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Project background

- Local gyms in Argentina are highly fragmented and dominated by individual “mom-and-pop” owners.
- Gym interest in Argentina is at an all-time high given rising health awareness, growing obesity rates and an expanding middle-class.
- SmartFit, the low-cost subsidiary of Brazilian gym chain Bio Ritmo, is planning to enter Buenos Aires in mid-2018. SmartFit is known for aggressive growth and is anticipated to capture large market share in Buenos Aires.

Megatlon’s key challenge

How can Fiter (new low-cost gym chain) maximize members and profits while balancing the needs of a diverse set of customers?

Market research

As there were no existing low-cost gym chains in Argentina, Megatlon wanted to know about success stories of low-cost gyms in other countries.

Budget airlines need to make trade-offs between customer experience and profits.

Extensive market research into business models of multiple low-cost gyms and benchmarking against low-cost segments of other industries (e.g. airlines).

Financial Model

Megatlon did not have a formal, structured process to evaluate the different pricing structures they were considering for Fiter.

Dashboard where user can input prices, cost structure, payment models etc. and then compare impact on ROI, NPV and other key metrics analyzed.

Operations Model

Method of predicting when a gym would reach capacity, which would allow them to build an optimal layout of the new Fiter gyms.

Formal model to predict and compare the impact of gym layouts (equipment, space breakdown etc.) on waiting times and gym capacity.

Marketing Strategy

The concept of a “low-cost gym” does not exist in Argentina, hence Megatlon was looking for guidance on approaching their launch marketing strategy.

Devised unique sentiment for Fiter aligned with the company’s vision and service offerings: Inclusion.

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Our Deliverables