

# Gym Sports business case description

“Gym Sports” is a 30-year company owned by an investor with an objective of increasing the profitability of this asset, at a constant business perimeter.

Its yearly revenue is 57 million €.

Sport Gym manages 123 fitness centers across the country. Each fitness center is a place where gym goers can exercise with machines, group activities and other equipment.

There are three types of customers: members with a year-long subscription (350€ / year), members on a monthly plan (41€ / month), and visitors for the day (15€ / day).

Gym Sports’s revenues make it a sustainable business in the short to middle term, **but several factors threaten its profitability:**

- **Low level of customer loyalty.** Customers visit their Gym Sports club because it is close but they would easily switch to a fitness center with lower prices and a convenient location.

- **Lack of brand attachment.** Surveys show that customers and prospects do not perceive Gym Sports as a unique, specific brand. They tend to associate it with any other fitness club, including competitors with lower prices.

- **Lack of scalability** within each fitness center due to

- 1) cost structure: personalized coaching by certified experts is limited by HR costs,

- 2) difficulty with capacity management: fitness machines and group activities are alternatively overcrowded or not used at all.

# Canvas #1

## Strategic objectives of Gym Sports

Designed by: **Mark Spencer, VP Marketing Gym Sports**

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"In 5 years time, we must be the leader of *premium fitness centers in France*

"By providing .....*personalized fitness services*..... to *clients seeking a qualitative, exclusive service*.

Which translates into these 3 strategic objectives:

#1 *Transform our offer so that customers can get a truly personalized experience*

#2 *Adapt our offer so that the premium experience can be achieved at a lower cost of delivery*

#3 *Structure the offer to address small scale, high return demand segments*



Or, in your own words:

*Premium customers for fitness expect a personalized service. Fitness centers cater for this need by offering dedicated coaches which come at a high costs of delivery and low level of precision.*

*Gym Sports can become the leader of premium fitness centers by developing an offer and a brand identity centered on truly personalized services, enabled by data tracking and analysis.*