

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