

Gym Sports business case description

“Gym Sports” is a 30-year company owned by an investor with an objective of increasing the profitability of this asset, at a constant business perimeter.

Its yearly revenue is 57 million €.

Sport Gym manages 123 fitness centers across the country. Each fitness center is a place where gym goers can exercise with machines, group activities and other equipment.

There are three types of customers: members with a year-long subscription (350€ / year), members on a monthly plan (41€ / month), and visitors for the day (15€ / day).

Gym Sports’s revenues make it a sustainable business in the short to middle term, **but several factors threaten its profitability:**

- **Low level of customer loyalty.** Customers visit their Gym Sports club because it is close but they would easily switch to a fitness center with lower prices and a convenient location.

- **Lack of brand attachment.** Surveys show that customers and prospects do not perceive Gym Sports as a unique, specific brand. They tend to associate it with any other fitness club, including competitors with lower prices.

- **Lack of scalability** within each fitness center due to

1) cost structure: personalized coaching by certified experts is limited by HR costs,

2) difficulty with capacity management: fitness machines and group activities are alternatively overcrowded or not used at all.

“In 5 years time, we must be the leader of *premium fitness centers in France*

“By providing*personalized fitness services.....* to clients seeking a *qualitative, exclusive service.*

Which translates into these 3 strategic objectives:

#1 *Transform our offer so that customers can get a truly personalized experience*

#2 *Adapt our offer so that the premium experience can be achieved at a lower cost of delivery*

#3 *Structure the offer to address small scale, high return demand segments*



Or, in your own words:

Premium customers for fitness expect a personalized service. Fitness centers cater for this need by offering dedicated coaches which come at a high costs of delivery and low level of precision.

Gym Sports can become the leader of premium fitness centers by developing an offer and a brand identity centered on truly personalized services, enabled by data tracking and analysis.

Canvas #02

Identifying the target / 4D Methodology

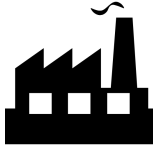
Designed by: *Mark Spencer, VP Marketing Gym Sports*

Date: *May 15*



Headquarters / Corporate
/ Support functions

Name of the target department / user / segment:



Production

Name of the target department / user / segment:



Customers / users

Name of the target department / user / segment:

High spending customers



New markets

Name of the target department / user / segment:

Canvas #03: Profiling the target user with an avatar

Designed by: *Mark Spencer, VP Marketing Gym Sports*

Date: May 15

Name of the Avatar: *Béatrice Dumavrier*

Socio demographic attributes

Age: 45

Marital status: Married

Number of kids: 3

Occupation: *VP Supply Chain*

Monthly income: *8000 euros*

Country & city of residence: *Strasbourg, France*

Highest degree: high school / univ / other: _____

Lifestyle

Level of fitness: weak / average / fit / competitive

Social life: none / occasional / regular / party animal

Societal involvement: none / occasional / regular / leader

Media and cultural preferences

The last book they read: *Getting Things Done*

Their preferred TV show: *Series on Netflix*

The last movie they went to: *Vaiana (with her kids)*

Preferred extra professional activity: *go to restaurant with friends*

The social media they visit daily: Facebook / Instagram / Snapchat / LinkedIn / Twitter / Youtube

Canvas #04

Customer needs analysis

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Date: May 15

What resource do they need to perform their task?

Gym clothes
Motivation
Budget to pay the membership
Walk to the gym

What do they try to deliver?

A fit body
A healthy condition

What frustrations do they experience?

Crowded place
Anonymous environment
Lack of motivation
Not sure price and efforts are worth it

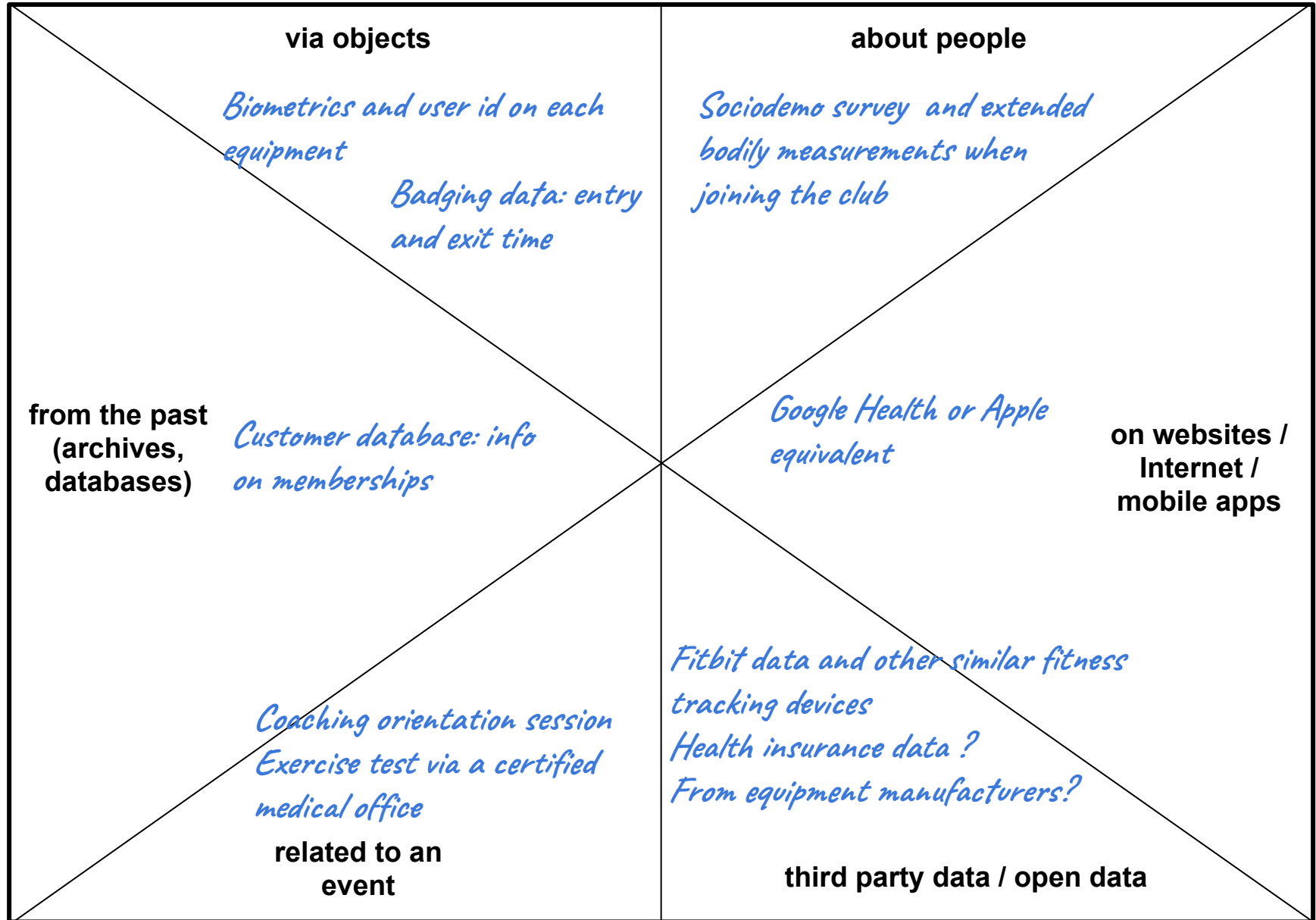
Lack of time
Vanishing motivation

What constraints do they face? (time? budget? distance? legal? etc.)

Better physiological performances (stronger cardio, smaller waist size, bigger muscles, ...)
Better sport performance (running a longer distance, lifting more weights...)

What KPIs to measure success?

Sources of data / 4D Methodology



Canvas #06

Details of datasets

Designed by: *Mark Spencer, VP Marketing Gym Sports*

Date: May 15

| BONUS POINTS 1 to 5 (1 = hard, 5 = easy) | Explanations | Dataset 1: <i><u> Fitness machines </u></i> | Dataset 2: <i><u> Body scan </u></i> | Dataset 3: <i><u> Google Fit / Apple Health </u></i> |
|--|--|--|---|---|
| Machine readable? | <i>if the data is in a .docx or pdf file, software can't read it. A database or even a csv file is better.</i> | 5 | 5 | 5 |
| Structured or not? | <i>if the dataset is "Excel like" then it is quite structured. Free text, web pages or pictures are typically very unstructured.</i> | 5 | 5 | 5 |
| Follows universal categories or is it firm specific? | <i>a dataset following INSEE or Eurostat categories is quite universal.</i> | 3 | 4 | 4 |
| Time series? | <i>is the data collected several times across months or years?</i> | 5 | 4 | 4 |
| Personal and sensitive data? | <i>Personal data comes with more constraints. Sensitive data even more.</i> | 2 | 1 | 1 |
| Complete? | <i>No missing records, years, values, and no errors.</i> | 5 | 4 | 4 |
| Sum of points per dataset | <i>Add up the points to get a total. A higher total shows a more favorable dataset</i> | 25 | 23 | 23 |

Canvas #07

Aid to brainstorming

Designed by: *Mark Spencer, VP Marketing Gym Sports*

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Each cycle lasts 2 minutes max.
Turn until you hit "stop" in
step 3.

(Re)consider your datasets

- Pick the 3 datasets you identified in the previous canvas
- or consider new ones if necessary

1

- 1- Performance data recorded by fitness machines
- 2- Individual body measurements via body scan
- 3- Google Fit / Apple Health

3

My idea:
an augmented coaching plan.
Customers receive recommendations for fitness exercises that correspond to their objectives, and dependent on their performances.
- premium service via subscription
- differentiating because very personalized

Challenge your results and iterate

Play the devil's advocate and be critical about your solution:

- Is it strongly aligned with the strategic objectives of your org?
- Is the user really served by the features you designed?

- stop if the solution stands the challenge!

How do these datasets contribute to creating a service meeting a need?

Think of the 7 roads to value creation!
predict / suggest / curate /
enrich / rank / compare / match
/ segment / classify / generate /
synthesize

2

- Suggestion : recommendation of fitness activities
- Comparison : individual can benchmark with other members
- Segmentation : definition of types of members (fitness, body-building, etc.)

Canvas #08

Value map

Designed by: *Mark Spencer, VP Marketing Gym Sports*

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It helps the user's acquisition of resources by

- *Providing a personalized plan for fitness: types of machines to use and program of exercises over weeks.*
- *Assists the user with how-to guides for machines and exercises.*

It helps the user deliver x or y because...

- *defines a programme that fits the user objectives (health, fitness, wellness, , bodybuilding...)*
- *keeps the user engaged thanks to push notifications and positive feedback*
- *helps to manage time effectively thanks to a taylored programme, dematerialized.*

The solution is... **an augmented coaching app**

- *a mobile / web app*
- *providing a personalized coaching plan*
- *with notifications / recommendations / feedback*
- *enabled by the measurements of the member's use of machines via IoT*
- *-> will reduce churn and will generate an extra stream of revenue*

It removes or decreases these constraints for the user:

- *Optimisation of the agenda*
- *Cost of membership gets justified by measurable performance*
- *Virtual coach that extends the benefits: fitness can also be tracked at home and in other Gym Sports clubs*

The solution helps the user perform better on these KPIs:

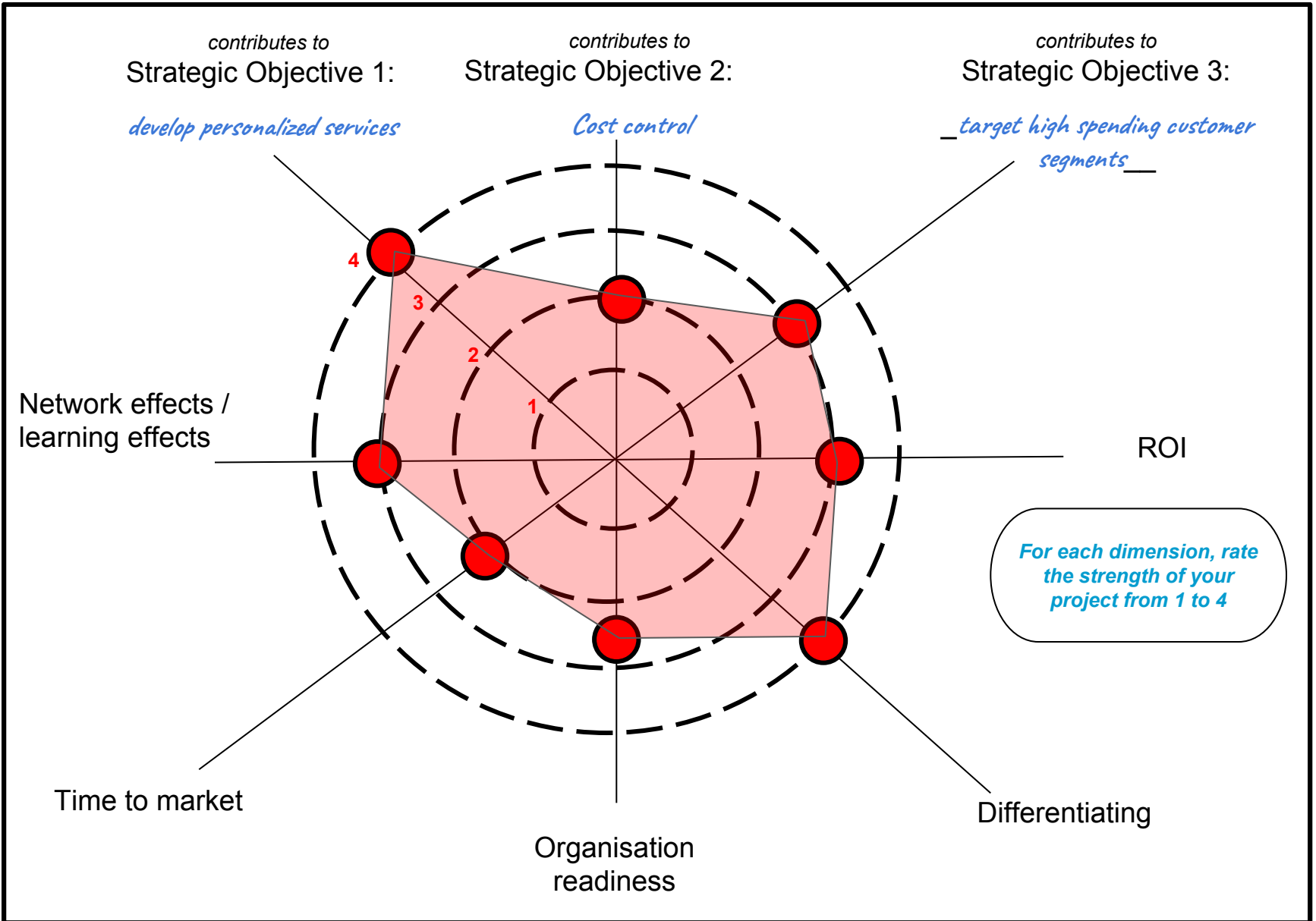
- *Performances (in sports, health, etc.)*
- *Body measurements (hip size, etc.)*
- *Frequency of visits to the club and activity on machines*

Canvas #09-1

Graphical synthesis

Designed by: *Mark Spencer, VP Marketing Gym Sports*

Date: May 15



Canvas #09-2

Graphical synthesis

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Synthesis

Name of the organization

Gym Sports

Name of the idea

Augmented Coaching Plan

Target users and their needs / problems to solve

High spending Gym club members. They typically lack motivation to exercise in the long term, because they don't receive proper coaching according to their objectives, can't measure their progress, and don't receive feedback. They have strong expectations in terms of flexibility because they have time constraints.

Description of the idea

Personalized coaching plan consisting of:

- a mobile and Web app*
- providing a personalized coaching plan mentoring the member during her use of the club's services*
- as well as tailored notifications, recommendations, and feedback thanks to IoT- and RFID- based measure of machine usage*

How does it match the strategic priorities of the org

This new offer will allow Gym Sports to differentiate by offering personalized services to its customers.

The ability of the underlying solution to optimize Gym Sports' resources usage (machines, coaches, exercise rooms) ensures its scalability and cost control: the marginal cost of an additional customer is relatively low.

Lastly, the differentiation through the use of digital technologies and service personalization allows Gym Sports to launch a Premium offer and to address high return demand segments

Datasets / data sources contributing to the idea

Fitness machines, complete and frequent individual measurements via a body scan device, fitness data collected via Apple Health or Google Fit.

Expected benefits

- A solution to demotivation thanks to performance monitoring and personalized recommendations*
- => Reduced churn, increased attractiveness*
- This service is differentiating and creates value: it will be proposed as an additional subscription*