

Corporate Marketing Plan

HiFlex Physio

IMPORTANT!

Throughout this document, 20XX is used to represent the current year of HiFlex Physio' operations. 20XX+1, 20XX+2, and so on are used to represent the following years of operation

Executive Summary

HiFlex Physio will serve the corporations in the city centres of Brisbane, Sydney and Melbourne, helping them to become more productive, while lowering their overall costs with innovative wellness programs and strategies.

HiFlex Physio is based on two simple facts:

1. Healthy employees are more productive than chronically ill employees.

2. It costs less to prevent injuries or illnesses than to treat them after they occur.

Traditional endeavours to corporate health care are quite reactive. Corporations wait until after staff have been ill or injured, and then pay for the necessary treatments. The HiFlex Physio approach emphasises prevention and good health promotion, and is much more proactive. At HiFlex Physio, we tie worker productivity directly to the health care issue. We believe that traditional approaches to the current health care crisis are misdirected.

HiFlex Physio contends that by helping employees change their behaviour patterns and choose healthier lifestyles, the health care costs to corporations will be considerably reduced through increased staff productivity, reduced absenteeism and turnover, reduced worker's compensation claims and a healthier, more motivated staff.

Current economic and demographic changes will make health care issues worse. The environmental factors and the local competitive situation is a clear message to HiFlex Physio. The time is right for a HiFlex Physio initiative.

Situation Analysis

HiFlex Physio began in 2001 in Cairns, Queensland. The business model has been well received and resulted in expansion to Brisbane, Sydney and Melbourne. Marketing is very important to maintain growth and market penetration. In addition to offering fitness facilities for corporations, HiFlex Physio' main activity is the creation and implementation of wellness programs. The basic market need is the reduction of corporate costs and the increase in employee efficiency that can be achieved through long- term wellness programs.

Market Summary

HiFlex Physio possesses good information about the market and knows a great deal about the common attributes of the prized and loyal customers. This information will be leveraged to better understand who is served, their specific needs, and how HiFlex Physio can better communicate with them.

Target Market



Market Analysis

		Current	Year 1	Year 2	Year 3	Year 4	
Potential Client	**Growth**						**CAGR**
Corporate Employees	35%	9,876	13,333	18,000	24,300	32,805	35.00%
Regular Clients	15%	5,924	6,813	7,835	9,010	10,362	15.00%
Other	0%	0	0	0	0	0	00.00%
Total	28.57%	15,800	20,146	25,835	33,310	43,167	28.57%

Market Demographics

The profile for HiFlex Physio' customers consists of the following geographic, demographic, and behavioural factors:

Geographic

- The immediate geographic targets are the cities of Brisbane, Sydney and Melbourne.
- A 35 ki radius is in need of the services.
- The total targeted population is 15,800 employees.

Demographic

- 51% male, 49% female
- The individual income range is $38,000-$75,000
- 67% of the customers are single, 33% are married
- Of the regular clients, 43% have completed some undergraduate study
- Of the corporate customers, 83% have completed some undergraduate study, 16% have undertaken post graduate study.

Behavioural

- The target population recognise the need to have physical activity in their lives
- They have incorporated some form of exercise program in their daily/weekly routine for the last several years
- They are happy to make use of fringe benefits that are offered by their employer as part of their compensation package.

Market Needs

HiFlex Physio is providing their customers with a health care cost management program for employees that will increase employee productivity and decrease overall business costs. HiFlex Physio seeks to fulfil the following benefits that are important to their customers:

Customisation

HiFlex Physio will offer a totally customised solution for each company as well as each employee within the company.

Convenience

Clients will not use the service if it is not convenient. HiFlex Physio recognises this and strives to make their services as convenient as possible for the targeted client groups.

Result-oriented strategy

HiFlex Physio will need to improve a company's bottom line in order to attract and maintain customers. While HiFlex Physio will strive to address all of their clients' needs, the reality is that they must indeed provide significant value for the companies themselves in order to grow their market share.

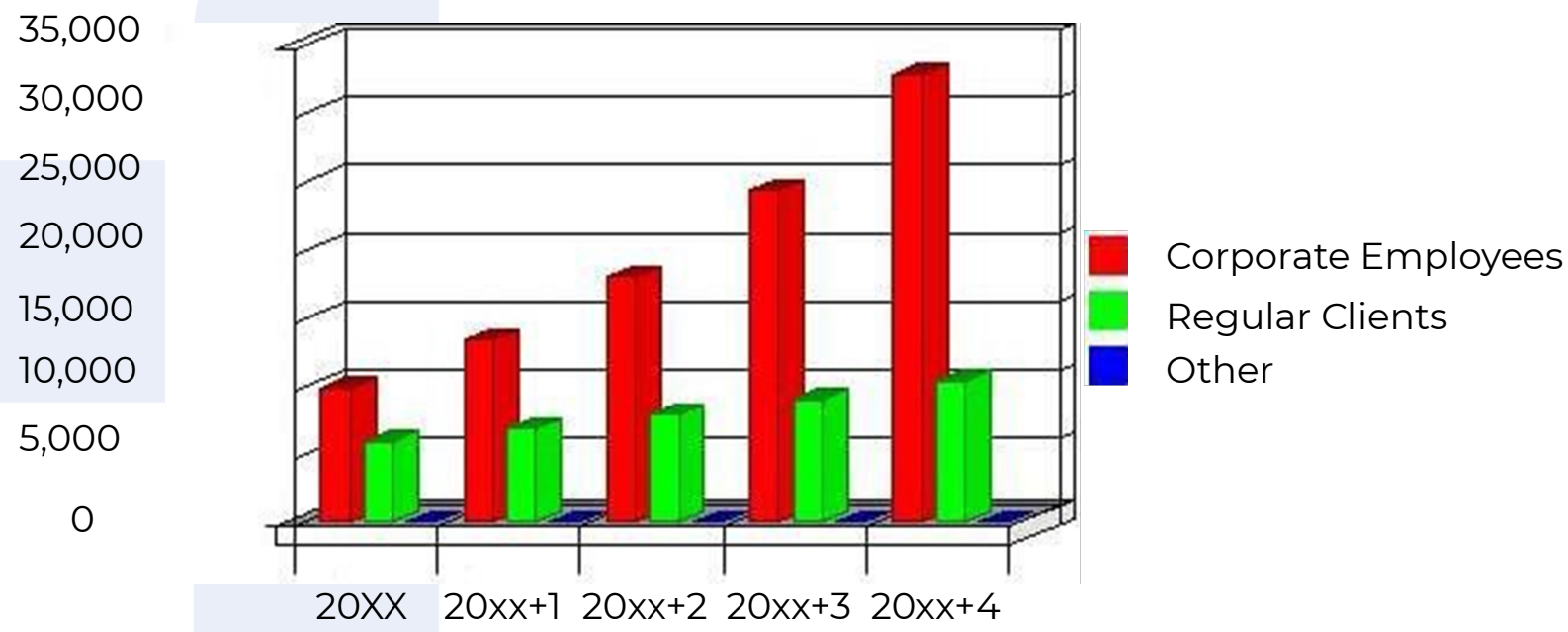
Market Trends

There are two significant market trends in the last five years.

- Increased use of fitness facilities on behalf of individuals. Exercising and ‘working out’ has become a more mainstream activity in Australians’ lives over the last decade. Five to ten years ago there were widespread reports about an impending health crisis - obesity. Australians, relative to their Western counterparts have higher incidents of obesity. To a large degree, this is correlated to Australia’s unhealthy diet of fast food, and generally poor food choices, especially fried foods. The poor diet is not the only factor, however. Australians were fairly inactive, with only 19% of people aged 20-40 exercising three times a week. Luckily, that has changed over the last 10 years. The percentage of active people has increased to 43% since 20XX-1. More and more people are going to the gym after work or are incorporating some sort of outdoor activity into their daily routine.

- The incorporation of fitness memberships within the ‘basket of benefits,’ are now a part of the total compensation package. As fitness memberships have become a more common element in the working Australia’s lives, companies have come to incorporate membership as part of their benefit package for employees. This has occurred for at least two reasons. One reason is a flexible method to compensate employees. The second reason is that it has a positive effect on a company’s bottom line. Study after study supports the contention that a physically fit employee is happier, healthier, and more productive. For no other reason, offering fitness club memberships to employees is a smart cost-benefit decision.

Market Forecast



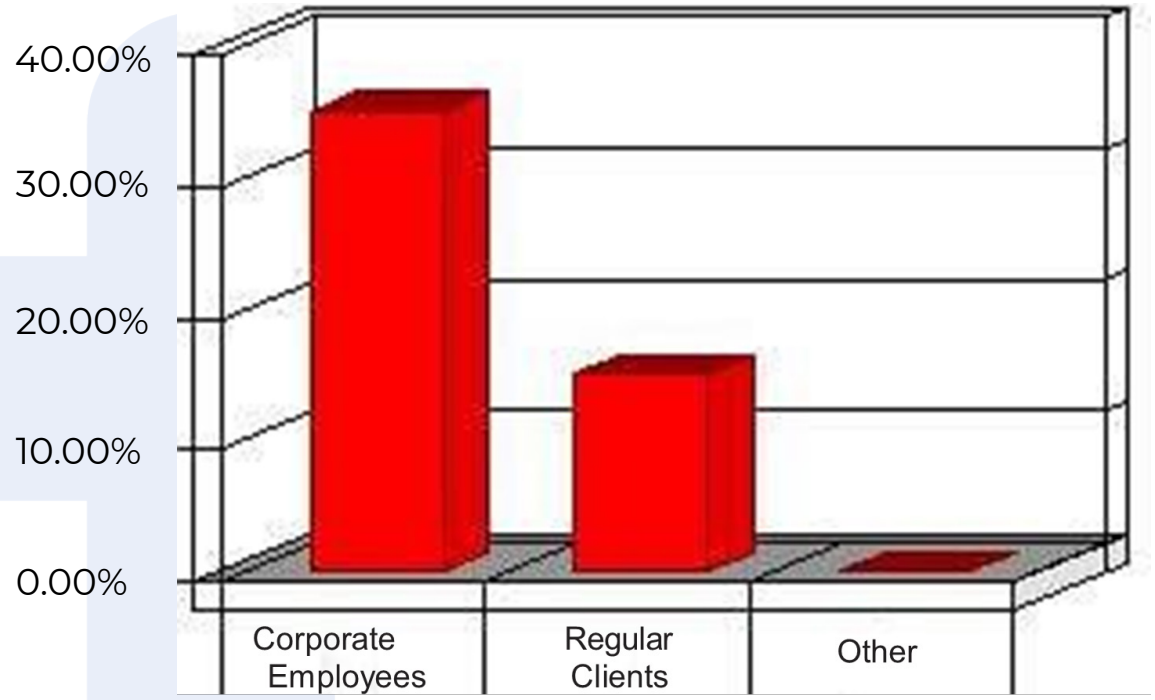
Market Growth

Important demographic changes are taking place in Australia that point to the importance of worker productivity in coming decades.

- 16 million new jobs will be created by the year 20XX, but there will only be 14 million workers to fill them.
- In 2000, women comprised one-third of the work force, a ratio that increased to one-half by 20XX.
- An estimated 80 per cent of jobs to be filled in the immediate future will require more than a high- school education. Only 74 per cent of Australians, however, finish high school, and only 67 per cent graduate with adequate skills.
- The number of skilled workers available to fill new jobs is decreasing, meaning that employers are facing more severe competition for labour. Thus, the health and productivity of each employee becomes crucial to a company's success.

The following quantitative information has supported explosive growth in the health wellness program industry. The last five years has seen a 9% growth rate and the next five years is expected to achieve a 7% growth rate.

Target Market Growth



SWOT Analysis

The following SWOT analysis captures the key strengths and weaknesses within the company, and describes the opportunities and threats facing HiFlex Physio.

Strengths

- Results-oriented approach to attracting and maintaining customers
- A well-researched, detailed health wellness program with a long-term focus
- Intensively trained staff.

Weaknesses

- High costs associated with customised, personal service
- The inability to work on a high volume business model
- Significant costs involved in attracting a large corporate client

Opportunities

- Potential to expand within a growing market
- A large increase in clients if a single corporate company takes up the HiFlex Physio' program
- The ability to leverage future quantitative analysis that supports the contention that long-term wellness programs have a significant, positive impact on the company's bottom line.

Threats

- Lack of immunity to an economic downturn
- Potential competition from larger, well established competitors
- A change in society where the individual begins to take far more responsibility for his/her health maintenance.

Competition

The three main competitors for HiFlex Physio are:

- Community fitness programs and school facilities which appeal to lower-income families and/or students who want accessibility and affordability from fitness facilities
- Forever Fit Gym services which targets motivated and dedicated individuals who work out five to seven times per week
- Better Bodies which focus on for casual fitness-seekers who do not work out with a high intensity but still desire the status and recognition of belonging to a fitness centre.

Service Offering

HiFlex Physio provides wellness strategies / programs for businesses in the main business centre of the cities. A wellness strategy is a long-term effort, combining both health-promotion and exercise-related activities designed to facilitate positive lifestyle changes in members of a company's work force.

HiFlex Physio will work with a company's senior management to help it develop a mission statement for its wellness program. The client company's employees will undergo a health-risk analysis, following which each employee will be given the opportunity to meet with a health professional to design a personalised health program.

Finally, HiFlex Physio will provide employee progress reports to senior management with which to carry out the incentive program and generally monitor changes in the behaviour of its workforce.

Keys to Success

Corporate Fitness's keys to success are:

- Marketing services to companies and individuals
- Recruitment of experienced companies and individuals
- Dedication and hard work by the founder
- Raising productivity
- Lowering overall costs.

Critical Issues

HiFlex Physio faces several critical issues. It needs to:

- Sign up a sufficient number of medium-sized companies. It is more cost effective for them to service a couple of medium-sized companies than many small companies.
- Continue to drive down the costs associated with serving a customer.

Marketing Strategy

HiFlex Physio will begin by targeting small to medium-sized businesses in the CBDs of Brisbane, Sydney and Melbourne. The first task is to convince senior executives of the benefits and needs of wellness programs. This will be accomplished by aggressively pursuing interaction and relationships with business professionals who would profit from using this service. Once a strong image is established, HiFlex Physio will use similar strategies to market its services to larger corporations in the CBDs of Brisbane, Sydney and Melbourne and then investigate other areas of expansion.

Mission

The Centres will serve the community with quality, comprehensive, unique, and distinctive health programs and services. Staff will expand the preventive services offered while improving the quality of life among participants through health and fitness services using state of the art equipment and practices. These programs will reflect members' needs and be financially viable for all stakeholders.

Marketing KPIs

1. Generate a 10% yearly increase in sales

2. Increase market penetration every quarter

3. Continue to cultivate HiFlex Physio' image as the premier long-term wellness program provider.

Financial Objectives

1. Decrease customer acquisition costs by 4% every two quarters

2. Lower the cost of service delivery by 1% a quarter

3. Hold spending, as a percentage of sales, at a steady rate.

Target Markets

The market for HiFlex Physio is not particularly segmented. Potential customers include all CBD businesses that offer their employees some type of medical benefits, are experiencing escalating health care costs, and wish to manage those costs more effectively.

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

The targeted customers are corporate employees.

Positioning

HiFlex Physio will position themselves as the most effective wellness strategy and program developer. This positioning will be supported by statistics indicating an increase in worker productivity and a decrease in business operation expenses from the implementation of corporate wellness programs.

Strategy Pyramids

The single objective is to position HiFlex Physio as the most proficient wellness program provider in the Brisbane, Sydney and Melbourne CBD areas. The marketing strategy will seek to develop customer awareness regarding the services offered, develop the customer base, and work towards building customer loyalty.

The message that HiFlex Physio seeks to communicate is that they can have a dramatic effect on the bottom line. This message will be communicated through various methods. The first method will be the production and disbursement of printed materials. The printed materials will describe all of the services offered and will give prospective customers some insight into HiFlex Physio' past successes.

HiFlex Physio will also rely on presentations to company's HR departments. These presentations will allow HiFlex Physio to personally address any concerns or 'pains' that companies have and indicate how a wellness program/strategy can help service their needs.

HiFlex Physio will also rely on advertisements popular in business magazines for sale in Brisbane, Sydney and Melbourne to increase visibility and interest in HiFlex Physio' services among companies based in those cities. Lastly, HiFlex Physio will use its website as a way to disseminate information.

Marketing Mix

Corporate Fitness's marketing mix is comprised of the following approaches to pricing, distribution, advertising and promotion, and customer service.

Pricing

Prices for using Corporate Fitness's services are comparable to those of higher-end fitness centres. An employee choosing to utilise a HiFlex Physio centre will pay a $100 monthly fee. For each employee enrolled in the general wellness program, regardless of whether or not they use the fitness facility, the employer will pay $150 annually. The prices reflect the quality of the equipment and service.

Distribution

This will occur both at the company's worksite as well as at HiFlex Physio's facilities.

Advertising and Promotion

Printed material, presentations, advertising in industry specific journals and a comprehensive website will be used in the membership drive and to promote awareness of the services on offer.

Customer Service

HiFlex Physio will operate on the principle that it is imperative to achieve total customer satisfaction if the business is going to succeed.

Marketing Research

Two types of market research were used when HiFlex Physio was collecting market data. The first type of research was focus groups. The focus groups were collections of seven to nine people who were asked a series of predetermined questions with the responses recorded and discussed among the group members. In addition to the pre-established questions, there was a free-flow discussion format toward the end of the focus group that provided flexibility in allowing the participants to share information and insights with HiFlex Physio.

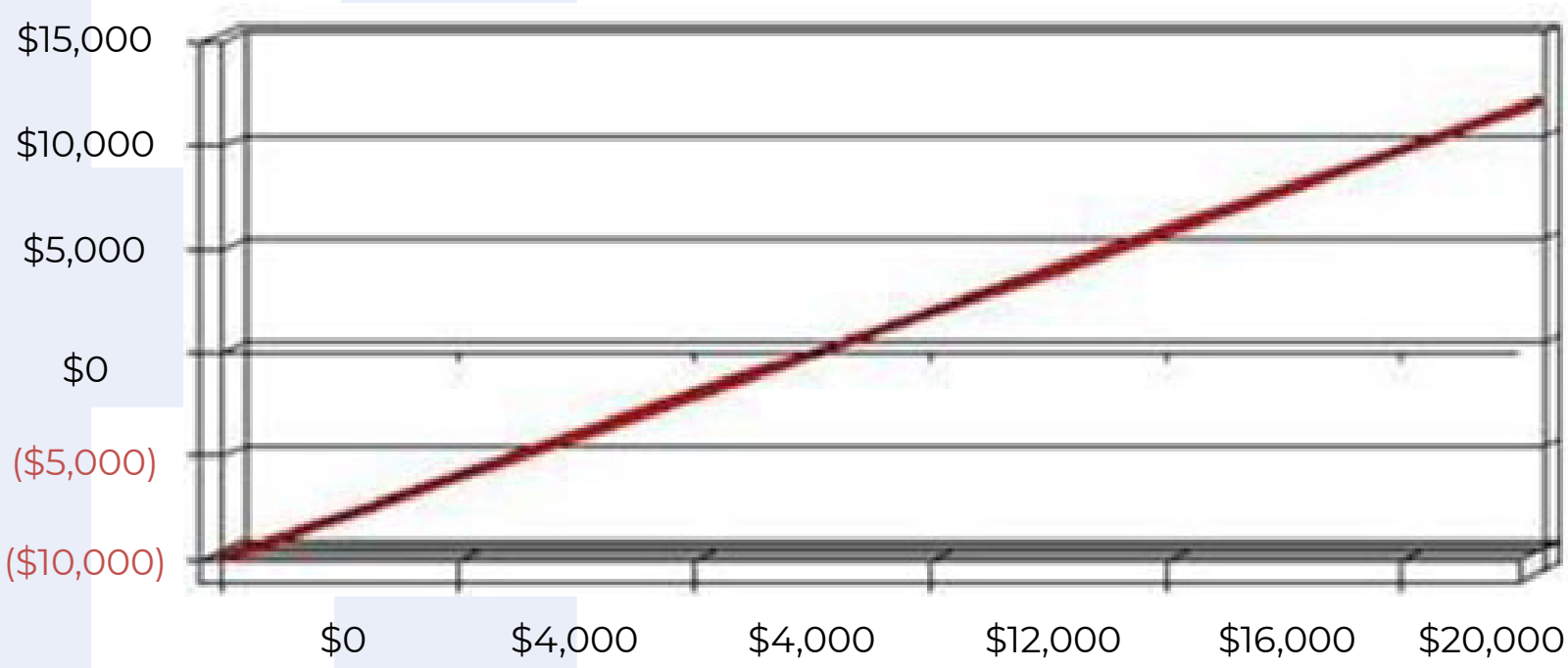
Additionally, questionnaires were used to collect market information from prospective corporate customers. The questionnaires were submitted to a total of 100 HR professionals. The response rate was 43%, higher than expected. The validity and usefulness of the questionnaire was ensured by employing a graduate statistics student to develop the questionnaire. Overall, both forms of primary market research were helpful in providing insightful information. This research confirmed many already held assumptions as well as introduced several valuable perspectives that HiFlex Physio had not considered.

Financials

This section provides a financial overview of HiFlex Physio as it relates to the marketing activities. HiFlex Physio will address break-even analysis, sales forecasts, expense forecasts, and how they link to the marketing strategy.

Break-even Analysis

The break-even analysis indicates that $16,667 will be needed to reach the break-even point.



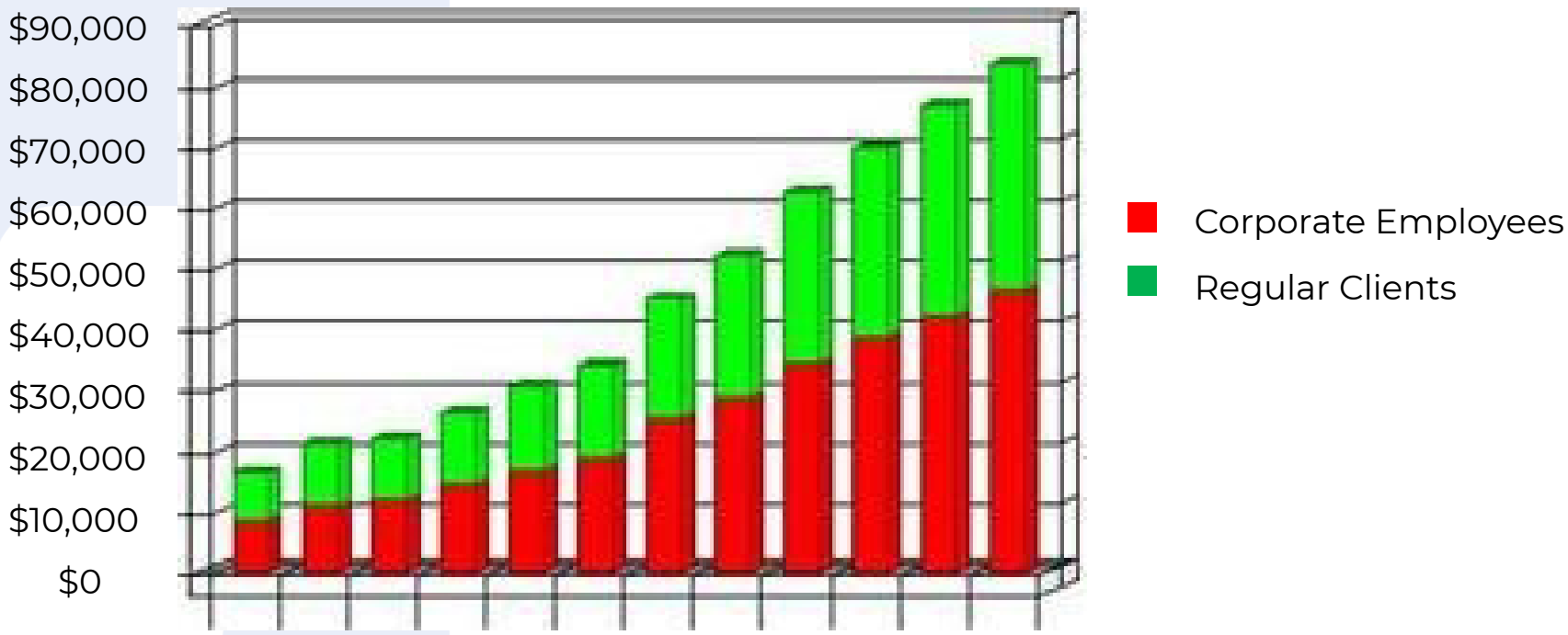
Monthly break-even point

Break-even point = where line intersects with 0

Monthly Revenue Break-Even	$10,101
Assumptions	
Average Percentage Variable Cost	10%
Estimated Monthly Fixed Cost	$10,000

Sales Forecast

The following chart and graph illustrate the sales forecasts for the coming year.



Sales	Year 1	Year 2	Year 3
Corporate Employees	$298,783	$389,776	$455,678
Regular Clients	$242,077	$288,739	$333,890
Total Sales	**$540,860**	**$678,515**	**$789,568**

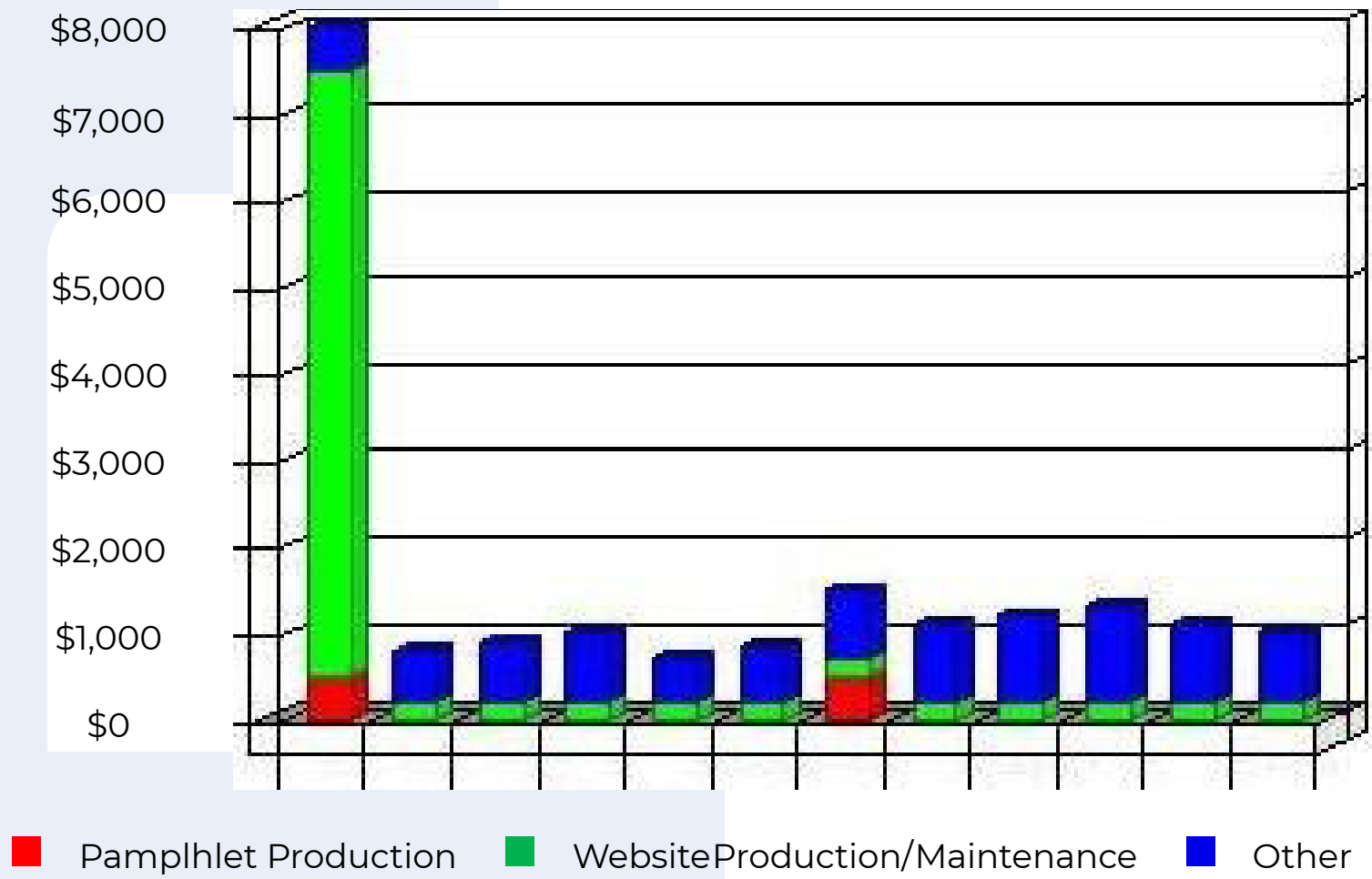
Direct Cost of Sales	Year 1	Year 2	Year 3
Corporate Employees	$29,878	$38,978	$45, 568
Regular Clients	$24,208	$28,874	$33, 389
Subtotal Direct Cost of Sales	**$54,086**	**$67, 852**	**$78,957**

Expense Forecast

The expenses forecast will be used as a tool to keep HiFlex Physio on target, and provide indicators when modification or corrections are needed for the implementation and maintenance of the market plan.

The marketing expenses will be highest during the first year of expansion, when there is likely to be increased usage of fitness facilities. The expenses will settle a bit during the second and third year.

Monthly Expense Budget



Marketing Expense	Year 1	Year 2	Year 3
Pamphlet Production	$1,400	$1,200	$1,000
Website Production/ Maintenance	$9,200	$8,500	$8,500
Other	$14,000	$12,000	$9,250
Total Sales and Marketing Expenses	**$24,600**	**$21,700**	**$18, 750**
Percent of Sales	**4.55%**	**3.20%**	**2.37%**

Controls

The purpose of HiFlex Physio' marketing plan is to serve as a guide for the organisation. The following areas will be monitored to gauge performance:

- **Revenue :** monthly and annual
- **Expenses:** monthly and annual
- Customer Satisfaction
- Wellness program effectiveness with each company

Implementation

The following milestones identify the key marketing plan programs. It is important to accomplish each one on time and on budget.

Marketing Expense	Start Date	End Date	Budget	Manager	Dept
Advertising Campaign #1	1/1/20XX	30/06/20XX	$8,000	GM Marketing	Marketing
Advertising Campaign #2	1/7/20XX	31/12/20XX	$6,000	GM Marketing	Marketing
Other					
Total Advertising budget			**$14,000**		

PR	Start Date	End Date	Budget	Manager	Dept
Pamphlet Completion	1/1/20XX	1/3/20XX	$1,400	GM Marketing	Marketing
Other					
Total Advertising budget			**$1,400**		

Direct marketing	Start Date	End Date	Budget	Manager	Dept
Marketing Plan Completion	1/1/20XX	1/2/20XX	$0	GM Marketing	Marketing
Other					
Total Direct Marketing Budget			**$0**		

Web Development	Start Date	End Date	Budget	Manager	Dept
Advertising Campaign #1	1/1/20XX	15/03/20XX	$9,200	GM Marketing	Marketing
Other					
Total Web Development Budget			**$9,200**		
Other			**$9,200**		
Total Other Budget			**$0**		
Total			**$19,450**		

Marketing Organisation

General Manager will share responsibility for the marketing activities with Centre Managers' where appropriate.

Contigency Planning

Difficulties and Risks

- Problems developing a sufficiently large client base
- Significant economic downturns.

Worst Case Risks Include

- Determining that the business can no longer support itself
- Having to liquidate equipment to cover liabilities.

Version Control & Document History

Date	Summary of modifications	Version
3 February 2022	Version 1.1 produced with the following modifications: ● Years updated from 2003, 2004, 2005… to 20XX, 20XX+1, 20XX+2… ● Reference to miles updated to kilometres ● Formatting updates throughout the document	1.1