

Ross School of Business at the University of Michigan

Independent Study Project Report

TERM : Fall 2003

COURSE : MKT 399

PROFESSOR : Jie Zhang

STUDENT : Tina Wung

TITLE : Health & You University: A Business Proposal and Marketing Plan

for Weight Loss Programs Everywhere

Health & You University: A Business Proposal and Marketing Plan for Weight Loss Programs Everywhere
A Dusiness Troposal and Marketing Trail for Weight Doss Trograms Everywhere
Ву
Tina Wung
A research paper submitted in fulfillment of the requirement of 2 credits, UNDERGRADUATE INDEPENDENT RESEARCH PROJECT Fall Term 2003 , Professor Jie Zhang , Faculty Supervisor.

Recent health trends in the United States have prompted many people to jump on the diet-craze bandwagon - doctors are prescribing "ultimate weight loss" plans, restaurants are offering low-fat, low-carbohydrate menu options, and gym memberships are staples in employee benefits packages. It appears that every person is provided a solution for their dieting woes; however, college students may be more confused than ever. Given the tremendous amount of weight-loss choices and information, surprisingly few options are catered specifically for the student lifestyle. This report is a proposal and marketing strategy for a weight loss program designed specifically to educate college students in leading healthier and more active lives, resulting in permanent weight loss.

This program, called Health & You University, is a branch extension of the current Weight Watchers solution. The initial branch will be located on the University of Michigan campus. HYU will follow the existing Weight Watchers program by providing education, guidance, and support for the three key elements of weight loss: food intake, physical activity, and nutritional information. The distinguishing factor of HYU is that it is conducive to the college student lifestyle and will incorporate elements that make it more convenient and appropriate for the young dieters at the University of Michigan. Some major structural changes that differentiate HYU from other existing weight loss plans are:

- HYU is positioned as a "health education" center rather than a "weight loss" center
- The Points system is customized to include popular foods found on campus
- There will be a cafeteria where students can purchase meals with pre-assigned points
- HYU will form alliances with University programs, student organizations, and local business to promote HYU's services
- The membership price will reflect the target market's financial abilities
- The center will be located near an exercise facility to reduce motivation obstacles

The marketing strategy of HYU's introduction to campus is simple - to create a large presence on campus by forming alliances with University and campus resources in order to be known as the sole choice of obtaining dieting results. Simultaneously, HYU will recruit students to staff some of its programming and seek student organizations to promote its services; this helps to end the taboo subject of "dieting" by utilizing peers to bring the topic to the forefront of student life. The following are some promotional recommendations for HYU to effectively communicate with students:

- Utilize existing outlets to build a customer base
- Collaborate with organizations to create a large campus presence
- Advertise in student publications
- Provide price incentives

These product changes and marketing recommendations will help Health & You University will become a successful weight loss resource for University of Michigan students. With the proper implementation, it may become a staple for college campuses everywhere.

Faculty Comments

This project proposes a weight loss center specifically targeted toward University of Michigan students—Health and You University (HYU). it is a creative plan to address dieting and weight-related health issues faced by university students. Based on analyses of the industry and local market and a well-designed survey study on University of Michigan students, the author has proposed detailed recommendations on various marketing aspects of how to implement the weight loss program. The analyses are very thorough and comprehensive. The recommendations are creative and feasible. Overall, this is an excellent job.

Grade: A

Signature of Faculty Supervisor

fre Thank

Assistant Professor of Marketing

Title

TABLE OF CONTENTS

I. Situation Analysis	3
1.1 Industry Analysis	3
1.2 Product Summary	4
1.3 Market Analysis	4
1.4 SWOT Analysis	6
1.5 Competition	7
II. Customers and Segmentation	8
III. Marketing Strategy	9
3.1 Marketing Objectives	9
3.2 Target Market	9
3.3 Positioning	9
3.4 Distinctive Advantages	9
IV. Marketing Mix Recommendations	10
4.1 Product	10
4.2 Place	12
4.3 Price	12
4.4 Promotion	13
V. Conclusion	15
VI. Bibliography	16

1. Situation Analysis

A recent study conducted by experts at Cornell University uncovered that incoming university freshman gained an average of 0.3 pounds per week, almost 11 times more than the weekly weight gain expected by 17 and 18 year olds. Inevitably, many freshman end up putting on the "Freshman Fifteen," the infamous weight gain due to unlimited dorm food, late night snacking, inactivity, and increased alcohol consumption. Unsurprisingly, this results in rigorous dieting becoming a typical part of many college students lives; however, few existing diets are tailored to the college lifestyle. Weight loss programs like Weight Watchers, Jenny Craig, and LA Weight Loss have targeted mostly older women in their 30s who have the time, money, and effort to devote themselves to rigorous program activities, such as attending meetings, purchasing food, and cooking their own meals.

Due to the lack of weight loss plans tailored to the young dieter, college students do not get the adequate information which helps them make educated choices when trying to lose weight. As a result, many students then develop eating disorders, turn to "fad" diets, fast, or simply give up. Thus, college students and campuses need a simple dieting program that caters to the student lifestyle, emphasizes healthy living, and aids weight loss in a healthy way. An extension or a different version of an existing weight loss center would be extremely beneficial to both the center and the student.

1.1 Industry Analysis

Statistics: The weight loss industry has been growing exponentially for the past few years. Due to increasing obesity rates, interest in weight loss services and medical treatments are growing more common; health-care costs stemming from those increases reach nearly \$100 billion a year, threatening to overtake those of smoking, according to a 1996 Department of Health and Human Services report. The report, which is currently being updated, found that Americans spend \$33 billion annually on weight-loss products and services. A Tampa-based Marketdata Enterprises, the only market researcher to track the weight loss products/services market on an ongoing basis since 1989, predicts that the weight loss industry in the U.S. will grow 5.6 percent annually to \$48.8 billion in 2006.²

Trends: In response, there is a growing awareness in losing weight and maintaining healthy lifestyles apparent in multiple facets of society; restaurants are starting to offer more nutritious menu items, gym memberships are becoming a staple in employee benefits, the fad diet and weight loss programs market is becoming increasingly saturated, and low-fat options of just about any food can be found. Diet soft drinks dominate in terms of sales, with an expected \$14.86 billion this year (up from \$14.4 billion in 2001). Health clubs rank second, with \$13.52 million in 2002 sales, up \$1 billion from last year. Diet books, cassettes and exercise videos trail commercial weight loss centers, with the most rapid growth being in do-it-yourself, over-the-counter diet

¹ Izenberg, Lia. "Fighting the Fat." <u>The Michigan Daily - Weekend Magazine</u>. 13 November 2003: 3B

² "Weight Loss Industry Fact Sheet." Jenny Craig. Marketdata Enterprises. 13 October 2003 http://www.jennycraig.com/corporate/news/industry_fact_sheet.asp

aids. In 2002, the commercial weight loss centers category represented i ,2 billion of the \$39 billion industry pic.²

Players: The weight loss industry can be categorized into three segments according to the diet method: fad dieting, wⁱeight loss pills, and lifestyle change. Fad dieting utilizes "miracle" diets that are created by dieticians and physicians who claim their special plan will help people reach their weight loss goals quickly. Some recent examples include the Zone, Atkins, South Beach, Cabbage Soup, and low-carbohydrate diets (it is important to note that many of these diets incorporate lifestyle change). Weight loss pills are a huge industry: multiple companies and individuals manufacture pills with active ingredients ephedrine and caffeine, which speed up metabolism or suppress hunger. These pills may have harmful side effects and many are not approved by the FDA. Such over-the-counter weight loss pills include Metabolife, Xenadrine, Meridia, Herbalife, and Thermaslim. Finally, the third segment of weight loss methods is lifestyle change. This method is the most advocated weight loss regimen by dieticians, nutritionists, and physicians, because it implements a balanced, portion controlled diet and regular exercise into everyday activities and promotes a healthier lifestyle. A lifestyle change is the best way to achieve long term weight loss success. Some lifestyle changes include Jenny Craig, LA Weight Loss, and Weight Watchers programs, although some can argue that they are also fad diets, because weight gain can result after leaving these programs.

1.2 Product Summary

The product offering will be a weight loss center specifically designed to cater to college students' needs. This center will be a mortar-and-brick branch of an existing, reputable weight loss program located on the University of Michigan campus. For the purposes of this report, the Weight Watchers program will be used. It will have an atmosphere and weight loss tools conducive to the average college student: similar peers, young moderators that they can relate to, simple or pre-made meals, a diet that allows for alcohol and late night snack consumption, etc. In addition to the diet program, it will offer a variety of classes and programs to educate students on all aspects of a successful diet: healthy eating, nutrition education, and exercise classes. The branch will possess the brand name of Weight Watchers but will be positioned as a convenient health education program customized specifically E)r college students. It will be called "Health & You University" (HYU). HYU will emphasize lifestyle changes and provide realistic solutions to college students struggling with their weight.

1.3 Market Analysis

Though Health & You University will ultimately be implemented on many college campuses, this report will focus on an initial branch to be built at the University of Michigan in Ann Arbor and target undergraduate and graduate students.

Demographics: The University of Michigan is **a** large institute, with approximately 38,000 students enrolled in the Fall 2003 academic semester; 52% are male and 48% are female. U of M is an extremely diverse campus with approximately 7% African Americans, 1% Native Americans, 12% Asians, 4% Hispanics, and the rest Caucasians. These students are from all over the United States, as well as from international countries

(11 %)^{3.} The diversity of the campus makes it extremely important for Health & You University to develop a diet plan that is flexible and feasible enough for students of varying eating habits, beliefs, body shapes, values, and lifestyle histories.

Trends: The recent trends at the University of Michigan prove that the campus is an appropriate market to begin a Health & You University. Many indicators show that there has been an increasing demand for services that facilitate healthy living. In the restaurant market, the closing of unhealthy, fast food establishments in favor of more nutritious food options indicate that the restaurants with healthier offerings are more sustainable. For example, within the past three years, a McDonald's, Taco Bell, Coney Island, and Famiglia Pizza have all gone out of business, and thriving Bubble Island and Jimmy Johns has replaced their empty lots, arguably because of their healthier food items. Additionally, more sushi restaurants have opened and are enjoying success, like Sushi.come and Totoro. Existing restaurants are gaining a competitive edge by teaming up with M-Fit, a University Health System Community Nutrition program which offers classes, newsletters, fitness programs, and more to stimulate healthier living. For example, Chinese restaurant Lucky Kitchen promotes M-Fit items on their menu options which are low in fat, cholesterol, sodium, and calories.

Also in recent years, students have become increasingly adamant about improved Central Campus Recreation Building (CCRB) facilities, demanding better equipment and longer hours. Both demands have been implemented and utilized in the Fall of 2002, indicating that students are more concerned about getting adequate exercise and better services to fulfill such a need.

The fad diet craze currently popular in America has not escaped Ann Arbor. Though on the surface it may not be as apparent, upon further one-on-one interviews among the student population, it is obvious that many students are on one type of diet or another. In the Pi Beta Phi sorority, three women are enrolled in the Weight Watchers program, another is on the Atkins Diet, and one has an eating disorder. The survey results indicated that approximately 72% of students polled are either currently on a diet or have been on one in the past six months (see Appendix A). Additional evidence that the University of Michigan campus has; become more diet conscience is the recent article published in the Weekend Magazine of the *Michigan Daily*, "Trimming Down on the Beach" and "Healthy Choice;" the first article was a biographical account of one editor's experience with the new South Beach Diet, while the latter is about the Freshman Fifteen and preventative methods.

Finally, personal experience has proven that a student cannot escape the "dieting" mentality anywhere on campus. Example 1: Late one night at Backroom Pizza, I chose not to share a pie with friends, resulting in one of them asking if I was on the Atkin's Diet. Example 2: During a meal in my apartment, I picked out the noodles from my soup; my friend asked if it was because I didn't want to eat the carbohydrates. Example

[&]quot;Enrollment By Gender Tables." <u>The University of Michigan</u>. 10 December 2003. http://www.umich.edu/~oapainfo/TABLES/Enr......Gen.html

3: After I offered potato chips to a classmate in the Business School computer lab, he replied, "No, it'll go straight to my [rear end]." Though the first two comments may sound like attacks or ridicules, they were, in fact, asked in a friendly and curious way. My friends were not putting me down for being on a diet; instead, they seemed to want to know more about the diets. As I have never experienced such open comments in previous years, the examples show that dieting, health, and body image have recently come to the forefront of students' minds. This campus observation is supported by survey results, which indicated that a whopping 78% of students polled are concerned about their body image.

Needs: It is apparent that everywhere on campus, whether obvious or not, both men and women are concerned with their body image and want to be healthy, active, and eat right in order to look their best. The fact that students are growing increasingly open about their fear of gaining weight and assume others are controlling their pounds as well prove that the negative stigma of "dieting" is being reduced. Thus, in aligning with the current trend, this is an ideal time to introduce a program such as Health & You University. HYU will allow students to openly concentrate on dieting or maintaining overall health, find instant support systems, and utilize collated resources.

1.4 SWOT Analysis

Internal and external factors will dictate the success of Health & You University. The SWOT Analysis gives an overall evaluation of HYU - its strengths, weaknesses, opportunities, and threats.

Strengths:

- Unique idea which fulfills an empty market niche
- Can help freshman battle the dreaded "Freshman Fifteen"
- High market need
- Established brand name and results
- Convenient to students
- Addresses all aspects of weight loss
- Caters especially to college students and lifestyles
- Market entrant advantages; the first college-directed weight loss program
- May garner University support
- Students can relate to HYU's young staff
- Offers peer networking and support

Weaknesses:

- Students may not overcome the negative stigma of "dieting"
- Students may be embarrassed to go to a "Weight Watchers" program
- College students may be too busy for a dieting regimen
- Some students may not be able to afford the program
- Students may want to indulge in the "college lifestyle" too much (such as drinking heavily, eating unlimited dorm food, etc)

Opportunities:

- Current consumer behavior trends indicate that America is becoming more health conscious
- Children are becoming more overweight at a younger age, obesity is becoming a greater problem
- College restaurants, dorm meals, and lifestyles are notorious for being detrimental to health
- Multiple methods of entering the market; HYU can promote the program through sororities, the Recreational buildings, local restaurants, and other student organizations
- The University can integrate it into programming; for example, offer the program as a class or for credit

Threats:

- New entrants could come to market
- New "fad" diets can take away potential students
- Students can research nutrition information and diet on their own
- If HYU is not successful, students can backlash
- Word-of-mouth can make or break such a program
- America's health craze can subside

1.5 Competition

Direct Competition: Health & You University's direct competition are existing programs which incorporates all aspects of weight loss - food intake, exercising, and support. The following programs are popular choices among today's dieters.

- Weight Watchers Weight Watchers is the most popular weight loss program among older women. It has helped millions of women lose weight for the past 40 years; it has website tools, magazines, support branches for group progress sessions, and multiple Point Plans to emphasize flexibility. Celebrity spokespeople, such as Sarah Ferguson, Duchess of York, have endorsers the program and made it even more mainstream. Despite it starget market, the current Weight Watchers program can still be competition to its college program, HYU. Students may prefer this program (and ones similar to it) because the branches are off-campus, allowing for privacy and an escape from school pressures.
- Jenny Craig Founded in 1983, Jenny Craig is comparable to Weight Watchers in its programming and target market, although its participants are slightly older women, the brand is less popular, and there are no group sessions. It also has celebrity endorsers, such as Joy Behar of *The View*; 5 this older and less proven position that Jenny Craig takes in the weight loss market makes it less appealing

7

⁴ Weight Watchers Homepage, Weight Watchers. 1 December 2003 <www.weightwatchers.com>.

⁵ Jenny Craig Homepage. Jenny Craig. 1 December 2003 < <u>www.jennycraig.com</u>>.

to college students. The cost of joining Jenny Craig is at least \$24/month plus the cost of food.

• LA Weight Loss - LA weight Loss is the least well-known of the three weight loss programs. It was founded in 1989 and lacks a definitive positioning and target market, though it also caters to mainly older women. LA Weight Loss emphasizes its privacy and flexibility by offering only one-on-one counseling, so it may appeal more to college students over the other programs.

Indirect Competition: Because the weight loss industry is so large, indirect competition both internal and external to the campus, poses problems to Health & You University. Internal campus competition includes University-run programs that educate students on nutrition and health such as Kinesiology courses such as PHYSED 265 - Fitness, Wellness and Lifestyle Management, or the Counseling & Psychological Services, which offer Nutritional counseling. Various University departments, such as the School of Nursing conduct studies on various health topics, like eating disorders, and offer dieting counseling as compensation. Additionally, there are numerous fitness programs which encourage students to become more active and healthy, such as M-Fit or mRUN. M-Fit has begun to collaborate with local restaurants to offer students healthier and more nutritious choices. HYU's external competition includes online weight loss plans and programs, local gyms, nutrition and fad diet books and plans, such as the recent phenomenon, Atkins Diet. As long as America has health problems and concerns, there will be solutions - ranging from fad diets to pills to workout machines - that promise weight loss results. These are all indirect competition to Health & You University.

II. Customers and Segmentation

The customers of HYU will initially be college undergraduate and graduate students, aged 17-30, who want to lose weight and learn how to lead healthier lifestyles. The students can be segmented into the following groups:

Level 1 Dieters: Students who want to lose more than 30 lbs

Level 2 Dieters: Student who want to lose between 10 and 30 lbs

Moderate Dieters: Students who want to lose less than 10 lbs; also students whose

weight fluctuates and are always on or off a diet; they've tried

everything to keep the weight off but just can't

Weight Maintainers: Students who want to maintain their current weight

Health Seekers: Students who don't need/want to diet, but wish to learn how to

lead a healthy lifestyle. Among other things, they want to learn

⁶ LA Weight Loss Homepage. LA Weight Loss. 13 December 2003 < <u>www.laweightloss.com</u>>.

about nutritional diets and proper ways to exercise

As time progresses and as the program grows more successful, possible HYU customers can be high school students, new college graduates, or others falling in that age range. HYU can branch out into specializing in different markets amongst teenagers and young adults.

III. Marketing Strategy

3.1 Marketing Objectives

Health & You University must overcome some significant obstacles in order to become a popular, widely used program accepted by the students and campus community. Currently, the biggest problem that HYU must combat is the negative and taboo stigma of "dieting" amongst students, which presumably is the biggest setback in attracting students to HYU. Thus, the marketing objective is to devise a strategy in which to overcome this obstacle.

3.2 Target Market

The target market for Health & You University is *Health Seekers, Weight Maintainers, Moderate Dieters*, and *Level 2 Dieters*. Targeting these segments allows HYU to maintain their positioning and keep the negative dieting stigma at bay. As the program grows more successful, reaches more students, and as dieting becomes less taboo to publicly discuss, HYU can more aggressively target the heavier dieters.

3.3 Positioning

The first, most important step in reducing the dieting stigma is by positioning HYU as a young, sexy, healthy, and successful lifestyle change program. It will emphasize its focus on health education rather than explicit weight loss, which can imply that students have a weight problem. This is a key factor in the positioning because no student wants to admit that they need to get rid of excess weight or that they feel insecure about their bodies enough to join a weight loss program. By highlighting the fact that HYU will help students learn how to look and feel their best and live a healthy life, students will be more apt to respond to such a program. HYU will also emphasize its convenience and be well known for catering to a college student's lifestyle, problems, and needs. With these critical positioning elements, HYU will lose the negative stigma and taboo aspect of a typical weight loss plan, making it a successful dieting program choice among students (see Appendix B for a positioning chart).

3.4 Distinctive Advantages

There are many advantages Health & You University possesses that will contribute to its success in the college market:

• *Proximity to Students* - Unlike Weight Watchers or branches of other weight loss programs whose closest meeting centers are off-campus, HYU brings its services on campus so that students can easily integrate the program into their daily lives.

- Points Customization As previously mentioned. HYU can assign points to popular foods consumed on campus, as well as assign points to foods which students prepare for themselves. For example, if a Jimmy John's Beach Club sandwich is assigned 5 points, then students don't have to worry about the counting the points separately for bread, turkey, and toppings. This makes point calculation much easier to follow; as a result, students do not have to monitor their food as much and feel like they are less on a "diet."
- Buddy System Currently, it is not easy to find a person who is on a diet; it can be an awkward, possibly insulting, question to ask. Even if such a person is found, it is difficult to align dieting actions without a structured regimen. HYU brings people with the common goal together, and unlike the existing Weight Watchers, HYU's participants are all college students who can appreciate challenges that young dieters must overcome. The Buddy system is effective because it allows two people to consistently come together and work on their weight loss plan utilizing the same method and resources.
- Proximity to Workout Center Many people who are involved with losing weight must go to different places to get support (ie, Weight Watchers' meeting centers) and to exercise. Losing momentum and continuity between these two important weight loss factors can be de-motivating and set back the dieting results. By having HYU close to the CCRB (or another campus gym), participants can get motivation to go from their meetings straight to the gym, which will be just a few minutes walk away. By working out with a buddy, it couldn't be easier!
- *Instant Market* There is no better place a weight loss center can be than on a college campus, where a significant amount of students are concerned with their body image and are trying to lose weight, learn more about nutrition, or want to lead healthier lifestyles. A multitude of different student segments need this service: freshman who are battling off their newly added weight, students who drink frequently and are gaining a "beer belly," stressed and overworked students who don't have time to eat right, sorority women, and more.
- Promotional Outlets college campus, there are numerous channels through
 which HYU can promote its services. Sorority houses, or the Greek System in
 general, University departments, counseling services, student publications, and
 word-of-mouth can be a great advocate of the program and help facilitate its
 success

IV. Marketing Mix Recommendations

4.1 Product

As stated previously, the product offering will be **a** physical branch of the popular Weight Watchers program, located on the University of Michigan campus. The atmosphere,

services, classes, and staff will make it the ideal place for college students to seek weight loss support and management.

The weight loss program begins with a one week "Weight Loss 101" course which teaches students the basics of managing weight; it covers the fundamental rules for successful dieting, foods that are essential and why they are important, body mechanics (bodies metabolize slower at night), and exercise tips and strategies. This class will be mandatory for participants of the program and will last two hours a night for three nights. After taking this introductory course, students will have the knowledge of weight loss fundamentals, and will be able to make an educated decision on which weight loss service he/she will choose. HYU will offer its weight loss services in three main categories: Education, Fitness, and Food guidance.

- Food The most important part of the weight loss program is the food consumption management, which will follow Weight Watchers generic "Points" system for easy calorie management. Each participant will get assigned a designated daily point allowance based on the level of weight loss desired and his/her starting weight. Then, every participant will learn the amount of points assigned to various foods and ensure consumption within his/her point range. To supplement this system, a cafeteria will be a part of HYU, and all the food will be assigned a point value so that students can monitor their food intake. The cafeteria will not be buffet style in order to prevent over-indulgence. Finally, brown bag meals with pre-assigned point values will be offered for time-crunched students. To make this system easier for the students, HYU will assign points to popular foods that students consume on campus, such as Pizza House's Chipatis, Good Time Charley's Count Twists, Jimmy John's subs, and popular drinks at various bars. Additionally, participants can get point values to foods that they themselves prepare or eat frequently; this allows for students to integrate their favorite foods into their diet. Finally, there will be a certain number of "Flex" points per week, which allow for indulgence foods.
- Education Education classes are a two hour/week class that highlights different
 health and weight loss to picsevery class session. Some topic examples include:
 "Eating Disorders," "How Alcohol and Drugs Affects Your Body," "The Best
 Foods for Weight Loss," and "Get the Skinny on Carbohydrates." These classes
 are meant to provide supplemental knowledge for program participants to aid
 them in their regime and attendance is encouraged.
- Fitness The program will emphasize the importance of exercise as part of a healthy diet, and while there is no monitoring system for working out, the guidelines will generally include one hour of moderate level exercise five times a week. This guideline is changed depending on the needs of each individual. Additionally, like the real Weight Watchers program, students can exercise to earn "Activity" points, which can be exchanged for food.

- Support System Like the existing Weight Watchers program. HYU will host weekly one hour meetings where participants can discuss their weight loss progress, trials, and tribulations. In addition to these meetings, each participant will have a "buddy" with whom they can go through the program. Not only does having a diet buddy assist in the motivation factor, but it also helps lift the negative stigma of dieting when students know that other people are trying to lose weight as well it becomes much more socially accepted. Having a person to encourage and motivate weight loss actions is crucial to any weight loss, program.
- *Timeline* Students can "enroll" at HYU at the beginning of any month during the school year and continue the program for as long as they like. Membership and fees will be on a monthly basis.
- *Materials* Each participant will be given tools which help them learn more about nutrition and manage their weight loss, such as calorie counters, point charts, daily log sheets, and more (see Appendix C for examples).

4.2 Place

Ideally, HYU will be located in the heart of Central Campus. A possible location may be a building off the Diag, such as near Angell Hall or East Hall. The building must be close to campus so that it is easily accessible to students, and it also should be located near to the CCRB so students can go from one building to another quickly, which can be an important motivation factor while dieting and exercising. The survey results showed that dieters were more likely to work out if the exercise facilities were closer to their home or weight loss center.

4.3 Price

The cost of the Health & You University program will be benchmarked against the typical Weight Watchers program, but will be slightly less to reflect the college student focus. \$19.99 per month will cover the meetings, education classes, and weight loss materials. \$19.99 per month is a reasonable amount for a college student; though some claim that this may be too much, \$20 is easily spent during one weekend night. Students who are determined to lose weight will gladly pay this price. Survey results indicate that the average price a student is willing to pay for a successful weight loss regimen was approximately \$25. Therefore, \$19.99 is somewhat of a penetration price, and it reflects HYU's position as a branch of a popular weight loss program that is targeting a younger market. Additionally, promotional price discounts can be implemented to initially draw in students, and as popularity and program success grows, the price can be adjusted to reflect increased demand and potential services.

The cost of additional amenities such as food and gym memberships will be competitive and paid for on a per-use basis. For example, participants who choose to sign up for U-Move classes as their exercise regimen must enroll and pay for the class in the same fashion as non-HYU participants. Also, the cafeteria food will be priced competitively and purchased as needed; however, an "Entree Plus"-type system may be implemented for heavy users.

4.4 Promotion

There are many promotional methods that HYU can implement to successfully launch its program. Below is a recommended promotional campaign that would be a smart way to garner attention and success for HYU's opening.

- Utilize existing outlets to build customer base It is important for HYU to find the appropriate people that will form its initial customers. On campus, there are many groups of students that can provide the perfect segue for HYU to enter the market. An additional benefit of utilizing these outlets is the massive word-of-mouth advertisement it is sure to generate.
 - o Weight Watchers existing branch Some college students are currently enrolled in the Weight Watchers program. By introducing and recommending HYU to these students, HYU will have initial participants who are already familiar with the Weight Watchers service and can be a credible source and opinion leader for others who may want to enroll in HYU.
 - o *School of Kinesiology* The nutrition, health, and fitness classes that already are offered through the Kinesiology department is the perfect way to recruit both participants and staff for HYU. Kinesiology students are those who are most interested in being active and healthy; thus, this pool of students will most likely be extremely receptive to HYU's program.
 - o Student groups/segments As mentioned previously, using the right student groups to promote HYU's program is a great starting point. Freshman who are living in the dorms battle with their increasing weight and would look to such a program for guidance. Sorority women, in an environment where they are constantly surrounded with other girls, often feel insecure about their bodies because they constantly compare themselves to their peers. These groups have regular meetings where HYU can speak about its new and unique offerings to the campus.
 - o *Counseling & Psychological Services* Existing University counseling services currently offer limited advice and guidance to students who have eating disorders or image insecurities. This office can refer HYU as a program which can help the student battle his or her problem.
- Collaborate with various organizations to create a campus presence It is imperative that HYU form partnerships with local and campus organizations so that the program is even more attractive to students. If students see that the program is widely accepted and in alliance with other organizations (which adds to the program's convenience), they are more likely to enroll.
 - o *Local restaurants:* HYU can establish agreements with local food establishments to include their menu items on the point system in

- exchange for advertisement at the restaurant. This promotional strategy shows students the customization benefits of the weight loss program, which in turn makes the diet more feasible.
- o *Student organizations:* HYU can promote its program at meetings of student organizations which may need its services. It can distribute flyers at these meetings, which is more effective than mass flyering on campus.
- o *School offerings:* HYU can collaborate with the University by allowing students to enroll in the program for class credit, instead of as a membership program. The school can righteously offer this program as class credit because participants learn about nutrition, health, and physical education simultaneously. Kinesiology students can even teach some of the education classes. Also, collaboration with University programs such as M-Fit or U-Move will recruit more people to enter the program, thus helping to reduce the stigma of "weight loss." Finally, HYU's cafeteria can be an option for Entree Plus or as a meal plan, instead of a dormitory meal.
- Advertise in Popular Student Circulations: HYU should advertise its program in popular student newspapers, such as *The Michigan Daily*, in order to reach a mass level of awareness. HYU should also get student staff members to write favorable reviews about the program to spark interest amongst students.
- **Price Incentives:** Though pricing is not anticipated to be a problem, HYU can further enhance its attractiveness by offering discounts or coupons, or other price incentives to its potential customers and staff.
 - o HYU can entice participants to sign up early by offering a two week "special rate" during its opening.
 - o HYU can give a 10% discount to student group members who alio HYU to promote the program at their meetings.
 - o HYU can offer bonuses to student staff members who recruit more participants.
 - o In collaboration with local restaurants, HYU can offer its participants discounts to these food establishments.

The strategy for this promotion is to market the program and recruit its participants by promoting directly to the students through existing outlets in their school and campus environment. By doing so, HYU will achieve its positioning as a health program that is dedicated to serving University of Michigan students only. If HYU were to mass market

through flyers or city newspaper advertisements, it would lose its customization appeal and be recognized as simply another weight loss program.

V. Conclusion

The current health craze and dieting trend in the United States have made a major impact on college campuses; students want to feel great in their healthy bodies. Unfortunately, the fragmented and confusing myriad of information and resources make it overwhelming for students to devise a weight loss plan they can stick to and feel comfortable about, especially while tending to the demands of school, work, and social lives. Health & You University implements all the crucial elements of weight loss into a convenient program that students can take advantage of and be happy with the results.

The only potential drawback of the program is that students may not yet feel entirely comfortable with bringing their body insecurities to the forefront and sharing it with their peers. However, with the current trend of weight loss becoming increasingly mainstream and accepted, the dieting stigma will eventually dissolve. Coupled with proper marketing, integration with existing programs on campus, and garnering word-of-mouth popularity, Health & You University could become the latest addition to the dieting revolution for college students everywhere.

VII. Bibliography

- 1. Izenberg, Lia. "Fighting the Fat." <u>The Michigan Daily Weekend Magazine</u>. 13 Novembei^r2003: 3B
- 2. "Weight Loss Industry Fact Sheet." <u>Jenny Craig</u>. Marketdata Enterpnses. 13 October 2003 http://wwwjennyCTaigxom/coip
- 3. "Enrollment By Gender Tables." <u>The University of Michigan</u>. 10 December 2003 http://www.jumich.edu/-oapaiiifo/TABLES/Enr Gen.html>
- 4. Weight Watchers Homepage. Weight Watchers. 1 December 2003 <www.weightwatchers.com>.
- 5. Jenny Craig Homepage. Jenny Craig. 1 December 2003 www.jennycraig.com>.
- 6. LA Weight Loss Homepage. LA Weight Loss. 13 December 2003 < www.laweightloss.com

<u>APPENDIX</u>

Appendix A: Survey and Results
Appendix B: Positioning Chart
Appendix C: Daily Food Log
Appendix D: Sample Advertisement

Appendix A: Survey and Results

This survey was distributed to 94 University of Michigan students between the ages of 19 and 23. 63 respondents were female; 31 were male. Survey answers are rounded to the nearest percentage. They appear in red; important results and those cited in the paper are bolded.

University of Michigan Independent Research Study

Hello, I am a BBA student conducting a survey for an independent research project. I would appreciate it if you could take less than five minutes to complete this survey. Your answers will be kept confidential and be used strictly for research purposes. For the purposes of this survey, "being on a diet" or "dieting" means actively controlling your food intake through a regimented plan that includes dietary restrictions and moderate to heavy exercise. Thank you for your time.

	ig your jood intake through kercise. Thank you for you		olan that i	nctudes e	netary i	restrictu	ons
1. In general, are you co 78% Yes	ncerned with your body ap 22% No	pearance? Plea	ise check	one.			
2. At what age did you b dieting? Please check or	egin taking active measure	es to maintain a	certain bo	dy appea	arance tl	hrough	
	1% 0 - 8 years old	6% 9 - 12 ye	ars old	35% o 1	3 - 16 y	ears old	
3. Have you been on a d 72% Yes	iet in the past 6 months? F	lease check on	e.				
4. What is the longest tir	ne period you have been o	n a diet? Please	e check or	ne.			
16% Not Applicable 12% 13 = 24 months	27% 0 < 3 months 5% more than 24 months	19% 4 - 6 me s	onths	21%	7 12	months	
5. What diets have you t	ried (for more than 14 cons	secutive days)?	Check al	l that ap	ply.		
16% Not Applicable	24% Atkins	2% Cabbage	Soup	44^{o}_{o}	Low-C	arb	
15% Slim Fast 47% Other	18% South Beach	6% Sugar Busters 15% Zone					
6. What weight loss prog	grams have you enrolled in	? Check all th:	at apply.				
84% Not Applicable 3% Other	8% Jenny Craig	4% LA Weight Loss 13% Weight Wa			Watch	218	
7. What are the biggest p Check all that apply.	problems you have encount	tered that prever	nt you froi	m dieting	succes	sfully?	
16% Not Applicable	25% Lack of motivatio	n 120. Lank of	n illnon a	e 300:	Too bu	113	
	te weight loss program						
15% Lack of proper food 20% Other		9% Lack of p	•		i i i de i ()		
8. Please rate the importa (1-Not Important at all	ance of the following facto		weight lo xtremely i				
Convenience of Food		4.1	0 1	2	3	□ 4	1 5
Price		4.2	 1	□ 2	3	1 4	5
Proven Results		4.7		\square 2	3	□ 4	5
Location		3.5	5 1	\square 2	3	_	5
Availability of Enjoyable		3.9	 1			□ 4	□ 5
Proximity to Workout Fa		3.1	<u> </u>	2 2	□ 3	□ 4	□ 5
Availability of Support S	ystem	3.8		\square 2	\square 3	4	□ 5

4.0 1.9 4.5			□ 3 □ 3 □ 3	□ 4 □ 4 □ 4	□ 5 □ 5 □ 5
	re 4-	Agree	5-Str	ongly A	gree)
3.6 close and co 3.9 rate in a conv	onvenien D 1 enient w	□ 2 eight lo		_	
1.6					
What is your highest level of education completed? Please check one. 0% Some high school			94% Some College 0% PhD		
					n
	1.9 4.5 ments: ee or Disagre 3.1 4.2 2.4 4.0 college stude 3.6 colose and co 3.9 mate in a conv	1.9	1.9	1.9	1.9

Thank you for taking time to complete this survey!

Appendix C; Daily Food Log

Date:

FOOD CONSUM	PTION	PHYSICAL ACTIVITY					
1	Points Consumed	;		Points ; Expended			
BREAKFAST		! CARDIOVASCULAR	Workout Time				
Breakfast Total							
Snack							
LUNCH							
		Cardio Total					
		WEIGHT TO AIM					
Lunch Total		WEIGHT TRAIN					
Connecto							
Snack							
DINNER							
Dinner Total							
Snack		Weight Train Total					
Total Points Consumed:		Total Points Expended:					
Total I onito oonounieu.		Experiada.	1				
Net Points							
	1						

Appendix D: Sample Advertisement

Feel great.

Look your best.
Show no signs of the beer.



Is your body protesting the late night drinks? You can manage it.

Learn more with us.

Health & You University

Because you deserve the best education.

© 2003 Weight Watchers