

2022
2023

GYMSHARK

MARKETING PLAN

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Portfolio Analysis

Market Penetration

Gymshark has an aggressive market penetration strategy that has enabled it to gain success. It should focus on promoting its menswear as options are limited compared to women. With their strong online presence, collaborating with prominent young male influencers can help them gain tremendous traction in the sale of menswear. Since they hold numerous competitions and giveaways via their marketing channels, they can promote apparel for men by targeting the young male audience. Gymshark can also release newer variants of its existing products by altering the colour and design and providing more size options to target new segments.

Product Development

To attract new customers, Gymshark can enable its products to be customized by the customer to create a sense of uniqueness and exclusivity. They can increase sales by improving quality and introducing various new colours, designs and size options. This strategy would enable them to gain more traction in the US, UK and Europe, as these three main markets contribute to its \$500 million revenue. It can also add services via a subscription, allowing users to consult with a nutritionist for all their dietary purposes and earn discounts on their next order.

Market Development

Gymshark can tap into retail by opening more outlets in major cities. This strategy would allow them to reach customers who are not heavy social media users. They can also change their pricing strategy to enter newer markets. Though its current focus is on the UK market, it can venture into Asia-Pacific to sell existing products. Doing so would help them reach millions of new potential customers.

Diversification

Gymshark can introduce new apparel in international markets to target new segments. Products relatable to the respective culture would open new avenues as there are many new opportunities for growth in foreign markets. They can also venture into the health and wellness market by developing new products such as protein bars, supplements and wearable technology since reports suggest women are more inclined to buy these products to track their fitness.

From the above analysis, one can suggest using a product development strategy to attract more male customers and retain existing and new customers who have purchased Gymshark's apparel. Doing so would provide customers with greater freedom along with benefits and solidify their loyalty to the brand, improving sales in the long run.

Segmentation, Targeting and Positioning

Segmentation

- **Geographic:** Gymshark, being an international brand, should focus on its primary market, i.e. the UK. A majority of its web traffic comes from the US, signifying prevalent presence and awareness in the respective market. Since its income in 2021 from the UK market only contributed 18% towards its total revenue, it should aim to change its strategy to penetrate the market deeper. For this plan, we will focus on urban and suburban districts as people in these segments aspire to have a good work-life balance and are health conscious. As segmentation closely relates to a buyer's needs, these particulars would be apt for this plan.
- **Demographics and Socio-Economic:** Primarily focusing on the male demographics aged 18 to 30 who aspire to be a part of the fitness subculture, as these are the most active years in a male's life cycle. Young urban dwellers who are single or married and earning an average or above average income are suitable candidates for this plan. This segment includes individuals from various professional backgrounds who identify as Upper Middle class and Nouveau Rich. As these individuals are focused on acquiring and maintaining their wealth for the longest time, they aspire to lead healthy lives, leading them to buy gym-related products regularly. Also, these segments try to project a progressive image by demonstrating knowledge and buying fancy clothes, making them the right target audience. These individuals are also hype-driven, therefore contributing to the bandwagon effect.
- **Psychographic and Behavioral:** Individuals who lead healthy lifestyles or are looking for a healthier lifestyle and aspiring to start their fitness regime are suitable candidates for this plan. Progressives inclined to try new products that pique their interest and always look for new ways to consume a product are the main focus. They are primarily middle- and upper-class individuals looking for high-quality products and are conscious about their purchases, health, and environment, making them top candidates. These individuals are highly active on social media and are very opinionated. Their willingness to invest in a brand's knowledge and ethical practices contributes towards their inclination to try a new product. They are very informed and are loyal to the brand if they like its mission. These individuals, categorized as innovators, care about their social status, which inclines them to try new affluent products on a regular basis.

Targeting, Positioning and Value Proposition

Gymshark has positioned itself as an inclusive brand that does not discriminate against its customer base. It aims to catalyse all individuals aspiring to reach their full potential and constantly trying to progress in life. One key factor differentiating Gymshark from its competitors is its consumer-centric approach and solid community. Research suggests that their ability to be receptive to customers' feedback and their after-sales services drive customers to return for a second purchase.

Targeting individuals deemed brand loyalists and innovators in urban and suburban districts can help gain more traction in selling its men's apparel by improving customer satisfaction. Surveys suggest that when a loyal customer is offered a loyalty program, 68% of them would opt-in. Individuals seeking to build a good relationship with the brand need more options to give them a reason to return. Developing new products and integrating retention strategies, such as a membership and credit system that would provide regular users premium discounts and more significant benefits, would greatly benefit the customers and the company.

The strategy's implementation aims to increase accessibility to new products, improve users' performance, enrich their positive experiences when wearing the brand, and enable them easy access to high-quality apparel. The goal is to create a sense of exclusivity and solidify the customer's loyalty to increase customer satisfaction. The plan also hopes to reduce the risk of uncertainty during purchase while ensuring high-quality products.



MARKETING MIX

The budget allocated for the plan is \$25 million, of which \$4.5 million will be allocated to product development and sustainable packaging, \$400,000 for a website facelift that includes a better UX/UI experience to handle high traffic, \$100,000 for after-sales analytics, and \$20 million for promotion mix. This plan will take place over a period of 6 months, subject to economic conditions and the availability of potential ambassadors.

Product

Gymshark should aim to provide high-quality products by innovating current designs and developing new ones to give customers more options. Building a product roadmap with proof of concept by identifying themes and goals centred around solving a customer's problem, i.e. lack of options in the catalogue, would help the company understand their customer better and, therefore, allow them to innovate. Conceptualizing new apparel such as longline hoodies, hooded tank tops, and customizable T-shirts and adding Onesies to their 'Rest Day' catalogue would help the company navigate towards solving the need for more options. The company can test the durability of these conceptual goods by handing out samples to their employees.

Creating products that are durable and subtle in design yet eye-catching would undoubtedly attract new customers; when tagged along with attractive and sustainable packaging such as pre-printed Bio Poly Mailers, the sense of opening a high-quality product when a customer's order arrives increases and adds a positive image to the brand. These bags are biodegradable and made from resin. They can withstand external elements and break down into compost at industrial composting plants. One does not have to worry about adding to their carbon footprint as these bags are locally manufactured in Europe, leading to a lower transportation footprint when compared to the packaging that's imported from abroad.

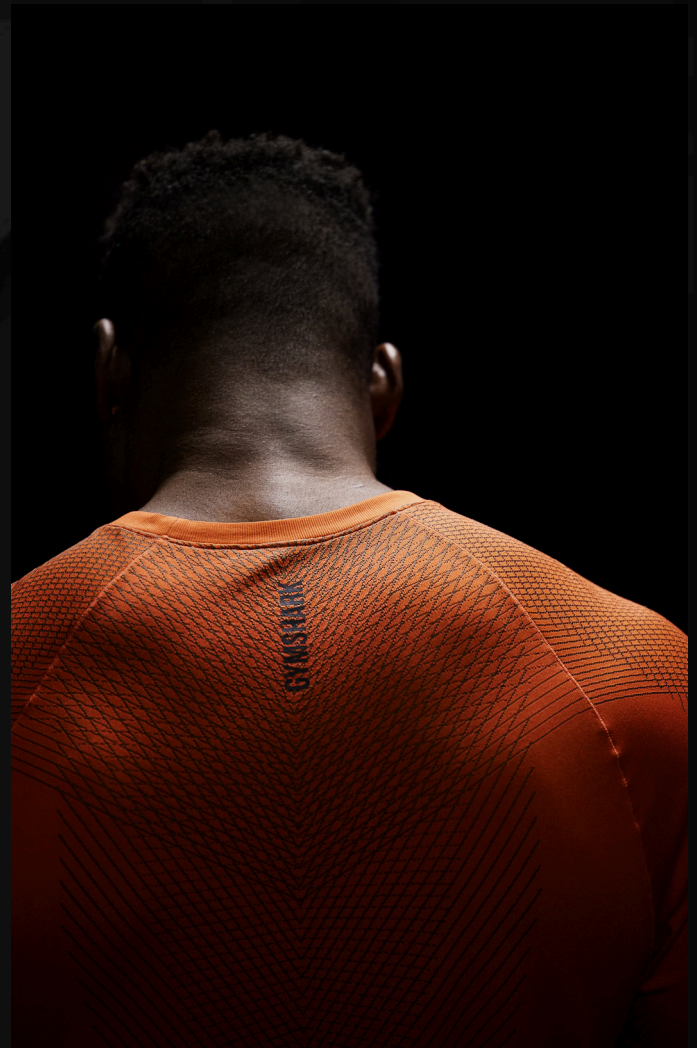


Pricing Strategy

Various pricing strategies can be implemented throughout a product's lifecycle. Gymshark does not indulge in any sales or discounted events in a year apart from its birthday and Black Friday. It focuses more on being consistent with affordable pricing. This strategy allows the brand to run community-focused events while adding exclusivity to incentivize its customers. As this plan aims to stay true to the company's values, one can suggest a penetration pricing strategy and product bundling pricing strategy for its new products. Doing so would improve value for money by ensuring affordable prices and high-quality goods to undercut their competitors. Being a consumer-centric brand that puts the customer first, these strategies would help them penetrate the market and attract new customers, increasing their footfall and brand awareness. The new products would be launched at a price point of £39.99, and bundles would be priced at £69.99.

Promotional Strategy

Over the years, Gymshark has built a strong presence in the digital space via Influencer Marketing and high engagement by collaborating with prominent public figures to target Millennials. They host various events and challenges on social platforms like Instagram and blogs to engage with their customers and maintain brand relevance. This strategy has enabled them to be a top player in their niche, solidifying their customer's loyalty towards the brand. The following are the ways the brand can promote its new products:





- **Social Media Marketing:** Using its existing influencer base to attract customers can build hype for the product launch. Collaborating with new prominent influencers such as The Fitness Marshall, The Body Coach, Hafþór Júlíus Björnsson, Mike O’hearn, Bradly Martyn, Mathew Fraser, Andrew Tate, Kevin Hart, KSI, and Logan Paul can attract new customers from various age groups as these influencers are very active on the internet media space and post content regularly. They can be incentivized by sharing their promo code via their platform to gain a certain percentage of the purchases made by their viewers. Platforms for this plan include YouTube, Instagram, Twitter, BeReal, and TikTok, which have high engagement and a broad reach.

- **Advertising and PR:** Gymshark must adopt traditional marketing practices using guerilla marketing and targeting billboards, buses, aeroplanes and historical monuments. This method would help them reach non-heavy social media users who aspire to join the fitness subculture. By hiring famous actors such as Jason Statham, Tom Hardy, Tom Holland or Henry Cavill for a launch day event at their retail store in London, one can assume it would reach a broad target audience as they are people of high status with exemplary achievements. Gymshark can also use product placement in movies directed by Indie Directors such as Guy Ritchie and Christopher Nolan, as they have a broad reach and massive platform.



The bundle would include one Onesie, apparel of their choice, and a customizable shaker. The option to upgrade the apparel for £9.99 would be available. The company has been operating for ten years, hence the £9.99.

- **Sales Promotion:** At launch, Gymshark can offer discounts on its existing products to create buzz and attract new potential customers. They could reach a broad audience using their existing platforms to announce the launch. Offering customers a free bundle and shipping on orders over £120 would persuade the customers to buy more products.



GYMSHARK

To increase customer retention, a loyalty scheme such as a credit system that enables customers to share the credits with their family and friends would create organic buzz and attract more customers. Customers would receive 100 credits for every item bought and 500 credits for every referral who makes a purchase. A hundred credits would amount to £1.



Distribution Strategy

Gymshark should use existing distribution channels to prevent unnecessary expenses, as the current channel is efficient and deemed a 0-level channel.

Controls Mix

SMART OBJECTIVES

S	SPECIFIC	To generate a revenue of 30 million within six months from launch with a penetration pricing trail of £39.99.
M	MEASURABLE	Increase male customers, satisfaction and retention by adding more options to the male catalogue.
A	ACHIEVABLE	Increase male customer base by 20%.
R	RELEVANT	Ensure timely delivery of products and reduce carbon footprint.
T	TIME-BOUND	Targets will be met by July 2023.

KPIs

CLIENT RETENTION RATE

This would be measured through the company's logs and should indicate the number of existing customers who have purchased from Gymshark. One could determine the new customer's intentions by conducting a survey after purchase.

CUSTOMER SATISFACTION

This would be measured via a survey a week after purchase. It would be beneficial to gain customer insights via a questionnaire to make necessary changes regarding operations and enhance efficiency.

WEBSITE TRAFFIC

Tracking the number of users visiting certain pages of the website would show us how effective the campaign was. Management would gain insight via analytical tools into whether potential customers could be funneled more efficiently.

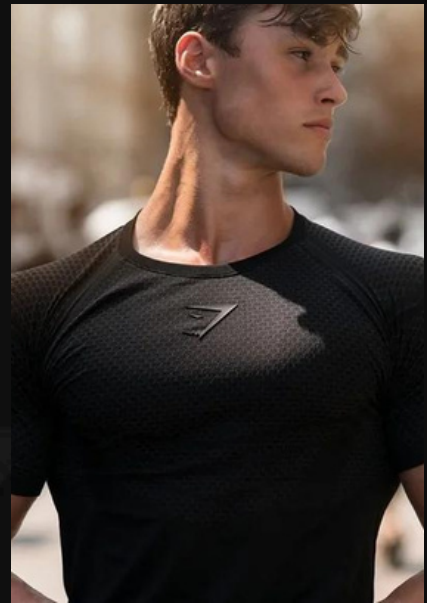
SOCIAL MEDIA TRAFFIC

The effectiveness can be measured via likes, follows, retweets and clickthrough rates from ads towards the company website.

CONVERSION RATE

As the company encourages the customer to act before the sale ends, it can understand the campaign's effectiveness by understanding the percentage of customers who answered the call to action.

In conclusion, management would monitor the proposal to ensure activities are within the parameters of the aim and objectives are aligned with the organisation's vision, mission, and values.



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