



# HYGIEIA

THE WELLNESS PLACE FOR WOMEN

# HYGIEIA

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# HYGIEIA

## 1. Executive Summary

### 1.1 Business Summary

Hygieia is a women-only space and community focused on fitness and wellness. Our space will be open to all female-identifying individuals for a monthly membership fee. The membership fee will include access to all gym equipment and amenities as well as a plethora of wellness programming and community events. Currently, gym experiences for women are either budget gyms that are for everyone or extremely expensive classes that are targeted toward women. Hygieia will be priced in the middle of these two options and will focus on cultivating a space for young women to build a community outside of work and home. Hygieia will start as a single location in Denver, CO, and will expand to other metropolitan areas across the US owned and operated by Hygieia, not franchisees.

Hygieia will offer a plethora of amenities and services. Below is an exhaustive list:

- **ADA-compliant gym space** with a wide variety of aerobic and weights equipment
- **Luxury locker rooms** well stocked with branded products and equipped with mirrored vanity stations with blow dryers
- **Medical sauna**
- **Spa treatments** available by appointment for additional cost
  - All members receive two free spa treatments per year
  - Treatments include facials and massage
- **Juice bar** with a variety of smoothies, fresh pressed juices, and small snacks
- **High level of security** - all doors can only be unlocked via a personal barcode that can be accessed via member's mobile app or a keychain membership card
  - Front door monitored during all working hours
- **Wellness-centric programming** opportunities for members led by experts and community leaders. Programming examples include
  - Yoga for Balance and Stability class led by a local yogi
  - Soups of Autumn cooking class led by a local chef
  - Eating the Seasons class led by a local nutritionist
- **Branded merchandise** for sale - from clothing to water bottles
- **Childcare** available for mothers/caregivers while using facilities
  - It would be run out of a small facility run by certified staff - with a play area, reading area, and some educational materials about healthy habits
- **Prime location** - Hygieia branches will be located in large metropolitan areas; proximity to downtown offices is important to working women
- **Personal training services** - Hygieia will employ personal trainers that are available by appointment. All members get two free appointments every year of membership and all other appointments are paid per service
- **Website** - for information on the mission, payment portal, booking appointments, and buying merchandise
- **Mobile app** - for gym access, payment, etc. Features include:
  - Barcode access for gym entry

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- Payment portal
- Appointments and reservations
- Calendar - plan workout and be reminded of programming events and classes
  - Hygieia's calendar will synch with your favorite calendar app so your workouts, events, and classes can be added to your day-to-day calendar
  - Share your calendar with other members to workout or go to classes together

## 1.2 SWOT Analysis Summary

Hygieia's primary strength is its community which will contribute to growth, retention, and provide a defense against price sensitivity. Additionally, a strongly established need and a gap in the pricing market create a perfect opportunity. Hygieia's primary weakness is its high cost - as a brick-and-mortar business there are many associated staffing and utility costs, especially if the business is to be scaled. Our primary opportunity is our community partnerships which are critical for fostering and maintaining our community and diversifying our programming opportunities. Lastly, Hygieia's primary threats are competition and obsolescence. Competition comes in many forms including home gyms and digital gym spaces which contributes directly to the second threat, obsolescence.

## 1.3 Business Model Canvas Summary

Hygieia puts relationships first, and because of this our relationships with our key partners are very important to us. Some of our most important partners include community groups that will be invited into our space. Because Hygieia is a brick-and-mortar business, our key resources are primarily physical assets such as our building and aerobic equipment. Additionally, our staff is a key resource crucial for creating a safe, community-centered, luxury space. Hygieia's key activities surround creating a clean, safe, luxurious space to enjoy exercise and community for women. This activity ties directly into our value proposition; ensuring that women feel safe, are a part of a wellness-centered community of women and have a luxurious space near their work to exercise and socialize. Our customer relationships are built and maintained through our personal and welcoming onboarding process as well as our strong community that both ensures retention and growth. Hygieia's customer segment is the young working women who are concerned with wellness, community, or a space that values inclusion and advocacy. We reach these customers primarily through word of mouth; this is our primary channel. The wonderful thing about being a community of women is that very little advertising is required. Hygieia's primary revenue stream is membership fees and its cost structure consists of many fixed costs associated with its brick-and-mortar status.

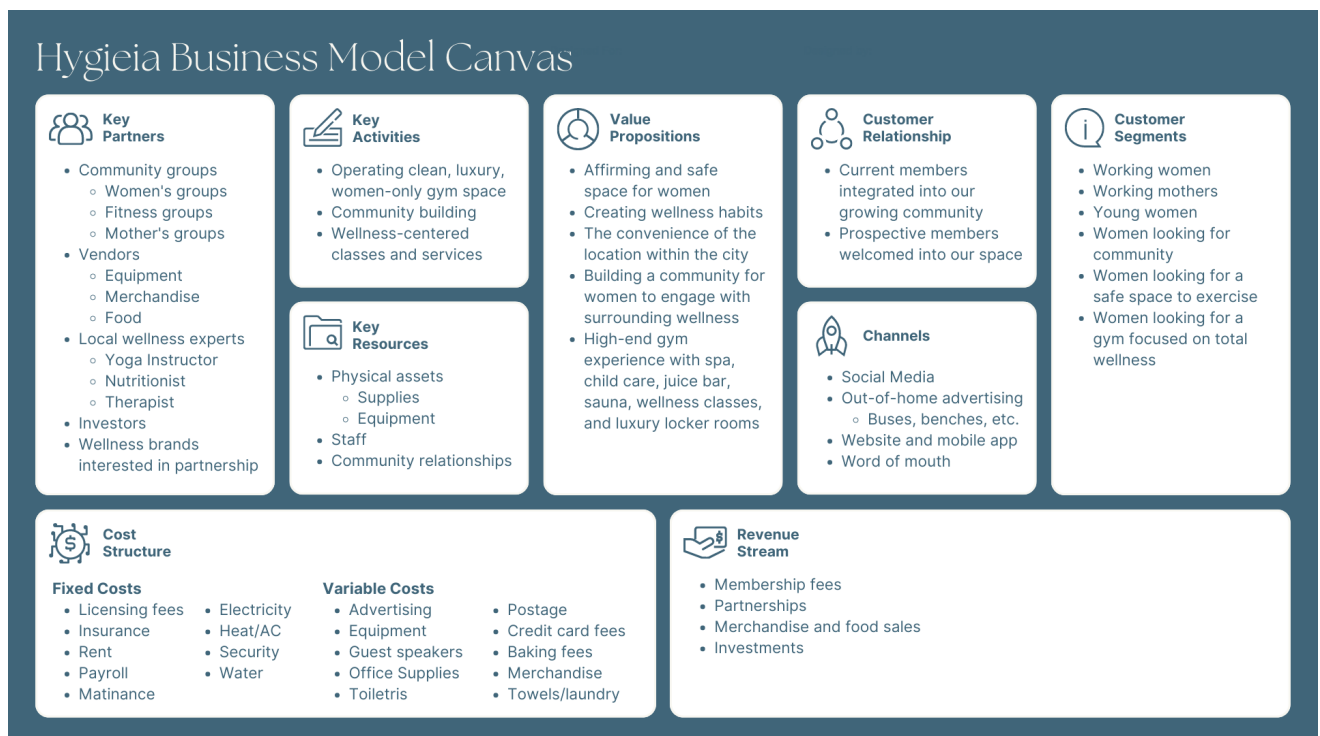
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## 1.4 Contextual Analysis Summary

There are many contextual reasons that Hygieia will be successful. Firstly, women report feeling uncomfortable in traditional gym spaces. In fact, a study by Runner's World found that 73% of women believe that women-only gyms are needed for women to feel safe when exercising. Additionally, there is more scientific and social pressure than ever before to be health conscious. Health is wealth. Along this line, there has been a fundamental shift in the health industry since the body positivity movement. People want to be fit, not just thin. This is a core value for Hygieia, we believe in total wellness, not just weight loss. Additionally, women complain about a lack of community post-graduation. They feel lonely after moving to a new city with no real connections outside of work. Hygieia is more than a gym, it is a community of women. We build that community through advocacy and wellness events. Lastly, there is a large gap in gym pricing from \$50 to \$150 per month. This in-between price point combined with a lack of resource-consuming classes allows Hygieia to provide a luxury experience for less than our competitors.

## 2. Situational Analysis

### 2.1 Company Analysis



#### 2.1.1 Customer Segment



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Hygieia customers are young, working women that are interested in building wellness habits and their community. Our space will cater to the working downtown women, whether that be the corporate America girlie or the wealthy downtown mother. Hygieia will cater to the working woman with easy access to our facility in the city near many downtown offices as well as mothers with on-site childcare.

## 2.1.2 Value Proposition

We are creating “the wellness place for women” which means creating a safe, clean, luxury, judgment-free, environment for women focused on total wellness. Our goals for the space surround creating an uplifting and supportive environment that promotes health and community. According to the study *Narratives of Negotiation and Transformation: Women’s Experiences within a Mixed-Gendered Gym*, women feel that traditional gyms create anxiety and have a high focus on weight loss; these factors create negative feelings around the gym. We strive to create a gym that doesn’t create these feelings for women.

## 2.1.3 Channels

The most prevalent channel used to connect with members and to promote services will be social media. As more gyms open up, each site will operate its own social media accounts to promote gym-specific programs and events. The majority of gyms will be in large metropolitan areas, so we will utilize out-of-home advertisements such as bus ads or billboards to promote Hygieia. In a more traditional manner, the website offers much information about the gym itself. This will also be available as a smartphone app.

## 2.1.4 Customer Relationships

Hygieia’s relationships with customers are important for the company’s success. As a customer of Hygieia, you become part of a community. Hygieia is passionate about spreading information on the value of being involved with the brand. Customers build relationships with staff as well as other customers.

Most of the customer interactions will occur in person with some interactions occurring over the phone or online. Across the board, Hygieia has a company standard to ensure customers feel welcomed into the Hygieia space. Hygieia will strive to retain customers through word-of-mouth advertising and maintaining a positive experience in the gym.

87% of gym goers who are retained for more than one year cite their positive onboarding experience as the reason for their retention. This onboarding experience will be emphasized at Hygieia. Members will receive a one-on-one walk-through of all of our facilities, a personal

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demonstration of how to use all machines, and will receive a personal invitation to the first two community events after their arrival.

## 2.1.5 Revenue Streams

Hygieia will have a few different revenue streams. The first stream will be through fixed membership fees. Hygieia will change these rates as inflation increases and as customers' needs change. Given the current positioning of other gyms in the marketplace, Hygieia's single-tier price will be \$129.99 per month per member.

The second stream will be from extra amenities. Members of the gym can pay additional fees for spa appointments, personal trainer services, and drinks from the juice bar.

The third revenue stream will be sales through merchandise. These sales will occur in person and online. The gym will offer certain products for customers such as water bottles and athletic clothing.

The last revenue stream will be through brand partnerships. Hygieia will have opportunities to partner with a variety of brands centered around wellness and targeted toward women. This can be profitable in more ways than one. Creating relationships with brands may be lucrative in the form of paid sponsorships but it will also help bring in more customers which in turn creates revenue through membership fees.

## 2.1.6 Key Resources

Hygieia's key resources help facilitate the success of its key activities. Because Hygieia is a brick-and-mortar business the majority of its resources will be physical. These resources include buildings, gym equipment, office supplies, technology, etc.

Additionally, the staff is a crucial resource to achieving a luxurious customer experience. Hygieia's hiring process will ensure all staff members are able to create a luxury environment for members. Hygieia's staff will also be trained to liaise with other local communities to create a more well-rounded membership experience.

## 2.1.7 Key Activities

Hygieia's primary activities include operating a clean and luxurious space for women to work out in the city. It is essential that everyone feels comfortable in our space. To execute this activity, we will have a large variety of activities including aerobics, weight lifting, and yoga equipment.

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Our aerobic and weight lifting spaces will not have windows or large mirrors like in many gyms, to create a sense of privacy.

The space will be maintained through daily cleaning. Cleanliness is crucial for customer retention and something that Hygieia values. Areas that will be cleaned include fitness spaces, locker rooms, and private workout areas.

To create a luxurious and welcoming atmosphere, all of Hygieia’s staff will need extensive training as well as additional training as customers’ needs change.

Programming and events will be crucial to developing a strong community. This programming will be centered around wellness and advocacy and primarily consist of classes. These classes will be led by local community and wellness leaders.

## 2.1.8 Key Partnerships

Creating relationships with local organizations and leaders will help us build a stronger community. Specifically, we are interested in building relationships with organizations and leaders related to wellness and women’s issues. Hygieia also intends to foster positive relationships with investors, vendors, and manufacturers.

## 2.1.9 Cost Structures

Fixed costs are primarily surrounding our status as brick-and-mortar locations while our variable costs are more specific to our key activities.

Fixed Costs	Variable Costs	Staff/Payroll
<ul style="list-style-type: none"> <li>● Licensing fees</li> <li>● Insurance</li> <li>● Rent</li> <li>● Maintenance</li> <li>● Utilities</li> <li>● Security</li> </ul>	<ul style="list-style-type: none"> <li>● Advertising</li> <li>● Equipment</li> <li>● Amenities                             <ul style="list-style-type: none"> <li>○ Shampoo</li> <li>○ Conditioner</li> <li>○ Moisturizer</li> <li>○ Towels</li> <li>○ Deodorant</li> </ul> </li> <li>● Postage</li> <li>● Credit card fees</li> <li>● Banking fees</li> <li>● Merchandise</li> <li>● Cleaning                             <ul style="list-style-type: none"> <li>○ Laundry</li> <li>○ Cleaning products</li> <li>○ Etc.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>● Event organizer</li> <li>● Receptionist/retail manager</li> <li>● Childcare staff</li> <li>● Cleaning staff</li> <li>● Athletic trainers</li> <li>● Juice barista</li> <li>● General managers</li> <li>● Administration</li> <li>● Guest Professionals                             <ul style="list-style-type: none"> <li>○ Speakers</li> <li>○ Teachers</li> <li>○ Nutritionists</li> <li>○ Doctors</li> <li>○ Yoga instructors</li> <li>○ Etc</li> </ul> </li> </ul>

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## 2.2 Customer Analysis

The average Hygieia member is a young working woman who is concerned with wellness. She values efficiency and enjoys that her gym is only a few blocks away from her office. Specifically, she enjoys the luxury locker rooms where she gets ready for work in front of a large, well-lit, vanity-style mirror after her morning workout and before she heads to the office. She is looking to be involved in her community. She supports other women and wants to be in a space that is uplifting. She is interested in investing in her wellness and is concerned with wellness past working out. Advocacy is important to her and she enjoys that a lot of the programming is centered around advocacy education and involvement. She may have been made to feel uncomfortable at other gyms and can appreciate being in a space where she doesn't feel like she is being watched.

### 2.2.1 Product Market

Hygieia is a female-only gym that is inclusive to all women-identifying people. The gym will be a luxury gym located in Denver, Colorado. Hygieia will target consumers that have a higher income ranging between \$80,000 to \$500,000 with the ability and desire to have an active lifestyle.

### 2.2.2 Target Market

Hygieia's target market is women aged 21-35 with a substantial income in Denver, Colorado and the surrounding areas. More information about the target market's characteristics will follow. Although Hygieia's target market is made up of different lifestyles, all of the women share a goal of exercising and maintaining a healthy lifestyle. Mothers, post-grad women, and urban, working women all have a goal to feel better about themselves. These customers can also be women-identifying because Hygieia promotes an accepting environment. Because this target market is fairly narrow, it is important to do quality marketing to ensure all people are aware of Hygieia.

### 2.2.3 Location

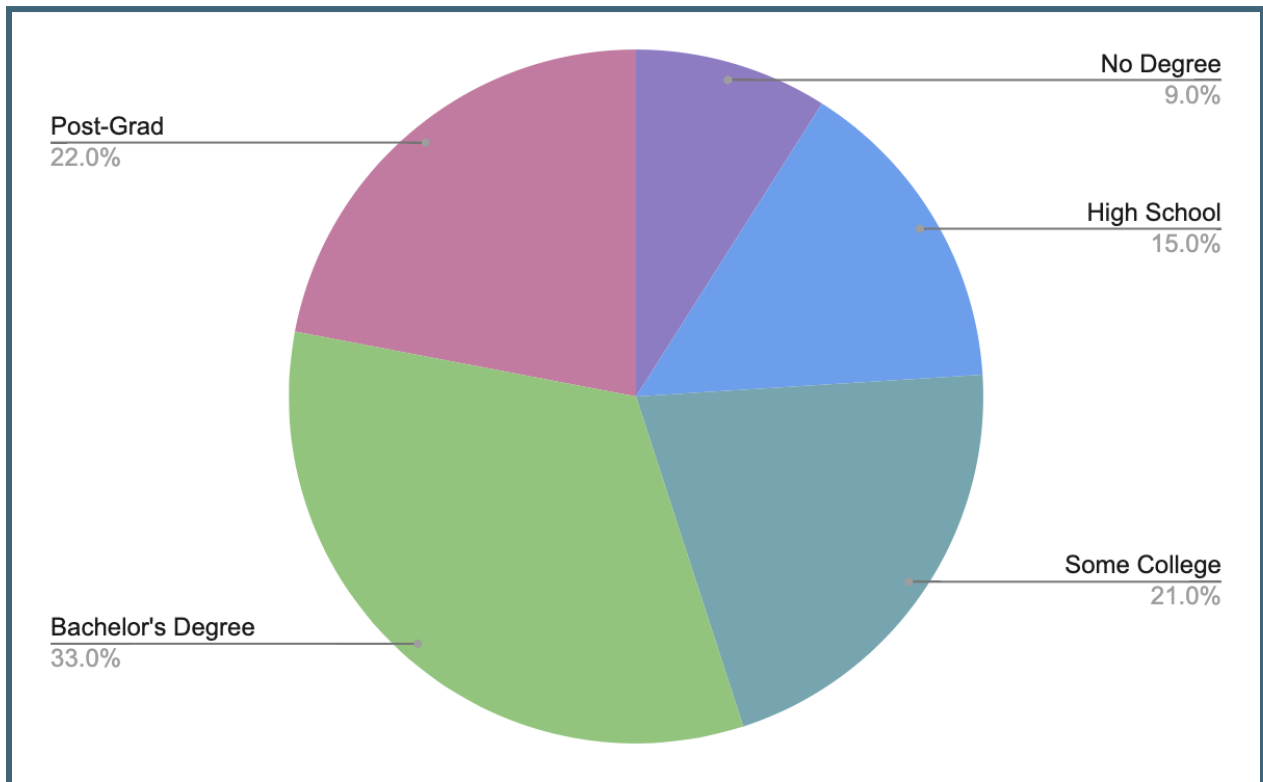
Denver is an ideal location because of the diverse environment and wide acceptance of new businesses. In 2014, Forbes anointed Denver as the second-best place to start a business. More recently in 2019, WalletHub placed Denver in the top 10 list of best cities to start a business. Denver is widely accepting of new startups and the city government has recently provided business income tax credits to new businesses showing proof that it is providing jobs.

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In addition to governmental support, Denver promotes a highly diverse environment in which women feel comfortable and have the desire to exercise. Approximately one million people own a gym membership in the state of Colorado and visit said gym frequently. This does not include the suburban areas of Denver which would also be present. We believe people would be willing to travel for this luxury experience.

Denver is also an attractive market because of the large population that have obtained a higher education. According to the Census Bureau, 50.3% of the population in Denver has received a Bachelor's degree and 89.1% of people have received at least a high school diploma. Typically, a higher education leads to higher income levels. The individuals who are making higher income are more likely to spend their money on "luxury" products and services.

Below is a pie chart showing the population in Denver and percentages of people with varying education.



## 2.2.4 Age & Income

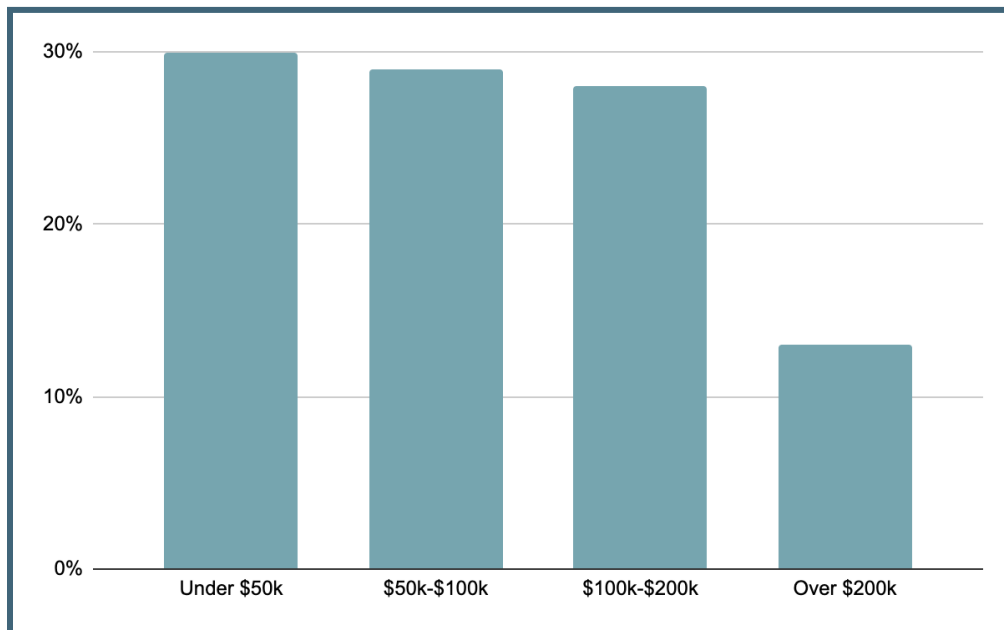
Hygieia is targeting women ages 21-35 because of their desire to exercise. 33% of millennials hold a gym membership in the United States. This is the largest market for gym memberships with Gen X following and Baby Boomers after that. Millennials also desire more specialized gym services such as yoga and a spa, which Hygieia offers. Millennials are also a desirable

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generation to target because of their desire to stay fit and have a good social presence. This age group feels compelled to use gym services more than other groups.

28% of the population in Denver makes between \$100,000- \$200,000 a year. In addition to this, 29% of the population makes between \$50,000 and \$100,000. The income in Denver is higher than Colorado as a state. Because larger cities tend to have higher incomes and younger individuals, Denver is the ideal place to start Hygieia. More specifically, targeting neighborhoods like Cherry Creek will be beneficial because of its affluent residents.

Below is a bar graph displaying levels of income in Denver.



## 2.2.5 Characteristics

To obtain information about the characteristics of our customers, we obtained research on three sets of people. The first group of people are regular gym-goers that don't have high needs for luxury. The second group of people are people that enjoy luxury services such as spas. The third group is women in the millennial age group. The reason for this research is because Hygieia is a new service. There are very few, if any, all female gyms. Getting characteristics of each of these groups of people will help Hygieia be able to target them better.

Gym-goers have a variety of personality traits that connect with their reason to go to the gym. These people are typically organized and have a competitive spirit. They have a desire to exercise and look and feel their best. They are also action-oriented people and are willing to try new things.

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Luxury spenders often feel power and happiness when purchasing high-end products and services. They are typically concerned with the environment and social and political issues and are willing to pay for what they believe to be “right.” They are hedonic and often like purchasing things to make themselves and others around them feel good.

Millennial women are highly intelligent and curious about new things. They are willing to try something new, as long as they can afford it. In addition to this, they take a lot of time in learning a new skill and perfecting their craft. These women would crave an experience like Hygieia for its social status and new ideas.

## 2.2.6 Needs

Hygieia intends to fill customers' needs through a variety of ways. Because of Hygieia's different services, we can help satisfy different needs. Some of these can include:

- Need for social presence: Being a member of Hygieia provides a feeling of “status” and that each member is doing the right thing. This makes our customers look good and feel good.
- Need for exercise: Similar to other gyms, Hygieia's state of the art equipment and services provide exercise in a unique way.
- Need for community building: It is important to Hygieia that it has positive connections with other businesses. Through classes hosted by Hygieia, its members are able to network and build meaningful connections.
- Need for relaxation: The juice bar, spa, babysitting center, and more are all ways that these women can “treat” themselves and absorb the relaxing experience.

## 2.2.7 Customer Segments

Hygieia's target market is millennial aged women, but this can be broken up into smaller groups that would enjoy Hygieia's experience. These groups include working mothers, post-grad women, single, urban women, and women-identifying groups. There is more information on each of these groups below in the customer segments section, but here is a brief synopsis.

*Working Mothers:* There are approximately 85 million mothers in the United States alone, so targeting this group can be intimidating. Hygieia provides services that are attractive to mothers such as a babysitting center, a secure entrance, and community classes. Each of these things is attractive to a mother to help better herself and her family.

*Urban Women:* Marketing towards these women is a unique task to handle. These women typically live a quick-paced lifestyle. Hygieia's app and secure entrance provides efficiency and speed that these people desire. In addition to this, urban women are often looking for ease of transportation. Hygieia will be conveniently located next to public transportation so that going to the gym is easy.

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*Women-Identifying Groups:* The LGBTQ community is one that is very prevalent and important to Hygieia's marketing strategy. Hygieia will proudly promote its acceptance of this group and also provide marketing that is sensitive to all people. Hygieia's services will offer comfortable spaces and no "identification" of gender upon entering.

## 2.2.8 Awareness & Attitude

There is an overwhelming stigma around gyms that women do not feel safe. In a recent study completed by USA Today, 71% of women say they changed their exercising habits because of a negative encounter in the gym. Over 92% of these cases go unreported, which leaves a lot of women feeling lost and with no other option. Hygieia offers a safe space for women to exercise and make sure each of its customers are satisfied with her experience. 29% of women would rather go to a women-only gym and 13% would go if there was a female only space. There is a clear issue in the market that needs solving and Hygieia is ready to resolve the issue.

## 2.2.9 Access

Hygieia memberships can be obtained in person and online. Hygieia's website will have an application form that must be approved by staff before gaining access. After being approved, members will be given unique login information that explains how to enter the physical gym. Applications can also be filled out in person by visiting the Hygieia gym.

Access to Hygieia is fairly simple and will remain consistent regardless of hours and days of the week. Hygieia prides itself on its tech-savvy experience and secure facility. Each member will use the application on her smartphone to enter with scanning technology. This will grant access to all parts of the gym. Customers will also be able to use Hygieia's website to find information on upcoming classes and guest speakers.

## 2.2.10 Customer Alternatives

While Hygieia is a unique concept, there are other gyms that share similar values. Equinox gyms are luxurious gyms located in urban areas that focus on one's entire well-being, rather than just exercise equipment. Curves gyms are women-only gyms located in the United States. These gyms offer simple exercising equipment and not much else. Planet Fitness is an extremely popular chain in the United States, but focuses on being a budget-friendly gym. While all of these options have secured a place in the market, it is important that Hygieia steps in because there is a gym for a women-only, luxury style gym.

## 2.3 Competitor Analysis



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## 2.3.1 Expensive Classes

Fitness classes make up a significant portion of the market. They are provided by franchises like Orange Theory and SoulCycle, as well as newer home gym companies like Peloton. These classes are more often marketed towards women, and even when they aren't they are perceived as such. They provide an encouraging group environment that is often lacking in the typical individual gym. They are typically more expensive, due to high monthly fees or per-class fees that stack up. They offer the convenience of getting to choose when to exercise rather than for a monthly membership, but in doing so lose the convenience of being able to workout when and how you want.

## 2.3.2 Budget Gyms

These facilities are what most people think of when they think of the gym. According to the 2017 Marketline Industry Profile on gyms in North America, the leading companies in this area include 24 Hour Fitness Worldwide Inc., Anytime Fitness, Gold's Gym International, and Life Time Fitness, Inc.. These facilities are mixed-gender and provide a variety of equipment and services at a low cost. Basic membership for one of these gyms typically costs between \$10 - \$50 a month. While these characteristics are often seen as strengths, they're also weaknesses. These large spaces can feel isolating, especially to women who feel judged or ignored by others in the space. The large space can be more isolating, especially to women who feel judged by others in the space. Women in these gyms also feel unwelcome in areas that are perceived as male-dominated, like the weights section.

## 2.3.3 Women's Gyms

Franchises like Curves and Lucille Roberts provide a space that allows women to feel more welcome than in mixed-gender spaces. Access to this space is available at a moderate price, with basic memberships typically falling around the \$30 - \$50 price range. However, one downside to these facilities is their reliance on stereotypical views of how women interact with the gym. Their branding includes traditional colors like pink and purple, and focuses more on weight loss and figure toning. They also limit the equipment available to the customer. This strict adherence to gender roles can be off-putting to the modern woman.

## 2.3.4. Unweighted Scale

	Catering to Women	Community	Variety	Luxury	Average
Fitness Classes	7	7	1	5	5
Budget Gyms	3	5	10	2	5

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Women-Only Gyms	10	7	7	7	6.2
Hygieia	10	10	10	10	10

To better analyze a competitor's strengths and weaknesses, each group was judged on four metrics; how much it caters to women, how much it fosters community, how much variety in equipment and services it has, and how luxurious the experience is. Each is rated on a scale from 1 to 10; 1 meaning that they don't have this metric at all, and 10 meaning they have it fully.

## 2.3.5 Weighted Scale

	Catering to Women	Community	Variety	Luxury	Average
<b>Weight</b>	0.40	0.30	0.15	0.15	-
Fitness Classes	2.8	2.1	0.15	0.75	1.45
Budget Gyms	1.2	1.5	1.5	0.3	1.125
Women-Only Gyms	4	2.1	1.05	1.05	2.05
Hygieia	4	3	1.5	1.5	2.5

This table shows the previous data but weighted by importance. How much a competitor caters towards women is the most important weighted at 0.4, how much a given group fosters community is weighted at 0.3, and finally variety in facilities and luxury are both weighted at 0.15 each. All of the weights must add up to 1.0.

## 2.4 Contextual Analysis

### 2.4.1 Women's Lack of Comfort in Traditional Gym Spaces

There is a shocking amount of camaraderie on the internet surrounding the phenomenon of women feeling uncomfortable at the gym. Some 400 women have been asked about their experiences in a poll carried out by Sheffield fitness firm DNA Lean. Around 75% said they have been made to feel uncomfortable while at the gym, with 91% reporting being stared at by other gym-goers. Almost half of the respondents said they received unsolicited or inappropriate remarks, and some women had photos taken of them. One woman said she had been followed by a car after leaving the gym. Another study by Runner's World found that over 40 percent of women experience harassment while running. Lastly, 73% of respondents believe that women-only gyms are needed for women to feel safe when exercising, and roughly the same percentage think women's safety in gyms is problematic.

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## 2.4.2 Rising Fitness Trends

There is more scientific and social pressure than ever before to be health conscious. The gym, health, and fitness clubs industry is expected to make 32 billion USD in revenue in 2022. There are nearly 65 million Americans with gym memberships in 2022. Additionally, fitness and related health topics are some of the most searched-for items across social media platforms and search engines.

## 2.4.3 Fitness Not Thinness

There has been a fundamental shift in the health industry since the body positivity movement. People want fitness and wellness over the glorified thinness-at-all-costs of the 1990s and 2000s. People want to be fit in a way that is sustainable for their long-term mental and physical health, not just skinny. Our space and community have been designed to emphasize wellness in a variety of ways. On a recent search, #bodypositivity had 15.2 billion views on TikTok and 8.9 million posts on Instagram. With a quick search on social media, anyone can access memes saying things like “every body is a bikini body” or “work out because you love your body, not because you hate it.” (Vox). This trend is not going anywhere and integrating it into fitness spaces is crucial to future-proofing.

## 2.4.4 Lack of Community Post-Grad

Women complain on the internet about a lack of community post-graduation. They feel lonely after moving to a new city with no real connections outside of work. Some experts are calling this phenomenon “post-grad depression” - the feeling of isolation that people feel when they leave the world that they have created for themselves in college. According to a recent survey of 15,000 post-graduates, nearly one in three post-grads suffer from this phenomenon (Swaim, E.). This is why creating a community for women was so important to us. Young professionals deserve a place between work and home where they can spend time with other women, that is what Hygieia will be.

## 2.4.5 The Gap in Gym Pricing

Currently, monthly membership fees for gyms fall strictly into two camps. Camp A includes all budget-friendly and moderately priced memberships ranging from \$10 to \$50 per month. Then there is Camp B which includes all luxury gyms and classes that range from \$150 to \$200 per month. That leaves a large gap from \$50 to \$150 per month. This in-between price point combined with a lack of resource-consuming classes allows Hygieia to provide a luxury experience for less than our competitors. We can offer luxury amenities and community events but because we are not carrying the cost burden of paying instructors and organizing classes, we can offer it for less.

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This graph measures 19 popular gyms by their basic membership price and the level at which they cater to women, ranked on a scale of 1 to 10.

## 2.4.6 Women's Fitness Market Dominated by Classes

There is a misconception in the fitness space that women prefer group classes to individual workout experiences. This has been perpetuated by the success of women-centric workout classes. These classes have not been successful because women prefer them, rather they have been successful because men do not. Women want to exercise in spaces without men, and if that means that they need to pay a premium to work out with another group of women and an instructor, they are willing to do that. Women want gym spaces where they can work out as they would at any other gym - just without the threat of being gawked at, intimidated, or given unwelcome advice.

## 2.5 Collaborators

### 2.5.1 Community Groups

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Hygieia is a space for community-building events. This means that our relationships with our community partners will be very important to both our brand and the success of our individual communities.

Some of the communities we want to foster relationships with include:

- Women's groups
- LGBTQ groups
- POC advocacy groups
- Mother's groups

Hygieia will invite these groups to our space to host classes and events for our members. We know that our members care about their community and so we want to help them build up and be engaged with that community as much as possible.

## 2.5.2 Local Wellness Experts

A large part of our wellness mission is offering occasional classes to our members to contribute to their wellness and to bring the Hygieia community together. The content of these classes will be based on the knowledge of the experts within our community and what our members request.

Some examples of classes hosted by local wellness experts may include:

- "Soups of Autumn" with a local chef
- "Getting your Greens" with a local nutritionist
- "Yoga for Balance and Mindfulness" with a local yoga instructor
- "Breastfeeding Workshop" with a local Mother's Group leader

Relationships with local experts are extremely important to Hygieia's brand because they help establish each branch's niche community.

## 2.5.3 Investors

Any and all investors are important collaborators as they are helping us to create a space to help women achieve wellness and community.

## 2.5.4 Partnerships

Hygieia will have partnerships with several vendors as we will carry branded merchandise in our gym, have a food service bar and will need to buy and maintain gym equipment. The

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merchandise will mainly be casual, fitness-related apparel and items such as water bottles, tote bags, and t-shirts. The food service bar will make smoothies and have various small snacks. All vendor relationships will be important to us because we want our members to have the highest quality equipment, food, and merchandise available.

## 2.6 SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>● Strong, stated need within the market</li> <li>● Strong community</li> <li>● Gap in the market</li> <li>● ADA compliance</li> <li>● Child care/support</li> <li>● Privacy and safety</li> <li>● Luxury service</li> </ul>	<ul style="list-style-type: none"> <li>● New to the market</li> <li>● Limited market</li> <li>● Rigorous process for hiring</li> <li>● High facility costs</li> <li>● High start-up costs</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>● Expand offerings/facilities</li> <li>● Create a space for male-identifying individuals</li> <li>● Partnerships               <ul style="list-style-type: none"> <li>○ Community groups</li> <li>○ Brands</li> <li>○ Fitness influencers</li> </ul> </li> <li>● Advocacy for women on a greater scale</li> </ul>	<ul style="list-style-type: none"> <li>● Competition               <ul style="list-style-type: none"> <li>○ Budget gyms</li> <li>○ Luxury gyms</li> <li>○ Exercise classes</li> </ul> </li> <li>● Obsolescence               <ul style="list-style-type: none"> <li>○ Home gyms</li> <li>○ Digital gyms</li> <li>○ Culture shift/diet trends</li> </ul> </li> <li>● Government</li> <li>● Pandemic</li> </ul>

### 2.6.1 Primary Strengths

**Strong Community** - Having a strong community creates a lack of price sensitivity and provides strong word-of-mouth advertising. Additionally, this community is our primary defense against competition and obsolescence to at home or digital gyms. Lastly, this community will increase retention rates compared to traditional gyms.

**Strong, Established Need** - There are multiple studies confirming that women both feel uncomfortable in traditional gym spaces and want a space that is women-only in which to exercise.

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A gap in the Market - Currently there is a large gap in the market for a membership that costs between \$50-\$150 per month.

## 2.6.2 Primary Weaknesses

High Costs - The start-up costs to develop a luxury gym are high. Additionally, the monthly fixed costs such as maintenance of machines, cost of staff, cost of merchandise, etc. will also be high compared to any sort of primarily digital business.

## 2.6.3 Primary Opportunities

Partnerships - Because Hygieia is such a community-based company, any partnerships will carry a lot of weight. Partnerships with brands, community groups, or fitness influencers have huge potential for sales.

## 2.6.4 Primary Threats

Competition - Competition is fierce in the fitness space. Hygieia will face competition in the form of budget gyms, luxury gyms, and exercise classes and studios.

Obsolescence - All gyms must be cognisant of the threat of at-home gyms and the rise of digital gym options such as Peloton and Mirror fitness. Additionally, fitness culture changes all the time, and failure to adapt can prove to be costly.

## 2.7 Internal and External Factor Analysis

### 2.7.1 External Factors Analysis

External Factors	Weight	Rating	Rated Score	Comments
Opportunities				
Expanding "wellness" trends	.05	2	.1	Wellness industry is bigger than ever - emphasis on wellness over aesthetic societal pressures
Partnerships	.2	4	.8	Create partnerships for mutual growth
Need in Market	.1	2	.2	Women report feeling unsafe in traditional gym spaces and wanting female-only gym spaces
Gap in gym pricing	.15	5	.75	There is a large gap in luxury gym pricing

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Threats				
Industry Competition	.15	3	.45	Many different competitors who have high brand recognition
Obsolescence	.2	2	.4	Rise of Peloton and Mirror Fitness
Pandemic	.15	3	.45	Consumer behavior and attitude change to shared spaces
Totals	1		3.15	

## 2.7.2 Internal Factors Analysis

Internal Factors	Weight	Rating	Weighted Score	Comments
<b>Strengths</b>				
Offer a variety of fitness options	.05	4	.2	Many fitness options tailored towards women are group fitness classes which are inflexible and repetitive
Strong Community	.2	5	1	Missing aspect in many gym spaces
Privacy and Safety	.15	5	.75	Important to many women-identifying individuals
Luxury Service	.15	4	.6	Higher quality equipment and space
<b>Weaknesses</b>				
Niche Staffing Needs	.1	2	.2	Hygieia will have high expectations for staff to both create a luxury environment for clients and foster community within the space - this may be hard to source and costly to train for
Limited Market	.1	3	.3	Market is limited to wealthy, women who live in large metropolitan areas
High Facility Costs	.15	2	.3	Utilities, cleaning, rent, and payroll
High Startup costs	.1	2	.2	Creating the gym space, training, acquiring the building, and merchandise
Totals	1		3.55	

## 2.7.3 External and Internal Factors Analysis Summary



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Strategic Factors	Weight	Rating	Weighted Score	Short Duration	Intermediate Duration	Long Duration	Descriptions
Community (S)	.2	5	1			X	Long term goal on building community
Established Need (S)	.1	4	.4	X			Gap in the market for a luxury non-class structured gym
High Start Up and Operating Costs (W)	.15	2	.3		X		Acquiring building, staff training, buying equipment and merchandise. Utilities, cleaning, rent, payroll, etc.
Partnerships (O)	.2	4	.8			X	Create partnerships for mutual growth and awareness
Industry Competition (T)	.15	3	.45			X	Many competitors who have high brand recognition and large market share
Obsolescence (T)	.2	2	.4			X	Threat of home and digital gyms
Totals	1		3.35				

These factors aid in understanding the strengths, weaknesses, opportunities, and threats in better detail. This summary allows Hygieia to focus its energy on the most important aspects of its business and simplify the data.

The weights are determined based on the factors important to Hygieia's long-term success and differentiation in the market. The higher the weight, the more important the factor. The weights for external and internal factor analyses must equal one when added together.

The rating indicates Hygieia's effectiveness in each category and is based on a scale of one to five. One indicates a lack of effectiveness in this category and five indicates outstanding effectiveness.

The duration shows the longevity of the strategic factors; thus, giving management the tools to create implementation plans.

By multiplying the weight and the rating, a weighted score can be calculated. The weighted score provides a snapshot of the business activities. Hygieia's weighted score is 3.35. A score of 3.0 indicated average performance. A score above 3.0 indicates favorable performance. Hygieia's score of 3.35 indicates a favorable firm in the competitive landscape.

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## 3. Objectives

### 3.1 Marketing Objectives

#### 3.1.1 Attract new clients during the first year of Hygieia launch

Hygieia is a new company with new ideas so it is crucial that Hygieia spends time marketing to new customers. The first way to build these connections will be through getting involved in the community. Building relationships with locals will turn to referrals and these people will be willing to try it out. In addition to this, building these relationships will help bring in local experts such as doctors, nutritionists, and wellness experts. These professionals will bring in their own audience that will help attract new customers.

In addition to building community connections, Hygieia will intentionally market in areas that are popular with our target market. Social media and urban advertisements will be prominent. Marketing in urban areas and explaining Hygieia's benefits will bring in new clients. Hygieia's goal is to obtain approximately 2,000 members within the first year to reach our 75% capacity of 2,200 members. This gives some room for expansion in the future. Hygieia will offer a first-time discount so that people can ensure they are happy with Hygieia's services.

#### 3.1.2 Increase brand awareness within the Denver market

To increase brand awareness, Hygieia will market towards its customers through social media and urban advertisements. In addition to social media, Hygieia will use local search engine optimization techniques to get on the first page when women are searching for gyms near them. According to author Ramona Sukhraj, more than 67% of users click on one of the first five organic links on a search results page. Because of this, Hygieia will do analyses to ensure it is placed high on the results page. Hygieia will also do email marketing for all current members and those on the email list. Hygieia will also run more catered social media ads through creating shareable content. This shareable content will include health tips and information about upcoming events.

#### 3.1.3 Increase customer loyalty and retention

According to Business News Daily, one of the best ways to retain customers is through storing customer data. Using a Customer Relationship Management system, staff will be able to view each customer's information. This information includes her birthday, hobbies, children, and more to really get to know each customer. Customers are much more willing to return to a business knowing they feel appreciated by the staff.

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## 3.2 Financial Objectives

### 3.2.1 Obtain 7% ROI during the first five years

According to Forbes, achieving a 7% ROI is considered good and is standard for starting a new business. Because Hygieia is a new business and there are often risks associated with this, 7% is nothing extreme and is extremely doable for a new company. Hygieia will ensure this goal is met by growing our sales each year and doing adequate review during each quarter. After each quarter is assessed, adjustments will be made in each department to ensure this goal is met.

### 3.2.2 Monitor advertising costs to find best possible value for future marketing campaigns

According to author Tim Hill, monitoring ad performance is a great way to cut costs and manage performance metrics for a new business. Hygieia will use the following methods to track advertising performance:

*Average click-through rate:* After each social media advertisement, Hygieia will outsource third-party professionals that calculate how many people saw the advertisement and then how many people actually clicked on the advertisement. If we see that an advertisement is performing poorly, adjustments will be made and costs decreased.

*Return on ad spend:* Using simple math, our marketing team will determine the ROAS, or Return on ad spend metric by calculating how much we are spending to how effective the ads are working. This will also help cut costs and watch performance.

## 4. Strategic Direction

### 4.1 Differentiation

Hygieia will use unique strategies to differentiate itself from competitors. Hygieia provides an experience unlike other gyms and prides itself on its individuality. Hygieia's differentiation strategies include brand presentation, a unique experience, and competitive pricing.

#### 4.1.1 Brand

Hygieia prides itself on a clean, sophisticated, and welcoming look. The brand can be easily remembered by the colorful logo and clean spaces. Hygieia will demonstrate its brand by making connections within the community and having a strong community environment. Hygieia also prides itself on how women support other women. Hygieia's brand also promotes wellness and health, not just "thinness."

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The brand's logo is also congruent with the Hygieia environment. By creating a logo that uses natural elements such as an olive branch, it promotes wellness and peace. Hygieia is also the name of the Greek goddess of health, which is relevant to Hygieia's mission.

## 4.1.2 Unique Experience

The experience provided at Hygieia is unlike anything else. This is a women-only gym which is not common in athletic environments. Hygieia has included amenities such as a spa, juice bar, and wellness-centric classes hosted by local professionals. The entire experience is meant to feel luxurious and ensure that all people feel welcome. Hygieia also promotes a welcoming environment and all people that identify as women are allowed at the gym. Unlike other gyms, many amenities are included with the membership fee and Hygieia also offers paid services if desired.

## 4.1.3 Pricing

The pricing is one flat fee for the membership. The fee is \$129.99 per month and includes most of Hygieia's services such as use of exercise equipment, two free treatments at the spa, and two free lessons with a personal trainer. After doing heavy research on pricing of gyms in the market, we identified there was a large gap for pricing between the \$100-\$150 range. In addition to this, there was a large need for a gym like this which prompted an affordable price for luxurious services.

## 4.2 Customer Equity

### 4.2.1 Customer Acquisition

Hygieia will acquire new customers through social media advertisements. These social media channels are Instagram, TikTok, and Pinterest. After doing adequate research, Hygieia found that these channels are the best for our target market. Hygieia will ensure that these advertisements are catered to millennial women, mothers, and other types of women in our target market. Another method using social media is to create engaging content that is shareable amongst our followers. Making videos with helpful tips, exercise ideas, and wellness methods will attract new customers and build Hygieia's social media following.

### 4.2.2 Customer Retention

Hygieia relies on its customers because referrals are important to the business. Inviting a friend or colleague to try Hygieia services will be beneficial to both the customer and to Hygieia. Offering a "friend" discount to those coming to Hygieia for the first time will also be useful. This will also apply to those people who are paying the \$35 per day for gym usage. Being able to "test out" the gym experience before committing to a membership is important.

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Hygieia will also use strategies such as a strong onboarding experience that really help create a positive impact. If customers have a good experience the first time they are in our space, they are more likely to come back. In addition to this, implementing a customer feedback loop is a good way for customers to feel as if they have an impact on Hygieia's business. This includes surveys, face-to-face interactions, and an opportunity to speak with representatives via social media. Hygieia will also use a customer relationship management system to remember customers and ensure they come back again.

## 5. Marketing strategy

### 5.1 Target Market

Our target market is made up of young, working women. Much of our marketing will be centered around getting a high quality wellness experience that fits within a busy working lifestyle. Furthermore, many members of the target market are looking for connections due to feeling isolated by jobs or motherhood, so our marketing will push the community aspect of Hygieia.

### 5.2 Product or Service

#### 5.2.1 Facility

Hygieia's flagship location will be designed to create an inclusive and comfortable space for its members. The central area of the location is the gym. This area will have minimal lighting, calm music, and no mirrors; to create a relaxed atmosphere that encourages fitness over worrying about appearance. The facility also will also have classrooms for wellness programming and a childcare facility.

The entire facility will be ADA accessible, with ramps and elevators available to get to higher levels.

The gym space will only be accessible to members and day rate patrons with a keycard or the Hygieia app. These two security keys are only active after payment for a membership or day pass, access is revoked once the time paid for is ended. Non-patrons can enter into the entry reception area to ask questions and sign up for memberships in house, but are not allowed into the greater facility. The only non-patrons allowed into the facility would be guests of members or speakers for educational programming.

#### 5.2.2 Membership and Included Amenities

The Hygieia monthly membership is the firm's primary tangible product. For the monthly price of a membership, many parts of the facility are available to members. The main amenity would be

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the gym space, which will have a full range of equipment; from aerobics equipment like treadmills and ellipticals, to full weight training sets.

In addition to the gym, members can access clean locker rooms with free toiletries, showers, and changing rooms for shy patrons. The locker rooms will also have get ready stations with lit vanity mirrors, blow dryers, and styling products. Off of the locker rooms is a sauna.

Unlike other gyms, Hygieia will not have fitness classes. Instead, programming includes wellness classes that promote an overall healthy lifestyle. These range from yoga classes to meal planning lessons.

Finally, the location has a small childcare facility for working parents. This small space has books, art supplies, and toys for children to play with while their parent is working out.

## 5.2.3 Additional Amenities

There are additional amenities available within the facility that members can pay extra for.

One of these amenities is a juice bar. Members can order pre-designed or custom drinks from a barista, and enjoy it in a small sitting area. These drinks are made from fresh fruit, proteins, and other healthy ingredients. Drinks cost around \$3.00-8.50, depending on size and contents.

The next amenity is a spa that offers a variety of services, including a masseuse and a facialist. The Hygieia membership comes with two free spa treatments per year. Each additional massage or facial will cost around \$100-140, depending on the type of treatment.

Finally, there is a limited merchandise selection in the reception area. This includes water bottles and apparel featuring the Hygieia logo. Individual pieces of merchandise cost in a range of \$10-30.

## 5.2.4 Digital Experience

The Hygieia experience is enhanced by two digital extensions, the mobile app and the website. The app allows members to scan into the facility if they don't have a physical badge with them. The app also has a planner that allows members to schedule their workouts and spa treatments, add upcoming events from the events calendar, and coordinate their time with other members.

The website will be members' go-to place for information and services. It includes pages with information about the gym, frequently asked questions, and a calendar of upcoming events. It has an online portal where customers can purchase memberships and spa treatments. Finally, it

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houses the extended Hygieia merch store, where customers can buy a wider array of apparel, accessories, and other products.

## 5.3 Product/Service Customer Segments

### 5.3.1 Mothers

Mothers - those with one or more children - often express their lack of community and a sense of isolation with their role as a mom. Between their children's needs, household needs, and significant other's needs, mothers' needs tend to be placed at a lower importance. A study from the Atlantic found that, "...in a survey of 2,025 mothers, 54 percent admitted to feeling "friendless" after giving birth". According to the Queensland Government, "The main benefit of a parents' group is that they give parents feeling overwhelmed and isolated a forum to talk to other parents who are experiencing the same things". Having a space for them to work on their physical wellbeing will provide them with a needed outlet for distress and eustress experienced in mothers' daily lives.

### 5.3.2 Working Mothers

Working mothers are another primary group Hygieia is going to focus on. Similar to the segment of mothers, they face the same challenges of balancing motherhood, family life, and a social life. In addition, they work full time jobs. Alfalsi from The Atlantic "...found that the majority (68%) felt "cut off" from friends, family, and colleagues after the birth of a child". In addition, "There were around 23.5 million employed women with children under the age of 18 and nearly two-thirds worked full-time, year-round" according to Christnacht and Sullivan from the US Census Bureau. Working mothers will find value in Hygieia through the amenities and creating a community outside of their work and family.

### 5.3.3 Professional Women

Professional women have full time careers. They work forty plus hours a week. The stress of being a working woman can create self esteem issues, weight gain, and mental struggles. Exercise and fitness aid in reducing stress. "Regular exercise can have a profoundly positive impact on depression, anxiety, and ADHD. It also relieves stress, improves memory, helps you sleep better, and boosts your overall mood" (Robinson 2022). Professional women will find these benefits through exercise, taking care of their bodies and minds through massage, and building a community outside of work.

### 5.3.4 Post-Grad Women

Post graduate women are identified as women who have graduated from their undergraduate or graduate degree within the past one to three years. Many of these women have started a new job, moved to a new city, or are trying to build their health after years of focusing on studies.

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Connecting with old friends, making new friends, adjusting to a first job, and adjusting to a new lifestyle is why many post graduates feel loneliness and depression as summed up by Deaton. This group will find a community within Hygieia. Making new friends, connecting, finding ways to help out within their community all while working on their mental and physical wellness.

## 5.3.5 Health-conscious Women

Health conscious women are those who are highly aware of fitness and health. This awareness includes physical, mental and overall wellness. They tend to keep up on health trends and are aware of how their actions affect their wellness. This segment will utilize all aspects of the gym. The fitness space, massages for faster recovery, juice bar for workout supplemental nutrition, and the nutrition information for making sure their diet aligns with their fitness goals.

## 5.3.6 Women-identifying

Women-identifying individuals include women, those who identify with the woman experience, the LGBTQIA+ community, and others who feel more comfortable in a space with women. Many people who identify as LGBTQIA+ run into issues with fitness spaces because of homophobia, stereotypes, and usage of risky coping mechanisms over fitness according to Herrick from Girls Gone Strong. This segment will not only utilize the equipment and amenities, but also take part in community outreach, workshops, and sustaining an inclusive community.

## 5.4 Place/Distribution

Hygieia will target the previously mentioned customer segments from 5.3 in Denver, Colorado. More specifically the area between Downtown Denver and Cherry Creek, Colorado.

The zip code that Cherry Creek falls into is one of the wealthiest in the state. It is one of the most affluent places in the Denver Metro Area with an average household income of \$118,886.00 - a 7.12% increase from the previous year of 2020 (DataUSA 2020). Majority of the jobs held within the Cherry Creek area are "Management Occupations (1,130 people), Sales & Related Occupations (664 people), and Health Diagnosing & Treating Practitioners & Other Technical Occupations (587 people)", according to Data USA. Based on Niche's 2022 research, Cherry Creek is the second most desirable place to live in the state of Colorado.

Within the area Hygieia will be placed, other prominent areas such as Washpark, Cheeseman Park, Congress Park, and Sloans Lake are within driving distance. Placing Hygieia in this area does not exclude the other Denver surrounding suburbs. Many individuals from Highlands Ranch, Littleton, Lakewood, and even Westminster commute to Denver for their jobs. They will be able to use a luxury gym before work, after work, during their lunch, or on the weekends.



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## 5.5 Price

Hygieia will have one tier of membership which includes access to all amenities. The price for this tier is \$129.99 per month.

Each membership will include access to all of the equipment, high quality changing rooms, sauna, wellness/community activities, and spa. The membership allows each member two spa credits each year for either a massage or facial. Six guest passes are applied to the membership each year. This allows current members to bring friends and family to Hygieia and experience the wellness within.

Visitors who would like to come on a daily rate basis will be charged \$35. This daily rate will allow users access to the main gym facilities such as equipment. This charge is to cover general expenses of other members, while also making sure that security, front desk, and mobile app access costs are covered. This charge is crucial, because they will not have key cards; thus, creating extra costs of having extra staff and extra users on our app for a short period of time. The \$35 cost will encourage irregular users to purchase a membership. After four visits a month, they will have covered more than the general membership cost.

Additional charges will be applied for the spa and smoothie bar. Once members reach their two spa services for the year, the retail prices will be enacted. A fifty minute massage or facial will retail at \$99.95 and an eighty minute massage or facial will come out to \$119.95. Add ons such as aroma therapy, and cold stones will start at \$15. Hot stones, foot/hand treatments, massage guns, cooling globes and advanced facials will start at \$25. Microdermabrasion, heavy exfoliants, and antiaging upgrades will begin at \$40. The smoothie bar will allow members to customize their drink based on their health needs. The average drink will cost around \$8.50, with each supplement and additional fruit added costing \$0.25.

There will also be extra charges based on poor usage. If a member loses their key fob to the gym, it will be a \$75 dollar charge to deactivate their key and create a new one. This charge is taken very seriously and requires paperwork. This is to ensure the safety of the gym members and maintain building security.

### *Customer Cost Breakdown:*

Product	Price
Hygieia Membership	\$129.99
50 minute massage or facial	\$99.95
80 minute massage	\$119.95
100 minute massage	\$139.95

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Base 1 upgrades (aromatherapy, coldstones, etc.)	\$15
Base 2 upgrades (hand/foot treatments, cooling globes, etc.)	\$25
Base 3 upgrades (Microdermabrasion, advanced face masks)	\$40
Smoothie 16 oz	\$8.50
Smoothie additions	\$0.25

*Average cost per month:*

Product	Price
Hygieia Membership	\$129.99
50 minute massage	\$99.95
Smoothie bar (3x)	\$25.50
Total monthly cost	\$255.44

## 5.6 Promotion

### 5.6.1 Social Media

Hygieia's social media campaign will focus on attracting new customers, spreading information about the gym's grand opening, and encouraging consumers to sign up for a membership. The platforms used will be Instagram, Pinterest, and Tiktok. The social media advertising campaign will run for six months before the grand opening. The budget is \$14,000 for the six months.

#### 5.6.1.1 Instagram

Facebook's marketing applications will allow Hyegia to create posts with their self service ad creation. Advertisement styles range from posts, videos, shopping, and interaction with the creator. The ads will be monitored by Instagram and a report will be given through the Ad Manager. Hygieia will be able to show advertisements in higher density around the Denver area near the gym. Instagram also has the ability to show ads to the target market through specific demographics, followers, and interests. Instagram also allows the advertising messages to be distributed through their many platforms such as Facebook, Messenger and Audience Network (Instagram 2022). Depending on the range of how many types of ads and how frequently they

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will be displayed, Hygieia will allot \$5,500 for the six month period before opening - around \$915 per month - for Instagram advertising.



## 5.6.1.2 Pinterest

Pinterest will be utilized in the advertising campaign to create visuals of the gym space, women enjoying the amenities, and fitness tips. Pinterest ads flow seamlessly into the dashboard of content making them seem more natural to the user. The highest demographic of Pinterest users are women with them capturing over 75% users (Geyser 2022). This platform will aid in capturing the mothers (working), working professionals, and health conscious segment. The content available ranges from recipes for the family and new workout routines or gym outfits. Around 34% of users are aged 30-49 and users with an average household income “more than \$75,000” use the app more (Geyser 2022). The Pinterest budget will come to \$708 per month, totaling to a marketing expense of \$4,250 for the six month period.

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## 5.6.1.3 Tiktok

Hygieia will utilize Tiktok in the marketing campaign to bring attention to the brand and enforce the image of the brand. Tiktok will allow Hygieia to show off the quality of the gym and its amenities. Encourage viewers to work on their health by visiting; and display the community values. Tiktok will encourage members to keep showing up to the gym by creating engaging content and letting them know about events. There are “one billion active users” who spend “an average of 52 minutes per day on the app” (Battisby 2021). The budget for Tiktok advertising will be \$4,250 for the six month period before opening, balancing out to \$708 per month.

## 5.6.2 Community Outreach

Community outreach will be a low cost way for those in the communities surrounding Denver to hear about Hygieia. Members of the marketing team will show up to events around the city. They will network with women at these events, take part in activities, and spread the word about Hygieia. Giving out flyers or cards about the gym to those interested.

In addition, Hygieia will have the opportunity to work with the community outreach program developers to work on building a connection between their organizations and Hygieia. Talking to these leaders and showing the community and uplifting brand that Hygieia values will strengthen connections and get new members through word of mouth. Mutually benefiting both parties by increasing attendance and awareness.

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## 5.6.3 Search Engine Optimization

Search Engine optimization (SEO) is crucial in getting traffic to the Hygieia website. The two types of SEO on-page and off-page. Improving both will increase how frequently the website shows up on searches and show the Hygieia website for search terms the target market is using. Google Analytics provides a low cost way to improve the readability, find effective keywords, and monitor website effectiveness (Robinson 2019).

## 5.6.4 Transit

Hygieia will be placing ads in transit areas like the light rail. These ads will show the company name, logo, slogan, and website. Images of the gym space or plain logo will be used. A variety of styles will be used to not lose consumer interest after their first interaction with the sign. As mentioned in section 5.4, many women from the suburban areas surrounding Denver commute to work. This can be via car or RTD light rail. These ads will be seen by the working professionals and post-graduates during their weekly commutes. The budget for this part of the six month campaign will be \$2,000.

## 5.6.5 Billboard

Billboard is another way to advertise to the greater Denver area and those who are not on social media. A large billboard placed on high foot-traffic areas such as near the 16th st. mall or the tech center will be seen by many who frequent downtown. The billboard will be placed close to Hygieia depending on the final location. It will be placed within 1 mile of the Hygieia site. The expenditure available for the billboard is \$4,000 for the six month advertising campaign.



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## 6. Strategy & Action Plan

### 6.1 Strategy Plan

#### 6.1.1 Three Year Breakthrough Objectives

There are several objectives Hygieia aims to reach by year three. First, and most crucially, we aim to have the facility ready to go as early as possible. This involves building a facility in downtown Denver, purchasing equipment, hiring and training staff, and making connections with community groups and local experts for classes. Alongside this, we aim to generate hype around the company and build a consumer base for open. This will be done through a marketing campaign across digital platforms and local city spaces, which will run before and after open. We hope to have 2,200 members by year three, which will be more than enough to cover recurring annual expenses on membership fees alone. This number also leaves room to grow before hitting Hygieia's full capacity. Finally, we hope to have members making at least two additional purchases in the Hygieia facility per month; including spa treatments, beverages, and merchandise.

1. 2,200 Members
2. 12 community partnerships
3. 52,800 additional sales

#### 6.1.2 Annual Breakthrough Objectives

These are objectives Hygieia will need to reach yearly to meet its year three objectives and to ensure continual growth.

1. Facility start up
2. Employee hiring and training
3. 500 new members
4. 4 new partners
5. 12,000 additional sales

#### 6.1.3 Level 1 Improvement Activities

These activities are needed for Hygieia to meet its Annual Breakthrough Objectives.

1. Creation of website and mobile app
2. Creation and use of social media accounts
3. Creation of physical advertisements
4. Customer responsiveness
5. Meet with local wellness experts and inclusivity groups to discuss partnerships

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## 6.1.4 Targets to Improve

In order to understand how Hygieia is moving towards its objectives, we need to establish metrics to track progress. We also need to establish the specific dates we should be making progress. Here is a list of a few of those dates.

1. Create website and begin work on mobile app 7/7/2023
2. Create social media accounts 7/10/2023
3. Start initial advertising campaign 7/14/2023
4. Establish biweekly report to track impressions on website and ads 8/1/2023

## 6.2 Action Plan

Our action plan is based around the start up of the Hygieia facility. It details the activities needed to create the expansive facility we envision for the company, as well as the dates we aim to complete them on and notes on how we estimated those dates.

Facility Start Up			
Construction			
Buy or lease commercially zoned land in downtown Denver	TB	1/7/2023	
Meet with an architect to design facility with our specifications	TB	1/8/23	
Submit design for commercial construction permit	TR	1/13/23	
Break ground on construction	TR	3/13/23	Denver's Building Department typically takes 2-4 weeks for review of commercial construction, however we are allowing an extra month for review due to how big the project is.
Construction completion and final inspections	TR	3/1/24	A construction project of this size would likely take a year.
Furnishing & Stocking			
Purchase security system	RM	7/1/23	
Install security system	TR	3/2/24	Installation would begin as soon as construction was complete
Purchase exercise equipment	RM	10/1/23	Purchase would happen closer to construction completion to save on shipping/storage, and to allow enough time to remedy any problems
Purchase furniture (ex. vanity mirrors, chairs, benches, and tables)	RM	10/15/23	

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Purchase toiletries in bulk	RM	2/15/24	
Purchase ingredients for juice bar	RM	2/20/24	
Furnish the facility and stock toiletries	TR	3/9/24	
<b>Staffing</b>			
Hire administrative staff	CG	1/7/24	Admin staff will be responsible for managing action plan activities, as well as building Hygieia's online presence.
Hire facility staff	CG	1/7/24	
Staff training	CG	2/1/24	
<b>Licensing</b>			
Obtain business license	TB	1/1/23	
Obtain personal training license	TB	1/1/24	
Obtain food service license	TB	1/1/24	
<b>Opening</b>			
Facility opens to the public	All	4/1/24	Open as soon as possible

## 6.3 Exit Strategy

The long term goal is for Hygiea to adopt a multiple location per city structure where members can move freely between gyms within their city to develop strong wellness based communities of women in all major cities across the United States. Our plans include building out Denver first before expanding into other cities.

Because our mission is so important to our business strategy we do not ever want to be responsible to shareholders and thus have no plans for an IPO. Hygieia puts women and community before profit and we only want people on our leadership team who share that vision.

We are open to a few exit strategies, including:

### 6.3.1 Selling

If there is an offer from someone or from a company that we believe will continue to maintain Hygieia's mission driven efforts to build communities for women, then we are open to offers from those buyers.



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## 6.3.2 Strategic Acquisition

Similarly to above, if there is an organization that will integrate Hygieia into their organization while maintaining its mission, we will be open to acquisition.

## 7. Financial Analysis

### 7.1 Marketing Budget

Hygieia is filling a very large gap in the market. Women have expressed feeling uncomfortable in current gym spaces and wanting to exercise in a space that feels safer for them. Because of this, we feel very confident that our target market will be very perceptive to this business, it will not require any consumer education, and that a lot of marketing will be generated by social media and community “buzz” surrounding the launch of a women only fitness community.

Having said that, we allotted \$20,000 for a large scale, highly targeted social media campaign on Instagram, Pinterest, and TikTok as well as for some well placed ads throughout the city in the six weeks leading up to the launch to ensure membership numbers at launch. Additionally, there will be a large sign at our build site detailing what is to come and our website will be live 6 months prior to opening to answer questions, direct people to our social media accounts, and to collect information to contact potential members at launch time.

This \$20,000 is less than 1% of our first year’s expenses, and we understand that is unconventional for a start up. However, we believe that the nature of our business and target market will serve as marketing for our business. Women share things with their teams, friends, and coworkers of other women and we feel that we will be beneficiaries of this word of mouth marketing due to the nature of our community and women centric business model. Because of this, we feel as though we only need to spend as much money on marketing as needs to be spent to tip the first domino, our community and membership will make the rest fall.

Strategy	Cost
Large digital billboard in downtown denver near new Hygieia site for 6 weeks prior to launch	\$4,000
Moderate social media campaign 6 weeks prior to launch - targeted ads, local influencer sponsored post, etc. on Instagram, Pinterest, and TikTok	\$14,000
Ads on light rail	\$2,000

### 7.2 Expenses

Hygieia’s largest cost will undoubtedly be their space. Multipurpose gym facilities - those that are more than just a workout space, reception area, and locker room; average to 72k square ft. Hygieia requires space for a large cardio and weights room, a childcare facility, a juice bar, a small sauna, a small spa, a reception area, large luxury locker rooms, several small individual

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workout rooms for bar and yoga, storage room, and a large community events space. There will be no large track for running or basketball courts like in many gyms that take up a lot of space, so we believe that a space of around 50k square feet should be plenty of room for the required spaces. The space will be built in Denver, CO and the price of a luxury new building in downtown Denver is about \$250 per square ft which puts the build at about \$6.25M.

Cost	Details
Licenses	Business license = \$200 annually ♦ Personal training license = \$800 annually ♦ Food service license = \$680 annually ♦
Equipment	\$40k one time cost ♦
Office supplies	\$10k one time cost ♦
Cleaning supplies	\$600 per month x 12 = \$7.2k annually ♦
Management software (accounting, payroll, scheduling, etc.)	\$2,500 annually ♦
Phone and Internet	\$60 per month x 12 = \$720 annually ♦
Maintenance expenses (HVAC, sauna, equipment, etc.)	\$5,000 annually ♦
Security system	\$2k in up front costs ♦   \$150 a month = \$1800 annually ♦
Amenities	\$5k in up front costs ♦ + \$500 annually for replacements ♦
Reception staff - available from when the gym opens to when it closes 4 AM - 10 PM	\$18 an hour x 18 hr a day x 7 days a week x 52 weeks a year = \$118k ▪
Spa staff - available 7 days a week 7 AM - 2 PM	\$25 an hour x 8 hr a day x 7 days a week x 52 weeks a year = \$73k ▪
Training staff - available 7 days a week 7 AM - 2 PM or by appointment	\$25 an hour x 8 hr a day x 7 days a week x 52 weeks a year = \$73k ▪
Cleaning staff - available 7 days a week 2 PM - 10 PM	\$18 an hour x 8 hr a day x 7 days a week x 52 weeks a year = \$52k ▪
Management staff - available 7 days a week 9 AM - 5 PM	\$25 an hour x 8 hr a day x 7 days a week x 52 weeks a year = 73k ▪
Childcare staff - available from when the gym opens to when it closes 4 AM - 10 PM	\$18 an hour x 18 hr a day x 7 days a week x 52 weeks a year = \$118k ▪
Website development	\$2k ♦ + \$150 a month in maintenance = \$600 annually ♦
Mobile app development	\$2k ♦ + \$50 a month in maintenance = \$600 annually ♦
New Build	50k square ft x \$250 = \$6.25M ▼

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Programming	\$2k per month = 24k annually ♦
Merchandise	\$3k annually to keep in stock + for special events ♦
Insurance	General liability + professional liability = 2-5k annually ♦
Utilities	5k per month x 12 months = 60k annually ♦
Advertising	\$20k start-up campaign costs ♦   \$200 a month for social media management = \$2400 annually ♦
Credit card fees	1.5-3.5% of each transaction ♦
Banking fees	\$20 per month x 12 = \$240 annually ♦

## Start Up Expenses

How much must be spent to get Hygieia up and running - the building is built, there has been an advertising campaign, the space is operational and filled with everything needed for the first day of business.

Start-Up Expenses ♦	New Build Expenses ▼	Total Start Up Expenses
81k	6.25M	<b>6.331M</b>

## First Year's Expenses

How much it is going to cost from hiring breaking ground on the new building all the way through cleaning the gym on the 365th day of business.

Start-Up Expenses ♦	Recurring Annual Expenses ♦	New Build Expenses ▼	Staff Annual Expenses ▪	Total First Year Expenses
81k	112k	6.25M	507k	<b>6.925M (577k per month)</b>

## Recurring Annual Expenses

How much it is going to cost to keep Hygieia staffed, stocked, clean, and well run every year.

Recurring Annual Expenses	Staff Annual Expenses	Total Annual Recurring Expenses
112k	507k	<b>619k (51.6k per month)</b>

## 7.3 Sales/Revenue

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We modeled our membership capacity off of some research, general rules of thumb for managing gym capacity, and Equinox. Equinox is a chain of fitness clubs in metropolitan areas that offers a similar luxury fitness experience for working men and women. Additionally, these clubs hold similar hours and are of a similar size to Hygieia so they made for the perfect model. Based on this research we estimate that Hygieia can accommodate 6,290 members comfortably.

## *First Year Revenue and Profit Breakdown by Capacity*

At 129.99 per membership per month with a total membership capacity of 6290, here is a revenue and profit breakdown for Hygieia's first year of business expenses:

Memberships	Operating at	Monthly Revenue	Monthly Net Profit	Annual Revenue	Annual Net Profit
6290	100% Capacity	\$817,631	\$240k	\$9.811M	\$2.886M
5,030	80% Capacity	\$653,849	\$76k	\$7.846M	\$921k
3,774	60% Capacity	\$490,582	-\$87k	\$5.887M	-\$1.048M
2,516	40% Capacity	\$327,054	-\$250	\$3.925M	-\$3M

## *After Year One Revenue and Profit Breakdown by Capacity*

At 129.99 per membership per month with a total membership capacity of 6290, here is a revenue and profit breakdown after Hygieia's first year of business.

Memberships	Operating at	Monthly Revenue	Monthly Net Profit	Annual Revenue	Annual Net Profit
6290	100% Capacity	\$817,631	\$766k	\$9.811M	\$9,181M
5,030	80% Capacity	\$653,849	\$602k	\$7.846M	\$7.227M
3,774	60% Capacity	\$490,582	\$438k	\$5.887M	\$5.268M
2,516	40% Capacity	\$327,054	\$276k	\$3.925M	\$3.306M

To calculate Hygieia's membership capacity we need to consider:

- Square footage = 50k in total with about **30k of useable gym space** (minus reception, juice bar, sauna, spa, locker rooms, storage space, hallways, restrooms)
- Industry rule of thumb is 10 square ft of space per member = **Hygieia can accommodate 3,000 members at a time**
- We want to operate at about 75% capacity most of the time, one of the top reasons users discontinue gym memberships is because of overcrowding so we want to avoid that at all costs. This means Hygieia will **ideally accommodate 2,200 members at one time.**

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- Industry rule of thumb for gyms in this price bracket is that you want your gym to be able to **accommodate ⅓ your membership** at a given time
  - Members who belong to premium gyms such as Hygieia are typically heavy users, going on **average 4-6 times a week**
  - Hygieia is targeted specifically towards working women who want the convenience of a gym near their office, we expect **90%** of Hygieia's members use the gym during the **"busy hours" of 6 AM-8 AM and 5 PM-7 PM**, thus we need to be able to accommodate for the majority of our membership during these times
    - These busy hours allow us to calculate that Hygieia has **2.6 busy cycles per day**
      - 6 AM-8 AM and 5 PM-7 PM = 4 hours
      - Average gym session = 1.5 hours
      - 4 hours / 1.5 hours = 2.6 busy cycles per day
- We calculated **Hygieia's membership capacity** by taking the number of busy cycles we expect to experience and multiplying it by our capacity
  - 2.6 busy cycles x 2,200 capacity of gym = 5720
    - We expect that 90% of our gym members will work out during these times, so we add an additional 10% to this figure to get our final membership
      - 5,720 x 1.10 = **6,290 members is Hygieia's capacity**
- **Confirming with industry standard** - based on the membership statistics from similar gyms, such as Equinox, that deliver a luxurious fitness experience for working people in the city; membership should sit around 6,000 members total
  - The average Equinox has 6,000 members
  - The average Equinox ranges from 40k-60k square feet

## 7.4 Marketing Return on Investment

Hygieia will see returns on its minimal marketing investment, as well as all investments, if Hygieia acquires 4,483 members which is only 70% of their operating capacity. This allows us to assume that the initial marketing efforts are a good investment

### *Breakeven Membership for Year One*

$6.925M / 12 = 577k$  per month / 129.99 membership fees = 4,438 members

4,438 break even membership / 6,290 total membership capacity = 70.55% capacity

## 7.5 Operating Return on Investment

Hygieia's operating ROI was derived by dividing net profit by fixed costs. Because Hygieia's membership fees provide it with a high level of revenue, the business is very profitable and is sustainable even at a low membership capacity.

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## *Operating ROI by Capacity*

At 129.99 per membership per month with a total membership capacity of 6290, here is Hygieia's operating ROI.

Members hips	Operating at	Annual Net Profit	Annual Fixed Costs	Operating ROI
6290	100% Capacity	\$9,181M	619k	14.83%
5,030	80% Capacity	\$7.227M	619k	11.67%
3,774	60% Capacity	\$5.268M	619k	8.51%
2,516	40% Capacity	\$3.306M	619k	5.3%

## 8. Contingency Plans

### 8.1 Threats in Marketplace

- Alternate gym spaces are the primary threat for Hygieia. These can come in a few forms: Home gyms, digital gyms, and luxury gyms. Home gyms are a solution for many of our target markets. Busy women may prefer to simply hop on the treadmill at home rather than stop by a gym after work. Digital gyms such as Peloton and Tonal are becoming popular solutions for many busy people with preferences for efficiency and connection to others. Other luxury gyms such as Equinox are popular in large metropolitan areas among the white collar elite.
- Exercise classes such as Barre and Soul Cycle are popular not only for young women but tend to be primarily targeted towards women as well as target women in cities. These classes offer structure that some women want in a fitness regime and some studios offer community that is lacking in traditional gym spaces. Many women find identity in some of these studios that have cult like followings and post about their classes, rankings, and workouts online daily. This is free marketing for these studios and serves them well directly in our target demographic.
- The fitness industry is fickle and fast paced, if you do not work hard to adapt to it and keep up with culture shifts you will become obsolete. For example, Curves was the primary "women-only" gym in the 2000s and did not work to modernize and keep up with fitness trends. Because of this, Curves has closed many of their locations as well as is known in the fitness community as a gym for older women.

### 8.2 Responses to Threats in Marketplace

There are three pieces that make up Hygieia

- It is a space designed specifically to make women feel comfortable and safe
- It is a community for women
- It is focused on total wellness, not just fitness

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There are currently no options that provide even two of these unique benefits to women, let alone all three. This is how we will provide a unique value proposition that women cannot find in classes or at home gyms. Additionally, our community building provides an extra buffer of protection against these threats. This community creates an engaged and resilient customer base that is not sensitive to price, competition, and serves as a marketing tool.

Staying up on fitness trends will be a challenge for Hygieia. As new needs emerge we will need to adapt, revise, and change our plans and spaces to accommodate those needs. Our members are paying a premium price and that means that they will expect a level of adaptation to their changing needs.

## 8.3 Opportunities in the Marketplace

- Current offerings are limited to one location and are relatively limited in services and amenities for a luxury gym, opportunity exists to expand offerings past what is currently being offered
  - Extend spa services
  - Incorporate food and supplement options into the juice bar
  - Offer regular fitness classes
  - Expand facilities
    - Build new facilities in Denver or other metropolitan areas
    - Expand facility to offer a pool
- Create a wellness space for male identifying individuals
- Partner with various community groups, brands, and fitness influencers
- Advocate for women on a greater scale than just within our community
  - Get involved with women's issues within our city
  - Sponsor local women's charities

## 8.4 Responses to Opportunities in Marketplace

The primary opportunities that exist are to expand our product offerings, locations, and services. This would likely be with an additional space in the Denver area given if Hygieia is expanding, it has experienced success in Denver already. Additionally, we would survey our members and see what services they would want to see included in a new or renovated space.

Partnerships also present a great opportunity for Hygieia. There are plenty of opportunities to partner with community partners on events, programs, and outreach efforts to create awareness of our brand in the community and bring attention to great causes. There are also opportunities to partner with influencers; there are plenty of influencers who are local to Denver. Many of these influencers have large followings of local women who want to be more engaged with their community.

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