

## In this section

- 15 Opinion – David Minton
- 16 Insight – Direct marketing
- 17 Insight – Eastern Europe
- 18 Insight – Loyalty and shareholder value
- 19 Legal – Staff retention
- 20 Behind the headlines
- 21 Appointments, Sharewatch
- 23 Diary Dates

# Insight



Having fun is easier to sell than exercise, says **David Minton**, so is it time for the industry to re-position its core offering or look to its marketing messages?

## Making fun a fundamental

I have seen and driven the future and it's called Prius. I used to call it a milk float but I take it all back. In 10 years Toyota have sold one million of these hybrid cars and now they are common currency in London, as you don't have to pay the congestion charge in a hybrid. I love the fact that you only use battery power up to a speed of 30 miles per hour. By 2010 Toyota aim to sell one million a year. As *The Economist* puts it: "There's the world of car industry and then there's Toyota." Of course this doesn't apply to their F1 car, yet.

At some point in 2008 Toyota will overtake General Motors as the world's biggest car maker, a title GM has held for 76 years. Still, with a research investment which now tops 900bn Yen (£3.9bn), Toyota has been working to systematically eliminate the car's negatives while optimising its plusses. It's a tall order to churn out nine million vehicles in 28 countries, producing the right car at the right price everywhere in the world, and remain a profitable company since 1950.

I saw quite a few Lexus cars, but no Prius, in Spain where the hedonistic and highly valuable B2B meeting takes place under the SIBEC banner. For those of you who have never been to a SIBEC event you're missing out on an important ritual. SIBEC is an endurance test for many, to exist on so little sleep, whilst participating in the shared experiences which bind an industry and its community together.

The opening keynote speaker, Linda Caller, got us thinking by posing the question, 'What business are we in?' The examples Linda gave were Disney: which the business of making people happy, while the cosmetic company Revlon is in the 'hope' business and Carluccio's, which blends the retail shop with the restaurant to enhance the experience and increase revenue.

This got me thinking about companies who project one business but hide another, often more successful one. The full page advert that has a mauve bra falling out of a guitar case promotes Hard Rock's Cafés in 124 Cities worldwide, plus hotels and casinos, yet these are simply the outlets for the impressive merchandising that becomes a walking billboard for the brand. You might think Saga sells holidays for the over 60's but its real business is finance and insurance. As the world's largest car maker you might have thought GM was in the vehicle business but it's really in healthcare. In 2004 GM healthcare schemes cost \$5.1bn (£2.5bn), adding \$1,500 to the cost of every vehicle produced.

### You might think Saga sells holidays to the over-60's market, but its real business is actually finance and insurance

So what business is the fitness industry in? I think we should be in the fun business but too many think we're into 'FS&M' - that's short for fitness, sadism & masochism, where we inflict and receive pain, but without the sex. Fun can be big business; Data-monitor estimates we spent Eu2 trillion in 2007 on having fun, and that's up from Eu1.4 trillion in 2002.

At SIBEC I discovered the youth fitness brand SHOKK is not in the equipment business at all, but the big fun one, and over 100 sites are now open. The boys from PTE have always been in the fun business but now they also have a fun product called Zig Zag. I've tried the Zig Zag Machine Dance at Andover Leisure Centre. It, and my granddaughter Phoebe, got me and lots of others out of the sedentary lifestyle and it was great fun. Valley Leisure, who run Andover, tell me they are now working with local schools to offer curriculum based PE sessions during school hours. My former cycling coach, the late great inspirational John Ibitson, was in the fun business too, and good coaches and trainers can motivate you without you knowing it.

It used to be fun going to Paris but now I find it expensive, rude and selfish. I first went to Paris in May 1968 and joined the international student movement on the streets. The transport workers were on strike then as they were when another international movement, IHRSA, opened its European Convention in November.

Phillip Mills, managing director of Les Mills International, knows a bit about making exercise fun as the Body training systems like Body Pump and Body Balance are now enjoyed by more than 5 million people a week across 11,000 clubs, in over 70 countries. Mills gave an impassioned and crusading finish to the convention with 'Healthy People, Healthy Profit, Healthy Planet.' Mills knows very clearly what business we're in and he has very clear ideas on how we as an industry, like Toyota, can systematically eliminate the negatives while optimising the plusses and making it fun.

Mills opened our eyes to the fact that sustainability starts with our own bodies. By winning the battle against obesity and inactive ageing we will have a direct impact and saving on our individual and collective health services. Being active means understanding more about the energy in and energy out and how the body uses this energy. I can so relate to the need to educate people for when we do any major event, like a marathon, triathlon or endurance cycling, the knowledge we soak up, to get us through the day, will stay with us for life.

Eating healthier and less fattening food will contribute symbiotically to solving our planet's larger environmental problems. Saving energy and lowering our carbon footprint is a common goal and just one example from a Les Mills Club in New Zealand shows how, by using low energy light bulbs the heat output was reduced and the air conditioning could be turned down which resulted in a saving of 1,200 NZ dollars a month (£4,430) on the energy bill. Look out for the new website with more green ideas which will be launched next year, meanwhile get hold of his book, which he wrote with his wife Jackie; *Fighting Globesity*.

After seven years without a car I must admit I was tempted by the Prius, but in the book Mills tells why we should ditch the car. In developed countries around 20% of the emissions of carbon dioxide, the primary culprit in global warming, comes from cars. So the best thing you can do for yourself and your planet is walk or cycle in favour of the car. So maybe the Prius transitional technology can wait a bit longer and who knows where Toyota will be in another seven years.

I've been away from the bike for two weeks now and I'm longing to get back in the saddle. For me that's fun, and although there's no official figures it seems cycling is having a resurgence in popularity. Events like Giro d'Italia, L'Etape and more user friendly ones like London to Paris have more participants than ever, including some board members from Fitness First this year [and even I've bought bike-ed!]. Some of the knowledge gained by training and competing in that event has I'm sure gone straight back into the day-to-day running of the clubs. John Gamble, as UK managing director, is now a great advocate and is as impassioned about helping his members achieve results like he did. Healthy People, Healthy Profit!

*David Minton is director of The Leisure Database Company*