

Balancing the Scales in the Digital Age: A Weight Watchers International Case Study

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Introduction

Weight Watchers International is unlike any other weight-loss management company, as it has helped people lose and manage weight using a social support system. Founded in 1963 by Jean Nidetch, Weight Watchers started in her living room with six of her overweight friends in whom she confided about her uncontrollable eating habits. They decided to go on a diet holding each other accountable and supporting one another through their cravings and anxiety. When it worked, they brought others into the fold and within two months, 40 women attended. When she reached her goal weight of 142 pounds in 1962, Nidetch decided to make it her mission to help others lose weight. The company uses a membership model based on in-person meetings and weigh-ins for support and personal accountability (McFadden, 2015).

Still a thriving organization today, Weight Watchers has been categorized on Brian Solis' conversation prism in the quantified self category. The conversation prism, a visual landscape of social media platforms, houses Weight Watchers with popular brands and apps such as FitBit, My Fitness Pal, and Run Keeper (Solis, 2017). Weight Watchers is a standout in its category because of its age and founding format as "brick and mortar" versus digital.

As an established brand, Weight Watchers is one of many companies facing the challenge of staying relevant in the already crowded digital space. Weight Watchers has the potential to serve as a model for companies with similar origins (Lauchlan, 2015). In a digital world where technology is increasingly filling gaps to make people's lives easier, it is important for companies such as Weight Watchers, to understand fully its audience and how best to reach them.

This study will examine how Weight Watchers has updated its business model to account for the advances in digital technology amidst an uptick in health and fitness popularity and the rise of free apps. This research will also look at the evolution of the company's key program offerings including a digital component to better support users and attract new ones by enhancing longstanding company offerings, such as meetings, and appeal to new clients with the introduction of improved social networking strategies, apps, and online communities.

Literature Review

Social Networking

Social networking sites emerged during the early 2000s with the introduction of Web 2.0 – a shift in how the internet was used that focused on bi-directional sharing and collaboration. According to Campbell, Martin and Fabos (2016), social networking sites are “sites on which users can create content, share ideas and interact with friends” (p.49). For the purpose of this case study, social networking will be used in the context of social media platforms.

Weight Watchers' social media director, Lauren Salazar, expressed her belief that the company has always been social and it is in the company's DNA (Kerpen, 2016). This claim is evidenced by the archived Weight Watchers website from 2000, which featured access to chat rooms and forums after creating a free chat room ID. The site encouraged visitors to “share experiences, insights, questions, answers, and support with other weightwatchers.com visitors” (Weight Watchers, 2000).

Today, Weight Watchers has maintained and implemented the same message of support, inspiration, positive behavioral change (Weight Watchers International, 2016) and following dietary plans for weight loss success across its six major social networking platforms including Pinterest, Instagram, Facebook, and YouTube (Kerpen, 2016). The road to improving digital products for the company is part of a greater technological transformation which includes a hefty social media marketing presence and brand ambassador, Oprah Winfrey (Lauchlan, 2016).

Mobile Applications and Wearables

According to the Centers for Disease Control and Prevention (CDC), behavioral factors like dietary patterns, physical (in)activity, and medication use are contributors to obesity. Obesity is associated with poor mental health, reduced quality of life and can lead to serious medical conditions including diabetes, heart disease and cancer (Centers for Disease Control and Prevention, 2017). Health and wellness companies have made it easier for people to manage and track diet and physical activity with apps and devices that measure nutritional intake, heart rate, physical activity, sleep, and stress, to name a few (Friedman, 2013).

In the United Kingdom, researchers found that a diet management by smartphone could be a convenient, potentially cost-effective and wide-reaching weight management strategy to treat obesity after a survey showed people desire alternatives to face-to-face weight loss treatments, including minimal contact weight management programs (Carter MC, 2013). The study found that compared to using a website and paper diary to self-monitor diet and physical activity, participants who used the app remained in the trial longer and experienced better results regarding weight, Body Mass Index, and body fat (Carter MC, 2013).

Cell phones and apps are a lifeline for many busy Americans, especially as mobile phones and plans become more affordable and tech wearables sync up with multiple devices, such as phones. In a recent health and fitness apps usage report, Flurry Analytics found a pattern of loyalty to health and fitness apps with 96 percent of people only using one app and 75 percent of active users interacting with the app at least two times a week (Harris, 2017). In the vein of weight and diet management, workout and weight-loss apps account for nearly three-fourths of all app sessions (Harris, 2017).

As it pertains to Weight Watchers, the company's business model and revenue are built on meeting fees and the popularity of free apps and rise of wearables have affected its bottom line (DePillis, 2013). In 2013, the company saw a decline in enrollment numbers and attributed it to people opting to monitor diet and fitness, in conjunction with a fitness wearable, via an app with a support community for little to no cost (Friedman, 2013). Mistakenly, in 2013, then CEO David Kirchoff, dismissed wearables as a potential threat to the company's business model (Lauchlan, 2015). That same year, the CFO described mobile health apps as a temporary phenomenon (Friedman, 2013) despite contrary belief that the interest in health and wellness self-tracking would continue to gain popularity per MyFitnessPal founder, Mike Lee. (Ha, 2013).

The mindset of leadership showed a disconnect between the potentially unchanged business model and consumer behavior. One could argue 2013 was the year Weight Watchers missed a prime opportunity to reevaluate its strategy and although they had an app that year, the brand struggled to remain relevant in an emerging and crowded space (DePillis, 2013). In 2017, Weight Watchers leadership made it clear that enhancing the digital experience was crucial to visitors and current members (Lauchlan, 2017b).

Although the company does not have its own fitness wearables, the apps have the ability to sync with many of the leading activity monitors on the market and company leadership thinks it is a direct benefit to members (Lauchlan, 2017a).

A wide range of thoughts exist from nutritionists and dietitians about the effectiveness of using an app for weight loss. From suggesting they are equal to fad diet books of the past to believing they are the new normal, they all agree that online communities can help (DePillis, 2013).

Digital Marketing & Advertising

Weight Watchers is a global company with high brand recognition (Kerpen, 2016) and since its founding more than 50 years ago, the company has faced its fair share of volatility in the marketplace (DePillis, 2013).

In a recent study published by Google Insights about marketing to audiences interested in weight loss, researchers found three things: fitness is a priority over nutrition; the journey to losing weight has changed; and affordability is key to choosing a weight-loss program or regimen (Rosenthal, 2014). To attract new and retain existing customers, Weight Watchers has launched a series of campaigns and initiatives over the past year. For example, the company partnered with Apple to unveil a new Apple Watch subscription plan. The *OnlinePlus* plan allowed members to personalize, plan and track solely online and is accompanied by the Apple Watch. The plan allows members to access food and activity information on their wrist without having to rely on their phones (Weight Watchers International, 2016). This initiative showed the company's commitment to technology and addressed a missing element of the business model – a fitness wearable (Lauchlan, 2017a).

The Weight Watchers model of offering traditional meetings for members is part of its success story (McFadden, 2015) and as people engage digital platforms and have busier schedules, Weight Watchers had to increase the firm's digital footprint which was led by an investment in technology and product platforms (Lauchlan, 2017b). As a result, the company reviewed its website, onboarding process, design and aesthetics, user experience, and digital tools to improve its overall digital product (Lauchlan, 2017b).

Guiding the new rollouts and updates were extensive consumer research. The research results were used to improve the member experience, both face-to-face and online. The company realized the importance of a good first-impression and found positive links between early onboarding, engagement, prolonged program success, and new brand champions (Lauchlan, 2017b).

Analysis and Observations

With an organization such as Weight Watchers providing support and a safe community for its members, media convergence has helped reach members on their desired device and social media platform of choice (Kerpen, 2016). Technological convergence is a type of media convergence where content which was once tied to a specific media, is now accessible across a multitude of platforms in a variety of formats including text, audio, video, and graphics (Campbell, Martin, & Fabos, 2016).

Social Networking

Across social media, Weight Watchers is active on five platforms – Twitter, YouTube, Facebook, Pinterest, and Instagram with approximately 4.7 million followers total, with the most popular being Facebook with 3.4 million followers (Weight Watchers, n.d.).

Each digital platform is used to engage and connect members by offering valuable stories, insights, and tips to help achieve their goals. The company's content strategy is largely based on curated content from members, as it connects the community around shared experiences and ties back to the overall mission of the company of supporting members (Kerpen, 2016). On Instagram, the company has taken engagement a step further with a program called Takeover Tuesday, which gives a community member control of the site to chronicle their day (Kerpen, 2016).

The engagement of Weight Watchers members across the company's social media platforms using hashtags and personal experience content elevates Weight Watchers' brand awareness (Kerpen, 2016). The company may also share member testimonials and social media stories as a form of ad persuasion, specifically relationship marketing, which centers around a thorough understanding of the user.

Mobile and Technology Investment

While each of the company's social media platforms is open to the public and used by members and non-members alike, the Weight Watchers app was designed specifically with members in mind. In 2012, the company launched an update to its previous app in conjunction with the Weight Watchers 360 program that accounted for the social, environmental, and behavioral factors that led members to fail. In doing so, the members received tips about handling eating situations in different environments (i.e., airports, work, etc.) and were encouraged to add healthy habits to their daily routine with the hope of counteracting less healthy ones (Kosner, 2012). Presently, the app is more robust and includes food and activity tracking, barcode scanning to easily find food values, Connect, a multimedia social experience

for members, progress charts, 24/7 chat, recipe builder, and personalized activity goals (Weight Watchers, 2017). Over the past year, the app has been doing consistently well with 4 to 4.5 star rankings (out of 5 stars), reassuring company leadership the investment in digital is paying off (Lauchlan, 2017a).

The digital space is increasingly an entry point for new members to Weight Watchers and the company has been working on a digital strategy to meet the needs of new members and visitors (Lauchlan, 2017a).

Under new leadership in 2015, Weight Watchers invested more in technology to correct its “tech debt” (Lauchlan, 2016, n.p.). The technology transformation included cash spending of about \$200 million over two years for technological advancements, which included updating infrastructure and purchasing three start-up apps (Lauchlan, 2015).

In 2015, Weight Watchers continued its digital transformation and introduced the new holistic consumer program, Beyond the Scale. Beyond the Scale was the launching pad for the new food plan, Smart Points and an integration for a new focus: fitness (Lauchlan, 2016). It encouraged members to eat better, move more, and alter their mindset (Weight Watchers International, 2016).

Beyond The Scale afforded the company another chance to appeal to weight-loss consumers taking into consideration their media consumption devices and mobility. With the goal of driving member engagement and growth, new features and enhancements tied to the new program included offering new members orientation calls with coaches, so they’d be familiar with who they’d work with, in-app motivational messages and personalized achievement screens, similar to FitBit milestones (Lauchlan, 2016).

Digital Marketing and Advertising

As many companies do, Weight Watchers has employed a variety of spokeswomen throughout the years. Until 1984, long after she sold the company, founder Jean Nidetch was the face of the brand while working in the public relations department (McFadden, 2015). Today, the company has used celebrities such as Jessica Simpson and Jennifer Hudson as spokeswomen for the brand (DePillis, 2013), but none more famous and recognizable than the company's current ambassador, Oprah Winfrey (Lauchlan, 2016).

In a campaign launched in December 2016, the company launched "Live Fully" featuring Oprah Winfrey (Weight Watchers International, 2016). The campaign was an extension of the 'Beyond The Scale' program, launched a year prior, shifting the way members approached the program by encouraging them to live life on their terms, which includes enjoying the food and experiences that make them happiest (Weight Watchers International, 2016). The company used Oprah for more than TV and radio advertisements and strategically incorporated her into ongoing member engagement with motivational videos within the app, in-person meeting drop-ins and member conference calls to name a few (Lauchlan, 2016).

Discussion

Weight Watchers has had somewhat of a digital identity crisis. In analyzing the company's transformation to digital, there is much to be learned. What was once considered a competitive liability, has been transformed into a digital strength for the company (Lauchlan, 2017b). Google marketing insights reported that "weight-loss consumers typically begin their journeys with a search query" (Rosenthal, 2014) and it seems throughout this study, Weight

Watchers is privy to this and is working to make themselves more accessible to consumers (Lauchlan, 2017a).

After a few changes in leadership, Weight Watchers became serious about technological innovation, realizing that if the company desires to be a model and leader in the industry, it would need to be engineered for the digital era and be data driven (Lauchlan, 2015). As the company progresses, a firm grasp on research and data can benefit the continued refinement of the digital strategy (Rosenthal, 2014) and the forecasting for the future based on online revenue gains (Lauchlan, 2017a).

In September 2016, Weight Watchers CEO James Chambers who was a digital enthusiast for the company decided to step down amid lackluster financial growth and declining stock (Wattles, 2016). In May 2017, the company announced Mindy Crossman, former CEO of Home Shopping Network (HSN) of nine years, as new CEO. She was credited with increasing HSN's subscriber base and driving digital sales to a level in which they now account for almost half of HSN's annual revenue of \$3.6 billion (Lauchlan, 2017a). The buy-in for digital enhancement starts at the top with leadership and requires a thorough understanding of how digital communications plays a role in a consumers life.

This case study is evidence that re-branding in the digital age is not one-size-fits-all and requires a multi-faceted approach to connect with consumers, including online, in-app and in print. Not only is the approach important, but so is the reporting. Online and mobile app data analytics provides the basis to monitor, measure, and predict outcomes relevant to stated marketing and communication goals (Lauchlan, 2017b). Regarding social media, Weight

Watchers has been strategic as to which platforms it joins, ensuring staff understands the platform and evaluates the potential yields and ROI before implementing (Kerpen, 2016).

Recommendations and Conclusions

In conclusion, Weight Watchers, armed with sufficient marketing research and analytics, is primed to hold and potentially improve its position in the industry. For example, market research has shown that many believe fitness is the most effective way to lose weight and is often tried first, compared to changing diet. Additionally, the study reported dieters will try multiple products and services, capitalizing on the “try-before-you-buy” strategy afforded by free apps and online multimedia content (Rosenthal, 2014).

As a company that aims to engage, empower, and motivate members (Lauchlan, 2017b), and holds a belief that weight loss is about eating better, moving more, and changing mindset (Weight Watchers International, 2016), the living well mantra of the ‘Live Fully’ campaign looks promising. The future of Weight Watchers depends solely on the risks the company is willing to take to stay relevant in the digital age and I think it will benefit from making fitness a greater priority for the program and its members.

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