

Introduction to the Gold's Gym

Gold's Gym International, Inc. is an American chain of international co-ed fitness centers (commonly referred to as "gyms") originally started in California by Joe Gold. Each gym features a wide array of exercise equipment, group exercise classes and personal trainers to assist clients. Its headquarters are in Irving, Texas

Corporate Information

Gold's Gym is privately owned. It was acquired from its previous owner, private equity firm Brockway Moran & Partners, by Robert Rowling's TRT Holdings in 2004 for approximately \$158 million. Brockway Moran had acquired the company in 1999. The current chief corporate officers include President and CEO Jim Snow, David Fowler as senior divisional vice president, and Aaron Watkins as senior vice president of finance and accounting. Corporate headquarters are in Irving, Texas which is in the Dallas metropolitan area.

Since Gold's Gym opened its first international location in Canada in 1985, the company has expanded its global franchising program to include nearly 180 international gyms including operations in Russia, Japan, the United Kingdom, Germany, Egypt, Saudi Arabia, Mexico, India and Peru. In 2009, the company opened its first locations in Spain, Poland and Venezuela.

In 2004, the company introduced the Gold's Gym Fitness Institute to serve as a think tank on critical health and fitness issues. The Gold's Gym Fitness Institute's members includes Dr. Belisa Vranich, Robert Rheames, Mike Ryan and Eric Plasker, among others.

Gold's Gym operates a national corporate wellness program. Clients include Whole Foods, the U.S. House of Representatives, American Airlines and Exxon Mobil.

In 2004, Gold's Gym became a national fitness sponsor of the American Diabetes Association's Tour de Cure. In 2006 the company became a National Strategic Partner of the American Diabetes, the ADA's highest designation for a corporate partner. Since their relationship began, Gold's Gym has raised more than \$2.5 million to benefit diabetes research, education and awareness.

In 2009, Gold's Gym partnered with video game manufacturer Ubisoft to create the "Gold's Gym Cardio Workout" video game for the Wii. The game received positive reviews.

Gold's is one of two official health clubs of the AARP, where it offers month-to-month memberships, and is the official health club of the Blue Cross and Blue Shield Association. Gold's has begun offering online enrollment

About Product And Range

Gold's Gym started in Venice California in 1965, and soon became the hotbed for the development of training techniques, equipment and nutritional concepts that formed the foundation for the modern fitness revolution. In 1975, Gold's Gym received international

attention when it was featured in the major motion picture, 'Pumping Iron'. It was thus effectively established as the 'Mecca of Bodybuilding'.

Today, Gold's Gym has over 700 facilities. It is the largest international gym chain in the world recognized for its passion, unique heritage, and experience as the final authority in fitness and lifestyle.

The India chapter of Gold's Gym started in 2002, when the first Gold's Gym India branch was set up at Nepean Sea Road, Mumbai.

Promoted by partners Jagdish K Valecha, Rajesh Advani, G.Ramachandran, Ashwin Ramesh, Karan Valecha and managed by Chief Operating Officer Istayak Ansari, Gold's Gym India has slowly and steadily carved its name in the Indian market and built a reputation to reckon with.

Globally, Gold's Gym is acknowledged for its unrivalled success in providing the finest equipment and fitness knowledge available to help its members achieve their individual potential. It follows a globally proven fitness training module with state-of-the-art infrastructure and delivery methodology and continuous up gradation through training programs. With certified trainers and nutritional counseling, Gold's Gym provides a comprehensive approach to the health and well being of its member. Whether your goal is to burn fat, tone or add muscle, build strength, increase flexibility or improve your cardiovascular health, only Gold's Gym has the atmosphere and experience you need

Product Price Range

Gold's Gym – Price Range

Please call the Gym for Current Rates and Discounts

Membership					
Rate	Web Discount	Rate (A) after Discount	Enrollment Fee (B)	Service Tax (C) (12.36% on A+B)	You Pay (A+B+C)*
<input checked="" type="radio"/> 1 Year Membership - Individual (Rack Rate)	22250	-	22250	750	2843 25800
<input checked="" type="radio"/> 1 Year Membership - Individual	17800	-	17800	750	2293 20800
<input checked="" type="radio"/> 6 Months Membership	12238	-	12238	750	1605 14500
<input checked="" type="radio"/> 3 Months Membership	7120	-	7120	750	973 8800
<input checked="" type="radio"/> 1 Month Membership	3338	-	3338	750	505 4500
Weight Loss Program					
Rate	Web Discount	Rate (A) after Discount	Enrollment Fee (B)	Service Tax (C) (12.36% on A+B)	You Pay (A+B+C)*
<input checked="" type="radio"/> Weight Loss Program - 6 Weeks	15000	20%	12000	750	1576 14300
<input checked="" type="radio"/> Weight Loss Program - 12 Weeks	25800	20%	20640	750	2644 24000
<input checked="" type="radio"/> Weight Loss Program - 18 Weeks	33200	20%	26560	750	3376 30600
<input checked="" type="radio"/> Weight Loss Program - 25 Weeks	38400	20%	30720	750	3890 35300
<input checked="" type="radio"/> Weight Loss Program - 1 Yearly	68000	20%	54400	750	6817 61900

Note:

- * **You Pay (A+B+C) - Rounded off to the lower 100**
- **All rates in Indian Rupees**
- **Please contact the gym for the rates of the Premium Trainer, Super Premium Trainer & Master Trainer**

Evolution of Gold's Gym

The first Gold's Gym opened in fall 1965 in Venice Beach, California. Dubbed "the Mecca of bodybuilding", it was frequented by Arnold Schwarzenegger and Dave Draper and featured in the 1977 movie *Pumping Iron*. The movie brought attention not only to the gym itself, but also to the world of bodybuilding and physique in general. Jim Morrison of The Doors was also a frequent visitor to the Gold's Gym in Venice. To this day, it is considered a landmark in the bodybuilding subculture and has achieved cult status. In 1970, Joe Gold sold the chain.

Today, Gold's Gym claims to be the largest chain of mixed gender gyms in the world, with more than 700 locations in 42 states and 30 countries. Gold's Gym has a membership of more than three and a half million, split almost equally between male and female patrons. Gold's Gym locations are equipped with cardiovascular and strength training equipment and offer group exercise classes such as group cycling, pilates, Latin dance, yoga and stretching through the company GGX (Gold's Group Exercise) program. Many gyms also offer basketball, swimming pools and boxing studios.

The company also licenses its name to products such as fitness equipment and clothing. The famous original Gold's Gym logo, a bald-headed weightlifter holding a barbell, was designed in 1973 by Ric Drasin, who was Arnold Schwarzenegger's training partner for four years. Gold's Gym members have included such celebrities as Jodie Foster, Morgan Freeman, The Rock, Hilary Swank, Keanu Reeves, Tiger Woods and Jessica Alba. To this day, the original Gold's Gym in Venice is considered a sports landmark and is recognized by ESPN.com on its list of the 100 most important sports venues.

Strategies:

- Hold semi-annual staff meetings or training sessions for all employees to attend featuring a guest speaker emphasizing the latest information on nutrition and exercise, or discussing an article containing pertinent health information.
 - March speaker will be Marlo James of Ephraim, Utah. Certified in Aerobics, Yoga, Kickboxing, and Pilates. Marlo has a Masters Degree in Human Performance and teaches aerobics classes at Snow College.
 - In September management will locate a current fitness/nutrition article to go through and discuss with staff members.
- Subscribe to three current health magazines
 - *Health* \$15.00 per year
 - *Fitness* \$13.00 per year
 - *Flex* \$25.00 per year

- To measure current customer satisfaction, we will have a five question survey given in December of 2006. The survey will be given to current members on a gym visit.
 - The survey will include questions about the instructors, the facility, and the service. It will allow the customer to rate these items on a scale of 1 to 5. It will be based on an overall score. The president and manager of Stroops will review and calculate the results of this survey.
 - A second survey will be given one year later (December of 2007). It will include the same questions and rating system as the previous survey. The president and manager will go over the results of the second survey and compare the overall scores of 2006 with the scores of 2007.
- Have a suggestion box in the gym that customers can put ideas in. Also put a suggestion box online that website visitors can enter suggestions into.
- Keep gym equipment nice and up to date by making sure it is clean and aesthetically pleasing. Wipe down equipment each day. Place disinfectant spray bottles on each piece of equipment so users can clean it off if desired.
 - When a new piece of equipment arrives, make sure customers know about it and have a chance to try it out
 - Promote Stroops uniquely designed and manufactured equipment

Strategies of Gold's Gym :

- Advertise on the Radio
 - Advertise on 100.3 and 98.7, which are popular radio stations among the target population. This will be done in January of 2007, it is during this time of year that many make New Years Resolutions, and exercise is usually one of the most common resolutions people make.
 - The manager will contact radio station 98.7 and have them send a D.J. to come to Stroops location and do a promotion for the facility in August 2007. They will be there from 7am-1pm, where they will advertise with a general message as well as visit with the people who are at the gym
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 - Keep gym equipment nice and up to date by making sure it is clean and aesthetically pleasing. Wipe down equipment each day. Place disinfectant spray bottles on each piece of equipment so users can clean it off if desired.
 - Keep gym facility at a level to be able to compete
 - Beginning in January increase the hours of operation. Monday thru Thursday 5 a.m. until 11p.m., Friday and Saturday 5 a.m. until 10 p.m.

Starting in December, daily have a front desk employee clean the bathrooms/locker rooms, equipment, and courts.

Keep staff updated, trained, and educated in nutrition and the latest exercise programs/techniques.

:

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Increase gym membership

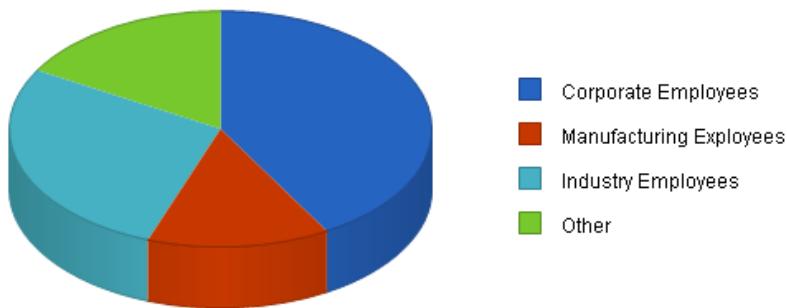
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 - Beginning in January increase the hours of operation. Monday thru Thursday 5 a.m. until 11p.m., Friday and Saturday 5 a.m. until 10 p.m.
 - Starting in December, daily have a front desk employee clean the bathrooms/locker rooms, equipment, and courts.
 - Starting in December, every other day, have a front desk employee make sure outside of the facility is clean and pick up any garbage around the building or in the parking lot.
 - In December the Manager will buy 5 new garbage cans, 1 for outside and 4 for inside.
- Keep Current Members.
 - In yearly customer survey ask about customer satisfaction about the number or machines, courts and staff. Meet the needs mentioned in the survey.
 - Every 2 months beginning in January, the Manager will update the webpage. Making sure the calendar of events is displayed at least a month in advance.
- Promote gym membership.
 - The Manager will implement a bundle pricing of 2 one hour sessions with a personal trainer with a new or renewed gym membership.

Marketing Segmentation

The market for corporate fitness is not particularly segmented, as potential customers include all downtown businesses that offer their employees some type of medical benefits, are experiencing escalating health care costs, and wish to more effectively manage those costs.

Corporate Fitness, however, segments its services for individual organizations. Corporate Fitness works with senior management to develop mission statements and provide incentive plans, and with employees to design personalized health and fitness programs.

Market Analysis (Pie)



Market Analysis

Potential Customers	Growth	Year 1	Year 2	Year 3	Year 4	Year 5	CAGR
Corporate Employees	35%	750	1,013	1,368	1,847	2,493	35.03%
Manufacturing Employees	15%	250	288	331	381	438	15.05%
Industry Employees	25%	500	625	781	976	1,220	24.98%
Other	15%	300	345	397	457	526	15.07%
Total	26.96%	1,800	2,271	2,877	3,661	4,677	26.96%

Market Demographics

The profile for Gold's Gym customer consists of the following geographic, demographic, and behavior factors:

Geographics

- The immediate geographic target is the city of jalandhar.
- A 35 mile radius is in need of the services.

- The total targeted population is 15,800 employees.

Demographic

- 51%:49% male: female.
- The individual income range is Rs38,000-\$75,000.
- Both for single and married people.
- For the manufacturing customers have some undergraduate course work.

Behavior Factors

- Recognize the need to have physical activity in their lives.
- Have incorporated some sort of exercise program in their daily/ weekly routine for the last several years.
- Are willing to utilize fringe benefits that are offered by their employer as part of their compensation package.

Target Market

- Gold's Gym mostly target the people who are the health conscious. Target market are those who are “fitness enthusiastic” who want to change their body and lives.
- These men and women would like to feel good , health and fit and eventually be adored by others.
- Upper class whose income level is 80,000 to 120,000 who can go for all the facilities and the nutrition's given by Gold's Gym.
- Upper middle class people whose income level is 50,000 to 90,000 who can also go for it.
- Age group which is 18yrs to 55yrs to provide better health and fit life.

Positioning of Gold's Gym

- The gap lies on the name and brand
- Gold's Gym is known as the “ Mecca “ of body building where you can entrust your body to.
- Uses tagline “ Change your body, Change your life”
- Targets niche market for celebrities, models and athletes.

Media Plan

Media planning is generally the task of a media agency and entails finding media platforms for a client's brand or product. The job of media planning involves determining the best combination of media to achieve the marketing campaign objectives.

In the process of planning the media planner needs to answer questions such as:

- How many of the audience can be reached through the various media?
- On which media (and ad vehicles) should the ads be placed?
- How frequent should the ads be placed?
- How much money should be spent in each medium?

Choosing which media or type of advertising to use is sometimes tricky for small firms with limited budgets and know-how. Large-market television and newspapers are often too expensive for a company that services only a small area (although local newspapers can be used). Magazines, unless local, usually cover too much territory to be cost-efficient for a small firm, although some national publications offer regional or city editions. Metropolitan radio stations present the same problems as TV and metro newspapers; however, in smaller markets, the local radio station and newspaper may sufficiently cover a small firm's audience

Media Selection For Gold's Gym

The media used by Gold's gym is to advertise to the target audience to reach the maximum frequency of customers be aware of the brand of Gold's Gym. The media selected by Gold's Gym are as :-

- 1) **Radio Advertisement** :- Gold's Gym advertise in radio stations to catch the maximum local audience because mostly the people who listen radio can easily attracted. FM entity altogether has to deal with new market dynamics. Gold's Gym made its advertisement on the Radio Mantra and 92.7 FM.
- 2) **Magazines**:- Gold's Gym another media for target audience is fitness magazines for men and women where its cater their target audience needs and attract them to use the brand. Magazine advertising is the ads that people see placed throughout publications. Starting up or maintaining a magazine is dependent on a few factors, but one of the most important is advertising. Ad sales can make or break a publication, and nearly all magazines depend on the revenue generated by their advertisers to stay in business. For the second year in a row, Gold's Gym and *Shape* magazine, the leading active lifestyle magazine for women are teaming up to encourage all Americans to enjoy every last bite of their meal and then enjoy a heaping serving of exclusive workout routines designed to burn off every last calorie.
- 3) **Wrap and billboards advertisement** :- Gold's gym also do advertisement on the vehicle where a particular vehicle having Gold's Gym logo and billboard on it and its moves on the road so that it can easy get attention of people it is the very attractive media of Gold's Gym advertisement is the marketing practice of completely or partially covering

(wrapping a vehicle in an advertisement or livery. This result of this process is essentially a mobile billboard

4) Social networking and websites :- Another media of Gold's Gym which is widely used is a **social networking service** is a platform to build social networks or social relations among people who, for example, share interests, activities, backgrounds, or real-life connections. A social network service consists of a representation of each user (often a profile), his/her social links, and a variety of additional services. Most social network services are web-based and provide means for users to interact over the Internet, such as e-mail and instant messaging. Online community services are sometimes considered as a social network service, though in a broader sense, social network service usually means an individual-centered service whereas online community services are group-centered. Social networking sites allow users to share ideas, pictures, posts, activities, events, and interests with people in their network.

Gold's Gym updates its websites yearly and also do promotion by the social networking sites such as Facebook , Twitter and hi5 etc where it can explore their services and quality to other people by making social relations with them.

5) Television advertisement :- Gold's Gym also advertise on the local cable television channel about their gym so that it can attract and can also represent their product in better way like in cable tv during commercial it give ad to their product on TV.