



Aspen Fitness Studio

Executive summary

01. Purpose

Purpose of this project

The purpose of this Analysis is to identify and assess the monthly revenue performance, memberships trends/growth in customers, churns and retention of members to overview Aspen Fitness Studio during 2024. Specifically, this analysis is to identify how marketing spends, free trials, academic seasons, weather and competition affected overall performance. The main purpose is to provide a brief recommendation based on facts to make the decision to open a second studio in Flagstaff.

02. Introduction

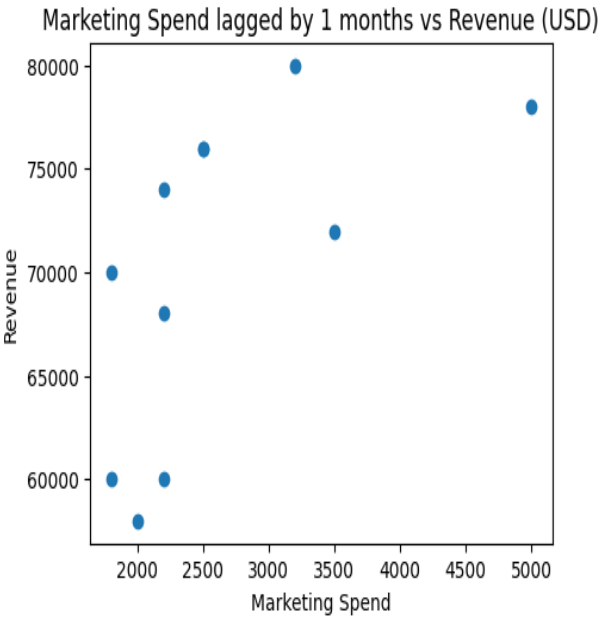
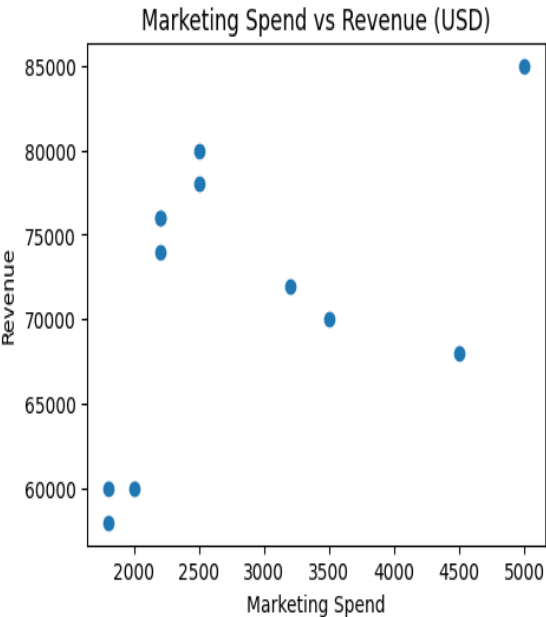
Introduction to this project

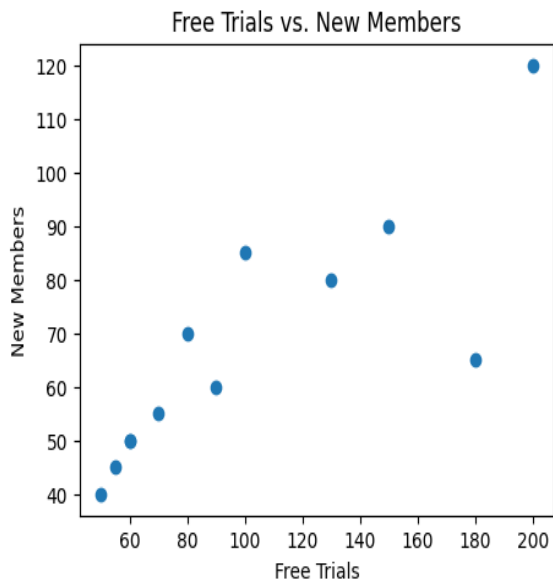
Aspen Fitness Studio is operating in a competitive market where retaining current customers and attracting new customers directly impacts on profits. As

per the records, Aspen Fitness studio generated an average revenue per month of \$71,417, with around 500 to 620 active members in the year of 2024. However, changes in member counts, churn rate and class rating highlighted the importance to manage marketing timings, seasonality and customer satisfaction. There is a need to see such changes, not only to ensure the revenue growth but also to be ready for scaling up operations without impacting the quality of service and brand image.

03. Key Insights

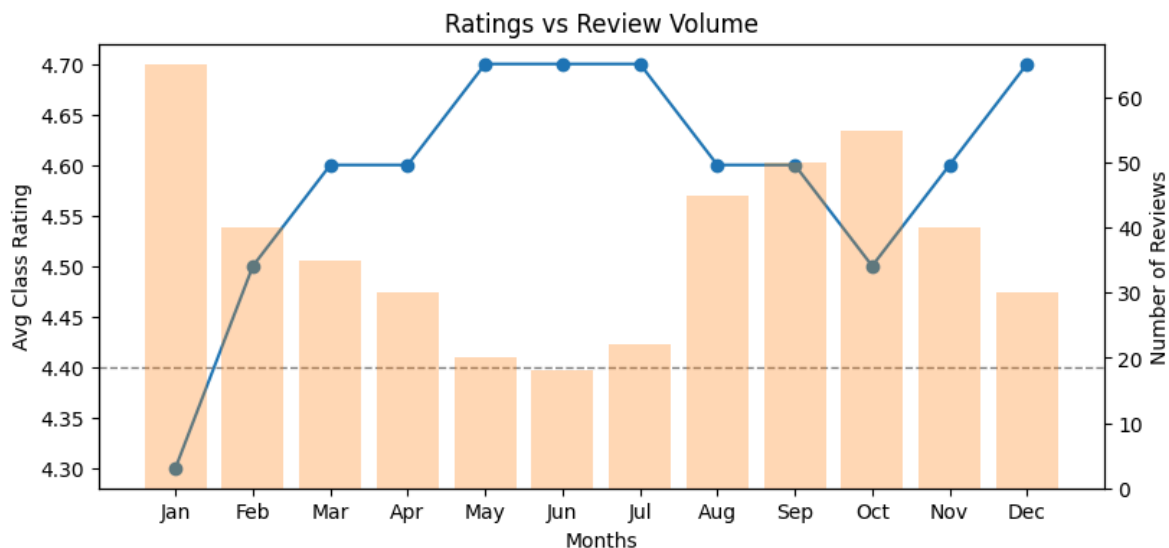
First, we can strongly predict the revenue growth on the basis of marketing spends. A month to month direct correlation of 0.46 shows a positive correlation between marketing spend and sales. However, when marketing spend shifted with 1 month lag, then the correlation increased to 0.60. This correlation shows that marketing Or advertising campaigns usually take about a month lag before they result into measurable revenue which means campaign/marketing timing is very crucial as it has to be started in August for September sales and memberships.





Secondly, among all the factors, Free trials Claims were most strongly correlated to new members i.e. 0.83, it shows that FreeTrial programs are the most effective strategy to attracts new new members on board. For example, In January, when Trials reached almost 200, we saw the highest number of new signups i.e. 120. This pattern repeated throughout the year, shows people who took and tried Trials, are likely to convert into members. Therefore, Free Trials are acting as both marketing and sales strategies.

Overall class rating for 2024, averaged 4.4 out of 5 which showed top level customer satisfaction level, however, in peak months like January, the rating was 4.3 with 65 reviews, the quality of feedback might be low because of overcrowded classes or lack of staff.



External factors like NAU in session, snow days and competitors also had an impact on business performance. When NAU was in session, we have seen new member signups and increase in revenue, with a 0.40 positive correlation between NAU in session and revenue. Also, Snow days were related to revenue as well with a correlation of 0.53.

One of the major competitive shifts in revenue arrived in May 2024, when the area experienced a new fitness competitor. Before May, monthly average revenue was \$78, 250, but after that it dropped to \$68,000, with 13% decline in revenue shows how competitors

easily effect your revenue or sales unless retention strategies put in place by special deals and packages.

04. Recommendations

For taking an advantage of the delayed impact of marketing, advertising and campaigns must be scheduled one month prior to the peak months like January, September and October. In addition, deferring part of the marketing budget to digital and referral can improve coverage cheaper, specifically for summers.

With the correlation of 0.83 with new memberships and Free Trials, Free trials needs to be promoted across the year and then with aggressive conversion follow ups like email reminders, welcome discounts or bring a friend offers. Trial to paid membership conversion tracking will enable these programs to maximize the revenue.

To avoid satisfaction dips during peak months, Aspen Studio can add seasonal instructors and add class hours. Maintaining over 4.5 high rating during heavily crowded months will keep brand reputation intact and encourage retention.

Performance before may suggests that impact of competitor on revenue is crucial. Aspen studio should come up with loyalty programs, seasonal or special discounts that provide differentiation. Targeted marketing to existing customers can maintain revenue without extra marketing cost.

Also, if we can get more or past years data of Aspen studio, we can come up with more effective recommendations and decisions.

05. Conclusion

Aspen Fitness Studio's 2024 data can clearly shows that the customer experience and ratings, marketing strategies and seasonal timings are keys for business performance. The direct and moderate correlation between marketing and revenue with 1 month lag shows the need to plan in advance. Also, Free Trials campaigns are the most effective source of new customer and sign ups, while maintaining quality service during peak season is important for maintaining customer satisfaction level and ratings.

As per our criteria for last 3 months rating and revenue, they've maintained average rating above 4.5 and average revenue above \$70,000. If Aspen follow and implement these suggestions Or recommendations, it can expect more stable and profitable revenue cycle, increased conversion rate through marketing investments and improved and strategic competitive positioning. These steps would help te get in a position to be consistent in revenue growth year over year and also prepare the studio for opening a second location by late 2025.