



BoomBox Crossfit MarCom Plan

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COM 630

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BACKGROUND

BoomBox Crossfit is composed of two gyms and over 150 members. The original gym is located in Temecula and the newest addition was opened in San Diego on December 5, 2013. Eric Salcedo is the head coach and owner of BoomBox Crossfit and it's brand (BoomBox). BoomBox San Diego is co-owned by Ray Fernandez and Rey Bautista. Since the initial opening in December 5, 2013, BoomBox San Diego has gained 80 members with 50 of them being "founding members" and continues to steadily grow. BoomBox Crossfit prides it's self on its core values: community, camaraderie, and commitment. These values help guide the gym to maintain relationships with their members and ensure that their members feel valued. Jay Mendoza, a past coach who moved to Oxnard, in northern California to open his own Crossfit gym, designs daily workouts and strength training for BoomBox Crossfit.

With BoomBox Crossfit San Diego being the newest addition to the gym family, it will be important to advertise to new members in San Diego and spread the word about the new gym. It will be essential for BoomBox Crossfit San Diego to grow their membership numbers in 2014 because it will allow them to improve the gym space and purchase more equipment. A working group of 80 members allows for five one-hour classes throughout the day with three coaches. In 2014, BoomBox Crossfit San Diego will be able to possibly expand with the growth of new members and more income.

SITUATIONAL ANALYSIS

| Strengths | Weaknesses |
|---|--|
| Good programming Supportive owners Supportive community Accountability | Not enough gym space Not enough equipment Not enough classes throughout the day Need more coaches |
| Opportunities | Threats |
| Ability to gain more members Recruit members who can compete Incorporate new programming for children and teens | Other crossfit gyms Competitive gym membership prices Larger gyms Negative coverage of crossfit lifestyle |

BoomBox Crossfit San Diego (BBCF SD) has a lot going for it: good programming, supportive owners who are willing to work with anyone who walks into their gym, a supportive community of people who will cheer for each other, and accountability which a lot of people who are going to the gym want in their coaches and members. While BBCF SD has many positives that will bring in members in the upcoming year, there are negatives to being a newer gym. The

gym is small for the large classes it has every night, which leads to lack of equipment for everyone working out. In order to solve this problem, they would need to incorporate more classes throughout the day but unfortunately, they are unable to accommodate new times without more coaches.

There are also lots of opportunities for BBCF SD including: the ability to gain more members through word of mouth. The crossfit community is built on word of mouth so it's important for the members to have positive experiences in the gym in order to recommend the gym to their friends, families, and peers. It would be beneficial for the gym to network and locate members who would be willing and able to compete in competitions throughout San Diego. This would be able to showcase the programming at the gym and encourage other people to research the gym. This gym would also benefit from including the entire family in classes like "Crossfit Kids" and sports endurance classes for teenagers.

Of course, with any business, there are threats that could make or break the company. There are at least eight crossfit gyms within a 15 minute driving distance from BBCF SD. Gym prices vary and it is important to remember to be competitive in pricing. Many gyms bring in new members by creating deals and discounts and at this point, BBCF SD is unable to bring pricing down due to needing more equipment. Many new members may want a larger gym with more classes and coaches and may not choose BBCF SD because of these reasons. Another threat to BBCF SD is the negative coverage in the media of crossfit being too competitive and too demanding on the body. Many people may feel intimidated by the workouts and will not want to be part of the gym.

INTRODUCTION

BoomBox Crossfit San Diego (BBCF SD) is recently opened gym in San Diego. With another gym located in Temecula it will be crucial for BBCF SD to gain a community of individuals who are looking for a new and exciting way to get fit. These individuals will be those who want a gym that will challenge and push them out of their comfort zone. BBCF SD will also sell their community environment, which creates a place where their members feel comfortable and supported on their fitness journey.

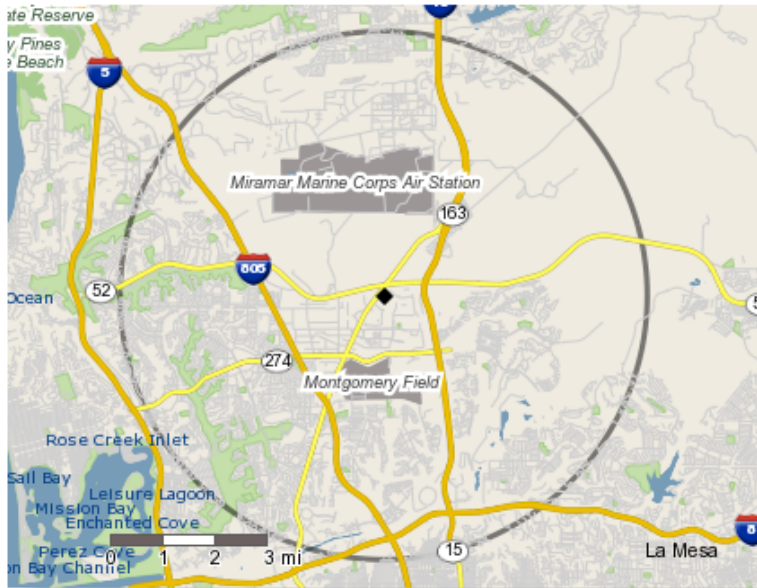
TARGET MARKET

The existing target market includes: beginner, intermediate, and expert level fitness-skill individuals, individuals who want to weight train, individuals who want to lose weight, college students, military personnel, and men and women between the ages: 21-40 (and older).

The potential target market for BBCF SD is children and teenagers. The way to incorporate this target market would be to create specialty classes for this target market. It would also include encouraging the entire family to join the gym as well. This target market would help ensure that the gym continues to grow and

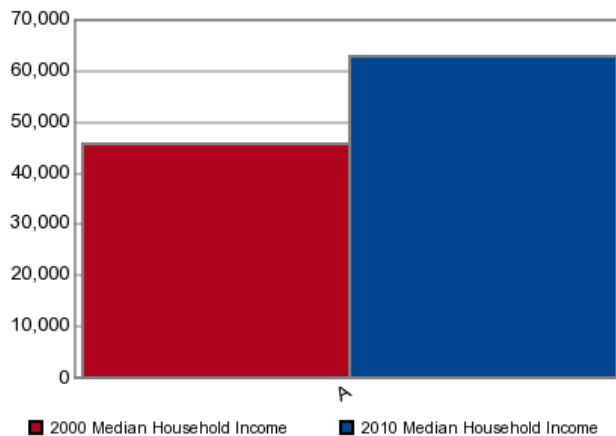
is unique as compared to the other gyms in the area. However, before expanding into children and teens, BBCF SD would need to grow their current existing target market.

The map provided below shows a 5-mile radius around the gym's location. The following demographics are from this circled area.



© 2014 TomTom

Average Household income:



A: 5 Miles: 5745 KEARNY VILLA...

| Households | |
|------------------------|---------|
| Average Household Size | 2.64 |
| Total Households | 90,170 |
| Total Population | 232,548 |
| Total Female | 49.8% |

| | |
|----------------------------|---------|
| Total Male | 50.1% |
| Total Household Population | 227,297 |

| Population by Age by Sex: Female | |
|---|------|
| % 21 years | 1.8% |
| % 22 to 24 years | 5.6% |
| % 25 to 29 years | 9.7% |
| % 30 to 34 years | 8.2% |
| % 35 to 39 years | 6.9% |
| % 40 to 44 years | 6.2% |

| Population by Age by Sex: Male | |
|---------------------------------------|-------|
| % 21 years | 2.2% |
| % 22 to 24 years | 6.7% |
| % 25 to 29 years | 10.5% |
| % 30 to 34 years | 8.9% |
| % 35 to 39 years | 7.2% |
| % 40 to 44 years | 6.5% |

Demographics provided by: Free Demographics, 2014

Based on the above demographics, BBCF SD should focus on men and women between the ages 22 to 44 years old. This area shows that this age group has the most concentration of individuals. It also shows that the average income is just above \$60,000, which means that there is more likely, a chance of disposable income. Another group of people to concentrate on will be military personnel. Miramar Marine Corp Airbase is located within the 5-mile radius. Military personnel also look for ways outside of their scheduled PT (physical training) to work out on their own. While free gyms are located on their bases, they may find having a coach and a community beneficial to meet their fitness goals.

COMMUNICATION OBJECTIVE

BoomBox Crossfit San Diego's communication goal is to increase awareness and maintain competitiveness in a saturated market by creating unique experiences in the gym that creates loyalty with current members and brings new members to the gym.

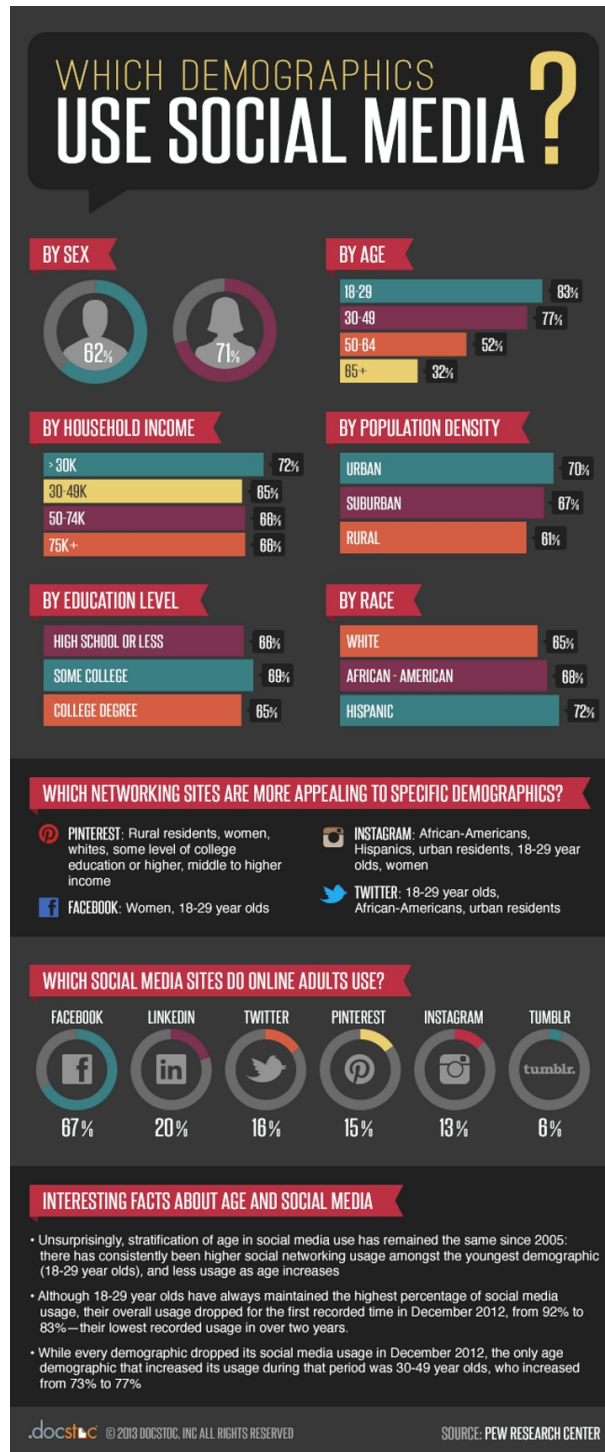
COMMUNICATION PLAN TACTIC SUMMARY

The following tactics will be used to promote not only the gym but also the great community and supportive coaches. BBCF SD will use a mix of traditional media (newspaper and flyers), social media (Facebook), and discounts to grow

the membership at BBCF SD. There is a mix of ROI and ROO, in order to help earn money but at the same time spread information about the gym. The tactics are strategically chosen to bring individuals to the gym with the hopes of creating a member at the end of the tour.

COMMUNICATION PLAN TACTIC DETAILS

- Direct Marketing – flyers
 - Direct marketing will allow the gym owners to advertise in other businesses surrounding their gym. It would be an easy hand off to a member who could then deliver the flyer to someone they know. The discounted price that comes with the flyers will appeal to men and women living within a 5-mile radius of the gym due to their income of \$60,000. While there is disposable income, they may find a benefit in getting a percentage off the first month of membership.
- Landing pages
 - A unique landing page would be created for the flyer so new, interested members could go to a direct link to learn about the BBCF SD's mission and programming and see the prices up front. This will allow BBCF SD to learn about who is seeing their flyers and website. This may allow BBCF SD to look outside of the 5-mile radius to find gym members based on the traffic researched in Google Analytics.
- Loyalty Programs – “Bring-a-Friend” Saturdays
 - The gym can establish “Bring-a-Friend” Saturdays to encourage current members to bring new members to the gym. If a new member signs up, the person who brought them would receive half-off their membership in the following month. Due to the household sizes being an average of 2.6 in this area, many people may bring their married friends to the gym on Saturdays. If households are composed of 2 people, we can assume that there are no children for them to worry about leaving while they work out. Plus, with consideration of income, this will be a great way to encourage current participants to reach out to their community of friends.
- Online Display Advertising – Facebook advertisements
 - Facebook advertisements will be easy to track. They're inexpensive and can be used sporadically throughout the year. This would allow the gym to reach people who might not have been looking for it in the first place. This will be especially helpful when trying to advertise to women. Women between the ages of 18-49 use social media more than men do (Popescu, 2013). The following graphic will give insight to social media use for the purpose of this MarCom plan:



- Coupons – “2 for 1 month” deal
 - BBCF SD will benefit from a coupon that involves two members paying for 3 months of membership at a discounted price. This tactic will appeal to those individuals living within the 5-mile radius, as the average household size is 2.6.
- Website

- It will be important for BBCF SD to increase page views on their website by posting more frequently and posting about things other than the daily workout (WOD). This will help generate SEO.
- Discounts – Military discount
 - By providing a discount for military individuals, BBCF SD has the potential to bring in new members within the 5-mile radius. Plus, a military discount will show that BBCF SD supports the military community and may bring in other individuals who also support military.
- Direct Advertising – Newspaper
 - Newspaper advertisements will allow for San Diego readers to learn more about BBCF SD. The included discount will give readers incentive to come to the gym and sign up for membership. According to the statistics provided by the U-T San Diego: Print advertising research, male and female are both 50.0% of readers with 59.1% of them being married and 21.5% being single. The U-T San Diego reaches 46.5% of San Diego adults with a median income of \$69,934. The following demographics are from the U-T San Diego:

READER PROFILES: U-T SAN DIEGO

| | |
|----------------------------|----------|
| Male | 50.0% |
| Female | 50.0% |
| Median Age | 49 years |
| Married | 59.1% |
| Single | 21.5% |
| Widowed/Separated/Divorced | 19.3% |
| Median Household Income | \$69,934 |
| Homeowners | 73.0% |

Source: 2008 Scarborough Research, Release 1

Reach an even larger audience with U-T San Diego and UTSanDiego.com

- UTSanDiego.com alone reaches **23.2%** of San Diego adults.
- U-T San Diego alone reaches **46.5%** of San Diego adults.
- Together, UTSanDiego.com and U-T San Diego reach **55.5%** of San Diego adults.

Source: 2010 Scarborough Research, Release 1

MEASUREMENT CRITERIA, GOALS, and SOURCE OF MEASURES

Measurement criteria will be reliant on the tactic. Most tactics will have at least three measurement criteria. These measurement criteria will ensure that the tactics are helpful to BBCF SD. The criteria will include measurements such as

number of new members, phone calls, email sign ups, “likes” and “shares”, and purchases. Tracking the tactics will ensure that they are helpful to the gym. Some of the tactics will cost the gym money to implement so it crucial that the sees their measurement criteria and goals being met on a monthly basis.

Measurement goals will be monthly and annually. It will be important for the gym to track numbers monthly and ensure that these numbers are being met or exceeded.

Measurement of the above tactics will be measured using traditional forms such as phone logs and completed liability forms. This will be the easiest way for this up and coming gym to maintain a count for the number of call and walk-ins to the gym. Other sources of measurement will be Wodify, which is a paid application that allows gym owners and coaches to track their members (emails, phone numbers, payments, gym usage) and allow their gym members to be actively involved in the gym by implementing an online “scoreboard” system. Other applications to be used include: Google analytics for all online items, Yesware for emails (for non-members), Facebook, and revenue from sales.

MEMBERSHIP PRICING

The price of membership is meant to be competitive with the gyms in the area. Membership is based on the following expenses:

| Expense | Price (per month) |
|-----------------------|--------------------------|
| Space | \$3,000 |
| Coaches (3) | \$12,000 |
| Equipment/Maintenance | \$500 |
| Insurance | \$1,000 |
| Software (Wodify) | \$57 |
| Total | \$16,557 |

BBCF SD is basing their membership cost on 250 members (including BoomBox Crossfit Temecula since membership numbers are currently low at BBCF SD) which means that each member would cost the gym \$66. In order to make a profit from their members, they are charging \$120 per person for membership.

MARKETING/COMMUNICATION (MARCOM) TACTICS

The following tables outline the tactics and timelines. The measurement goals are representative of the number of members who signed up for the gym within the first month. In the first month of the gym opening, 80 individuals signed up and of those people, 60 people were word-of-mouth and knew one of three of the owners or coaches in the gym.

TACTIC 1: DIRECT MARKETING – FLYERS

MEASUREMENT CRITERIA AND SOURCE

Direct marketing flyers will be printed and handed out to current members and to other businesses in the area. Reminding members to show their friends will be crucial to ensuring this tactic is successful. The measurements for direct marketing will include phone calls, which will be logged in a phone log, walk-ins to the gym that will need to sign liability forms before participating, and new members signed who sign up using the flyer. One way BBCF SD will ensure that this tactic is successful is by including a discount off membership for the first month by using the flyer (20% - \$96). The promotion code on the flyer will be used when signing up the new member and then the member will be logged on Wodify.

| Measurement | Measurement Goals/(monthly/12 months) | Source of Measures |
|---|---------------------------------------|--------------------|
| Phone calls made to inquire about the gym | 20/240 | Phone log |
| Walk-ins to the gym | 25/300 | Liability forms |
| New members signed up using promotion code on flyer | 15/180 | Wodify |

COST

The cost to design flyers will be \$0 because the owners will be responsible for creating the flyers. Professional printing will be done by Graphix Signs on a monthly basis and each month will receive 200 flyers. When an individual brings in the flyer, a discount will be given. This will help with tracking the effectiveness of the flyers.

| Production | Media & Placement | Promotion Fulfillment | Total Activity Cost |
|---------------------------|---|---|---------------------------------|
| Designing the flyers: \$0 | Professional printing: \$80/month \$960/annually | Redeemed discounts: \$360/month \$4,320/annually | \$440/month \$5,280/annually |

RETURN

After completing the calculations below, the margin is 31.2% with a gross product margin of \$5,400. This tactic breaks even when 180 people sign up for membership. When members sign up, they receive a 20% discount but overtime the gym makes back money from these members because if they stay at the gym they will begin to pay \$120 a month.

| Margin | Gross Product Margin | Break-Even |
|---------------|-----------------------------|-------------------|
| 31.2% | \$5,400 | .97 |

Members - \$66/month
 Discounted price - \$96/month

Unit Margin = Selling Price per Unit – Cost per Unit
 = \$96 - \$66
 = \$30

Margin = Unit Margin / Selling Price per Unit
 = \$30 / \$96
 = 31.2%

Product Gross Margin = Margin x Number of Units
 = \$30 x 180
 = \$5,400

Break-Even
 Break-even point = Cost of Campaign Investment / (Margin x Number of Units)
 = \$5,280 / \$5,400
 = .97

TACTIC 2: LANDING PAGES

MEASUREMENT CRITERIA AND SOURCE

A landing page will be included on the flyers that BBCF SD creates. It will send members to a special page that will list information about the gym, workouts, and pricing. On this page, people will be able to sign up for a gym tour by typing in their emails or calling the gym and inquiring about a gym tour. The “gym tour” language will only be used on this page to ensure that when the individual calls, the owners and coaches know where the person learned about the gym.

| Measurement | Measurement Goals/(monthly/12 months) | Source of Measures |
|--------------------|--|---------------------------|
| | | |

| | | |
|----------------------------|--------|------------------|
| Page visits | 60/720 | Google analytics |
| Sign up for tour via email | 30/360 | Yesware |
| Phone calls for tours | 15/180 | Wodify |

COST

The cost of this tactic is zero because it involves the established website that is maintained by one of the gym owners. The source of measurement also requires zero cost because current members in their membership fees pay for the software being used.

| Production | Media & Placement | Promotion Fulfillment | Total Activity Cost |
|-------------------------------------|-------------------------------------|------------------------------|----------------------------|
| Use current running website: \$0 | Use current running website: \$0 | \$0 | \$0 |

RETURN

This tactic is relying on Return on Objective. The objective is to get the word out about BBCF SD. The way BBCF SD will know this is an effective tactic is by the total number of people who visit the website and call for “gym tours.” In order for this to be effective, 720 people must visit the website annually, 360 sign up for “gym tours” via the website, and 180 people call to schedule a “gym tour.” If the numbers are less than the forecasted amount, then BBCF SD will need to determine a better tactic to spread the word about the gym.

TACTIC 3: LOYALTY PROGRAM

MEASUREMENT CRITERIA AND SOURCE

A loyalty program is the best way to get current members involved in marketing the gym. This loyalty program would take place every month and would allow our current members to bring a friend or family member to the gym to try it out and sign up. “Bring-a-Friend” Saturdays will include a workout for the potential member and then an informal informational session about the gym and what to expect. This will allow people to decide if this is a gym they would like to commit to. The incentive for members will be receiving 50% off their gym membership for the following month if a friend (or family member) signs up due to “Bring-a-Friend” Saturdays. This will be very similar to a referral program.

| Measurement | Measurement Goals/(monthly/12 months) | Source of Measures |
|---|---------------------------------------|--------------------|
| Attendance on “Bring-a-Friend” Saturday events | 25/300 | Liability forms |
| New members signed up due to “Bring-a-Friend” Saturdays | 15/180 | Wodify |

COST

The cost involves paying 3 trainers to be on-site during the event on a Saturday. This will cost the gym \$135, media and placement will include social media due to current members being online and on the website and will be no cost to the gym. The discount will involve the cost of the new member to sign up and the cost of the discount that the current member receives. Annually they are redeeming a high number in discounts.

| Production | Media & Placement | Promotion Fulfillment | Total Activity Cost |
|--|-------------------|--|------------------------------------|
| 3 trainers for 3 hours: \$135/month \$1,620/annually | \$0 | Redeemed discount: \$900/month \$10,800/annually | \$1,035/month \$12,420/annually |

RETURN

The margin for this investment is 45% with a gross product margin of \$14,580. This tactic does break-even with a projected 180 people who sign up for memberships due to this event. This event is unique in that it involves the price of the new member and the discounted price of the current member. These two numbers create a membership package of \$180 with the cost of both members being \$99.

| Margin | Gross Product Margin | Break-Even |
|--------|----------------------|------------|
| 45% | \$14,580 | .85 |

Members - \$66/month →

Discounted price - \$60 for one month (for member)

New member sign up = \$120

Unit Margin = Selling Price per Unit – Cost per Unit

$$= \$180 - \$99$$

$$= \$81$$

$$\text{Margin} = \text{Unit Margin} / \text{Selling Price per Unit}$$

$$= \$81 / \$180$$

$$= 45\%$$

$$\text{Product Gross Margin} = \text{Margin} \times \text{Number of Units}$$

$$= \$81 \times 180$$

$$= \$14,580$$

Break-Even

$$\text{Break-even point} = \text{Cost of Campaign Investment} / (\text{Margin} \times \text{Number of Units})$$

$$= \$12,420.00 / \$14,580$$

$$= .85$$

TACTIC 4: ONLINE DISPLAY ADVERTISING – FACEBOOK ADVERTISEMENTS

MEASUREMENT CRITERIA AND SOURCE

Facebook advertising is not free so deciding on the message to send out to the public will be crucial to the success of this tactic. For the time of this tactic, the gym will need to track how many “likes” and “shares” they receive along with tracking who signs up due to the Facebook ad. This will help them know whether or not their tactic is successful. Another measurement will be click rates. They will be tracked by Facebook using the “clicks” to pay for the advertisement over a period of time. The increase in traffic and walk-ins at the gym during this tactic’s campaign will be an indication of whether or not it is working.

| Measurement | Measurement Goals/(monthly/12 months) | Source of Measurements |
|------------------------------|--|-------------------------------|
| “Likes” | 40/480 | Facebook |
| Click rates on advertisement | 100/1200 | Facebook |
| Shares | 20/240 | Facebook |
| New members | 4/48 | Wodify |

COST

The cost of this tactic includes the price of placing a Facebook ad. The Facebook advertisement would use a “lifetime budgeting” which means that BBCF SD will determine how much money to spend over the lifetime of the

advertisement. Facebook will automatically pace the advertisement to spend the amount of money set aside (Facebook, 2014). BBCF SD plans to spend \$300 over the lifetime of the Facebook ad.

| Production | Media & Placement | Promotion Fulfillment | Total Activity Cost |
|------------|---|-----------------------|---------------------|
| | Facebook lifetime budget ad: \$25/month | | \$25/month |
| \$0 | \$300/annually | \$0 | \$300/annually |

RETURN

The margin for this tactic is 45% and the gross product margin is \$2,592. This tactic breaks even when 48 people sign up. Due to this tactic being low-cost, it is consider a successful tactic for spreading the word about the gym via Facebook and signing up members.

| Margin | Gross Product Margin | Break-Even |
|--------|----------------------|------------|
| 45% | \$2,592 | .11 |

Members - \$66/month
 Selling price - \$120/month

Unit Margin = Selling Price per Unit – Cost per Unit
 = \$120 - \$66
 = \$54

Margin = Unit Margin / Selling Price per Unit
 = \$54 / \$120
 = 45%

Product Gross Margin = Margin x Number of Units
 = \$54 x 48
 = \$2,592

Break-Even
 Break-even point = Cost of Campaign Investment / (Margin x Number of Units)
 = \$300 / \$2,592
 = .11

TACTIC 5: COUPONS – “2 FOR 1 MONTH” MEASUREMENT CRITERIA AND SOURCE

Coupons are a great way to establish customers at the gym. First, the gym will gain exposure in a local newspaper and second, people will have the option of bringing in a coupon to get a “2-for-1” month deal at the gym. This tactic will be measured in phone calls regarding the coupon which will be logged in the phone log. Another measurement will be walk-ins and everyone who walks-in to try a workout will need to sign a liability form. This will be an easy way to track visits at the end of the week. Finally, this coupon will be measured by the amount of people who become new members. This coupon involves “2 people” but sells as a unit. BBCF SD is measuring how many “units” are being sold as opposed to people. The number provided below, 10, is actually 20 people signing up at the gym as members.

| Measurement | Measurement Goals/(monthly/12 months) | Source of Measurement |
|------------------------------------|--|------------------------------|
| Phone calls regarding coupon | 15/180 | Phone log |
| Walk-ins | 100/1200 | Liability forms |
| Coupon redemption – member sign up | 10/120 | Wodify |

COST

The coupon will be designed by a gym owner which will make it free. An advertisement placed in the Union Tribune will cost \$200 a month. Coupon redemption will cost \$1,440 a month. While this is large coupon redemption, the positive side is that the members must sign up for three months. This will help with the overall cost of the tactic at the end of the year.

| Production | Media & Placement | Promotion Fulfillment | Total Activity Cost |
|----------------------------|--|--|------------------------------------|
| Designed by owners: \$0 | Ad placed in Union Tribune: \$200/month \$2,400/annually | Coupon redemption: \$1,440/month \$17,280/annually | \$1,640/month \$19,680/annually |

RETURN

The margin for this tactic is 34% with a gross product margin of \$24,480. This tactic will break even if 120 units are sold (240 people sign up). This tactic requires that the packet be sold in the following way: a unit sale involves 5

months of paid membership for two people, which is a total of \$600. The calculations are completed below for better understanding.

| Margin | Gross Product Margin | Break-Even |
|---------------|-----------------------------|-------------------|
| 34% | \$24,480 | .80 |

Members - \$198/three months

$$\$198 + \$198 = \$396$$

Discounted price - \$600

$$\$360 + \$360 = \$720 - \$120 \text{ (discount)} = \$600$$

$$\begin{aligned} \text{Unit Margin} &= \text{Selling Price per Unit} - \text{Cost per Unit} \\ &= \$600 - \$396 \\ &= \$204 \end{aligned}$$

$$\begin{aligned} \text{Margin} &= \text{Unit Margin} / \text{Selling Price per Unit} \\ &= \$204 / \$600 \\ &= 34\% \end{aligned}$$

$$\begin{aligned} \text{Product Gross Margin} &= \text{Margin} \times \text{Number of Units} \\ &= \$204 \times 120 \\ &= \$24,480 \end{aligned}$$

Break-Even

$$\begin{aligned} \text{Break-even point} &= \text{Cost of Campaign Investment} / (\text{Margin} \times \text{Number of Units}) \\ &= \$19,680 / \$24,480 \\ &= .80 \end{aligned}$$

TACTIC 6: WEBSITE

MEASUREMENT CRITERIA AND SOURCE

In order to build SEO, BBCF SD will need to post content to their blog that is not just workouts. They will need to post videos, articles, and recipes that will be searched by people on the Internet. This will help provide click through links for other sites as well. The measurements will be in visitors, click rates from the home screen, and how many people sign up for updates on site via email. The numbers for this tactic are a little higher due to it being online and easily accessible to the public. BBCF SD has the opportunity to team up with local businesses and Crossfit companies to help build SEO. It will also be important to leave the website address wherever BBCF SD is advertising their gym.

| Measurement | Measurement | Source of |
|--------------------|--------------------|------------------|
|--------------------|--------------------|------------------|

| | Goals/(monthly/12 months) | Measurements |
|----------------------------|----------------------------------|--------------------------|
| Traffic – visitors | 100/1200 | Google Analytics |
| Click rates on home screen | 100/1200 | Google Analytics |
| Email sign up | 20/240 | Google Analytics/Yesware |

COST

The cost of this tactic will be zero since the website is established it is not included in the cost of this tactic. The gym owners currently update their website and maintain the content.

| Production | Media & Placement | Promotion Fulfillment | Total Activity Cost |
|-------------------|------------------------------|------------------------------|----------------------------|
| | | | \$0 |

RETURN

This tactics relies on Return on Objective. BBCF SD will know this is a successful tactic if their website traffic increases throughout the year and if click rates on their home screen increase. This means that people viewing the website clicked to go to another page. Finally, BBCF SD will collect email addresses to keep people updated on events at the gym.

TACTIC 7: DISCOUNT PROGRAM – Military Discount

MEASUREMENT CRITERIA AND SOURCE

Due to CrossFit being popular with the military population, it will be essential for BBCF SD to provide a military discount for their military members. This tactic will be measured for success using phone calls regarding the discount being logged in the phone log, clicks on the website to learn more about the discount being monitored using Google Analytics, walk-ins to the gym who learned about the discount from the website or a friend being measured using liability forms, and military members who sign up for memberships. Membership will again be tracked using Wodify.

| Measurement | Measurement Goals/(monthly/12 months) | Source of Measurements |
|--------------------------------|--|-------------------------------|
| Phone calls regarding discount | 25/150 | Phone log |

| | | |
|-------------------|--------|------------------|
| Clicks on Website | 50/600 | Google Analytics |
| Walk-ins | 30/360 | Liability Forms |
| New members | 20/240 | Wodify |

COST

The cost of updating the website is zero due to the website already being established. Website advertising for this tactic will be free because the owners control what advertisements are on the website. The redeemed discount will cost the gym \$480 on a monthly basis. This discount will be tracked using Wodify and tracking military memberships.

| Production | Media & Placement | Promotion Fulfillment | Total Activity Cost |
|--------------------------|------------------------------|---|---------------------------------|
| Updating website: \$0 | Website Advertising: \$0 | Discount redemption: \$480/month \$5,760/annually | \$480/month \$5,760/annually |

RETURN

The margin for this tactic is 31.2% with a gross product margin of \$7,200. This tactic will break even if 240 military members sign up annually. Instead of selling membership for \$120 a month, it is \$96 a month for military personnel. This becomes the rate that they pay on a monthly basis. BBCF SD still makes a profit of \$30 with each military membership.

| Margin | Gross Product Margin | Break-Even |
|---------------|-----------------------------|-------------------|
| 31.2% | \$7,200 | .8 |

Member = \$66 (monthly) → \$792 (annually)

Selling = \$120 (monthly) – 20% = \$96 (monthly) → \$1,152 (annually)

Unit Margin = Selling Price per Unit – Cost per Unit

= \$96 - \$66

= \$30

Margin = Unit Margin / Selling Price per Unit

= \$30 / \$96

= 31.2%

Product Gross Margin = Margin x Number of Units

= \$30 x 240

= \$7,200

Break-Even

$$\begin{aligned}\text{Break-even point} &= \text{Cost of Campaign Investment} / (\text{Margin} \times \text{Number of Units}) \\ &= \$5,760 / \$7,200 \\ &= .8\end{aligned}$$

TACTIC 8: DIRECT ADVERTISING – NEWSPAPER ADVERTISEMENT

MEASUREMENT CRITERIA AND SOURCE

Direct advertising is an important way to reach an older audience who may not be on social media. U-T San Diego reports that their average reader is an average age of 49 (U-T San Diego, 2008). The way to measure the success of this tactic will be through phone calls inquiring about the gym on the phone logs, walk-ins who sign liability forms, and people who use the coupon provided in the newspaper advertisement and sign up for membership and then are tracked using Wodify. BBCF SD will find providing incentives in their newspaper advertisement beneficial to measuring the success of the campaign. This discount will include \$25 off the first month of membership.

| Measurement | Measurement Goals/(monthly/12 months) | Source of Measurements |
|--------------------|--|-------------------------------|
| Phone calls | 80/960 | Phone logs |
| Walk-ins | 30/360 | Liability forms |
| New members | 15/180 | Wodify |

COST

The advertisement will be designed by the gym owner and will cost zero dollars to create. A Saturday Ad in color in the local section (Kearny Mesa) will cost \$38 a month. Coupon redemption of \$25 will cost \$375 a month. This tactic will cost BBCF SD \$413 a month.

| Production | Media & Placement | Promotion Fulfillment | Total Activity Cost |
|-------------------------|--|--|---------------------------------|
| Designed by owners: \$0 | Saturday Ad Color Local Section: \$38/month \$456/annually | Coupon redemption: \$375/month \$4,500/annually | \$413/month \$4,956/annually |

RETURN

The margin for this tactic is 32.2% with a gross product margin of \$5,220. This tactic will break even when 180 people redeem the coupon found in the newspaper. The total for the first month of membership will be \$95. BBCF SD will still have a unit margin of \$29 and overtime will earn more money from these members who sign up using the coupon.

| Margin | Gross Product Margin | Break-Even (how many units) |
|---------------|-----------------------------|------------------------------------|
| 32.2% | \$5,220 | .94 |

Member = \$66

Discount = \$120 - \$25 (discount) = \$95

Unit Margin = Selling Price per Unit – Cost per Unit
 = \$95 - \$66
 = \$29

Margin = Unit Margin / Selling Price per Unit
 = \$29 / \$90
 = 32.2%

Product Gross Margin = Margin x Number of Units
 = \$29 x 180
 = \$5,220

Break-Even

Break-even point = Cost of Campaign Investment / (Margin x Number of Units)
 = \$4,956 / \$5,220
 = .94

PLAN ECONOMICS SUMMARY

In conclusion, the total cost of the MarCom campaign is \$48,396. The tactics above were strategically chosen to target the population living within a 5-mile radius of the gym. This includes males and females between the ages of 21-44. It is important for BBCF SD to grow and maintain membership at their gym to grow and be successful. Many of their tactics involve discounts, which will help bring people to the gym to learn about the programming and community. While some of the discounts will be found by an individual via flyer or newspaper, another way to gain members is by using current members to spread the word. This will be measured using “Bring-a-Friend” events. SMART goals were established to help BBCF SD grow their community. This plan will take place as soon as it is approved and will last a total of one year from the start date. It will be

important to establish a start date soon to ensure that all tactics can be used. It will be important to track members over time. At the end of this campaign, BoomBox should have a total of 1,068 members. This current campaign breaks even if 893 members sign up by the end of the year (see table below). However, to make a profit, BBCF SD should aim to sign up more members than 893.

| MarCom Campaign Cost | |
|-----------------------------|-----------------|
| Total | \$48,396 |

| Tactic | Monthly/Annually | Product Gross Margin |
|--|--|-----------------------------|
| Direct Marketing – Flyers 20% off first month | \$440/\$5,280 | \$5,400 |
| Landing Pages | \$0/\$0 | ---- |
| Loyalty Program – “Bring-a-Friend Saturdays” | \$1,035/\$12,420 | \$14,580 |
| Online Display Advertising – Facebook Advertisement | \$25/\$300 | \$2,592 |
| Coupon “2-for-1 month” | \$1,640/\$19,680 | \$24,480 |
| Website | \$0/\$0 | ---- |
| Discount Program – Military Discount | \$480/\$5,760 | \$7,200 |
| Newspaper Advertisement with Coupon \$25 dollars off first month | \$413/\$4,956 | \$5,220 |
| | Total Tactic Gain from Investment | \$59,472 |

ROI of MarCom Campaign Cost

ROI = (Gain from Investment – Cost of Investment) / Cost of Investment

$$= (\$59,472 - \$48,396) / \$48,396$$

$$= \$11,076 / \$48,396$$

$$= .23$$

| Tactic | Projected Goal to Break-Even (annual) | Break-Even Units Needed (annual) |
|--|--|---|
| Direct Marketing – Flyers 20% off first month | 180 | $\$5,280 / \$30 = 176$ |
| Landing Pages | --- | --- |
| Loyalty Program – “Bring-a-Friend Saturdays” | 180 | $\$12,420 / \$81 = 154$ |
| Online Display Advertising – Facebook Advertisement | 48 | $\$300 / \$54 = 6$ |
| Coupon “2-for-1 month” | 120 (x2) | $\$19,680 / \$204 = 97 (x2)$ |
| Website | --- | --- |
| Discount Program – Military Discount | 240 | $\$5,760 / \$30 = 192$ |
| Newspaper Advertisement with Coupon \$25 dollars off first month | 180 | $\$4,596 / \$29 = 171$ |
| Total Needed | 1,068 | 893 |

SUMMARY

All of these tactics are meant to build the BoomBox Crossfit San Diego community in an organic way. BBCF SD does not see the need to force their advertisements into people’s faces. They see the need to share their love of fitness and bring people into the gym that want to work hard and meet their goals. The way in which BBCF SD operates is to build content around what they love: building strength, endurance, and community. Everything they do in their tactics is meant to reflect their mission and are in no way cause others to feel obligated to sign up. BBCF SD does not believe in being “sales” people and are not looking to push sales every month. However, they do need to be able to build their gym membership numbers on a monthly basis in order to create a better gym and to ensure that their coaches receive adequate compensation for their time.

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| Name: Kristen Mihalko | | | |
|---|------------|------------|----------|
| Section | Pts Avail | Pts Earned | Comments |
| Short introduction as to what follows in the memo/paper | 15 | | |
| Situation Analysis <ul style="list-style-type: none"> Where are we now? Competitive Context | 15 | | |
| Target Market: <ul style="list-style-type: none"> Demo, Psycho variables? Segmentation of Target | 15 | | |
| Communication Objective: <ul style="list-style-type: none"> Comm. Obj. not Biz or Mktg. Obj. Include the core elements of their messaging – tag lines, slogans etc. | 25 | | |
| Summary of Tactics included in Plan <ul style="list-style-type: none"> Variety of platforms? Aligns with Target Market? Suitable to deliver Comm. Objective? | 15 | | |
| Measurement Criteria, Goals and Source of Measures: [separate section for each tactic] <ul style="list-style-type: none"> Narrative introducing Measures Include Measures Table Narrative introducing Costs Include Cost Table Narrative Introducing Return Results Include Return Table | 115 | | |
| Paper Summary/Conclusion <ul style="list-style-type: none"> Summarize the entire plan, costs, reach across multiple tactics, alignment with target , total costs and total return necessary to break-even | 30 | | |
| Format, Flow and Logical Arguments, timeliness, spelling, grammar, file naming, paper length etc. | 20 | | |
| Total | 250 | | |