

DATE: April 24, 2024

TO: Owner of Clemson Fitness Company, Martha Froelich

FROM: Catherine Salditt

REF: Implementation of new fitness trends

Key Question/Problem Statement:	Utilizing trends within the fitness industry will increase Clemson Fitness Company's comparative advantage among competitors.
Recommendation	<ul style="list-style-type: none"> • What: The acknowledgement of key trends within the fitness industry is crucial for the health of the Clemson Fitness Company business. • Why: There are many competitors within the general area of Clemson, so it is important that CFC can set itself apart from other fitness studios. By analyzing and acknowledging the current fitness trends, CFC can create competitive advantages against their competitors.
Current Situation and Complicating Factors:	<ul style="list-style-type: none"> • Facing challenges from competitors • Maintaining customer retention • Encouraging a unique and welcoming experience for new customers
Alternative Recommendations Considered:	<ol style="list-style-type: none"> 1. Alternative 1: Focus on social media growth. <ol style="list-style-type: none"> i. Increase marketing on social media to bring in new customers ii. Post fitness related content that users can do at home iii. Posting fitness content online may discourage some customers from coming to an in-person fitness class 2. Alternative 2: Offer online fitness classes. <ol style="list-style-type: none"> iv. Online fitness classes have become increasingly popular since the pandemic. v. Online classes would save money compared to having in-person classes. vi. CFC's current customers may not enjoy the change in class format.

Other Considerations:

- Focusing on the current trends within the fitness industry has the potential to pose risks upon the company. Whenever a business tries new business ideas, there are risks involved. These risks would include loss of loyal customers and failure to implement current trends effectively.
 - To mitigate the risks of exploring new trends within the fitness industry, like gamified fitness, CFC should ask for their customer's opinions on embracing these new potential growth opportunities. Having clear communication with CFC's customers is crucial for understanding how to grow the business.
 - Changing to fit new fitness trends may upset people who do not yet know about or understand these trends. CFC should integrate new trends in a integrative manner so that people have more time to understand and adjust to the new ways to explore fitness in the era of technologic innovation.
 - CFC can utilize their social media platforms, like Instagram, to poll their customers on new fitness trends to discover which they would like to see in the studio.
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The recommendation for Clemson Fitness Company to embrace new fitness trends to increase the company's success is made with consideration of the following report. I have compiled findings from several business analyses to support the conclusion that the company should embrace and implement new fitness trends within the culture of the studio. The implementation of new fitness trends can be implemented through introducing new classes featuring these trends, such as gamified fitness classes or the usage of wearable technology during classes.

A multitude of different analyses were performed to support the recommendation stated. These analyses included an external trends analysis (STEEP analysis), a customer value analysis (VRINS analysis), and premortem analysis. An evaluation of CFC's economic logic and talent management were written, as well as a potential objective and key results for the company to utilize. All of these analyses are available for review within this report. Each analysis also includes a summary of their key findings.

The first analysis performed was the external trends analysis. Through performing the external trends analysis, the most current and influential trends within the fitness industry were identified and evaluated to determine their nature. These trends have various technologic, social, economic, and environmental implications that CFC should acknowledge and review before introducing new trends to their fitness environment. Along with the main recommendation of implementing new trends, other methods to differentiate CFC from competitors are also provided within this section.

The customer value analysis provides insight into the many different strengths CFC has as a business over its competitors. Innovations to build upon these strengths are also provided to further set CFC apart from other fitness studios in the area.

The descriptions of CFC's economic logic and talent management were written to provide more information about the company to help enrich our understanding of the type of business that CFC is. It is important to have a holistic view on these different aspects of the company so that any changes to the business can be made successfully and effectively.

A sample objective and key results report is provided. This sample provides a framework for enhancing customer satisfaction which is broken down into measurable key results to track progression towards this goal. The framework provided ensures that this goal can be achieved within four quarterly deliverables including several initiatives for each.

Finally, a premortem analysis is provided. This final analysis explores the potential risks that CFC may face in the future. By mapping out these potential risks and their causes, the company will be better prepared to mitigate them in the future. The premortem analysis ensures that CFC cannot be blinded by these potential challenges when the company is focused on new business initiatives.

References are listed at the end of the report, as well as my resume for credibility.

Clemson Fitness Company: External Trends Analysis & Costumer Value Analysis

Competitors:

1. Solshine Wellness Studio: A yoga studio located in downtown Clemson, which offers a variety of different types of yoga classes.
2. Planet Fitness Clemson: As one of the largest fitness club franchises in the US, Planet Fitness offers an inclusive fitness experience at an affordable price.
3. Yoga Therapy Bar: A yoga and pilates studio located in downtown Clemson, which provides holistic health and wellness services.
4. OrangeTheory Fitness Clemson: A fitness franchise which offers a one hour, full body workout, focused on training endurance, strength, and/or power.

STEEP Analysis:

	Social	Technological	Economic	Environmental	Political
Trends in Fitness Industry					
Wearable Tech	+	+	+		
Home Gyms		+	+	+	
Mobile Fitness Apps	+	+	+		
High-intensity workout spinoffs	+		+		
Consumer focus on flexibility and functional strength	+				
Gamified fitness	+	+	+		
Personalized fitness		+			
Holistic health	+				
Fitness for older generations	+		+		
Outdoor exercise			+	+	

Summary:

To evaluate and identify the current trends within the fitness industry, I have performed a STEEP analysis. First, I identified the top ten most relevant external trends currently influencing the fitness industry and its consumers. These external trends included wearable tech, home gyms, mobile fitness apps, high intensity workouts, consumer flexibility and strength, gamified fitness, personalized fitness, holistic health, fitness for older generations, and outdoor exercise. Then I was able to assess each trend on whether they would be considered a social, technological, economic, environmental, or political topic. Some of these trends were associated with optimizing personal fitness experience using new technologies, including wearable tech, mobile fitness apps, and gamified fitness. Other trends were more focused on a theme of making fitness more inclusive including fitness for older generations and the notion of holistic health.

The wearable tech trend checked the most boxes in the analysis, including social, technological, and economic factors. In order to incorporate the favorability of the wearable tech trend and the gamified fitness trend into the Clemson Fitness Company, it would be beneficial to compile and display health data

from individual's fitness watches on a screen during classes. This would not only embrace the wearable tech trend, but also facilitate a more gamelike, competitive environment for people taking the class.

Competitors, like OrangeTheory, use wearable technology including heart rate monitors that customers can use to measure their health data and reach their fitness goals. By implementing the wearable tech aspect and encouraging the use of apple watches or other fitness trackers during workouts, CFC would be able to take advantage of this fitness trend and gain leverage over other competitors.

VRINS Analysis:

Customer description/demographics:

Clemson Fitness Company's customers range from Clemson students to local fitness enthusiasts. Overall, their customers are all mostly female. Clemson students' ages range from 18-24, while the other women are middle-aged. College student's are educated, but their incomes are low.

Business name: Clemson Fitness Company					
Product/Service Differentiators	Valuable? (yes/no)	Rare? (yes/no)	Inimitable? (yes/no)	Non-substitutable? (yes/no)	Sustainable? (yes/no)
Location (in Patrick Square)	Yes	Yes	Yes	Yes	Yes
Versatile class offerings	Yes	No	No	No	Yes
Student discount	Yes	No	No	No	Yes
Class package offerings	Yes	No	No	No	Yes
Qualified instructors (certified in Zumba, TRX, Barre, Yoga)	Yes	No	No	Yes	Yes

Innovation through addition, subtraction, multiplication, division:

1. Multiplication - Having deals similar to the class package offerings by giving the customers the opportunity to receive a free class after a certain amount of classes are attended.
2. Addition - Having themed classes to make a more exciting environment. Ex.) Retro workout theme, glow yoga, etc.

Summary:

To identify and evaluate the factors that help Clemson Fitness Company stand out against competitors, I performed a VRINS analysis. First, I identified five elements that are somewhat unique to the studio. These elements included location, versatile class offerings, class package deals, qualified instructors, and the option to apply student discounts. Next, I evaluated these elements based on whether or not they were valuable, rare, inimitable, non-substitutable, and sustainable. Through this research, it was concluded that the location of the studio is the greatest factor that differentiates the company from competitors. The location of the studio in Patrick Square is a short distance from Clemson University's campus, making it a nice option for Clemson students as well as locals.

Clemson Fitness Company's top competitors would include Solshine Wellness Studio and Yoga Therapy Bar. Both of these competitors are located in downtown Clemson, which is more accessible to

students. However, since CFC is in a location accessible to both students and other groups, their customer demographics are more varied. Both of these studios are focused more on yoga classes, while CFC offers many different types of classes, including yoga, barre, HIIT, KettleBEAT, kickboxing, TRX, and Zumba. The availability of different kinds of fitness classes gives CFC a clear advantage over competitors who only focus on one type of fitness class.

Two innovations I would recommend to further enhance CFC's position with its competitors would be to use multiplication to implement deals where customers can receive a free class after taking a certain amount. In doing so, the company would increase customer retention and loyalty. Another innovation I would suggest is to use addition to implement themed fitness classes to cultivate a more exciting environment for customers.

Clemson Fitness Company Economic Logic

Clemson Fitness Company utilizes a boutique fitness studio business model. The boutique studio fitness company is unique from the business models of traditional gyms and fitness chains. This model is characterized by offering group fitness sessions that are relatively small in size while charging on a per class or subscription basis. Another characteristic of the boutique fitness model is that these studios are conveniently located near neighborhoods. One way CFC could adjust this model is by implementing a hybrid fitness model as well. A hybrid model would give customers the ability to enjoy CFC's services from the comfort of their own home, which has been an increasingly popular trend within the fitness industry. Since the COVID-19 pandemic, hybrid models have become a great option for customers who are not as comfortable going to a new studio. Another option would be to implement a freemium business model where CFC would offer free introductory fitness classes to allow customers to try out their services before buying a class package or membership. This model would increase exposure to potential customers, since many college students are frugal spenders and would like to try services for free before committing to a program. A freemium model would go hand-in-hand with offering customers a free class after taking a certain amount of classes, which was suggested in the VRINS analysis. The freemium model would initially attract customers to the studio and the opportunity to get a free class would motivate customer retention. A combination of the boutique model, hybrid model, and freemium model would best serve CFC and satisfy its unique customer needs.

Clemson Fitness Company Talent Management

From an employee's perspective, Clemson Fitness Company offers benefits from career, job, and company aspects. Employment at CFC offers employee's the ability to grow professionally within the fitness industry by providing continuous learning and development opportunities. Employees are trained and certified in the classes that they are interested in teaching, including TRX, Barre Above, and Zumba certifications. These certifications will prepare employees for their careers at CFC and for future fitness job opportunities. Employees at CFC are tasked with designing innovative and engaging fitness classes which will further improve their professional and personal development. Not only do employees receive the chance to improve on these skills, but they are welcomed into an inclusive and fun company culture who recognizes employees for their achievements.

From a personal perspective, CFC offers a wellness-centric culture that encourages staff to pursue a healthy lifestyle. CFC is committed to making a positive impact on individuals and communities through fitness and wellness. Employees feel a sense of purpose while working to fulfill the community-centered goals of the company.

OKR

Objective: Increase customer satisfaction

Key Result 1: Achieve a Net Promoter Score above 20

Key Result 2: Increase customer net retention to above 80%

Key result 3: Obtain 5 star customer rating on Facebook

Action plan:

Quarterly Deliverables	1-90 Days (Next quarter) Implement metrics to measure customer satisfaction (Net Promoter Score)	91-180 Days (Two quarters Out) Implement metrics to measure and track customer retention	181-270 Days (Three Quarters Out) Implement customer feedback system	271-360 Days (Four Quarters Out) Encourage customers to rate highly on CFC Facebook page
Initiatives (provide 2-3 initiatives for focus for each quarter)	Ask customers how likely they are to recommend business/service to others on a scale from 1-10.	Divide the number of customers remaining at the end of the period by the total number of customers at the beginning of the period.	Create feedback questions to ask customers and give surveys to customers after classes	Advertise CFC Facebook in the studio
	Customers are segmented into Promoters (9-10), Passives (7-8), and Detractors (0-6).	Evaluate customer retention rate on a quarterly basis.	Generate incentives to encourage customers to complete surveys and provide feedback	Engage with followers on Facebook
	Calculate Net Promoter Score by subtracting the percentage of detractors from the percentage of promoters.			

Summary:

In order to achieve the objective of increasing customer satisfaction, I have provided a realistic plan of action for Clemson Fitness Company to follow. The plan is broken down into four related quarterly deliverables. The first being the implementing the use of metrics to measure and track customer satisfaction by calculating the company's Net Promoter Score. This metric is calculated by subtracting the percentage of "detractors" from the percentage of "promoters" to "measure customer experience and predict business growth" (Beazley, 2024). Using quantifiable metrics to track customer satisfaction will be imperative for evaluating the effectiveness of the rest of the deliverables. In addition to this metric, Clemson Fitness Company should also implement a second metric dedicated to measuring and tracking customer retention. Tracking customer retention is another key metric to determine customer satisfaction with CFC's services. The third deliverable suggested is to implement a customer feedback system by asking customers to complete surveys based on their experience. These surveys will give the company an idea on how to improve their services to better fit the needs of their specific customer demographic. Lastly, it is suggested that CFC encourages customers to rate their services on online platforms like Facebook. Since many potential customers rely on online reviews to determine whether or not they would like to try a service, this deliverable would be the final step in improving customer satisfaction. These three deliverables working in combination with each other will greatly contribute to CFC's key results which directly work towards their objective of increasing customer satisfaction with their services.

Premortem Analysis

Biggest Risks of Failure / Potential Challenges	Cause(s)	How to Reduce or Eliminate the Effect
Risk # 1 Loss of business due to new fitness technology	Rise in fitness technology trends including online fitness platforms	Instead of allowing fitness technology to reduce customer traffic, customers should be encouraged to make their fitness technology (apple watch, fit bit, etc) a part of their workout routine in the physical studio.
		Ensure fitness instructors are friendly and engaging to encourage people to prefer coming to the studio instead of using online classes.
Risk # 2 Market saturation in the fitness industry	Competition coming from many other fitness studios/gyms in the area	Ensure Clemson Fitness Company provides a unique experience for customers by differentiating the studio from competitors.
		Host themed workout classes, offer special promotions, hire student ambassadors, make trendy/fashionable merchandise, strong social media presence, etc.
Risk # 3 Seasonal fluctuations in customers	Many customers are college students who will be away for the summer.	Ensure the company is catering to all target markets, not just students.
		Implement special class packages/discounts in the summer to increase customer retention during off season.

Summary:

To mitigate the risks that Clemson Fitness Company could potentially face in the future, I have developed a “premortem” for the business. This premortem explains the ways in which CFC could fail as well as solutions to these potential problems. The aim of this analysis is to identify the issues within the business before they are able to cause damage. The three most urgent risks that could cause problems down the line for CFC are loss of business due to new fitness technology, loss of business due to market saturation, and loss of business from seasonal fluctuations of customers.

Fitness technology has become an influential trend within the industry. Fitness technology has the potential to help or hurt traditional brick-and-mortar fitness studios like CFC. To ensure that this new fitness technology does not pose a threat against the business of CFC, the company should encourage customers to use their fitness technology during classes to enhance their class experiences. Merchandise like apple watches can be used to track health data during classes and make classes more competitive and fun. It is important for CFC’s classes to be compatible with these new technologies since they are a trend that will continue to grow in the future.

Market saturation can also be a potential threat to the company. CFC should be mindful of this and differentiate themselves from the many competitors in the area through unique class offerings and marketing strategies to get customers’ attention. Since many of CFC’s customers are college students, they will lose customers during the summer season. To mitigate the risks of this potential issue, CFC should focus on other target market demographics during this season and have more promotional class packages/discounts during these months where their customer base is limited.

References

Beazley, H. (2024, January 12). *How to Measure Customer Experience For Small Businesses*. MarketBox. Retrieved March 15, 2024, from <https://www.gomarketbox.com/blog/how-to-measure-customer-experience>

ACSM Fitness Trends. (n.d.). American College of Sports Medicine. Retrieved April 26, 2024, from <https://www.acsm.org/education-resources/trending-topics-resources/acsm-fitness-trends>

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EDUCATION

Clemson University

Mandarin Chinese and International Business

Clemson, SC

Current GPA: 3.43

Expected graduation year: 2025

LANGUAGES

Mandarin

- Awarded the 2024 Clemson Chinese Laoshi Award for Best Achievement
- Silver medal in 2024 Clemson Chinese Speech Contest

WORK EXPERIENCE

Cardinal Health Global Trade

May 2023 - August 2023

Remote Internship

- Attended daily live showcases from global trade department directors designed specifically for summer interns
- Worked closely with Cardinal Health professionals, business partners, and vendors through a specifically assigned project
- Worked on the Freight Audit and Pay team to modify and refine freight payment auditing process

Sea Cliff Beach

Sea Cliff, NY

Head Lifeguard

2019 - 2023 Summer Sessions

- Provided lead supervision for team of lifeguards
- Functioned as a Lifeguard and monitored beach activity
- Coordinated and organized schedules for 8 employees
- Responsible for organizing and directing rescue drills
- Received NY State Senate 2019 Commendation Award from Senator James F. Gaughran for exceptional emergency response

Meritage Wine Bar

Glen Cove, NY

Server

March 2021 - May 2021

- Ensured proper presentation and preparation of food products and beverages
- Handled customer complaints to maintain customer satisfaction

COMMUNITY INVOLVEMENT

ARCC Community Service Trip

Costa Rica

Summer 2019

- Completed 50 hours of community service done over four weeks
- Taught local children English, helped build infrastructure, wildlife conservation

Childcare Coordinator

St. Luke's Episcopal Church, NY

2017-2020

- Responsible for supervision of children ages 2-7 during church mass

ACTIVITIES

Vice President of Chinese Language Club

Clemson University