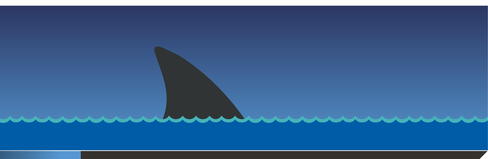


LOW-COST GYMS HAVE THE MID-MARKET HEALTHCLUBS IN THEIR SIGHTS…'

They are changing the face of the industry, gaining market share rapidly.

70 to 80% of low-cost clubs' members have been members of clubs before…

Mid-market facilities are forced to rethink and reposition their services - no longer able to claim they offer 'more for less.

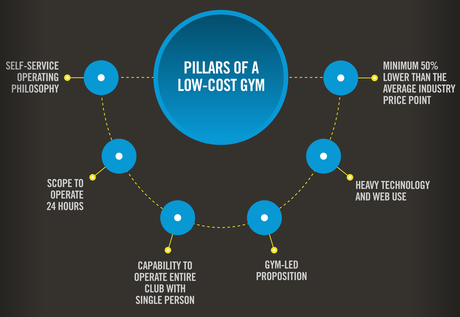
THE LOW COST MODEL.

EXPLODE THE MYTHS

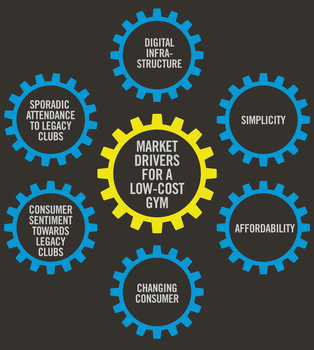
- A low cost strategy is not only about pricing.
- Dropping price and cutting services doesn't mean becoming a low-cost facitlity.
- Being low-cost doesn't mean being inferior.

Insight: Consumers are purchasing a 'narrower' experience, not an inferior one. A low cost model is about about focusing on one or two consumer segments and delivering better than rivals do - what remains benchmarks as good as, if not better than, higher-priced rivals.

AN ALL-EMBRACING ORGANIZATIONAL PHILOSOPHY



UNDERLYING CONSUMER DRIVERS



REMAINING COMPETITIVE

Is turning your model into a low-budget one the only answer?

NO, NOT NECESSARILY.

No one wins in a price war… rather, the participants merely survive.	By definition, low-cost means 'low-touch'.	There will always be two kinds of consumers: those who buy on the basis of price and those who are partial to value.

> "Taking on a low-price competitor and competing against a truly disruptive business requires a careful rethink about how your own business operates - you need to fundamentally challenge your business model. The changes required may not be for the faint of heart, but they're better than the alternative."
>
> Harvard Business Review - Strategies to Fight Low-cost Rivals

10 TIPS

- Clarify what your business believes in.
- Member attendance should become your #1 kpi.
- Re-think your value proposition.
- Focus on providing members with more results and motivation.
- Be so good they can't ignore you.
- Run micro-businesses inside your business.
- Keep up with changing demography, needs and trends.
- Harness technology and social media.
- Review your membership options and pricing.
- Invest in the best possible team.

CONNECT TO REQUEST A FREE CONSULTATION

"We have to find new ways to make people fall in love with fitness."
LES MILLS, 1968