



Hermes Fitness: Integrated Marketing Communications Plan

Situational Analysis

The client is launching an application, “Hermes Fitness” targeted for the end of 2023 and has requested our assistance in creating a campaign targeted towards helping the application gain traction. Hermes Fitness is a bespoke Health and Lifestyle Fitness application that is focusing on delivering accessible and affordable personalized fitness training to the public with minimal commitments. In order to successfully conduct and create the most optimal campaign to fit the needs of the client, we will be analyzing the current market and potential prospective fields to focus on. Furthermore, the client has highlighted that the price of his product will be kept competitive amongst competitors while having accessibility as its key and selling point.

The health and lifestyle fitness market is currently dominated by top trends like fitness trackers, bodyweight-based training, fitness programs designed for older adults, high-intensity interval training and group training (Stasha). There is a decrease in the popularity of traditional gym activities like individual weight and strength training (Stasha), and it will be in our best interest to take note of this. As such, the customers in this market will be more motivated by newer and more modern forms of training as compared to traditional fitness methodologies. Based off our client’s description of the application to be launched, the target audience in this case can be grouped into people who are looking to get in shape and need some motivation, people who are already active and would like to track their progress and people who can travel often and need a fitness app that can accommodate their changing schedule (Amplify XL). The global fitness market was valued at USD 1.1 billion in 201 and is expected to expand at a compound annual growth rate of 17.6% from 2023 to 2030, and the U.S fitness app market is currently held at 375 million in 2021 (Grand View Research).

Based on our assumption of target audience and the market, it would be in our best interest to observe the competitors of the existing market and we have identified the main competitors in the existing Fitness App market. The competitors that exist in this landscape are Adidas, Appster, Asics America Corporation, Fitbit, Inc., Google, MyFitnessPal, Inc., Under Armor, Inc., and Nike (Grand View Research). These few companies are the most prominent in the existing U.S market and encompass a big chunk of the existing market share. These competitors all share similar attributes in terms of their fitness app and mainly concentrate on product differentiation to set them apart from each other. It is vital to take note that despite there being quite a number of prominent competitors, there also exist a large number of other competitors as the market is highly competitive. This is due to the industry being highly fragmented which leads to prolonged market competition, with innovations often used to influence buyers which is a key point in differentiating competitors from each other (Grand View Research). The prominent competitors feature clean interfaces with detailed interactive fitness tidbits that encourage healthy fitness habits, and they all revolve around different demonstrations and portrayal of their apps.

Furthermore, we have identified key environmental trends that are affecting the fitness industry as of today. The first key environmental trend revolves around technology. Tech is becoming ever more present in our modern world and the fitness industry is no stranger to it with the wearable tech market exploding with the end-user spending on wearable devices worldwide set to surpass \$90 billion this year (Howarth). It is crucial that we understand the booming surge that tech is about to bring into the fitness industry especially with new fitness technologies popping up every day.

The next key environmental trend is the Covid-19 pandemic that has disrupted the world economy. The average time spent on fitness apps pre-pandemic in 2019 was 15 hours weekly, but when the pandemic arrived the numbers jumped from 25 hours to 39.4 hours during the peak of the pandemic from 2020 to 2021 (Market Research Future). This is attributed to most governments enforcing lockdowns which has resulted with most gyms pivoting into online fitness models leading to a resurgence in the popularity of fitness apps. When the pandemic hit and lockdowns happened, the fitness industry revenue fell by almost 33 percent due to clients requesting refunds and freezing their accounts which has then been transferred into the mobile fitness app industry which has been improving and evolving throughout the course of this pandemic (Stein).

In lieu of two long years of lockdowns, the social and cultural environment of people looking into healthcare and fitness has changed with people more cautious and aware about their mental and physical health. The COVID-19 pandemic triggers a 25% increase in prevalence of anxiety and depression worldwide (World Health Organization) and this is a key point that we should take note towards the efforts of our campaign. Awareness of mental health has become more critical to be focused on and fitness has always been one of the best boosters of mental health and emotional wellbeing (Better Health Channel). This should be a key point that we should highlight as mental health awareness and solutions to bettering one's welfare should be advocated for especially in the

SWOT Analysis

Strength <ol style="list-style-type: none">1. Technological advantage with cutting edge match-making services2. High quality and convenient user interface on the application3. Highly accessible price model advantage	Weakness <ol style="list-style-type: none">1. Unknown branding as compared to competitors who have already established themselves in the industry2. Lacking credibility3. Financial Instability due to this being a startup project from the client
External Opportunities <ol style="list-style-type: none">1. Outward Global growth to incorporate more multinational gyms which would translate to international growth.2. Partnerships with local fitness influencers to create a bigger impact on the local neighborhood3. Creating self-branded merchandise in order to leave a greater impact on consumers	Threats <ol style="list-style-type: none">1. Price wars by competitors2. Changes to fitness trends in the coming years as we approach a post-pandemic situation3. Financial conditions have been unstable with homeless rates and unemployment rates increasing, which could threaten operation due to less expandable wealth

Objectives

The Client has given us his three main business objectives that details what Hermes Fitness wants to achieve. Firstly, the client intends for the company to increase annual sales by 25 percent by the end of 2024. Secondly, the client wants to expand market share in the fitness and lifestyle application industry through increase in application downloads, targeted at a 50 percent increase by the end of 2024. Lastly, the client wants to grow shareholder values by increasing the value of the company in the perceived eyes of the media and public by 10 percent by the end of 2024.

On our end of things, after assessing the business objectives, we have set several of our own marketing communication objectives. Firstly, we intend to increase media awareness by 25 percent based on a name recognition survey. Secondly, we intend to increase social media impressions among new target audiences by 30% by the end of 2024 in order to increase brand awareness. Thirdly, we want to increase market share by the end of 2024, by decreasing customer churn by 15%. Fourthly, we want to increase exposure of our client's company through introduction to new local or international markets by conducting market research at the start of 2024 and developing an appropriate strategy by the end of 2024. Next, we also intend to attract new customers by establishing partnership with 10 new industry influencers by the end of 2024 and developing discount codes for their followers. Finally, we want to increase sales by increasing conversion rates by 5% at least through increasing website traffic with 2-3 social media posts a week till the end of the 2024 year.

Target Market

Our target audience is the health enthusiasts aged 20-40 located in the United States, composed of those who have always wanted to break into the fitness industry or those who have busy schedules and just can't commit to a gym membership. They're those who are better educated in the benefits of healthy living and fitness and find value in investing in their health and physique. They're those who want to be more economical with their money: they don't equate a higher price tag with a better product, but are willing to pay more for a higher value product. In our survey of 56 people, we found that 53.6% of respondents were willing to pay \$30 or less for a monthly gym membership. They're those who purchase a gym membership and attend for a month before tapering off and eventually canceling their membership. They're health enthusiasts who are new to the fitness realm and are in need of guidance or those who want to bring their physiques to the next level.

BUYING BEHAVIOR

Typical buying behavior starts with the onset of the new year. With the mantra "new year new me" to start off many fitness journeys, traditional gyms typically see an onslaught of new memberships being purchased within the first month of the new year, a notable 12% more than any other month (TIME). Alongside, complementary goods and services also spike during this time, such as personal training. However, this spike of gym membership fades off very fast, with about 14% cancelation by the end of February and 50% by June. (Runrepeat) One of the main causes for these cancellations is due to lack of time or commitment. Herme's Fitness tackles this issue by providing its users the flexibility and accessibility to go to gyms without having to constantly pay those annoying sign up fees.

The transition to summer becomes harsher. The number of gym memberships drops to as low as 3% (Gyminsight) and a surge of recreational classes, such as boxing and swimming, occur. The drop of memberships various factors, some being, vacation and parenting, but leads to an increase in recreational classes because the younger audience just got out of summer break and have a lot of free time, or parents taking their kids to these recreational classes with many consumers willing to pay more for these services (Glofox.)

CONSUMER DECISION MAKING PROCESS

In the typical consumer decision making process for our target audience, individuals would likely find dissatisfaction with some facet of their current state of health or physique, and thus recognize the need to start exercising. This would subsequently prompt these individuals to start an information search for the most applicable medium of exercise relative to their desired fitness goals. In general, this most commonly consists of home body-weight workouts, gym memberships, or personal training. In the stages of evaluation, our target audience would likely weigh the value of each medium with the perceived outcomes. While economical, home body-weight workouts generally produce little results for high investments of time. On the other end of the spectrum, personal training generally produces good results in less time, but for high financial investments. This usually drives our target audience to invest in a gym membership under the illusion that that gymming equates results. Post purchase, our target audience would likely go to the gym much less frequently than they had initially anticipated after realizing going to the gym requires motivation and results require

effort. As a result, they would likely suffer from buyers' remorse at their wasted gym membership.

STATISTICS

- 43.3% of people with gym memberships spend less than \$30 on a monthly membership
- Almost a third of all Americans (32.42%) pay for a gym membership, even if they aren't using it. Of those with an active membership, roughly 46.9 million (56.6%) actually get to the gym at least twice a week. A further 17.1 million (20.7%) make it to the gym at least once a week.
- roughly 6.1 million American adults lost a total of \$397 million with unused gym memberships in 2021
- Approximately 82.7 million adults spent an estimated \$8.2 billion on gym memberships each in 2020, a drastic decrease of 76% from that spent in 2019

Market Strategies

Positioning Statement

Hermes Fitness is an online fitness access app. Customers such as students, travelers, and business people who could be moving to another city frequently can use this app to gain unlimited access to all gyms we collaborate with. We have affiliations with all major authentic fitness centers, such as LA Fitness and 24 Hours Fitness, etc. Customers can also find low-cost personalized trainers and other fitness functions on the app.

To: the health enthusiast, 20 - 40, who wants more accessible access to any brands of gyms nearby.

Hermes is the: Most accessible online fitness app.

That: provides you with one single membership so you can feel convenient to enter all brands of gyms.

That's because:

1. In a study that surveyed 1000 fitness lovers. 75% have struggled with the fact that they can not enter the same gym with their partner due to the different membership issues.
2. By reviewing 1000 feedback from the fitness group, more than 80% show an interest in membership and can access several brands of gyms.
3. In a three-month study, nearly 90 percent of the customers from Hermes fitness want to renew their membership.

Message strategy

The message strategy that Hermes Fitness will use is the cognitive and affective strategy. To start with, we will be using hyperbole advertising. Hermes fitness is the most accessible fitness app in the United States. This messaging strategy helps encourage brand recognition for health enthusiasts to find accessibility to various bands of gyms across the country.

On the other hand, we will reach our audience through resonance to create a better experience that makes consumers willing to join the membership, whether you are traveling or moving to another city. Going to a closer or a formula gym has always been a headache for fitness enthusiasts. With vast amounts of bands in the market, it isn't easy to make one choice. Our company has captured this frustrating market issue. Thus, our team will strive to create creative and communicative ads to solve the problem.

Advertising appeal

We'll leverage the emotional appeal to connect with fitness fans and bring in potential clients. Most people's fitness goals are primarily physical health and relaxation. Thus, the mental health that comes with physical health cannot be overlooked. We'll first make a direct link between exercise and mental health that fitness fanatics will find interesting, and then we'll use positive fitness results to attract new consumers. So, in order to fulfill our goal of showing viewers how to get positive results in the fitness process, we use slice-of-life to improve the trustworthiness and persuasiveness of our advertisements. For example, they can use whatever gym they want in any place and enjoy the positive benefits they achieve by adhering to the gym. This strategy is intended to entice fitness enthusiasts and potential users to inquire about and

acquire the product, as well as to build and maintain voluntary loyalty between customers and the product over time.



**STAYING
ACTIVE
EVERYWHERE**

**BE
UUU**

HERMES

**If it's fun, you are on
the right track**

*Get more UUU time this year
at Hermes Fitness across the
states with the Hermes
membership. Join now and
claim up to \$200 in new
member discounts.*

Now is time to sign up for the member discount !!! If you join before the deadline, you will receive a \$200 discount on your membership cost.

We start with rendering the concept of our posters with bigger and more vibrant fitness graphics to encourage membership sign-ups. At first glance, this allowed fitness fanatics and potential consumers interested in fitness to pause and read more about the poster. Second, we employed the most successful technique to inspire users to acquire the product by giving discounts to new members in order to enhance their desire to buy.

Marketing Tactics

Social Media

People use "social media" platforms to share and communicate their feelings. Social media has the ability to connect people in a way that no other platform can, and to help them communicate and interact with each other. According to our survey, 50.7 percent of our target market uses Shake and 20.3 percent uses youtube. Facebook is the largest social media, with 2.9 billion active users, and the largest word-of-mouth marketing. So for all three of these platforms, our goal is to work with people who share quality product content and have influencers. In addition, influencers need to have a solid fan base and interaction rate with their followers, so for all three platforms we aim to work with influencers who generate and share high quality content. Our biggest goal with social media is to increase brand awareness and exposure. In doing so, we will generate more sales and build a steady revenue stream that will potentially expand our social media marketing efforts. With more sales comes more customers, opening the door for us to build stable and positive customer relationships that will translate into long-term customer loyalty.

Campaign 1: Staying Alive

At product launch, we will give the first 30 participants who post a picture a fitness bracelet to use when they #StayFit. Participants will simply post a picture of themselves while exercising on instagram, or other social media, and tag #StayFit when sharing their fitness goals for the month. The goal of this campaign is to encourage more people to join in and have a different fitness experience than the traditional one.

Campaign 2: Fitness is in the moment

Through this campaign, we are offering free gym bags and gym water bottles to individuals who participate in the #FitnessInTheMoment campaign. This 3-week campaign started when we posted the announcement on Facebook. Each week 10 participants are randomly selected from our facebook followers. The purpose of these campaigns is to communicate a healthy lifestyle and encourage people to get out and exercise. We plan to start this campaign in May. Because summer is approaching, people tend to want to have a more perfect body. Our company's goal is to work with health-conscious customers to help them change their bodies and motivate them to exercise.

Digital Marketing:

Partnerships and Collaborations: Brand Building

Our goal is to build a global fitness community through our partnership with Fitbit, CrossFit. At the heart of sports is competition and competition, Fitbit allows consumers to compete with their friends, Fitbit allows consumers to compete with consumers seemingly at random, allowing consumers to form habits and giving them something to compare themselves to. the genius of CrossFit is not its training system, but in the way it has made itself a community and a trend. We're going to build one with our customers and through the strength of our online booked fitness. A kind of global community of fitness trends where people can communicate and compete with each other on fitness online. When working with well-known brands, their expertise, and similar brand image can add value to our products. Specifically, the branded ingredients have multiple proven health benefits , allowing us to market in a transparent way that also provides credibility to our customers. As a result, our target customer base, as well as

CrossFit and Fitbit customers, may trust our products and become interested in them, potentially leading to more sales. In addition to generating higher sales, the brand helps us form positive and long-term relationships with our customers and our partner companies. In addition, this partnership also allows us to provide value to them by adding variety to their product lines and expanding into different markets. In this way, the partnership is not one-sided and is beneficial to both parties.

Implementation

The launch of Herme's Fitness is set to have a soft launch on December 1, 2023, and a full launch on January 1, 2024. The reason for the two launch dates is to get on people's radar and get our name out there for the soft launch before the full launch during a peak period for gym registrations, New Years. With Herme's Fitness main goal of helping those who have troubles breaking into the fitness industry, ages 20 - 40, by providing them affordable and accessible resources, such as personal trainers and facilities. With the launch of Herme's Fitness, we want to gain as much exposure and traction as possible, with a goal of at least 250,000 impressions by February, growing our clientele and catching the eyes of future benefactors, like gyms and sponsors. Thus, we have decided to follow the exposure pattern of flighting campaign, alternating between bursts of advertisement and hiatus. This allows us to gain a high volume of impressions and capitalize on times where everyone is looking for a gym membership or times of travel. For example, one of our peak seasons would be during the summer. All of a sudden, an influx of students who just got on summer break have a lot of time on their hands and want to start gymming. We also capitalize on the change in season, as the summer season only yields about 3% of usual visitors in comparison to the monthly average of 8% (Gyminsight.) The top two reasons for this significant drop is because of travel and change in activities. Luckily, Herme's Fitness tackles both of these problems. With our gym partners all across the country, it allows those who are on vacation to also retain their fitness goals while having fun without the commitment of sticking to one gym in one place. Our personal trainers also provide group classes that give you access to recreational classes that allow you to have some fun in the sun rather than being stuck on a treadmill. Utilizing peak fitness seasons, like New Years and the summer time, gives us a large enough following for users to refer their friends or advertise

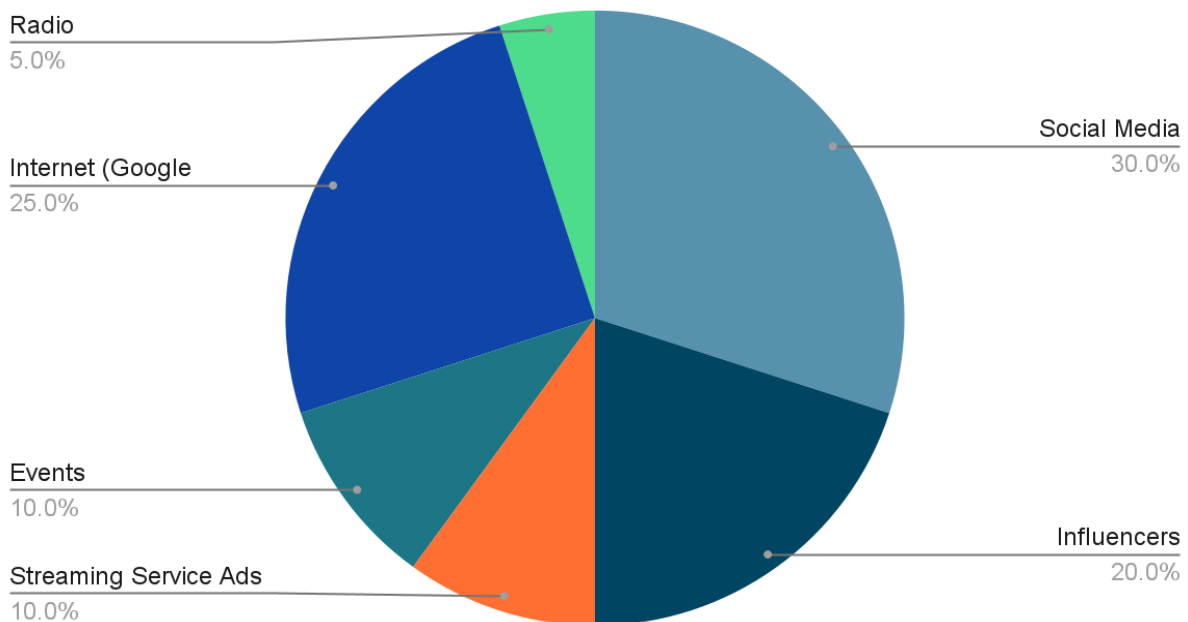
through word of mouth, hence allowing us to go on a hiatus for slower seasons and allowing us to utilize that capital on improving our services and expanding.

[illegible]

At Herme's Fitness, we plan on tackling advertising through various categories such as, Social Media platforms (TikTok, Instagram, Facebook...), influencers, internet advertising (Google Adwords, Google Maps...), pop-up events, ads on streaming services (Spotify, Apple Music, Youtube, and Twitch), and the radio. We're in an era dominated by social media and wanted to capitalize on that. Creating trendy social media pages and content allows us to reel in traction from our target audience and gives the public something digital that they can hold onto and put an image behind rather than just being another generic app. Alongside social media, we want to advertise through influencers as it exposes our product to an existing audience that fits within our target audience. The usage of an influencer also pushes those who are on the edge of always wanting to break into the fitness industry to use our platform as it provides us with credibility. Using the Internet to advertise through Google Adwords and Google Maps allows us to use geo targeting to target local users who are searching keywords and phrases, such as "Gyms near me" and overall gaining impressions through basic searches. Using these platforms to help us advertise also can redirect people to our pop-up events, giving our target audience something physical to take a look at meanwhile creating a face to face connection. For streaming service ads, we wanted to tackle a space that isn't really thought about when marketing for fitness and who doesn't love music? Moreover, who doesn't listen to music? A study done with over 20,000 responses, over 92% of all participants at least sometimes listen to music while they work (CSS

Tricks) and 65% of participants, moreover, said they have “no motivation” to exercise without workout music. (SWNS Digital) gives us the perfect opportunity to talk about our product to both those who already go to the gym and those who are interested in doing so. For the type of budgets, Herme’s Fitness will initially follow a quantitative model during bursts of advertising to maximize the number of impressions, and then slowly transition to an objective and task model to see what is effective and what is not.

Marketing Budget Allocation



Evaluation of Performance

The evaluation of our campaign performance will be measured through several data collection methods which are tuned to be easily accessible and comparable with the objectives set. We plan to utilize the data collected over the course of the campaign and also post-campaign in order to break down and better analyze the effectiveness of our campaign. In order to ensure accuracy and a clearer breakdown of our performance, we will be focusing on ad tracking, online evaluation metrics and respondent behavior evaluations.

For Ad tracking, we intend to use name recognition surveys to test the effectiveness of the impacts of our ads in order to test advertising effectiveness and also brand performance. The qualitative tools to track and evaluate the success of our advertising therefore will be questionnaires, observations, focus groups and interviews.

For online evaluation metrics, we will be using a unique set of measures that are monitored in real-time and stored along the way with the metrics being click-thru, dwell-rate and dwell-time. These metrics will be vital in helping us monitor the effectiveness of our IMC campaign as we are able to take note of the changes that occur throughout the campaign towards brand image with the public and media through our digital marketing strategies. This is important as this information provided will help us better understand the effectiveness of our campaign and to identify new trends that will benefit the client and our campaigning methods. The metrics in this case are our quantitative tool that will translate the level of effectiveness that our advertising has.

For respondent behavior evaluations, we will be measuring how people act or behave as a result of our campaigning methods and we will be using both quantitative and qualitative tools to

evaluate the level of our success as it is critical for us to understand how the audience reacts to the campaign that we have designed and executed. The quantitative tool in this case will be sales numbers and the qualitative tool will be interviews, observations and focus groups done on test markets and purchase simulation tests.

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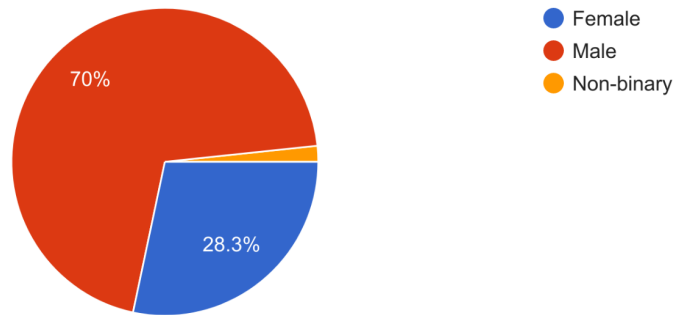
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Appendix

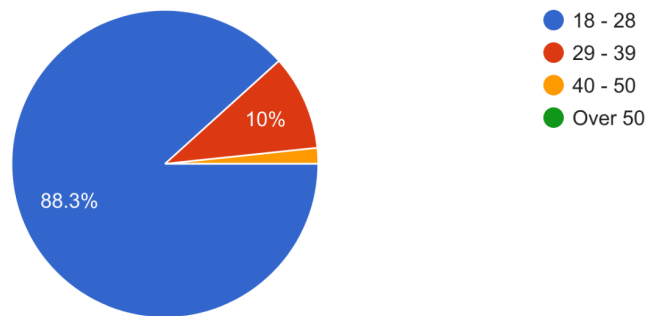
1. What gender do you identify with?

60 responses



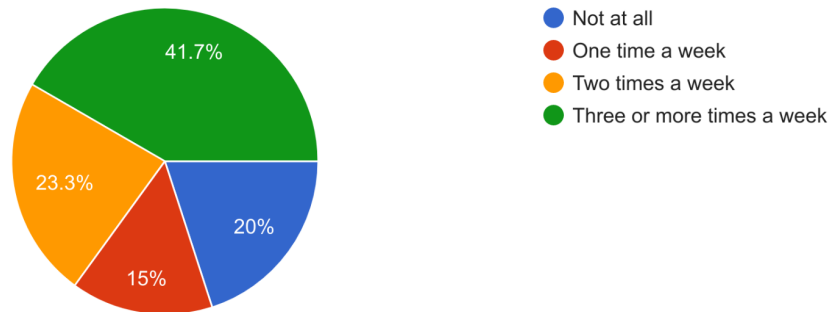
2. What is the age of your group?

60 responses



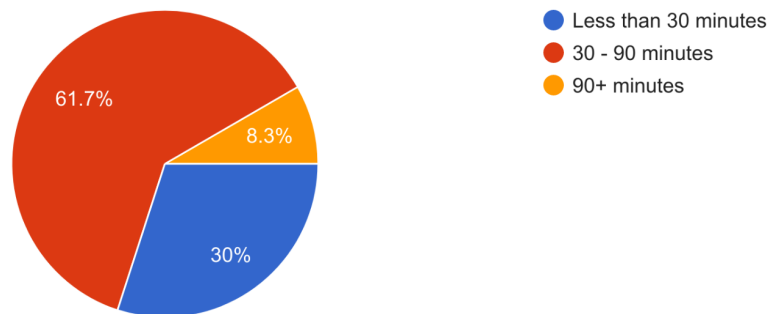
3. How often do you exercise in a week?

60 responses



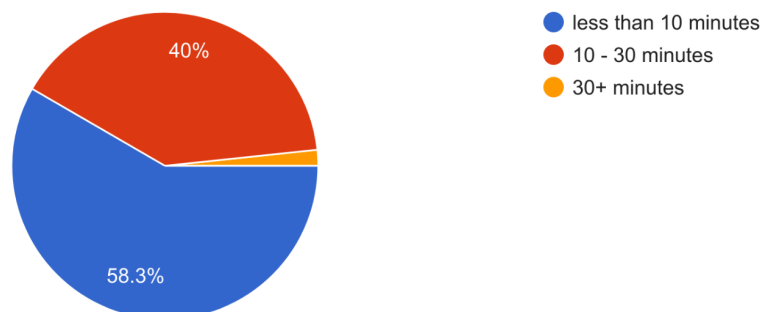
4. Average time spent exercising in a given session?

60 responses



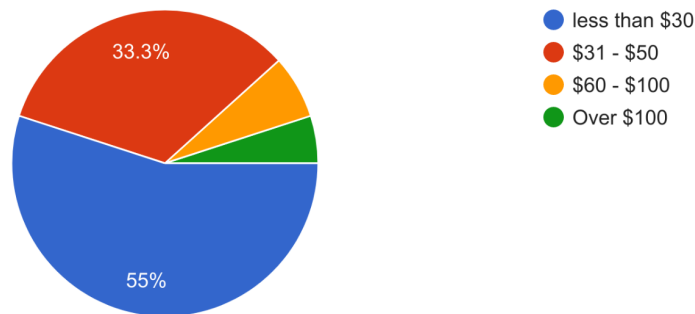
5. How long will you take commute time to the gym

60 responses



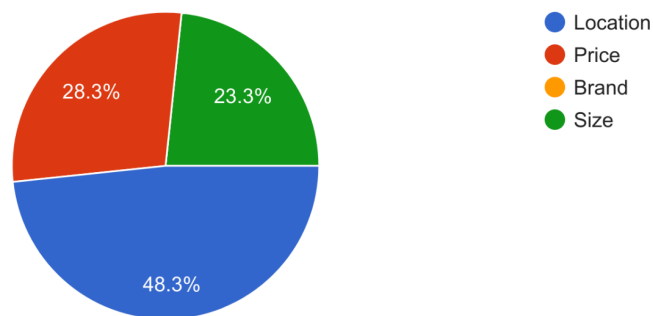
6. How much are you willing to spend monthly on a gym membership?

60 responses



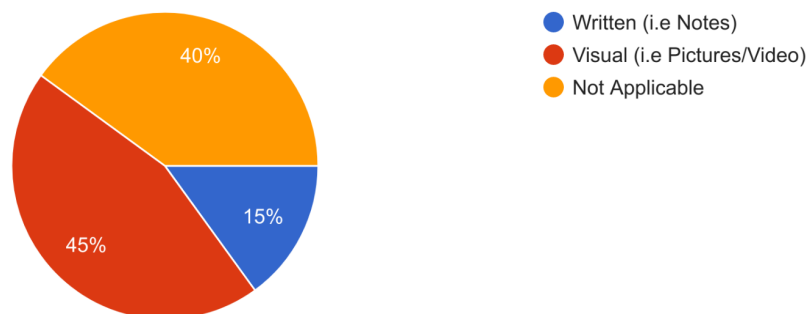
What is your most important consideration when you think about purchase a gym membership?

60 responses



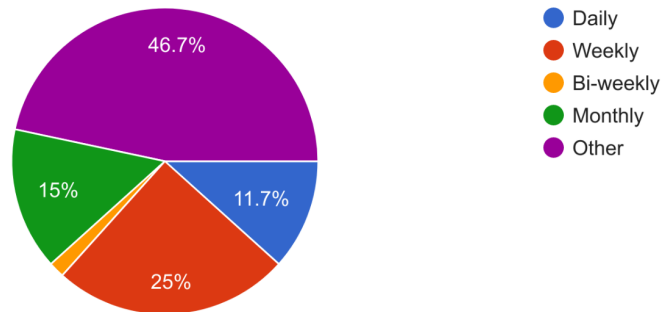
8. What medium do you use to record your progress?

60 responses



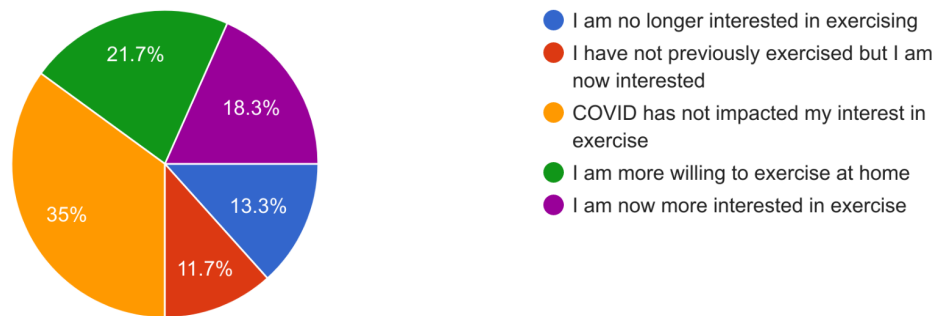
9. How often do you record your progress?

60 responses



10. How has COVID impacted your decision to exercise?

60 responses



Division of Labour

Situational Analysis: Hugo

SWOT Analysis: Hugo

Objectives: Hugo

Target Market: Annika

Marketing Strategies: Junghan

Marketing Tactics: Aaron Li

Implementation: Felix

Evaluation of Performance: Hugo

Appendix:

- Survey: Hugo, Junhan, Aaron, Felix, Annika
- Survey results: Hugo, Junhan