

Leveraging the Deconditioned Market

Corporate partnerships and the deconditioned market can be pursued with a consistent marketing strategy.

By Geoff Hampton

The sedentary market remains the largest untapped market for the health club industry. It is also very well represented in corporate America. Therefore, there is a possibility for you to reach a market in need of the benefits of exercise and gain new members, while building corporate partnerships at the same time.

Corporations & the sedentary market

Most clubs struggle with corporate sales. They spend a lot of time and effort for, at best, a lukewarm return. CEOs are hard to get in touch with, as are directors of human resources, and most have already been approached by clubs and were left with a bad taste.

According to the Centers for Disease Control (CDC), more than 60 percent of the American workforce is unhealthy and at risk for major illness. Corporations know this. Many have spent enormous amounts of money for onsite facilities. Unfortunately, even with onsite offerings, most deconditioned people don't participate. They know that they are at risk, but unless some catastrophic condition strikes them and forces them to exercise, they generally remain inactive.

A call to action

In 1996, when the U.S. Surgeon General's office released the landmark report, Physical Activity and Health (released in cooperation with the CDC and the President's Council on Physical Fitness), the health club industry was given a beacon directing it where to go. But very few clubs have successfully taken advantage of this information to create programs that attract the deconditioned population.

Then-acting U.S. Surgeon General Audrey Manley made several key statements in her executive summary of the report. She said, "As this report makes clear, current levels of physical activity among Americans remain low.... The good news in the report is that people can benefit from even moderate levels of physical activity. ... The tremendous health gains that could be realized with even partial success at improving physical activity among American people compel us to make a commitment and take action. With innovation, dedication, partnering and a long-term plan, we should be able to improve the health and well being of our people." Manley went on to call the report "a national call to action."

Also in the executive summary, Donna E. Shalala, the U.S. Secretary of Health and Human Services, stated, "This watershed report comes not a moment too soon. We have found that 60 percent -- well over half -- of Americans are not regularly active. Worse yet, 25 percent of Americans are not active at all." She went on to say, "Health professionals, in addition to being role models for healthy behaviors, need to encourage their patients to get out of their chairs and

start fitness programs tailored to their individual needs." Her words are not being heeded by most clubs, and a tremendous opportunity is being missed.

The findings of the Surgeon General's report are well-known in corporate America, and the problems facing these corporations due to their sedentary workforce represent an outstanding opportunity for clubs with a well-thought-out plan. To help put a plan together, there is a great deal of literature and additional information available. IHRSA (International Health, Racquet and Sportsclub Association) members have access to a resource center, and Fitness Management's Website (www.fitnessmanagement.com) also has useful information. The Internet provides almost unlimited information ranging from the Centers for Disease Control (www.cdc.gov) to former U.S. Surgeon General Dr. C. Everett Koop's "Shape Up America" (www.shapeup.org) program.

Marketing your program

To create action among the sedentary population, offer them something they can't refuse. The notion of just exercising will not appeal to most of them. An atmosphere of fun is essential. And, to build a partnership, corporations need to be inspired to cooperate and to help promote programs to their employees. To do this, clubs should forget about traditional concepts of club marketing and promotion.

Your new program needs a marketable title and theme. Dr. Koop used "Shape Up America." Be creative with your title. Create excitement and interest. After finalizing the program, approach the media. A well-written, well-thought-out, exciting press release can start the wheels turning. Either before the press release is issued or immediately after, contact a local newspaper to establish a rapport with a staff person who can make things happen for your program. The health and fitness editor is a good start. The information in the Surgeon General's report is of interest to the newspaper, so use that to open the door. But you need to find a way to make your story newsworthy for the newspaper's readers [see "The Felicity of Publicity" on page 44].

When a newspaper does a story about an important issue such as this one, and your club is the driving force behind a major program or project that addresses information in the report, then your club can get tremendous mileage in the business community.

Program philosophy

There are three key points that can help fuel community awareness about your program.

Sedentary people need to exercise. There is really no debate about this. Sedentary employees are a risk to themselves and their employer. The chance of a sedentary person missing work due to illness is much greater than that of an active person. Business costs for insurance, including the increased likelihood of a worker's comp claim, is heightened by unhealthy workers. On-the-job performance is also less efficient by unhealthy employees, and the attitudes of unhealthy workers are often less positive. The business community is very aware of these problems. However, they will not buy into a self-serving program that is clearly not designed to assist their needs. Corporations will want to know how you intend to motivate this group of employees, and exactly how your program will help them.

Create initiative. Most of the deconditioned population will not take the initiative to seek out an exercise program, even though the vast majority wish that they were in better condition. Employers may have already performed health-risk appraisals, but they know that sales pitches will not motivate their deconditioned employees. Onsite health screenings usually result in some lukewarm interest by deconditioned employees, but don't cause a big reaction, since only the

employees who are motivated enough to take some initiative sign up. Clubs need to pioneer an exciting program to get unmotivated employees on their feet.

Lower program costs. Most non-exercisers do not realize the value of a professional exercise regimen, and won't agree to pay for one unless they are educated and comfortably introduced to a club or exercise environment. The concept of paying for something that they don't want to do is a hard sell. To attract these non-exercisers, a plan must involve simplicity, ease of implementation, sufficient comfort level and a bargain price tag.

Program fundamentals

The points in the Surgeon General's report can become the foundation for your plan to attract the deconditioned market.

Innovation. This term is clear: Try something new! To be innovative, you should create something from scratch. Disassemble whatever approach has been used before and create something revolutionary. Make it something that will appeal to the corporate decision-makers and the media. Make it a plan that really addresses sedentary and deconditioned employees.

Dedication. The Surgeon General's report calls for action to successfully address the needs of non-exercisers. To be dedicated to this undertaking, clubs need to plan the attack and attack the plan with enthusiastic professionalism. Do not deviate from your plan, but modify as needed once it begins to take shape.

Partnering. Partnering lends credibility and increases the newsworthiness of any program. Think creatively; there are numerous options for successfully partnering a program intended to get unhealthy American workers exercising: healthcare providers (potential alliances), local businesses (possible co-sponsors), local media sources (media coverage or potential co-sponsors). Make your partnership plan attractive.

A long-term plan. A long-term plan will establish credibility.

Role of the health professional. Health professionals need to get their patients started on exercise programs that are tailored to their individual needs. However, as many clubs already realize, many healthcare professionals are busy making a profit or are so out of touch that they only refer their unhealthy patients to an exercise regimen if the health danger is imminent and quantifiable. The Surgeon General's report can be very persuasive with healthcare professionals if used properly.

A call to action now. To create excitement or urgency, proclaim an immediate call for action.

Program ingredients

To make your program marketable, it needs a catchy title. Aim the title to appeal to everyone involved, from potential business partners, to potential healthcare alliances, to the corporations being approached, to the sedentary employees being targeted. Now that the program has a name, change the focus from a "program" to a "research project" to give it more credibility and create interest.

To make the project attractive to sedentary people, there must be a discount. Local businesses can help make the idea of a discount palatable. The primary problem with discounts is current member resistance, but offering a discount for a research project with local business co-sponsors may alleviate problems. Many members may even help to promote the program. Another rule

with a discount is to only allow enrollment in the research project through direct employer involvement, with restrictions so that only non-exercisers are targeted. To properly facilitate the restrictions, have employees complete an application. The application will have questions to screen out employees who don't qualify.

The "research project" aspect can be very effective, but should remain simple. The club's mission is to simply begin an educational program for sedentary employees that introduces them to an exercise regimen in a low-key, low-profile manner. The "research" component can be as simple as dividing people into two groups and tracking their usage for a finite period of time. The first group needs to have something different than the second group to make the information useful. Perhaps you can follow-up on group one and not group two to quantify whether follow-ups have any impact on results.

With this type of program, clubs can generate tremendous media exposure and a positive reaction from the community. Additionally, it can generate revenues that you would never have gotten from sedentary employees. Possibly the most positive aspect for clubs is the relationships that will be established with participating businesses. The opportunity to go on to a more comprehensive corporate relationship will now be easier.

Approaching sponsors

In approaching local businesses to sponsor your program, your primary selling tool will be the exposure that they will receive. Sometimes member-owned businesses are easy sales for a program like this. To recruit sponsors, first send an initial letter outlining the program. Follow with a telephone call and an in-person visit with project materials. You should market the co-sponsors in any and all promotions used for the project.

To maximize success, costs should be kept to a minimum. A local co-sponsor may pay anywhere between \$250 to \$500 to participate, depending upon their feel for their own marketability in the campaign. Some co-sponsors may be bartered with, depending upon what they offer in the promotion. In return for the money and visibility, have them post a large and visually appealing sign (provided by you) in their business for the duration of the program. The sign will list them as a co-sponsor in bold letters and have the program's name and the club's name on it. Potential local healthcare providers should be approached in the same manner.

Media outlets can be approached on a case-by-case basis. If your club uses a lot of radio advertising, then those stations should be approached first. If your club doesn't use radio, contact promotion directors and tell them about your program. Some radio stations will see this as a terrific opportunity to get involved in the local marketplace.

Already having local business co-sponsors enhances your project's impact when approaching media outlets. Local television stations may find the program newsworthy and are worth approaching. Try to get the media to come to the club. This enhances the impact dramatically. Have a copy of the Surgeon General's report available for their review.

Launching your project

Your next step is to contact the corporations and businesses that you will approach with your project. A simple letter of introduction for small companies is fine. For larger corporations where a CEO or director of human resources will be involved, a more comprehensive, professional-looking presentation is essential. The package should highlight some of the information from the Surgeon General's report. Also include information about the promotional concept: who is being targeted, what is expected from the corporation, a note encouraging the corporation to participate

financially (partner with them, if possible), a flyer for their employees outlining the program (including any deadline dates) and how interested employees should proceed.

Identify the person in the corporation who should be approached first. In large businesses, the director of human resources is usually a good start. Have someone on staff with excellent communication skills make the initial motivational telephone call. Then send a thorough fax to the appropriate person to keep the process moving. When the program is explained to corporations, there is usually a positive response. It is probably different than anything they have heard of and, if presented properly, can bring enthusiastic support.

An effective technique for enrolling employees once everything gets started is to divide the business into times when its employees can come in to register. Include a deadline to initiate action. Give the business at least one week to market the program to its employees (offer to do anything that they will let you do to help market the program). Then, give the employees at least two weeks to come in and register (try to target their pay periods). As the deadline approaches, make another call to the business to remind them of the deadline, and find out if there is anything else that they (or you) can do to help get the word out to their employees.

This program can create a tremendous amount of excitement and visibility in your marketplace. Remember to be creative and make the program fun and exciting. FM

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