



# Sample Marketing Plan

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## Executive Summary

This plan is presented for CrossFit Elevation, a young CrossFit gym in the Santa Fe Arts District neighborhood of Denver, CO. CrossFit is a globally recognized, name-brand strength and conditioning fitness program designed for all ages. CrossFit is designed with scalability in mind, so whether someone is a beginner or professional athlete, it's the ideal exercise program. Workouts include a combination of cardiovascular and respiratory endurance and strength-based exercises. The incorporation of gymnastics and Olympic-style weight lifting are designed to improve endurance, stamina, strength, flexibility, power, speed, coordination, agility, balance, and accuracy: these things are known in the CrossFit community as the 10 General Physical Skills. CrossFit is coached in a group-class format, although private training is an additionally offered service.

The gym is located conveniently in the Santa Fe Arts/ Lincoln Park neighborhood. It is ideally situated between Downtown and Cherry Creek, with easy access to major highways and other suburban neighborhoods. The facilities themselves are located within a warehouse, as is the case with most gyms. This allows for plenty of room for equipment and group classes. It also offers room for potential growth, as expansion can take place when other tenants move out. The gym has a separate, on-site yoga studio, which is a unique but welcome aspect to a CrossFit gym. The neighborhood around CrossFit Elevation includes other wellness-minded business—an acupuncturist, a “Paleo Diet” café, and an organic community garden.

CrossFit Elevation's pricing structure is variable, tiered, and competitive. Discounts are offered for referrals, friends & family, students, and military personnel. Very little money is spent on promotion, as so much of CrossFit Elevation's business comes from referrals, word of mouth, and their positive reputation. Social media and online marketing will play an important role in the development of CrossFit Elevation's business.

Ultimately, the goal of CrossFit Elevation is to improve their athlete's lives and thus, major growth isn't a priority. Long term, the gym will do well to increase gym amenities like showers, lockers, and restrooms. CrossFit Elevation should also continue to focus on premier offerings that go above and beyond the standard CrossFit classes, like the yoga and nutrition counseling. The edge that CFE has in the saturated CrossFit market is the strong community of athletes and coaches, and the positive reputation they continue to cultivate.

## Product Description

CrossFit Elevation is a world-class fitness center offering personal training and group classes in the CrossFit method. The gym is located in a large warehouse in the Santa Fe arts district of Denver, and the staff/coaches are all Level 1 Certified CrossFit Trainers. CrossFit Elevation offers the services of CrossFit training, yoga, and various retail products in the pro-shop.

CrossFit involves constantly varied, functional movements, performed at high intensity. It incorporates metabolic conditioning in the form of rowing, running, and jumping rope, Olympic weightlifting, and gymnastic movements. CrossFit is an exercise method suitable for both children and adults; it especially appeals to those with an adventurous spirit. The coaches are certified and trained to coach private and group sessions; each session includes a warm-up, a strength portion of powerlifting, and a short metabolic workout.



CrossFit Elevation offers additional services: nutrition counseling, “open gym” access, and yoga are included in every membership. The gym also has a small

pro-shop, which sells food and drinks, nutrition supplements, and fitness tools like jump ropes and yoga mats.

CrossFit, Inc. is a corporation that owns the CrossFit name and methodology; the corporation certifies coaches at various levels through teaching and administering an accredited test. CrossFit, Inc. offers business owners an affiliation: each gym is established as a sole proprietorship or LLC, and they pay to license the CrossFit name and method. Thus, CrossFit Elevation is an LLC; they carry their own insurance and run the business as the owner sees fit.

Despite the prevalence of CrossFit gyms in the Denver area, CrossFit Elevation is in a unique selling position for several reasons. The staff are a small group of passionate, qualified coaches who have been with gym since its infancy. They focus on safety and quality instruction in order to make their athletes feel comfortable. CrossFit Elevation continually focuses on the community aspect of the gym and method; they host barbeques, special challenges, CrossFit Games viewing parties, and other events in order to unite the athletes. Other features contributing to the success of the gym include a reasonable sized space, great location, an on-site yoga studio, and an organic community garden adjacent to the gym.



## Target Market & Consumer Profile

The target market of CrossFit Elevation (CFE) is fitness-minded adults and their children. The demographics of CFE’s target market are men and women,

children, teenagers and adults; they should have income levels high enough to support a gym membership. The CrossFit consumer is health-conscious and fitness-minded, well-educated and in-tune to current events and changes in nutrition and exercise science.

Geographically, the target consumers for CFE are Colorado residents in the Denver Metro area. According to the 2012 census, the Denver-Aurora-Lakewood Metro Area has 2.7 million residents. This is an incredible pool of consumers for CrossFit to target. Colorado residents care about their health and live active lives. Institutions like *Forbes* and the American College of Sports Medicine continually rank Colorado and Denver in the top 10 healthiest cities in the U.S. (1,2). CFE is conveniently located close to downtown Denver, but suitably far enough away to avoid traffic congestion. The location also has easy access to major highways in order to serve suburban consumers, as well as urban consumers.

In general, CrossFit attracts people who live an all-around healthy lifestyle. They often eat a nutritious diet and appreciate sustainability in their food sources. Being a part of CrossFit is different than simply having a gym membership—there is a community aspect that appeals to people who do CrossFit. The target consumer will be interested in health and wellness seminars, and other special events. Competition is an important part of CrossFit as well; thus the CrossFit consumer is competitive and enjoys a challenge. The CrossFit consumer seeks variety, and will need to be continually engaged and entertained in order to maintain their business.

## Marketing/Industry Indicators

In the CrossFit game, there is an abundance of competition. In the Denver Metro Area, there are over 100 CrossFit-affiliated gyms (3). However, not all CF gyms are created equally, and the CF consumer knows this. CrossFit Elevation has some **strengths** at play: first, reputation. Like any business in a saturated market, CFE runs on word of mouth and positive reviews. Despite the large pool of competitors, CFE has landed in the top 10 of Denver's A-List and the Best of *Westword*, repeatedly (4). Another strength of CFE is the coaching staff's extensive certifications. CrossFit, Inc. only requires the Level 1 Certification, but CFE's staff have certifications in USA-Weightlifting, CrossFit Kids, Mobility, and Gymnastics. CFE's inclusion of yoga, nutrition consulting, and a pro-shop are also strengths in the eyes of the consumer. CFE also faces some **weaknesses**: the gym continues to grow, but space is limited. Amenities in the gym are lacking, as there are no showers, limited lockers, and only 2 unisex restrooms. On occasion, there is a shortage of equipment during extra large classes. Despite this, there are **opportunities** for CFE: the owner maintains a strong relationship with the building owner and has first right of refusal when other tenants move out. Thus, there is a chance for CFE to expand. In the same vein, there are some **threats**. The neighborhood has faced re-zoning, as it's somewhere between residential and commercial. The city has also threatened to remove or re-zone CFE's parking lot.

CrossFit Elevation has some direct competitors in other CrossFit gyms, based on proximity and reputation. There are three CrossFit gyms within a five-mile

radius of CFE. Only one of these gyms is really in the same neighborhood, and none of them have the positive reputation that CrossFit Elevation does. The most reputable competitor gyms are located in completely different parts of town, and have very different price points and business models. Indirectly, CFE competes with personal trainers, “boot camp” style gyms, and fitness classes offered by athletic clubs in Denver. However, none of these indirect competitors bear the CrossFit name or truly attract the CrossFit customer.

The target market size for CrossFit Elevation is growing. Denver is increasingly becoming a destination for small business, large companies—like DaVita—and college students. In 2012, *Forbes* ranked Denver as the #6 best place for small businesses, #20 in education, and #44 in job growth (5). Over the last 5 years, there has been a steady increase in median household income, home prices, and job growth, while maintaining a relatively modest cost of living. Thus, the 2.7 million-person population is likely to keep growing. This, combined with increasing consumer interest in health, is positive news for CFE. Finally, there are new product resources available for CrossFit as the sport continues to grow. The manufacturers of CF gym equipment are beginning to produce at-home products for athletes to continue their training when away from the gym.

## Marketing Mix

*Product* CrossFit Elevation primarily provides a service: CrossFit training. The secondary services include yoga and nutrition counseling. Products in the pro-shop are food and drinks: bottled water, coconut water, Kill Cliff recovery drinks, jerky/dried fruit packs. Supplements sold in the pro shop are minimal, but include fish oil, vitamin D, magnesium, and protein powders. There are also athletic tools like jump ropes, wrist wraps, water bottles, and yoga mats. Finally, the pro shop products include promotional/loyalty items like bumper stickers and t-shirts.

*Price* In the pro-shop, prices are based on the wholesale price CFE obtains and MSRP. There is little room for differentiation in the pro-shop pricing. The services CFE provides are priced in a variable and tiered way. The tiers are based on number of gym visits per week as well as the length of contract signed (Bronze-1x per week, Silver-2x per week, Gold-3x per week, Platinum-Unlimited). All membership prices include free yoga, quarterly coaching support, and nutrition coaching. Discounts are offered to the staff’s friends and family, students, teachers, and military personnel. Pricing is also seasonal, and summer discounts are offered as it’s the slowest season for membership-based gyms. CrossFit Elevation’s pricing model is competitive, yet used to establish image. CFE doesn’t undersell itself by pricing their services too low, yet they are also not the highest-priced membership in the area.

*Place* CFE is a single-location, warehouse space. The Santa Fe Arts district is a happy medium between downtown and the outlier neighborhoods. There is easy

access to 6<sup>th</sup> Ave. and Interstate 25, so clients living and working in suburban neighborhoods can reach the gym easily. The Santa Fe/Lincoln Park neighborhood isn't nearly as saturated with CF gyms as Downtown, the Highlands, or Cherry Creek. Parking in this area is more abundant than these neighborhoods, and is free instead of pay-for. Because of the current tenant situation with the warehouse, there is room to grow without having to change locations. Finally, the location of CFE as adjacent to the community garden and other wellness-minded businesses is proof positive that the neighborhood is a good choice.

*Promotion* CrossFit Elevation will increase customer awareness with multiple internet-based methods. The gym will be listed on the official CrossFit Affiliation website, and will pop up on Google Places with a simple search. CFE is also listed on Yelp and other review-based websites. Social media is an indispensable tool: CFE has Facebook, Twitter, and Instagram pages all connected to clients and staff. CFE does not need to pay for advertising on TV, radio, or print. Instead, physical signage at the gym, reputation and word of mouth, and visible presence at local CF competitions will be great promotional tools.

## Action Plan

*Product* One product strategy is to offer premium services that go above and beyond the CrossFit classes. As mentioned before, this includes yoga and nutrition counseling, as well as classes focusing on kids, USA Weightlifting, and gymnastics. The primary task to get CFE into the "premium" arena of CrossFit gyms is to certify the coaches in additional areas. This is the responsibility of each individual coach, as well as the owner. The secondary product strategy involves keeping the pro-shop open to clients, and offering products that the coaches use and validate. Tasks for maintaining the pro-shop products include inventory management and retail-display maintenance. The people responsible for doing this are the head coach, assistant head coach, and interns.

*Price* The strategy for pricing at CrossFit Elevation is to maintain a competitive edge without selling ourselves short. Keep prices tiered and variable; adjust them seasonally and offer discounts. The owner will be tasked with evaluating the pricing plan with the help of the accountant, and adjusting as needed. The pricing in the pro shop is based on MSRP, but should also be evaluated by the owner and accountant.

*Place* CrossFit Elevation will stay in the current location, while keeping an ear to the ground for opportunities to expand within the same building. The owner will maintain his positive relationship with the owner of the building, so that he has the first right of refusal when other tenants move out.

*Promotion* The promotion strategies for CrossFit Elevation are to maintain a strong social media presence, create a new website, and work on search-engine

optimization with marketing experts. Updating Facebook, Twitter, and other social media outlets will be tasked to each intern and coach. A quarterly email newsletter, taking video testimonials, and maintaining the gym's website will be delegated to specific gym staff who have expertise in those areas. Lastly, each coach, intern, and current client will be asked to write Google and Yelp reviews to boost the online presence of the gym in a legitimate way.

## Measurement & Monitoring Activities

CrossFit Elevation has several measurement and monitoring activities to implement. Consumer Surveys occur in a few mediums: a suggestion box at the front of the gym, quarterly coaching review calls with one-on-one clients, and twice annual email/web surveys. The gym owner will do financial analysis with the CPA to assess monthly performance, and determine any changes that need to be made. Finally, quality control will be of the utmost importance for CrossFit Elevation. The owner and head coaches will observe and evaluate the interns and other staff on a regular basis. New coaching staff will come from in-house whenever possible, and all new staff must go through an internship program before becoming a full-fledged coach.

## Resources

- (1) <http://www.forbes.com/sites/melaniehaiken/2011/09/13/americas-top-10-healthiest-cities/>
- (2) [http://americanfitnessindex.org/docs/reports/2012\\_afi\\_report\\_final.pdf](http://americanfitnessindex.org/docs/reports/2012_afi_report_final.pdf)
- (3) <http://map.crossfit.com/>
- (4) <http://denveralist.cityvoter.com/best/crossfit/fitness/denver>
- (5) <http://www.forbes.com/places/co/denver/>

