



Aspen Fitness Studio

Executive summary

01. Purpose

Purpose of this project

The purpose of this Analysis is to identify and access the monthly revenue performance, memberships trends and churns to overview Aspen Fitness Studio during 2024 to inform the decision to open a second studio in Flagstaff.

02. Introduction

Introduction to this project

Opening a second studio is a major decision for Aspen Fitness Studio and needs careful consideration of demand, systematic process and market position. Flagstaff revenue and memberships are sensitive because of the effect of seasonal variations, NAU students members and local weather conditions, all of which are quite important factors and affect studio attendance and revenue. Opening a second studio at the wrong time would lead to risk of excessive cost and operation challenges. Therefore, it is important to understand monthly revenue, churns and other factors to make sure that a second studio will be opened under fair conditions of known demand.

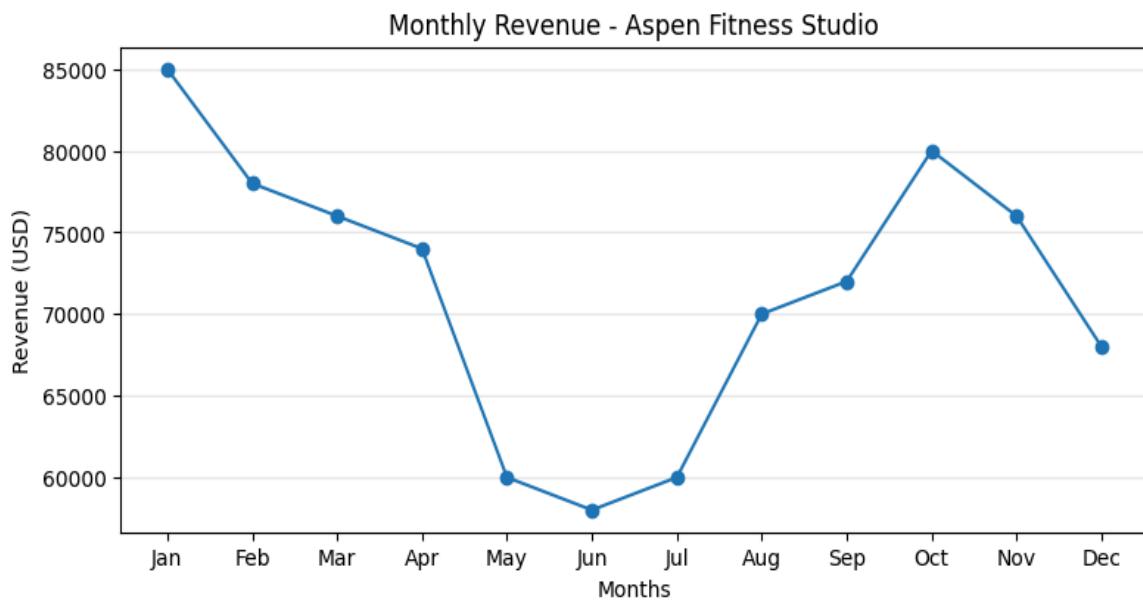
03. Key Insights

The Analysis of 2024 projection shows average monthly revenue of about \$71,417 per month and the highest amount of revenue was in January and October i.e. \$80,000 and the lowest month was June with \$58,000 (highlighted Red in the below table). In the analysis of month over month growth(MoM), we can see that in the below table , there were noticeable declines in February -8.24%, May -18.92%(Highest) and December -10.53%, these are most probably seasonal declines because of summer slowdowns, winter holidays and lack of student activity.

Month	Revenue	MoM_%	Churned
Feb	78000	-8.24	55
Mar	76000	-2.56	60
Apr	74000	-2.63	65
May	60000	-18.92	70
Jun	58000	-3.33	55

Nov	76000	-5	60
Dec	68000	-10.53	80

Membership trends closely match with revenue. As per the analysis, Active members were the highest in count in the month of January when the spring semester started it fell to 500 in the month of June during the summer months. Churn went over 70 members in May and 80 members in December, which clearly lined up with revenue decline. This data shows how retention programs are important during these times.



There are a couple of other factors like NAU academic calendar and local weather that cause these fluctuations. New member sign ups were the highest in the month of January with 120 counts and August with 90 new sign ups. It shows the reason and effectiveness of seasonal marketing and arrival of students. Competitors promotion and seasonal offers make huge impact and play vital role in changes of membership, it shows the need for smart marketing, creating offers and retention strategies during slower months to retain existing members.

04. Recommendations

For taking an advantage and generate revenue of peak months and lower risk while off peak month times, there are few strategies suggested:

Starting Retention Programs: Start loyalty rewards programs, referral incentives to existing members, discount for couple Or more than 1 sign up and seasonal promotions before predicted churn periods/months, specifically in May and December. Individual member interaction and engagement can help reduce churn, member loss and retention and stabilize revenue

Improved Marketing & Program Scheduling: To increase the member sign ups focus on marketing efforts during the high peak months like January, August and October when new members sign ups are high. Start offering off season like online classes, short term packages, Or outdoor sessions for the weather like the summers to keep your members engaged for new things.

Second location assessment check: Open a second location only after reaching atleast 3 consecutive months of strong revenue more than \$71000, controlled or managed churn and sufficient staff. Regular monitoring of revenue, spends and utilization and member feedbacks make sure the readiness, confidence and ongoing demand.

05. Conclusion

By taking steps like retention program, marketing improvement and efforts and program Or packages offering with seasonal trends, Aspen Fitness Studio can confidently plan for second location for next spring. By following these recommendations, it should lower the churn rate, stabilize monthly revenue and increase membership growth. Make sure where the second location opens, there has to be proven demand and operational readiness. This data driven approach will definitely reduce the financial risks, maximize the use of studio and give confidence and strengthens Aspen Fitness Studio's competitive advantage in flagstaff