

Business Name: Yoga Mala
Location: Regina, Saskatchewan
Owner: Emma Korkola
Years open: 11 years

Situation

In July 2013, Emma contacted me for business consulting. She had been open 9 years and had developed a strong following of dedicated yoga practitioners. However, a big change was brewing in the space situated right next door to her studio: a competitor was moving into it in less than 3 months and had launched a huge campaign to attract new yoga students! Most business owners have a story about being lucky enough to have the only yoga business in town for many years then finding a new way once more competition moves in...but a competitor *sharing the same wall*? This was every owners nightmare! At this time, the competitor was offering hot yoga at \$5 per class and had implemented an advertising campaign that used billboards, flyers, online marketing, and signage.

Solution

We immediately re-priced Emma's business by offering a competitive auto pay membership with a compelling upsell incentive sold during the intro time period to her clients. We also incorporated smart pricing for the other options which rewarded clients for buying high commitment packages and brought more of them in the door with an irresistible intro. We created a marketing strategy that capitalized on the 3 month window we had before the competitor opened their doors, which included a huge open house event with pricing specials, revamped marketing collateral to include flyers, posters, email campaigns, and signage. We increased SEO of her current website and created Call to Action buttons on the home page to boost online sales. Emma also planned an anniversary party that included a well-known music celebrity and created excitement in her community as well as acted as a member appreciation event. She hired a "yoga advisor" who contacted new clients in their intro month and offered them the upsell incentive. Lastly, we reviewed website best practices and discussed re-branding to bring more awareness to her unique offerings/services/instructor background. She and I worked on the message she was sending the public and making sure it was clear & differentiated her from the competitor. Within 9 months, she revamped her website to include clear and large photos of staff/clients, better navigation, clear message, and streamlined pricing.

Results

Within 6 months, recurring revenue increased 100% and made up 65% of all revenue earned. In 12 months, it rose another 80% almost tripling revenue since July 2013. Within 3 months, attendance increased 69% and average visits increased. Retention of new clients improved within 3 months, resulting in up to 25% of new clients buying an auto renewing membership. This alone generated \$8544 worth of revenue over 6 months, with most of her clients staying on membership for 9-12 months or longer. After 8 months, many of the instructors next door came to practice at Yoga Mala, some of them staying to teach there instead. And finally, as of November 2014, the competitor *closed up shop* and Emma was able to expand her business to 3 separate floors.

Conclusion

In the face of a challenging and threatening situation, implementing smart pricing, innovative marketing, and a streamlined sales process created impressive business growth for Yoga Mala.