

# The fit stop: case study

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The Fit Stop Ltd. offers a rigorous business concept that addresses the core needs of consumers searching for the right equipment to improve conditions on previous injuries, training for a sport, strengthening of back muscles, and general fitness. The founder Susan Superfit discovered the need for potential clientele where a fitness store has the knowledgeable staff to assist, and advice. In addition, the concept developed by Susan Superfit is to provide a place that caters to customers recently forced to strengthen their bodies with top of the line of equipment. The Fit Stop Ltd objective presents an interesting and marketable service with over 12 million consumers's purchasing power in the nutrition and fitness industry.

Although, the business idea for Fit Stop Ltd. presents a promising concept for business development in the shopping malls in Ontario, the concerns in several areas poses some concern to successfully meet the projection for a profitable business in two years. The funding Susan obtained from Working Ventures a large, Canadian labor-sponsored investment firm, created a restricted ability to complete all proposed initiatives. For instance, the commitment for making loan payments for several stores operating at the same time can result in not meeting monthly financial benchmark to stay in business. The challenges are primarily themoneyflow to manage the staff, shopping mallstore rent, and equipment maintenance.

The time frames for making the loan payments are not known specifically, however, the thought process is within 12 months a proposed financially benchmark must be met accordingly to become profitable in 24 months. Furthermore, the monthly obligation to have enough funding to continue business the next month is critical in order to fulfill the financial commitment

by the end of the first year. The overall objective that Susan Superfit outlined is within 2 years the Fit Stop Ltd. will be able to become profitable, therefore, the first 12 months are critical to reach projected goals. Read more about Tanglewood Case

The additional financial dilemma relates to the proposed plan to issue compensation to all employees similar to the surrounding competitors. The compensation plan needs to be further researched instead of assuming to follow competitors matrix on compensating employees as the one to implement (Porter, 2004). Susan should verify each position being considered at salary.com and the local chamber of commerce. The senior positions to occupy the store range from a physiotherapist to a kinesiologist with a bachelor degree in kinesiology and managers with a bachelor's degree in business commerce. The other store positions are sales and regular staff employees to assist the physiotherapist and kinesiologist.

The personnel for all the stores provide a need to establish a foundation of a flexible compensation matrix to implement. Mainly, the position with a mandatory college degree should be on a different level than an only high school diploma requirement. The college degree position needs to offer a 5% increase of the average pay scale. In this approach, the founder of Fit Stop Ltd. has the advantage of recruiting the very best talent in the field to offer the stores the highest quality of knowledge and service. Case in point, one of the core attributes that the founder, Susan Superfit stated in her business plan is providing a service with in-depth knowledge on fitness, healthy, and how strengthening equipment can assist in achieving the goals.

Therefore, the Fit Stop Ltd. compensation plan needs a level-structure for experience personnel and non-experience personnel. In doing so, the Fit Stop Ltd. compensation plan allows for the flexibility to monitor each employee on performance, knowledge, and sales generation that can be offered bonuses if warranted. Moreover, the compensation plan empowers Susan Superfit ability to proactively make good business decisions if raises or a decrease of pay is sufficient to staying within balance of the overall financial goals of the company.

The compensation plan is one of the critical components that will either assist Fit Stop Ltd. reach its 2 year goal for generating a profit. Therefore, the need for Susan Superfit to conduct salary compensation research is vital to not only pay employees but to use necessary funds towards other business internal needs. Case in point, the fitness equipment used in the stores is another area of focus that can become costly, especially when the maintenance is due periodically. The funds must be diversified to apply towards compensation of the employees, shopping mall rent, and the maintenance to high quality equipment. In order to accomplish the task a quarterly review on areas listed are a must to determine if sufficient funding are within the benchmark relating to successfully disbursing funds appropriately.

Conversely, the operation to infuse stores in more than one shopping mall presents a potential strain on the streaming of cash flow when attempting to compete with competitors. The many competitors are in the surrounding areas are not confirmed; however, at least one competitor must be present that provides a major drive to effectively advertise. In the pursuit to

showcase the Fit Stop Ltd. theme that offers customers an intelligent staff, the budget for advertising essentially creates a fundamental prism for constant marketing activities. The objective for Susan to reach plan goals towards the financial plateau within the 2 year benchmark, the advertising budget will plays a pivotal role to accomplish such goals.

The advertising budget will need to be around 11% of all revenue coming into the store that introduces, showcase, and encourage the benefits of Fit Stop Ltd. stores. The key attributes are needed to present the talented and knowledgeable staff in commercials and magazines. The target audience will need to fit within a demographic of consumers with financial ability to purchase different price ranges of fitness equipment. In addition, the advertising needs to focus on the brand identity of Fit Stop Ltd. that will contribute to the brand equity. This focus is important for Susan Superfit to establish the brand positioning in the major cities and future plans of expanding in Quebec Atlantic Provinces. The brand identity of Fit Stop Ltd. offers an opportunity for the Susan Superfit to penetrate the target demographic population, in order for brand development. The successful results in brand development provide a solidifying attempt to further the business initial goals. (See Figure A)

Brand				Positioning
Brand	Name			Selection
Brand				Sponsorship
Brand				Development
Attributes	Benefits	Beliefs	and	Values
Selection				Protection

Manufacturer's brand Private brand Licensing

Co-branding

Line extensions Brand extensions Multi-brands New- brands

Figure A.

The benefits of using demographic segmentation for targeting a business audience is the increase of the share of the customer in the market, high customer equity, and brand equity that provides continued growth for business operations. The art and science of choosing the target markets and building profitable relationships with them is the foundation of marketing management. The formula for the marketing management agenda is the philosophy for a design plan for a customer-driven marketing strategy. It is the marketing manager's aim to find a significant position to finding, attracting, keeping, and grow the target customers by creating, delivering, and communicating superior customer value.

In the pursuit to successfully use demographic segmentation, the marketing manager must consider whom Fit Stop Ltd. is to serve and have a strong knowledge of such data. The information will be able to provide the marketing manager the means to create a substantial marketing segmentation plan accordingly. The methods to achieving identify and managing the targeted demographic is to divide the market into segments of customers and serving them directly with specific needs. In doing so, the benefits provide the familiarity from the customer base that will purchase the fitness equipment majority of the time within a given time.

The targeted demographic segmentation creates not just a preference of the brand product or service but value proposition. The benefit of the value

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proposition creates more a dedication from the targeted demographic when marketing the company's products or services. It provides a synergy with the core values of Fit Stop Ltd. business objectives to infuse the product and service into the market for longtime relationship with targeted audience. The demographic segmentation commitment that contributes for a longtime relationship with the targeted audience the increase of profitable relationship expands over the course of years of the company.

The Fit Stop Ltd. synergistic approach to formulate a concise effort to meeting the 2 year profitable stage can be achieve if areas identified are handled appropriately. The key points for Susan Superfit to implement is the compensation plan, streamline advertising campaign, and diversified applied funding through the stores in order to secure brand equity. The characteristics of success that Susan Superfit can identify is when the business reoccurring consumers to the Fit Stop Ltd. store, in which, the goal for brand equity has been reached. The theoretical framework for Fit Stop Ltd. is stellar service with a humanistic approach to assist in the purchasing of a product that vilified the business concept to obtain betterhealth.

#### References - 1

Porter, Michael (2004) Competitive Strategy: Techniques for Analyzing Industries and Competitors. Free Press; New Ed edition