Learner B

Activity 1

Marketing aims and objectives

Natalie will want to achieve the following marketing aims and objectives throughout her marketing campaign for MamaTone.

* Increase operating profit by 35% in the first 10 months of setting up MamaTone - Natalie is currently facing financial difficulties and therefore will need to start making money from MamaTone as soon as possible. Her marketing campaign must therefore help her achieve an increase in operating profit as this is the money she will get to keep for herself or put back into the business to help it expand further. She can easily check if this has been achieved by calculating how much her operating profit has increased by the end of the first 10 months.
* Gain 200 members of her classes in the first 6 months of setting up MamaTone - Natalie will want to increase the number of members of MamaTone as she is diversifying and therefore she needs to get as many new members as she can from her marketing campaign. This will help her also achieve her target of increasing operating profit in the first few months. This is easy to test as she can count the number of new members from the start of her campaign and judge whether she has been successful in meeting her objectives.
* Create a recognisable brand image for MamaTone within 3 months of setting up - To help Natalie gain new members and increase her operating profit, she must ensure that her marketing campaign creates a strong brand image so that people will recognise her business straight away and therefore will increase brand awareness of MamaTone. She can do this by creating a logo and getting this seen in as many places as she can. It is not as easy to text whether this has been achieved in the first 3 months, but she could do some marketing research to test how many of her target market recognise MamaTone and its brand image.

Research

Target market

It is clear that Natalie’s target market are women aged who have young children and babies. In my research I have found the following information on the population of the UK from the office of national statistics. This shows that there is quite a lot of women in the age range of 20 to 45 years old but there are less people in this age group that older people. There are also a lot of men in this age range as well. This tells me that there are women in the UK that are of the right age so there will be enough people in the target market for MamaTone to be successful. Natalie will need to think carefully about where to promote the business so that this group of people will see it and come along to classes. Otherwise her promotion will be wasted. As I found this information on the office of National Statistics website, I know that this is valid and reliable as it has been checked to make sure that it is correct. 

I have carried out some market research by visiting a mother and baby club and asking the mums (and one dad) a number of questions. Out of the 23 people there, 15 of them said they would like to go to a fitness class that allowed them to take their babies with them. This shows from this very small sample that there is demand for a business like MamaTone. I also asked what type of fitness classes they like to take part in and 8 of the mums said that they enjoyed yoga and 6 others were interested in trying it. One of the mum’s told me that she had seen Fearn Cotton on This Morning promoting baby yoga and this really helped her get interested in it. This would suggest that getting someone like Fearn Cotton to promote MamaTone would be a good idea but I think that it might cost too much for Natalie to do this. I know that the information provided here was from the correct type of people and therefore it is valid but I don’t know how honest they were being so it might not be reliable. It is useful information though as it tells me that Natalie’s idea is a good one.

Size, structure and trends

Natalie is setting up her business in a market that is still growing. In 2016 there was an increase in the number of fitness businesses by 4.6% and an increase in the overall market value of 6.3% to an estimated £4.7bn. This demonstrates that the market is still growing and is worth a lot of money. If Natalie can break into market in North Yorkshire there is potentially money to be made and the trend in the market indicates that there may people who are looking for a fitness business to help them get fit. I have taken this information from the case study, so I know that it must be correct.

There has been a growth in different types of fitness classes. This includes classes for yoga, spinning High intensity workouts and mum and baby classes. I have undertaken some research in my local area (Liverpool) and I have found that there are a range of different classes on offer everyday of the week which offer the opportunity for people to get fit in a number of different ways, with even pole and aerial classes where mums can take their babies along. During my internet search, I found over 60 different classes being advertised in the Liverpool area. If this is the same in North Yorkshire, it could mean that there will be demand for MamaTone, but Natalie will need to ensure her business stands out from all the others in the area. My search of the internet is valid and reliable as I know that the information I collected was from real businesses but there are 2 problems with it. If I typed in a different question or the question in a different way, I got different businesses in a different order so I might not have all the businesses that are out there. Also, I looked in Liverpool not North Yorkshire as I didn’t know this was where Natalie is based and therefore the information in Yorkshire might be very different.

Competition

There are a lot of competitors across the fitness industry which may mean it is hard for Natalie to break into the market. There are a number of large gyms that offer fitness classes such as David Lloyd gyms. These large gyms offer a range of services such as creches for young children and therefore offers an alternative to MamaTone classes. Some of these gyms are expanding ,with Virgin Active and the Bannatyne group opening new branches in the UK in recent years. David Lloyd itself has grown by 1.3% between 2011 and 2016, with an annual revenue of £2 billion and employing 39 585 employees. This means that Natalie may have to work hard to create a different brand image for MamaTone to compete with these gyms. She should really push the idea that MamaTone is not a creche, where the baby is cared for someone else but where mum and baby can exercise together. New Mums are sometimes worried about leaving their baby with someone else and therefore this would be a good selling point for Natalie. I got the information about David Lloyds gym from their website so it must be correct as they cannot advertise information that is not true.

There has also been a growth in the number of low cost gyms in the UK, which is responsible for the most growth in the industry. They now account for 35% of the market, offering low cost, more flexible memberships. This is good for new mums as they usually have less disposable income after having a baby and may be watching their family budgets. The flexible memberships is also useful as sometimes when you have a baby, they may be sick or have an appointment, so you might miss classes. You don’t want to pay for classes that you can’t get to, so this might mean that Natalie might struggle to compete against this type of gyms. However, they don’t offer creche services so she could stress the fact that MamaTone involves the baby as well. The growth in this type of gym membership may mean that Natalie would be best going for the “pay as you go” membership rather than a 6 month subscription as this now seems more popular. Again, this information was from the case study and therefore must be correct.

Justification

All of this tells me that whilst there is demand for fitness classes in the UK and my focus group with new mum’s says that there is interest in a business like MamaTone, the market is very competitive. This means that Natalie will need to create a strong brand image for MamaTone so that people will want to use her business and not the alternatives on the market. This is why I have set brand image as one of the campaigns objectives and gives me lots of information to use when creating the marketing campaign.

SWOT

Strengths

* There has been a growth in different types of fitness classes. This includes classes for yoga, spinning High intensity workouts and mum and baby classes. This means that people are interested in going to dfferent types of classes rather than just going to the gym. This means that there will be potential customers for Natalie to attract to MamaTone. She now needs to consider how she will attract these customers to her classes and which type of classes will be most popular.
* There has also been a growth in the number of low cost gyms in the UK, which is responsible for the most growth in the industry. They now account for 35% of the market, offering low cost, more flexible memberships. Natalie is thinking of offering a flexible membership where clients pay as you go so this means that this would be a good thing to do as people are already interested in flexible memberships. This would suggest that this pricing could be successful.

Weaknesses

* There are already a lot of competitors across the fitness industry which may mean it is hard for Natalie to break into the market. There are a lot of high quality gyms like Daivd Lloyd Gyms and also lots of lower cost gyms like Pure Gym and Easy Gyms. There are also a lot of different classes already offered. So Natalie will have to do something different and find her own unique selling point. She is doing this by offering mum and baby fitness classes though.

Opportunities

* The fitness industry has Increased in the overall with a market value of 6.3% to an estimated £4.7bn in 2016. This means that the market is still growing and people are still interested in fitness. Therefore there is potentially demand for her fitness classes.
* There were 696,271 babies born in England and Wales in 2016. Therefore there are a lot of babies born and this means there will be a lot of mums that might want to visit a class and tone up. This could help Natalie be successful as she is aiming her business at mums and babies so it shows there is a market for the classes.

Threats

* There has been an increase in the number of fitness businesses by 4.6% in 2016. This means that there more companies trying to get clients and memberships and therefore Natalie might struggle to get the 200 memberships she is aiming for in the first 9 months of trading.

PESTLE

Political

* We are currently going through the process of leaving the EU and this is affecting a lot politically in the country. People are uncertain about what is going to happen and therefore may be worried about spending extra money until they know what is happening. This may mean that Natalie won’t get as many members as she needs to meet her aims and objectives as people might not want to spend the money on fitness and might do their own routines themselves. However £4.50 is not a lot of money so it probably won’t affect her as much.
* The government has been promoting healthy lifestyle with families through advertising campaigns like the Change4life campaign so mum’s will be conscious of the importance of being fit and healthy. They will also want to be a good role model for their children. This may mean that they might be more likely to fo to her classes so they can improve their fitness.

Economic

* The national minimum wage has increased to £7.20 for people aged 25 and older in 2016 and therefore this means that people have money to spend. Also, in 2016 the average weekly earnings was £539 which as an increase of 2.2% on the year before. Therefore people will have the money to spend on what they want to do and therefore they may be more likely to spend money of fitness classes.

Social

* There has been a increase in the number of people visiting the gym or going to some sort of fitness classes in recent years. Now 1 in 7 people now are members of a gym but many do not regularly use, with only 12% of the adult population regularly visiting a gym. This would indicate that there has been a push towards us getting more healthy and fit so there may be demand for MamaTone. It also shows that there may be more demand for flexible memberships.
* 44% of people who go to fitness classes or go to a gym have done so to lose weight or tone up. One in four (26%) say they are looking to relax or de-stress and 14% are looking to meet people and socialise. This means that there might be demand for people to be able to go to a class with other people whilst they tone up and something like yoga which is good for stress might be a good idea.

Technological

* The introduction of the fitbit and other fitness apps has been seen in recent years and these may provide competition for MamaTone. However, they don’t offer the same social side of classes so it might not affect her alot.

Legal

* There are particular requirements under the Health and Safety at Work Act for leisure and fitness businesses. This will include MamaTone so Natalie will need to get up to date with the laws and make sure she follows them .

Environment

* Pollution has increased in the UK, for example a level 7 alert was put on central and West London in 2017. This might mean that people, especially those with a baby might not want to exercise outside. This might not have much effect on Natalie as she is based in North Yorkshire, which has more rural as well as towns.

Activity 2

Natalie needs to create an effective marketing campaign and to do this she must use the 7 Ps. She has £35,000 for her initial marketing budget and I have decided the campaign will run for 9 months. She also needs to develop a marketing message that tells her customers what her business is and what is special about it.

Marketing message

Natalie’s target market are new mum’s who want to get back into shape. The message she is trying to get across in her marketing campaign is that people coming to her classes can get back in shape, losing the weight they have gained when they were pregnant and tone up their bodies. However, what is different about her classes is that they can bring along their babies and do exercise together. Exercise is a very good way to relax and is good for stress as well as getting fitter. As having a baby can be stressful, this is the ideal message to give in her campaign. Also, when you have a baby, you are at home quite a lot more and may miss your friends at work, so she should also have the message that the classes are places where the mums can meet and chat to people like them.

Marketing Mix

Product

The product is exercise classes for new mums and their babies. Natalie will offer a range of different classes, from yoga, to general fitness/exercise and zumba classes to appeal to different types of people. The exercise classes will allow mum’s to exercise with their babies, either with it in a sling or in a carrier. They will also involve lifting the baby to make sure the babies are kept happy and are involved. As their are babies involved and the ladies have just given birth the exercises should be low intensity, so the babies don’t get hurt and the mum’s do not over do it. This is also important as we want the classes to be relaxing and help the new mum’s destress so it will be relatively low intensity and the music used should help create a relaxed atmosphere. This is important as 26% of people have said that they exercise to relax and this is all the more important when involving new parents. This will also allow the babies to hopefully sleep during the classes so the mums can exercise and not have to stop to calm the babies.

The classes are the main product, however Natalie should provide an opportunity for the mums attending the classes to have time to socialise with each other, as 14% of people saying that this is why they go to the gym or exercise classes. Natalie should involve activities in the classes where people can work together and get to know each other and allow time and a place for the new mums to socialise over a coffee at the end of the class. This will make it more fun and enjoyable. This means that place will also be important to Natalie as she will need to find somewhere to hold the classes that allows her to do all of this. This will help her achieve her objective of brand awareness as it will help her create her own unique selling points of her classes .

Place

Natalie will need to hold her classes in local community centres, village halls and gyms where she can rent a room. It is important that the place she holds the classes are large enough to hold all the mums and their babies safely. She will also need to make sure that there is sufficient changing facilities for the mums to change the babies. She will need somewhere to safely store any equipment that cannot be moved from venue to venue. She will need to offer the classes in a few different places in North Yorkshire, as new mums will not have the time or energy to travel a long way. It would be better to hold the classes inside so the babies don’t get cold or wet outside. This will help her get in as many members as possible to help her meet her objective of 200 new members in the first 6 months and increase operating profit by 35% in the first 9 months. She will need to consider how much the sites will cost though. A gym with really good facilities and a coffee shop is going to be expensive and therefore would eat into her profit. It might be better to look at community centres and village halls as these will be likely to be cheaper and therefore will reduce her costs. She’s not looking at charging a lot and wants to increase operating profit by 35% in the first 9 months and therefore, she will need to need the rent to the minimum without affecting the quality of the premise.

Price

Natalie is considering 2 options for a pricing strategy. One is offering a class subscription, where customers would be asked to sign up for a 6 week programme, paying a one-off fee of £25. If they have one class per week this would mean it would cost £4.16 which is cheaper for the customer but would mean she would make less per session. However, it would mean she would know how much she has coming in for the 6 weeks but customers might not like to sign up for 6 weeks as their baby may get sick or they might be too tired to go and therefore will lose money.

Therefore, I think that she should off a “pay as you” system. This has a slightly higher price of £4.50, so it would make her more money and therefore the change of achieving her aim of an increase in operating profit. From talking to parents at the mother and baby club, I know that new mums like the flexibility of being able to come when they want to but not being tied in and restricted to a long term deal. We also know that there has been a growth in gyms that have pay as you go memberships so this is already popular and tested out.

Promotion

The first thing I think Natalie should do is design and create a car wrap for her car, advertising MamaTone. This would cost £1200 according to UK Vehicle Wraps and Graphics which sounds a lot but is not that much out of her £35,000. She will then be able to advertise her business everywhere she goes just by driving around. She will also be able to create a positive brand image as everyone will associate her with her business, and put a name to a face. As her business is about fitness you need to feel that the instructor is a person you know and trust and this is even more important if you are involving your baby.

She should also use social media to promote her classes . You can set up this on facebook, twitter and instagram through a specialised firm for £450 per month and then they can maintain this for £450 per month for the 9 months I am running the campaign for. A lot of people of this age go on facebook, twitter and instagram a lot so this would be a good way for people to get to know about it. Hopefully, it get people talking about MamaTone and that will spread the word of mouth.

Natalie could also get leaflets printed and put them through peoples doors in areas where a lot of families live. She could also put them in hospital and doctors waiting rooms and other places were pregnant woman and new mothers visit a lot as this is where they will see about the business and think it is a good idea to come along. It would costs £150 to design the leaflets to make them look professional and then should cost get 10,000 for £300. This sounds a lot but they will last and she can use them all throughout the 9 months.

Natalie needs to launch the business with a big bang and therefore organising a party/family fun day at the start of the campaign will help people know the business is setting up in the area. By aiming it at families she will be aiming at the target market. She should allocated £5,000 to the fun day so she can pay for staff to help her on the day, pay for catering and entertainment, like bouncy castles etc. She will also need to find someone to hold party so will need to pay for a venue.

She should also run an advert on the local radio so everyone will hear about the new business in the area. She could run an initial advert for 2 weeks on the radio before the funday to promote it and then she could run an advert for one week every month to ensure that people keep becoming members to help her meet her target of 200 new customers in the first 6 months. This would cost £500 per week and therefore it would cost £5,500 in total. She could also run a full page advert in the local newspaper for a week to promote the funday and opening of the business which would cost her £1,000 and then she could follow this up with quarter page advert every other week which will cost £250. In total this would cost £10,000. This form of advertising is a good idea as they might look at the paper or listen to the radio and think the class would be a good idea. This would hit people who are not looking for a class but would like to go to one.

Natalie needs a website and will need to get someone to set it up for her unless she has the skills to do it herself. This will cost £7,000 and last for a long time so is worth doing. Lots of businesses like Natalie’s use a website to promote their businesses so unless she is on the internet she will miss out on customers and not receive her target of 35% increase in operating profit.

People

Natalie doesnt need to worry too much about people at the moment as there is only her and her friend involved in the business. They are both qualified to work in the fitness industry and she will be very enthusiastic about the business idea so could sell it well to potential members.

Physical environment

The physical environment is how the place where sets up her business looks and what is includes. I have already explained what the environment will need to have. She will need to ensure that she puts up posters and makes the place look nice.

Process

Finally, the process would be simple as they would just turn up for a session and pay on the door for their place. There wouldn’t be any complicated booking system but Natalie will need to create a system to ensure that she has everyone’s membership details before the participate in the events and make sure they pay for each session.

Budget and timescale

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Activity  | Month 1 | Month 2 | Month 3 | Month 4 | Month 5 | Month 6 | Month 7 | Month 8 | Month 9 |
| Radio ad | £1000 | £500 | £500 | £500 | £500 | £500 | £500 | £500 | £500 |
| Paper ad | £1000 | £500 | £500 | £500 | £500 | £500 | £500 | £500 | £500 |
| Social media  | £900 | £450 | £450 | £450 | £450 | £450 | £450 | £450 | £450 |
| Website  | £7000 |  |  |  |  |  |  |  |  |
| Car wrap | £1200 |  |  |  |  |  |  |  |  |
| Fun day | £5000 |  |  |  |  |  |  |  |  |