## 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

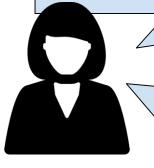
"By providing ..... personalized fitness services...... to clients seeking a qualitative, exclusive service.

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.