



LIVE 4 SEASON

CASE STUDY

ISB • HEALTH/WELLNESS • TALWALKARS BETTER VALUE FITNESS LTD.

TALWALKARS BETTER VALUE FITNESS LTD. CASE STUDY

Introduction:

TBVFL India's largest fitness chain with 128 gyms across 68 cities, offering a diverse set of services including gyms, spas, aerobics and health counselling under the brand 'Talwalkars' to an active member base of over 1,25,000 members. Having developed the infrastructure for offering gym facilities across the country Talwalkars is now leveraging this reach to launch several initiatives that offer non gym based fitness alternatives to enthusiasts. It recently launched NuForm studios in Mumbai which are designed to provide twenty minutes a week fitness solution using Electro Muscular Stimulus technology imported from Germany. The launch of Zumba is another move towards widening its customer base while using the team and infrastructure it already has in place, thereby seeking to consolidate its position as the leader in the fitness industry in India. And the recent launch of 'Reduce' in Bangalore as the easy, healthy weight loss solution is a move towards increasing the market share in the weight loss category.

Talwalkars has pioneered the concept of gyms in India, with their first gym being set up in Mumbai in 1932 by late Vishnu Talwalkar. Madhukar Talwalkar further carried on the legacy and today the brand Talwalkars is synonymous with the word fitness across India. The brand 'Talwalkars' has been in an expansion mode by setting up gyms across the country. Over the past year, cities as diverse and spread out as Ambala, Bareilly, Belgaum, Bhubaneswar, Bilaspur, Dehradun, Ghaziabad, Jamshedpur, Kota, Indore, Madurai, Panchkula, Solapur, Rajkot, Ranchi, Rajahmundry, Trichy, Trivandrum etc. have been covered.

TBVFL was listed on the BSE and NSE in May 2010 and is the first fitness company to be listed on the Indian stock exchanges. It issued 60,50,000 shares at a price of Rs. 128 per share.

Market & Industry:

- Estimated Indian Health, Wellness & Fitness Industry Size 2500 - 3000 crores
- Market Penetration 0.5% of the population
- Market Share of Talwalkars - Highest @10% of the organised fitness market share
- Industry: highly fragmented, unorganised
- Competition: Gold's Gym
- Branded Fitness Services account for 25% of the overall fitness Industry.
- Trends: Franchising, Tier 2 and Tier 3 cities expansion, new innovative formats, new training trends
- Growth of Industry: 20-25% CAGR

Brand Values:

- Talwalkars: a traditional conservative brand till 2003, now an active, contemporary and aggressive brand
- A long history of promoter's experience of the industry
- Core long term senior resources showcasing brand loyalty with the organisation
- There is always a smarter 'Talwalkars' way of doing things
- Smartly getting brand recognition, presence and brand visibility by creating smart yet memorable marketing initiatives

Brand Emotions:

- Trust, longevity, youthfulness, creating a healthier India, repeat consumer preference very high
- Silent, does not believe in tall claims
- First creates, then executes in reality and finally announces
- Consumers appreciate the brand for honesty and how it is a part of their lives by creating a positive influence.

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The Talwalkars Story:

Have you heard of a brand that has 70% member renewal. It all stems from the fact that the brand thinks Indian, behaves like an Indian and understands the consumer proposition of Value for money for an Indian Consumer.

For years, the brand has been catering not the Indian upper-class niche, but to regular Indian middle-class, or to you or me. We understand that everyone has value and we bring that value by providing experience, giving guidance and by impacting a consumer's life who cannot thank us enough for the weight loss solution that we provided.

Health and fitness is very close to a consumer's heart and he/she interfaces the brand on a daily basis. As a service brand, establishing relationships with consumers, knowing them, befriending them go a long way in retaining our core audience.

And that is the core essence, emotion or message for the brand 'Talwalkars'.

Consumer Analysis:

- Growing disposable income of the people coupled with rising awareness of a healthy body are the positives for the Industry.
- Significant changes in lifestyle related to lack of physical activity and increased consumption of fast food among both affluent and working class population.
- Increasing incidence of obesity, diabetes, stress due to a sedentary lifestyle.
- Core Target Group: 25 - 40, SEC A, male/female, Income 5 lakhs+ , English speaking, affluent.
- Consumers' preference more towards weight loss and newer forms of health & fitness: Aerobics, Yoga, Zumba Fitness, Nu Form EMS, etc.
- Consumers from tier 2 and tier 3 towns showcasing increasing incidence of the need to be healthy and stay fit.

The Opportunity:

Imagine the possibility where only 0.5 percent of the population actually knows or goes to a health club? Imagine the benefits to someone who regains his/her confidence? Imagine a situation where we are making the nation healthier? Imagine health is wealth?

Project Objective:

- Talwalkars being the market leader, has identified areas of weight loss, dance fitness, EMS as new areas of growth: what are the other areas of growth that can increase the penetration of health & fitness for Talwalkars in India?
- Create a new product development and a marketing strategy for these areas of growth which are low on capex or very low on capital investment.
- Consolidate our position of being the market leader and increase the percentage of health, wellness, fitness consumer in the Indian market through these new areas of growth.
- Media Strategy to deliver the new products: Including choice of media vehicles.

Methodology:

- Consumer groups, market visits, other gym visits
- Consumer understanding of Likes/Dislikes towards health and fitness
- Assess the current business strategy of Talwalkars: 4p's
- Study players in the market, their environment, brand map

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Evaluation Criteria:

The uniqueness and scalability of the growth ideas for Talwalkars

Business viability while ensuring low capex or investments

Analysing future market trends and recommendations for Talwalkars in terms of opportunities

Demonstration of execution of these new growth ideas

Mentor:

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Blog: talwalkarsfitness.blogspot.in

YouTube: www.youtube.com/user/TalwalkarsHO

Google Plus: <https://plus.google.com/100952813930685031862/posts>