

# MANAGEMENT CHALLENGES FACED BY SMALL INDEPENDENT CLUBS

## Part Three: Managing a Marketing Campaign and Creating a Business Culture

by JEFF RUSSO

**M**ost independent clubs observe the expensive marketing campaigns of the big chains and quickly decide that they just can't compete. Wrong! Plan to succeed by implementing a structured marketing plan and professional business systems.

Just because you can't compete with the fitness chains on volume or types of marketing campaigns, it doesn't mean that you can't have a consistent, long term, effective and affordable marketing program, says Shayne Varey, CEO of Bodyz in Motion in Kelowna, British Columbia.

"As an independent club, marketing to the masses is costly," says Varey. "This encourages us to



create a more personal touch and include community involvement in our marketing strategy."

In my experience, the majority of small club owners have no marketing plan in place. This means they have not set a monthly budget or completed a demographic study to identify their ideal client and the geographical area where they'll be directing their marketing and promotions.

### CREATE A MARKETING PLAN

Whether your budget is \$500 or \$5,000 per month, it is imperative that you plan and manage a marketing program at all times.

Clubs should be marketing to missed guests, existing members, ex-members, inactive clients, personal training clients and the general population throughout the year.

Most small club owners have neither the time, patience nor, in some cases, the

skill to design and execute an ongoing marketing program. These people should be realistic and hire an experienced marketing rep who understands the fitness club business.

Another problem is that most owners are too quick to give up on marketing when they do not see a return on investment from each promotion. Our industry is under the impression that marketing equals immediate membership sales. Any major advertising executive will tell you that most companies expect to lose money on their marketing to get their message out there.

I appreciate the financial limitations of most small businesses and that they cannot afford to invest money in marketing if it does not generate immediate membership sales. But this is unrealistic, and they are setting themselves up for failure if they do not invest in marketing that is educational and consistent – even if it does not always provide an immediate return.

The goal of marketing is to educate consumers, generate interest and get people to think about your product. Only a very small number of people in any community is at the "preparation" or "action" phase of the decision making process. The one or two marketing pieces that you distributed over the year might help move people along the decision-making curve. But when they finally decide to get started, it will likely be the big chain's promotion that is in the mail box, on the radio, on a billboard or in a letter. The chain was consistent all year in its marketing, and people are therefore reminded of its product at the moment of buying.

### CREATE A BUSINESS CULTURE

The typical small club environment that I have encountered is one that is laid back, friendly, low stress and operating with a "build it and they will come" mentality. These club owners have the best intentions of making a difference in their communities, treat staff as family and create an enjoyable and caring atmosphere for staff and members. Many left the high pressure, high volume and high turnover environments of the Costco-type fitness chains for greener pastures. The problem is that most did not inherit the chains' business systems or their strong business culture.

If you're wondering if your club has a business culture in place, ask yourself these questions:

- Do I have a weekly sales and management meeting with my entire team?

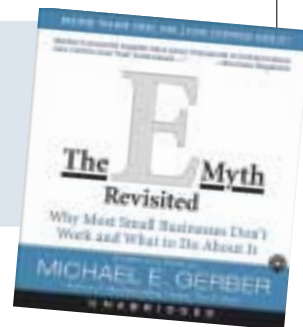


For a detailed explanation of clients' buying habits, read the book that most corporations use to determine their marketing strategies: *Changing for Good* by James Prochaska and John Norcross.

## “...MOST OWNERS ARE TOO QUICK TO GIVE UP ON MARKETING WHEN THEY DO NOT SEE A RETURN ON INVESTMENT FROM EACH PROMOTION.”

- Do I focus on goal setting and distribute statistics on everyone’s performance each week?
- Do I track the effectiveness of information calls to tours, tours to sales, closing percentages, average package sales, number of referral names and sales, number of sales calls and “be backs”?
- Do I have sales projections for the year in advance for all of my departments including front sales, personal training, nutrition, pro-shop, group exercise, etc.?

*The E-Myth Revisited* by Michael E. Gerber is an excellent resource for those interested in creating a business culture. Without it, you might just end up working for one of the big club chains and getting a first hand look at their business operating system!



- If I do have goals in all of these areas, do I have a strategy to break these numbers down into daily duties and responsibilities, and do I know how to get my team to take charge and implement these tasks?

Author Jim Collins talks about the power of the word “and.” Business is not an “either or” proposition. It is not sales or service, profit or fitness, quotas and goals or employee satisfaction and happiness, aggressive marketing or happy clients. It is sales *and* service, goals *and* employee happiness, marketing *and* appreciative members. Don’t assume that implementing the corporate business world’s business model can’t translate into retention and satisfied clients at your club.

If you don’t or can’t market and sell, there will be no one to service. You will

never sell effectively if you don’t have goals and quotas, tracking and reporting systems, commission and incentive pay structures and a business plan and projections. FBC

Jeff Russo is president and co-owner of The Edge Fitness Business Consulting which helps small club owners develop business operating systems. The Edge has recently formed The Edge Fitness Marketing division. For more information contact The Edge at 416-252-5700 or [jonj@edgefitnessconsulting.com](mailto:jonj@edgefitnessconsulting.com) or [www.edgefitnessconsulting.com](http://www.edgefitnessconsulting.com).

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