



Digital Marketing Strategies for Startups in the Fitness Industry

A research paper providing a clear picture of how startups in the fitness industry should allocate their resources to achieve the most output

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Course: Bachelor Thesis in Business Administration

Course Code: FOA260

15 cr

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Date: 2022-06-02

Acknowledgements

First and foremost, we would like to express our deepest gratitude to our supervisor Ali Farashah. Thank you for the guidance, valuable criticism and constant support throughout the process. In addition, we would like to extend our sincerest gratitude to Stylianos Papaioannou for providing us with relevant insights and know-how in writing a scientific thesis. Furthermore, a special thanks goes out to interviewees in the selected case companies, who took their time for us to conduct the primary data. Without their insightful knowledge, it would not have been possible to write this thesis. Finally, we want to thank each other, not only for a great collaboration during this process, but also for 3 tremendous years together at Mälardalen University!

Abstract

Date: 2022-06-02
Level: Bachelor Thesis in Business Administration, 15cr
Institution: School of Business, Society, and Engineering, Mälardalen University
Authors: Samuel Andersson Emma Berg Albin Lundgren
99/09/15 99/08/12 99/04/03
Title: Digital Marketing Strategies for Startups in the Fitness Industry
Supervisor: Ali Farashah

Keywords: Digital Marketing, Startups, Physical Fitness, Social Media, Big Data

Research Question: What digital marketing strategies do startups in the fitness industry implement to position their brand to targeted customers in the absence of big data?

Purpose: This study aims to provide fitness startups with information to reach their target customers without the use of big data, as well as which marketing strategy is the most effective for a startup.

Method: The approach of this study was a qualitative approach. The layout of the qualitative approach is presented by using semi-structured interviews with questions that are open-ended. In addition, this study has implemented a deductive approach using three predetermined propositions, relating to the literature review and the research question. The authors have also utilized an inductive approach, where the data that has been gathered from the interviews will be analyzed. As the authors are interested in the explicit content presented by the primary data and have not made any underlying assumptions, the analysis has a semantic approach.

Conclusion: While analyzing the findings, the authors of this research paper present a marketing strategy suitable for startups in the physical fitness industry. This marketing strategy involves highly relevant components such as social media marketing, creating customer value, segmentation, and pricing strategy. It was apparent that there is a gap between existing literature and the current reality, where the authors filled a gap when presenting the findings from the primary data.

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1. Introduction

1.1 Background

Over the past decade, the global fitness industry has impressively grown in market size and surpassed 96 billion dollars as of 2019. The approximate number of fitness clubs worldwide during the same year was 201 000, and the number of members was an astonishing 174 million people (Gough, 2021). The projected growth for the fitness industry, when defined as fitness clubs, gym memberships, online fitness, and fitness apps, is estimated to be 171.75% as of 2028 (Rizzo, 2022). Hence, the fitness industry is an enormous industry where numerous companies compete for market shares, mostly by utilizing digital tools (Baranow, 2019). The industry itself can be separated and defined in different ways as there are many different types of “fitness”. Some examples of these distinctions are physical fitness, health fitness, psychological fitness, flexibility, as well as aerobic fitness (Gough, 2021). For this research paper, the authors will focus explicitly on the physical fitness industry.

The physical fitness industry is extremely broad and includes everything from traditional fitness centers that offer customers facilities with workout equipment in exchange for a membership fee, raw strongman, and CrossFit. Furthermore, it does also include apparel connected to fitness, workout tools, as well as accessories (Gough, 2021). To get a firm understanding of what kind of businesses this research paper will examine, the definition of the “physical fitness industry” will be referred to as the companies operating in the commercial division. The commercial division is the largest sector of the industry and includes for-profit businesses managing, as already mentioned, gyms and fitness clubs, apparel connected to fitness and working out, as well as fitness accessories such as shaker cups/bottles for protein shakes(Thompson, 2019).

The expansional growth within the physical fitness industry suggests that a large number of start-ups have arisen, which is defined as a company that is at the beginning of its lifecycle (Salamzadeh & Kawamorita, 2015) “The beginning of its lifecycle” suggests that the business is developing and verifying its business model, product development as well as obtaining its first revenues and customers, as the startup is in the first stage of development

(Skala, 2018). In addition, it is also identified as a business with high projected growth (Salamzadeh & Kawamorita, 2015). This is explained such as that startups are often viewed as dynamically developing and highly innovative businesses that have the opportunity to utilize digital technologies in new, creative ways (Skala, 2018).

However, these newcomers do face many challenges as they enter the market since they do not have the same resources available as already established companies (Alpkan et al., 2007). Likewise, they have a small business experience in comparison to the firms that have operated in the said industry for a substantial time (Skalan, 2018). Furthermore, they do not have the same level of entrenched customer base, nor can they rely on loyal customers to repeatedly purchase their goods or services (Roosta et al., 2019). Therefore, it is of great importance for startups to implement a good marketing strategy, to make sure they gain recognition and consumers in the market of choice since the chance of success is in fact small for a startup (Roosta et al., 2019).

As stated by Drucker & Maciariello (2008), *“there is only one valid definition of business purpose: to create a customer... and Because the purpose of business is to create a customer, the business enterprise has two— and only two basic functions: marketing and innovation”*. For this research paper, the basic function that will be discussed is marketing since start-ups, as already stated, must cope with the disadvantage of having significantly lower resources compared to established firms (Alpkan et al., 2007). This challenge presents itself in terms of a smaller marketing budget and a lack of customer base, as well as a usually non-existent brand identity in the first stage of development (Roosta et al., 2019). Therefore, a digital marketing tool is considered effective for a startup as it is easily accessible and often less costly than standard marketing tools, but foremost because digital marketing is highly important for the company’s performance (Teixeira et al., 2017).

Hence, this research paper will investigate what digital marketing strategies are available for startups, but also include some more traditional strategies, such as the Segmentation, Targeting, and Positioning model and the Marketing Mix, as they are always viable (Kotler & Armstrong, 2017). Something that is apparent while analyzing startups, is that big data is not an applicable tool to utilize, which otherwise provides huge access to gain a holistic view of how to implement a proper marketing strategy to satisfy the consumer needs (Donnelly et al., 2013). Though certain social media channels, such as Facebook and Instagram, offer the

opportunity for startups to utilize their marketing and advertising tools, this is considered to be social media marketing, rather than a sampling of big data (Wajid et al., 2021). The topic of digital marketing strategies for startups is visible in previous literature, however, this study will focus prominently on providing information regarding marketing strategies for startups in the physical fitness industry. This has been accomplished by sampling primary data from startups in the said industry but also established firms and what marketing strategies made them successful in their first step of development.

1.2 Problematization

The background describes how beginner companies in the fitness industry face high competition and that the entry barriers are high, as well as that those startups have both limited time and resources (Salamzadeh & Kawamorita, 2015; Grant, 2021). By outlining the marketing strategies which give the most yield, the authors of this article will help startups in the fitness industry in their path to achieve better results and higher growth.

1.3 Purpose

The purpose of this study is to investigate how startups in the fitness industry choose to market themselves to potential customers, in order to gain customers in a very competitive environment. This paper aims to help new fitness companies implement themselves in a narrow segment, as this paper will study how startups in the fitness industry target their customers as well as how they position their brands. Furthermore, this study aims to provide fitness startups with information to reach their target customers without the use of big data, as well as which marketing strategy is the most effective for a startup. As already mentioned, the fitness industry has had rapid growth and continues to expand while the research has not followed the same pace, meaning that the chosen topic within this study presents a clear gap in the literature and is of great importance for up-and-coming businesses.

1.4 Research Question

What digital marketing strategies do startups in the fitness industry implement, considering the absence of big data?

2. Literature Review

2.1 Marketing & Marketing Strategies

“Marketing is to create value to customers in order to capture value from customers in return” (Kotler & Armstrong, 2017).

Before discussing the previous literature concerning marketing strategies, startups, and the fitness industry, it is necessary to define what marketing is. Marketing is not only advertising and selling a product, these are rather aspects of the marketing mix, but a broad process of building strong customer relationships, satisfying the need of the customer, and foremost, creating customer value (Kotler & Armstrong, 2017). This process of building a profitable, value-laden exchange relationship with customers might be a challenge for many firms, and it is therefore essential to recognize the importance of marketing strategy (Kotler & Armstrong, 2017). Since marketing is centralized to customers, and the goal is to create customer value, a marketing strategy can be defined as the logic, or strategy, that firms hope will enable this goal (Kotler & Armstrong, 2017).

According to Morgan et al., (2019), there are two common contradictions within marketing strategy that have been discussed in previous literature. The first concerns the *implementation dichotomy*, suggesting that the motive for businesses to implement marketing strategies is to “accomplish identified goals with a future-orientated, decision-making framework” (Morgan et al., 2019). This is inspired by e.g., Varadarajan’s (2010) study, where marketing strategy is defined to be the integrated pattern of decisions for an organization, such as those concerning marketing activities and resources, products, and the market. In addition, the “creation, communication and/or delivery of products” is included in the definition, as it offers value to customers which in exchange can enable the organization to fulfill its set goals (Varadarajan, 2010, p. 119).

The reason why this is referred to as the implementation dichotomy is that it identifies the firm’s ability to reach its goal by acting upon the set marketing strategies (Morgan et al., 2019). In comparison, the second dichotomy is not focusing on how the firm should attain the goals of the marketing strategies, but rather on the specific strategic decisions (Morgan et al., 2019). This is referred to as the *formulation process*, where decisions regarding e.g., what

customers to segment and target, what channel selection should be used, as well as how the planning of the marketing mix, budgeting, and performance monitoring is used to make and realize decisions (Morgan et al., 2019). For this research paper, the formulation process will be analyzed, since it aims to create an understanding of what marketing decisions and strategies startups in the fitness industry should implement to position their brand to targeted customers.

As a whole, the marketing strategy contains a firm's value proposition and helps companies to decide which customer to serve by using segmentation and targeting, as well as how to position their brand (Kotler & Armstrong, 2017). In addition, the settled marketing strategy can be used as a guide to the marketing mix, as well as the strategy of the 5S's, which will be discussed later in this research paper.

2.1.1 Big Data

Big data is referred to as the data that traditional processing tools might not be able to handle, due to the exponential growth and complexity of digital data (Donnelly et al., 2013). This growth concerns the overwhelming streams of data collected from e.g., email marketing campaigns and social media marketing, where the sampled data can narrow down the segmentation of customers thoroughly and provide them with increasingly accurate targeted products and services. However, big data requires a large amount of time and financial resources to exploit, as well as to utilize the outsourced expertise. Most small firms do not have established information about their potential customers, nor do the firms have the communication technology to interpret the information provided by big data (Donnelly et al., 2013). Thus, when big data is not an option, firms need to rely even more on their relationship with the customer, utilizing the advantage of having the possibility to be more flexible and having a larger degree of responsiveness compared to bigger companies (Alpkan et al., 2007).

Proposition 1: The absence of big data makes it more difficult for start-ups to implement a sufficient digital marketing strategy.

2.2 Startups

To examine the RQ in a proper and thorough way, the term startup must be defined and established. According to (Salamzadeh & Kawamorita Kesim, 2015) the term can be defined as “startup companies are newly born companies which struggle for existence. These entities are mostly formed based on brilliant ideas and grow to succeed.” Here the focus in the startup lies on the innovation of the company idea, as well as the fact that it is a new company and does not have the experience nor the knowledge yet. This is supported throughout prior research (Roosta et al., 2019; Skalan, 2018), and the emphasis when defining a startup constantly lies on the fact that it is a newly formed company, the huge focus on innovation, and that if the company is succeeding, the projected growth is enormous (UNAM, 2013). The definition of the term “startups” will be based on the following three aspects; the company must be a newly formed company, the company has to have an innovative idea, and finally, the case companies have to either have a projected growth or already growth.

2.3 Digital Marketing Strategies for Startups

As mentioned earlier, startups do not have access to the same amount of resources, in both time and monetary funds as established enterprises. This implies that startups can not utilize the effectiveness of big data in their digital marketing strategy in the same sense as substantially larger companies (Alpkan et al., 2007). Instead, this section focuses on what different kinds of digital marketing strategies are available for startups in general. The development from traditional to digital marketing strategies has provided companies with several new tools to make sure that established as well as potential new customers are aware of them (Desai, 2019). As the technology further advances, methods such as search engine optimization, pay-per-click, affiliate, email marketing as well as social media marketing have increased the possibilities for businesses to directly market themselves to their targeted customers (Desai, 2019).

The first mentioned, search engine optimization (SEO), is related to the advantage of having organic traffic to the website, as that website is higher in rank than others on the search engine result page (Desai, 2019). Meanwhile, pay per click (PPC) is also related to driving traffic to the website, but rather than having free, or organic traffic, the company pays for having ads on Facebook or utilizing Google Ad words, where the website must pay the

publisher each time someone clicks on their link (Desai, 2019). Email marketing is a very effective way for companies to build relationships with their consumers, as they have direct communication with them, offering multiple opportunities to send personalized discounts, promoting content, having follow-ups with the customer, and making sure they do not miss any news from the business (Desai, 2019). Affiliate marketing is connected to promoting someone else's products or services, and in return gain commission (Desai, 2019), which can strongly be connected to social media marketing and will be further explained below.

Proposition 2: Digital marketing (SEO, PPC, Email), is the main component in a marketing strategy for a startup within the fitness industry.

2.3.1 Social Media Marketing

The most prominent digital marketing strategy that has become increasingly common for startups to utilize is social media marketing (Basri & Siam, 2017). The reason why social media marketing is a great option for startups is that it offers opportunities for small companies to broadcast their goods and services to a large number of people (Sharma & Bharathi, 2013). Meanwhile, it simplifies the process of summarizing the customer's value, as well as how the business can connect with its consumers in the most effective way (Sharma & Bharathi, 2013). Further, there are multiple social media channels that are available for exploiting a startup, e.g. Facebook, Instagram, Twitter, Snapchat, LinkedIn, and Youtube (Stephen, 2016). Several of them also offer tools for the firm to follow the business progress of marketing, such as Facebook ads, or switching the Instagram account from a private to a professional account (Sharma & Bharathi, 2013).

Proposition 3: Social media marketing is a complement to the other digital marketing strategies, where startups in the fitness industry can utilize social media channels to easily communicate with and towards customers.

2.4 The Physical Fitness Industry

The physical fitness industry is extremely big and is one of many definitions and parts of the world of fitness (Gough, 2021). The word "fitness" is defined in this research paper as a

human being's physical shape and ability to do a specific task or purpose. Further, it explains a person's physical health and well-being. As previously mentioned, the "Physical Fitness Industry" is defined by the authors as the companies operating in this industry. Within the physical fitness industry, there are many different gyms, accessories, and apparel (Thompson, 2019). The industry has grown rapidly and has had stable continuous growth in the last decades and has developed to an industry worth billions of dollars (Andreasson & Johansson, 2014). Andreasson and Johansson (2014), state that the pedagogy, exercises, techniques, and body ideals within the physical fitness industry, have become an international enterprise. As this industry is enormous, popular, and keeps on growing (Rizzo, 2022), it is clear that many see the opportunities within it and therefore seek success within it by establishing fitness-related companies to compete for market share.

3. Conceptual Framework

For the conceptual framework, the paper will present three marketing models that will be used to analyze the primary data in order to provide suggestions on how startups in the fitness industry can utilize digital marketing to position their brand to targeted customers in the absence of big data. The chosen frameworks are the STP (segmentation, targeting, and positioning) model, the marketing mix as well as the 5S strategy. The reason why these specific models were selected is due to their high validity for analyzing marketing strategies aimed toward startups and especially, regarding the 5S strategy, suitable digital marketing strategies. The questions for the interviews will be based upon these three conceptual frameworks which will be presented below.

3.1 Segmentation, Targeting, Positioning

The Segmentation, targeting, and positioning model, also known as the STP model is a marketing strategy introduced by Philip Kotler (1994). This marketing strategy is both well-known and respected. The model can help the companies using it to understand what to prioritize and how to reach out and connect with the target audience.

The first step in this strategy is "Segmentation". According to Kotler & Armstrong (2017), the segmentation part is crucial for the strategy. Here the market is divided into different

segments, these segments can be based on different things, a few of those are geographic, where the customers live, demographic, such as age groups or gender, psychographic, such as personality traits and lifestyle, and behavioristic such as brand loyalty. Dividing the market into segments, and then focusing on a few of those segments helps the company focus its marketing budget and effort on what will give the best return. The second step is “Targeting” when the segments have been decided on, the company now must decide which segment or segments they want to target. Before choosing which segment to target, the companies must evaluate each segment and analyze which is the segment that will be the most profitable for the company and make the company last (Kotler & Armstrong, 2017). The third and final step of the STP model is the “Positioning”, this is how the company is going to position itself in the chosen market segment related to its competitors, how they are standing out from the competitors, and how it should gain a competitive advantage over them (Kotler & Armstrong, 2017).

3.2 Marketing Mix (4P Strategy)

The term ”marketing mix” is suggested by Borden (1964) to refer to a “mix of ingredients”, where one is trying to establish a profitable enterprise by creating a creative mix of marketing procedures. In order to interpret this broad concept, it is important to visualize the elements included in the principal areas of marketing activities, whereas Borden (1964) conducted a list of the 4Ps.

The first P is referring to “Product”, relating to the goods or services, which can be divided into three different procedures. These procedures are related to the product line to be offered, to whom, where, and when the product should be sold, as well as the research and development program for launching a new product policy. Furthermore, the second P considers the “Pricing” of a product. It is important to consider what adaptation must be made to the price level, as well as the price policy where the firm needs to consider whether to choose a specific price or varying prices and of course, it also includes the margins the firm wishes to obtain. As for the third P in the marketing mix, Borden (1964) describes the importance of the “Place”, relating to the location of where the product is being marketed. These are all equally important to the fourth P, but maybe not as recognized by the public, as the P within the marketing mix which is most directly connected to the customer is the

“Promotion”. The promotion includes the advertising, where the firm needs to construct a plan of how much time and resources should be spent on the advertising, form the devices for consumer promotions, but also create a vision for the image desired for both the product and the company (Borden, 1964).

3.3 5S Strategy

The 5S strategy is a strategy that focuses on the digital marketing aspects. The 5S strategy is a strategy that has been widely used in order to define and implement clear objectives and sharp strategies for their online presence. The 5S stands for; Sell, Serve, Speak, Save, and Sizzle (Chaffey & Smith 2000). The reason why this strategy is implemented by many companies is that it helps companies in creating a beneficial pathway in their digital presence, which can be of value for start-ups that do not have the funds for big data etc.

The first part of the strategy “Sell” is where you grow sales. To grow sales digitally, a company is recommended to have a user-friendly website, wider distribution than physical stores, and lower prices (if possible) than other competitors. Further, “Serve” is where you add value to the customers. Adding value to customers digitally can be done by giving them benefits online and meeting their requirements. In the “Speak” part, the company should aim to create a two-way dialogue with their customers (Chaffey & Smith, 2000). One way of doing this is by enabling live chat on the website, email surveys, and so forth. Keeping a dialogue with the customers helps the company to better understand their behaviors and needs, which is appreciated for start-ups since it can be hard to understand the needs of targeted customers in the beginning. Additionally, “Save” contributes to the company's overall revenue since it cuts expenses. In this part, the aim is to cut expenses by communicating through online email, which in turn reduces the print and postage costs and the cost of staff. Lastly, “Sizzle” is where the company broadens its brand online, which can be done in many ways, such as using widgets, badges, and newsletters via email (Chaffey & Smith, 2000). In addition, sizzle can be connected to word of mouth.

4. Methodology

4.1 Research Design

Within the physical fitness industry, there is a lot of prior research since fitness is a widely researched subject in many different areas. The industry is growing tremendously fast and this creates room for new possible research areas, especially since the competition increases. As stated previously, the digital presence within this industry is tremendously important for new and up-and-coming companies. The reason for this is because it is cheaper to be present online in comparison to physical stores, and the company will also find it easier to spread its brand and reputation through the different digital tools provided by different platforms. New and up-and-coming companies do not have the same resources as established competitors, which makes it harder for them to market themselves as effectively (Alpkan et al., 2007). Start-ups do not have access to the same amount of big data as other established companies have, and this makes it harder for start-ups to reach their target group. This paper aims to fill the current gap in the research within this area. The interviewees chosen are managers from start-ups within the fitness industry which provides this paper with valuable information that helps the authors answer the research question.

Further, a qualitative research method was used as a research method when designing this paper. When using the qualitative research method, the authors focused on answering the research question of this study as well as its aim and purpose. Fisher (2007), states that a qualitative research method contains interviews, and therefore, semi-structured interviews with managers from start-ups were conducted. The qualitative research method is preferable to use when measuring experience, motivation, and knowledge (Al Busaidi, 2008). Since this paper contains interviews of managers within different companies in the fitness industry, the authors of this paper argued that the qualitative research method is the best-suited one.

4.2 Problematization

Startups are newly formed companies, due to different constraints and high competition have to fight to survive (Salamzadeh & Kawamorita Kesim, 2015). As startups are newly formed, the possibility to grow their resources are more often than not limited, both with the time they can allocate towards different tasks, but also financially. According to Grant (2021), it is

common for startups that they do not have a fully developed business model. Not having a fully functioning or developed model leads to limited resources for further growth. Another common element of startups is that they have rather high costs in the beginning and as they are a new company they also have limited revenue (Grant, 2021). As mentioned earlier in the thesis, the fitness industry was chosen due to the rapid growth that it already has experienced, as well as the extreme projected growth. This will in turn lead to more startups within this industry but also higher and more competition for newcomers. The challenges a startup within the fitness industry will face in the coming years are harsh, and will only get harsher every year. By making a clear marketing strategy the authors of this thesis will help new startups in this industry so that they can allocate their available time and resources towards the routes that give the best results and highest payoff when it comes to marketing.

4.3 Research Approach

The approach of this study was a qualitative approach. The layout of the qualitative approach was presented by using semi-structured interviews with questions that are open-ended. This was decided for the purpose of increasing discussion and promoting creative and detailed answers from the interviewees. The purpose of this study was to get a comprehensive understanding of the RQ, which was why a qualitative approach was followed, as it aid the study to obtain relevant data (Stenfors-Hayes et al., 2015). Furthermore, Alase (2017) states that the “qualitative research method infuses an added advantage to the exploratory capability that researchers need to explore and investigate their research studies”, which in addition to what was previously said about the qualitative research approach, also adds credibility and fortifies the decision of utilizing this approach.

As the themes of the interviews, and the layout of the questions that were asked, has been derived from prior research, a deductive approach was applied to this research paper (Saunders et al, 2019). Though, an inductive approach to research has also been used, since there is a lack of literature on how startups in the fitness industry should apply suitable digital marketing strategies to position their brand to targeted customers in the absence of big data. The marketing models described in the conceptual framework are well-known, however, as the research question presents a gap between literature and practice, it is beneficial to utilize both approaches in this research paper (Saunders et al., 2019).

Furthermore, to follow the deductive approach, the same themes in all interviews were used in a consistent way through all the interviews, and the reason for this was to get similar and comparable findings from all the interviews (Saunders et al, 2019). Additionally, a chosen number of propositions has been stated in the literature review. These propositions were based on the theory and strongly connected to the research question. Later, in the study, these propositions were evaluated by looking at the data that has been collected.

4.4 Data Collection

4.4.1 Interview questions

As mentioned earlier, the interview questions have been carefully selected and designed to be closely connected to the three marketing models presented in the conceptual framework. The relevance of each question and its specific connection to each interview question is showcased in the table below.

Questions	STP	Marketing Mix	5S
What geographical market did you focus on in your start-up phase? What qualities did the customers you focused on have?	Segmentation, Targeting	Place, Product	-
How did you reach out to the targeted customer group, and what is standing out/unique compared to the competition?	Positioning	-	Serve
How did you price yourself in comparison to your competitors? Lower/Higher prices? Higher product quality?	Positioning	Price, Product	Sell, Serve
How much time and resources were allocated to reaching the promotion goal and brand image and identity?	-	Promotion	Speak

Did you create a website during the first few months? What was the focus when constructing the website, what did you think was important to make customers interested in purchasing your product or services?	Positioning	Place, Promotion	Sell, Speak, Serve, Sizzle, Save
Did you use the different tools that are offered on social media, eg. Facebook ads or Google ads to follow your statistics?	Segmentation	Promotion, Place	Sizzle, Save
In what way has social media been important for you and your marketing?	Segmentation, Targeting, Positioning	Promotion, Place, Product	Sell, Serve, Speak, Save, Sizzle
What is the biggest challenge you had in your start-up phase in terms of marketing within this competitive market?	Dependent on answers from interviews	Dependent on answers from interviews	Dependent on answers from interviews

4.4.2 Interviewees

Tyngre AB - Alex Danielsson

One of the case companies in this study is Tyngre AB. Tyngre was founded in 2014 by the two friends Alex Danielsson and Andreas Guance. The company is operating in many different areas within the fitness industry and its main presence is digital. On their website, customers can find Tyngres products such as apparel, supplements, energy drinks, as well as different recipes, articles, and podcasts (Tyngre, 2022). The company has since its beginning in 2014 had exponential growth and kept on growing, and is now one of the biggest players in their market (Tyngre AB- Företagsinformation, 2022). The person selected for the interview in this case study was Alex Danielsson. Alex, who is editor-in-chief, was well suited to answer the questions of this study since he is one of the founders of Tyngre. He has been highly active in many different areas since the beginning of Tyngres journey, and could therefore provide this study with his insights into the company and the market as a whole.

Smartshake AB - Christoffer Granback

Smartshake AB is a company that was founded in 2008, in Vasteras. The company was founded with a revolutionizing idea of how a shaker cup, for protein shakes should be and has been a company that is leading its market for several years. When the company was founded, it was only the owner and founder Mikael Bergström ("The Story of Smartshake"). Since then, the company has experienced tremendous growth and is still evolving. The person who represented Smartshake in the interview was the CEO of Smartshake, which is Christoffer Granback who has had the role of CEO since 2015 and is extremely familiar and informed about the early stages of the company and along the way ("SmartShake AB - Företagsinformation"). As he is the CEO of the company, he has full insight into its marketing strategies and how they have gone about its marketing strategy in the past.

Factor Gym AB - Rikard Robbins

The next candidate presented is Rikard Robbins, who founded Factor Gym in 2011 and has since been an instructor for the classes offered in the gym. Factor is a CrossFit-inspired fitness center that is located in Vasteras, that focuses on taking a rather complicated and tough workout form and making it suitable for a large customer base. In this gym, the consumers only work with free weights and make movements similar to the ones performed in CrossFit (Factor, 2022). There is always an instructor leading the workouts, but there is also an open gym available for customers who prefer to exercise alone. The company has since started offering many new and creative ideas, where the center of attention has been to create a friendly atmosphere and help people find a suitable lifestyle (Factor, 2022). Rikard Robbins was chosen as a suitable candidate due to the success of his company, as well as because he knows what marketing strategy he applied in the startup phase, which brought a kind of training form to a smaller city that had not been recognized widely in Sweden before.

RAW Coaching - Tove Nordén & Rickard Andersson

RAW coaching is a new company in the fitness industry that was started in 2020 by Tove Nordén and Rickard Andersson. Both of them had been working as personal trainers before starting their own business, which they continued to offer their customers personalized workouts, but also meal planning and mental training. This company is highly relevant for this paper, as it will present the challenges, but also opportunities, of trying to implement a brand-new business in the fitness industry today. RAW coaching is still in the startup phase

and is well aware of what marketing strategies they implement, as well as what they prioritize to reach potential customers. Today, they offer their physical services in the fitness center called “Gymmet”, but they also offer online personal training through their website (RAW, 2022).

Gym & Fitness Sverige AB - Anna Staalnacke

Anna Staalnacke started the company Gym & Fitness Sverige AB in 2002 together with Fredrik Gunnelbrand. Since then, the company has expanded from only being available in Kiruna to having facilities in several cities in Sweden, such as Stockholm, Uppsala, Vasteras, etc (Gymmet, 2022) The name for the fitness facilities is “gymmet”. In 2022, they plan on opening up more gyms in various locations, due to their successful business model that has grown popular in the fitness industry. The company focuses on providing gym equipment of the highest quality, where the customer has access to both free weights and machines (Gymmet, 2022). In addition, the fitness centers offer all customers a free gym introduction, as well as a basic training program, in order to provide the customers a proper way to get started with the training and get results quickly. During the past three years, Gymmet in Stockholm has qualified for the finals as Sweden's best gym. Furthermore, Gym & Fitness has expanded during the past years, as it launched a clothing brand in 2020. The brand is called Xshapes and focuses on providing customers of all sizes with suitable training clothes. While collecting primary data, Anna was selected as one of the candidates due to her strong social media presence, as she has over 300 000 followers on Instagram and uses her platform for marketing the company. Unfortunately, due to her very busy schedule, there was not enough time to conduct a full interview, but instead, the data collected for this research paper was conducted through an email interview, where Anna answered the questions and provided a general overview of the company’s marketing strategies during their startup phase.

Company	Company started	Products & Services	Interviewee	Title	Age	Length of interview

Tyngre	2009	Apparel, Supplements, Podcast, Energy drinks, Recipes, Articles	Alex Danielsson	Co-founder, Editor-in-Chief	59	35.23 min
Gym & Fitness Sverige	2002 (brand expansion 2020)	Fitness centers, Supplements, Personal training, Clothes	Anna Staalnacke	Board Member	33	-
RAW coaching	2020	Personal training, Meal planning, Mental coaching	Rickard Andersson, Tove Nordén	Partners, Personal trainers	27, 22	26.08 min
Factor Gym	2011	CrossFit gym, Group training, Training for elite athletes	Rikard Robbins	Partner, Instructor	32	20.53 min
Smartshake	2009	Water bottles, Shaker bottles	Christoffer Granback	CEO	34	25.43 min

4.5 Secondary Data

Secondary data refers to data that was gathered for other purposes than being analyzed in a research paper, however, it can still be used to fulfill that purpose (Saunders et al., 2019). It is not only data gathered by other researchers, but also from different organizations and from companies (Bryman & Bell, 2011). In order to conduct relevant secondary data, the researcher must “evaluate the precise suitability of the secondary data.” (Saunders et al., 2019). Furthermore, secondary data can be divided into two parts. The first includes documents (text, audio, and visual) and multiple sources. In this research paper, this means that the secondary data must be connected to startups in the physical fitness industry.

Furthermore, this research paper includes public information from the companies that are subject to this research paper as secondary data. This was used to increase the understanding of each company and interviewee, and increase the ability to have questions that are relevant to those. Moreover, the statistics of the physical fitness industry, mentioned in the introduction, was gathered from relevant secondary data.

4.6 Analyzing the Study

While analyzing the qualitative data, a thematic analysis approach was used in order to find common patterns, ideas, and topics that are observed in the interviews (Caulfield, 2019). To begin this study has implemented a deductive approach using three predetermined propositions, relating to the literature review and the research question. These propositions have been evaluated by analyzing the data which were gathered from conducting the five separate interviews (Caulfield, 2019). Additionally, to analyze the data further on a deeper level the authors also decided to utilize an inductive approach, where the data that has been gathered from the interviews will be analyzed, and common themes found in three interviews or more will be considered a reliable and valid finding (Caulfield, 2019). As the authors are interested in the explicit content presented by the primary data and have not made any underlying assumptions, the analysis has a semantic approach (Caulfield, 2019). Furthermore, the findings are presented after utilizing the six steps of analyzing qualitative data according to Braun and Clarke (2006):

- **Familiarization:** Transcribing audio and taking initial notes.
- **Coding:** To code the data the authors will focus on smaller parts of the text, such as either one or two sentences, and thereafter come up with abbreviations that explain/showcase the content of said sentences. The parts of the text that are chosen to be included and transformed into codes will only be those with close relevance to the RQ.
- **Generating themes:** Looking at the codes that have been created by the authors, and then start generating themes by identifying patterns and combining multiple codes
- **Reviewing themes:** Reviewing the themes created and comparing them to the data in order to see if it is relevant or if something has been missed, in order to increase the reliability, validity, and credibility of the findings.

- ***Defining and Naming themes:*** To fully comprehend the data, a formulation of the exact meaning of each theme.
- ***Writing up:*** Present each theme in the findings section.

4.7 Reliability of Method

As for the reliability of this method, the primary data is collected through samples chosen based on similar characteristics. These characteristics are that the interviewees own a company in the fitness industry, have implemented digital marketing strategies, and are well aware of what marketing strategies they chose during their start-up period if they are not still in that phase. The reason why this research paper has chosen interviewees with these specific characteristics is that it provides trustworthy and credible answers from the primary data, meaning that the result of the qualitative research method will be reliable. These are important aspects of the defined research method, as the credibility of a qualitative research method is evaluated by the believability of the findings (Bryman & Bell, 2011).

In addition, as for the transferability and dependability for future research, the study relies on a deductive approach, meaning that the findings can be applied to other contexts, which is important for the reliability of a qualitative research method (Bryman & Bell, 2011). Regarding the previous literature that has been used to conduct the literature review, this research paper only includes articles that have been peer-reviewed and are received through certified and trustworthy databases such as Primo and Springer. Likewise, the conceptual frameworks rely on the primary source that has written about certain concepts. This is in order to provide a high level of research.

4.7.1 Ethics

In the process of writing a high-quality research paper, it is of utter importance to stay unbiased throughout the whole process (Yin, 2018). In order to be as unbiased as possible, the authors of this study have used multifarious sources throughout the whole paper. Further, the different sources that have been used, have been chosen because of their relevance to the study in order to make the study more credible. The authors have worked consistently towards making a truthful paper and are therefore against any different types of plagiarism. Regarding the interviews, the interviewees have agreed to be a part of this study. Therefore

the transcripts of the interviews are also included in this paper in order to increase the reliability.

4.8 Limitations

Due to time constraints, the authors only had the opportunity to interview five companies. A larger pool of targeted companies would have provided this paper with a higher validity and reliability. The number of companies that were in their first phase of their life cycle was limited, due to time constraints. Furthermore, since interviews were conducted, there was a possibility for both interviewer bias, from the authors with preconceived thoughts and values, as well as preconceived thoughts and values from the interviewees, since the findings will be analyzed with a semantic approach.

5. Findings

5.1 Interviewee 1

As for the first company, Gym & Fitness Sverige AB, the segmentation for the fitness centers was built upon starting in the local area, in the north of Sweden. The first fitness center had a successful business model, offering customers high-quality equipment in a premium fitness center. Therefore, the company decided to expand on a national level, opening facilities in the bigger cities of Sweden, such as Stockholm and Vasteras. The reason behind this expansion was because they saw an opportunity to reach a larger customer base, where they had the potential to target and position their brand in cities with a bigger population, located near the capital. However, during the startup phase, there was no emphasis on utilizing demographics in order to target a specific group of customers. This is why the companies only used a strategy based on geographics. Though, the company had a strategy while pricing their products, as the interviewee states that *“we really wanted to provide our consumers with high-quality equipment but do not have as much staff as a gym that offers group training sessions, therefore we offer a price that is in the middle”*.

Furthermore, initially, the company chose not to allocate that much time and resources to marketing, as the interviewee explains that they relied on a social media marketing strategy. This is still prevalent as of today since Gym & Fitness Sverige still chose to market their

brands, Gymmet and Xshapes, through social media channels. This suggests that the third proposition “*social media marketing is a complement to digital marketing, where startups in the fitness industry can utilize social media channels to easily communicate with and towards customers*”, is closely correlated to the marketing strategy of Gym & Fitness Sverige AB. It shows that social media channels can be utilized to communicate with and towards customers, which is further underlined by the interviewee as she explains the following:

It has been extremely important for us in many ways, but especially in the startup phase. Both because it fulfills the need to keep in contact with our consumers and have a strong relationship with them, and most importantly because it provides free marketing for our company.

However, in this case, social media is not only a complement to digital marketing but their main marketing source. Social media marketing can provide several different positive outcomes. A few examples of this are how the company gains a positive word of mouth, brand awareness, as well as the discovery of potential new customers, while people post content that is related to the fitness centers or clothing brand, and tag the company in their pictures. Additionally, this suggests that the first proposition, “*the absence of big data makes it more difficult for start-ups to implement a sufficient digital marketing strategy*”, does not correspond to this case since they do not need to sample big data on their own. Rather, according to this interview, companies in the physical fitness industry can utilize the big data offered to market themselves through social media channels. Furthermore, there is not enough evidence to prove that the second proposition, “*digital marketing (SEO, PPC, Email), is the main component in a marketing strategy for a startup within the fitness industry*”, is connected to successful marketing strategy.

5.2 Interviewee 2

As for the second company which was Smartshake AB, the segmentation that was used in the beginning was mainly based on geographics. More specifically the focus was on the domestic market, all of the Swedish markets, and in the earliest stage on the local home market for the company which was in Vasteras, Sweden. Later, as the company grew and the business model proved to be a success, the company has spread out and has as of today reached a total of 90

countries. There was no focus on making segments based on demographics, instead, as mentioned above, the focus was first on the home market and domestic market, and the only segmentation/common denominator was that the product was for people who went to the gym and used protein powder. The company did however make something in the case of positioning themselves towards their customers, the interviewee states the following: *“Our aim is to be like Fjällräven, with their backpack Kånken in the meaning of having a timeless design with no age restriction on it, that no matter if you are 15 or 75 you can enjoy our products.”*. When it comes to how the company decided on prices for their product the aim was to be in the middle segment. They did not want to be a brand that is extremely expensive, but not price themselves too cheap either. The aim was to be on a level where most people could afford their products, without it hurting their wallet, but at the same time have enough margins to be a profitable company that had the resources to grow.

Moreover, when looking at how the company stood out from the competition, the company stated that their product was innovative and something that helped its customers and made their day easier. Previously their customer had to bring a bottle, as well as a bag or container of protein powder/BCAA. Now they could instead only bring the bottle and the wanted powder to a department that is part of the bottle. When it came to how the company positioned itself toward its customers, the company put a lot of effort, focus, and resources into educating its customers about the functionality and quality of the product. The following was stated by the interviewee:

Most of our competition was that some companies who sold protein powder gave away bottles when somebody bought protein powder, and now the customers would have to pay for the shaker bottle. We, therefore, had to push on and promote that the quality of our bottles was significantly better as well as the function.

Furthermore, in the startup phase of the company and the first few years most of the company's resources, both time and money were spent on marketing the brand and creating the brand image. The company had an active website early in the process, there was not any e-commerce in the beginning, but the website was instead used to educate the customers and create brand and product awareness. Later, the website was used with the goal of creating a premium experience/feeling about the brand as well as the possibility for customers to purchase products online. Social media is also something which has been used since the

beginning of the company and is still used today. This is something that demonstrates the validity of the third proposition *“social media marketing is a complement to digital marketing, where startups in the fitness industry can utilize social media channels to easily communicate with and towards customers”* such as that the company used social media marketing to both create brand credibility towards their customers and create a word of mouth between customers. But also, they used and still use social media channels to quickly reach out to their customers with new products without any delay. This is underlined in the interview as the following is stated: *“It is also a great way to get out with news quickly to the customers, and present new products without having to wait.”*

In the case of Smartshake AB, social media was a key component in their marketing strategy. It was used to raise brand and product awareness, to create brand credibility, to market new products directly to customers, and to create a word of mouth surrounding both the brand itself as well as their products. This implies that the first proposition *“the absence of big data makes it more difficult for start-ups to implement a sufficient digital marketing strategy”* fits with the findings of this paper. The results from this interview suggest that as a startup within the fitness industry, the use of big data might not be a key component in having a successful marketing strategy, but instead utilizing social media marketing in different ways is enough. From this interview, there was not sufficient evidence to support the second proposition as only two of the four different parts were mentioned (digital marketing and Email) *“digital marketing (SEO, PPC, Email), is the main component in a marketing strategy for a startup within the fitness industry”*, and that those elements were needed to have a successful marketing strategy. As only two of the four different elements were mentioned in the interview, it is the proposition that stated that those 4 are the main elements of a marketing strategy the proposition cannot fully be considered true.

5.3 Interviewee 3

Looking at the third company, Tyngre, there was not any specific segmentation strategy that was done at the beginning of their journey. Regarding geographics, Tyngre started in Sweden and has a 100% digital presence, which has made it easier for them to enhance their brand awareness, especially in their start-up phase. Looking at the demographics, they did not try to reach any specific age group, gender, ethnicity, or such. They simply just wanted to reach out

to people who trained, as the following was stated during the interview “*We reach the ones who like to train, that's it*”, and additionally “*We came to the conclusion that bodybuilders, fitness people, powerlifters, weightlifters, crossfitters, strongmen, and strongwomen all have a common origin in a dusty gym beneath a public indoor swimming pool that smells nasty, and these are the people we would like to reach.*”. As for the pricing of their products (supplements, apparel), Alex explains in the interview that there were two big companies out there who competed highly against each other in prices. Tyngre decided not to meddle in that, instead, they decided to put slightly higher prices on their products, but also higher quality on their products in comparison to their competitors.

Further, the company did allocate a lot of time and resources into the company, but they still did it effectively. Since Tyngre has different podcasts, apparel, and supplements, they will be heard and seen everywhere. Every time they talk in their podcasts, selling products online and in stores, they are promoting their brand and spreading brand awareness through organic marketing. Tyngre had a vision that they wanted their products to taste so good that customers would never consider buying a similar product from a competitor. As Alex stated in the interview “*the products they will buy should be so good that they refuse to buy similar products from our competitors. So I can tell you this, we spent huge, and I mean huge, amounts of time in order to produce great tastes in our products.*”.

Additionally, Alex explains that social media is something that has been extremely important for the company. Tyngre is still using many different types of social media marketing such as Instagram, Google Ads, Facebook Ads, and their website. Further, Alex explains that social media is important for them now, but that it was even more important for them in their start-up phase since it really helped them with spreading their name and products, as he states the following:

It has been, and is, really important for us. But, in terms of importance, I would actually say that it was probably even more important for us in our start-up phase. It was very important for us to be able to spread our name and brand effectively and social media helped us a lot there.

This partly goes in line with the third proposition “*Social media marketing is a complement to the other digital marketing strategies, where startups in the fitness industry can utilize*

social media channels to easily communicate with and towards customers.” since it is closely related to Tyngre’s marketing strategy. Here, similarities can be found with previous findings connected to this proposition. It is clear in this case, that social media marketing is to be considered more than just a complement to digital marketing since it seems to be the main component. This evidence makes it hard to correlate with the second proposition “*Digital marketing (SEO, PPC, Email), is the main component in a marketing strategy for a startup within the fitness industry.*”, since Tyngre’s main component in their marketing strategy has been social media marketing.

The first proposition “*The absence of big data makes it more difficult for start-ups to implement a sufficient digital marketing strategy.*”, is difficult to connect to the case of Tyngre. The reason for this is that it is clear that the company has succeeded in implementing a sufficient digital marketing strategy without sampling its own data. Instead, Tyngre has succeeded greatly by utilizing the big data offered by different social media, both in their start-up phase and today.

5.4 Interviewee 4

Regarding the segmentation of the fourth company, Factor chose to focus on Vasteras and locate their facility near the city center, in order to provide easy access for customers who live in said city. More specifically, the CrossFit-inspired gym is positioned near the central station, meaning that people can always transport to the gym by bus or, if they live in a city nearby, by train. As for the demographics, the company had a clear picture of what characteristics their initial customers would have during the startup phase, which were people in their 20s or 30s who enjoyed a hard workout. However, during the first development stage, the company realized that this was not the reality and was happily surprised that their most important customer base turned out to be women between the age of 30-45. This meant that Factor had to quickly adapt its marketing strategy and how it presented its products. Rikard explains this process of change as follows:

“During the three first months, we had to totally change our website from having pictures of people hanging upside down with chains, to something fully different. (..) Our communication

had to change to an approach where we talked about how we can help people reach their goals and that this was very beginner-friendly”

This suggests that the second proposition *“Digital marketing (SEO, PPC, Email), is the main component in a marketing strategy for a startup within the fitness industry”*, is correlated to a successful marketing strategy since this company was eager to fulfill their potential consumers demand by adapting their digital marketing. This is further supported by the fact that Factor put a lot of effort into creating a website that would gain attention. They uploaded short clips of their workouts and exercises to inspire potential customers to sign up, as well as developed a function for enabling customers to directly purchase a membership through their website, which increased the chance of having people sign up on impulse. However, the interviewee does not provide any information that can be correlated to the first proposition, *“The absence of big data makes it more difficult for start-ups to implement a sufficient digital marketing strategy”*.

During the interview, Rikard explained that *“in the fitness industry, a war regarding pricing of product and services has always been apparent, where gyms want to offer as much as possible, for a price as cheap as possible”*. Therefore, it is very hard to implement a startup in such a highly competitive market, and a newcomer must be creative to gain customers, according to the interviewee. Hence, Factor applied a “high quality, high price” strategy while pricing their products, where the customers had access to several benefits, such as always having a “coach” while in the gym and never being forced to be a member of the gym for a specific time period, in order to fill a gap in the market. In addition, they focused their products to suit the demand for free weight training, while adapting their workouts to fit a large number of people.

Continuing to discuss the propositions, the third proposition *“Social media marketing is a complement to the other digital marketing strategies, where startups in the fitness industry can utilize social media channels to easily communicate with and towards customers”*, is indeed relevant for the marketing strategy of Factor. Due to the fact that the company started 10 years ago, its first enactment with social media marketing was done by collaborating with

bloggers, meaning that people who wrote daily posts on their social media platform would advertise the company in exchange for free memberships. Furthermore, the company used to advertise using Facebook Ads which was very beneficial at the time. However, social media marketing has since developed, and as an example, Rikard explains how Facebook Ads has since decreased in providing value for businesses, as it has become more expansive and does not provide as many leads as it did when Factor started in 2012. Another example is that the social media platforms providing the most benefits for the company have changed, and nowadays the company mostly utilizes Instagram as a marketing tool. Instagram has been helpful to create a relationship with the customer offline, which the interviewee describes as that

“(...) we build relationships with people without having physical contact with them, they create a vision about our gym without having the experience of it. We use it to build trust and show our knowledge, as well as that we can promote our brand identity through social media”.

5.5 Interviewee 5

In the final interview with RAW, the main segmentation for their physical business model is in their local market in Vasteras, where the company collaborates with “Gymmet Vasteras”, in order to utilize their high-quality equipment for their personal training services. However, RAW also offers online coaching and since this type of coaching has a 100% online presence, they have the opportunity to target customers in the entire domestic market. Furthermore, RAW does not focus on any specific demographics, rather they have applied a service strategy that suits a large number of people regardless of their past experience with exercise. Regarding the services which the company offers, they claim to have a *“full package for all types of people that wish to live a healthier life”*, which includes online coaching, meal planning as well as physical and mental training. As for the pricing, RAW has implemented a low price strategy to gain more customers due to being a startup in the fitness market. However, they do not rely on their pricing strategy to market their services, as Rickard and Tove explain that they *“(...) do not give a direct price to the customers, but first, give them*

the program and later tell them the price. This means that they chose us because of the quality and our services, rather than that they are concerned with the price”.

While marketing the company, word of mouth has been the main component in the marketing strategy for gaining new customers. This implies that the second proposition, *“Digital marketing (SEO, PPC, Email), is the main component in a marketing strategy for a startup within the fitness industry”*, is not observed or similar to the statements made in the final interview with the company and can therefore not be considered true. This is explained as the interviewees state the following,

Of course, we have tried to use other marketing methods as well, but in reality, this is such a competitive market that the most valuable way of gaining clients is to have a good reputation and talk to people in reality about our brand and what we stand for, such as the mental training aspect.

Furthermore, digital marketing might not have been the main component in the marketing strategy, as stated above, but has been utilized as a secondary component, both in the case of social media marketing and also the company's website. The company has relied on different social media platforms to create a brand identity and gain new customers, such as Instagram, Facebook, and YouTube. Youtube has proven to be the social media that has been the best platform to promote the brand and extend/develop its brand identity and gain new customers, as they have used it to show exercises and help customers with training programs. In addition, Instagram has been used to share the process of the company as well as to gain a wider customer base for online coaching. Thus, the third proposition *“Social media marketing is a complement to the other digital marketing strategies, where startups in the fitness industry can utilize social media channels to easily communicate with and towards customers”*, is indeed correlated to the marketing strategy utilized by RAW in the startup phase, since it has worked as a complement to communicate towards their potential, and established customers. However, they have not utilized the marketing tools provided, such as Facebook Ads, to a large extent, due to the lack of beneficial outcomes.

Additionally, the first proposition *“The absence of big data makes it more difficult for start-ups to implement a sufficient digital marketing strategy.”*, is somewhat connected to the digital marketing strategy of RAW. The company explains in the interview that they have

collaborated with people that already have an established brand identity or big follower base in order to promote themselves through them. This implies that they have not had any big data of their own, instead, they have utilized other famous brands/peoples' big data to market themselves in order to gain customers. Something that is important to recognize, is that this company is fairly new in the physical fitness industry, and because of this, RAW has not had the opportunity to allocate that much time and resources to marketing as they explain that

(...) we have not had the time to fully implement these (marketing) methods. Now that we have grown a bit and have gained a bit more assets, we will probably start focusing more on marketing and allocate more time and money to make our company grow, but this was not something that we prioritized during the first months.

5.6 Coding

In the following section, the authors have generated codes from the conducted interviews. The codes were divided into three parts, where each of the parts will be connected to the marketing strategies presented in the conceptual frameworks. The codes were created for each of the interviews as well as for the different sections within the frameworks.

Segmentation, Targeting & Marketing

STP	Segmentation	Targeting	Positioning
Tyngre	Specified, broad	Anybody who exercise	High quality products, High diversification, Friendly
Gym & Fitness	Specified, broad	Anybody who exercise	High quality equipment with
Factor	Local	Anybody who exercise	Group training with an instructor, no binding time, friendly atmosphere
RAW	Local	Anybody who exercise	Mental training
Smartshake	Specified, broad	Anybody who exercise	Innovative function of a water bottle

Marketing Mix (4P)

4P	Price	Product	Place	Promotion
Tyngre	Middle-high	High quality products	online presence: domestic market	Podcasts, Social media
Gym & Fitness	Middle	High quality equipment	Vasteras, Stockholm, Uppsala, Kiruna, Lulea, Orebro, online presence: domestic market	Social media
Factor	High	High quality group training	Vasteras	Social media, collaborations, advertisement, word-of-mouth
RAW	Low	High quality physical and mental training, meal planning	Vasteras, online presence: domestic market	Word-of-mouth, social media
Smartshake	Middle	High quality & high functionality water bottles	Online presence: domestic market	Social media, collaborations, word-of-mouth

5S

5S	Speak	Serve	Sell	Save	Sizzle
Tyngre	Chat through social media, e-mail communication	Free shipping	Website, collaborations	Digital marketing strategy	User-friendly website, social media, collaborations with other influencers
Gym & Fitness	Chat through social media, e-mail communication	-	Website	Digital marketing strategy	User-friendly website, social media
Factor	Chat through social media, e-mail communication, website	Occasional discounts and offers	Website, offers	Digital marketing strategy	User-friendly website, collaborations with people having a bigger social media platform

RAW	Chat through social media, e-mail communication, website	No online benefits	Website, lower prices	Digital marketing strategy	User-friendly website, word-of-mouth, social media
Smartshake	E-mail communication, website	No online benefits	Website	Digital marketing strategy	User-friendly and informative website

5.7 Themes

In the tables below, starting from the left, the conceptual frameworks that are connected to the interview question are showcased. In the middle column, parts of the answers from each of the interviews will be presented in order to generate themes. The parts of the answers will only be from what was stated when the interviewee was asked the question. In the last column, the themes will be constructed. As mentioned before, for a theme to be considered valid in this study, it has to be present in three or more interviews. All of the themes that are presented in the tables below are selected due to high validity (three or more interviews), and will be presented in the following order:

<ul style="list-style-type: none"> • Theme 	Quote	<ul style="list-style-type: none"> • Conceptual framework
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What geographical market did you focus on in your start-up phase? What qualities did the customers you focused on have?

<ul style="list-style-type: none"> • Specified but broad segment 	<p>Smartshake AB -“we focus on all those that go to the gym.”.</p> <p>Tyngre AB - “we reach the ones who like to train, that's it”.</p> <p>Gym & Fitness AB- “everybody needs to work out”.</p>	<ul style="list-style-type: none"> • STP, Marketing Mix
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How did you reach out to the targeted customer group, and what is standing out/unique compared to the competition?

<ul style="list-style-type: none"> • High quality adds value to customers 	<p>Tyngre AB: “better quality in our products.”</p> <p>Gym & Fitness AB: “we really want to provide our consumers with high-quality equipment”</p> <p>Smartshake AB: “As our competition had to focus on being cheap, we had to, as i mentioned before, focus on and promote that our products have higher quality and better functionality”</p> <p>Factor: “we chose to work with high price and high value, where our customers wasn’t forced to sign up for a specific time period, they always had a coach present during the work (...)“</p>	<ul style="list-style-type: none"> • STP, 5S
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How did you price yourself in comparison to your competitors? Lower/Higher prices? Higher product quality?

<ul style="list-style-type: none"> • High quality/High value 	<p>Tyngre AB - “have a bit higher prices but also better quality in our products.”.</p> <p>Smartshake AB - “our product is affordable, it is not only super premium”. “focus on and promote that our products have higher quality and better functionality”.</p> <p>Gym & Fitness AB- “Our pricing...,it was not the highest, but not the lowest either...with high-quality equipment”.</p> <p>RAW- “ they chose us because of the quality and</p>	<ul style="list-style-type: none"> • STP, Marketing Mix, 5S
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	<p>our services, rather than that they are concerned with the price.”.</p> <p>Factor- “we chose to work with high price and high value”.</p>	
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How much time and resources were allocated to reaching the promotion goal and brand image and identity?

<ul style="list-style-type: none"> • Organic Marketing • Lack of time and resources 	<p>Tyngre AB- “Everything we do basically becomes organic marketing. Every time I talk in our podcasts I am marketing Tyngre basically.”</p> <p>RAW- “(...) we will probably start focusing more on marketing and allocate more time and money to make our company grow, but this was not something that we prioritized during the first months” “(...) when they realize that we are <i>actually</i> giving them the full package of meal planning, physical training, and mental progress, and not only marketing ourselves as providing these services, the marketing becomes quite natural”</p> <p>Gym & Fitness- “Since the only marketing strategy we used while starting our business was social media marketing, we did not put too much time and resources into marketing.”</p>	<ul style="list-style-type: none"> • Marketing Mix, 5S
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Did you create a website during the first few months? What was the focus when constructing the website, what did you think was important to make customers interested in purchasing your product or services?

<ul style="list-style-type: none"> ● Usage of website ● Informative ● (easy access for customer communication) 	<p>Tyngre AB: “In the beginning, we never had any discounts or different coupons, etc. We had free shipping if you bought for more than a certain amount, and we also gave the customer a T-shirt if they bought for more than a certain amount”</p> <p>Smartshake AB: “Yes, we had a website in the beginning but with no focus on e-commerce... The website said, “why so smart” and explained the idea behind the product, the functionality, and the quality.”</p> <p>Factor AB: “we put short clips from different exercises and work out sessions that we uploaded on the website for potential customers to see what CrossFit really is, and that it is not impossible for a beginner to try it.”</p> <p>RAW: “We also started a website (...) people could sign up their interest and from there, we contacted them to make a personalized plan.”</p>	<ul style="list-style-type: none"> ● STP, Marketing Mix, 5S
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Did you use the different tools that are offered on social media, eg. Facebook ads or Google ads to follow your statistics? / In what way has social media been important for you and your marketing?

	<p>Tyngre AB: “We are still</p>	<ul style="list-style-type: none"> ● STP, Marketing Mix,
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<ul style="list-style-type: none"> • High presence on social media • Social media marketing is of great importance 	<p>practically using all of it.”</p> <p>Gym & Fitness AB: “the only marketing strategy we used while starting our business was social media marketing”. “This is still relevant today, as we only market ourselves through social media channels, where we use sponsored content to reach a broader customer base on Instagram and Facebook.”</p> <p>Factor AB: “Facebook was very popular at the time and Instagram was on the upgoing.” “Facebook can offer the perks of big data, but it isn’t very useful for startups”</p> <p>RAW: “YouTube has helped us a lot, more than Facebook or Instagram where we have advertised before. On Instagram, people have found us mostly because others share our content. We also have a Facebook for RAW coaching. In addition, we update our Instagram with content about our progress as well”.</p>	<p>5S</p>
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6. Analysis & Discussion

As for the analysis, the authors of this paper have seen that there is a correlation between the three chosen conceptual frameworks and the targeted companies' digital marketing strategies. However, one can argue that these marketing strategies have not been used to their full capacity since only parts of them have been observed. Additionally, the earlier presented propositions 1-3, will be further evaluated to enhance the marketing strategy this paper will present.

6.1 Adaptation, Quality, and Value

While analyzing the findings in comparison to the conceptual framework, there was a common theme that the segmentation aspect was not prominent. Rather, all interviewees assumed that a rather big demographic of people, that enjoys or are in need of exercising, would have a demand for their products and/or services. Regarding the geographical aspects, most companies had two main segments of customers. Firstly, during their startup phase, the companies focused on the local market. Secondly, as the high usage of digital platforms offered a broader segment, the domestic market was also included when utilizing digital channels. This finding suggests that something else is of great importance for the marketing strategy, which the authors of this research paper suggests is adaptation.

Since there is a common theme of a broad customer segment, this implies that there is a large quantity and variation of customers' needs. As a result, a startup in the fitness industry must be well aware of how to create customer value, in order to satisfy as many customers' needs as possible in this broad segment. In the literature review, Kotler and Armstrong (2017) are quoted stating that "marketing is to create value to customers in order to capture value from customers in return", which is highly relevant for the adaptation. Marketing is not only about being seen and heard by the public, but actually creating a product or service that is worth promoting. This is seen in the findings as well, where the majority of the companies describe how they have thoroughly investigated where there is a gap in either functionality or in quality. Furthermore, their products and marketing strategies have been adapted and improved multiple times during the startup phase, in order to meet their potential customers' demands. Keeping in mind that there is a large quantity and variation of customers' needs due to the broad customer segment, it can be seen from the findings that a startup must be able to adapt and meet these demands.

The question is now what digital marketing strategies startups in the fitness industry should implement in order to create, what the authors have found to be of great importance from the primary data, high-quality products/services generating high customer value? When analyzing the themes, it is apparent that the main focus should be to create a product which is not only fulfilling the customer's need but also provides something different compared to the competitors. As an example, RAW included mental training in their business model, whereas Tyngre AB focused on creating a broad product line including podcasts, apparel, and

supplements. This can also be related to the pricing strategy, where the findings suggest that a higher price can be interpreted as higher value, or rather that the price should not be an obstacle for potential customers, since they should be well aware that the products/services being purchased are of high quality. In summary, a company that aims to implement itself in the physical fitness industry must be creative, innovative, and adaptive, as well as focus on creating high quality and value, suiting a broad customer demand.

6.2 The Absence of Big Data

One of the main aspects of this paper has been the absence of Big Data and its effects on startups within the fitness industry. As mentioned earlier, Big Data is sampled data that has the ability to narrow down the segmentation of customers thoroughly and provide companies with increasingly accurate targeted products and services (Donnelly et al., 2013). However, when looking at the findings, the absence of big data in the start-up phase has not been an issue for the companies. The main focus of the companies' websites has been to create informative and user-friendly websites that create value by standing out from the existing competition. In this study, the companies did not evaluate thoroughly how they have utilized PPC (Pay-Per-Click) or SEO (Search Engine Optimization), instead, the major focus was on social media utilization. Further, what also can be drawn from the findings, is that existing big data from different social media platforms has been used by companies to promote themselves.

When analyzing this section, it can be seen that the first and second proposition does not correlate to the findings from the primary data. This is important to acknowledge since this means that this research paper fills a gap between the existing literature and reality. The authors of this research paper do not deny that Big Data is an important component of marketing. However, within the physical fitness industry, it seems that collecting Big Data is not as important for startups, but rather they rely on the existing Big Data offered by social media platforms.

6.3 Social Media and Organic Marketing

From the primary data, the authors found a common theme throughout all 5 interviews. This theme was the use of Social Media as the main marketing component in the marketing

strategy. The companies have used social media both to promote their products, and new launches to reach more customers, but they have also used social media as a way of creating a word of mouth from their customers. The word of mouth created and spread on social media has arrived from the companies providing positive experiences for their customers. Both by providing a product or service with high quality, but also providing a premium feel, either on their website or in their physical store/gym (Factor & Gymmet). One major reason why social media marketing has been used by companies is that a startup has a lack of time and resources, and managing social media as a marketing tool is somewhat time efficient. As seen in the literature review, a startup is a company that has a lack of time and resources compared to established companies (Roosta et al., 2019; Skalan, 2018; Salamzadeh & Kawamorita Kesim, 2015). This is also apparent in the findings, as the majority explains during the interviews that the marketing strategies foremost relied on organic marketing, such as word of mouth, and social media marketing that did not consume a lot of time and did not demand a large amount of resources.

These findings prove that both proposition 2 and 3 is not supported as proposition 2 stated “*Digital marketing (SEO, PPC, Email), is the main component in a marketing strategy for a startup within the fitness industry.*” and proposition 3 stated “*Social media marketing is a complement to the other digital marketing strategies, where startups in the fitness industry can utilize social media channels to easily communicate with and towards customers.*”. The findings presents that social media marketing is the main component in the companies marketing strategy, and not “digital marketing (SEO, PPC, Email) as was stated in proposition 2. Proposition 3 is also to be considered to not be supported as the findings show otherwise, proposition 2 stated that social media marketing is a complement to the digital marketing strategies but the results derived from the interviews clearly state that it is the main component of the marketing strategy.

7. Conclusion

To summarize the main parts that can be derived from this paper, there are three main components to highlight. The first component is *Value*, second is *Quality*, and the last is *Adaptation*. Throughout this paper, it has been apparent that these components are to be considered utterly important. Additionally, social media and organic marketing are also

components of high importance for start-ups within this given industry. Furthermore, it has been clear that the absence of big data has not been a major issue for the companies studied. Instead, companies seem to utilize other social media platforms for big data, rather than collecting their own.

The marketing strategy was provided by applying both a deductive and inductive approach to the research paper, where a literature review was used to create the research question and the conceptual framework was used to investigate if prominent marketing strategies were relevant for startups in the physical industry as of today. The purpose was to investigate how startups in the fitness industry choose to market themselves to potential customers, as well as which marketing strategy is the most effective for a startup. This led to the following research question, "*What digital marketing strategies do startups in the fitness industry implement, considering the absence of big data?*". The authors have fulfilled the purpose and investigated the research question by acknowledging and explaining the marketing strategy stated above.

7.2 Practical implication

The result of this research paper provides three main components of digital marketing strategy for start-ups within the physical fitness industry. The three main components are, as mentioned; Value, Quality, and Adaptation. The focus for a startup in the fitness industry should be on social media marketing, to use social media marketing to both promote their products as well as build the brand image and identity. Companies must put a lot of effort and focus into their product or service to ensure that they provide great quality for their customers and meet the customers' expectations. When this is done and the companies provide a lot of value for their customers, social media will also help in providing a way for word of mouth which will derive from satisfied customers. When it comes to customer segmentation, there is no need for startups in the fitness industry to have a narrow and specific customer segment. Instead, the companies should focus on providing a product or service that meets a broader segment's expectations and needs. From this study, it is found that promoting low prices to customers is not something that is to be considered important, instead, focusing on the quality, functionality and the value provided to the customers should be the main focus.

7.3 Theoretical Contribution

The marketing strategy provided in the analysis and discussion section by the authors of this paper is created based upon the literature review, but mainly from the interviews conducted and therefore the findings. This has led to the paper providing a distinct theoretical contribution. The previous research presented the main focus for a digital marketing strategy (SEO, PPC, Email) for startups to be the most important aspects, and social media marketing to be a complement towards that. Instead the results of this paper showcases that there are other important aspects of digital marketing strategy to consider as more important. Additionally, previous literature put a lot of emphasis that the lack of big data is a challenge for start-ups. However, in this research paper, this challenge has not been observed in the findings, meaning that it is not as highly relevant for start-ups in the physical fitness industry.

7.4 Future research

For future research, the authors suggest that a bigger sample would increase the validity and reliability of the findings. In addition, the authors suggest that future research should include more companies that are currently in the first phase of implementing the company. Furthermore, a bigger selection of interview questions surrounding social media marketing could be asked as that was the main component of the company's marketing strategy. Moreover, the authors suggest that when doing further research on this subject, it would also be relevant to take the customer's perspective into account and do research on this subject from the customer's point of view.

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