Mi Casa
Shred
Su Casa
Shred

Bringing Your Families Together
Mi Casa Shred, Su Casa Shred
Bringing Your Families Together

Proposed to
Bonnie Micheli
Tracy Roemer
Founders of Shred415

Prepared by
K.J. Lane Consultants
Kristy Goh
Josh Revils
Lei Xu
Austin Robinson
Neil Mehra
Evan Kahn

k.j.lane6@outlook.com

November 13, 2015
November 13, 2015

1309 E 10th St,
Bloomington, IN 47405

Bonnie Micheli, Founder
Tracy Roemer, Founder
Shred415
2150 N. Clybourn Ave
Chicago, IL 60614

Dear Ms. Micheli and Ms. Roemer,

SUBJ: MI CASA SHRED, SU CASA SHRED - Driving Sales through Family Participation

K.J. Lane Consultants are grateful for the opportunity to work with Shred415 in enhancing its presence in the Midwest. Shred415 has attracted customers for years with its fun and intense workout regimen. K.J. Lane Consultants wants to create a family community through Shred415 in the Midwest by the introduction of Mi Casa Shred, Su Casa Shred (“Family Plan”).

The “Family Plan” will not only create a link between Shred415 and its community, but it will also enhance a family experience for Shredders for inside and outside of the studios. Parents and children will grow to love the “Family Plan”.

We would like to thank Professor Jeanette Heidewald for guiding us through the development of K.J. Lane Consultants and Mi Casa Shred, Su Casa Shred. We would also like to thank the professional advice from current Club 24 Hour Fitness owner, Mr. Chad Coy.

If you have any questions regarding our proposal, you can contact us k.j.lane6@outlook.com or by phone at (765) 480-7770. We are more than happy to assist in any way to implement Mi Casa Shred, Su Casa Shred. We enjoyed working with Shred415 and hope for much success in its future.

Best Regards,

K. J. Lane Consultants
# Table of Contents

List of Figures ........................................................................................................................................... v

Executive Summary ....................................................................................................................................... vi

Introduction Title ........................................................................................................................................ 1

**Shred415’s Market** .................................................................................................................................. 1
  - Current Success in the Midwest ............................................................................................................... 1
  - High Demand in Shred415 Classes ........................................................................................................ 1
  - Connecting with the Community through Social Media ........................................................................ 2
  - Appealing to Active Gym-goers ............................................................................................................ 2

**Challenges Faced by Shred415** .................................................................................................................. 3
  - Crowded Competition in Surrounding Location .................................................................................. 3
  - Attracting Male Clients ......................................................................................................................... 3
  - Plateauing Sales .................................................................................................................................... 4
  - Upcoming Trends in Fitness .................................................................................................................. 4

**Community Cohesion – The Key to Expanding Shred415’s Market** ....................................................... 5
  - What is Mi Casa Shred, Su Casa Shred? .............................................................................................. 5

**Benefits of Family Plans for Shred415** ..................................................................................................... 6
  - Attract Male Shredders and Leverage Shred’s Strength in Childcare .................................................. 6
  - Families Love Spending Time Together ............................................................................................... 7
  - Instant Reward Better than Loyalty Point ............................................................................................. 7
  - Easy to Implement .................................................................................................................................. 8

**Making the Family Plan a Reality** ............................................................................................................ 9
  - Development ........................................................................................................................................ 9
  - Implementation ....................................................................................................................................... 10
  - Post Promotion Analysis ....................................................................................................................... 11
  - Measurement of Success ....................................................................................................................... 11
  - Threat Mitigation ................................................................................................................................... 12

**Exit Strategy**

**Profit Analysis** ......................................................................................................................................... 13
  - Estimation of Potential Revenues ......................................................................................................... 13

**Appendices** ............................................................................................................................................. 15
  - Sample Flyer of Family Plan .................................................................................................................. 15
  - Pre-SWOT Analysis ............................................................................................................................... 16
  - Post-SWOT Analysis ............................................................................................................................... 17

**Works Cited** ............................................................................................................................................ 18
List of Figures

Figure 1: Shred415 Lincoln Park Sales Volume
Figure 2: Social Media Activity
Figure 3: The Shred Effect
Figure 4: Fitness Centers within the Half-mile Radius
Figure 5: Shred415 Lincoln Park Location Sales Volume
Figure 6: Kids Corner in Shred415 St. Louis Location
Figure 7: Loyalty Points vs. Moment-Based Rewards
Figure 8: Family Plan Pricing List
Figure 9: Shred415 Social Media Usage
Figure 10: Flyer Printing Cost
Figure 11: Opportunity Costs and Client Savings
Figure 12: Worst, Base, and Best Case Scenario Analysis
Executive Summary

Purpose of Our Report
Our report focuses on (1) providing a comprehensive analysis of Shred415’s sales strategies compared to competitor’s methods and (2) proposing a viable plan of action for Shred415 to increase and maintain a diverse clientele.

Capturing the Fitness Industry
Shred415 maintains success in the Midwest while surrounded by an immense amount of competition. As it continues to expand, the necessity to successfully and effectively capture a diverse target market becomes evident. As Shred415 expands and moves outside of Chicago, it needs to offer an appealing and low-cost promotion to quickly attract the public. Coinciding with Shred415’s ideals, we plan to offer a solution that not only acquires the cohesive community it aims to obtain but also set them up to successfully expand.

We at K.J. Lane devised a plan that enables Shred415 to continue advertising its business at a low-cost while informing the public of the distinguishing offers available. We believe our plan enables us to effectively compete with rivals like Orangetheory fitness, which has 260 fitness centers nationwide (“Orangetheory Fitness Franchise Information”).

Defining the Family Plan
“Mi Casa Shred, Su Casa Shred” is an all-inclusive family workout package. It is designed to encourage the whole family (2 adults, 1 child) to go to any of Shred415’s current and prospective locations and enjoy the benefits of working out with their loved ones for a discounted rate. The plan offers class packages ranging from 1 drop in class to the 30 day monthly package at varied prices, giving Shredders the benefit of cheaper services. Shred415 too can benefit from the increase of customers and their male client base.

Steps to Implementing the Family Plan
Creating the “Family Plan” presents a new opportunity for Shred415 to capture both the male and female demographic. Therefore, we suggest Shred415 to implement the following steps to create the “Family Plan”:
1. January 21st: Develop the plan and pricing list.
2. May 28th: Begin promoting and advertising the plan.
Shred415’s Market

Success in the Midwest
With a constantly changing fitness industry, Shred415 looked to differentiate itself from the pack. Not only did it differ from mainstream gyms, it has maximized capacity of each session that it offers. Since the grand opening of the Lincoln Park studio in 2011, Shred415’s locations have shown to stand out in this competitive fitness industry. According to ReferenceUSA, its first year’s revenue was almost $300,000 alone. This boutique fitness club grew to become a household name in the suburbs of Chicago and St. Louis. According to the Shred415 website, it offers childcare that accommodates to their main age demographic of people who come to work out in the studio, constituting to its success.

Figure 1: Shred415 Lincoln Park Sales Volume

High Demand in Shred415 Classes
During the information session, the only problem reported by Shredders is that there is not enough class available to sign up for. According to the Chicago and St. Louis scheduling link on the Shred415 website, the sessions that are offered reached maximum capacity. Not only are classes usually full, Shredders continue to come back for more in any event. During the information session, it is mentioned that there is a 50% retention rate within a 6-9 month period. Also, Chicago has a monthly regular member rate of 600 and a member rate of 3,000 over a 6 month period, once again proving its high demand.
Connecting with the Community through Social Media
Shred415 connects with the public through social media. Its most active social media accounts are on Instagram and Twitter. Latest promotions and offers are posted to inform Shredders on the latest updates. Each month Shred415 chooses a “Shredder of the Month.” Through Shred415’s social media outlets, it has been able to reach out to local Shredders and create a sense of community.

![Image: Social Media Activity](image1)

Figure 2: Social Media Activity

![Image: The Shred Effect](image2)

Figure 3: The Shred Effect

Appealing to Active Gym-goers
As a Shredder, the most defining feature is the feeling of inclusion within the community according to the information session. This defining feature creates a separation from other local gyms in Chicago and St. Louis.
Challenges Faced by Shred415

Crowded Competition Surrounding Shred415
Crowded competition surrounds all Shred415 locations (“Gyms near Chicago”). Fitness centers are easily accessible especially in this time where staying healthy is the new trend. 15 fitness centers exist within the half-mile radius of Shred415’s Wicker Park location. These competitors poses a threat to Shred415’s business model.

![Fitness Centers within the Half-mile Radius](image)

Attracting Male Clients
The demographic of Shredders are mostly female, taking up to 80%. This means that Shred415 is failing to appeal to male customers, causing them to lose out on male customers’ revenue. The lack of male demographic in Shred415 may tarnish Shred415’s image, making it a “female” gym. Shred415 should attract male clients to increase its revenue circle and also prevent the tarnishing of its image.
Plateauing Sales
Since the founding of Shred415, sales grew exponentially. However, in the recent years, sales showed no signs of growth and began to plateau (ReferenceUSA). This shows that Shred415 is fully utilizing its main source of revenue and reaching a maximum capacity.

Figure 5: Shred415 Lincoln Park Location Sales Volume

Upcoming Trends in Fitness
Exercising trends are quickly changing towards other workouts like rowing (Rookwood). This may decrease Shred415’s customers as they might move towards a new workout. As Shred415’s business as its main product is HIIT (High Intensity Interval Training), a workout regimen that differs greatly from rowing, it may affect Shred415’s revenue.
Community Cohesion – Key to Expand Shred415’s Market

What is Mi Casa Shred, Su Casa Shred?
Bring the whole family! Shred415 is offering exciting new deals where it encourages you to bring your entire family! Shred415 takes pride in its customer reviews on how friendly and welcoming Shredders are, but it is working towards building a stronger community. K.J. Lane Consultants believe that encouraging Shredders to bring family members for a discount is a great way to spend time together, save money and get healthy. Shredders are encouraged to bring their children to the studio regardless of age! Each of its stores has a corner designated to little kids where they will be entertained during your session. We encourage children to participate too if they are old enough! “Mi Casa Shred, Su Casa Shred” is a seasonal promotional discount, one family package class (2 adult, 1 child) will be offered at $45, 3 classes is $120, and monthly for $410. Every new store grand opening will implement this special offer for the entire first month. Due to September, October, and November being the slower months of the year. On the first week of September, each Shred415 location implements the “September Sweat” promotion, containing the same offer and pricing previously stated. “Octane October” identically offers the same promotion during the first week of October. “No Days Off November” also offers this amazing package for those post-holiday pound problems!
Benefits of **Mi Casa Shred, Su Casa Shred**

**Attract Male Shredders and Leverage Shred’s Strength in Childcare**

According to the information section of Shred415, their clientele is approximately 80% female and 20% male. Clearly the number of female customers far outweighs the number of male customers. Shred415 should take active steps to attract more men to their workout program, to continue building their brand and gain exposure into the male workout demographic. K.J. Lane Consultants have developed The “Mi Casa Shred, Su Casa Shred” Family Plan, an idea to help Shred415 take the first step in this journey. Using a special price promotion to attract the significant other of its current and future female clientele to join the Shred415 family, while balancing out the gender ratio at its stores. Shred415 has also already built a great child care system to make sure that the children brought by shredders are well looked after. This will help Shred415 build its brand and attract all members of the family looking to spend quality time together. The plan is easy to implement and families will love getting in shape together.

In addition, The Kids' Corner at Shred415 is open during most class times. Shred415 has already built a great child care system to making sure that the children who come with parents would be settled well. These could also help Shred415 build the Brand reputation for attracting the male Shredders.

![Image of Kids Corner in Shred415 St. Louis Location](image)

Figure 6: Kids Corner in Shred415 St. Louis Location
Families Love Spending Time Together
According to D. Wayne Matthews, Ph.D., of North Carolina State University, “Strong families spend time—quality time in large quantities—with each other.” The family plan aims to figuratively and literally create strong families. Family happiness is proven to be generated through large quantities of time spent together. According to advocates for youth, Family memories are built around family activities. The “Mi Casa Shred, Su Casa Shred” plan encourages families to spend quality time together. Shred415’s vigorous class regimen will not only help families bond, but also improve their health as well. All while saving money!

Instant Reward Better than Loyalty Point
The family package is a pricing strategy designed to increase the sales by increasing the volume of customers by offering them a discount. The discounted family experience received by each shredder who signs up for the plan is the instant reward they will receive. Clients can enjoy the decrease in prices without any additional conditions. Instant rewards are better equipped to handle low threshold clients than a loyalty points system is (Michael). For most people, if the initial point threshold is too high, they won’t see any value in participating in a loyalty program. Moreover, an instant reward system leverages instant gratification and research from iFeelgoods has already proved that a reward system immediately contributes to building a strong and meaningful experience with a brand. Another advantage of the instant reward system is that it would make the program much easier to record in the operating account. Compared to creating a complicated system to calculate the loyalty points, the instant reward simplifies every transaction in the by changing the price before the transaction takes place.

Figure 7: Loyalty Points vs. Moment-Based Rewards
Easy to Implement
The “Mi Casa Shred, Su Casa Shred” plan is extremely easy to implement. Shred415 will not have to invest any financial capital in the making of the plan and all of the promotion of the plan can be carried out via its active Facebook, Instagram and Twitter accounts. The plan is not time consuming and the only thing Shred415 will have to do is add the plan to its pricing strategy on the website and train employees to enact the plan in the stores during the proposed promotion periods.
Making the Family Plan a Reality

Shred415 can implement the family plan in 3 distinct phases:

1. Development
2. Implementation
3. Post-Promotion Analysis

**Development**

1. The first step would occur before the family plan is actually put into place. This plan involves calculating the pricing of the plan itself in its current state and deciding on whether to leave it as is or change it based on its location. For example since the median income of Hinsdale - $163,333 (“Hinsdale, IL Economy”) is considerably larger than that of Lincoln Park - $84,556 (“Lincoln Park, IL Lifestyle”) prices could be adjusted according to location. However, we do not want the price to go over the current prices for individuals already set by Shred415, as that would negate the effect. Therefore prices can be minimally changed in different locations. We propose to have the plan developed to Shred 415’s specifications by 1/21/2016. The promotion prices we developed are listed in the figure below.

   | Plan Type                | Price  |
---|--------------------------|--------|
| 1 Drop in Class          | $50    |
| 3 Introductory Classes   | $120   |
| 5 Classes                | $240   |
| 10 Classes               | $460   |
| 20 Classes               | $840   |
| 30-day Unlimited         | $410   |

Figure 8: Family Plan Pricing List

2. The next step is **Promotion**. Shred415 is extremely active on various social media like Instagram, Facebook and Twitter and must use this active presence to build awareness of the program before actually rolling it out. This is beneficial because it helps build anticipation and potential customers who were earlier looking to sign up for a class themselves might want to wait and encourage their whole family to start with them when the plan is in effect. It should begin promoting the plan by 5/28/2016.
3. Shred415 should also alter some of the images on their website before rolling out the plan. It should try and incorporate more pictures of their current male customers and ask them questions regarding their experience with the High Interval Intensity Training program. It should then put some of these quotes up on their website to encourage male participation.

**Implementation**

We plan to have Shred415 implement our proposed family plan in two steps:

1. The next step will be to incorporate the plan in Shred415, and first we will look at the plan only for any new locations Shred415 may open in the near future. We propose a **Grand Opening** campaign for any new Shred415 store that opens offering the family package discount for a limited time only of ONE MONTH. This will ignite the interest of families to take advantage of this discount and use Shred415’s innovative strengthening workout routine together. Shred415 will have to update the pricing on its website to include the family deal and how it works. It will also have to mention how long the discount runs for while including a table of comparison showing the difference in prices to encourage Shreders to further take advantage of these savings.

2. The final step is to introduce the plan in all of its stores. Shred415 will already have included the plan on their website for new stores but the current existing locations cannot be neglected. We have three separate programs for existing stores. These three programs can also be applied to any new stores that might open after their Grand Opening program has been implemented.
The three programs are as follows:

- Our initial proposal has the first family package coming in for our **September Sweat** campaign. This will give Shredders the opportunity to sign up for any class during FIRST WEEK of September 2016 to receive the family package discount.
- The next phase is the **Octane October** campaign giving people the opportunity to sign up for any class during the FIRST WEEK of October 2016 to receive this discount.
- Our final proposal for all current stores is the **No Days Off November** campaign giving people the opportunity to sign up for any class during the FIRST WEEK of November to receive this discount.

**Post Promotion Analysis**

1. After the plan is put into place, Shred415 will have to analyze the financial results of the plan and compare it to their regular streams of revenue and decide whether or not it wants to keep the plan as part of the products it offers to their customers. If the revenue generated from the plan is greater than the opportunity cost of the option, then the plan should be continued. We propose that it analyze the results of the plan on **1/21/2017**.
2. Shred415 will look at the results with regards to the increase or decrease in customers. Shred415 is looking to add more male participants to their current roster of clients. If the plan is successful up to the point where it is feasible for them to keep the plan, there will be more male participation in Shred415 which will help build the Shred415 brand among the male demographic in and around the Illinois and St. Louis areas.
3. Shred415 will study the effectiveness of the plan in all of their current locations in Illinois and St. Louis. If need be, it will alter the pricing of the plan and make sure it is offering the best prices to help increase participation.

**Measurement of Success**

The measure of success for the Family Plan is financial. Scheduled periods following each promotion track the progress and success of the plan. During this period, we will calculate the profit gained and retention of clients. The profit of clients on the promotion is then compared to the cost of regularly priced classes to determine the opportunity cost of Shred adopting the family plan. The implementation of the Family Plan intends to increase profit and retention in the long run. The placement of the promotion during the slow months attracts new clients and also keeps Shredders returning, leading to increased profits and higher client retention, and accomplishes all goals previously set out.

Shred follows a cost-cutting marketing strategy. We do not plan to market the family plan through paid advertisement. We will utilize Social media (Facebook, Instagram, and Twitter), flyers, and email to current Shredders regarding the upcoming promotional offers. Since the director of marketing hired last year will create each of the advertisements, no extra costs are acquired. The flyers created will generate the only specific cost of implementing the promotion.
Prices for flyers from Vistaprint and Nextdayflyers range from $37 to anywhere as high as $112 for 500 flyers, depending on the dimensions and quality produced. Our recommendation is to print 500 flyers for each promo period. Depending on the decisions of the director of marketing, our cost for the flyers are listed in the figure below.

<table>
<thead>
<tr>
<th>Studio with Grand Opening</th>
<th>Studio without Grand Opening</th>
</tr>
</thead>
<tbody>
<tr>
<td>4 Promotions per year</td>
<td>3 Promotions per year</td>
</tr>
<tr>
<td>$111 to $336</td>
<td>$148 to $448</td>
</tr>
</tbody>
</table>

Figure 10: Flyer Printing Cost

Managements' ability to calculate revenue, client retention and growth in the post promotion analyzing periods reduces potential risks. Although this is not expected, if the revenue for the promotion and number of client growth are not ideal, management is able to reduce the offers that may have poor participation or brought losses to the company. If the promotion proved ineffective in specific months, also equally unlikely, management has the option to stop the promotion during those months.

**Threat Mitigation**

The mitigation strategies available are presented and active within our promotion. According to the informative session Shred’s ideal goal is to create community cohesion. This synergy only exists when a diverse range of Shredders participate in classes. The Family Plan intends to increase male participation in the community and increase the family plan. Similarly to Bonnie & Tracy stating they can exists in any market, we believe there is no threat to our plan. In the slim possibility that the plan does not prove effective, the same ease and low cost of implementation presented, exists in our promotion exit/reduction strategy.

**Exit Strategy**

If our idea fails we have a couple ideas to use as an exit strategy. Our idea is most likely to fail if our clients find little or no use out of it. We will measure its success by recording how many people utilize the deal. If it simply does not catch on, we will stop with the promotion and set time aside to come up with another idea that will be successful and our shredders will be happy with.
**Profit Analysis**

The family plan intends to increase revenue and raise the retention rate of clients as Shred415 continues to expand. The established business plan specifies advertising through cost reduced sources such as social media and local studio references. The challenge arises of attracting customers in a foreign suburban ground as expansion continues without spending large amounts of advertising costs. The family plan intends to follow Shred415's business plan, continuing to avoid those costs, while incorporating their biggest advertisement: word of mouth.

**Estimation of Potential Revenues**

In our post promotion analysis we will place our revenues during the first week of September, October, and November as well as the month of grand opening versus potential revenues without the promotion. Placing the two against each other accurately analyzes the opportunity cost of implementing the family plan. The figure below compares the Family Plan Pricing Costs to the opportunity cost, highlighting the percentage the customer would be saving.

![Figure 11: Opportunity Costs and Client Savings](chart.png)
The figure below, Figure Y, demonstrates the possible outcomes of the Family Plan.

<table>
<thead>
<tr>
<th>Worst Case Scenario</th>
<th>Base Scenario</th>
<th>Best Case Scenario</th>
</tr>
</thead>
<tbody>
<tr>
<td>No clients gained or clients gained only during promotion, reducing revenue</td>
<td>Clients increased and retention improved</td>
<td>Maximized class capacity for promotion week</td>
</tr>
</tbody>
</table>

It is unlikely that the Family Plan promotion during studio grand openings and slow seasons will fail to meet our expectations. However, if the event does occur we removing the system and returning to the base costs. Our goal to attract more male clients in this scenario along with obtaining members of the community with prior relationships would have failed.

Based on our knowledge of Shred415’s slow months and barriers in entering a new community outside of Chicago, we expect an initial boost in grand opening clients. Improvements in the retention rate of clients along with their spouse and child are also highly anticipated. The Shred415 ideal of attracting more male clients would be obtained and maintained in this scenario. The community attraction would also prove successful through strong word of mouth about the promotions and environment Shred415 brings to less competitive, possible boutique-less areas.

The initial response to the grand opening promotion has the strong possibility of attracting families of all types, increasing diversity in the Shred415 demographic, obtaining the increase of male clients sought after. Best case scenario, it is also foreseen that during the slow months, clients will be retained, producing larger/maximized class sizes in the final months of the year. Capitalizing in all desired areas of potential revenue and Shred415 ideals the promotion brings mothers, fathers, and children alike, and establishes relationships between families.

Figure 12: Worst, Base, and Best Case Scenario Analysis

The family plan will address all market barriers presented for Shred415 as expansion continues and breaks them down one by one as it attacks complications with solutions containing desired company goals. The high cost of advertising will be avoided through the strong ‘word of mouth’ and social advertising Shred415 previously shows success in. The possibility of reducing revenue is also unexpected since the promotion is not permanent, only presented in grand openings and the slow months expressed by Shred415. This family plan is everything Shred415 needs to consistently and constructively expand while breaking new community barriers of being an unknown company. Shredders will spread like wildfire within the community and between families around bringing high class client attendance and retention, maximization of the Childcare center, and attraction of male Shredders.
Appendices

Sample Flyer for Family Plan

K.J. Lane Consultants

MI CASA
SHRED
SU CASA
SHRED

BRINGING YOUR FAMILIES TOGETHER

September
Sweat

$45

Three Class
(2 ADULTS, 1 CHILD)

October

$120

Monthly
(2 ADULTS, 1 CHILD)

No Days Off
November

$410
## Pre-SWOT Analysis

<table>
<thead>
<tr>
<th><strong>Strengths:</strong></th>
<th><strong>Weaknesses:</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Specific and team-oriented workouts led by trained professionals</td>
<td>Higher Prices compared to other local designer gyms</td>
</tr>
<tr>
<td>Shred415 has differentiated products and successful services unique to their company</td>
<td>Wide array of competing gyms in close proximity</td>
</tr>
<tr>
<td>Quick and effective workouts appeal to people who don’t have a lot of free time</td>
<td>Lack of advertising to potential customers</td>
</tr>
<tr>
<td>Developed successful group classes</td>
<td>Lack of variety in class options</td>
</tr>
<tr>
<td>Optional childcare services</td>
<td>Lack of diversity among Shredders due to regimented HIIT program</td>
</tr>
<tr>
<td>The HIIT program is proven to have health benefits for people suffering from diabetes and heart disease</td>
<td>Company website is not clear in explaining their pricing strategy</td>
</tr>
<tr>
<td>All locations turned a profit in the last financial year</td>
<td></td>
</tr>
<tr>
<td>Interactive use of social media</td>
<td></td>
</tr>
</tbody>
</table>

## Opportunities:
- Change members’ perception that getting in shape is impossible
- Expand current clientele
- Expand the program by opening stores nationally and internationally
- Add classes that adapt to trends such as yoga, crossfit, spinning
- Draw consumers to Shred415 through discounts and special offerings
- Introducing a member reward system

## Threats:
- Low awareness of HIIT programs and benefits
- Competitive industry
- No barriers for entering the fitness industry
- Huge variety of workout programs (yoga, pilates, etc.)
- Chicago location
- Cheaper alternatives
- Gyms/exercising at home
- Workout videos, apps, etc. replacing the use of facilities
**SWOT After Implementation**

**Strengths:**
- Family plan highlights Shred 415’s most differentiating quality, its child care services
- Successfully attract both men and women clients
- Increased customer retention during slowest months of business
- Promotion reduces opportunity cost while maintaining a high level of customer satisfaction

**Weaknesses:**
- Long term effectiveness of promotion at specific studios
- Lack of participation outside promotion period
- Low cost advertising scheme prevents reach into potential clientele

**Opportunities:**
- Increased diversity of clients enables successful promotion of other services (i.e. Workout apps or Apparel)
- Increase or decrease promotional periods
- Increase people’s awareness of HIIT and its benefits.

**Threats:**
- Clients only purchasing class packages during promotional periods
- Reduced young adult target market due to more families/couples participating

---

**Post-SWOT Analysis**


Roemer, Tracy, and Bonnie Micheli. "Information Session of Shred415." Indiana University Hodge Hall Undergraduate Center, Bloomington. 6 Oct. 2015. Lecture.

