

## **Chapter I**

### **INTRODUCTION**

Virtual reality technology has advanced and developed so much in recent years that it is now widely used in all aspects of real life, not just in the film, medical, or military industries. Instead, it is becoming more and more visible to the public and is starting to affect the everyday lives of people. The two most important aspects of the virtual reality experience are the way in which data is presented in the virtual environment and the technique by which humans interact with computers. Virtual reality (VR) is a new kind of technology that started in the 1990s. It is all about using computers and related sciences to create immersive experiences.

Recently, VR has shown promise in helping people with mild cognitive impairment (MCI) through therapy. But to make VR therapy better, it needs to be more appealing and useful for older adults facing cognitive challenges. With many countries seeing their populations getting older, it's really important to find ways to help older people live independently and stay healthy. In VR, there are games and activities that mimic real-life tasks, like buying tickets or shopping. These can be great for training and improving cognitive skills. VR also let proponents create lifelike situations where can

control what people see and hear, making it a useful tool for exercises that improve movement and spatial awareness. It is also good for learning together and working as a team, which makes it inclusive for everyone.

VR is not just for cognitive training; it's also a solution for exercise therapy. It can help manage pain, make movements easier, and strengthen muscles. While traditional weight loss programs might work for some time, people often struggle to keep the weight off. VR offers a new way to help people build lasting habits for weight control. By practicing healthy behaviors in VR regularly, people might find it easier to stick to these habits in real life.

The proponents will look into what people in Calapan City like to do for fitness and who want a workout. The proponents will also check out what other fitness places are already in the city. The main goal of this feasibility study is to see if opening a Virtual Reality Fitness Center in Calapan City could work and be good for the community. During the study, the proponents will help everyone understand what is going on. The proponents will look at things like what people want, if the idea makes sense, and how to make it happen. By doing this, the proponents hope to show whether a Virtual Reality Fitness Center could be a great addition to Calapan City.

## **Chapter II MARKET STUDY**

### **2.1 Name and Description of the Service**

The Virtual Reality Fitness Center is a revolutionary concept in the realm of physical fitness, blending the immersive power of virtual reality (VR) technology with traditional workout routines. Through state-of-the-art VR headsets and motion tracking equipment, users are transported to captivating virtual environments where they can engage in a wide range of exercise activities. From running through scenic landscapes to participating in virtual group fitness classes, the Virtual Reality Fitness Center offers an unparalleled fusion of entertainment and exercise.

### **2.2 Uses of the Service**

The Virtual Reality Fitness Center serves as a versatile platform for individuals to pursue their fitness goals in an engaging and dynamic manner. Users can select from an extensive library of workout programs tailored to their preferences and fitness levels. Whether it's high-intensity interval training, mind-body exercises like yoga and Pilates, or adrenaline-pumping cardio sessions, the Virtual Reality Fitness Center provides an immersive

environment for diverse fitness pursuits.

### **2.3 User of the Service**

The target demographic for the Virtual Reality Fitness Center encompasses a broad spectrum of individuals seeking innovative fitness solutions. From tech-savvy millennials to busy professionals and fitness enthusiasts of all ages, the Virtual Reality Fitness Center caters to those looking for an alternative to traditional gym settings. Additionally, tourists visiting Calapan City can also enjoy the unique experience offered by the Virtual Reality Fitness Center as part of their travel itinerary.

### **2.4 Demand & Supply Analysis**

Market research indicates a growing demand for interactive and engaging fitness experiences that leverage technology to enhance motivation and adherence to exercise regimens. While traditional gyms and fitness centers in Calapan City fulfill the basic need for physical activity, there exists a gap in the market for immersive workout solutions like the Virtual Reality Fitness Center. By offering a novel approach to fitness, the Virtual Reality Fitness Center has the potential to capture a significant share

of the market and establish itself as a leader in the industry.

## **2.5 Marketing Program**

The marketing program for the Virtual Reality Fitness Center includes several key strategies to attract and engage customers. Distributing flyers and hosting free fitness activities during the opening and pre-opening phases helps create thrill and attract residents to the center. Also establishing a strong online presence through a website and social media platforms allows for showcasing services and promotions. Partnering with local businesses and gyms enables joint promotions and expands outreach within the community. Offering free trials and implementing a referral program incentivizes new sign-ups and encourages referrals. Special promotions and targeted advertising campaigns further drive customer acquisition. Maintaining regular communication through email marketing ensures ongoing engagement and retention. These strategies work together to effectively promote the Virtual Reality Fitness Center and drive growth.

### **2.5.1 Target Market**

The primary target market for the Virtual Reality Fitness Center consists of young professionals, fitness enthusiasts, and individuals with a keen interest in technology aged between 18 and 45. This demographic segment is characterized by a willingness to embrace new experiences and a desire for innovative fitness solutions that align with their lifestyle.

### **2.5.1 Channel Distribution**

To reach the target market effectively, the Virtual Reality Fitness Center will utilize a multi-channel distribution strategy. This includes establishing a physical presence through the fitness center facility, forming strategic partnerships with local gyms and wellness centers, and leveraging online platforms for reservations and bookings.

### **2.5.2 Marketing Strategies/Promotion**

Marketing initiatives will focus on raising awareness and generating buzz around the Virtual Reality Fitness Center through targeted social media campaigns, influencer partnerships, and participation in local events.

and community activities. Special promotions, free trial sessions, and referral programs will be implemented to incentivize customer acquisition and foster brand loyalty.

## **2.6 Competition**

While traditional gyms and fitness centers represent direct competitors, the Virtual Reality Fitness Center differentiates itself by offering a unique and immersive workout experience that cannot be replicated in conventional settings. By leveraging cutting-edge VR technology and curated workout programs, the Virtual Reality Fitness Center positions itself as a leader in the emerging market of virtual reality fitness.

## **2.7 Pricing**

The pricing strategy for the Virtual Reality Fitness Center will be designed to provide value to customers while ensuring profitability for the business. Various membership tiers and package options will be offered to accommodate different budgets and usage preferences. Pricing will be competitive within the local market, reflecting the premium experience and benefits of virtual reality fitness.

**Table 1. Prices**





	₱ 2,000 Pesos/1 month
	₱ 4,000 Pesos/3 months
	₱ 6,500 Pesos/6months
	₱ 9,500 Pesos/1 Year

Table 1 shows the images of services that will be offered and its prices. The prices will be per month it means the customers need a membership monthly or 3 months, 6 months and 1year membership.



## 2.8 Service

**Table 2. Service**

<b>Description</b>	<b>Requirements</b>
Inquire about membership options and pricing.	
Select desired membership package.	Decision on package selection
Complete membership application form.	Personal information, contact details
Submit necessary identification documents.	Photo ID, proof of address
Pay memberships fees.	Credit/debit card, cash, or online payment
Receive membership card or confirmation.	Membership card, confirmation email

Table 2. showed the steps and requirements outline the process for customers to register their membership at the virtual reality Fitness Center.

## **Chapter III**

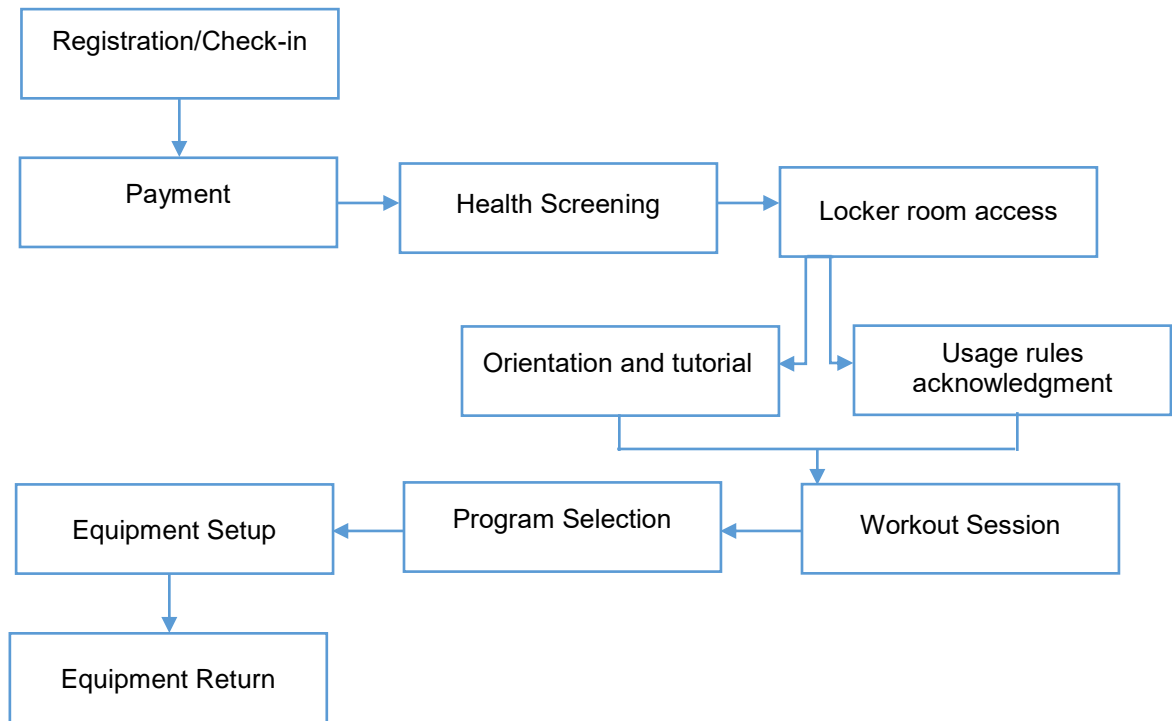
### **TECHNICAL STUDY**

#### **3.1 The Service**

The service provided by the virtual reality fitness center in Calapan City is thoroughly justified by its innovative approach and commitment to enhancing the fitness experience. Unlike conventional gyms, this facility introduces cutting-edge virtual reality technology into its workouts, creating an immersive and engaging environment for clients. By offering high-quality virtual reality equipment, the center elevates exercise routines, providing a unique blend of cognitive and physical stimulation. This integration of technology and fitness not only makes workouts more enjoyable but also fosters a deeper level of engagement, encouraging clients to push further.

The center's dedication to helping clients achieve peak fitness is evident in its emphasis on molding bodies into optimal condition through this novel approach. The virtual reality fitness center in Calapan City stands out by offering a transformative fitness journey that transcends the limitations of traditional gym settings, making it a compelling choice for individuals seeking a truly innovative and effective workout experience.

### 3.2 The Workout Process



**Figure 1. Workout Process**

Figure 1 illustrates the structured workout process at the Virtual Reality Fitness Center. It begins with registration and check-in, followed by payment and a health screening. Members then gain access to locker rooms and acknowledge usage rules before receiving an orientation and tutorial. Then proceed to select their program and have equipment set up for their workout session. Finally, after completing their session, must return the equipment. This efficient process ensures members have a continuous and efficient experience during their visit to the center.

### **3.3 The Time and Motion Study**

#### **OBJECTIVES**

The Virtual reality fitness center in Calapan City aims to provide engaging exercise programs that prioritize cardiovascular health, calorie burn, and full-body involvement. The center focuses on being advanced, unique, inclusive, personalized, and customized to offer a distinctive and captivating exercise experience that complements personal preferences.

The objective is to encourage a holistic approach to health by emphasizing instructional content, accessibility, and ongoing engagement through virtual reality. One of the primary benefits of virtual reality fitness is the ability to transport players to various locations and circumstances while wearing a VR. This feature enables players to engage in physical activities like jogging, yoga, or cycling in virtual landscapes ranging from tranquil natural settings to futuristic virtual arenas, which can help stay motivated and focused on their exercise objectives. Through creative technological integration, the center aims to achieve its goal of providing a distinctive and engaging exercise experience.

## METHODOLOGY

- **Market Research:** Conduct market research to understand the demand for VR fitness centers. Identify the target audience and assess the competition.
- **Location and facility:** Choose a suitable location. Consider factors like accessibility, parking, and proximity to potential customers. Design the facility layout to accommodate VR equipment and create a workout environment.
- **Equipment Selection:** Research and invest in high-quality VR equipment suitable for fitness applications. This includes VR headsets, motion sensors, and gym equipment to complement the virtual reality experience, such as cardio machines, weightlifting equipment, and yoga props.
- **Fitness program and Content:** Partner with fitness pro to deliver a variety of virtual fitness routines, including cardio, strength training, and yoga, catering to various fitness levels with engaging content.
- **Technology Integration:** Set up the essential technical infrastructure to support VR experiences. This includes establishing a strong internet

proper ventilation for users as well as in the equipment, integrating VR software and apps, and assuring compatibility with the selected VR gear.

## **PROCEDURE**

- **Staff Training:** Train the staff, including fitness instructors and customer service representatives, on how to assist clients with VR equipment, troubleshoot issues, and provide guidance on virtual workouts.
- **Membership and Booking:** Implement a membership and online booking platform for the customer registration process and manage schedules.
- **User testing:** Testing VR fitness programs and equipment to guarantee a smooth and pleasurable user experience. Before going live, resolve any technical difficulties or malfunctions.
- **Pre-Launch Marketing:** Create a marketing strategy to build anticipation for the grand opening of the VR Fitness Center. Use social media, email campaigns, and local advertising to create awareness of the unique features and immersive experience offered through VR workouts.
- **Grand Opening:** Generate excitement and community involvement with a grand opening event. Offer Limited-Time Discounts, Free Trials,

interactive Demonstrations etc.

- **Feedback Collection:** Collect feedback from attendees during the grand opening to make immediate improvements and ensure a positive experience. Encourage sharing experiences on social media for additional information in the service.
- **Continuous Improvement:** Evaluate the effectiveness regularly, gather feedback from members, clients and staff for innovation, and stay updated with advancements in VR technology and fitness program services.

## **RESULT**

- The comprehensive staff training program successfully equipped fitness instructors and customer service representatives with the necessary skills to assist clients with VR equipment. Training covered troubleshooting techniques and guidance on virtual workouts. Staff members demonstrated proficiency in their roles, ensuring smooth interactions with clients.

- The implementation of a membership and online booking platform efficient the customer registration process and effectively managed schedules. Clients reported ease of access and convenience in booking their virtual workout sessions, contributing to high customer satisfaction.
- Rigorous user testing of VR fitness programs and equipment ensured a continuous and satisfying user experience. Any technical difficulties or malfunctions will identify and promptly addressed before the official launch, guaranteeing optimal functionality of the VR equipment.
- Through targeted social media campaigns, email outreach, and local advertising efforts, awareness of the unique features and immersive experience offered by VR workouts was effectively generated.
- The grand opening event generated excitement and community involvement through various engaging activities such as Limited-Time Discounts, Free Trials, and interactive Demonstrations. Attendees expressed enthusiasm for the innovative concept and actively participated in the event, contributing to a successful launch.
- Feedback collected from attendees during the grand opening event was invaluable in making immediate improvements and ensuring a positive experience for clients. Attendees shared their experiences on social



media platforms, further amplifying awareness of the VR Fitness Center and its offerings.

- Regular evaluation of effectiveness, along with feedback from members, clients, and staff, facilitated ongoing innovation and improvement. The VR Fitness Center remained proactive in staying updated with advancements in VR technology and fitness program services, ensuring continued satisfaction among clients and fostering long-term success.

### 3.4 Process Schedule

**Table 3. Process Schedule**

<b>Installation Process</b>	<b>Time Required (minutes/hours/days)</b>
Initial Consultant	45 minutes
Site Assessment	3 days
Service Selection	7 days
Installation Planning	5 days
Deployment	7 days
Testing and Optimization	2 days
Training	2 hours
<b>Post-Installation Support</b>	<b>ongoing</b>

### 3.5 Hardware Components

**Table 4. Hardware Component**

<b>Hardware and Components</b>	<b>Description</b>	<b>Cost per Unit</b>	<b>Quantity</b>	<b>Estimated Cost</b>
VR Headsets/Glasses	Immersive devices for virtual reality workouts.	₱ 5,000	10	₱ 50,000
VR Treadmills	Specialized equipment for interactive exercise experiences.	5,000	10	50,000
VR TVs/Monitors	Large screens displaying virtual reality content.	4,000	10	40,000
VR Gloves/Controllers	Handheld devices for virtual interaction.	3,000	10	30,000
Motion Sensors	Track users' movements for enhanced interaction.	3,000	10	30,000
Heart Rate Monitors	Devices providing real-time feedback on intensity levels.	2,000	10	20,000
Audio Systems	Deliver immersive soundscapes and music.	1,000	3	3,000
Biometric Sensors	Measure various physical data for insights during workouts.	2,000	2	4,000
Gym equipment's	Tools for exercise and strength training, like treadmills, weights, and bikes.	5,000	15	75,000
<b>Total</b>				<b>₱ 302,000</b>

This table provides an overview of the hardware and components used in the Virtual Reality Fitness Center. It lists each item along with its corresponding quantity. This information helps to identify the inventory and equipment necessary for setting up the center and ensuring a continuous virtual reality fitness experience for users.

### 3.6 Location



**Figure 2. Fitness Center Location**

The Virtual Reality Fitness Center is strategically located on 346 Strong Republic Nautical Hwy, Calapan City, Oriental Mindoro. This location was carefully chosen by the proponents due to its exceptional convenience and accessibility for potential clients'. Tawiran Street serves as a central access road in Calapan City, providing easy access from various parts of the city. Its proximity to major residential areas, commercial establishments, and educational institutions makes it an ideal location for attracting a diverse client. The wide space available at this location offers ample room for the establishment of the Virtual Reality Fitness Center, allowing for the installation of state-of-the-art VR equipment and accommodating a comfortable workout environment for patrons.

### 3.7 Utilities

**Table 5. Monthly Utilities Cost**

<b>Utilities</b>	<b>Estimated Monthly Cost</b>
Electricity	₱ 4,500
Internet Connection	2,300
Water	1,000
Office Supplies	10,000
<b>Total</b>	<b>₱ 17,800</b>

### 3.8 Labor Requirements

The Virtual Reality Fitness Center needs a good team to run smoothly and make sure customers have a great experience. Fitness instructors lead the workouts, making sure everyone does exercises correctly and stays motivated. Customer service reps help with questions, signing up for memberships, and booking appointments. Tech support fixes any problems with the virtual reality equipment to keep workouts going smoothly. Administrative staff handle scheduling and money matters. The marketing team promotes the center to attract new customers. Cleaning staff keep the place tidy and safe. Everyone works together to make sure the Virtual Reality Fitness Center is top-notch, giving customers a fun and satisfying fitness experience.

## **Chapter IV MANAGEMENT ASPECTS**

In this chapter, a major focus on when starting a business is management. This includes basic things like who owns the company, how it's structured, how many people you need to hire, how much you'll pay, and how long it'll take to get everything set up.

### **4.1 Basic Consideration in Forming the Organization**

Before officially launching the Virtual Reality Fitness Center in Calapan City, Oriental Mindoro, the proponents need to carefully consider the following essential factors:

#### **Location**

The Virtual Reality Fitness Center is located on J.P. Rizal Street in Calapan City, Oriental Mindoro. It's chosen because it's easy for people to get to, being on a main street in the city. It's close to homes, shops, and schools, making it great for attracting many different people. There's plenty of room for top-quality VR gear and a comfortable place to exercise.

## **Target Customer**

The Virtual Reality Fitness Center wants to welcome all sorts of people. That means gym teachers who want to try new workouts, bodybuilders seeking different ways to train, folks doing yoga to shed pounds, and even younger people who need permission from their parents to join. With a mix of workouts and activities, the center wants to help everyone reach their fitness goals. And making sure younger members have their parents' OK shows the center cares about safety for everyone.

## **Capital**

To establish the Virtual Reality Fitness Center in Calapan City, Oriental Mindoro, the required capital ranges from ₱3,000,000 to ₱4,500,000. This amount encompasses various startup expenses, including the procurement of initial staff, securing office space, acquiring permits and licenses, purchasing VR equipment and inventory, conducting market research, and implementing marketing strategies to attract clients. Importantly, with the advantage of owning its own properties, the center eliminates the need for rental costs, by reducing financial overhead. This capital allocation also initial operational expenses, ensuring the center's

seamless functionality and its ability to cater to customer needs effectively.

## **Hiring People**

Hiring people for the Virtual Reality Fitness Center is crucial for its success. Securing an EIN (Employer Identification Number) is the first step for legal compliance. After defining roles like fitness instructors, customer service staff, maintenance personnel, and administrative support, conducting interviews helps find the right fit. Building a capable team ensures the center runs smoothly and provides excellent service to customers, ultimately contributing to its success.

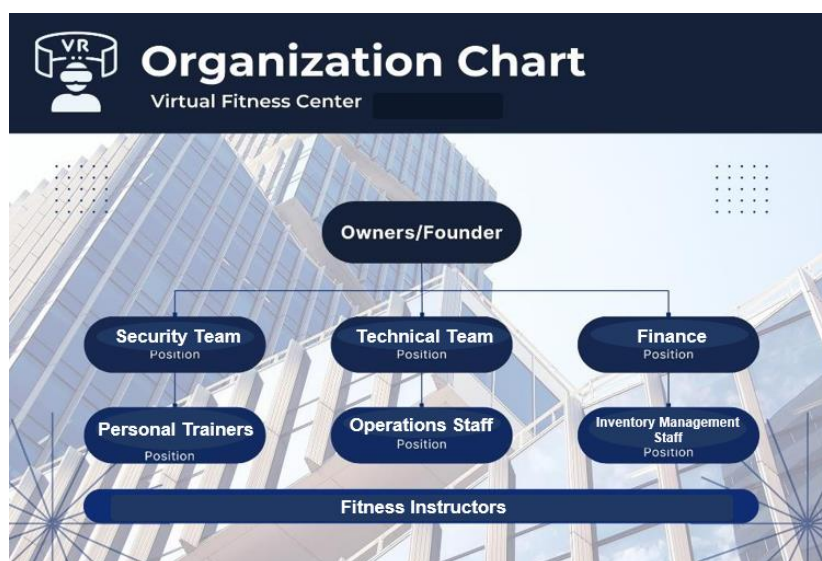
## **4.2 Business Ownership Structures**

Virtual Reality Fitness Center offers different ways for the business to be owned. The option to run it alone is available, providing complete control but also taking on all the risks. A partnership can be formed, sharing both the work and the rewards. Creating a Limited Liability Company (LLC) is another option, offering some protection from debts while still allowing decision-making. For maximum protection, setting up a corporation is possible, though it comes with more rules. A cooperative is also an option, where everyone involved has a say in how things are done. The best

ownership method should be chosen based on the desired needs and goals for the Virtual Reality Fitness Center.

### 4.3 Organizational Structure

This organizational chart illustrates the hierarchical structure of the Virtual Reality Fitness Center's service business.



**Figure 3. Organizational Chart**



#### 4.4 Job Description and Qualifications

**Table 6. Employee Distribution**

<b>Position</b>	<b>Number of Employees</b>
Owners/Founders	2
Technical Team	2
Security Team	2
Finance	3
Personal Trainers	8
Operations Staff	5
Inventory Management Staff	2
Fitness Instructors	8
<b>Total Number of Employees</b>	<b>32</b>

##### 1. Owners/Founder

Responsibilities: Manage and improve services based on feedback, oversee finances, set business goals.

Qualifications for Positions: Must be responsible, disciplined, and easily reachable with good communication skills.

##### 2. Technical Team

Responsibilities: Maintain VR equipment, troubleshoot issues, ensure smooth operations.

Qualifications for Positions: Technical expertise, problem-solving abilities, familiarity with VR technology. Previous experience in technical support roles is desirable, but training will be provided.

### **3. Security Team**

Responsibilities: Manage inventory, coordinate shipments, ensure timely delivery.

Qualifications for Positions: Organized, detail-oriented, with prior experience in logistics preferred. Strong communication skills and ability to work under pressure are essential, but training will be provided.

### **4. Finance**

Responsibilities: Sell memberships, assist customers, achieve sales targets.

Qualifications for Positions: Sales experience, persuasive communication skills, customer-focused mindset. Experience in sales roles and knowledge of fitness industry trends are advantageous, but training will be provided.

### **5. Personal Trainers**

Responsibilities: Create tailored fitness plans, monitor progress, and ensure safety.

Qualifications for Positions: Need certification, relevant experience, a background in exercise science, and proficiency with VR technology. Strong communication and customer service skills, along with CPR and First Aid

certification, are essential. Passion for fitness and VR technology is a must.

## **6. Inventory Management Staff**

Responsibilities: Monitor inventory levels, order supplies, maintain stock records.

Qualifications for Positions: Organizational skills, attention to detail, familiarity with inventory management systems. Previous experience in inventory management or supply chain operations is preferred, but training will be provided.

## **7. Fitness Instructors**

Responsibilities: Ensure safety and stay updated on VR fitness trends.

Qualifications for Positions: Instructors need certification, experience, knowledge of exercise science, and proficiency with VR technology. Strong communication, customer service skills, CPR and First Aid certification, and a passion for fitness and VR are essential.

## 4.5 Compensation

The compensation package for employees at Virtual Reality Fitness extends beyond just basic wages or salary. In addition to their regular pay, employees can expect to receive a 13th-month pay, which is an additional month's worth of salary given at the end of the year as a form of bonus. Furthermore, incentives are provided to recognize and reward exemplary performance and dedication. For instance, employees who complete all their scheduled working days without being late are eligible for special incentives. These incentives serve as motivators for employees to maintain high attendance and punctuality while contributing positively to the success of Virtual Reality Fitness.

**Table:7 Project Schedule**

The service hours of operation will be 9:00 a.m. to 8:00 p.m.

<b>Position</b>	<b>Work Start Time</b>	<b>Work End Time</b>
Owners/Founders	9:00 AM	8:00 PM
Sales and Customer Team	9:00 AM	8:00 PM
Technical Team	9:00 AM	8:00 PM
Logistics Team	9:00 AM	8:00 PM
Sales Staff	9:00 AM	8:00 PM
Network and System Engineers	9:00 AM	8:00 PM
Inventory Management Staff	9:00 AM	6:00 PM
<b>Total Number of Working Schedule</b>	<b>12 Hours</b>	

## Chapter V FINANCIAL ASPECTS

In this chapter, the final aspects of the study are covered. It outlines the project's cost, expected cash flow statement, and various financial measures, such as return on sales, return on assets, return on partner's equity and payback duration. It is necessary for the proponents to prepare and project the financial statement for duration of three years

### 5.1 Project Cost

**Table 8: Salary & Building Cost**

<b>SALARY &amp; BUILDING COST</b>	
Manpower expenses for constructing the building/site over a (6) six-month period.	
<b>Category</b>	<b>Cost</b>
Labor Wages (12 people)	₱ 670,000
Construction Materials	3,000,000
Properties (Land)	5,000,000
Permits/Licenses	25,000
Utilities	106,800
Miscellaneous	20,000
<b>Total</b>	<b>₱ 8,821,800</b>

**Table 9: Equipment Cost**

<b>EQUIPMENT COST</b>				
Estimated Price in each Equipment				
<b>Quantity</b>	<b>Unit</b>	<b>Equipment</b>	<b>Unit Cost</b>	<b>Total</b>
20	Pcs.	VR Headsets/Glasses	₱ 5,000	₱ 100,000
20	Pcs.	VR Treadmills	5,000	100,000
20	Pcs.	VR TVs/Monitors	4,000	80,000
20	Pcs.	VR Gloves/Controllers	3,000	60,000
20	Pcs.	Motion Sensors	3,000	60,000
20	Pcs.	Heart Rate Monitors	2,000	40,000
20	Pcs.	Audio Systems	1,000	20,000
20	Pcs.	Biometric Sensors	2,000	40,000
1	Set	Gym Equipment	2,000,000	2,000,000
		Miscellaneous		10,000
<b>Total</b>				<b>₱2,510,000</b>

The total project cost for the VR Fitness Center Gym is ₱11,331,800. These costs are estimates and may vary based on actual circumstances.

## 5.2 Basic Financial Statement

The basic financial statement outlines the estimated total project cost of ₱11,331,800 for establishing the VR Fitness Center Gym in Calapan City, Oriental Mindoro. This projection is the result of a meticulous assessment encompassing various anticipated expenses such as labor wages, material procurement, property acquisition, permits, utilities, and miscellaneous costs. Labor wages, calculated for a team of 12 individuals over six months, are estimated at ₱670,000, while the cost of materials for constructing the

facility is expected to amount to ₱3,000,000. Property acquisition, encompassing a 500 square meter area, is projected at ₱5,000,000. Annual permits and licenses are forecasted at ₱25,000, with monthly utilities estimated at ₱106,800, and additional miscellaneous expenses set at ₱20,000. Financial projections serve as a foundational framework for the project, albeit subject to potential variations based on specific conditions encountered during implementation. Ensuring the project's financial viability and strategic soundness.

### 5.2.1 Projected Cash Flow Statement

For the year ended January 1, 2025 - January 1, 2027

**Table 10: Projected Cash Flow Statement**

<b>Year 2025 - 2027</b>			
Cash Inflows			
<b>Category</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
Membership Fees	₱ 250,000	₱ 300,000	₱ 340,000
Pay-per-use Fees	300,000	390,000	300,000
Service Transaction Fees	200,000	280,680	370,840
<b>Total Cash Inflows</b>	<b>₱ 750,000</b>	<b>₱ 970,680</b>	<b>₱ 1,010,840</b>
<b>Year 2025 - 2027</b>			
Cash Outflows			
<b>Category</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
Utilities	₱ 150,000	₱ 155,000	₱ 160,000
Staff Salaries	162,400	162,400	162,400
Maintenance	30,000	30,000	30,000
Insurance	20,000	20,000	20,000
<b>Total Cash Outflows</b>	<b>₱ 362,400</b>	<b>₱ 367,400</b>	<b>₱ 372,400</b>

Net Cash Flow	
Category	Amount
Total Cash Inflows	₱ 2,731,520
Total Cash Outflows	1,102,200
<b>Cash Balance At The End Of The Period</b>	<b>₱ 1,629,320</b>

Table 11: Income Statement

	Year 1	Year 2	Year 3
<b>Revenues</b>			
Membership Fees	₱ 250,000	₱ 300,000	₱ 340,000
Pay-per-use Fees	300,000	390,000	300,000
Service Transaction Fees	200,000	280,680	370,840
<b>Total Revenues</b>	<b>₱ 750,000</b>	<b>₱ 970,680</b>	<b>₱ 1,010,840</b>
<b>Operating Expenses</b>			
Utilities	₱ 150,000	₱ 155,000	₱ 160,000
Staff Salaries	162,400	162,400	162,400
Maintenance	30,000	30,000	30,000
Insurance	20,000	20,000	20,000
<b>Total Operating Expenses</b>	<b>₱ 362,400</b>	<b>₱ 367,400</b>	<b>₱ 372,400</b>
<b>Operating Income</b>	<b>₱ 387,600</b>	<b>₱ 603,280</b>	<b>₱ 638,440</b>
<b>Other Expenses</b>			
Tax Expense (15%)	₱ 58,140	₱ 90,492	₱ 95,766
<b>Total Other Expenses</b>	<b>₱ 58,140</b>	<b>₱ 90,492</b>	<b>₱ 95,766</b>
<b>Net Income</b>	<b>₱ 329,460</b>	<b>₱ 512,788</b>	<b>₱ 542,674</b>



### 5.2.2 Projected Balance Sheet

For the year ended January 1, 2025 - January 1, 2027

**Table 12: Balance Sheet**

	Year 1	Year 2	Year 3
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash on Hand	₱ 1,629,320	₱ 2,990,896	₱ 3,390,000
Cash in Bank	1,000,000	1,000,000	1,000,000
Electronic Cash	1,000,000	1,000,000	1,000,000
Accounts Receivable	20,000	20,000	20,000
Office Supplies	5,000	10,000	15,000
<b>Total Current Assets</b>	<b>₱ 3,654,320</b>	<b>₱ 5,020,896</b>	<b>₱ 5,425,000</b>
<b>Non-Current Assets</b>			
Office Equipment	₱ 100,000	₱ 100,000	₱ 100,000
Safety and Security Equipment	50,000	50,000	50,000
Gym Equipment	2,510,000	2,510,000	2,510,000
Repair Tools	20,000	20,000	20,000
Furniture and Fixtures	50,000	50,000	50,000
Building	3,000,000	3,000,000	3,000,000
Land	5,000,000	5,000,000	5,000,000
Service Vehicle	500,00	500,00	500,00
<b>Total non-current</b>	<b>₱ 11,230,000</b>	<b>₱ 11,230,000</b>	<b>₱ 11,230,000</b>
<b>Total Assets</b>	<b>₱ 14,884,320</b>	<b>₱ 16,250,896</b>	<b>₱ 16,655,000</b>

	Year 1	Year 2	Year 3
<b>LIABILITIES AND SHARES CAPITAL</b>			
<b>Current Liabilities</b>			
Accounts Payable	₱ 162,000	₱ 186,000	₱ 216,000
Tax Payable (15%)	15,000	20,000	25,000
<b>Total Current Liabilities</b>	<b>₱ 187,000</b>	<b>₱ 226,000</b>	<b>₱ 276,000</b>
<b>Long-Term Liabilities</b>			
Mortgage Payable	₱ 4,000,000	₱ 4,000,000	₱ 4,000,000
<b>Total Long-Term Liabilities</b>	<b>₱ 4,000,000</b>	<b>₱ 4,000,000</b>	<b>₱ 4,000,000</b>
<b>Total Liabilities</b>	<b>₱ 4,177,000</b>	<b>₱ 4,206,000</b>	<b>₱ 4,241,000</b>
<b>Shareholder's Equity</b>			
Share Capital	₱ 8,000,000	₱ 8,000,000	₱ 8,000,000
Retained Earnings	687,320	2,024,896	2,394,000
Net Income	329,460	512,788	542,674
Less: Drawing	(250,000)	(250,000)	(250,000)
<b>Total Shareholder's Equity</b>	<b>₱ 8,766,780</b>	<b>₱ 9,880,568</b>	<b>₱ 10,373,242</b>
<b>Total Liabilities and Shares Capital</b>	<b>₱ 12,859,320</b>	<b>₱ 14,220,896</b>	<b>₱ 14,620,000</b>

### 5.3 Financial Statement Analysis

The financial statement analysis for the VR Fitness Center in Calapan City, Oriental Mindoro, reveals a promising outlook for the business. The total project cost is estimated at ₱11,331,800, covering initial expenses such as labor wages, material procurement, property acquisition, permits, utilities, and miscellaneous costs. These investments are crucial for establishing the

center and ensuring its operational readiness. For the year ending January 1, 2027, the projected cash inflows amount to ₱2,075,000, derived from membership fees, pay-per-use sessions, and service transactions. The calculated cash outflows, totaling ₱650,800, include expenditures for equipment, utilities, staff salaries, maintenance, and insurance. After accounting for these expenses, the net income is projected to be ₱1,424,200.

This substantial net income indicates strong financial health and a high return on investment. The Return on Sales (ROS) calculation further underscores this profitability, with the ROS being approximately 68.64%. This percentage signifies that the VR Fitness Center is not only covering its costs but also generating significant profit relative to its sales revenue.

### **5.3.1 Rate of Return on Sales**

The Rate of Return on Service for the VR Fitness Center is approximately 68.64%. This means that for every peso generated in revenue, the center retains about 68.64% centavos as profit. This high rate

of return indicates efficient management and a highly profitable service model.

**Net Income: ₱ 1,424,200**

Total Revenue (Cash Inflows): **₱ 2,075,000**

**The formula for the Rate of Return on Service is:**

$$\text{Rate of Return on Service} = \left( \frac{\text{Total Revenue}}{\text{Net Income}} \right) \times 100$$

**Substituting the given values:**

$$\text{Rate of Return on Service} = \left( \frac{\text{₱ 1,424,200}}{\text{₱ 2,075,000}} \right) \times 100$$

$$\text{Rate of Return on Service} \approx 0.6864 \times 100$$

$$\text{Rate of Return on Service} \approx 68.64\%$$

### **5.3.2 Rate of Return on Assets**

For the VR Fitness Center in Calapan City, the ROA is computed by dividing the net income of ₱1,629,320 by the total assets of ₱4,959,216, and then multiplying the result by 100 to convert it into a percentage. The resulting ROA is approximately 471.42%. This high percentage signifies that the VR Fitness Center is exceptionally efficient in using its assets to produce substantial profit, reflecting strong asset management and financial performance.

**Net Profit (Net Income): ₱ 1,424,200**

**Total Assets: ₱ 14,635,000**

**Formula for ROA:**

$$\text{ROA} = \left( \frac{\text{Net Profit}}{\text{Total Assets}} \right) \times 100\%$$

**Substituting the Values:**

$$\text{ROA} = \left( \frac{\text{₱ 1,424,200}}{\text{₱ 14,635,000}} \right) \times 100\%$$

**Calculation:**

$$\text{ROA} = \left( \frac{\text{₱ 1,424,200}}{\text{₱ 14,635,000}} \right) \times 100\%$$

$$\text{ROA} \approx 0.0973 \times 100\%$$

$$\text{ROA} \approx 9.73\%$$

### 5.3.4 Payback Period

**Table 13: Payback Period**

Year	Investment	Cash Flow	Cumulative Cash Flow	Payback Period(Years)
1	₱ 11,331,800	₱ 750,000	₱ 750,000	0.48
2	11,331,800	970,680	1,720,680	0.38
3	11,331,800	1,010,840	2,731,520	0.37

The payback period table illustrates the cumulative cash flow over the first three years of the VR Fitness Center's operations. In the first year, the cash flow is ₱750,000. By the end of the second year, an additional cash flow of ₱970,680 is added, bringing the cumulative cash flow to ₱1,720,680. In the third year, another cash flow of ₱1,010,840 is added, resulting in a cumulative cash flow of ₱2,731,520.

The cumulative cash flow helps determine the payback period by showing how long it takes for the initial investment of ₱11,331,800 to be recovered. Based on this table, the initial investment is not fully recovered by the end of the third year. The cumulative cash flow by the end of Year 3 is ₱2,731,520, which is still less than the initial investment. Therefore, the payback period extends beyond three years, indicating that the VR Fitness Center will take more than three years to recover the initial investment, making it a longer-term investment.

## **Chapter VI**

### **SOCIO-ECONOMIC ASPECTS**

#### **6.1 Social Benefits**

Virtual Reality (VR) Fitness Center in Calapan City, Oriental Mindoro, brings many social benefits. VR training helps people understand different perspectives, promoting empathy and kindness. It offers full-body workouts that are fun and engaging, making it easier for everyone to stay active and healthy. This technology is inclusive, welcoming people of all fitness levels and providing a safe space for beginners. It also helps build social connections through group activities, allowing people to make new friends and support each other. The immersive experience provides a fun escape from daily problems. A VR Fitness Center in Calapan City can create a healthier, happier, and more connected community.

#### **6.2 Economic Benefits**

Virtual Reality (VR) Fitness Center in Calapan City, Oriental Mindoro, can bring significant economic benefits to the community. VR technology can improve decision-making, risk management, and predictions in the financial sector, attracting more investors and businesses to the area. This

increased investment can boost local economic growth and development. The VR Fitness Center can enhance productivity by offering efficient and effective workouts, leading to healthier employees who take fewer sick days and are more energetic at work. Enhanced product quality is another advantage, as the engaging VR workout experiences can attract more members, leading to higher customer satisfaction, increased membership renewals, and positive word-of-mouth, all of which boost revenue.

VR can reduce costs for both the fitness center and its members. The center can save on physical equipment and space, while members save on travel and other gym-related expenses. The establishment of a VR Fitness Center can also create jobs for trainers, VR technicians, and support staff, contributing to local employment and economic stability. The presence of a state-of-the-art VR fitness center can attract tourists seeking unique fitness experiences, bringing additional revenue to the city. Increased foot traffic to the VR fitness center can benefit nearby businesses, such as cafes, shops, and other services, by drawing more customers. Implementing a Virtual Reality Fitness Center in Calapan City can boost productivity, enhance product quality, reduce costs, create jobs, attract tourists, and support local businesses, all contributing to a stronger local economy.



## **Chapter VII CONCLUSION**

After a comprehensive analysis of the feasibility of opening a Virtual Reality Fitness Center, it is evident that the project is both viable and greatly needed. This study demonstrates that the Virtual Reality Fitness Center aligns perfectly with the growing demand for innovative fitness solutions that integrate technology and exercise. It presents a modern, engaging, and effective alternative to traditional fitness methods, appealing to a wide range of individuals seeking unique and immersive workout experiences. While initial capital investment may pose a challenge, the proponents have identified potential sources of funding, including partnerships and loans, to support the venture. The Virtual Reality Fitness Center's use of VR technology is set to revolutionize the local fitness industry and offers significant potential for success.

Despite the financial challenges, this study concludes that the Virtual Reality Fitness Center is a promising and worthwhile venture for Calapan City, Oriental Mindoro. It has the potential to enhance community health, promote technological advancement, and stimulate the local economy. The Virtual Reality Fitness Center is committed to continuously improving its

service offerings. This includes developing personalized workout plans tailored to individual fitness goals, conducting regular health assessments with certified trainers, and providing ongoing support to members throughout their fitness journey.

The benefits of the Virtual Reality Fitness Center for the community and the economy are substantial. By offering an engaging and affordable way to exercise, the center can encourage individuals from all backgrounds to prioritize their health, potentially reducing health issues and improving the overall quality of life in Calapan City. The flexible and innovative approach of the Virtual Reality Fitness Center ensures that everyone can set and achieve their fitness objectives. Beyond health benefits, the center will create employment opportunities, generate revenue for local businesses, and contribute to the economic growth of the area. In conclusion, the Virtual Reality Fitness Center is not just a business opportunity; it represents a chance to make a meaningful impact on Calapan City and Oriental Mindoro, fostering a healthier, happier community where everyone can thrive.

## **Chapter VIII RECOMMENDATION**

Thorough the feasibility study, the implementation of a Virtual Reality (VR) Fitness Center in Calapan City, Oriental Mindoro, is highly recommended. This innovative approach to fitness promises many benefits for the local community and economy. The VR Fitness Center should offer a variety of immersive workout experiences that cater to different fitness levels and interests, including cardio, strength training, yoga, and dance classes, all within a captivating virtual environment. Employing skilled trainers and VR technicians who can provide expert guidance and ensure a smooth, engaging user experience is crucial. These staff members should be trained not only in fitness but also in handling VR technology to assist members effectively.

Equipping the center with the latest VR technology and high-quality fitness equipment is essential to ensure safety, effectiveness, and enjoyment. Regular updates and maintenance of equipment are necessary to provide a seamless experience. To maximize accessibility, the VR Fitness Center should offer memberships and services at affordable prices without compromising on quality. Providing flexible membership plans and trial

sessions can help attract and retain a wide range of members, promoting inclusivity and encouraging more people to maintain an active lifestyle. Engaging with the local community through events, workshops, and promotions is vital to raise awareness about the benefits of VR fitness. Effective marketing strategies, including social media campaigns and partnerships with local businesses, can help attract a diverse clientele. Implementing a system for regular feedback from members to continuously improve services is also recommended. Listening to members' needs and preferences can help tailor the offerings and enhance customer satisfaction.

Ensuring strict adherence to health and safety protocols is essential. Regular sanitization of equipment, proper ventilation, and guidelines for safe VR usage are crucial to protect members and staff. Forming partnerships with local businesses such as health food stores, sportswear shops, and wellness centers can create a supportive network. This can include cross-promotions, discounts for members, and collaborative events, benefiting both the center and the local economy. Offering educational programs on health, fitness, and the benefits of VR technology can help members make informed decisions about their fitness routines and overall wellness. Workshops and seminars can provide valuable knowledge and support.

Implementing sustainable practices within the center, such as energy-efficient equipment, recycling programs, and promoting a green environment, can appeal to environmentally conscious members and contribute to the city's sustainability goals.

By following these recommendations, the VR Fitness Center in Calapan City can become an asset, boosting the local economy, creating jobs, attracting tourists, and promoting a healthier, more active community. The combination of innovative technology and high-quality services at affordable prices will ensure the center's success and long-term sustainability, making it a cornerstone of fitness and wellness in Calapan City.