

IB BUSINESS MANAGEMENT SL

YellowBelly

Text Yellow Belly

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YellowBelly is a small business that recently opened in Dublin, Ireland. The owners, Martha and Iain, noticed a lack of competition in the market for gyms offering classes and personal training, and when they opened, the membership filled up fast. As competitive athletes with large social media followings, their reputation helped attract many customers quickly. Monthly membership was priced slightly higher than local competitors, but class sizes were smaller. Martha and Iain thought this was part of their USP (unique selling point).

They opened the business as a partnership and agreed to share profits and decision-making equally. Marta and Iain do everything, from running the classes to creating the marketing and branding for YB and the finances.

Both Martha and Iain think it’s time for YB to grow. Martha thinks they should expand their gym into the building next door. She feels that this will give them more space for new equipment so they could take on more members. Iain is not too sure about this. They are already working many hours, and finding a new coach would be challenging. Class sizes would be bigger without a new coach, and Iain worries this could damage their reputation. In addition, Iain reminds Martha that due to COVID-19, government legislation is constantly being changed, introducing limits on class sizes. This option would also require a lot of new equipment, which must be imported from the USA. Iain worries about the falling exchange rate between the Euro and the USD and how the upcoming presidential election might impact import legislation.

Iain feels another option for YellowBelly would be acquiring a small, healthy fast-food restaurant called Sprout. Sprout’s unique selling point (USP) is serving healthy fast food, including extensive vegan and vegetarian options. Iain believes he could make some minor amendments to the menu to add full ingredient lists and macronutrient information (carbs, fats and protein), which he feels would appeal to his gym customers. No other restaurants offer this kind of service in Dublin, so he feels combining the two businesses would be a great opportunity. Iain feels this option would also appeal to the growing numbers of people looking for healthy snack options while tracking their nutrient intake, not just gym members.

Marta and Iain are unsure how to proceed but agree it is time to expand their business. Iain plans to research both options and is learning to do decision trees to help them make the right choice.



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