



Fitness Club

Comprehensive
fitness partner
inside your own
Walmart app.



Presented by:
Team Walmart

2024

Project team and agenda



Jyothsna Rani Gajula: Introduction, Business plan & Competitive Matrix



Nandini Kolli: Project Chatter and Gantt Chat



Priya Chandana Chandragiri: Assumption and budget



Abhinaya Sree Dasa: Risk and FMEA



Bijay Karki: Marketing, data analysis & conclusion

Walmart Fitness Club Overview

- Digital fitness platform inside the Walmart app and website.
- Personalized workout plans, live & recorded fitness sessions, and expert nutritional guidance.
- **\$8.99** per month
- No separate application download required.
- Anyone can signup by downloading Walmart app.



Business Plan

Revenue Generation:

- Subscription-based model with a monthly fee of **\$8.99** per user.
- Initial investment of **\$100-125** millions
- Payoff Period: Initial investment expected to be paid off after **3** years.



Competitive Matrix

Aspect	Walmart Fitness Club	Apple Fitness+	Peloton	Fitbit Premium
Live Workouts	Yes	Yes	Yes	No
Recorded Workouts	Yes	Yes	Yes	Yes
Price and Accessibility	\$8.99/ month	\$9.99/month	\$12.50/ Month	\$9.99/month
Requirement of Exclusive Equipment	No	No	Yes	Yes
Diet Plans	Yes	No	No	Yes
Device Compatibility	Wide range ➡️	Apple Devices	Peloton equipment	Fitbit Devices
Variety of Workouts	Extensive	Extensive	Extensive	Limited
Brand Recognition	High ➡️	High	High	Medium
Workout for Pregnant women	Available	Available	Available	Available

Project Charter



In Scope:

Development of Walmart Fitness Club
Content Development
Data analytics and Insights



Out of Scope:

Physical gym facilities
Personalized medical facilities
Psychotherapy or counseling

Gantt Chart

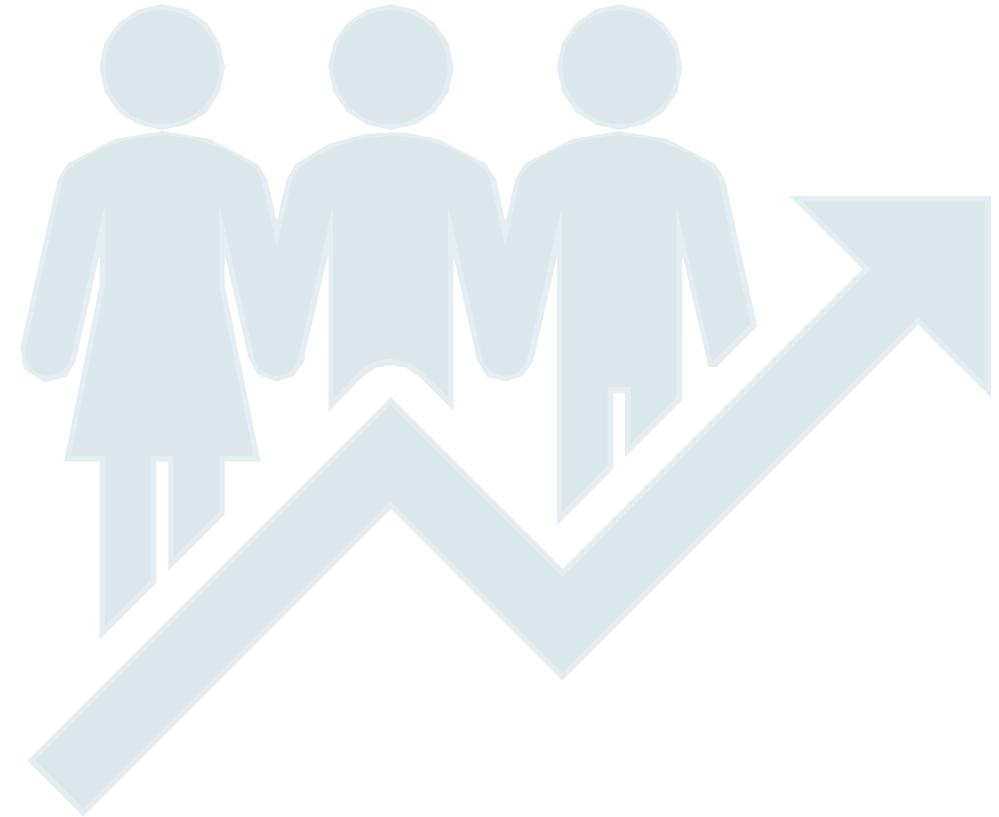


Task/Deliverable/Milestone	Start Date	End Date
Step 1: Strategic Mission & Vision	Feb 25,2024	Mar 30,2024
Step 2: Market & Competitive Analysis	Apr 1, 2024	Apr 31, 2024
Step 3: Customer Benefit Package	May 1, 2024	May 30, 2024
Step 4: Service Process Design	Jun 1, 2024	Dec 30, 2024
Step 4A: Service Design & Development	Jan 01, 2025	Jun 30, 2025
Step 4B: Service Encounter Design	Jul 01, 2025	Nov 30 , 2025
Step 5: Market Introduction & Deployment	Dec 1, 2025	Jan 1, 2026
Step 6: Marketplace Evaluation	Jan 1, 2026	Mar 3, 2025

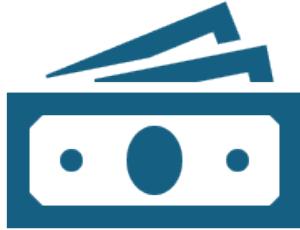


Assumptions

- **0.5%** of weekly Walmart visitors will sing up.
- Customer retention rate of **70%** from **0.5%** signup
- Subscription Fee Stability at **\$8.99** per month.
- Gross profit of **20%**
- Stable economic situation in the country



Project Budget



Monthly subscription fee of \$8.99 per user.

% Share of content creators: **50%**



Total initial investment: Approx. \$ 122 Million

Research and development: **\$30** millions

Development in Walmart app: **\$25** millions

Content development: **\$40** millions

Marketing and promotion: **\$20** millions

Technology infrastructure: **\$5** millions

Contingency: **\$0.4** millions

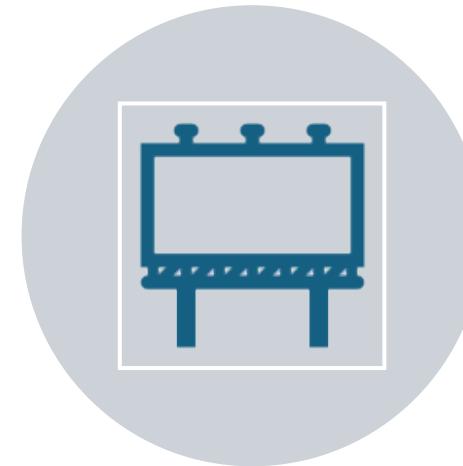
Other expenses: **\$2** millions



Low user adoption risk

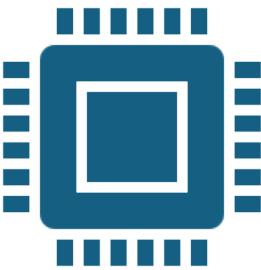


CAUSE: INEFFECTIVE MARKETING STRATEGIES LED TO LACK OF USER ENGAGEMENT

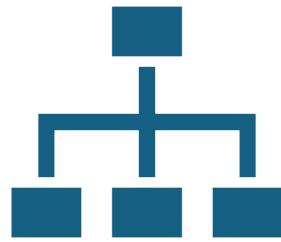


MITIGATE: ENHANCE MARKETING STRATEGIES AND PROMOTIONAL EFFORTS TO INCREASE USER ADOPTION.

Scalability risk:



Inability to handle increased user demand due to insufficient infrastructure or resources.



Cause: Limited server capacity, architectural constraints, or inefficient resource allocation:



Mitigate: Evaluate current infrastructure scalability and implement measures to accommodate future growth.

Downtime risk



System downtime or instability
affecting user experience

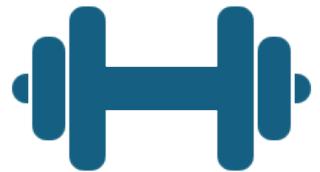


Cause: Insufficient server capacity
or maintenance procedures



Mitigate: Upgrade and invest in
server capacity and implement
robust maintenance procedures.

Content Risk



Less entertaining contents in fitness module



Cause: Lack of expertise in content creation resulting less engagement by the content creators.



Avoid: Conduct market research and engage with expert content creators to develop engaging content.

Negative publicity



Cause: Product recalls, customer service failures, or unethical business practices.



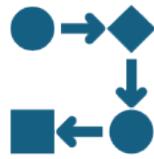
Mitigate: Monitor online reputation and social media channels for any negative feedback.



Process Choice Design & Process Decisions



Product:
Walmart Fitness app



Process design choice:
Standard



Process Flow:

- Access Walmart Fitness club
- Select the fitness activity
- Participate in the fitness activity
- Engagement and tracking



Provider routed service design:

- Fixed number of pathways
- Daily repetitive activities

Market Introduction and Assessment

Marketing and advertising

- **Marketing Channels**
 - App & Website
 - Social media
 - Walmart centers
 - Back side of Walmart receipts
 - Walmart delivery vans
- **Total Marketing Cost:** \$
20 million



Target Market:



Walmart Customers



Health-conscious individuals and fitness enthusiasts of all age groups.

Performance Metrics



User engagement: Daily time spent in Walmart app



Subscription growth:
Number of users onboarded
in every year



Customer satisfaction:
App reviews and time spent
in app

Value of loyal customer(VLC)

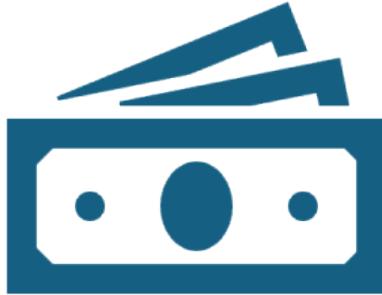


Represents the financial worth derived from each loyal customer's engagement with the Walmart Fitness Club over their lifetime.



Computed based on profit per subscription, contribution margin, repurchase frequency, and customer retention rate.

Reasons to choose VLC



It helps to determine the optimal pricing strategy for subscriptions to maximize revenue while maintaining competitiveness.



It helped to estimate the impact of customer satisfaction and loyalty on long-term.

Value of loyal customer



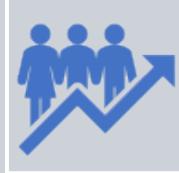
Retention rate: **0.50**

Buyer's life: **2** years

VLC: **\$0.72**

No. of customer representing 1 % market share: **120,000**

Value of 1% percent change in market share: **86,400**



Retention rate: **0.70**

Buyer's life: **3.33** years

VLC: **\$1.20**

No. of customer representing 1 % market share: **120,000**

Value of 1% percent change in market share: **144,000**

Conclusion



DIGITAL FITNESS INSIDE
WALMART APP WITH EVERY
KIND OF WORKOUT PLAN



MOST AFFORDABLE PLAN AT
JUST \$8.99/MONTH



NEW REVENUE STREAM FOR
WALMART

Thank you!



Feedbacks



Questions and Answers