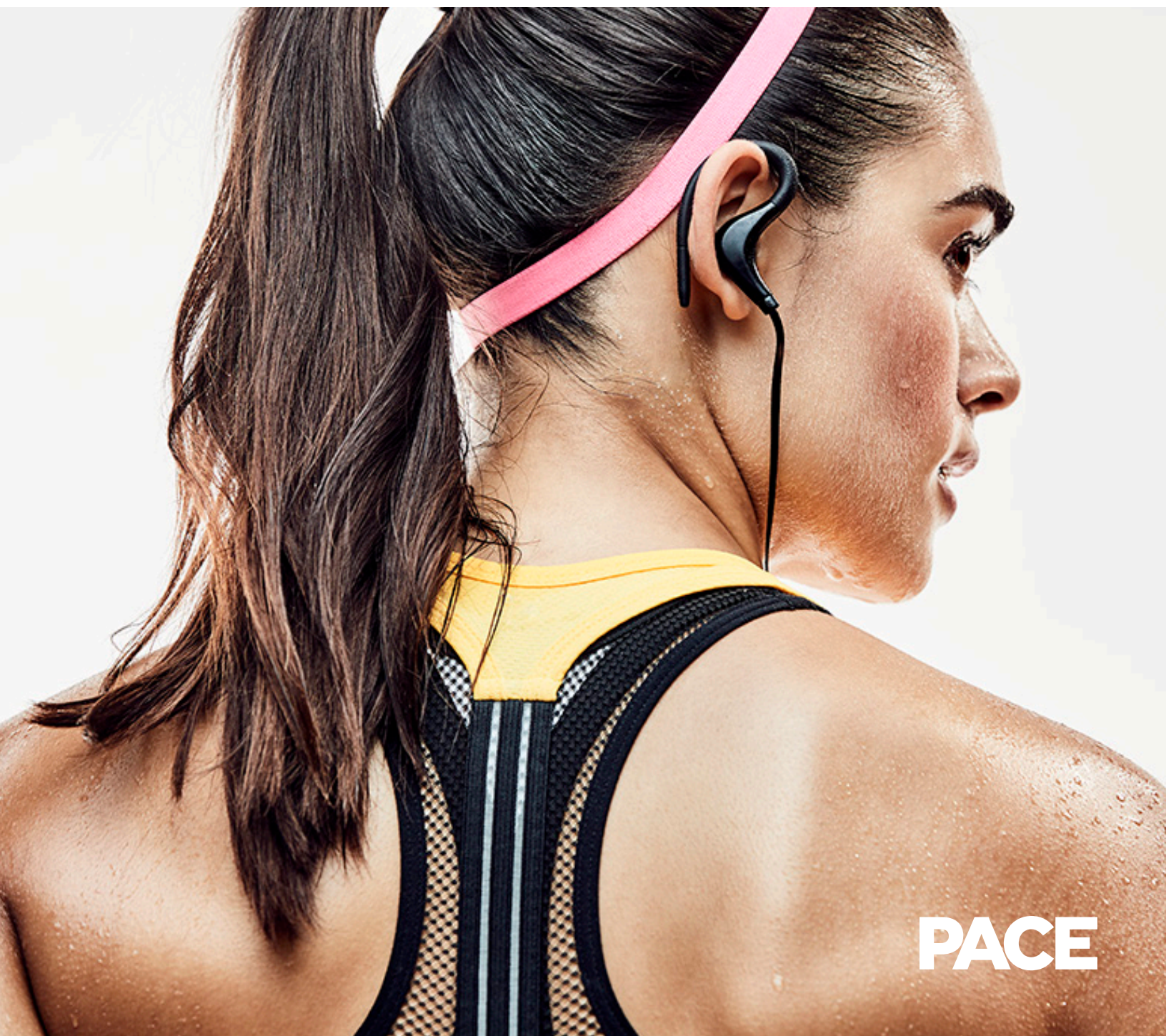


PACE PERSPECTIVES

THE BEST CUSTOMER MYTH:

The journey of discovery and brand evolution through audience insights

By Dave Reiseman, Gordon Locke and Nicole Martin
with Lisa Deatherage and Molly Gentile



PACE

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OVERVIEW

Countless headlines, business books and podcasts have proclaimed this the age of the customer experience. The rules have forever changed with digital and mobile technology; brands may still control the product, but customers control the conversation.

Marketers are scrambling to appeal to a more experience-conscious consumer and create more meaningful and personalized connections. In a time where competition for consumer attention is incredibly fierce and standing out from the sea of sameness is critical, connecting with people in a powerful way has become paramount. For years, marketers were told the best way to do this was to identify their “best customer” and go find more consumers like them.

But who is your best customer?

And for brands that were born long before the digital age, how do you reconcile your historical best customer with the customer of your future? Targeting new consumers using the same attributes and lookalike modeling as your current best customer may limit the discovery of new audiences and prevent you from acquiring new customers who respond to different messaging and are interested in different parts of your experience.

THE BEST CUSTOMER MYTH

The notion of a singular best customer puts your brand at risk for not connecting with potential consumers because you’re not speaking to them in a meaningful way, leading to lost business opportunities and wasted money. We explore how an iconic 54-year-old brand transformed and evolved their targeting strategy to reach new audiences—without sacrificing their DNA.

“ We had to create an authentic new customer experience that appealed to a wide array of today’s fitness consumers... but that differentiated Gold’s Gym using the power of personalization and service. That meant using things like data, consumer insights and dynamic targeting to connect with new audiences in a relevant way that spoke to their individual needs...throughout their entire customer journey. ”

Dave Reiseman
Chief Marketing Officer
Gold’s Gym

INTRODUCTION: HOW DID WE GET HERE?

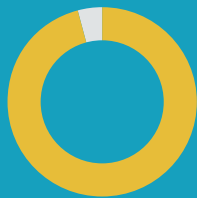
A brand worshiped by its passionate fitness followers, Gold's Gym pioneered the fitness industry when Joe Gold opened the first gym in Venice Beach, California in 1965. Gold's Gym quickly became known as the Mecca of Bodybuilding and since has expanded to 700 locations, across six continents, serving three million members. Throughout the years, the Gold's Gym experience continued to evolve to match the ever-transforming marketplace. No longer just a place for the elite builder, Gold's Gym offers an immersive experience for people of all fitness levels.

WHEN YOUR ADVANTAGES ALSO BECOME YOUR CHALLENGES

Today, Gold's Gym is a global icon and the most recognized fitness chain in the world with nearly 96% aided awareness. But, in recent years, the company has faced several challenges.

1. Competition in the industry has become incredibly fierce, and Gold's Gym was fighting a battle on multiple fronts, from "rent a treadmill" low-price gyms to boutique concepts to digital trainers.
2. While high brand recognition is a good thing, it can also mean that people have a preconceived notion of who you are. Gold's Gym was overcoming a stereotype that its experience was only for hardcore fitness enthusiasts.
3. For a brand that pioneered the industry, Gold's Gym had fallen behind the innovation curve.

Adapt or die—Gold's Gym knew it needed to evolve their experience and offerings.



Gold's Gym became a global icon and the most recognized fitness chain in the world with nearly **96%** aided awareness. How does brand awareness play a role in brand transformation?

EVERYTHING STARTS WITH THE CONSUMER

While it may be tempting to focus on the competition or gut intuition, Gold's Gym put the consumer at the center of its evolution. That started with the brand partnering with Pace to get insights and feedback to navigate the new landscape and provide critical insight and context. The research team spoke to members and nonmembers to find out what's important to them today. Gold's Gym collaborated across the organization, from C-Suite to franchisees, and other key stakeholders to create a new experience and value proposition that would attract new customers and differentiate the brand. The new Gold's Gym experience could not just be marketing speak—it had to be borne out in every gym, every day. And the transformation had to be carefully and authentically crafted to not alienate the die-hard fan base.

INTRODUCTION: HOW DID WE GET HERE?

THIS IS NOT YOUR DAD'S GOLD'S GYM

Gold's Gym knew that its evolution had to be authentic, so it identified four key pillars that represented the true DNA of the brand: innovation, expertise, community and results. As part of this new evolution, Gold's Gym added critical components to its experience, including new boutique GOLD'S STUDIO classes, a digital coaching app GOLD'S AMP, 3D body scanning and member journeying solutions, such as Salesforce. Armed with the new brand platform, it was time to share the Gold's Gym promise to "experience change" with customers. Massively outspent by the competition, Gold's Gym needed to outsmart through targeting. The team needed to rethink every aspect of their marketing strategy and reach the right audience in the right channel at the right time with the right message.

GOLD'S GYM BRAND DNA



INNOVATION



EXPERTISE



COMMUNITY



RESULTS

HYPOTHESIS

How many times have CMOs sat through presentations and been told: “Here’s what your best customer looks like?” Where? Do all best customers look the same everywhere? Do all of your brick-and-mortar locations look the same and do all of the communities you serve look the same? Do you want to capture more of the same?

ONE SIZE DOES NOT FIT ALL

Gold’s Gym knew it could not rely solely on current customer data to win and needed to look beyond the legacy to expand consideration to reach new types of members. Using historical “best customer” data could lead down the wrong (expensive) path.

More importantly, in this age of experience, Gold’s Gym knew it had to personalize its message and experience to speak to a wide array of consumers in a relevant way, tailored to each audience’s specific interests. With a variety of amenities differing among locations and diverse local communities, both first- and third-party data was used to define audience targeting and the creative messaging strategy to match all that Gold’s Gym has to offer with the communities it serves.

THERE ARE MULTIPLE BEST CUSTOMERS!

Pace proved this out in concert with Gold’s Gym. The team analyzed the existing data, conducted new audience research, developed new assumptions and new methods to expand the brand and strongly position it for the next 50 years.

“Gold’s Gym transformation has come about with a complete new approach to fitness, creating a community-driven space where anyone feels welcome; integrating personalized transformation plans; state-of-the-art equipment; certified personal trainers; a diverse group exercise program; and a supportive, motivating environment for all.”

Lee Bell
Health Tech and Fitness Innovation Contributor
2018 Forbes Magazine

APPROACH

Pace partnered with the Gold's Gym team to develop fresh audience and consumer context—to move beyond demographics and understand mindset and motivation. We helped the brand identify emerging and new audiences in the fitness and wellness arena. Our comprehensive Pace-Setter Study included qualitative discussions and quantitative surveys. We also worked together to develop channel, content and messaging strategy to reach these new audiences.

THE GOLD'S GYM GAME PLAN

1

Invest carefully in research to identify and target the right audiences in the right channel at the right time.



2

Develop motivation-and-need landscape. Understand audience needs by location.



3

Optimize channel strategy. Test and expand from traditional to new media.



4

Push new brand DNA to prospects with dynamic content and personalized messaging.



THE BIG AHA!

What did we learn? One size can't fit all, especially in an experience age. More importantly, as a consumer-facing business, the reality is that you have multiple best members. Gold's Gym learned to personalize its message across the brand experience and incorporate the power of hyper-dynamic targeting at key audience touchpoints.

Each Gold's Gym location or community has its own story. A suburban club with GOLD'S STUDIO and Kid's Club needs to be marketed completely differently than a downtown location with Millennials eager to incinerate calories in a GOLD'S BURN™ class or who might be more open to working out with a digital app. The days of a top-down "national" media approach are over. Gold's Gym knew it was time to shift to a bottom-up approach.

Through dynamic targeting and audience modeling, Gold's Gym leveraged both first- and third-party data. Partnering with companies like Amazon, Visa and Google Smart Display, Gold's Gym was able to overlay third-party data to really tighten the lens.

WHAT WE DISCOVERED ALONG THE WAY



The "best customer" notion is not a viable path. You have multiple best customers.



Beware of lookalike campaigns. Using current members' attributes to target new types of consumers with a new message has its pitfalls.



Constant refinement/testing is critical to gain clarity and know when to pivot.

THE NEW GOLD'S GYM

New customer sets in hand, it was time to deploy the new brand platform in a way that would resonate with each audience and each gym.

SIMPLE IS STRONG

Once the strategy was framed, and customer journeys were clear for a host of new, innovative offerings, the marketing leadership team landed on some simple and powerful changes that enhanced its brand DNA and would make a huge difference in the complete customer experience. Across Gold's Gym's marketing team and its agency collective, the outcomes included an inspired, fresh and modern look that put a new face on the brand. From the Gold's Gym website to its mobile presence, the team captured the energy, intensity and emotion of Gold's Gym.

LOCAL IS KING

Looking at both audience and product, Gold's Gym developed a hyper-targeted plan for each location. From radio to digital and social media to paid search, Gold's Gym honed in on dozens of audiences. AI tools enabled optimized creative and call-to-action to quickly see what was working. Custom journeys were created and dynamic local content was deployed. Think healthy summer cocktail recipes and ideas on portion control for Zennials and 1:1 personal trainer offers for more cautious older clientele.

“ It's not easy. Building brand equity is a long-term investment that requires more than a solid marketing plan. You have to earn loyalty and trust by delivering consistent value to consumers. ”

Jim Schmaltz

Contributor

International Health, Racquet, and Sportsclub Association (IHRSA)

ENGAGEMENT = SUCCESS

Gold's Gym realized early on that sales is an empty metric. Engagement is how brands win, and we had to redefine what an engaged member looks like. Gold's Gym shifted from a sales-centric company to focusing on the full member journey from awareness to advocacy. In this age of experience, Gold's Gym realized that if the only relationship it had with the customer was transactional, then all members were at risk.

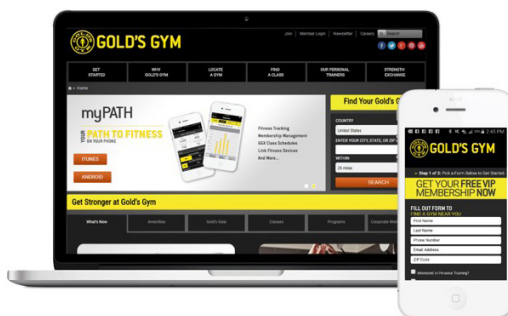
THE NEW GOLD'S GYM

Gold's Gym's agency collective redefined how it looked at engagement. A one-time visit in the first 90 days was no longer enough. The team worked together to combine tech, touch, service and value and brought the brand to life, from user experience to employee communications to franchisee support. Gold's Gym motivated new members to try new services like personal training, downloading the Gold's Gym app, completing a Gold's 3D scan and following Gold's Gym on social media.

The power of promise had to be seamlessly expressed at all touchpoints, which challenged multiple agency partners to work together as one Gold's Gym team. The longer-term goal? Create raving, rabid Gold's Gym fans who share their personal experiences and success stories.

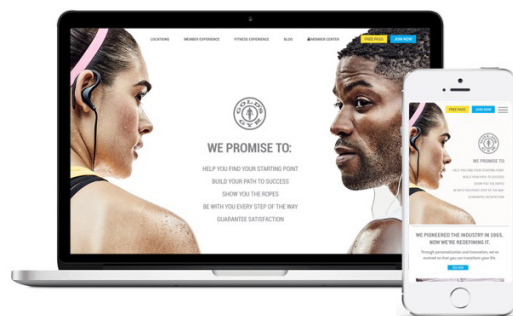
OUR OWN BEFORE AND AFTER PICTURES

BEFORE

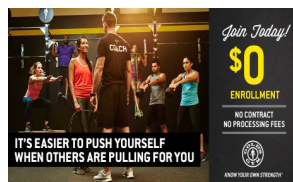


WEBSITE

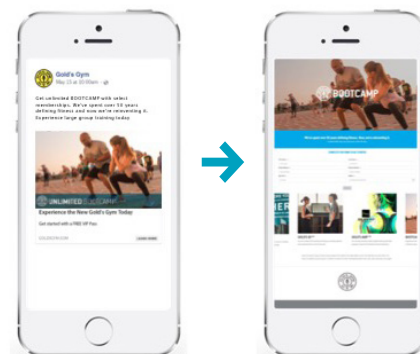
AFTER



WEBSITE



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DYNAMIC TARGETING

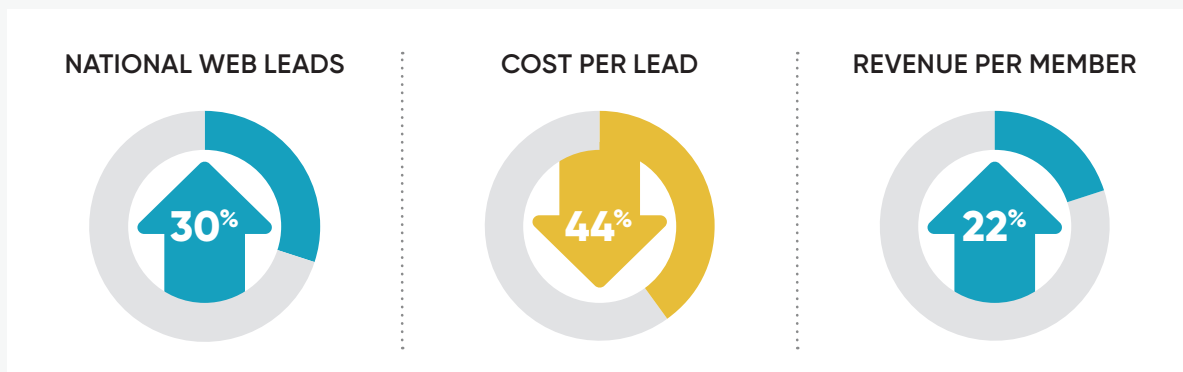
CONCLUSION

This journey disrupted the long-held ideal of a singular “best customer.” One size does not fit all. Brands have multiple best customers and time must be dedicated to identifying these segments and creating tailored experiences for each.

Research becomes a need-to-have, not a nice-to-have. Demographics only go so far in telling the story of your audiences. Brands need to understand micro-segments at the product level: their needs and wants, behaviors and preferences. And for retail businesses, each location has its own story, product offering and clientele. Gold’s Gym realized that it must be a fitness company first and a data and content company second.

SIZING UP RESULTS

What began as an evolution turned into a revolution. Our cost per lead dropped and lead conversion rose significantly. Prospects not only converted at a higher rate but also became higher-value members.



While the thought may challenge most CFOs, the fact is that in today’s age of customer experience, sales may be the emptiest metric of all. If your only touchpoint is the cash register and a transaction, 100% of your customers are at risk. You must focus on the full journey. Engagement is how you’ll win in the long run.

PACE PULSE POINTS: KEY TAKEAWAYS

- Everything starts with the customer.
- There is no single “best customer.”
- Research is required.
- Evolution is not a destination.
- Sales is an empty metric.
- Lifetime value is the true Gold’s Gym standard.

ABOUT THE AUTHORS AND CONTRIBUTORS



DAVE REISEMAN

Chief Marketing Officer – Gold’s Gym

Dave is an award-winning marketing executive with more than 20 years of brand-building experience across multiple sectors including consumer, fitness, retail and franchising. He has a proven track record of developing high-impact, omni-channel campaigns that generate customers, drive revenue and shape perceptions. Dave is recognized for his strong leadership skills, innovative marketing strategies and ability to measurably improve all areas of a sales funnel with budgets of any size. His specialties include brand strategy, customer acquisition and engagement, creative development, national and local media planning, SEO and SEM, digital and social media marketing, content marketing, customer segmentation and journeying, franchise marketing, strategic partnerships, consumer research, influencer marketing, internal communications, team building, and public speaking.



GORDON PRICE LOCKE

Executive Vice President & CMO

Gordon has 25 years of marketing leadership experience ranging from re-engineering well-known brands and product portfolios to developing strategic storytelling platforms. At Pace, his role is to help new and existing clients develop winning content programs to reach their strategic objectives. Gordon is also an advisor, speaker and author on integrated marketing. His work, agency and client experience include Gold’s Gym, Hawaiian Airlines, Sabre, HP, TIAA, Dell, Bristol-Myers Squibb, American Express Rosenbluth, Teradata, Nestle Purina, Fossil, Wells Fargo and Intuit. He has traveled to 40+ countries and has lived in Charlotte, North Carolina; Washington, D.C.; Honolulu; Dallas, and now Greensboro, North Carolina.



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Lisa is a recognized industry leader, storyteller and global agency veteran with extensive Fortune 500 brand experience. Lisa has served in senior management roles within Omnicom. A Who's Who in Shopper Marketing and Promotional Marketing Association (PMA) Beacon Award winner, Lisa has served on the board of the PMA, as co-chair of the PMA Shopper Marketing Center of Excellence and as a REGGIE judge.



MOLLY GENTILE

Brand Editor

Molly is a dedicated communications professional with experience working in both the marketing and entertainment industries. In her current role, she is responsible for managing the Pace brand voice, developing internal strategies and creating content for Pace digital and social channels. Before joining the Pace team, Molly managed productions for National Geographic Channel and NatGeo Wild, after receiving a B.A. in public relations from Penn State University.

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ABOUT PACE

Pace is a full-service marketing agency that specializes in integrated brand storytelling. We move your customers and employees to action through a potent combination of audience-first, data-driven thinking, smart strategies, technology and amazing creative. Our staff is made up of more than 300 creatives, strategists, analysts and technologists. Pace has offices and key client hubs across the U.S., working globally and locally.

SPECIAL NOTE

In addition to Pace's collaboration with Gold's Gym marketing leadership team, the brand's evolution has included other Gold's Gym and agency contributors.

PACE