

WHAT REALLY MAKES MONEY

An Independent Review of Business Opportunities & Money-Making Enterprises

Yes! You Can Still Make Great Money From Digital Photo Libraries

At WRMM we aim to bring you reports on the newest, most cutting-edge businesses. But some stand the test of time so well – and in fact get better – that they demand a revisit. This is one of them.

In this report we’ll look at the latest developments in a proven, established business... plus tell you about a new twist that has multiplied the potential to make money from it many times over.

The business in question is the opportunity to make money by taking photographs and selling them through digital photo libraries.

This was very much a revolutionary concept featuring the newest disruptive technology back in 2006 when we first covered it. The idea that you didn’t have to be a pro photographer to make money from photography – and that anyone could – was taking the media world by storm (and annoying lots of pros in the process).

Very quickly thousands of people started taking digital pics – on their clunky first generation digital cameras and not-very-smart pre-smartphone handsets – and found they could make a nice income by selling pics of just about anything through these new digital marketplaces.

The Digital Photo Revolution Pt2!

A decade on the digital photo business opportunity has grown fast and matured. It is to some extent more competitive (we’ll look at how you can take advantage of this later).

And it is now not just one but TWO digital photo opportunities – the second of which can be even more profitable than the first.

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What hasn’t changed is this: you still don’t need to be an expert photographer, or have a particularly fancy camera, to take advantage of the digital photo sites. The opportunity is still open to pretty much anyone.

I’ll quickly recap on how it works in case you’re not familiar with the original opportunity.

Digital photo libraries (also known as a *micropayment* or *microstock* libraries) are websites that allow anyone with digital photos to upload and display their photographs. Anyone who needs a photo – for example a website needing illustrations, a newspaper, book publisher or advertiser, a product manufacturer or indeed anyone who needs a photo – can search for the image they need, buy the rights to use it, and download it there and then.

These photo libraries charge the buyer a fee, which can be anything from a pound or two per sale to several hundred in some cases, take a commission for themselves, then pay the fee to the photo owner.

Profit From Personalised Photo Products

This is still a relatively underdeveloped opportunity in digital photo arena. Ultimately it could be many times bigger than simply selling digital photos.

Photo product websites allow anyone to choose a photo from the site’s collection, then choose a product they’d like it personalised with (or vice versa). The image site prints the product with the chosen photo and ships it direct to the customer. Again, the original photographer earns a fee for every time their photo is used.

Digital technology also means pics can now be made into a range of different consumer products.

As well as artwork, pictures, prints and canvases photos can be used on stationery, photo books, promotional products like mugs, phone and tablet

please turn over...

cases, clothing like T-shirts, home textiles and many more popular items.

So there are two things you need to recognise about why this new development is particularly exciting.

Firstly, *personalised* is big right now. Unique, individualised products are a hot consumer product.

Secondly, these photo products sell for much more than standalone digital images. Instead of a pound or two for a photo, personalised products sell for £10, £20, £50, £100 or more a time. So there is an opportunity to make much more every time your photo is used on them.

And as I said, you *don't* need to be a highly skilled photographer to produce pics to sell. Modern digital cameras can take care of all the technicalities for you.

If you don't know about shutter speeds, aperture settings and so on just use the *auto setting*. It will produce top quality, saleable images in most cases.

You will need a digital camera, but it doesn't need to be an expensive one. A simple camera with a digital zoom is fine. If you have a more sophisticated SLR digital camera with an optical zoom, all the better.

Photo sites generally prefer images taken on a minimum 4MP (megapixel) camera and, ideally, the photos you upload to these sites should include at least 2,800 pixels as part of measurements. This isn't usually mandatory but will mean that your photos can be sold for the widest possible range of print and photo products.

All You Need is a Smartphone!

Many libraries and product sites have an app, so you can take and edit pics on your phone then upload them to the site for immediate sale. A few of the sites even specialise in camera phone, especially iPhone, pics.

If you do this just be aware pics still need to be of good, saleable subjects and good quality. It's very easy, in some ways all too easy, to take and send pics by phone. So, if you use a phone be selective and only send your best photos.

When the digital photo business was new you could make money by selling pretty much any digital photo. But, now that there are millions of photos on these sites, it is more competitive. You need to focus in more closely on the type of photos that will sell.

- » **Good quality pics**, with good focus and light, always sell the best. But buyers take these basics for granted so you can't rely on quality alone.
- » **Original ideas are more important than technical expertise**. Explore new ideas for things to photograph.
- » **Anything that is unusual and eye-catching** will attract buyers' attention and will sell more.
- » **Fancy effects are old hat**, so don't rely on them. Nowadays anyone can add a clever filter. Artistic blurs and so on aren't that original.
- » **Concept photos are best**. These have lots and lots of possible uses.
- » **Abstract photos** that express an idea, feeling or emotion are in strong demand.
- » **As well as the big photo markets look for smaller niche sites**, perhaps specialist markets who concentrate on just a few subjects. These have fewer photographs and less competition.
- » **Take the kinds of photos that sites are positively asking for**, and which are selling best.

Here's how to find them:

- Many of the photo libraries and photo product sites publish a list of 'hot' subjects, ie. subjects they definitely need pics of. Check first and then take photos which fit in with that demand.
- Some sites have a ranking system. They show how many times existing photos have been bought by customers, or even just viewed by visitors. So focus on taking the kinds of photos that have lots of sales/hits (ideally, with your own unique twist).

8 Types of Photos That Sell Best (and 5 to Avoid)

To get you started, I've analysed what's currently selling, or sought after, by the libraries and product sites. Here are some ideas to get you started:

- » **Shots of people**. Especially people doing things.
- » **Anything that is 'happening'**, ie. it involves some action or motion.
- » **Anything odd or quirky** or maybe even downright bizarre.

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- » **Little-known locations.** This might even be where you live if it's not somewhere well known.
- » **Anything newsworthy or current.** Some sites have strong demand for editorial photos.
- » **People at work.** And especially people talking, discussing, meeting, negotiating or working together/team work.
- » **Food and drink.**
- » **Sport,** especially team sports.

Important. There are some types of pics which can sell but which the sites generally have too many of. So always check before you submit. Here are a few we have identified in our research:

- » **Frequently photographed locations,** especially tourist locations, eg. Buckingham Palace – unless your pics have a different angle.
- » **Anonymous landscapes.** Especially those with a sunrise, sunset or sky pics. Identifiable places are better.
- » **People, where there is no action,** concept or abstraction in the pic.
- » **Cute pics.** Such as animals, puppies and kittens.
- » **Still life.** Again, many sites are flooded. For example, fruit in a bowl, or a flower – unless your pic is unusual or unique in some way.

How to Partner Up With Photo Libraries and Photo Product Sites

Later in this blueprint I've put together a fully up-to-date list of the photo and product sites you can use. You can sign your photos up with one or more (in most cases). So browse through and choose which sites suit your requirements best.

Check to make sure that the types of photos you have are the types they sell. Not every site takes every types of photo.

Read their submission guidelines, their terms and conditions, and their pricing policies carefully. Check their requirements on types and sizes of files that can be sent.

Most libraries and product sites will accept amateur photographers. However, with a few of them you have to apply, submit some sample photos, and have them appraised before you can join.

Once you have joined a site all you need to do is upload photos as you have them. The rest of the process is automated. Most sites pay out commissions for sold photos on a monthly basis.

Tips to Make Your Images Stand Out

- » With most sites, you need to give a *description* of the photograph and provide some *keywords* so that it will be found when buyers search for it. If so, always make your description and keywording as comprehensive as you can. Include when, where, how and what your photo is. Use every possible relevant keyword. This will increase the chances your photos are bought over similar, competing photos.
- » Some sites allow you to create a personal profile. If they do, always complete it in full, as it will help generate interest in you and your photos. Buyers like the story behind the photograph – who you are, what you like to photograph and so on. Again, it will help you sell more photos.

Essential Information About Selling Digital Photos

- The photos you upload must be your own photos for copyright reasons.
- If your photos include any identifiable people you should, if possible, ask them to sign a release form confirming that they are happy to be in your photograph. Photo library and product sites normally provide a template form which you can use on their sites.
- For legal reasons, most sites won't accept photos that include a trademark, eg. a maker's badge on a car in a photo. You can remove these with photo editing software though.
- It's OK to edit and retouch your photos to improve them before uploading them, but try and keep this to a minimum. You can resize photos to make them smaller but don't make them larger as most buyers can't use these.
- You can use any common format to take and upload photos. JPG/JPEG is the most common.
- Check whether the site you upload to sells your pics on a rights basis or a royalty-free basis. With royalty-free you normally receive a one-time payment and the buyer can use your pic as many times as they like. With a rights basis the buyer can only use the pic for one specific purpose.
- Rights-based sales are likely to make you more money in the long term but may only be available for the best photos.
- Note that when you sell your pics you always keep the copyright. The buyer isn't allowed to sell rights to the photo.

What Else Can You Sell?

One way in which the photo sites have moved on since 2006 is that you can now upload and sell some other kinds of media to them.

By and large they do not have as much potential as photos, but could offer interesting sideline opportunities. For example, you can submit video footage (including phone camera footage) lasting anything from a few seconds to several minutes. You can also submit audio clips and music. (If you wish to do this, check what type of content the site requires.)

One much more promising opportunity is to submit scans of paper photographs, which have been taken using a conventional wet film camera, and which is usually known as 'historical material'.

Despite the term this need not be that old, and often any material pre-2000 is acceptable. Currently, the supply of this is much more limited than digital photos and it is much less competitive. If you have a collection of these photographs consider if they could be submitted and sold by library and product sites.

RESOURCES: Photo Libraries and Photo Product Sites

In this section of the report we will look at the main photo library and photo product sites, and at the best ways to make use of them.

alamy.com

Alamy is a higher-end photo library and supplies photos to the media and advertising industry around the world. It is best suited to your very highest quality photos – less suitable if you are a beginner. Pays 50% commission on each sale, with their average commission per photo sold being \$90. Accepts photos and video clips.

artfinder.com

Artfinder is a photo product site created to enable artists (of all kinds, including photographers) to sell their work direct to the public. As such it's a higher-end site aimed at those with some artistic experience. You can upload your photos and then Artfinder will offer them either as photographs or prints (they sell other artworks too) and list and promote them for you.

When you sell, you arrange production, using your choice of photo printing service and delivery, yourself.

Artfinder attracts high quality artwork that sells at higher prices (in the range of £70-£1,000) and you

can fix your own prices. Artfinder charge a 30% commission plus VAT on sales.

artpal.com

Photo product site for photography and other art. You can use their print-on-demand service to sell your art, set your own price (on top of the base printing cost) and receive 100% of those profits. Alternatively you can sell, produce and ship your own photographs on the site and pay ArtPal a 5% commission.

threadless.com

With threadless.com you can open an online shop for your photographs and prints and photo products such as T-shirts, home textiles and device cases under your own brand name. Threadless.com handle all fulfilment and shipping for you.

artofwhere.com

You can set up your own shop here and ArtofWhere will manufacture and dropship your photo products for you. You can sell posters, prints and device cases based on your photographs.

bigstockphoto.com

This is one of the largest digital photo libraries in the world. It is also one of the easiest and best for beginners to get started with as they require every kind of subject. Pays 30% commission on all photos sold, so a £1 sale would earn you 30p and a £5 sale £1.50. Accepts photos and video clips.

canstockphoto.com

One of the longest established photo libraries. One of the most interesting features of this service is that you can upload your photos in bulk, so this could be a good choice if you have a large collection.

crestock.com

Niche photo library. Accepts most kinds of photos but particularly good for people photos – they state they require various images of people of all shapes, sizes and colours, active, at work, at home, playing and relaxing.

dreamstime.com

Photo library which now specialises in photos taken from camera phones (although others are accepted too). Photos are uploaded using an app and can earn up to \$12 per sale.

fineartamerica.com

As the name suggests this is a site where you can sell your photographs as fine art products. However it is not just for fine art paintings in the normal sense of

the word – there is a much wider range of products on offer. This includes: Canvas Prints. Framed Prints. Metal Prints. Acrylic Prints. Posters. Greetings Cards. Device Cases. (Plus some other products which don't work well with photos.)

You can create your own shop based on your own choice of photos and photo products. You can fix your own prices and the site then manufactures and ships them and deducts their charge from the price you set.

fotolibra.com

This library also now specialises in digitised paper photos. They also have a market for what they call 'historic' digitised paper photos (considered to be before 2000) including old family photos.

en.fotolia.com

Photo library with a collection of 59 million photos. The most interesting thing about this site is that it automatically allows you to sell your photos through Adobe Stock and reach Creative Cloud users to sell directly to them through Photoshop CC, Illustrator CC, InDesign CC and other desktop apps.

freedigitalphotos.net

This site is a variation on the basic idea of a digital photo library. You list your photos and allow small versions of them (suitable for web use etc.) to be used for free then receive a 70% commission for sales of larger-sized photos.

contributors.gettyimages.com

Getty is the world's largest photo library, and it supplies media around the world, so most suitable for your best quality photos. They divide their photos into three divisions – creative and advertising, news, sport and entertainment; and archive photos (these are photos scanned from old paper prints). They also have video and audio sections.

imagekind.com

Imagekind is a purely product site that allows you to sell your photos as high-quality printed photographs or art prints. You can set whatever price you like beyond their base price. Imagekind showcase your work and handle all printing and shipping.

inmagine.com

This library mainly caters to the requirements of advertising agencies, graphic designers and company buyers. You can set your own prices (with most photo sites the site determines the price) and earn 50% commission from each sale.

istockphoto.com

This is one of the biggest libraries in the world, and now owned by Getty. One of the easiest libraries to work with and highly recommended for beginners (the standard of photographs is generally not as high end as for the main Getty library).

They also sell video, audio and illustrations. Pays a base 15% commission rising to 45% if the photo is listed with iStock exclusively.

mywearstore.com

This is a high-end products site (although not all the products are suitable for printing with photos) specialising in selling designer-style clothing.

redbubble.co.uk

Redbubble is probably one of the best and most extensive photo products sites. You can sell your photos as: Posters, canvas prints, photographic prints, art prints, framed prints and metal prints.

Redbubble do all the production and shipping although for best results you need to promote your own product listings on the site.

They charge you a wholesale price and you can retail at whatever price you like – they suggest a 20% margin.

robertharding.com

This library specialises in travel photography, nature, culture and the environment, for example, images of peoples, cultures, destinations, earthscapes, world heritage sites and wildlife which are sold to major companies and ad agencies. Most suitable for experienced photographers.

sciencephoto.com

Science Photo Library specialises in distributing scientific images and videos to various publishers, multimedia and design companies. Most suitable for experienced photographers.

shutterstock.com

Photo library which handles photos, videos, and illustrations. All subjects handled. Currently 80 million photos and growing. Easy to use with a handy section for advice and a good blog section giving you information on trends and techniques.

snapmarket.com

SnapMarket is a low-priced photo library, selling photos from as little as \$1 up to \$10 and offering 30% commission. Good for beginners.

spreadshirt.co.uk

With this product site you can upload your designs or create a shop and sell your photos (as well as other designs) on T-shirts and a range of other fabric products like bags, aprons, mugs cushions and also device cases.

zazzle.co.uk

Zazzle is, I think, one of the best and easiest to use product sites out there. You can upload your photos, choose what personalised products you would like them to be available on, and promote them to Zazzle's 30 million customers worldwide. Zazzle manufacture and ship the products for you. They charge you a wholesale price and then you can add anything from 5%-95% margin on top.

Zazzle produce a wide range of products but photos are most suitable for selling as art and posters, prints, cards, device cases and some clothing, eg. T-shirts.

123rf.com

Photo library for photos, vector illustrations, footage and music/sound effects. Pays up to 60% commission. Specialises in subjects such as: animals, babies, beauty, education, family, fashion, fitness, food, healthcare, landscape, romance, technology, texture and travel.

Good scanned historic photos are also stocked. You can also upload photos using a mobile phone app.

Other Selling Opportunities

If you want to sell your photos as prints, posters, canvases, T-shirts, device cases or other personalised photo products you can also sell them on sites such as eBay, Amazon, Etsy, Folksy and Not On The High Street.

If you want to sell your photos as artworks there are a number of online platforms which enable you to set up your own online art gallery.

zenfolio.com/uk or www.photoshelter.com.

Bottom Line

A number of business opps never really stack up from the outset. Many others initially make it, but then founder when market conditions change. This isn't one of them. Not only has it proven itself and survived but it has gone on to become even better, with good prospects ahead for the future.

That isn't to say it is easy though. As more and more photos have become available on online sites everything has become more competitive.

To make it work successfully yourself: firstly, focus

on the types of photographs that are in high demand but low supply.

And secondly, look at the higher value ways of exploiting your pics – photo products offer a clear opportunity here, whether as a great part-time or sideline business.

Special Report

Making Money From the £4.3 Billion Health and Fitness Business

As you read this, sat at your desk or stretched out on your sofa perhaps, millions of people are up to something much more energetic.

They're down at the gym, taking part in a class, or running around the park... maybe after having popped the latest health supplement or strapped on the latest fitness gadget hoping it will help them do whatever it is even better than everybody else!

Fact is, rather than being something only indulged in by a few select fitness freaks, health and fitness has become a bit of a national obsession over the last decade or so.

It's now, dare I say it, enjoyed by 18.8m people each week – who spend millions of pounds in the process.

More importantly, the health and fitness clubs industry is now worth £4.3 billion!

The size and value of the market makes it an industry rich with new business opportunities.

These opportunities cover a broad range, including sidelines, full and part-time businesses and ideas that could potentially be big businesses.

They're suitable as standalone businesses or could also be operated alongside each other, feeding customers from one into the other.

Trending Areas in Health and Fitness... and How to Take Advantage of Them

In any business it's always a good idea to try and hook onto the latest growing trends.

Here's what our latest research has revealed about the health and fitness sector:

- » **Health and fitness is moving into the mass market.** Once the preserve of muscle-bound body builders or wealthy people sipping carrot juice at health farms, now *millions and millions*

of people have some kind of health and fitness interest. Products and services that everybody can afford and use are trending

- » **Consumers are looking for easier, faster, better.** This applies in pretty much every product area but is especially relevant here. Think of it in this slightly-bizarre-but-true way... a lot of people don't actually like the health and fitness part, they just want the results. Any product or service that offers a shortcut – maximum results for minimum effort (or sweat!) – is sure to do well.
- » **Consumers are looking for lower cost options.** People want to look and feel good without spending a fortune. (And remember, household budgets are tighter now too.) Look for products or services you can do more cheaply, or offer better value.
- » **Group activities are trending.** As well as appealing to our sense of competitiveness this makes health and fitness a social activity as much as or even more than a fitness one. Look for activities that people can do with others... or share their experiences with others.
- » **Older age groups.** No longer just the preserve of younger people – the so-called millennials. Big areas for growth are the over 50s, and over 60s who spend £1.5 billion a year on exercise and healthy eating.
- » **Technology is arriving in health and fitness in a big way.** Health and fitness-related technology which just a few years ago would have cost thousands of pounds, is now affordable and is finding lots of applications in new inexpensive products. This chimes well with consumers' desires for easier, faster, better too.

Report 1:

The Budget Gym Boom

Over the last decade more businesses have adopted the low-cost model – airlines and the grocery business to name but two. Luxurious and expensive health clubs were a 90s and 2000s trend, but the low-cost model is arriving in the gyms business too.

Consider this: budget operator Pure Gym has become the UK's biggest budget gym operator just four years after starting with four branches.

John Treharne CEO of budget gym operator The

Gym Group, says there are currently around 350 budget gyms in the UK.

He recently told a trade magazine that his market research suggests there is room for 1,000 more.

Setting up a gym isn't the lowest capital opportunity you will find. But by following the low-cost model and keeping overheads to a minimum, it presents an opportunity to pass on the savings to customers and share in this growing market.

Pros

- » Large, proven market for gyms.
- » Unexploited opportunities, not all areas have them yet.
- » Build a regular income from memberships.
- » Possible big business potential with multiple branches.

Cons

- » High capital requirement to start.
- » Time and marketing needed to build membership.
- » Essential to build customer loyalty and retain customers to build long-term business.

Choosing the Best Location and Premises

Select busy locations where there are likely to be plenty of prospective customers. Our projections (coming up) suggest you'll need at least 160 customers to reach break-even point.

Tip: Favour areas where there are already existing, expensive health clubs. These areas will have a proven demand, and offer a chance to undercut existing operators with a good value offering.

With a budget business model, it's important to choose premises that can be rented economically. Unlike expensive health clubs, budget gyms don't use custom-built premises.

Use a local commercial property agent to help you find good value premises. Your local council's economic development office may be able to offer incubator units, or help with finding rent incentives.

Tip: Look for premises that have been vacant for some time, and where there are opportunities to 'do a deal' on the rent – and take a short-term tenancy to test your business model. Redundant shops, offices, and other commercial and industrial units can offer good opportunities.

Fitting Out Your Budget Gym

Budget gyms don't have any of the plush facilities that upmarket gyms have, such as pools and saunas, saving tens of thousands on start-up costs. But you'll still need good, basic but clean changing areas, showers and WC facilities.

Tip: Prefabricated shower/WC pod units can be an economic way to provide these facilities. These can be bought/hired and plumbed into any suitable space, such as a commercial unit. Try hire companies.

Gym Equipment... a Basic Shopping List

- » Free weights, range
- » Barbells, range
- » Dumbbells, range
- » Weight plates, range
- » Curl bars, several
- » Tricep bars, several
- » Racks to store
- » Benches, 2 or 3 each
- » Hyper extension bench
- » Preacher bench
- » Abdominal bench
- » Pec deck
- » Dipping bars
- » Chin-up bars
- » Machines
- » Leg press
- » Hack squat
- » Leg extension
- » Leg curl
- » Calf machine
- » Leg abduction
- » Lat pull down

Tip – buy from a trade supplier, not retail. Good used or refurbished equipment will help keep your budget to a minimum

Likely costs – budget for £2,500-£4,000 for a small gym, £5,000+ for a medium-sized operation.

Useful Contacts for Used and Commercial Gym Equipment

- » fitness-superstore.co.uk/special-offers
- » gymwarehouse.co.uk
- » parkwayfitness.co.uk
- » physiquesports.co.uk

Staffing Your Budget Gym

Staff costs are one of the highest for any business. Budget gyms make their business model work by keeping staff costs to an absolute minimum.

Many budget gyms are staffed at peak hours only. Access at other times is by a card entry system, with help provided over the phone. Also – explore alternatives to hiring staff full-time. Offer local personal trainers a chance to use your gym to give lessons for free, in return for supervision.

Ask any local colleges who have sports/fitness

courses if they have any students who are looking for part-time work.

You'll need at least one qualified staff member to carry out induction and supervise training for health/safety reasons. They should have a Level 3 qualification in Personal Training or Exercise & Fitness. More details at: <http://bit.ly/2aho7rX>

Pricing Strategies

Low-cost gyms generally go not have any joining fees or minimum contract period. These kinds of features make them attractive to customers joining from full service health clubs. Instead, they work on a pay-as-you-go monthly subscription basis.

Check local costs, and aim to make yours competitive. Monthly rates are typically between £10 and £15 for basic access. (This doesn't include one-to-one tuition, classes or any extras.)

How Much Could You Make From a Budget Gym?

Do bear in mind these are projections only and not guaranteed.

Projected annual running costs:

Building rent	= £6,800
Running costs, power, water, insurance	= £2,200
Marketing budget	= £2,500
Other minor expenses	= £1,500
Staff costs. 2,000/hrs x £8/hr	= £16,000
Total annual running costs	= £29,000

Projected annual income:

Assume £15 per month/£180 per year per customer.

To break even you would need: 161 customers.

To make approx. £20,000 a year profit you would need: 272 customers.

To make approx. £50,000 a year profit you would need: 439 customers.

Report 2: How to Succeed in the Exercise Class Market

Some people like to exercise alone. But many if not most people – as the popularity of gyms proves – prefer to exercise with others. As well as help with the motivational side of exercise there is also the important social side of things which makes groups or classes much more appealing.

According to market researchers Nielsen, 37% of the

millions of people who exercise regularly participate in at least one exercise class each week – so there is a huge potential market to exploit here.

Exercises classes like aerobics have been around for decades, and more recently new trends such as Zumba and spinning have become popular.

That's good because it shows an established and consistent demand; but also is a constant desire for new, exciting types of classes.

Pros

- » Proven business, lots of demand.
- » Low-cost start up – no permanent premises needed.
- » Can be relocated easily and duplicated easily. Highly scaleable – once established a successful class offer can be recreated in other locations all around your region.

Cons

- » Competition from established classes to consider.
- » Need to find suitable teachers.
- » Time and investment needed to recruit (and retain) customers.

What's Your Exercise Class Niche?

As with any business opportunity a niche strategy will work really well here. Operating in a niche – rather than offering any and all exercise classes – can help your business stand out, make it easier to find customers, encourage customer loyalty and lock out the competition.

You can choose your club niche...

... **by type of exercise**, sport, interest, etc. Here are some possibilities: For example, weight-inspired, aerobics-inspired, cycling-inspired, dance-inspired.

By type of participant. This could be male, or female, or a mixed interest. Or by age group. Older is trending but exercise for children/teenagers is growing too. Or another niche, such as pregnancy exercise, new mothers, etc.

Hot Exercise Trends

So what's upcoming in the exercise class business? Here are a few ideas our research has unearthed:

- » **Bodyweight training**. Using your own bodyweight, instead of weights.
- » **Team-based workouts**. Spinning is just one example of this.
- » **High intensity exercise**.

- » **Peripheral heart action training (PHA)**. A fat burner, muscle builder and cardio booster all at the same time.
- » **Functional fitness**. Training that is based on the physical activities of everyday life
- » **Groove**. Simple exercises to 'groove' style music.
- » **Barre based exercises** – ballet based.
- » **Stretching based exercise**.
- » **Mindful exercise classes**. Exercises combined with meditation, breathing and affirmation.
- » **Bodyart training**. Incorporating functional training, physiotherapy, dance, T'ai chi, and yoga positions.

Finding a Suitable Venue

The big advantage of running exercise classes is that you don't need a permanent venue – just rent one when you want to run your classes. Outside working hours, particularly, Monday-Thursday evenings, are the peak times for class attendance.

In most areas there are lots of places that you can rent by the hour. For example: School gyms and halls, village/town halls, church halls and community centres. Expect to pay from £10 per hour for basic room rental. Also consider: Hiring space in a commercial gym or dance studio.

This way, you could lock into their customer base too.

Essential checks. Make sure there is sufficient clear floor space for the number of participants you need to turn a profit. A PA/sound system if needed. A timber floor space is usually best for exercise.

Finding and Hiring Exercise Teachers

You'll need to hire suitable teachers to present your classes. You won't need full-time staff – look to hire part-time by the hour. Availability will of course depend on what your class is. Some subjects are easier to find teachers for than others.

A lot of exercises teachers work part-time as freelance and are often look for new classes to run.

To find them: place/check local ads, use job portals, such as Indeed.co.uk or TotalJobs.com and also contact through professional associations.

Useful Contacts:

- » Imperial Society of Teachers of Dancing istd.org
- » National Register of Personal Trainers nrpt.co.uk
- » The Register of Exercise Professionals exerciseregister.org

Your teachers should have at least a basic exercise qualification for health and safety reasons. City & Guilds Exercise & Fitness is suitable, although there are others.

How to Market Exercise Classes

Finding and signing up customers for an exercise class is an important element of this business. And, as well as finding new customers it's also important to retain customers.

Word of mouth will be very important once your classes are up and running. Satisfied customers will recommend you to others.

The most important thing to bear in mind is that classes are a local offer. You don't need to promote them to the whole country. So you can use local marketing – and good old-fashioned offline marketing methods.

- » **Set up a Facebook page** – very appropriate to local marketing. Get your friends and contacts to like it and refer others.
- » **Use a local door-to-door leaflet campaign.** Leaflet all areas within, say, 20 minutes travelling.
- » **Use a local poster campaign.** Place posters in shops, community notice boards and at the venue.
- » **Advertise in local newspapers and magazines.** Ideally, run a feature on your classes. If there's a local radio station, offer to give a talk.
- » **Contact local clubs and societies whose members might be interested.** Make a group offer, eg. a young mother's group, or a sports club. Make a group offer to large workplaces nearby.
- » **Do swap deals with other, non-competing exercises classes.** Ask them to promote your classes to their customers in return for promoting theirs to yours, once you're up and running.

Make sure all your marketing material is good quality and include pics of your classes, and testimonials from satisfied customers – offer some free classes in return for these.

Also include editorial with plenty of write-ups of the benefits of the particular exercise. Consider money-off vouchers, and design these so that they encourage people to come together – three for two and so on – people are much more likely to try an exercise class and stay if their friends and colleagues do too.

How Much to Charge For Exercise Classes

Customers may be attending several classes and doing other fitness activities. So check locally for comparably priced classes to see what the going rate is and aim to be competitive. Around £4-£8 per session depending on area and class is typical.

Sell your classes in blocks of lessons, rather than one by one. For example, 10 or so lessons in a block. Some classes align their blocks with school terms, normally six weeks.

This strategy will allow you to collect your income in advance and also mean that customers are more likely to come.

How Much Could You Make?

Here are some suggested figures, based on a class charged at £6 per session and 25 customers attending.

Projected class running costs:

Room rental per class	= £20
Teacher fees per class, say 1.5 hours	= £25
Total running costs per class	= £45

Projected income per class:

Assume typical charge per class	= £6
Total number of customers per class,	= 25
Total takings per class £6 x 25 =	= £150
Gross profit per class	= £105
Gross profit per class, term of 6 classes	= £630
Gross profit per class, per year, 6 terms	= £3,780
Gross profit classes in 10 different locations	= £37,800
Gross profit classes in 20 different locations	= £75,600

Report 3: Profiting From the Health Supplements Market

Vitamins, minerals and supplements are a well-established area in health and fitness... but one which regularly throws up new and exciting opportunities. The market is already vast... people love the idea that just 'popping a pill' can make you healthier and fitter. More importantly, the vitamins, minerals and supplements business is vast and growing fast. Already worth around \$32 billion globally it is forecast to be worth \$60 billion by 2021 – around 100% growth.

More importantly, there are two different opportunities in one here: either you can source and sell the types of supplements that are already big and

proven sellers in the market – or you can track down new supplements, and maybe hook into a new craze.

Pros

- » Low capital, home-based ‘mail order’ type opportunity.
- » High margins.
- » Build a regular business earning a residual income – products are consumed and need to be re-ordered.

Cons

- » Competitive area with established operators.
- » Marketing-driven business.

Top Selling Health Supplements

Vitamins:

- » Multivitamins
- » Vitamin A
- » Vitamin B
- » Vitamin C
- » Vitamin D
- » Vitamin E

- » 5-Hydroxytryptophan
- » Acidophilus
- » Aloe Vera
- » Apple Cider
- » Arnica
- » Charcoal
- » Chondroitin
- » Co-Enzyme Q10
- » Collagen & Silica
- » Enzymes
- » Evening Primrose Oil
- » Fibre Supplements

Minerals:

- » Calcium
- » Chromium
- » Iron
- » Magnesium
- » Selenium
- » Zinc

- » Garlic
- » Ginkgo Biloba
- » Glucommanan
- » Glucosamine
- » Grapeseed Extract
- » Horny Goat Weed
- » Lecithin
- » Omega & Fish Oils
- » Peppermint Oil
- » Raspberry Ketones
- » Saw Palmetto
- » Superfood

Specific to Bodybuilding:

- » Casein
- » Dietary Protein
- » Non-Dairy Protein
- » Whey Protein
- » Arginine

- » BCAA Amino Acids
- » Beta Alanine
- » Carnitine
- » Glutamine
- » HMB

Hot Supplement Trends

Amaranth. A supergrain. Amaranth is high in protein and contains high levels of magnesium, iron,

calcium, zinc and vitamin B.

Matcha. Antioxidant-rich, powdered green tea.

Birch water. Benefits claimed include balancing cholesterol, boosting immunity, hydration and replenishing electrolytes.

Chia seeds. Rich in alpha linolenic acid (ALA), thought to benefit heart health.

Rooibos tea. Thought to have cholesterol-lower benefits.

Seaweed and other so-called ‘sea greens’.

Ancient grains. Quinoa is a recent trend but grains that are becoming more popular include: farro, teff, kamut and spelt.

Trends researched using: *The Independent*. Eating Well blog. Healthy Food Guide.

Sourcing Health Supplements

To get started you’ll need to line up some sources of your chosen supplements at competitive prices. There are two main approaches to consider here:

Wholesale

You probably won’t get the lowest prices sourcing from wholesalers in the UK, but you will be able to source in small quantities, so it is ideal for testing the market without much commitment.

The Wholesaler UK at www.thewholesaler.co.uk is a good source of wholesalers for all kinds of products and the following are also useful wholesale contacts.

- » activesportstrade.co.uk
- » clfdistribution.com
- » htc.co.uk
- » park-acre.co.uk
- » tropicana wholesale.com
- » wholesalesupplements.co.uk
- » wholesalesupplementsuk.co.uk

You can also find UK wholesalers and importers using the ESources portal at www.esources.co.uk.

Tip: When buying from wholesalers and manufacturers always aim to negotiate on price. The list price is not always the price suppliers are willing to sell at, especially for bulk or regular orders.

Import

Since a lot of health products are made abroad anyway, it makes sense to look if you could import your supplements directly from manufacturers, wholesalers and exporters. This is likely to offer the lowest possible prices, allowing you to be very

competitive alongside other sellers.

One drawback to importing is that there might be a large minimum order quantity or MOQ. Also you will need to allow for the cost of shipping and any import taxes to find out a 'landed price', ie. what your supplements will cost you before you add on your profit margin.

You can use online trading platforms to source and order directly from overseas suppliers.

Alibaba

Alibaba is the biggest and best known online international trading platform, and is ideal for sourcing these products. It consists of two separate platforms – Alibaba for larger bulk quantities and AliExpress for smaller volume purchases. AliExpress is good for finding trending ideas too.

In addition to finding sources Alibaba provides a platform for the whole transaction to take place. This includes communicating with suppliers, quoting, ordering and payment processing as well as shipping. Alibaba also vets many of their suppliers and awards verified status to what they consider to be established and trusted sellers.

Here's a process you can follow for using Alibaba:

1. Search for suppliers of the product you are interested in sourcing.
2. Check that the product specification meets your requirements. (On Alibaba, click 'Product Details' where you will usually find comprehensive product information.)
3. Request a quotation. (On Alibaba, clicking on 'Buy Now' will usually provide a quotation with no obligation to actually place an order.)
4. Choose a shipping method and request a quotation for the cost. (If using Alibaba the supplier can provide this information.)
5. Estimate taxes and duties payable on your order, if any. These are not included in the price quoted by Alibaba.

If you are importing from another European Union (EU) country, for the foreseeable future at least, you don't usually have to pay any Customs duties on what you import.

When importing from anywhere else there will usually be duty (9% for most food supplements, but can vary) plus VAT at 20% to pay, with the exception of very small shipments.

The rate of duty varies depending on what you are importing and where from.

Here's a very useful online tool which you

can use to estimate the duty and VAT due at www.dutycalculator.com.

6. Calculate a 'landed' price. ie. the complete trade cost to you of your order. This is:

Cost of goods : _____
+ cost of shipping : _____
+ taxes and duties: _____
Landed price = : _____

Tip. When buying health supplements trade, note there is usually a significant price difference between ready-packaged products and loose, bulk products. Loose products offer a much higher profit margin.

Health, Safety and Other Laws

When sourcing these products, check with the supplier that they comply with the relevant legislation and ask for a certificate or documentation that this is the case.

The legislation relating to supplements is the EC Food Supplements Directive (Directive 2002/46/EC), implemented in the UK by the Food Supplements (England) Regulations 2003. The underpinning principles of this law are that products have to be safe for consumption and not misleadingly labelled.

It also lists the vitamins and minerals which are permitted for use in food supplements, and maximum and minimum levels for them.

You'll also need to label your packages with the contents, quantity and weight or volume. There is detailed information about product labelling requirements on the Gov.uk site here: www.gov.uk/product-labelling-the-law

Laws Concerning Health Claims

Food supplements are officially regarded as products that are intended to supplement the diet. They are not medicines and so are not treated as such by the regulations, nor can be described as such in advertising.

Although, unlike medicines, there is no requirement for supplements to be licensed, the law does not permit any food to make any claim to treat, prevent or cure any disease or medical condition.

To improve consumer protection in labelling claims, the European Union put the Nutrition and Health Claims Regulations in place.

Claims are officially assessed by EFSA and then authorised for use in the advertising, promotion and labelling of food products.

More details on the EU Register of Nutrition and

Health Claims here: <http://ec.europa.eu/nuhclaims>

Important. In many cases the actual benefits of health foods and supplements are open to debate. Lots of people buy them because they feel they are beneficial.

Of course, you'll still want to be completely honest and open with your customers about any claimed benefits for your supplements.

But – be sceptical if considering any health supplements which claim to be able to cure serious diseases, or which have 'miraculous' weight-loss properties. It may not be legal to promote them and, chances are, they don't work.

Project Idea: Rebranding

It is almost always the case that branded products sell for more than unbranded products. Consumers have a perception that branded products are better and will pay more for them in most cases.

Branded products also encourage customer loyalty – if customers like them they are likely to look for them again and again – offering you the benefits of regular, repeat business.

The health supplements business lends itself very well to this: buy generic, unbranded products in bulk, create your own brand, repack them and then sell them under your own brand.

Many wholesale suppliers can even facilitate this process by supplying so-called 'white label' health supplements, then packing them and branding them with your choice of brand.

Tip: Rather than marketing supplements as a one-size-fits-all, sellers in this market tend to target different market groups with specific formulations. For example, multivitamins aimed at men, women, the elderly or sportspeople, etc.

This kind of strategy helps give your product a clearer brand identity and makes it easier to find and sell to your market.

Tips for successful rebranding. Create a brand identity for your product. Decide what your brand values are. Create a brand name for your product. Decide what your brand image will be (eg. luxury, budget, eco, and so on). Create a brand logo, and decide on brand packaging and design that fits in with your values and image.

Case Studies and Examples

To show you some of the opportunities in health supplements, we've researched a few product ideas to illustrate, together with sources and buy-sell prices.

Whey protein

Whey protein is a food supplement popular with bodybuilders and sportspeople.

A popular high street store sells it for £22-£27 per kg. But this supplier in the Netherlands can supply it from around £5 per kg, and can also pack it and label it for customers (extra cost).

As the product originates in the EU it complies with all appropriate EU standards, and there are no Customs duties to pay – only the cost of shipping.

The same supplier also offers a wide range of other health supplements.

Multivitamins

Multivitamins are the single most popular health supplement, taken by more people than any other supplement. It's a competitive market, but there's also a lot of demand to satisfy. A major high street chemist chain sells multivitamins, under their own particular niche brand, for as much as £12.99 for 60 tablets.

A Chinese manufacturer sells multivitamins in bulk but pre-packaged in bottles or on blister cards of 60 tablets. Prices start at £2.25 per unit and fall to 75p per unit depending on quantity. As the product originates outside the EU you'll need to allow for Customs duties at 9%, VAT and delivery on top.

Garlic tablets

Garlic is a long-established health supplement. Widely regarded as safe and natural it is thought to offer a range of benefits, particularly for heart health. Tablets are a popular way of taking garlic rather than eating raw garlic, being odourless.

If you buy your garlic tablets on Amazon you would expect to pay around £7 plus shipping for bottles of 90 500mg tablets – other sellers often sell them for much more.

There are dozens and dozens of suppliers on trade site Alibaba offering opportunities to shop around and get a very keen deal. For example, supplier sells bottles of 90 1,000mg tablets for around £1.20 in relatively small quantities:

Garlic health products are particularly suitable for branding projects, as they can be ordered in a wide range of formats (tablets, capsules, powder, etc.), different colours and packaging.

Amaranth

Amaranth is a product which is trending in health supplement circles at the moment – just check out some health blogs and see!

Although a seed, it can be cooked and used as a grain. It is rich in minerals and protein and is thought to be beneficial for cholesterol levels amongst other health benefits. It is also gluten-free – gluten-free is a fast-expanding market today.

Being so new, amaranth can be tricky to find at good prices. Health food shops typically sell branded 500g packs of amaranth for £3.50 approximately and sometimes more.

An Indian supplier sells it for as little as 75p per kilogramme in bulk quantities – 37.5 p per 500g. There are also lots of suppliers in South America, and scope to source it even cheaper.

Again, you would need to allow for shipping and import duty on top to find your landed price. But there is plenty of scope to earn a high profit margin.

Report 4:

Source and Sell Health & Fitness Gadgets

Gadgets have always offered a rich source of opportunity for small entrepreneurs. They're usually relatively cheap, easy to source and sell and offer high mark-ups.

And they lock in well to people's interest in doing more, faster, in less time and getting better results (hopefully for the least effort!).

Go back a decade or two and a multifunction stopwatch would have been considered technology.

Today, inexpensive high technology has made some really sophisticated gadgets available at really low prices and opened up a huge market for them.

Pros

- » Hundreds of new products becoming available every year – could identify a new craze.
- » Huge potential market, as prices fall.
- » Strong profit margins.

Cons

- » Competitive market.
- » Gadget trends come and go – important to keep up with new opportunities.

Proven Sellers

- » Abdominal Exercisers
- » Activity Trackers
- » Balance Training Equipment

- » Ballet Barres
- » Dance Poles & Accessories
- » Exercise Balls
- » Exercise & Crash Mats
- » Fitness Monitors
- » Foam Rollers
- » Gym Flooring & Equipment Mats
- » Hand Gyroscopes & Grippers
- » Inversion Tables
- » Medicine Balls
- » Resistance Bands & Expanders
- » Running Belts & Armbands
- » Skipping Ropes
- » Steps & Blocks
- » Thigh Exercisers
- » Toning Belts & Accessories
- » Trampolines & Accessories
- » Water Bottles

How to Find New Gadgets

When starting out in this sector it's important to remember that there are already some quite sizable technology companies in the gadgets business. For example, Fitbit with their range of fitness monitors and wearable tech.

It's not a good strategy to try competing with these companies head-on. Look for cheaper, simpler, generic versions of what they sell, which you can offer to wider, cost-conscious market.

A very good gadget-related opportunity for small businesses is to look for accessories to use with premium brand gadgets.

For example, high tech gadgets needs leads, chargers, holsters and cases.

Also focus on niche products that the big companies have overlooked, or just can't be bothered with.

Important. Many health and fitness gadgets are electronic, but not all. Non-electronic, zero-tech gadgets offer just as much scope and an easier sourcing and selling opportunity.

Gadget Trends

- » Fitness tracking gadgets.
- » Fitness analysis gadgets (tracking plus recommendations).
- » Wearable tech. But not just watches – also belts, caps, yoga mats, etc.

- » Home gym machines.
- » Core trainers.
- » Swing path analysers.
- » Smart trainers, for bikes. Turns your bike into an exercise bike.
- » Smart weighing scales. Uses software and algorithms to determine body mass index (BMI) and body composition.
- » Sleep monitors.
- » Pain-control devices, for use after exercise.
- » Trampolines.
- » Balance trainers.
- » Suspension trainers. Adjustable straps attached to an anchor point used for exercise.
- » All products for cycling, tech and non tech.
- » Don't forget clothing for health and fitness activities. In 2015 we spent £4.5 billion on so-called activewear in the UK according to the consumer market research group NPD.

Trends to explore include high-end 'designer' leisure wear. Also very big is so-called 'athleisure' clothing, for sport and leisure.

Sourcing Health and Fitness Gadgets

Import

This is the number one source and works exactly the same as for health supplements, so follow the import sourcing process suggested in Report 3.

Manufacturing

An additional method you could use for simple, low tech gadgets is to have them manufactured for you, either by directly approaching a manufacturer or using a sourcing agent.

Marketing Strategies

Health gadgets are a huge market, but it's also a very competitive one. So although you can sell gadgets in much the same ways as any other product it is a good idea to use some special strategies to help make your products stand out.

- » **Branding.** As with health supplements, branded products tend to be more appealing, sell at higher prices and have higher margins. So look at how you can create your own health or fitness brand.
- » **Think longer term,** rather than aiming for just a single product sale, look at how you could create a family of products within your chosen product niche. Start with a core product at a low price

and offer more advanced, higher priced products – and accessories for it.

- » **Sell the benefits of your product, rather than just a product itself.** This applies in all marketing but is especially important here. Decide what your product's main and strongest benefits are. For example, lose weight, build muscle, tone and define, run faster, feel better, live longer. Promote those in your marketing.
- » **Create valuable health and fitness resources.** Don't just make your website a product site, make it a complete fitness/healthy lifestyle site. Offer information and tips on using the product, and relevant health and fitness information to make it a resource worth visiting in its own right.
- » **eBay and Amazon selling.** Both have huge markets for health and fitness gadgets but they are competitive – and lowest pricing is not always a very good way to compete. Use other strategies instead. Ideas: Select products that have additional features to competing products at no extra cost. Offer bundles, with several products packaged together at a good price.
- » **Use endorsements.** Give some free products to sports club members, gym owners, exercise class owners and bloggers. Maybe even approach a celebrity at some stage – even a 'Z list' one! Ask for testimonials – best of all, ones that showed they used your product and achieved the promised results – which you can use in marketing.
- » **Target your market with partnerships.** As well as conventional methods of selling, look at methods that get your product right in front of potential customers. Get your product sold in exercise classes – arrange with owners to demonstrate the product in class. Diet classes and small gyms – offer a promotional deal.

Case Studies and Examples

To show you some of the opportunities in the gadgets business, we've researched a few product ideas to illustrate, together with sources and buy-sell prices.

Smart Bike Trainer

Smart bike trainers allow the user to cycle 'on the spot'. Their appeal so far has been mainly to serious cyclists. But they also have scope to appeal to a much wider market – those who enjoy cycling for fitness, to turn their road or even mountain bike into an exercise bike or spinning-style machine.

Some high-end smart trainers are very sophisticated,

and sell for up to £1,000. Currently, you would expect to pay about £120 for a basic one – a popular high street motoring/cycling store has basic models around this price.

One foreign manufacturer offers a basic model from just £24.60, which could appeal to a wider market of people looking for low cost fitness. Even after adding duties and shipping costs you could undercut the high street seller and still make a good margin.

Note also that this is an unbranded product and would respond well to branding. The supplier even suggests that they can supply it in customised packaging on request.

Phone Armband

Here's a really simple, non-technical gadget opportunity.

Many people don't like to be without their phone for too long. Added to which many smartphones can be used as health and fitness monitors. An armband allows you to wear your phone comfortably while running or doing other exercise.

For example, an official Apple Incase armband will cost £30. Sellers on eBay are selling phone armbands for in the region of £1.99 to £3.99 each.

This kind of product could have lots of other possibilities too, perhaps by using branding, customising and supplying retailers.

There are lots of suppliers on Alibaba who supply neoprene armbands to fit an iPhone for as little as 15p per item, excluding shipping and duties.

It may be a bargain-basement product and the Apple one is probably much better – but if well marketed could sell by the hundreds of thousands.

Fitness Tracking Watch

Fitness tracking watches are one of the products of the year. A high-end model, such as a Fitbit, could easily cost you £160-£200. It's pretty much impossible, as with most high-end premium branded products, to turn a good profit by buying them wholesale and reselling as the brand owners carefully control their distribution.

So take a look at the market for cheap, budget virtually disposable fitness tracking watches. Of course, these aren't as highly priced or as sophisticated as Fitbit but the market is growing and could, potentially be much larger.

There are lots of suppliers on Alibaba where you can buy iOS and Android fitness tracking watches cheaply.

If you buy these in small quantities, such as 10, to test the market you should expect to pay about £5 per unit. But there are suppliers offering to sell in large quantities for as little as 70p each!

A batch of 10 would cost approx. £15 in shipping with a duty of 9% and VAT of 20% on top. (The VAT can be reclaimed if you are VAT registered.) Total cost per unit $\text{£}5 \times 10 + \text{£}15 + 9\% + 20\%$ divided by 10 = £8.38 per unit.

One option for selling these would be on eBay. Currently the likely selling price for a basic fitness tracking watch there is £14.95.

So, even in small quantities you could return a profit of around £6 (after allowing for eBay costs) per watch.

By buying in larger quantities you could make much, much more. Also, eBay tends to be very price competitive. By setting up your own online shop, as part of a really good health and fitness website, you would probably be able to sell for more.