INSIGHTS

**Added Additional Metrics and Rows**

Teacher Cost: Fixed at $50 per session.

Per Session Cost: Fixed at $30 for other studio costs.

Variable Cost per Session: $50 + $30 = $80

**Fixed Monthly Costs Allocation**:

* Monthly costs: Rent = $2,000 + Operations = $1,500 = $3,500 per month.
* Weekly sessions: 24 (4 sessions/day \* 6 days/week).
* Monthly sessions: 24×4=9624×4=96 sessions.
* Fixed cost per session: 350096≈$36.46≈$36963500​≈$36.46≈$36 (rounded for simplicity).

**Profit per Session**: Calculated as Revenue per session - Total cost per session.

**ROI per Session**: Calculated as Profit per session / Total cost per session.

1. **Fixed Cost per Session:** Allocation of monthly fixed costs per session, calculated as the total monthly fixed costs ($3,500) divided by the number of sessions per month (96), resulting in approximately $36 per session.
2. **Profit per Session**: Calculated as Revenue−Total Cost per Session Revenue−Total Cost per Session
3. **ROI per Session**: Calculated as Profit per Session Total Cost per Session×100Total Cost per Session Profit per Session×100

**CASE STUDY REPORT**

**Introduction:**

This case study focuses on a small yoga studio that offers sessions six days a week, charging a flat rate of $15 per session. The goal is to improve the studio's return on investment (ROI) by identifying high-profit sessions and proposing alternatives for low-ROI sessions.

Key Insights

1. **High ROI Sessions**

* Saturday noon records highest ROI of 225%
* Saturday Morning records second highest ROI 200%

1. **Low ROI Sessions**

Saturday Evening records Lowest ROI at -33%.

**Profitability Analysis**

**Morning and Noon Sessions** Generally show higher profitability due to higher attendance and revenue. These sessions consistently generate significant profits, with Saturday Noon being the most profitable.

**Afternoon and Evening Sessions**: Some afternoon sessions, particularly on weekdays and Saturday evenings, are unprofitable. These sessions have lower attendance and revenue, leading to negative ROI.

**Now let’s talk about the ROOT Cause for LOW ROI Sessions**

1. Low attendance
2. Inconvenient Time slots
3. Competition with other activities
4. Session Quality
5. Lack of awareness

**Detailed analysis of Root causes**

* **Morning and Noon Sessions**: High attendance indicates that participants prefer these times, possibly due to better alignment with their daily routines.
* **Afternoon and Evening Sessions**: Lower attendance suggests a misalignment with participant schedules and preferences. Afternoon Sessions may also conflict with work hours, school schedules, or other mid-day commitments, leading to lower attendance whereas Evening sessions are generally more convenient but they should make note of specific evenings (e.g., Saturday) that may conflict with the customers social plans.
* **Instructor Influence:** The popularity of sessions can heavily depend on the instructor's reputation, teaching style, and ability to engage participants. Less popular instructors may lead to lower attendance and ROI.
* **Insufficient Promotion**: Low-ROI sessions may not be effectively marketed. Participants may be unaware of these sessions or their unique benefits.
* **Participant Feedback:** Lack of regular feedback mechanisms might prevent the studio from addressing participant needs and preferences effectively.
* **Performance marketing**: The Studio should get involved more in performance marketing in order to reach more people and create brand awareness and brand value.

Recommendations to address LOW ROI

1. **Adjust Scheduling**:
   * **Revaluate Timing**: Consider rescheduling or reducing the number of low-attendance afternoon and evening sessions. Experiment with different time slots based on participant feedback.
2. **Enhance Marketing Efforts**:
   * **Targeted Promotions**: Develop marketing campaigns specifically for low-ROI sessions. Highlight unique aspects or benefits to attract more participants. Offer discounts, loyalty programs, or referral bonuses for these sessions to boost attendance.
3. **Improve Session Experience**:
   * **Instructor Training**: Invest in training to ensure all instructors can deliver high-quality, engaging sessions.
   * **Variety of sessions**: Introduce new types of yoga or themed sessions to make less popular time slots more attractive.
4. **Gather Participant Feedback**:
   * **Surveys and Feedback Forms**: Regularly collect feedback to understand participant preferences and improve session offerings. Conduct focus groups to gain deeper insights into why certain sessions are less popular and how to improve them.
5. **Optimize Costs**:
   * **Cost Management**: Explore ways to reduce fixed and variable costs for low-attendance sessions without compromising quality. Each session as a fixed cost of $116 regardless of attendance. Low attendance directly impacts profitability as these costs are not offset by participant fees.
   * **Dynamic Pricing**: Consider a variable pricing model where less popular sessions are priced lower to attract more participants. Managing teacher and other session-related costs is crucial, especially for sessions with lower attendance.

**Conclusions**

**These insights and recommendations will help the yoga studio optimize its schedule, manage costs, and improve overall profitability. Regularly updating and analysing data will ensure continuous improvement and adaptation to participant preferences and market conditions.**