

Marketing Strategy

Lawrence: Luke, welcome back to the [membership](#).

Luke: Thank you for having me, Lawrence. I appreciate it.

Lawrence: You are welcome. Thank you for making the time. This episode of the Traction series is focused on marketing strategy. This is my favorite topic within [Traction](#) and in [EOS](#) so I've been really excited to do this. Now, we did reschedule this one and this probably should have been... The number of the existing Traction series is slightly wrong so I'm going to change that to put the marketing strategy episode in the right order. And this is important. Obviously, if you do this stuff out of order it doesn't really make as much sense, so I'm going to get that fixed. With that said, let's kick this one off. So Luke, do you want to describe what is exactly the marketing strategy.

Luke: Well, the marketing strategy is just what it sounds like. It is how you're going to actually communicate to your customer the unique value that you have, and it's pretty comprehensive. I'm sure you're going to have us walkthrough all the different elements, but one element is target market, so who actually building your product and service for, who do you actually want to serve. So target market is one of them. Your three uniques, so what makes you different on paper then your customer, and I think that's one of the topics we can go the deepest on. Part of the marketing strategy is your proven process which is just how you instill a level of confidence in your prospect that, "Hey, we've been here before. We've done this a

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million times. This is the journey that you're going to go on as our customer." And then the last one is an element that not every business has but many businesses will have, which is, a guarantee.

So those four elements kind of make up the [Traction](#) marketing portion. I think at least two or three of those are just instrumental elements in any marketing plan wherever you study business or whatever kind of format or operating system that you're using.

Lawrence: Yeah, and when I was preparing for this I was rereading this part of [Traction](#) and it made me think more deeply about these different aspects and how I need to prove them in my own businesses. It just got me so inspired and fired up because I find that the way it's described in [Traction](#) just gives you so much clarity on how to build an effective marketing strategy that then informs all of your tactics. This is the thing, right. This is what we are talking about here is the fundamental principles of effective marketing.

Before we are going to get into the different elements, which we're going to discuss each one in-depth, do you want to just speak briefly on why this is important. Because you get questions almost probably on a daily basis from people who try to find out that latest marketing tactic. You probably feel like a broken record because you are constantly explaining the importance of this. Can you just speak on that for a moment?

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Luke: Two answers there. Number one is a mediocre product or service that's marketed well, this is in all industries, will beat an exceptional product or service that's not marketed well. So that's number one. And then, number two, you can't choose tactics, you can't deploy tactics, you can't understand how you will spend money in your marketing unless you have these four elements nailed down first.

What I see, and this is in most companies not just in high intensity training, but definitely in high intensity training, is no one takes the time to figure out these four first. And so therefore, all the money that they spend and all the tactics that they choose is without direction, and so it's often money wasted. It's not grounded in any foundation.

Lawrence: And usually quite ineffective from what I've heard. So let's start off with the target market. What exactly is the target market and why is that important?

Luke: Target market is who you are actually building this for. A great way to think about this for the high intensity training business is you could think about current customers, you could think about well who is the actual person that every time I create something they buy it. They would actually probably spend more money than I'm currently charging for it. It's so easy to retain them, like, they've been a customer forever. If I could replicate this customer, if I could have a hundred, or a thousand, or ten thousand of this exact customer, who would I want it to be? I think it's a good idea to

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actually build an avatar around that person, name that person, put a face to that person. And sometimes you don't have to name them and make them, like, actually fabricate them. You can actually use a current customer that you have and put a name to them and say, "This is who we are trying to serve."

It's so important that you create that because then everything that you build, and every decision that you make, and every piece of content or collateral that you create is made for that person. It makes all of your marketing discussions that much richer. So we have Mary and Michael, and we say, "Hold on. Does Mary care about that?" And I'd say, "Oh yeah, Mary doesn't care about that." Or what would Mary think about that image? Mary wouldn't like that image. Or does that person in that image look like Mary, or does that image resonate with Mary? And we find out, no, it doesn't. What we find is so many of the tactical marketing decisions we make doesn't even resonate with our target market. I think all of fitness is guilty with this, but high intensity training is absolutely guilty of this. So we have to understand who we're building it for. If we can get more narrow on who we're actually building it for, we will own that entire target market.

You know, Lawrence, you know this as well as anyone on earth. If you try to build something that's for everyone, that is ubiquitous, you will serve no one. If you build something that's really, really for a small really niched population, a niched really targeted market, man, everyone within that

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target market, it will resonate with them and they'll purchase it. So you want to get more narrow in your focus and more specific in your focus. You don't want to serve the whole world. You don't want to serve an entire geographical region. You just want to serve a really narrowed, niched customer. It takes discipline actually to come up with that. The nicher, the richer; so the more focused you get in who you are trying to serve, the more successful you're going to be.

Lawrence: How do you identify the demographic and the psychographics of your target market? Like what kind of tools or tactics would you employ to get that information?

Luke: We would look at your customer base, so we would look at your current customer base, look at your top 20%. We call them big spenders. Your top 20% of customers that spend the most amount of money with you and then you simply look at where do they live, where do they work, how do they think, how do they vote, are they Republicans/Democrats in this country, what are their beliefs and then you start speaking to all of those things. So everything I just covered there is demographics and psychographics. What are they inspired by? When we think about transformation, so we think about what's the transformation of the customer wants to go through. We've been influenced by [Donald Miller](#) and he talks about the transformation your customer is going through. What's the transformation that they're interested in. If you don't understand their psychographics, you can't understand that. So not only

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do they want to increase their muscle strength, their muscle endurance, their bone mineral density, improve their body composition, but what's the transformation they are actually interested in going through right now?

[Donald Miller](#) would use the example of a transformation or what is any character you want to become. So like Luke Skywalker in Star Wars wants to go from a young child essentially growing up on a farm and he wants to go through this transformation of becoming a Jedi Knight. That's the transformation that he is going to go through. Well, what transformation does your client want to go through? That is truly psychographics understanding how they are actually thinking, what their struggles are, what their problems are. And remember, often times, our customer their psychographics, what they are dealing with is very different than the high intensity training business owner. The high intensity training business owner maybe loves to work out, loves to strength train, has always strength train, has been motivated to do it, is really intense, wants to learn about it, read about it, do it. The idea of spending money on it is foreign to them. I think one of the disconnects we've had forever is that a personal trainer can't understand why would someone spend \$80 for 30-minutes on this. Like they just, number one, don't have \$80 to spend for a workout a couple of times per week, so they don't even see the value in it. And then, number two, they already know how to do it. They are interested in it themselves. They are connoisseur. We have to really show empathy and get inside of our customer's, you know, walk them out on our customer's [unclear – 9:32] to understand what they are experiencing and how we can

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provide value for them. So that's a little bit on the demographic and psychographic.

Let me say just a little bit more about demographic. Where does the customer live? How far would they drive to your studio? Well, we find out in the high intensity training world is people go a lot further, drive a lot further for our service than they will for a gym. If you own and operate a 24-hour key club gym where people are purchasing you largely on convenience. Well, the high intensity training studio people are not purchasing you on convenience, they are purchasing on a lot more than that. Convenience is part of it, it is just not everything. So you have to be really, really, intentional about, "Do I think I can serve people that have a 10-minute drive to me?" Or a 20-minute drive to me. Where did we have a point of diminishing returns of someone who is too far away. Where does our studio need to be located in terms of the demographics?

Lawrence: We forgot the psychographics. Now, you talked about this before on previous podcast, but I'm just curious how you mine their information? Is that a matter of pattern recognition, talking to you customers constantly and building up that image in your head of what they want, desire, and need, or fear? Or is that actually are you doing that in a structured process like way where you are capturing their information regularly in your business? And if so, how?

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Luke: So couple of things is, one, you could just observe. So Danny Meyer who is the restaurateur in New York, who is I think one of the best business people in the U.S., he says, you got to collect the dots to be able to connect the dots. He says like, we are constantly collecting dots, collecting dots, collecting dots, learning about the customer so we can put it together then paint a picture of what their psychographics is. So that's one thing that you can do. And another thing that you can do is you can do focus groups where you literally just sit down with the customer and you ask them questions. You can do the focus group or you can have somebody else do it for you so that you maybe get more honest answers. But we've done focus groups where we take people out for drinks and appetizers, and we have five people sit down that we think are in our target market, and we ask them things like, how much money do you make, what are the demands of your job. We just go through all of those questions. I remember thinking, man, I bet you our customers make a \$100,000 a year, and then customer one was like \$400,000 a year, customer two is \$350,000, and customer 3... And I realized, okay, alright, some of our customers are, our true target market is making more money than I realized. Now, we definitely have people that make less money than that of course. But we want to understand who that target market actually is, who we are trying to serve.

Lawrence: Right. That's awesome. Now, just another question on this is in terms of how you would then market to your target market? Because obviously this goes on to the list, right. You build the list. Now, I don't know, it probably

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doesn't make sense in B2C world to actually create a list of individuals. Maybe it does in kind of a higher end B2B scenario where you might only have a limited number of contracts, right.

Luke: I like the list activity better in B2B than B2C. But we still say like, "Hey, if there is someone in our target market... is there more Marys and Michaels out there that we have not connected with? How would we connect with them? How would we communicate with them?" I think this is important, I mean, this is so important to remind yourself. Like every day you got to remind your team, if someone is outside of our target market and they look at what we are doing, they should say, "I don't like that. That's way too expensive. That's dumb. That doesn't make any sense." If people aren't saying that about you then you haven't figured out your target market. People outside of your target market should say, "That's no good. I'm not interested. That's silly." Until you get that, you haven't figured out your target market.

Lawrence: Yeah, that's awesome point. I think that's really valuable.

Luke: I mean you should turn people off that are outside of your target market. Because if you are not turning people off outside of your target market, you're not turning people on that are inside your target market. Most businesses just don't want to hear negative things about them. Like The Ritz-Carlton, I'm just thinking of hotels, which is an interesting time if you're thinking of hotels because they are all shut down. But The Ritz-

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Carlton hotel might be \$500-\$1000 a night. Well, most customers say, that's absurd for one night in a hotel. And The Ritz-Carlton says, "Yeah, we're not stressed out about that at all because for our target market it makes sense. \$500-\$1000 a night resonates with them." It absolutely makes sense. The price point make sense. The service offerings make sense. It all make sense.

And so if you find someone that says, "\$85 for a 30-minute workout? Are you nuts?" You should say like, "Okay, my messaging is really resonating with my target market because it is not resonating with people outside my target market."

Lawrence: And so... Sorry, go on.

Luke: [Seth Godin](#) probably says the best. He says, "We didn't build it for you." We didn't build it for you. Unless you can say we didn't build it for you, you don't have a target market.

Lawrence: Yeah, well said. Just going back to the list for a moment, so you don't advocate a list for a B2C HIT or HIT business who are B2C, so you wouldn't recommend a list of individuals. That's kind of a silly idea in this context?

Luke: Yeah, I don't think so. An example would be, let's say you are in a trade area. We have a location that's downtown Minneapolis in a big office

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building. We could say, “Do we have penetration at this law firm, this business, this business, this building that are all within a really walkable area of us?” And we’d say, “We need penetration at all of those different businesses.” Maybe it makes sense to have a list there and you continually market and try to communicate to those specific businesses and the people that work in those businesses. Otherwise, I don’t think you have to specifically have the list. Where in some businesses, Lawrence, a B2B they may only have 8 on the list and they get conversions on 4 of them, and they are fighting to get 5. That’s their focus. There are just 8 consumers out there for them.

Lawrence: Yeah. Do you want to just elaborate on, I mean you’ve mentioned it a bit already, just on the [Discover Strength’s](#) target markets currently or target market?

Luke: Yeah. I mean, it’s just Mary and Michael. We go through and talk about how much money Mary makes, and how much money Michael makes, and what Michael wears, like he doesn’t wear a tie but he wears a sport coat. He is a little bit overweight, he is a beer drinking, and he’s got a kid in college and a kid in high school, what his exact job is. And then we go through Mary, and Mary is in really good shape but she always wants to get a little bit better shape, and she loves appointments. I mean, literally if you look at her week she has two workouts scheduled, she has a Yoga class scheduled, she has a spin class scheduled, she has a manicure scheduled. I mean, everything in her life is scheduled so she likes the idea

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of appointments, and she shops at a store called Lululemon, which is really popular in North America. She shops at Nordstrom. And so we know where she shops and how she thinks, and what brands resonates with her, what she struggles with, where she finds joy, all of those things are detailed.

Lawrence: Awesome. Anything more to say on target market or should we jump into the three uniques?

Luke: Probably one of the things I'll make sure I emphasize the [Seth Godin](#), "Hey, we didn't build it for you." Like we should be able to say that at some point, "We didn't build this for you." And all of your conversations have to go back to target markets. To make this really specific to high intensity training business, is one of the mistakes I see all the time is I see ads from all of my dear colleagues and friends that I love. And in the ad, they have absolutely ripped male with his shirt off exercising or a female that's just gorgeous. That I would just love to go on a date with. But like that female or that male would never ever, ever, ever go into that studio, and they don't have a single client that looks anything like that. Or maybe they have one of their 100 clients looks like that. That's not who they are trying to serve. That's now who they built the business for. Their average customer is 62 years old, so your marketing should speak to that target market, should be 62-year olds.

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By the way, doesn't have to be a 62-year-old. Really, I think if you're smart, if your target market is a 62-year old, you should have like a 53-year old that's should be a little bit aspirational, right. Like a little bit aspirational, should be a little bit better looking, a little bit younger, a little bit more muscular, a little bit more, you know. But it should be within the realm of reality. Like I look at this, like a short at least 22-year old that's really attractive and I think you are not speaking to your target market at all. That's like 1985 fitness stuff that we used to do that everyone just got to be gorgeous, you know. And you can have a fit guy, or a fit gal, but they should somehow be realistic or relate to your target market. So we do that on time. We'll really do a news segment. They say, "Hey, local news station wants to do a segment." And we say, "Who shall we have on?" And we just say, "Well, let's have this person." Nope, they are not realistic. They are too attractive, too fit. Their bodies are unrealistic etcetera. And everyone watching that news segment at 6am in the morning. They are not our target market. Let's have actually someone that resonates, so we need someone a little bit less attractive, a little bit more body fat, a little bit more, you know. That sounds like derogatory but it is not derogatory. It's let's just speak to the target market.

Lawrence: Yeah. Do you think it is also worth saying that the target market is not the total market? I think people worry that if they niche some sales right down and they will alienate everyone else. But the reality is, and maybe you can speak to this Luke, is you will still get clients from outside of your target market as well. I mean that's been your experience.

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Luke: Absolutely. The more you focus on the target market, the more you get inside the target market, and the periphery of the target market, so absolutely. It's almost magical that the more you communicate to your target market, the more you get even on the periphery of that target market because there's an aspirational by there also. People like this purchase these things and use the service etcetera, so you still get the aspirational purchase also.

Lawrence: Yeah. And to give a matter example I can speak to that in terms of the [HIT Business Membership](#), you know. Occasionally, I get a new member who is not in high intensity training at all or HIT only is a tiny part of what they do and they've only just dipped their toe, and they've got all these other stuff that is going on, and many people in the [membership](#) would probably think that a lot of their service portfolio is unnecessary. But it's interesting how, even though I'm trying to hone my marketing right down to it, as we've been saying here really speaks to the HIT business owner and in some cases more specific than that, and yet I'm still attracting people who have ARX but not might be from a HIT background, or individuals who have a fitness business but do very little in a way of HIT. So that's another example.

Okay, so three uniques. What are the three uniques, Luke?

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Luke: This is my favorite topic on earth. A three uniques are the three things that are on paper make you different than the rest of your competitive set. But here is the clarifying point, your competitors would have to agree with you that in fact, that does make you different than them. You don't have to have all three of them different. So if you have two training studios in the same market competing against each other and one of their uniques is efficient, if both of them have a unique of efficient, that's okay. If both of them have a unique of medical grade exercise equipment, that's okay. But then the third unique has to actually be different. You can't have all three be the same as someone else. I think it's ideal if you have all three that are different. But the key is that on paper they have to be different. So who's the worst of coming up with three uniques? The owner. Because the owner in every business, in every industry, everywhere always thinks in terms of what makes us better. We have better customer service, we have better people, we have better equipment, we have better workouts, we have better results. Well, guess, who else is saying that? Everyone. I mean, every fitness business that's out there are saying those things, so you just have to say how you're different. And so the difference seemingly on the surface might not even provide value to the customer. I think it should provide value. But like IKEA is a massive, world-wide furniture retailer and one of their uniques is that we do not deliver the furniture for you. That makes them different than every other furniture store. You have to bring the furniture home in a flat pack box and you have to assemble it yourself. We wouldn't look at that as a value add but it's one of their differentiators. That's one of their three uniques. So we just want to pick

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three things that are on paper makes us different than the rest of our competitors. If we showed our competitors the list of our three uniques they'd say 100% that is different than what I do. And then the key is, this is not an intellectual activity. It's everything that you do, everything that you communicate, everything that you market, has to be only around those three uniques. Like don't do it, don't talk about it unless it communicates around those three uniques. When you spend the money, all of the money that you spend should deepen or support those three uniques.

Another way to think about three uniques and I really [Gino Wickman](#) does a disservice. As much as I love Gino Wickman, I love the book [Traction](#), he does a disservice to the reader by just calling them three uniques. Because what three uniques really are they are differentiating capabilities which is the foundation of all of your strategy. So really, you should invest money in your three uniques or your differentiating capabilities. You should go deeper, and deeper, and deeper, and get better and build a mote around that three uniques so someone else can't emulate it. When you think about how do I cut expenses in my business, most businesses make the mistake, they'll say, "What if I could cut 20% of my expenses across the board." That would be good and that is absolutely the wrong approach. What you want to do when you are trying to cut expenses in a business is you cut expenses everywhere else, but you increase your expenses along your three uniques and your differentiating capabilities.

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So our differentiating capabilities or our three uniques are, number one, evidence based. So we are going to use an evidence based approach. We are going to base our workouts on the on scientific research. We are not going to base our workouts on what Arthur Jones said, what Ken Hutchins said on Nautilus folklore. I mean, let's be clear. I love Arthur Jones, I love Ken Hutchins, I love Nautilus folklore, and I mean actually love. But our unique is we are going to look at what the evidence says. Thus the evidence changes we are going to make sure our exercise prescription changes. So that's that first unique. Second unique is efficient workout, so 30 minutes, twice per week. Third unique is expert educated trainers. So our personal trainers are going to have 4-year degrees, they are going to be [American College of Sports Medicine](#) exercise physiologist, etcetera. Can you get an unbelievable workout from someone who doesn't have a 4-year degree in exercise science? Absolutely you can. Absolutely. Some of the best workouts I've ever had in my life are people that don't have that training. But we've decided that one of our uniques is going to be that.

Well, we can't just say that. We have to invest money, and effort, and discipline into going deep around that. We would argue that we're so entrenched in expert educated trainer. We have a mote around us it would be hard to ever take that positioning from us. I mean, a company would have to invest not thousands, not tens of thousands, hundreds of thousands of dollars over time to be able to go as deep as we've gone in that particular level. That's one of the things that we said we want to be a

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differentiating capability. So your three uniques are where you want to spend money and you want to have a tangible proof that this is truly what makes you different. It's not just an intellectual exercise that we say on the surface. This appears to be a little bit different. So an example of a unique that is a unique would be, hey, if you wear shirts and ties. So we wear shirts and ties that definitely makes us different than the rest of our competitors but it is pretty easy to copy. It is really not a differentiating capability. I just don't think you can go very deep on it. And I don't think [Gino Wickman](#) does enough of a job saying like it should be something you could protect and go deep on and continue to strengthen. I just went pretty deep on that right there. But the foundation of three uniques is what makes you different than the rest of your competitors. Customers only purchase you based on what makes you different not what makes you better.

Lawrence: Wow! There's a great book in you, Luke.

Luke: Perhaps.

Lawrence: A couple of things on your line there or your piece there about differentiating capabilities. So powerful. Definitely worthy of another quote on Instagram I think. I don't know if you saw my recent quote of you about one rep, one set, one client. Did you see that?

Luke: Yes, I did.

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Lawrence: Okay. That's the best I can do on canvass, so I hope you didn't mind. But that look quite good. You know, I just wonder in terms of the marketing communication being aligned in some way with one or all of your three uniques. When are there exceptions to that? So let's take this crisis, you know, you put out a lot of communication to address things like cleanliness, telling your customers that you're open to serve, things like that. I'm assuming there are exceptions to that where you're still doing messaging which isn't always align with the uniques.

Luke: There is a time of utility, "Hey, we changed our hours", "Hey, we now are only delivering food", "We are not actually open for service." So utility is like saying what's actually changed in the business, what we are doing in the business, okay. I do think we should market around utility, "Hey, these are the changes we made in terms of cleanliness." But when you make actual strategic decisions. And when you think about what's the value we provide to the customer should always go back to these three uniques. So we contemplated like for a full almost 48 hours whether or not we are going to switch to virtual training. We are in the midst of this [COVID-19](#) right now as we record this. We said, "Well, is it our strategic niche?", which is a separate episode. And we said, "Yeah, it is our strategic niche." Because our strategic niche is personalized strength training, so would a virtual training workout be personalized strength training? And our answer is, yes. Okay great. Now our three uniques are: evidence based, efficient, expert educated trainers. Could we still play to those three uniques? And

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we looked at each other and said, “My goodness. Our three uniques are as relevant as ever.” Our differentiating capabilities are as relevant as ever. If you can ever make a strategic shift that allows you to stay within your three uniques, oh man, you are just in a great position.

I mean, the most overused word in 2020, and we’re in early 2020 is going to be pivot, right. Like pivot is the word. I heard recently that in 2019 the word was unpack. Well, let’s unpack that. Well, I’ve used pivot a lot. I think if you can pivot and stay within your strategic niche and your three uniques, oh man, you are in a great position. I don’t think every business can. I was just listening to a podcast, and one of my favorite business podcast, it was about a strip club. And this strip club had to close down due to [COVID-19](#), and you can’t go in and serve food, and it was rough because all of the exotic dancers at the strip club were independent contractors and they weren’t going to have any money, and the bouncers, and all the chefs, and everyone is going to be out of a job. And they said, “Well, let’s just start having people drive for Uber and they can make some money.” And they say, “Well, no. We can be more creative than that. Why wouldn’t we create our own service and we’ll call it Boober.” And they said, “Well, hold on. We have all these kitchens and this capacity. Why don’t we make it Boober Eats, and we can deliver food to people.” And the bouncers became the drivers, and scantily clad women deliver the food to you. The same food that you would normally get if you went to the strip club. And so that’s a pivot where I think played all of their uniques, all

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of their differentiating capabilities. I feel guilty that I just brought that up as an example.

Lawrence: No, it's okay.

Luke: But if you can stick within your three uniques and make a pivot, man, I think that's really powerful. And I understand there is a lot of businesses that can't and you got to get away from the uniques and maybe even get away from the strategic niche.

Lawrence: One of the things... I love that you brought this up in terms of talking about how you have used the three uniques to decide on what service pivot you are going to choose and execute on in terms of the virtual training. And you created a wonderful video advert for your virtual training which describes the three uniques within the video. I'd love to know, that was so quick that you were able to produce that. Did you just reach out to the partner you use for that to get that rolling ASAP when you realized you are going to do this?

Luke: Yeah. Actually, that's a good question. I don't even know how we made that video. We have an internal videographer that does a lot of our video. And so we always have two questions... We really have three sources for video. Number one, our internal videographer. So just out of sheer coincidence one of our longest time trainers happens to have thousands and thousands of dollars of video equipment and he is really into it. He

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trains 30 hours a week with clients and he is literally our most requested trainer, and then 10 hours a week he just does our video work. So that's one option we have. Our second option is let's just use phones. Like sometimes we just need to get out content and we can shoot it on a phone and that's okay. Doesn't have to be high production quality. And then the third option is, we have a separate company that we use that we bring in to shoot certain videos. And they are just next level in terms of lighting and graphics and so forth. We try to use them sparingly because they are going to be more expensive. We use our internal person for any time we still need high production value. Last night we shot video for an hour at one of our studios with him and he's got lighting, and he's got great cameras and so forth, and he can do the editing. And then sometimes it is just on our phones.

The particular video you are referring to, I don't know if it's a collaboration of phones, like sometimes we'll reach out to all of our trainers and say, "Hey, we need a capable second clip of all of you doing virtual workouts, send them all to Hannah, Hannah will splice it together, and we'll get something out. And then in the meantime we can work on something that will be a little bit more professional and higher production value. I mean, I think some of our colleagues have done good jobs of this. Like I saw Max Strength, Jeff Tomas... Jeff, I don't know how to say your last name.

Lawrence: Tomaszewski.

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Luke: Tomaszewski. They did a wonderful job. I mean high production value, speak to their differentiating capabilities, they show me kind of how it works and how to get started. I think it's a really good video. I think our biggest barrier on virtual training, this is a side note, is none of our customers know what it will look like so we visually just have to show them what it looks like. And I think he's did a great job to that.

Lawrence: Yeah. I actually haven't seen is video. I have seen some of his messaging around this, but I don't think I've seen that. But I thought your virtual training video is brilliant. Yeah, he's got the examples in there exactly what the experience is like. You know one client who is particularly muscular who is in a lot of your videos actually, and he is doing lateral raises with what look like jugs of milk replaced with water or something like that. It's interesting to see.

Luke: He is one of the strongest most muscular man I've ever seen in the world. I've had professional bodybuilders come and visit and he is going through a workout at that time, and they're just stop in their tracks and just stare at him for his entire workout. I mean, he is a former bodybuilder, former powerlifter. He is just a rare human being and I've trained him for 20 years now and he is just a genetic freak of nature. If you ever want to convince anyone at high intensity training is what you should be, you just have someone to watch him workout and they'll say, okay that's what I should do. And of course it's like he is a genetic freak of course. But he also trains hard and has great form. But if the first person you ever watched

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train is him, I mean, he is like Jay Vincent times ten. He's just incredible. You're sold the second you see him train.

Lawrence: Yes, yes. There's plenty of videos of him on YouTube that just trains so hard and he looks great. Awesome. So, you know, regarding the three uniques, one last thing on this. I mean, maybe we've covered this to an extent, but how would you recommend that the members decide on their three uniques if they haven't already? Because I'm guessing you need to obviously align this with what your target market values, right. Can you speak on that for a moment?

Luke: Yeah. One of the things you can do is ask your customer but don't listen to their first two or three answers. Ask your customer why did you choose us? Do not listen to their first two or three answers because their first answer will be like, "Well, it's you. It's my relationship with you." Well, don't say that because every business in the world says, what makes us different is our relationships. Well, if everyone is saying it it doesn't make you actually different. So don't listen to their first answer, or their second answer, or their third answer, and then you will get to their real answer. We find out in focus groups they will say, "The main thing I like about [Discover Strength](#) is that you don't have to be there very often. It's 30 minutes, it's once or twice per week. And I was like heartbroken when I heard that. I thought, your favorite thing about us is that you never have to be here. Like that didn't make any sense. But if it resonated with the customer, if that's truly why they are picking us, well then that was a valid unique. That

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probably was the unique. You can ask your customer just don't listen to their first few answers. Once you get a little bit deeper you'll find out why they are actually selecting you. And you may hear, "I've got injured with everything else I did", or "I tried this class, I tried this studio and I got injured. This is the only thing that I could do without getting injured." And you hear that over and over and you think, "Hold on, safety is one of my uniques." And so then you have to ask other people who are saying they're safe. Well, in 2020, heck no. People aren't saying they are safe. I mean, like, crossfit literally says, "You will probably bleed after one year of workouts and dislocate something after another workout within the first month. That's part of being a crossfitter." I don't think that's actually in the campaign of theirs. But they don't shy away from that. So no one is really saying safety is what we're all about. I think you could own the position of being safe.

It's important to mention right now that high intensity training studios are perfectly positioned to actually be able to do this. The problem with most boutiques and most studios they've tried to be all things to all people. And so they've actually eroded their ability to actually have a unique. They've tried to do a little bit of everything and so they don't have the uniques. My goodness health clubs have literally been the poster child for doing the opposite of understanding your differentiating capabilities. All they've done is copy and emulate what other health clubs have done. And so that's why all health clubs are essentially the same health club. There is a name for that. It's called competitive homogeneity where all health clubs

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are basically the same, and then you purchase basically based on price, like, what health club is the cheapest or what's closest to my home. If you really have three uniques, you can raise your prices and people will keep coming to you. You can be far away and people will keep driving to you. That's when you know you actually have three uniques or you have differentiation.

Lawrence: You know, we've spoken before about this and you said that you could actually have high intensity strength training as a unique potentially. And we've, Shawn and I, decided that that's... Well, at this stage we decided that our studio Optimal Strength here in Galway which we are hoping to reopen when this whole virus episode is over. We are going to probably have high intensity strength training as a unique because there is simply has not any high intensity strength training in Ireland aside from a friend of mine who lives in Dublin and was operating out of a big box gym as a solo trainer. I think there might be a couple of others but certainly not in Galway. With that said, my only concern about it was the ambiguity. You know, people would see high intensity strength training and think, oh yeah, well, someone say he does that when you and I know they probably don't.

Luke: Yeah, absolutely.

Lawrence: I'd love to hear how you think about that as a unique?

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Luke: Would that work as a unique?

Lawrence: Yeah, yeah.

Luke: As long as you can communicate what it is with the customer understands because, as you know, HIT meant something different in the 80s and 90s and early 2000s. And now HIT means like, high intensity interval training, or sometimes HIT literally means crossfit. And so I would really tell people that we do HIT because they say, “Oh, you’re like a crossfit place?” And then I cringe or I want to strangle them and neither one of those are good reactions. As long as you can communicate what that means I think it is a unique for sure.

Lawrence: And that’s why you chose evidence based, right, because you probably don’t want to be ambiguous.

Luke: Yeah. And I also just wanted to truly make that to be what made us different. That we were going to continue to pour over the research and be accountable to what the research said and not what a group of men said. That’s not easy to do but it was just the commitment, you know, absolutely.

Lawrence: Awesome, cool. Thank you for that. The next element is proven process, so what exactly is the proven process?

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Luke: The proven process is like your secret sauce. It's how you are going to provide value to the customer. The idea is it shows the customer that you've been there before and this is the journey that you're going to go on. We're not making this up, we are not wandering how we are going to work with you, how we are going to have a successful experience for you. It's not the first time we've been through this. We've been through it a million times.

So if you can show someone visually what to expect it create so much more confidence in the buying decision. You could argue that the proven process is like the intersection between marketing and sales. It's probably the very end of the marketing process and the very beginning of the sales process.

Lawrence: Right, okay, cool.

Luke: I think to get tangible on it I think you just pick a few steps. You say, like, you make some demographic and you say, this is how you start, and then you move to this, and then we're going to move to this, and after you do that this is what you do next; and then I kind of know. I'm just going to picture a proven process. Literally, we are talking about the book [Traction](#). From the Traction implementer that I hired, he showed me their proven process, here is the proven process. We do a 90-minute meeting where I learn more about you, you learn more about me, I kind of show you how it works. After that, we are going to do what's called a focus day. It's a full

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day long and this is why we are going to schedule it for. A month later we will do another day. This is what it's called, it's called vision building day. Then we'll do another day like that. Then, we are going to start working with you once a quarter with your whole leadership team for a full day. At the end of the year, we are going to do a 2-day meeting with you, we call that the annual. This is going to continue for two total years. You know, the graphic that showed each meeting, each point, kind of just big picture what would be covered. And then I said, "Okay, this is a journey or a process they are going to take me through. They have done this a million times. I know what to expect." We'll contrast that with the consultant that just says, "Luke, what do you need? What can help you with?" And they make a bespoke plan for me. And I think, "Well, are you just making this up? Are you trying to read how much money I potentially want to spend and you're coming up with something to make sure that you are earning all the revenue that I possibly could spend out of this interaction?" There is so much trust and clarity built when that Traction consultant, that Traction implementer said, "Here is our proven process. This is how we work together." By the way, that was before I really knew what a proven process was. It was just, "Hey, here is the journey you are going to go on. Here's what it visually looks like."

We actually have some examples in our industry of people that have done this really well. Like, Owen Dockham has a really attractive, easy to follow proven process; and a number of people has. I remember before we had a proven process I can picture a customer telling me years, and years, and

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years ago, probably 10 years ago saying, “You know what, I just don’t think you have a plan or a journey for me.” And I was thinking, “What do you mean a plan or a journey? Just come in and get your ass kicked for 30 minutes, twice a week, until you die.” That’s literally the idea. I didn’t realize that like people need to know what’s the whole process or plan look like, and every studio is going to do that different. But we kind of now know what that’s going to look like and we’re able to show it. We have them on the wall on all of our studios, and it is part of our sales process at the end of that free introductory workout. We walk up to the proven process. Actually, the beginning and the end of the introductory workout we say, “Here’s where you are on the process. Here’s where we go next.” And then every 10 workouts of the client we go over to the proven process and we say, “Here’s where you are now.” I want to highlight this part of the proven process, “This is where we are in the journey right now. Here is kind of our next step.”

Lawrence: Yeah. I love this. And just more on that even in your virtual training when Xavier took me for a workout, he took me through the whole sales process before we even got into the workout. He went through the proven process with me because I just want to immerse myself in the whole experience. You actually updated yours relatively recently, didn’t you? But before the crisis you updated your proven process, right?

Luke: We did, yes.

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Lawrence: Yeah. What I will do is I'll just put a link because you've put them on YouTube, so I'll put the link in the notes to this particular episode so people can just see what yours is and just get an idea of what it looks like, and that kind of thing.

You mentioned there about the [EOS](#) implementer. I'm just thinking there might be some listeners, some members who may be interested in investing in that to take this to the next level. I mean, yours is fairly expensive even though I'm sure you've had an enormous ROI. How much should they budget for something like that? Maybe they would use a different implementer, I don't know, so.

Luke: Yeah. I mean, every market is different. I think an implementer is usually in US dollars between \$3,000 and \$8,000 for a day. You would normally be meeting them 5 days out of a year. So let's just say they're \$5,000, you're going to meet with them 5 days in a year, \$25,000. Most companies will say, you know, most HIT studios will say, "Whoa, \$25,000 a year that's like a lot of money." And then I always say, "Well, \$25,000, I bet you have an employee that you are spending \$25,000 a year right now or more, and they are really not that good of an employee." Like this is going to be a \$25,000 investment that's really going to help you grow. I mean, just to use real numbers, when I hired an [EOS](#) implementer, I really could not afford it. Our [EOS](#) implementer at that time was just \$4,000 a day times 5 days in a year, so \$20,000 investment. We were just close to a million dollars in revenue there and we skyrocketed to \$2 million, and \$3 million,

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and \$3.5 million in the next couple of years; and that was really profitable revenue. After he gave me the 90-minute meeting, the pitch, I just said, “I don’t think I can afford to do this.” And then right away I said, “I can’t afford not to do this.” Like we have to grow. I mean, I looked at him and I said, “Well, if you can help us grow a few hundred thousand dollars this year, this is going to be worth it.” He’s looked at me and he’s like, “Yeah. I think that’s true.” And so we’ve never looked back.

The beauty of how every [EOS](#) implementer works is it’s not a long term commitment. I mean, you just do that one session and if you don’t want to move on to the next session, you don’t have to move on. Here is how they work also is if at the end of that session that they do you don’t think you got value, you don’t have to pay in. And so I said, “Whoa! This feels great. I don’t have to pay if I don’t want to. I don’t have to move to the next session. If we have no money three months from now, we don’t have to do this.” And so it’s kind of cool, it puts pressure on the implementer to prove themselves and create value every three months and our implementer has done that for like 6-7 years consecutively. I always say he is un-fire-able because he continues to provide that value. And by the way, there is another piece to it. When you are the owner, when you are in these meetings, it’s nice to not have to run the meeting. You can participate in the meeting. I know [EOS](#) like inside and out, like I go, my implementer is the top producing implementer in the world. He makes more money as an implementer than any other implemented in the world. And he has a mastermind group where the Top 25 implementers in the country go and

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pay an enormous amount of money to him to learn his best practices. Well, I fly once a year to that event and speak to them about how they can improve their [EOS](#) implementation. Without trying to sound arrogant because there is a ton of stuff I don't know. I know a lot about [EOS](#) and I'm already comfortable with it. I still want someone else running that meeting because then I can just participate in the meeting; and that is a game changer. I used to run all those different types of meetings and I was half facilitator and half CEO of [Discover Strength](#), and I like to just really wear the hat of CEO of [Discover Strength](#) and let someone else facilitate.

Lawrence: Awesome. Yeah. And that's something you've recommended quite a lot, is it, to the different HIT studio owners you've spoken with and then I suppose also had at your event [The Real HIT Experience](#) in the past.

Luke: Yeah, absolutely. Yup, absolutely.

Lawrence: That's actually quite a neat segway because what he was doing there in saying, oh, you don't have to pay for the next session. Is that the guarantee? Is that their guarantee?

Luke: Actually, no. That's not their guarantee. That's a good question. What is their guarantee? I'm not sure what their guarantee is. I mean, if we are segwaying to guarantee, I mean, the idea of a guarantee is... and not every business has a guarantee. If you can promise something or

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guarantee something that's really going to resonate with your customer and reduce any type of apprehension about a purchasing decision, then you should market it.

The classic example, I don't know if it's just the U.S., a number of years ago Domino's Pizza was trying to understand, "Well, how we are going to compete with all the other pizza that's out there, and the pizza delivery, and our pizza actually doesn't taste very good, like what we are going to do?" And they came up with a guarantee of 30 minutes or it's free. And so, you knew, your guarantee was it will be there fast. So they've build their entire market position around the speed of the pizza is going to get there. Wow, like, that's a powerful guarantee. In our industry, I'm not sure if there's just exceptional guarantee is there's probably one out there or someone will develop one. We've never had a guarantee that we feel great about, so we've never really banked on this. I think it's the least important part of the overall marketing plan. I just think some businesses, man, the guarantee can grow the entire business. Domino's is a brand that was built almost solely on that guarantee.

Lawrence: I thought you had the 5-star service guarantee. Is that not the guarantee?

Luke: Yeah, we had it. We don't use it anymore. I just don't think it was incredibly powerful.

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Lawrence: Interesting, I didn't know that. Okay, so it's not essential but I guess the business owners needs to understand if it make sense for them based on their overall marketing strategy.

Luke: Yeah. So one that we have not used that maybe someone listening would decide to use this, you'll never work out less or something like that. You'll never work out less and be in better shape guaranteed. Okay, well, that's interesting. I think there is something out there we just haven't been smart enough to figure it out.

Lawrence: Yeah, that could really resonate with your target market based on what you said about their value of the convenience of it, efficiency...

Luke: Yeah. We even thought as a guarantee is you'll never ask for a second set or something like that. You'll never ask to stay for the 31st minute, if it's a 30-minute workout. But we never went and market with anything of that. But there is something out there I'm sure.

Lawrence: Awesome. That's probably enough on the guarantee. And so just to recap, the marketing strategy consist of the target market, the three uniques, the proven process, and the guarantee. Obviously, in the target market there's the list as well.

I thought just before we wrap up, Luke, I thought it would be good to talk about maybe an example of where you've actually channeled your

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marketing strategy into an actual tactic? I don't know whether you're doing much right now in terms of paid marketing because of what's going on. But maybe you could speak to that now or in recent advertising campaign you've done and give us some examples.

Luke: Yes, so let me give you a really simple example. If you think about who the target market is and what they do for a living. Okay, so our target market, Mary, is an attorney. Okay, so we want to market where attorneys are. Well, there's a few publications or literally magazines that are just geared towards attorneys. Well, let's do an ad their relative to expensive magazine. There is a magazine now market that like is a lot of fitness companies will market in. Well, attorneys aren't necessarily reading MAT magazine. They are reading the attorney magazine. You just have to decide to actually print ads somewhere where your target market is there eyeballs are. We've always talked about that on social media but that applies to all media, so we try to go to. If we didn't know that that's what our Mary did for a living, if we didn't know our target market was an attorney we wouldn't know to go where the attorneys' eyeballs are. Like I'll go and speak at an attorney continuing education event because those are our clients. Where I don't want to speak somewhere to a bunch of 24-year old muscular dudes because those are not our clients.

So it's not a passion for fitness or an interest in fitness, it's is your target market actually there? So that's one tactical example. Go ahead Lawrence.

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Lawrence: No, you go. Because what I'm about to say is completely unrelated, so please go ahead.

Luke: Well, I was just going to say then the same is with three uniques. Before you put out an ad, before you put something in your show, so before you create a video, before when you build your actual website, you say, "Do I see the three uniques coming through here?" Okay. And then every decision make, does the decision deepen one of those three uniques? So we think about things like, "Should we host the Resistance Exercise Conference again?" It's a lot of work, it's a lot of money. We don't make money off of it. And then we say, "Well, one of our uniques is evidence based." Okay. "One of our uniques is expert educated trainers. It actually serves our own..." Okay, alright. Yeah, it is worth it to do it because it just deepens one of our uniques, our differentiating capabilities. And so you actually have to make tactical decisions and investments in those areas, and then everything you're communicating has to be in those areas. Your staff has to see you make decisions that support those areas. If a staff member says, "Hey, I like to buy this book." I'm going to make this up. "I want to buy Body by Science. Will the company buy me a copy of it?" And we said, "No." Well, that's not aligning our spending with our unique of expert educated trainer. We should pay for that. We should invest in that. So your investments, your expenditures, have to align with those three uniques.

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Lawrence: Yeah. The thing that I was going to say is just recently with this whole [COVID-19 epidemic](#) I've been consuming Gary Vaynerchuk's content because he is great to listen to when you might need some motivation or pick me up someone who really doesn't get very affected by situations like this when it comes to business. In fact, he sort of seems to thrive in it. And so I found that very useful. But I always have to really regulate my consumption of his work because if I'd consume too much of it it starts to annoy me. Maybe it's his shouty voice or just his obsession with social media. Now, this is a little bit of a tangent, Luke, but I just really want to bring this up because I think it's maybe some of the members have a similar challenge. You know, I listen to Gary do a 2020 marketing presentation, pre-crisis, talking about the importance of just... He almost said in a way that product didn't matter and all you need to do is get on social media and post 80 times a day, and you'll build a successful business. That's doesn't sit well with me because I want to build a great product and that's obviously why we are doing this right now. But at the same time I know that I probably need to do more in way of investing in effective social media strategies that are aligned with everything we've just been talking about. How do you feel about that viewpoint just to have interest?

Luke: Yeah. I think you need to have a good product or service. I feel really strongly about this. Anything that you communicate via your marketing, you have to be able to match it internally with the customer experience. So marketing is not just what you're communicating, it is what the

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customer actually experiences when they interact with your brand. Maybe I've said it in one of your podcast before is great marketing involves having a minimal to no say-do gap, so what you say and what you do. So if you say your product is this and then when somebody experience the product they experience something different, or the service and they experience something different you have say-do gap. The strongest brands are brands that have no gap between what they say and what they do. What they are communicating on their social media and which you actually experience when you interact with the brand. I think Gary, as much as I love Gary, he is ignoring that fact. So you can market like crazy and if you have a shit product there is going to be a say-do gap. I think you can't build a brand of the long haul if there is a say-do gap.

And really, like, tangible example of a say-do gap is if you market like crazy that your trainers are expert trainers, and then when the clients actually interacting with them and asking them questions, one, they don't know the answer. Two, they can't articulate themselves in a way that sounds like they have expertise. Then you have a say-do gap, right? So it's not a matter of saying it and can you get the message out. It's when someone interacts with the brand is that exactly what they experience. So a litmus test around your uniques, for example, is if you never stated what they were anywhere your customer should be able to name what they are because they are experiencing them over, and over, and over, and over. I think Gary is ignoring that the say-do gap is fundamental to really great brand building.

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Lawrence: Yeah, I really appreciate that and I completely agree. One thing I know is when you start this process of [EOS](#), you start off deciding what all these things are for your specific business. But then as you become a little bit more used to using [EOS](#) and a little bit more proficient at it you might want to completely change certain aspects. Well, from what I've experienced it could be you changing anything, even some of the really cool stuff as you go. How often do you revisit this, the marketing strategy, and how often do you make changes as well to that? What's your process around that?

Luke: Every quarter we challenge the marketing process. We look at all of it and we say, "Does this still resonate. Does this still make sense?" So every quarter and I have to say we spend even more time one a year where we really push on it and ask does this still resonate. We want to change this. We want to tweak this at all. That's a really good question, Lawrence. But I think the other important point is that none of this is an intellectual exercise. Figuring out these answers is not the key. It's building the whole business around these answers is the key. Like are you talking about all this stuff with your staff like every second of every day? I just meet so many companies that use [EOS](#), and I say, what are your three uniques? And they say, "Yeah, we did that. I got to check. Oh look, we have that in our binder. Let's look what our uniques are." And I want to just like strangle that person. I'm not suggesting I want to strangle to many people. But I thought like, "Whoa, whoa, your implementer didn't do the

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job with you.” Like three uniques wasn’t like a fun intellectual exercise as to what makes us different. This is your strategy. You’re building the whole damn company and all of your messaging around these three things. So like, it’s all you’re thinking about every second of every day. How do you make decisions unless you know what your three uniques are?

That’s the beauty of [Traction](#) is it’s so incredibly simple, but it is actually exhaustive around the discipline that you need to make sure that you’re coming back to this stuff all the time. And if you like to learn and you like to consume podcast, and read books, like I definitely do, sometimes you can get distracted by a new author, a new thought that Tim Ferris had, and a new podcast you listen to. Maybe we should be thinking about this. I absorbed all of that stuff and I filter it out and we go back to the basic elements of Traction literally every single day in the business. Now, I come across authors, and books, and articles, podcasts, and speakers literally every day that actually deepen my understanding of one of those elements. So I learned a lot about the three uniques from [Gino Wickman](#) and [Traction](#), but when I started reading Patrick Lencioni I learned a lot more. And then I started reading Michael Porter at Harvard Business School then I really understood more, and then I read Youngme Moon at Harvard and I really understood more. So it was just going deeper on the same universal topic and that’s why I love [Gino Wickman](#) so much is he talks about stuff that just undeniable. You can read more, and more, and more and just learn more, and more, and more about what he talked about. I sometimes pick on [Traction](#) implementers that aren’t willing to

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read the other stuff. Because when you read the other stuff, you really understand how important the three uniques are. When you read the book, three uniques sounds like, oh that's simple and it is packaged well, and it's something I can digest and do. But, man, you could go so deep on it. And the deeper you go the more confidence and conviction you have in understanding, of this is what I got to build the business around.

Lawrence: Yeah. Learning is an ongoing process for life. Absolutely. I just feel so inspired after this conversation. There is so much I want to revisit in my business and I'm sure the members feel the same way, Luke. So I just really appreciate you taking the time to do this. That was probably a great note to end on unless you've got any other parting thoughts about the marketing strategy.

Luke: No, this is great. It's always an honor to join you so I want to thank you for having me.

Lawrence: I appreciate that, Luke. And for everyone, for the members listening, obviously we've talked about [Traction](#), the book. I forgot to mention at the start of this. But please do read [Traction](#) along with listening to this and take care.