



Instinctive™  
Insights

MARKETING ON PURPOSE

DATA-DRIVEN  
MARKETING CASE STUDY

412% Annualized ROI  
with Direct Mail

We've made direct mail smart again.



Healthtrax  
FIT FAMILIES FOR LIFE

16 LOCATIONS

CLIENT  
SINCE  
2017



# The Direct Mail Challenge

Direct mail is a high-cost, high-reward channel, that when executed poorly can quickly become unprofitable. The high cost of printing and postage is a significant hurdle to a profitable campaign. And without strong conversion rates, the financial burdens may lead to a negative ROI.



Healthtrax approached Instinctive Insights in 2017 with a goal of reducing advertising cost in direct mail without sacrificing conversions.

“Historically we worked with an agency, mailing a large quantity every month with a blanket, carrier-route approach. We were spending a large portion of our marketing budget on direct mail and not getting the return we wanted,” says Amy Carabase, Director of Marketing at Healthtrax.

## There's a smarter way

High-tech, data-driven modeling and targeting, coupled with persona-based creative, is the way to be truly effective in a high-cost, high-reward channel like direct mail.

Instinctive Insights partners with 60+ Clubs across the country to provide them with practical, data-driven science for profitable club growth.

We use predictive, data-driven marketing to eliminate the ‘did it work?’ or ‘we think it worked?’ mentality. We rely on precise data to hit the right target households and demonstrate a quantifiable return on investment.

“Instinctive Insights was extremely unique in their approach to our market. Through our first pilot campaign, they were very strategic and direct, had great design, and understood us and our offers and highlights. They executed great design and the postcards, emails and landing pages looked incredible,” says Carabase.

At Instinctive Insights, we subscribe to a tight-matching and attribution methodology. Agencies often use loose, or misguided attribution routines that inflate results and make it difficult to truly evaluate the success and profitability of a campaign.

By managing data properly, we know who we mailed and when it was delivered, and can match engagement activity back to refreshed membership rosters to identify target households that join as a result of campaigns.



## THE OBJECTIVE

Spend less and be more effective.

Amy Carabase states Healthtrax's objective: "In the summer of 2017, we re-evaluated everything...our media strategy, branding, messaging and the trends toward being more digital. We needed to focus on reducing our direct mail quantities and spend. We wanted an agency that would allow us to reduce quantities and improve success. We investigated multiple options, and **Instinctive Insights stood out because of the data modeling and their ability to target only the best-of-the-best households.**"

### IMPACTFUL STATS

412% ANNUALIZED ROI WITH DIRECT MAIL

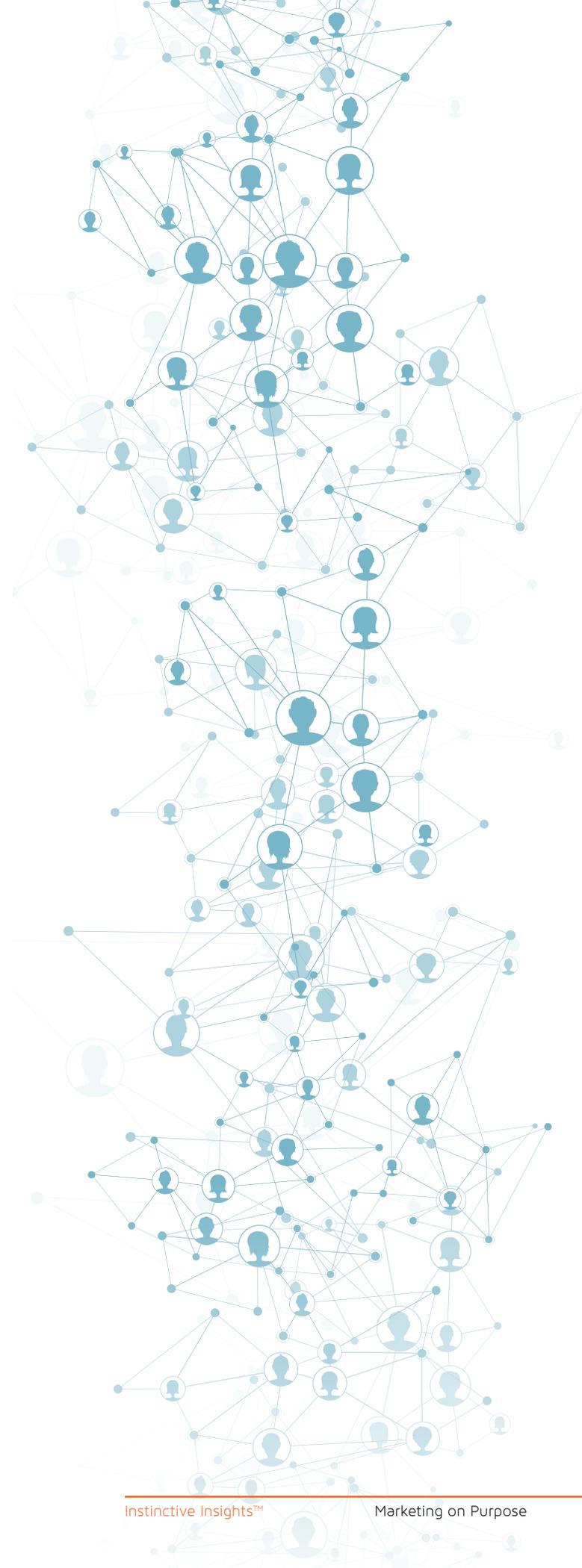
0.41% CONVERSION OF NEW MOVER HOUSEHOLDS

0.44% CONVERSION OF FAMILIES WITH TEENAGERS PRESENT

0.29% CONVERSION OF EMPTY-NEST SENIORS

2,130% ANNUALIZED ROI WITH EMAIL PROSPECTING





## What It Means To Be Data Driven: The Real Secret

Smart direct-mail marketers have access to more than 600 demographic, psychographic and transaction data points that define the type of individuals they may choose to target. Basic “gatekeepers” like age, household composition, income and proximity to a Club initially narrow the target audience.

That’s just the first step. More descriptive elements tighten a target list, such as knowing that someone in the home participates in sports, reads about fitness and health, or has bought sports or physical fitness equipment. There’s an absolute treasure-trove of information available to make “smart” decisions about who to engage.

**Many of these high-value prospects are probably already working out somewhere else**, whether it’s at home, online or at a competitive club. They may be ready for a change, but not actively searching for a new Club online or reached sufficiently with digital ads.

“Instinctive Insights evaluated and modeled each club, uniquely,” says Carabase. “Their **Market Penetration Study** really outlines the membership base, showing us how we can intelligently target individual households down to people that purchase fitness products.”



## Persona-Driven Targeting & Design

The expanse of consumer data and information is critical for predictive models and algorithms to identify prospect households appropriate for engagement. Likewise, it's equally useful when deciding how to visually present a Club—both the offer and the aspects or amenities that are most likely to resonate with a prospect.

Our postcard designs are highly personalized. Each prospect is sent a different look and offer that best matches their interests, life-stage, and lifestyle. It's a powerful way to present a Club as a place for people like the prospects we target.

"The customization of visuals, content and offers specific to our sixteen club locations, and the types of prospects we engaged had a big impact," says Carabase.

"We are a full-service club, so the persona-driven marketing of Instinctive Insights allows us to focus on strategic messages that are most likely to resonate with what we know about a household."

"You can target the right person and households, but, if the postcard or email isn't tied to the interests of the audience, then it's not going to be as effective," states Carabase.

"With Instinctive Insights, we look at the whole pie: smart targeting, branding, persona-driven design. All the pieces work together, and Instinctive Insights pulls it off very well. With other agencies it was a huge time and effort but working with Instinctive Insights they take time to understand our brand and messaging, the design is spot on, and I save a lot of time."

## How Healthtrax Found Out About Instinctive Insights

Healthtrax found out about Instinctive Insights from another club operator that they trust and have had a long-term relationship. "Like many clubs, they were frustrated with a drop in ROI and looking for a solution and strategy that was effective and achieved more results with less spend. **With Instinctive Insights, this other club was having success. That was music to our ears,**" says Steve Capezzone, CEO of Healthtrax.

## Why Healthtrax Chose Instinctive Insights

Michael Boyes, VP of Sales and Marketing at Healthtrax adds, "Going into the second half of 2017 we had a clear goal to spend less on direct mail and be more effective. We wanted to free up dollars to invest in other marketing channels, like texting and digital. We needed to be more aggressive in less-expensive channels without sacrificing success in direct mail. **We chose Instinctive Insights because they could achieve our cost-based goals without going backward on conversions.**"

"I value transparency in a relationship," adds Capezzone. "In past relationships, I found it difficult to figure out what we were paying for with fees presented in a lump sum. With Instinctive Insights, everything is right there on the table. I can understand our financial relationship, and that goes a long way and is a breath of fresh air."



## A Consultative Partnership

At Instinctive Insights we strive to be an extension of your team.

Carabase states, "I'm able to contact Instinctive Insights and get help with any issue, right away. They constantly bend over backward and provide recommendations and guidance outside of the work we do together."

"Moving from a vendor relationship to a partnership was key for us," says Capezzone. "We were examining a club we might purchase, and Instinctive Insights offered to analyze the market at no charge. That's the kind of group we want to work with; someone who becomes a partner with us where we work and succeed, together."

## It's All About Results

ROI is of paramount importance to Instinctive Insights and our Club Partners. We use predictive, data-driven marketing to eliminate the 'did it work?' or 'we think it worked?' mentality. We rely on precise data to hit the right target households and demonstrate a quantifiable return on investment.

It sounds simple, but too often we see misguided approaches that lead to inflated results, or even worse the old conundrum of 'did this really work?' questioning.

"Instinctive Insights calculated and presented ROI so differently than our previous agency," says Boyes. "They use far tougher statistics and a tight match-back process."

Boyes adds, "**The mentality of numbers doesn't lie, and with Instinctive Insights, we don't let our gut or what we think is the best drive our decision making.** We use the trends, results, and numbers to make compelling decisions. Instinctive Insights tells us how we are doing and what we should be doing. I love their robust reporting engine and ability to customize it to our club."

Instinctive Insights' robust campaign reporting incorporates various measurements and perspectives to help Clubs understand how they are performing. When appropriate, reports are customized to ensure they speak to the business goals and challenges unique to a Club.

## Beyond Direct Mail

Instinctive Insights is exceptional at managing profitable direct mail campaigns for a Club, and the same data-driven and modeling process is applied to **email prospecting, Facebook, IP Targeting, PPC and other digital channels.**

For example, our email program for Healthtrax has added hundreds of new members and produced 2,130% ROI. With Facebook, our modeled, highly-targeted household data controls the list and placement of ads, improving campaign performance beyond levels possible with traditional Facebook-targeting criteria.

## Conclusion

If the primary objective of a Club is profit, Instinctive Insights has the tools and expertise to deliver.

If Direct Mail hasn't worked for you in the past, let's talk about why it didn't work or isn't working now, and create a strategy for applying a high-tech method rooted in data science and personā-specific personalization.



# About Healthtrax

Healthtrax is a group of local gyms and fitness centers in the Northeastern United States. They focus on promoting the long-term health of their members and cater specifically to a family-oriented, unintimidating environment.

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## STEVE CAPEZZONE CEO

Steve is a 35-year veteran of the industry. As a graduate of the University of Connecticut, Steve started with Healthtrax as a fitness technician and worked his way up to Chief Operating Officer. Steve's strong background in fitness, sales, facilities, and medical partnering make him a strong and versatile leader for Healthtrax.

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## AMY CARABASE Director of Marketing

Amy started with Healthtrax in 2011 as Marketing Coordinator. Before joining Healthtrax, she worked for two full-service advertising agencies—Hill Holliday and Keiler & CO.—and was lucky enough to work with amazing clients such as Lockheed Martin, CVS/pharmacy, Dunkin Donuts and Harvard Pilgrim Healthcare.

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## MICHAEL BOYES VP of Sales and Marketing

Michael has been with Healthtrax for 26 years. He's worked in executive management, sales, and center management. Michael has 38 years of experience in the industry, previously as the General Manager of a competitive club in Rhode Island.

## ABOUT INSTINCTIVE INSIGHTS

Instinctive Insights is a full-service, data-driven marketing company headquartered in Columbus, Ohio. Our purpose is to truly help Fitness Club Clients—both big and small—be more successful in acquiring and retaining members—improving acquisition rates and lowering acquisition costs. In doing so, we empower our clients to allocate more time and funds toward providing an exceptional club experience. Great marketing is about making clients better off by understanding and satisfying their most critical business needs. It is about generating real, measurable value.

Visit [instinctiveinsights.com](https://www.instinctiveinsights.com) to learn more about us and how we start the conversation with a Market Penetration Study, or call us at **614-500-4070**, we'd love to chat.

Associate Member of

