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**Individual Report**

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**Contents**

Executive Summary ………………………………………….Pg 3

Marketplace Map ………………………………………....Pg 4

SOSTAC Model ………………………………………….Pg 5

Situation Analysis ………………………………………….Pg 6

Customer Analysis ………………………………………….Pg 6

Competition Analysis …………………………………………Pg 6

Digital SWOT Analysis …………………………………………Pg 7

SMART Objectives …………………………………………Pg 7

Marketing Strategy and Tactics ………………………………………..Pg 8

Action Plan ……………………………………….Pg 10

Control ……………………………………….Pg 12

References ………………………………………..Pg 13

**Executive Summary**

This is a digital marketing report performed for Exercise.co.uk, one of the UK’s leading suppliers of home gym equipment. With access to a leading range of brands at affordable prices, they help people get fit and healthy from the comfort of their own homes.

Exercise.co.uk is a comparatively new entrant in the market comparing to its competitors. Fitness superstore was found in 1994, Powerhouse was founded in 1980 and then acquired by Sport-Tiedje in 2015 and Sweatband was found in 2005. Therefore, to compete with these established players in the market and with the huge rise in sales due to the lockdown Exercise.co.uk needs to revamp its digital marketing strategy.

The SOSTAC model is used as the framework of the report and SWOT analysis is used to assess the current situation and identify SMART objectives from it.

The SMART objectives identified after the situation analysis are generating leads, increase awareness of the organization, build online communities and a way to publish user created content, generate eWOM from social media and dark socials and generate long-term customer engagement platform for customer retention.

The big idea of strategy is to organize or sponsor events like fitness expo where Exercise.co.uk can spread the awareness about the organization to every part of the UK.

The tactics used to achieve the SMART objectives are affiliate marketing, You tube videos, creating a mobile app, pay per click, influencer marketing, email marketing and loyalty discounts.

**Marketplace Map**

Destination Sites

Search Intermediaries

Customer Segments

Exercise.co.uk website

Search Engines

Google/Yahoo

Online sale of home gym equipment.

Online learning

Weights/yoga/crossfit

Indirect Competitors

Amazon, Gymshark and Argos

Direct Competitors

Fitness Superstore, Powerhouse and Sweatband

Specialist Directories

Healthandbeautylistings.org

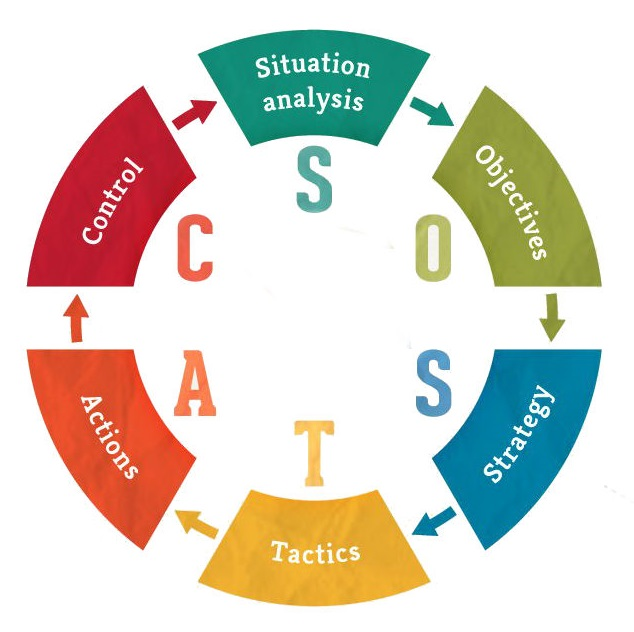
Vertical Search Engines

Amazon, ebay and Costco

Online sale of wide range of products.

**SOSTAC Analysis-**

SOSTAC is a model developed by PR Smith in the 1990’s and later formalized in his book called Marketing Communications in 1998. The SOSTAC model is a guide to a perfect digital marketing plan.



**Situation Analysis**-

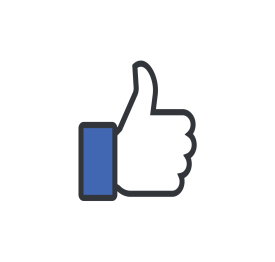
Exercise.co.uk is one of the UK’s leading suppliers of home gym equipment. The mission of Exercise.co.uk is to make exercising accessible and realistic for everyone, bringing affordable equipment straight into your home to save you time and keep you moving. The main digital promotion tools used by them are a Website, online advertising, social media accounts on Facebook, Instagram and twitter, the customer reviews come in through Feefo and influencer marketing with Curly Clo. 78% of users access the website from their mobile phones, the average age of users accessing the website is 24 to 45, 60% of users accessing the website are males and 40% females, London is the dominating city attracting users to the website followed by Birmingham and Manchester.

**Customer Analysis-**

The customers of Exercise.co.uk are busy individuals who strive to be fit or people who don’t have access to a gym and want to be fit working out at their home. The customer age group is between 18 to 60 years. With the products they can buy from the website, they can learn how to achieve their goals from the website as well. A lot of people have started thinking about working out at home since the coronavirus pandemic because every gym and other workout centres were closed due to the lockdown.

**Competitor Analysis-**

Fitness superstore, Powerhouse and Sweatband are direct competitors of Exercise.co.uk who sell the same kind of products as Exercise.co.uk but every competitor sells different company products. Therefore, the price cannot be compared between the competitors. As 43% of the population in the UK use Facebook, let’s compare the Facebook statistics of Exercise.co.uk and its competitors.

Exercise.co.uk has 5,074 likes on its page, Fitness superstore has 6,365 likes on its page, Powerhouse has 8,100 likes on its page and Sweatband has 20,037 likes on its page. Therefore, Sweatband is leading In Facebook likes due to their active nature on the platform, they upload at least one photo or video on their page daily. Whereas, Fitness superstore is leading on You tube with 3,086 subscribers followed by Exercise.co.uk with 1,015 subscribers.

**Digital SWOT Analysis**-

Weakness

* Long-term consumer engagement
* Customer retention
* Uneven customer base throughout the country

Strengths

* Most evenly gender based customer
* 78% mobile users
* Strong social media presence

Threats

* Indirect competitors
* Established competitors

Opportunities

* Building online Communities
* Increasing awareness in less aware areas in UK
* Addition of new products

Analysing the strengths, weaknesses, opportunities and threats of the organization, we get the clear picture of the situation and future objectives can be decided on the basis of the analysis.

**SMART Objectives**-

**Specific Objectives**- Generating leads and converting them into sales.

**Measurable Objectives-** increase awareness of the organization in less aware areas and target audience.

**Attainable Objectives**- building online communities and create the best way for the user generated content to be published and seen by other people to generate leads.

**Relevant Objectives**- Identify online consumer communities and develop relationships with them to generate eWOM from social media channels and dark social.

**Time-specific Objectives**- generate long term consumer engagement platform for customer retention.

**Marketing Strategy-**

Big Idea- Organize fitness expos such as FIT XPO and UK Wellness Festival where fitness celebrities and trainers are invited and people get to meet them. Or sponsor such events where the company’s logo and name can be advertised.

This idea will spread awareness about the organization all around UK, whereas right now the organization’s presence is dominated in London, Birmingham and Manchester. It will spread the customer base all around UK and broaden the targeted potential customers. At this fitness expo, the value and usage of the products can be portrayed in front of a wide range of potential customers.

**Tactics**-

**Tactics for generating leads- Affiliate Marketing and You tube videos**

Affiliate marketing through fitness channels on You tube is a suitable idea for Exercise.co.uk as most of the youth watches and follows fitness You tube channels for achieving their goals or to get some direction towards their goals. Therefore, embedding Exercise.co.uk ads on fitness influencers You tube channels who share their knowledge can generate significant leads. Over 15% of the total digital media advertising revenue is attributed to affiliate marketing (Business Insider). In between December 2017 and June 2018, the search interest of affiliate marketing grew by 44%. Exercise.co.uk already has its You tube channel but enhancing it and uploading videos and information more frequently will generate leads as well. Joe Wicks MBE, the creator behind the body coach TV is the number one trending and creator on You tube in the UK who uploads fitness and training videos (Langford, 2020)

**Tactics for increasing awareness for Exercise.co.uk- Pay per click and Influencer marketing**

With 81% of online shoppers searching online before they make a purchase, search engine optimisation is very important for a digital organization (Roberts, 2018). Ads targeted to keyword search results on search engines such as Google and Adwords are called Pay per search advertising (Roberts, 2018). It is important for Exercise.co.uk to invest on search engine optimisation because their customer base is not evenly spread out around the UK but dominated in main cities like London, Birmingham and Manchester. These ads can be posted in any formats like photos, videos and shopping ads. To obtain the paid aspect of search engine optimisation, keywords like home gym equipment can be bid on as it suits the service provided by Exercise.co.uk the most. Winning the auction usually means being displayed higher in search results (Roberts, 2018). PPC is especially used to attract a specific user when he or she is actively searching for information about the business products and services and then bring him on the website. It is an efficient way to market products as a company only has to pay when the user clicks on the ad. The ad with the highest ad rank gets shown the first followed by other ads and the ad rank is decided through the auction. As Exercise.co.uk is already working with Curly Clo, more influencers can be approached and worked with to promote the products. Gifting mid-range sample products and asking them to take over the social media accounts can be the ways to approach them. Given that 83% of the respondents in a survey say that they completely or somewhat trust the recommendations of friends and family, it makes sense that influencers with pre-existing connections are trusted online (Zine, 2020).

**Tactics for creating online communities- Creating a mobile app**

As the customers of Exercise.co.uk are busy professionals who like to be fit and 78% of the users access the website from their mobile, it is sensible to shift from the website to a mobile app or keep both. The review system or the user generated content can be integrated into the mobile app and others having the app can watch it too. This will decrease the dependency on Feefo for user created content. Experts agree that 90% of the time spent on a phone is spent on the apps followed by 10% browser search (Roberts, 2018). The same study reports that 25% of the users who download an app use it only once. Therefore, the user interface is everything for this app to succeed. The learn aspect of the app should pop up and excite the users to click on the app again. The high for three month retention is 24% for media and entertainment apps, 18% for retail apps and 10% for gaming apps (Robert, 2018). A good retention strategy includes the all-important ease of use but also requires segmentation based targeting and personalisation. A loyalty points based incentive to buy can also be added to the app where you can get discount or some free products if you have that many points.

**Tactics for generating eWOM through social media and dark socials- Fitness expos**

Fitness expos are events where people get to meet each other and discuss about fitness. There are a lot of brands who promote themselves in such events. Simply organizing such events or promoting the organization in such events can be really fruitful because this event will have all the potential customers under one roof. eWOM through social media can be generated when people will post pictures and videos in the expo and those who couldn’t make it there can see it as well. Some famous products can be brought to this event to show the functionality and value it adds to a busy person’s day to day life. eWOM through dark socials can be attained by giving out free samples of products like resistance bands and yoga mats with the Exercise.co.uk logo and name on it. People will post pictures using these products or tell their friends and family that they got it in such event from such organization. Product sampling study carried out by Arbitron and Edison media research found that 35% of the people who try the sample will buy the sampled product in the same shopping trip.

**Tactics for generating long term customer engagement- Email marketing and loyalty discounts**

Many people start their day with checking their mail and 91% of mobile customers check their mail at least once in a day (Robert, 2018). According to Direct Marketing Association (DMA), email marketing generates about 40$ for every dollar spent, outperforming both traditional direct marketing and other forms of internet marketing by several fold (Robert, 2018). To generate long term customer engagement or customer retention, follow up emails can be sent to buy products linked to the product already bought or emails with upcoming and new products can be sent to keep the customer up to date. On the other hand, email marketing for lead generation doesn’t work most of the times because emails with advertises usually go to the spam folder. Email has proven to be a more powerful retention tool compared to an acquisition tool. Therefore, personalised emails about advertising the products linked to the product already bought by the customer and advertising upcoming products should be carried out through emails. Loyalty discounts are the other way for customer retention as customers get motivated to buy something when there’s a discount on products. 82% of companies agree that customer retention is cheaper than acquisition, 75% of consumers say they favour companies that offer rewards, 65% of company’s business comes from existing customers, 58% of companies pursue personalisation strategies for customer retention (Dautovic, 2021). Therefore, loyalty discounts should be personalised like points system where you get points on your every purchase and certain number of points will give you certain discounts.

**Action Plan-**

The action plan is designed in three horizons, the first horizon consists of the changes that can be made in the first 12 months, the second horizon includes the changes that can be done in 24 to 36 months and the third horizon explains the changes that can be made in 36 to 72 months.

**Horizon 1**

Affiliate marketing, You tube videos and Influencer marketing can be done in the first 12 months to generate leads and increase the awareness of Exercise.co.uk as among the other actions these actions require the least amount of investment and time.

**Horizon 2**

Creating a mobile app and providing loyalty discounts to current customers can be done in the second horizon which is within 24 to 36 months to form online communities for user generated content and to generate long term customer engagement through loyalty discounts. Creating a mobile app with user friendly interface takes time and investment.

**Horizon 3**

Bidding for pay per click, Email marketing and organizing fitness expos to create awareness of the organization, to create long term engagement with the customers through Email marketing and to generate eWOM through social media and dark socials with organizing fitness expos can be done in the third horizon because it takes the most amount of time and investment among other actions.

|  |  |  |
| --- | --- | --- |
| Action | Starting Month | Time needed |
| Affiliate Marketing | **September** | **2 weeks** |
| You Tube videos | **September** | **Every Week** |
| Pay per click | **November** | **2 to 3 weeks** |
| Influencer marketing | **September** | **Thrice in 6 months** |
| Mobile app | **October** | **4 to 6 weeks** |
| Fitness expo | **November** | **Once or twice a year** |
| Email marketing | **November** | **Every month follow up** |
| Loyalty discount | **October** | **Always on-going** |

**Limitations-**

* Investors may not agree to spend huge amount of money to organize fitness expo.
* Mobile app may not be able to retain customers.
* Keywords required for pay per click maybe already taken.
* Suppliers may not handle huge demand.

**Control**-

**Evaluating affiliate marketing**

There are 4 to 5 ways to evaluate the importance of affiliate marketing in marketing strategy of an organization, some of them are as follows:

1. Traffic from affiliates, compare the difference in traffic flow to your website from affiliates and other promotional channels.
2. Incremental revenue from affiliates, in terms of affiliate marketing, revenue from new customers that have been referred by the affiliates.

**Evaluating You Tube video**

You tube videos can be evaluated on the channel itself with measuring the number of increasing or decreasing subscribers, likes and dislikes.

**Evaluating Search engine optimization (PPC)**

Organic traffic, keyword ranking, SERP visibility, click through rate, bounce rate, website authority over time, black-links, page speed, time spent on page and conversion rate are some ways to measure search engine optimization (Varagouli, 2020).

**Evaluating Influencer marketing**

Influencer marketing can be evaluated on the basis of number of referrals to the website or converted sale from a particular influencer.

**Evaluating mobile app**

Mobile downloads, user growth rate, organic conversion rate, paid conversion, uninstalls, social shares, ratings, reach vs impressions are some of the general KPI’s used to assess the performance of a mobile app.

**Evaluating Email marketing**-

Click-through rate, conversion rate, bounce rate, list growth rate, email forwarding rate, overall ROI, open rate and unsubscribe rate are some of the ways to measure the success of email marketing.

**Evaluating loyalty discounts**

Repeat purchase rate (RPR), redemption tare, average order value and revenue per user are the ways to evaluate loyalty discounts.

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