-mouth advertising but keeps its social media platforms, Facebook, and Instagram, current with promotions and advertising for upcoming events.

In the broad gym-goer market, Champions appeals to multiple groups with different motivations and needs, including those who go to the gym for recreational purposes, medical reasons, weight loss, improvement of aesthetics or physical appearance, and health maintenance. Champions has targeted each of these by providing the appropriate products like fitness classes, cardio equipment, and weightlifting equipment to accommodate demand.

## **2.5 Marketing Problem - Adam**

Champions Health & Fitness' focal points are its market strategies which will stand out among the preeminent competition and gain new customers in the surrounding area. Champions Health & Fitness is a stand-alone gym, and a handful of gyms in the area are its competitors, including Snap Fitness of Greenville and CrossFit of Greenville. Champions must renovate its website, act on its presence on social media, and advertise its gym with up-to-date tactics that will attract and convert new members before the time goal of February 01, 2024. Champions Health and Fitness has less than 700 followers on Instagram, and inconsistent posting is not helping. The Instagram page's most recent posts are from weeks ago. Champions Health and Fitness' competitors are far more active on social media than Champions. For example, Fitness Connection has more than 16,000 followers, and its most recent post is from a few days ago. The problem that Champions Health and Fitness must now face is how the company's promotional strategy will create brand awareness that will win the attention of prospects and convince local gym-goers that purchasing is the obvious choice.

## **2.6 Organizational Excellence - Lanie**

Champions Health and Fitness remains committed to its roots with a small-town feel. Champions fulfills this commitment by fostering a first-name basis between employees and guests, ensuring each personal training session and class helps clients improve their physical performance, and offering cutting-edge, modern equipment (*About*, 2019).

### 3. External Analysis

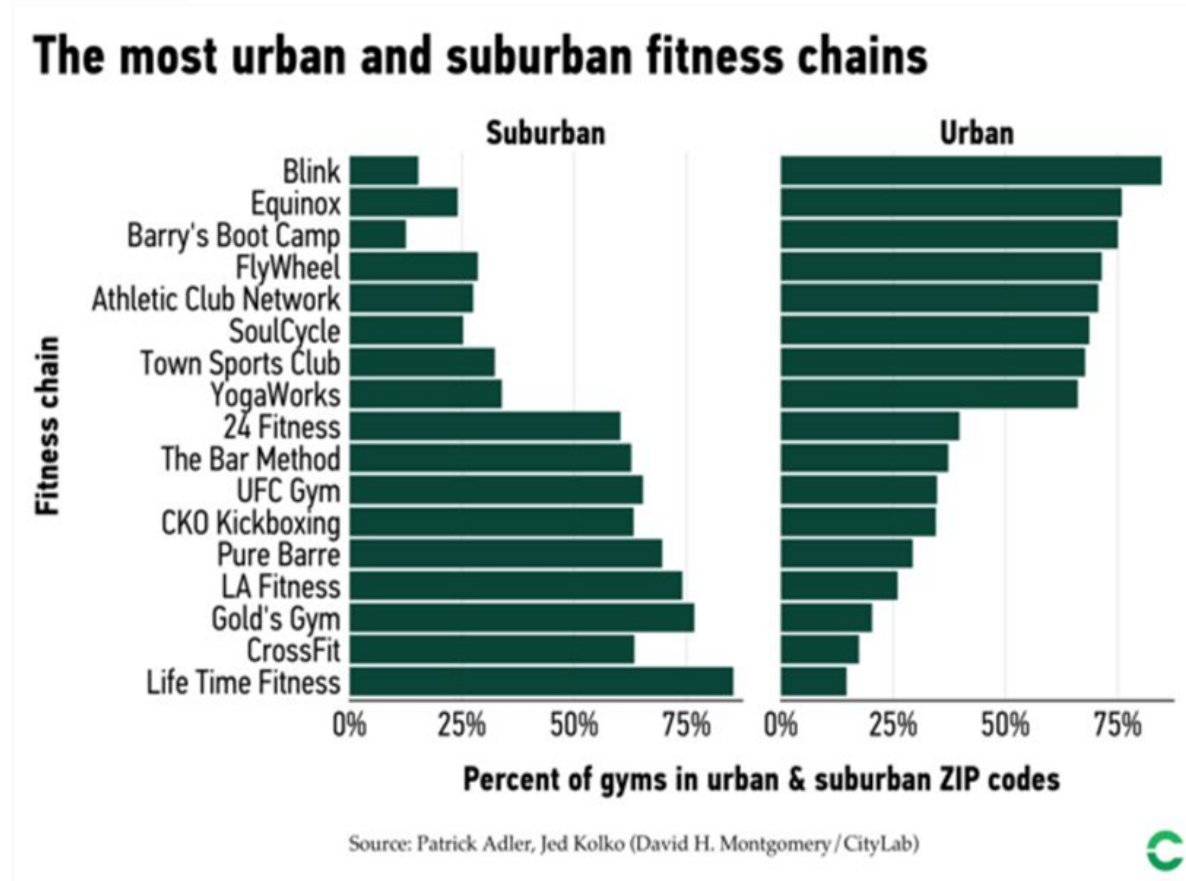
#### 3.1 Cultural and Social Environment - Alesha

Gyms have been paramount in society since over 3,000 years ago. According to Devlin Daneshforouz (2018), primitive Iranian warriors-in-training used the term 'Varzesh Bastani' meaning ancient sport, or 'Varzesh Pahlavani' which connotes the pastime of heroes, are two names for an ancient Iranian form of exercise. Participants play Varzesh Bastani in a dome-shaped structure called the Zurkhaneh, which translates to house of power in English. The history behind gymnasia has shaped how athletes have cared for themselves for centuries. Regarding modern males, hearing about the gym shapes our mindsets into automatically thinking of men as “gym bros.” But gyms are not just for men; 50.5% of gym-goers are now female (Andre, 2023). Gym culture has fueled positive and negative aspects of fad diets (Gervis, 2019). Women were once encouraged not to gain muscle as society pressured men to become the most muscular versions of themselves. As society develops, social schemas break down. For example, some men no longer focus on the tone of their bodies and instead measure their gym experience by the size of their muscles (Walton, 2021.)

Society views gyms with respect and discipline because many people start their morning by going to one or even end their day at one. As people put more time into themselves, they encourage the people around them to also partake in a shared activity, creating a binding connection to the gym they attend. Gyms are heavily found in urban and suburban areas, skewing affluent populations (Florida, 2019). Urban and suburban zip codes, which house 79% of the U.S. population, make up most gym placements. Researchers Patrick Adler and Richard Florida researched over 10,000 gyms and illustrated a graphic showing the placement of America’s most sought-after gym chains.

Figure 1

*Fitness Chain*



Note: The most urban and suburban fitness chains near Greenville, North Carolina (Florida, 2019).

Government organizations such as the World Health Organization (W.H.O.) also partake in the importance of spreading fitness by updating their activity guidelines for the first time in a decade. The aim of them doing this was to promote social cohesion as a preventative measure to decrease the cost of healthcare that is associated with preventative care like fitness.

### **3.2 Demographic - Alesha**

Champions Gym is a gym located in Greenville, Pitt County, North Carolina. Greenville as of July 2021 has a population of 88,728. According to the U.S. Census Bureau, white alone predominates the racial profile at 52.2%. Following, the African American population is at 39.2% with Asian trailing at 2.5%. The population of Greenville has not changed greatly in the last two years with the population increasing from 2020 to 2022 by only 1%. The average education level being between high school or higher at 92.8%. Only 38.9% of the population has received a bachelor's degree or higher. The median income in Greenville, as reported in 2021, was \$44,064 (*Bureau of Labor Statistics, 2022*). The most common job held by people in Greenville, North Carolina is in the office and administrative support occupation with 13.3% of the population being employed in the field making an average wage of \$17.64 and sales and related in second with 9.4% of the population making \$18.22 (*Bureau of Labor Statistics, 2022*).

### **3.3 Competition - Amanda**

Health and fitness enthusiasts are attracted to gyms that offer a variety of ways to reach their individual fitness goals including trending fitness classes and a selection of state-of-the-art exercise equipment. Start-up costs, location, and securing members can make it difficult to enter the health & fitness industry. Champion Health and Fitness operates in a pure competition market environment where it attempts to distinguish itself from many competitors such as Pro Fitness 24, Rebel Fitness, and Upstage Fitness. Each competitor offers similar services and are small compared to the market.

Pro Fitness 24 is owned and operated by personal trainers who are husband and wife. It promotes educating, motivating, and inspiring its members and it is primarily focused on sports training. Pro Fitness 24 offers specialized sports and fitness training including kickboxing

classes, tanning memberships, personal training for kids and a specialized program for baseball. It also offers nutritional coaching and a protein and supplement bar stocked with vitamins, supplements, and C.B.D. products. Additionally, Pro Fitness 24 offers training packages that include a combination of all its products and services. Pro Fitness 24 primarily markets through its social media pages including Facebook and Instagram where it has about 1,300 followers on each platform and publishes posts every other day. It also has a YouTube channel where it posts videos advertising supplements and demonstrating exercises; however, the channel has not featured a new video in two years. The gym offers various corporate, family, and single memberships ranging from \$19.99 per month to \$59.99 per month (Champions Health and Fitness, 2019).

Rebel Fitness offers self-defense, yoga, strength, kickboxing, personal training, and nutrition. Its focus is on individual health and fitness, self-love, and happiness. The personal training packages vary by your personal fitness goals such as fat loss, increased endurance, returning from an injury and the basics of learning your way around the gym. The trainers promote supplements and nutrition, including meal plans, that assist with stress management, building muscle, and overall metabolic health. Rebel Fitness also markets its gym through social media. It has 513 followers on its Instagram and Facebook pages. It only posts to its pages around three times per month. Rebel Fitness offers personal training packages that include gym memberships starting at \$100 all the way up to \$1,440 per month.

Upstage Fitness and Nutrition was founded by a personal trainer with a specialty in sports training. Its goal is to empower people to accomplish their personal fitness goals. Upstage Fitness features a traditional gym, a boot camp and group classes for various fitness levels and techniques some of which include nutritional supplements. Upstage Fitness and Nutrition

markets its brand through Instagram, where it has 1,014 followers and on Facebook where it has 2,700 followers. It only posts about once per month on Instagram and every few days on Facebook. Upstage Fitness and Nutrition offers memberships ranging from \$25 per month to \$65 per month.

All the gyms are owned and operated by people who either have an educational background in exercise sport science, were former athletes, or have experience with personal training. Additionally, they all offer individual personal training programs and various nutritional services. Finally, each gym has some sort of personalized package that members can purchase to focus on their individual health and fitness goals.

### **3.4 Political and Legal - Lanie**

The political and legal environment is arguably one of the most important factors to consider when planning to open a fitness center. Not only do legal factors affect the logistical operations of the gym, but the accessibility, health and safety of members and staff, fairness of employment, and much more. There are a total of 1,016 health clubs in North Carolina and 2,090,238 residents visiting health clubs (I.H.R.S.A., n.d., *North Carolina Health Clubs by the Numbers*.) The health industry has a large impact on local economies with 41,656 health club employees, \$277.4 million in total payroll benefits, \$660.4 million in revenue, and \$30.3 million paid in payroll taxes across the state (*North Carolina, 2023*).

As mentioned, there are many regulations that go into operating a gym in the state of North Carolina; however, opening the gym requires only a business license. Depending on what type of secondary products or services are offered, the gym may have to obtain a food and retail sellers permit for items like protein shakes and pre-workout, or a childcare license for childcare offered when parents are working out (Ferras, 2022). Due to the nature of the facility, gyms are

prone to producing injury, and therefore require procedures to reduce the businesses liability for accidents. This oftentimes involves waivers, which are a legally binding contract with the fitness facility that prevents participants from filing a lawsuit (Law, n.d.). However, an injury resulting from malfunctioning equipment, unsanitary conditions, an incompetent personal trainer, delayed emergency response assistance, or another unreasonably hazardous condition is likely grounds for a claim against the gym regardless of any waivers or contracts (Law, n.d.). Additionally, gyms are classified under division one: services, Major Group 79: Amusement and Recreation Services, under the Occupational Safety and Health Administration, otherwise known as OSHA (Department of Labor, n.d.) OSHA is governed by the United States Department of Labor. Required by the Occupational Safety and Health Act of 1970, employers must provide employees with working conditions that are free of known dangers (MacLaury, n.d.). In the same light, the Health and Fitness Industry was one of the first to fall victim to COVID-19 restrictions and one of the last to have restrictions lifted due to concerns about social distancing and high transmission rates of the virus, resulting in 22% of gyms going out of business in 2021 (Staff, 2021). Issues such as these in the regulatory environment, although rare, could affect health and fitness clubs at any point.

Obtaining the proper exercise equipment is essential in the success of a fitness center. Due to mass production, lower production costs, and refined product lines, China produces about 90% of gym equipment (Hou, 2021). Since China joined the World Trade Organization in 2001, the United States and China have significantly increased their volume of trade. However, in recent years concerns regarding national security, manufacturing job losses, currency manipulation, and labor and human rights violations have severely polarized United States-China

relations, especially with the increasingly aggressive approach from the United States Government (Siripurapu, 2022). While this is unlikely to significantly affect fitness centers already in business, it may negatively affect those opening in the future and seeking affordable equipment.

### **3.5 Economic - Alex**

Understanding the state of each country's economy is essential in managing a business. It allows businesses to help make informed decisions about pricing, investments, purchases, and more. Gross Domestic Product (G.D.P.) "is the standard measure of the value added ... through the production of goods and services in a country during a certain period" (O.E.C.D., 2023). It is the measure that is often used to determine the economic strength of a country. The United States currently has the strongest economy in the world, with it being ranked first with an overall G.D.P. of \$25.0 trillion (Koop, 2022). China follows somewhat closely behind and has an overall G.D.P. of \$18.3 trillion. To put the world leader's G.D.P.s in perspective, the third strongest country economically is Japan with a total G.D.P. of \$4.3 trillion (Koop). According to the Bureau of Economic Analysis, G.D.P. in the United States increased approximately 2.9% Y.O.Y. in the fourth quarter of 2022 which is occurring after an increase of 3.2% in the third quarter (U.S. Department of Commerce, 2023). The U.S. Department of Commerce (2023) says that "the increase in the fourth quarter primarily reflected increases in inventory investment and consumer spending that were partly offset by a decrease in the housing investment" (p. 02).

The United States economy is still feeling some of the effects that came from the COVID-19 pandemic; however, while 2022 ended showing slower increases than previously in the year, Colby Smith says that the economy still had solid growth and its late 2.9% increase was

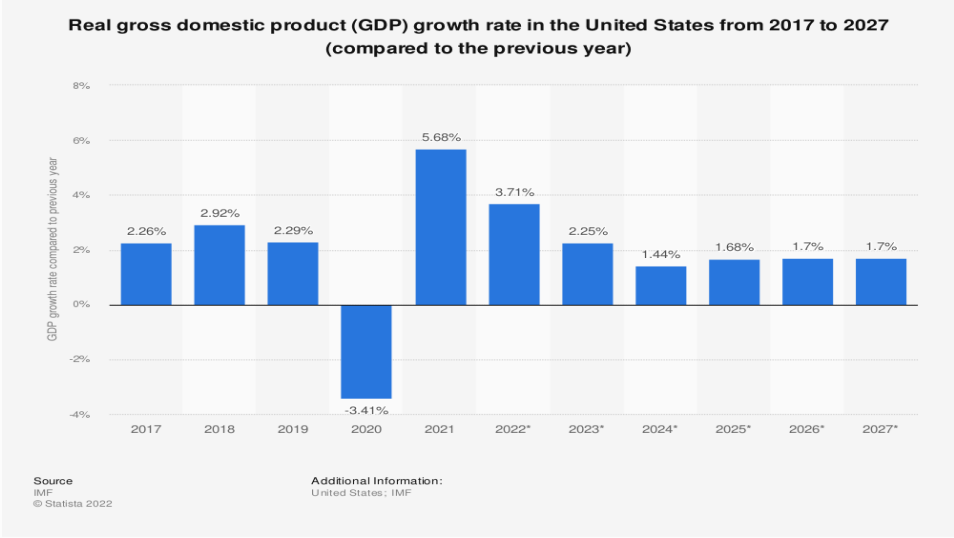
slightly higher than economists' forecasts of a 2.6% increase (2023). Additionally, the U.S. Bureau of Labor Statistics recently reported that in December 2023 that “the unemployment rate edged down to 3.5% [with] notable job gains [continuing to occur] in leisure and hospitality, health care, construction, and social assistance” (p. 01). This percentage falls from 3.7% in November, improving by 0.2% (National Conference of State Legislatures, 2023). Personal income and consumer spending also increased in September of 2022. The Bureau of Economic Analysis (2023) found that “personal income increased [by] \$78.9 billion (0.4%) at a monthly rate, while consumer spending increased [by] \$113.0 billion (0.6%)” (U.S. Department of Commerce, p. 01.) Even though there have been improvements with the United States' G.D.P., unemployment rates, personal income, and consumer spending, inflation rates have not been as favorable. The twelve-month percentage change in the consumer price index, which represents U.S. city averages, showed that “prices... increased by 6.5%” from December 2021 to December 2022 (Statista Research Department, 2023, p. 01).

Every country has strengths and weaknesses, but the United States has more strengths. As the world's leading economic power, the United States economy is extremely diversified. The United States economy's strengths involve having “a highly productive services sector, advanced manufacturing, and world-class research and development” (Index of Economic Freedom, 2022.) Additionally, there are several laws and rights in place for businesses and consumers that the government sets. For example, “private property rights, secured interests, and contracts are protected and enforced” (Index of Economic Freedom, 2022, p. 05). The United States is also considered to have high business freedom. There is a lot of business competition in the United States economy which helps it remain resilient in times of global economic drought (Index of Economic Freedom, 2022). On the other hand, the United States has some economic weaknesses.

These include a large amount of government and public debt and worsening inflation (Index of Economic Freedom, 2022). Furthermore, rising interest rates are causing reluctance by consumers to make large purchases in the product markets (C.L.S. Investments L.L.C., 2018). According to The Conference Board (2023), high inflation and interest rates are pushing the United States into a subtle decline and are causing the economy to trend towards a recession starting in early 2023; however, they project that the “downturn will be mild and brief [with] growth... rebound[ing] in 2024 as inflation ebbs further and the [government] begins to loosen monetary policy” (p. 02). It is important to note that the world and the United States have not experienced something like COVID-19 in several years and the economy is still trying to recover from 2020’s downfall. Overall, the annual G.D.P. growth of the United States may be expected to decrease in the coming years, but it will still be growing, and the United States will still be a global economic power (O’Neill, 2022).

**Figure 2**

*Gross Domestic Product*



Note: The U.S. G.D.P. Growth Rate from 2017 to 2027.

### **3.6 Technological Environment - Alex**

Technology is a branch of scientific knowledge that has allowed many industries across the world to blossom in one way or another. Even so, some countries are advancing in the technological field at higher rates than others. According to the Best Countries Report of 2021, the United States is ranked number four in technological expertise (World Population Review, 2023). Furthermore, the World Population Review (2023) has sourced ten different references and created a single unified list ranking the world's countries on technological advancement. The 2023 World Population Review also found that the United States ranked second on the list, falling only behind Japan. Similarly, the World Intellectual Property Organization (W.I.P.O.) ranked the United States second in technological advancement on the latest Global Innovation Index (G.I.I.), which was published on September 29, 2022 (Rodrigues, 2022). Rodrigues (2022) reported that the G.I.I. “analyzed 132 countries and their economies [by] reuniting the current science and technology market results [and] highlight[ed] where there is still potential to create innovation” (p. 01). On the other hand, he also explored the idea that “some specialists have been showing worries about the future of innovation in science and technology” (Rodrigues, 2022, p. 08) in the United States. Fi Group published an article finding that “as the number of scientific researchers has grown, progress has slowed down in many fields” in December 2021 (Rodrigues, 2022, p. 10). Even though the United States seems to consistently lead technological advancement around the world, it is important that the country does not become stagnant in this field.

There has always been at least some degree of physical activity knowledge around the world; however, involvement was somewhat scattered until the 1970s. It is around this time that many say “the fitness industry in the United States got its start” (Bryant, 2020, p. 01). From then

on, the fitness industry has been evolving and will keep evolving. The 1980s brought about “the idea of going to a gym to workout, [which] became commonplace, thanks to the growing popularity of Nautilus’ variable-resistance training equipment and the proliferation of corporate gym chains” (Bryant). The popularity of exercising and gyms allowed for the fitness industry and several businesses to bloom. As more people learned about the benefits of exercise, more ideas were created about how to make exercise more fun and less time constricting. It was thought at one time that there are only so many ways to improve the exercise experience; however, the introduction and growth of technology caused the fitness industry to grow exponentially in recent years.

Several trends of technology are prevalent in the fitness industry. According to a study from Deloitte (2022), wearable technology was the number one fitness trend for the year (Club Industry Staff). Wearable technology includes “devices such as fitness trackers, smartwatches, and heart rate monitors that count steps and track heart rate, calories, sitting and sleep time, blood pressure and respiratory rate” (Club Industry Staff, 2022, p. 09). These devices enhance the experience for people while exercising at the gym and make them go more frequently. Artificial intelligence (A.I.) is another type of technology that can help fitness businesses improve customer service. A.I. is being used “in simple customer-facing functions ... as well as backend statistical calculations to empower more intelligent sales practices” (Club O.S., 2019). Another technological innovation is the use of smart fitness equipment. This technology “provide[s] informed data to a user’s workout while giving club staff invaluable insights into the machine’s effectiveness” (Club O.S., 2019, p. 07). Smart fitness equipment can provide additional information to the customer about his or her workouts and exercises, as well as information to the gym owners about their equipment. One more interesting piece of technology

that is developing further every day in the fitness industry is the use of robots as personal trainers. Robots are becoming more evident in every industry around the world, and they are starting to make their way into gyms and fitness centers. According to Wonderful Engineering (2021), “there is no reason why an advanced robot with modern software and applications could not be programmed with a full fitness certification for them to provide expert tuition for clients” (p. 03). Overall, technology provides several opportunities for businesses in the fitness industry to tap into and improve the products and services they offer.

#### **4. Market Segmentation**

##### **4.1 Market Segment 1 - Naadiya**

A market segment that targets 18-29-year-old Caucasian females pursuing or holding a Bachelor’s degree and with an income range of \$20,000 to \$50,000 annually. These women experience a lot of self-growth following their college careers. College is where young adults learn about themselves and often want to better themselves, physically and mentally. The early twenties is the pinnacle in most people’s lives and is a part of the growth many say has the most impact on the rest of their life. Lally and Valentine-French (2016) state that “those in their early twenties are probably at the peak of their physiological development, including muscle strength, reaction time, sensory abilities, and cardiac functioning” (p. 01).

##### **4.2 Market Segment 2 - Alex**

Another market segment that may be a target for gyms is 35-54-year-old married Caucasian females with older children and a household income above \$100,000. This unique group of individuals is often known for caring for their children and their spouse before themselves. Once their family is taken care of, they will focus on their needs. This group usually

works during the week from 9 p.m. to 5 p.m. and then comes home to care for their families by making dinner, helping with homework, etc. They often have weekends free from work and will have more time to partake in hobbies like shopping, working around the house, and recreational activities.

According to Hattie, 35-54-year-olds closely follow young adults (30.9%) when it comes to going to the gym, as 35-54-year-olds make up 30.7% of gym-goers (Hattie, 2022).

Middle-aged people like to be physically active because, according to Sutter Health (2023), it “provides a great array of health benefits, including lowering blood pressure, reducing cholesterol and cardiovascular disease, preventing diabetes, improving mood and cognitive function, and reducing mortality. [However,] for women, those benefits expand...” (p 03). including preventing bone loss and osteoporosis, keeping weight in check, and improving sleep. These are many of the reasons that middle-aged women go to the gym. Moreover, females are starting to become gym members more often than males. In fact, the number of female health and fitness club members increased by 32.2% between 2010 and 2019, while this increase stood at 23.2% among male gym-goers (Gough, 2022a).

The Caucasian/White, Non-Hispanic ethnicity has been the most common health and fitness club member according to Christina Gough. She found that this ethnicity group had a share of members of 66.34% in 2019, followed by Hispanics (12.78%) and African American/Black (12.3%) (Gough, 2022a). Also, health and fitness club members in the United States above a household income of \$100,000 are the most common gym-goers (25.02%) (Gough, 2022b).

### **4.3 Target Market - Naadiya, Alex**

After considering the different identified marketing segments, the Caucasian females that are aged 35-54 years old, married, have older kids, and have a household income of \$100,000 would offer the best potential for Champions Health and Fitness. Overall, the gym's current products and services appeal well enough to middle-aged women by having a wide variety of exercise equipment and offering many different types of classes. It is expected that this market will show the most exponential growth to the company in the future because of the high likelihood that this group is known to go to the gym often, has enough money to purchase gym memberships and products, and will be easy to advertise to them. Even though both market segments will be targeted by this small business, middle-aged, high-income Caucasian females will provide a better "core" target market.

## **5: Marketing Strategy**

### **5.1: SWOT Analysis - Amanda, Alex**

#### **Figure 4**

*SWOT Matrix*



### 5.1.1: Strengths - Amanda

Champions Health and Fitness has several strengths that help its members achieve their health and wellness goals. The first strength is its commitment to providing members access to the most up-to-date equipment and traditional machines, which members use to follow the exercise equipment trends. Champions also keeps up with the latest group exercise trends, giving members yet another option to explore during gym sessions. Offering a schedule filled with group exercise classes keeps members engaged, helps members work on various cardiovascular techniques, and keeps them focused-in during strength-training classes.

Another strength of Champions is its promotional appeal that showcases a caring, small-town environment; it is a place to meet new and old friends and enjoy time with family. This appeal keeps members motivated and makes them feel comfortable as they work towards their fitness goals.

The next strength is Champions Health and Fitness' dedication to impeccable customer service. Clients want to feel seen, appreciated, and acknowledged. Champions executes this

perfectly by building personal relationships with each member. Champions also takes the time to get to know each member by name. Connecting with clientele will help retain the customer base and attract new prospects.

### **5.1.2: Weaknesses - Amanda**

Although Champions Health & Fitness has many strengths, it also has some weaknesses that need attention. The first weakness of Champions Health and Wellness is that its website is outdated because customers are not attracted to it. The homepage does not include any videos or pictures of people in the act of taking classes or using exercise equipment. It would be beneficial for Champions to show the state-of-the-art equipment it boasts about on the website. Short videos or clips of people exercising would also attract potential customers. People generally want to see what it would be like to join the gym. It could be a short video of a Zumba class posted to Champions' homepage to persuade someone browsing to become a member.

The second weakness is the lack of social media presence. Champions has over 3,000 followers on Facebook, but it does not post often enough to engage with members regularly. Champions also has an Instagram page with 648 followers. The page currently has 76 posts; however, Champions does not post sufficiently. Additionally, the posts do not adequately promote Champions' facilities. Instead, it often involves memes and motivation. Although this type of social media interaction can be helpful, Champions should use its Instagram and Facebook presence to promote how the gym is better than the other local competitors. In today's world, brands must have a bold social media presence to keep in constant contact with members and interpersonally connect with them. Many gyms post about the latest group fitness classes, promotional or fitness contests, and personal training services. To maintain and potentially grow

its business, Champions could benefit from hiring a social media manager to operate its Instagram and Facebook pages.

The third weakness is poor housekeeping or lack of equipment organization. Symmash reviewed this issue (2016), “the gym is big, and they have a variety of equipment. I just wish they would have staff walk around every few hours to reorganize the weight racks” (Google Reviews, p. 23). He continued to explain that by not re-racking the weights, some machines will not have any available while others have so many on them that the racks are leaning, which could be potentially hazardous. Another customer (2022) says, “the gym is super clean, and they have all the equipment you need, doing something about the organization of the weight plates” (Google Reviews, p. 01). The customer compares looking for weights to use at Champions to a treasure hunt. The earliest review on this was from 2016, and the most current one was from 2022, so Champions needs to address the organization issue of the weight racks by posting signs that direct members to re-rack the weights and have employees check the weight racks regularly.

The final weakness that Champions Health and Fitness should address is its ability to maintain competitive pricing. Champions rates start at \$37.00 per month for an individual membership, while Pro Fitness 24 offers individual memberships starting at \$19.99 per month, and Upstage Fitness and Nutrition’s plans start at \$25.00 per month. Champions has the space and equipment to attract and serve a large customer base which should allow them to offer a lower monthly membership fee that will be affordable for new and current members.

### **5.1.3: Opportunities - Alex**

There are several opportunities for Champions Health and Fitness and the rest of the health and fitness industry. First, there has been an increase in people being conscious about their health. The COVID-19 pandemic devastated the global economy and, in turn, crushed almost

every business industry. The health and fitness industry was no exception; however, after a few years, the economy began to recover and people in the United States got back on their feet. A poll conducted in 2022 by market research company One Poll (2022) found that “67% [of respondents] feel they’ll be able to return to their pre-pandemic routines in 2023” (S.W.N.S., p. 13). This poll is evidence that over the next few years, people will begin to get back to the gym in person and get reacquainted with their gym families. The poll also found that “59% of respondents [were] focused on returning to maintaining physical fitness and activity” (S.W.N.S., 2022, p. 14). Gyms can accept customers again, which is an opportunity for them. Additionally, “with a newfound understanding of their health, 64% [of respondents] are motivated to lose weight because they know it has an impact on their immunity ... [and] a healthy diet and lifestyle can better protect their long-term health” (S.W.N.S., 2022, p. 04). This new understanding will help make it easier for gyms to target new markets in their marketing schemes.

Another opportunity for the gym industry is the economic growth in the United States. The economy is on the rise again after a crash in 2020. Additionally, “the [health and fitness] industry is expected to resume its growth trajectory” (Club Industry Staff, 2022, p. 03). With the economy and, more specifically, the health and fitness industry returning to its former growth, gyms can build on this success. Gyms can begin to slowly increase prices so that they have a wider profit margin.

Another opportunity for Champions is the increasing quality of technology systems. There are several opportunities to take advantage of in this category. Technology offers better health and fitness feedback, more convenient access to health measurables, better-developed exercise machines, and more efficient customer service. The instantaneous feedback of different

exercises is causing customers to be more engaged in their workouts. According to Lucy Conner (2021), “there has ... been a considerable shift in consumer mindsets: gym-goers are more curious than ever to know more about their overall wellness” (p. 01). Tracking health is getting more simplistic with the help of smartwatches and other wearables that provide instantaneous health measurements. Knowledge of how healthy or how well someone is completing certain exercises is enhancing the gym experience. Technological advances with exercise machines allow gyms to look more attractive by helping customers to have more fun; allow gym-goers to track progress and pinpoint otherwise inaccessible muscle groups. A gym that has a variety of exercise machines with different technology gives the customer several options and helps keep them interested. Additionally, improving customer service creates an attractive environment and family-oriented customer culture.

Finally, an indirect opportunity for gyms is incentivizing exercise because of health insurance costs. When it comes to health insurance, it is more expensive to insure unhealthy people. According to Forbes, “employers and insurers have... realized that they can trim insurance costs by incentivizing healthy lifestyles” (Midgley, 2018, p. 03). Including covering “the costs of a health club membership or studio classes, as long as an employee can show they use them” (Midgley, 2018, p. 04). Employers can cut insurance costs for their companies while gyms are reaping the benefits of entire companies being members of local gyms.

#### **5.1.4: Threats - Alex**

One of the main threats to gyms is the local competition with other local gyms. With an increase in the market size of the health and fitness industry comes the growth in the number of gyms in areas. According to IBISWorld (2023), there are 115,047 gyms in the United States, with a 1.9% increase from 2022. Most cities have several different gyms in the area, including

big chain gyms (i.e., Y.M.C.A.) and other locally owned gyms. The competition in gyms is high, and gyms should have features that separate themselves from others while having competitive, but attractive, prices. The growth of technology can be an opportunity as well as a threat. Online exercising is a new sector that is competing with local gyms. One research company found that “the global virtual fitness market size [was] expected to grow from \$11.39 billion in 2021 to \$16.15 billion in 2022” (T.B.R.C., 2022, p. 02). Online exercising is considered easier to access but does not include the extra resources of gyms. Nevertheless, online fitness is a growing market in which physical gyms must compete.

Another threat to the health and fitness industry is global supply chain issues. These issues are from the COVID-19 pandemic and, despite recent improvements, are still hurting local businesses. According to Nicole O’Connell (2020), “65% of the equipment [in the gym and exercise equipment manufacturing industry] comes from foundries in China” (p. 02). She says that the pandemic caused factories across the world to have to shut down. Additionally, “many U.S. retailers are having a hard time obtaining their products since a large portion of their items [are] outsourced to Asia” (O’Connell, p. 02). These things are causing strain on supply chains, especially in the exercise equipment manufacturing industry. Because of this, gyms in the United States are having to make do with what they already have and are limiting the regeneration of exercise equipment in their facilities. Without upgrades happening in some gyms, the ones with more money and the ability to upgrade can steal customers.

Finally, inflation is another threat to the gym industry. As mentioned before, the COVID-19 pandemic hurt economies everywhere. Even though the last few years have shown global economic growth, inflation in the United States is still a threat to gyms. Gyms must increase their prices to counteract the lowering worth of the U.S. dollar. It is hard for local

businesses to keep up with the franchise-level ability to better keep up with the higher prices of overhead costs. Inflation causes “overhead costs like raw materials, utilities, and wages... to rise” (Lynch, 2022, p. 07). Consequently, it is highly likely that when small businesses raise prices, customers may find alternatives to products like virtual exercises instead of going to their local gym.

## **5.2: Integration of SWOT Elements (TOWS) - Naadiya**

Champions Health and Fitness can use its leverage of updated equipment to appeal to younger customers on social media. The prices are relatively higher than chain gyms locally and younger customers may not be able to afford the membership fees. This is a constraint. Covid-19 has been a vulnerability in the sense that people are hesitant in the safety of such public places, therefore not being able to experience impeccable customer service. More negative reviews of the poor housekeeping and lack of equipment organization could be problematic.

## **6: Marketing Objectives - Naadiya**

Champions Health and Fitness will mainly focus on two objectives to implement. Those are, to increase the brand’s awareness and to also increase the market share. Through the promotional efforts of personal selling, advertising, sales promotion, and publicity, Champions Health, and Fitness intends to have increased brand awareness by 10% and market share by 5% as of February 1, 2024. This date ensures time for customers to come about the new year's resolutions.

The gym offers the newest equipment and friendly customer service. Greenville, N.C. is a city that has been steadily increasing in population since the 1990s (World Population Review, 2023). To remain competitive Champions Health and Fitness will incorporate the use of social

media and advertisements from new billboards. Social media presence will be Champions Health and Fitness' most prominent use of achieving the objectives. Champions will dedicate at least one thousand dollars per month to Facebook and Instagram each. This will roughly ensure 909 clicks from Facebook and 1,063 clicks from Instagram. Added followers, accounts engaged, and high-profile activities will engage awareness.

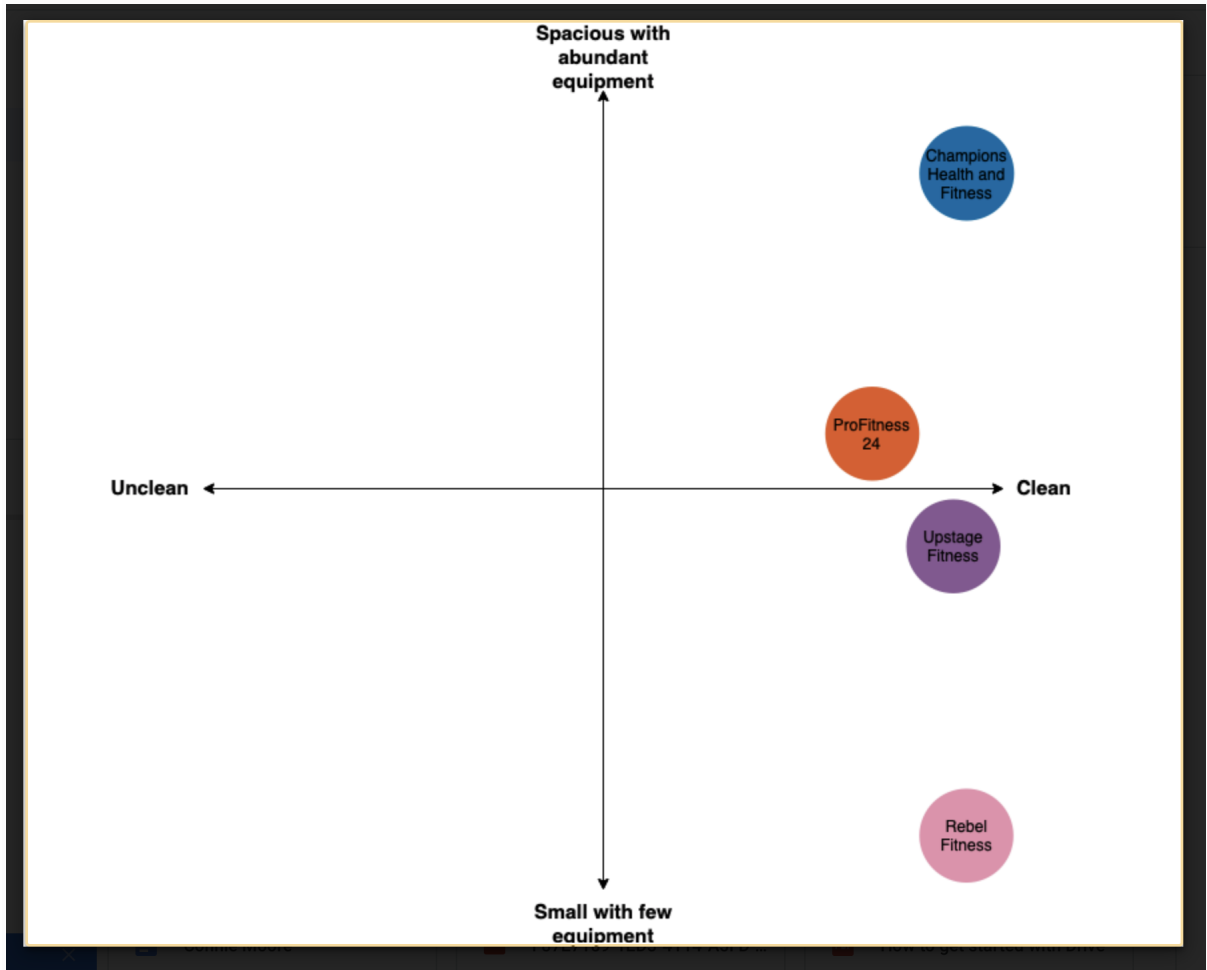
## **7: Positioning and Differentiation**

### **7.1: Product Position - Lanie**

According to Dr. Sarah Marion from The Global Health and Fitness Association, the top five things Americans consider when choosing a gym are location, equipment, value, cleanliness, and atmosphere (Marion, 2021). These are all something Champions Health and Fitness promises to offer, and per customer reviews, it delivers. All positive reviews often mention Champion's cleanliness, friendly staff, and variety of equipment. One member noted that Champions was a "clean, locally owned gym with friendly staff and overall environment. The owner is constantly improving/expanding the facility to adapt to the ever-growing membership numbers." The identified core target market is no different about the above considerations as they choose their gym. When Caucasian females aged 35-54 who are married and have household incomes of \$100,000 think of the perfect fitness facility, they will think of Champions Health and Fitness as a clean and spacious facility with plenty of equipment and fitness class options.

## **Figure 5**

### *Positioning Map*



Note: Champions Health and Fitness exceeds competitor standards concerning gym spaciousness, space for independent workouts, and abundance of equipment.

Champions Health and Fitness is ranked highest among the competition in cleanliness and variety of equipment. Champions leads competitors in spaciousness, and equipment remains highly contested in cleanliness levels. Champions Health and Fitness offers multiple fitness classes, personal training, and over 100 pieces of equipment in the 20,000-square-foot

stand-alone building. Champions have a rating of 4.8 out of five stars from 125 Google reviews (Google, 2023) and 4.7 out of five stars from 366 Facebook reviews (Facebook, 2023).

### ***ProFitness 24***

ProFitness 24 stands inside a strip mall; in Greenville, North Carolina. ProFitness 24 is nearest to Champions regarding the style of operation, but it is a smaller space with less equipment. ProFitness 24, like Champions, offers fitness classes, boot camps, and space dedicated to independent workouts. Customer reviews mention the facility's cleanliness most of the time. ProFitness 24 has a rating of 4.9 stars out of five from 546 Google reviews (Google, 2023) and no Facebook reviews.

### ***UpStage Fitness***

Upstage Fitness is in a strip mall; in Greenville, North Carolina, making space for customers and equipment limited. While there are traditional exercise machines, the business model revolves around fitness boot camps, classes, and personal training, leaving little space dedicated to independent workouts. There is little mention of the facility's cleanliness in the customer reviews, but there are a few positive mentions. Upstage has a rating of five out of five stars on six Google reviews and 3.7 out of five stars (Google, 2023) on 171 Facebook reviews (Facebook, 2023).

### ***Rebel Fitness***

Rebel Fitness is inside a strip mall; in Greenville, North Carolina. Rebel Fitness does not offer dedicated space for traditional exercises, such as free weights and cardio equipment. The business is entirely based on personal training sessions and classes, leaving little to no flexibility or variety for its members. However, customer reviews state that the facility is clean with a great

environment. Rebel received a 4.8 out of five-star rating from 18 Google reviewers (Google, 2023) and does not currently have Facebook reviews (Facebook, 2023).

While each of Champions' competitors excels in different areas, Champions Health and Fitness offers the best quality in each area most sought after by the core target market. Rebel Fitness and Upstage Fitness offer little-to-no space and equipment variety for independent exercise and focus mainly on classes and boot camps. ProFitness delivers the amenities, but only at a fraction due to the small building size. The identified competitors offer clean facilities, but Champions will supply a clean environment with a surplus of space and equipment for prospective customers, putting it ahead of the competition.

### **7.2: Competitive Advantage - Amanda**

Champions Health and Fitness provides a comfortable atmosphere where its clientele can maintain their health and wellness. Champions Health and Fitness understands the importance of making their gym feel like a welcoming place and second home to gather and enjoy the latest exercise and weight-lifting equipment, popular group fitness classes, and personal training services. Champions Health and Fitness exemplifies exceptional customer service through thoughtful communication and making it a priority to become familiar with each member, which is not generally done by competitors.

## **8: Marketing Mix**

### **8.1: Product - Lanie**

Champions Health and Fitness currently offers a facility with top-of-the-line workout equipment, including cardio equipment, strength machines, boxing equipment, and total body resistance exercise (T.R.X.). Customers paying monthly or yearly membership fees can exercise

24 hours per day, participate in group fitness classes, and have one-on-one personal training. Champions also offers complimentary towels, locker room space, and showers. All equipment and amenities are kept clean and always functioning.

Upon entering the facility, members will notice the spacious user-friendly workout spaces and the friendly staff. Champions align themselves with good customer service and strive to create relationships with them throughout their time as members. The workout classes and personal training efforts extend the same courtesy, along with the motivational and disciplinary bearing needed to push members through the intensity of the classes and training.

In its marketing efforts, Champions will pursue a market penetration strategy of increasing sales of present products within the existing market (Perreault, 2021). Champions will be attracting and converting competitors' members and increasing retention rates.

## **8.2: Price**

### **8.2.1: Pricing Objectives and Pricing Policy - Adam**

Champions Health and Fitness use an annual membership strategy as an objective to make sales as needed using the status quo pricing objective. The membership includes rates that exceed its competitors only because it offers much more than the average gym, including the quality of the gym, clubs, and state-of-the-art equipment. The quality-first approach is a very effective strategy because members are paying more money but also get the best in return; as champions states, “when ... choosing a fitness facility, consider quality when comparing prices. Its services, facility, and equipment are offered at [an] exceptional value.” Therefore, Champions Health and Fitness are providing potential members with the quality they deserve at the best possible rates.

The gym is self-sustaining and focused solely on bettering the local community. A flexible-price policy offers the same product quantities to different customers at different prices. Additionally, Most gyms use a tiered membership system which is what Champions Health and fitness implements as well, These policies create competition between consumers and often lead to deals offered to consumers, who may be extended discounts if they sign up for their service the same day (Glick, 2023); Champions Health and Fitness uses these offers when these members renew their memberships to give 10% discounts off the original rates for individuals and couples.

### **8.2.2: Break-Even Analysis - Alex**

Champions calculated the break-even analysis using the average prices of all the fixed costs in the Greenville, North Carolina area and the average prices in the United States to estimate the total monthly cost. The gym, and all its equipment, were built and purchased by the owner of Champions Health and Fitness, but mortgages for the property and building are estimated to cost about \$3,000 a month. Regarding utilities, a rule of thumb for a gym is \$3-4 per square foot per year (Plata, 2022). Champions Health and Fitness has about 20,000 square feet times \$4 and, divided by 12 months, is \$6,667 per month in utilities. Sports columnist Schimri Yoyo (2021) says the average gym insurance cost ranges from \$29 to \$375 a month. The average of those is \$202 a month and is used for Champions' estimated insurance. At Champions Health and Fitness, there are 20 employees total, with seven of those being personal trainers. The average annual salary for a personal trainer in Greenville, North Carolina, is \$63,000, or \$5,250 per month (Salary.com, n.d.). Annual earnings for the seven personal trainers at Champions is approximately \$36,750. The other 13 employees are considered front desk associates. According to GlassDoor, front desk associates in Greenville, North Carolina, have an average salary of

about \$35,000 per year, or \$2,917 per month (GlassDoor, n.d.). Monthly wages for personal trainers and front desk associates estimate at \$74,671. A reasonable estimate for marketing costs for a gym is about \$2,500 a month (Alan, 2022). Equipment repair and maintenance usually costs around \$25,040 per year, or \$2,083 per month, while Wi-fi costs about \$75 per month (Special Strong, 2020). Additionally, the required information systems software will cost the gym approximately \$200 monthly (Plata). Total fixed costs for monthly operations are roughly \$89,398.

The break-even analysis used two membership options for Champions health and fitness: a one-year individual membership (\$350 per year, or \$37 per month) and a one-year couples' membership (\$549 per year, or \$59 per month). A variable cost involved per unit sold for membership is for towels. Towels cost \$0.74 each. Individual memberships have one towel, and couples memberships have two towels. Other variable costs (food and beverages, cleaning supplies, and merchandise through wholesalers) were estimated using historical price data. The break-even point for Champions Health and Fitness for the average of the one-year individual membership and the one-year couple's membership is 3437.06 units or \$114,282.25 per month.

**Figure 6**

Fixed Cost (Monthly)	
Utilities	\$6,667
Insurance	\$202
Wages	\$74,671
Mortgage	\$3,000
Gym Management Software	\$200
Marketing	\$2,500

Equipment Repair and Maintenance	\$2,083
Wifi	\$75
<b>Total Fixed Cost</b>	<b>\$89,398</b>

**Figure 7**

Variable Cost	
Snacks and Drinks	\$2.50
Cleaning Supplies	\$1.00
Merchandise	\$3.00
Towels	\$0.74
<b>Total Variable Cost</b>	<b>\$7.24</b>

**Figure 8**

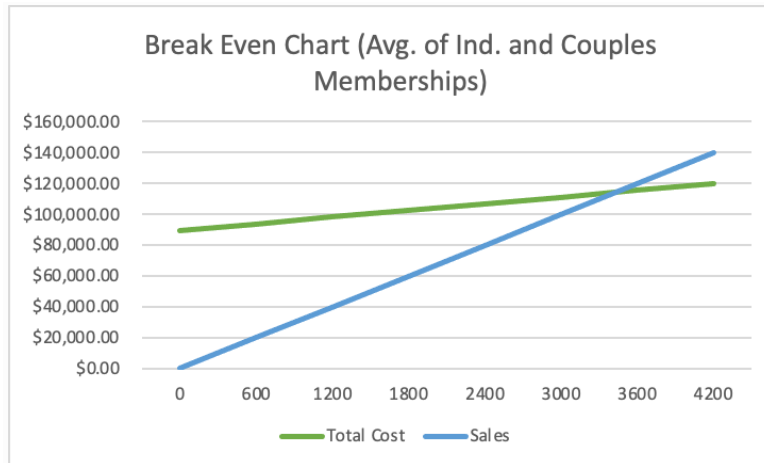
Avg. of Individual Membership (\$37/mo) and Couples Membership (\$29.50/mo)				
Units	Fixed Cost	Variable Cost	Total Cost	Sales
0	\$89,398	\$0	\$89,398.00	\$0.00
600	\$89,398	\$4,344	\$93,742.00	\$19,950
1200	\$89,398	\$8,688	\$98,086.00	\$39,900
1800	\$89,398	\$13,032	\$102,430.00	\$59,850
2400	\$89,398	\$17,376	\$106,774.00	\$79,800
3000	\$89,398	\$21,720	\$111,118.00	\$99,750
3600	\$89,398	\$26,064	\$115,462.00	\$119,700

**Figure 9**

Break Even	
Units (Memberships)	3,437.06

Dollars (\$)	\$114,282.25
--------------	--------------

**Figure 10**



Note: This illustration of the break-even graph features the break-even point at the intersection of the blue line (sales) and a green line (total cost).

### 8.2.3: Price Setting - Lanie

Champions Health and Fitness uses a value-based pricing model comparing the perceived value of the product to that of its competitors and then sets prices accordingly. Champions accommodates its target market in all areas (equipment, fitness classes, personal training, cleanliness, friendliness of staff, and spaciousness) and differentiates itself with those qualities, so Champions sets its prices slightly higher than its surrounding competition. Champions emphasizes the advantages compared to other workout facilities so customers are aware of differences other than price and can distinguish the costlier benefits. This value-based price model considers the many facets of price sensitivity, including customers' ease of access to substitutes and the ability to compare prices (Perreault, 2021).

Champions Health and Fitness also applies subscription pricing, a method where customers periodically pay for access to the product (Perreault, 2019). Champions offers multiple payment options for membership premiums, including annually, semi-annually, quarterly, and monthly. It also gives customers flexible options for membership premiums at the beginning or middle of the month.

In addition to subscription pricing, Champions utilizes product-bundle pricing, setting one price for a set of products (Perreault, 2021). It offers a couple's membership package saving customers from buying two individual memberships and giving them the option of bundling both memberships together for a lower price.

### **8.3: Place - Alesha**

Champions Health and Fitness (Champions) is a company that primarily focuses on using a level one channel of distribution (direct channel) with a focus on creating a long-lasting relationship between producers and end consumers. As Champions is a service-oriented business, the creation of a long-lasting relationship is of utmost importance. Having a short distribution channel in which the service goes directly from the producer to the consumer sets it apart from multi-channeled competitors. Having such a simple channel of their primary service enables Champions to establish more meaningful long-term relationships with customers. Given that Champions has set itself up to be a local and reliable gym, it can accommodate its target market well. One of the main ways that Champions can reach their target audience is through their distribution via publication.

As the Champions concept is nothing new to an ever-expanding market, many service customers have grown accustomed to the plethora of publications that provide them with precisely what they need. In an on-demand environment, Champions, for example, provides the

majority of its information about its services through a website that expands on and discusses the various services that are offered. This provides an e-book that the consumer can go to whenever they need extra clarification on their products and services.

The secondary distribution level is a faint usage of an indirect distribution method. Champions has a staff of personal trainers and assistants responsible for selling services for the usage of gym property. As they advertise themselves as a service, they will also be advertising the gym creating a new plethora of consumers.

## **8.4: Promotion**

### **8.4.1: Promotional Message and Appeal - Alesha**

The company's self-implemented promotional message for Champions Health and Fitness is on its homepage: “Cutting edge equipment, trending group fitness formats, and impeccable customer service.” This bold statement is a claim that, given its reviews, Champions can stand by. Having a 4.8-star rating on Google, the most common reviewers complement its excellent customer service, immense cleanliness, and variety and modernity of their equipment. This simple promotional phrase that Champions Health and Fitness has is enough to appeal to the average Greenville resident.

As noted in the Product Positioning section, among many other things, gymgoers look for cleanliness and excellent customer service. Given the reviews and information, it is safe to say that Champions is partaking in a testimonial appeal. Champions Health and Fitness is a local gym that has gained the trust and respect of its local market. According to Scott Baradell, testimonials are appeals from third parties designed to build brand trust (2020). Champions Health and Fitness continues to prove to itself and its locale that it is a small company that wishes to large impact customers by continuously making improvements and advertising this on

its homepage. By focusing on creating a trusted brand, Champions Health, and Fitness will earnestly continue to grow its clientele.

#### **8.4.2: Promotional Strategy - Lanie**

Champions will employ multiple promotional strategies to produce integrated marketing communications. Champions will increase market share with personal selling, advertising, and promotion. These strategies will help Champions to communicate to the target market effectively and consistently.

The first strategy, personal selling, will use in a house with the front desk staff. Front desk staff are the face of the business and will oversee successfully handling any day-to-day complications that may arise, whether with current or potential gym members. In addition, front-desk-staff oversees a welcoming environment to promote business positivity to encourage new and repeat business. The job description costs are included in their wages, which are about \$2,917 for an individual front desk staff monthly.

The next, and possibly most important, promotional strategy is advertising. This will include promotions such as social media advertisements and billboards. Social media is an important aspect of any marketing plan in today's world, most of the promotional budget will be covered in this area. The average cost per click (C.P.C.) on Instagram averages out to about \$1.10, and the average C.P.C. is \$.94 on Facebook (WebF.X., 2023). With both Instagram and Facebook, a company is to set its total budget for the ad and once that budget has been reached, the advertisement will no longer be shown. According to Candace Boren from MarinOne, Instagram is best for boosting brand awareness, while Facebook is best for lead generation and sales, both of which are objectives for Champions (Boren, 2022). Champions will dedicate \$1000 per month to each platform, allowing for around 909 clicks from Facebook and 1,063

clicks from Instagram. When customers click on the advertisements they will be led to Champion's website or social media page. This promotional strategy will make up for \$2000 of the \$2,500 budget.

Another aspect of advertising that should be considered is billboards. As noted in section 11, this avenue will not be taken unless efforts to increase market share fail. In this case, the promotional budget will be increased to include billboard costs. According to Blue Line Media, the average cost for a billboard in Pitt County is \$1,400 per month for a non-digital large billboard, and \$750 per month for a non-digital medium billboard (New Bern and Washington, N.C. n.d.).

Champions will use sales promotions to encourage new and returning business. Examples include New Year's promotions and 10% off for returning members. According to Treshna Enterprises, 35% of gym sign-ups occur in January, February, and March (Enterprises, n.d.). By offering promotions for this period, Champions draws in Christmas shoppers and those looking for a membership to fulfill new year's resolutions. Champions will determine the best mode of action dependent on yearly evaluations. Champions will also offer free one-day-trials to potential members to give a first-hand experience of what the facility has to offer, as well as facility tours. These tours will take approximately 30 minutes, adding up to about nine dollars in employee labor. This cost is included in employee wages.

Lastly, Champions will use publicity in its promotional efforts. This will include social media posts/pages themselves, the company website, and word-of-mouth advertising. While these publicity strategies do not cost anything, the opportunity cost offered by employees who create Instagram and Facebook posts, however, do. Champions will allot approximately \$160 per month in hourly wages (two hours per week, approximately \$18 per hour per employee; refer to

section 8.2.2) for creating Instagram and Facebook posts. This is also included in employee wages. Current and potential customers will be led to these posts via the Instagram ads mentioned earlier, by word of mouth, or potentially Q.R. codes throughout the facility.

The remaining \$500 of the promotional budget will be used for research efforts to ensure that all objectives are being met and to identify more promotional opportunities. With about \$2,500 per month will be used for promotional strategy.

### 8.4.3: Examples of Ads - Amanda

Figure 11



Figure 12



Figure 13



Figure (11) features two men and one woman lifting weights with the promotional message “shape your body.” The ad provides an overview of what Champions Health and Fitness provides encouraging potential customers to “join now”. It appeals to people who are into the latest trending fitness techniques. The ad can be easily shared on any social media platform including Instagram and Facebook content.

There is an inclusive message to be seen in Figure 12 (2023) saying, “fitness for everybody” to draw in customers from a variety of genders, races, ages, incomes, etc. This ad also highlights the personal training services the gym offers, the 24/7 hours of operation, and the

base starting price for a membership. The ad can be easily shared on any social media platform including Instagram and Facebook posts and stories.

Figure (13) features a fit young woman with the promotional message “build your body today” (Champions Health and Fitness, 2023). The ad highlights the equipment offerings and the top services of Champions. The ad can be easily shared on any social media platform including Instagram and Facebook posts and stories.

### **9: Resources Needed - Adam**

As Champions Health and fitness continues to grow and be the best gym for local and future members, it will need to maintain or upgrade to state-of-the-art equipment that meets the needs of members. Equipment is the second highest cost for a gym; for smaller gyms, costs tend to be around \$100,000 (*What is the Cost of Owning a Gym?* 2020). These costs also depend on the quality of the equipment, but that can be what differentiates you from competitors and can propel your business to the top. With that being said, the fitness center will need much smaller items to maintain a clean and healthy environment for all members. Champion Health and fitness will require cleaning supplies for the fitness equipment and customers will expect the availability of some basic supplies, so you should have towels, chairs, etc. on hand. Expect about \$500 to get set up. (2023) Many significant employee decisions affect business, including staff on schedule, employee pay, and small group environments. With all these decisions, you need to find the right balance between the quality of staff and reasonable costs. Several employee positions could be beneficial to your gym’s success. These positions include a cleaning crew, floor watchers, a front desk to answer the phone and questions about the facility, and fitness consultants to sell memberships. Additionally, your trainers need to be licensed, so you can hire N.A.S.M. certified

personal trainers or non-licensed ones and provide them with the ability to obtain the license  
(*What is the Cost of Owning a Gym*, 2020).

### 10: Projected Income Statement - Alex

The following income statement is based on current and historical market data and is not an accounting document for the business. Even though these are projections of current and historical data for the local gym and fitness market, these numbers were purposely estimated to protect Champions' privacy and data.

## Champions Health and Fitness Income Statement

January - December 2024

<b>Revenues</b>	
Memberships	\$1,080,000
Merchandise	\$320,000
Snacks and Drinks	\$245,000
<b>Net Sales</b>	<b>\$1,645,000</b>
<b>Cost of Sales</b>	
Raw Materials	\$30,000
Production Labor	\$120,000
Packaging	\$12,000
Shipping	\$23,000
Other	\$2,000
<b>Total Cost of Sales</b>	<b>\$187,000</b>
<b>Gross Profit</b>	<b>\$1,458,000</b>
<b>Expenses</b>	
Insurance Expense	\$2,500

Salaries and Wages	\$900,000
Mortgage Expense	\$36,000
Repairs and Maintenance	\$25,000
Utilities Expense	\$78,000
Advertising and Marketing	\$30,000
Depreciation (Building and Equipment)	\$15,000
Wifi Expense	\$900
Software Expense	\$2,400
<b>Total Expenses</b>	<b>\$1,111,400</b>
<b>Income Before Income Taxes</b>	<b>\$346,600</b>
State Income Tax (4.75%)	\$16,463.50
Federal Income Tax	\$95,063
<b>Net Profit</b>	<b>\$235,073.50</b>

**11: Evaluate and Monitor - Danielle.**

Champions Health and Fitness has begun implementing the marketing strategy, but the team must still tackle the marketing objectives. As of February 01, 2024, Champions intends to have increased brand awareness by 10% and market share by 5%. Champions Health and Fitness will conduct convenience surveys at the Greenville mall and poll social media on Facebook. On February 01, 2024, Champions will create TikTok, Snapchat, and YouTube Channels if the team has yet to meet brand awareness goals.

To evaluate and monitor market share, Champions will monitor sales, as market share is total sales divided by the total sales made within the niche market (Numerator Intelligence, 2021). Champions will measure sales by the number of new monthly contracts or agreements written. Champions Health and Fitness will undertake marketing through billboard campaigns if market share goals fall short. The conversion point will be at the Champions Health and Fitness

website. In summary, Champions will evaluate and monitor the promotional strategy by creating social media channels and billboards aimed at the conversion point on the website.

## References

- About* (2019, November 14). Champions Health and Fitness Accessed January 20, 2023.  
<https://championsofgreenville.com/about/>
- About PF24Pro*. Fitness 24. (2023). Accessed on 23 January 2023. <https://profitess24-7.com/>
- About us*. Rebel Fitness. (2023). Accessed 23 January 2023. <https://tinyurl.com/02vq220>
- Ablondi, J., & Walsh, K. (2020). *I.H.R.S.A. Global Report 2020 the State of the Health Club Industry*. I.H.R.S.A. Accessed January 22, 2023. <https://tinyurl.com/0vjw6du>
- Alan. (2022, May 13). *How Profitable is a Gym? Gym Profits & Breakeven*. Accessed February 13, 2023. <https://sharpsheets.io/blog/how-profitable-are-fitness-clubs/>
- Armento, Melania. (24 December 2020) *The Politics of Fitness and Moving Towards Healthier Nations*. Virtuagym, Accessed 21 January 2023. <https://tinyurl.com/tinyteenytinyyy>
- Baradell, Scott. (10 August 2020) *The Enduring Appeal of Testimonials: How to use Them to Grow Your Brand*. Trust Signals, Accessed 29 January 2023.  
<https://www.trustsignals.com/blog/customer-testimonials>
- Boren, C. (2022, February 18). *Instagram Ads Versus Facebook Ads - Which is Better for Your Business?* Marin Software Blog. Accessed February 13, 2023.  
<https://tinyurl.com/tinytinyurllll>
- Bryant, C. X. (2020, December 28). *The Evolution of Fitness Trends*. U.S. News. Accessed January 22, 2023. <https://tinyurl.com/FitnessTrendsd>
- Champions Health and Fitness Facebook Reviews*. (February 13, 2023) Champions Health and Fitness. Accessed February 13, 2023.  
<https://www.facebook.com/championshealthandfitness/>

*Champions Health and Fitness Google Reviews*. (2023, 13 February). Google. Accessed February 13, 2023. [125 Google reviews](#)

*Champions Health and Fitness Membership*. (2021, June 4) Champions Health and Fitness. Accessed January 30, 2023. <https://championsofgreenville.com/membership/>

Club Industry Staff. (2022, June 28). *The Fitness Industry's Impact on Global G.D.P. [is] Estimated to be \$91 Billion*. Club Industry. Accessed January 30, 2023. <https://tinyurl.com/GDPGDGPD>

Club Industry Staff. (2022, January 6). *Wearable Technology is the Top Fitness Trend in 2022, Per Survey*. Club Industry. Accessed January 22, 2023. <https://tinyurl.com/ClubIndustryStaffa>

Club O.S. (2019). *Technology Trends Reshaping the Fitness Industry*. Accessed January 22, 2023. <https://tinyurl.com/urlurltinyurl>

Connor, L. (31 October 2020) *Fitness Technology is Transforming The Industry in 2021 and Beyond—Boutique Fitness and Gym Management Software*. Glofox. Accessed January 30, 2023. <https://tinyurl.com/GLOFOXARTICLE>

Daneshforouz, Devlin N. (26 January 2018) *House of Strength: The History and Traditions of the Zurkhaneh*. Medium. Accessed 21 January 2023. <https://tinyurl.com/tinytinyurlllllllll>

Dawson, J. (2018, July 05). *Road to the \$2.5 Million Facility Began at L.C.C.* Accessed January 20, 2023. <https://tinyurl.com/DawsonJ>

Enterprises, T. (n.d.). *When do Members Sign up to Your Gym?* GymMaster Gym Management System. Accessed February 13, 2023. <https://www.gymmaster.com/blog/when-do-members-sign-up/>

- Ferras, A. (2022, January 14). *The Licenses and Permits Needed to Open a Gym*. NEXO. Accessed January 23, 2023. <https://tinyurl.com/ferras999>
- Florida, Richard. (10 January 2019) *The Geography of American Gym and Fitness-Center Brands*. Bloomberg. Accessed 25 January 2023. <https://tinyurl.com/bloombbbb>
- Gervis, Zoya. (19 March 2019) *Americans Aren't Lazy—We are Just Scared of the Gym*. New York Post. Accessed 21 January 2023. <https://tinyurl.com/Gervis999>
- Glick, M. (n.d.). *Achieving a Positive R.O.I.: Gym Pricing Strategies*. Styku. Accessed January 30, 2023. <https://www.styku.com/blog/gym-pricing-strategy>
- Gough, C. (2022, November 29). *Gym Membership Distribution in the U.S. by Ethnicity 2019*. Statista. Accessed January 23, 2023. <https://tinyurl.com/Gough1>
- Gough, C. (2022, October 27). *Gym Membership in the U.S. by Income 2019*. Statista. Accessed January 23, 2023. <https://www.statista.com/statistics/1244820/gym-members-income/>
- Gym, health & fitness clubs in the U.S.* (2023). IBISWorld. Accessed January 30, 2023. <https://tinyurl.com/ibisibisworld>
- Gym. (n.d.). *How Much Does It Cost To Open a Gym?* Sage us. Accessed February 13, 2023. <https://www.sage.com/en-us/accounting-software/startup-costs/gym/>
- Hattie. (2022, November 6). *The Changing Demographics of Gym Members*. I.D.S. Media. Accessed January 23, 2023. <https://tinyurl.com/Hattie999>
- Sutter Health. *Health Benefits of Exercise for Women*. Accessed January 23, 2023. <https://tinyurl.com/sutterhealthhh>
- Hmar, Ruth. (11 December 2020) *The History of Gyms—Healthy Living*. India Times, Accessed 20 January 2023. <https://tinyurl.com/RuthHmar>

Hou, L. (2021, October 25). *What Is the Difference Between Chinese Versus U.S. Gym Equipment?* LinkedIn. Accessed January 23, 2023. <https://tinyurl.com/ShortURL99999>

*How Much Does Planet Fitness Pay in 2023? (3,741 salaries).* (2021, January 25). GlassDoor. (n.d.). Accessed January 31, 2023. <https://www.glassdoor.com/Salary/Planet-Fitness-Salaries-E213270.htm>

Intelligence, N. (2021, July 20). *Market Share 101: What it is, How to Calculate I.T. & Why it is Important.* Numerator. Accessed February 11, 2023. <https://www.numerator.com/resources/blog/market-share-101>.

Kolmar, Chris. (2023). *22 Fulfilling Fitness Industry Statistics: Home Workout And Gym Statistics.* Zippia, 17 November 2022. Accessed 30 January 2023. <https://www.zippia.com/advice/fitness-industry-statistics/>.

Koop, A. (2022, December 29). *Top heavy: Countries by Share of the Global Economy.* Visual Capitalist. Accessed January 26, 2023. <https://tinyurl.com/GlobalEconnn>

Lally, M., & Valentine-French, S. (2016). *The Physiological Peak–Lifespan Development.* Accessed January 23, 2023. <https://tinyurl.com/LifespanDevvv>

Law, R. (n.d.). *Gym Liability Explained.* Personal Injury Lawyers. Accessed January 23, 2023. <https://www.rodenlaw.com/blog/gym-injury-liability/>

Lynch, R. (2022, November 7). *How Inflation Affects Small Businesses.* Business Class. Accessed January 30, 2023. <https://tinyurl.com/inflationsmallbusinesss>

MacLaury, J. (n.d.). *The Job Safety Law of 1970: Its Passage Was Perilous.* United States Department of Labor. Accessed January 23, 2023. <https://www.dol.gov/general/aboutdol/history/osha>

*Major Group 79: Amusement And Recreation Services, Occupational Safety and Health Administration (OSHA), (n.d.). Accessed January 23, 2023.*  
<https://www.osha.gov/data/sic-manual/major-group-79>

Marion, S. (2021, October 21). *Top Five Things Americans Consider When Choosing a Gym*. I.H.R.S.A. Accessed January 30, 2023. <https://tinyurl.com/ihrsaaa>

Midgley, B. (2018, September 26). *The Six Reasons the Fitness Industry is Booming*. Forbes. Accessed January 30, 2023. <https://tinyurl.com/Forbessssss>

M, S. (2016). *Champions Health & Fitness Center - Greenville, N.C.* Yelp. Accessed January 30, 2023. <https://www.yelp.com/biz/champions-health-and-fitness-center-greenville>

National Conference of State Legislatures. (2023, January 23). *National Employment Monthly Update*. Accessed January 26, 2023. <https://tinyurl.com/NationalEM>

New Bern and Washington, N.C. (n.d.). *Billboard Advertising in Greenville (Pitt County, N.C.)*. Billboard Advertising in Greenville (Pitt County, N.C.) Accessed February 13, 2023. <https://tinyurl.com/BillboardsGreenvilleee>

*North Carolina Health Clubs by the Numbers*. I.H.R.S.A. (n.d.). Accessed January 23, 2023. <https://www.ihrsa.org/industry-leadership/state-advocacy/north-carolina/>

*North Carolina Population 2023*. (2023). Greenville, North Carolina Accessed February 13, 2023. <https://worldpopulationreview.com/us-cities/greenville-nc-population>

O.E.C.D. (2023). *Gross Domestic Product (G.D.P.)* Accessed on 26 January 2023.(indicator).  
D.O.I.: 10.1787/dc2f7aec-en

O'Connell, N. (2020, July 14). *The Fitness Equipment Industry and Their Supply Chain Struggles*. The Strategic Sourceror. Accessed January 30, 2023.  
<https://www.strategicsourceror.com/2020/07/the-fitness-equipment-industry-and.html>

- O'Neill, A. (2022, June 14). *United States - Gross Domestic Product (G.D.P.) Growth Rate 2027*. Statista. Accessed January 26, 2023. <https://tinyurl.com/Statistaaaa>
- Perreault, W. D., Cannon, J. P., & McCarthy, E. J. (2021). *Essentials of Marketing: A Marketing Strategy Planning Approach* (17th ed.). McGraw-Hill/Irwin.
- Plata, J. (2022, January 26). *What is The Monthly Cost of Running a Successful Gym?* PushPress. Accessed January 30, 2023. <https://tinyurl.com/PLATAJ>
- Rodrigues, D. (2022, November 10). *Beyond Labs: How America Ranked the Second Position in the Global Innovation Index*. Fi Group. Accessed January 22, 2023. <https://tinyurl.com/Rodriguesss>
- Salary.com. (n.d.). *Personal Fitness Trainer Salary in Greenville, North Carolina*. Accessed January 30, 2023. <https://tinyurl.com/PersonalTrainerSalaryyy>
- Siripurapu, A., & Berman, N. (2022). *The Contentious U.S.-China Trade Relationship*. Council on Foreign Relations. Accessed January 23, 2023. <https://www.cfr.org/backgroundunder/contentious-us-china-trade-relationship>.
- Smith, C. (2023, January 26). *U.S. Economic Growth Slows Less Than Expected to 2.9% in Fourth Quarter*. Financial Times: U.S. Economy. Accessed January 26, 2023. <https://www.ft.com/content/fbba8bba>
- Special Strong. (2020, July 17). *Cost To Start a Gym: Everything You Need To Know*. Accessed January 30, 2023. <https://www.specialstrong.com/cost-to-start-a-gym/>
- Staff, C. I. (2021, August 10). *22 Percent of Gyms Have Closed, \$29.2 Billion Revenue Lost Since COVID-19 Hit*. Club Industry. Accessed January 23, 2023. <https://tinyurl.com/URL9909>

Statista Research Department. (2023, January 13). *U.S. Monthly Inflation Rate December 2022*.

Statista. Accessed January 26, 2023. <https://tinyurl.com/Statistaaa>

S.W.N.S. (2022, October 26). *Over 70 Percent of Americans Are More Health-Conscious*

*Post-Pandemic*. New York Post. Accessed January 30, 2023.

<https://nypost.com/2022/10/26/over-70-of-americans-are-more-health-conscious/>

T.B.R.C. Business Research PVT LTD. (2022, March 22). *The Online/Virtual Fitness Market is*

*Expected To Reach \$79 Billion By 2026 With the Rising Penetration of Smart Devices as*

*Per...* GlobeNewswire News Room. Accessed January 30, 2023.

<https://tinyurl.com/OnlineFitnessMarkettt>

The Conference Board. (2023, January 10). *Economic Forecast For The U.S. Economy*.

Accessed January 26, 2023. <https://www.conference-board.org/research/us-forecast>

Upstage Fitness & Nutrition. (2023). *Home page*. Accessed 23 January 2023.

<https://www.upstagefit.com/>

U.S. Census Bureau. *U.S. Census Bureau Quick Facts: Greenville city, North Carolina*.

Accessed 22 January 2023.

<https://www.census.gov/quickfacts/greenvillecitynorthcarolina>

U.S. Department of Commerce. (2022, October 28). *Personal Income and Outlays, September*

*2022*. U.S. Bureau of Economic Analysis (B.E.A.) Accessed January 26, 2023.

<https://tinyurl.com/Outlayssss>

U.S. Department of Commerce. (2023, January 26). *Gross Domestic Product*. Bureau of

Economic Analysis (B.E.A.) Accessed January 26, 2023.

<https://www.bea.gov/data/gdp/gross-domestic-product>

*U.S. Economy: Three Strengths and Weaknesses*. (2018, November 7). C.L.S. Investments, L.L.C. Accessed January 26, 2023. <https://tinyurl.com/llcllc>

*United States Economy: Population, G.D.P., Unemployment, Inflation, Spending*. (2022). United States Index of Economic Freedom. Accessed January 26, 2023. <https://www.heritage.org/index/country/unitedstates>

Walton, Sarah. (15 October 2022). *Navigating the Growing Toxicity of Gym Culture*. Varsity. Accessed 22 January 2023. <https://www.varsity.co.uk/sport/22166>

WebF.X. (2023, January 11). *How Much Does it Cost to Advertise on Instagram?* Accessed February 13, 2023. <https://tinyurl.com/InstaAdsCosttt>

*What is the Cost of Owning a Gym?* (2020, March 16). A.B.C. Finance. Accessed February 13, 2023. <https://abcfitness.com/owning-a-gym/cost-of-owning-a-gym/>

Wonderful Engineering. (2021, May 19). *Having a Robot as a Personal Trainer*. Accessed February 12, 2023. <https://tinyurl.com/Robottrainerrr>

World Population Review. (2023). *Most Technologically Advanced Countries 2023*. Accessed January 22, 2023. <https://tinyurl.com/TechyCountriesss>

Yoyo, S. (2021, June 11). *How Much Does Gym Insurance Cost?* Exercise. Accessed January 30, 2023. <https://www.exercise.com/learn/gym-insurance-cost/>

