

NEW YORK INSTITUTE
OF TECHNOLOGY

School of Management



Riyaz Akhtar Experiential
Education Program

2021 High School Students Business Competition

Where Careers Begin

Case on

Blink Fitness

Farmingdale & Lindenhurst, N.Y.



WESTBURY SCHOOL DISTRICT

Dedication to Excellence in Education

Riyaz Akhtar Experiential Education Program

[NYIT.EDU/MANAGEMENT/EXPERIENTIAL_EDUCATION](https://nyit.edu/management/experiential_education)

Company Overview

Blink Fitness is the gym that puts mood above muscle. It has all the state-of-the-art equipment, like gear for resistance training, cardio workouts, functional training, and a multi-use stretch area. Its strength in training areas are perfect for everything from weight training for beginners to bodybuilding exercises for experienced exercisers, and for specific workouts like back or ankle strengthening exercises. The Blink App offers 500+ on-demand workout videos and classes that let you do fitness on the go. In addition, the membership includes a free 30-minute personal training session where you can start to build a personalized workout plan. The trainers know how to keep fitness fun while supplying the workout motivation you need to reach your goals. Importantly, the aspect that truly sets them apart is their body-positive culture. Blink Fitness is a place where everyone feels comfortable working out and gets a mood-lifting experience.

Blink Fitness Offers

Blink Fitness has the following offers for its customers: a) Green 12-month commitment of \$27+taxes and fees per month, b) Blue 12-month commitment of \$23+taxes and fees per month, and c) Gray no commitment of \$15+taxes and fees per month. The benefits include 90 to 100 plus locations (including Manhattan), single gym access, free personal training start-up session, touchless check-in with Blink App, unlimited access to premium content on the Blink App, and bring a guest anytime.

Green

12-month commitment (12-Month (annual/commitment) agreement): Automatically converts after 12 months to a monthly agreement that continues month-to-month until cancelled. 45 days' notice required for cancellation. Buy-out fee applies during the first 12 months. The membership dues shown plus tax are automatically charged on the 1st of each month. A \$54.99 Annual maintenance fee is automatically charged on the 3rd day of the 2nd month after joining and each year on the anniversary of this fee being charged. Cancellation can be requested by email, online, at the gym or by mail.

Blue

12-month commitment (12-Month (annual/commitment) agreement): Automatically converts after 12 months to a monthly agreement that continues month-to-month until cancelled. 45 days' notice required for cancellation. Buy-out fee applies during the first 12 months. The membership dues shown plus tax are automatically charged on the 1st of each month. A \$54.99 Annual Maintenance Fee is automatically charged on the 3rd day of the 2nd month after joining and each year on the anniversary of this fee being charged. Cancellation can be requested by email, online, at the gym or by mail. *Excludes 54th, Bryant Park, East Village, Chelsea, Grand Central, NoHo, Fidia, Murray Hill, Penn Station.

Gray

No commitment (Single gym access and no commitment): Agreement automatically continues month-to-month until cancelled. 45 days' notice required for cancellation. The membership dues shown plus tax will be automatically charged on the 1st of each month. A \$54.99 Annual Maintenance Fee is automatically charged on the 3rd day of the 2nd month after joining and each year on the anniversary of this fee being charged. Cancellation can be requested by email, online, at the gym or by mail.

Blink Fitness Experience

Cardio equipment



80+ pieces of the best and newest cardio machines, including ellipticals, treadmills, stationary bikes and more to provide members with top-notch cardio exercise.

Strength equipment



Gyms boast a broad offering of state-of-the-art strength training equipment including Olympic benches, power racks, and squat racks to name a few.

Dumbbells



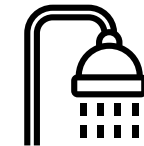
40 pairs of dumbbells up to 90 lbs.

Stretch area



Multi-use stretch area for HIIT (High Intensity Interval Training) and bodyweight circuit training equipped with battle ropes, kettlebells, medicine balls, Bose balls, stability balls, foam rollers, resistance bands, Ploy boxes, TRX and more.

Locker rooms



Because of "everybody cleans" philosophy, gym locker rooms are spacious and spotless. Guests can clean up after a tough workout in the stocked gym showers that include body wash and shampoo.

Free WIFI



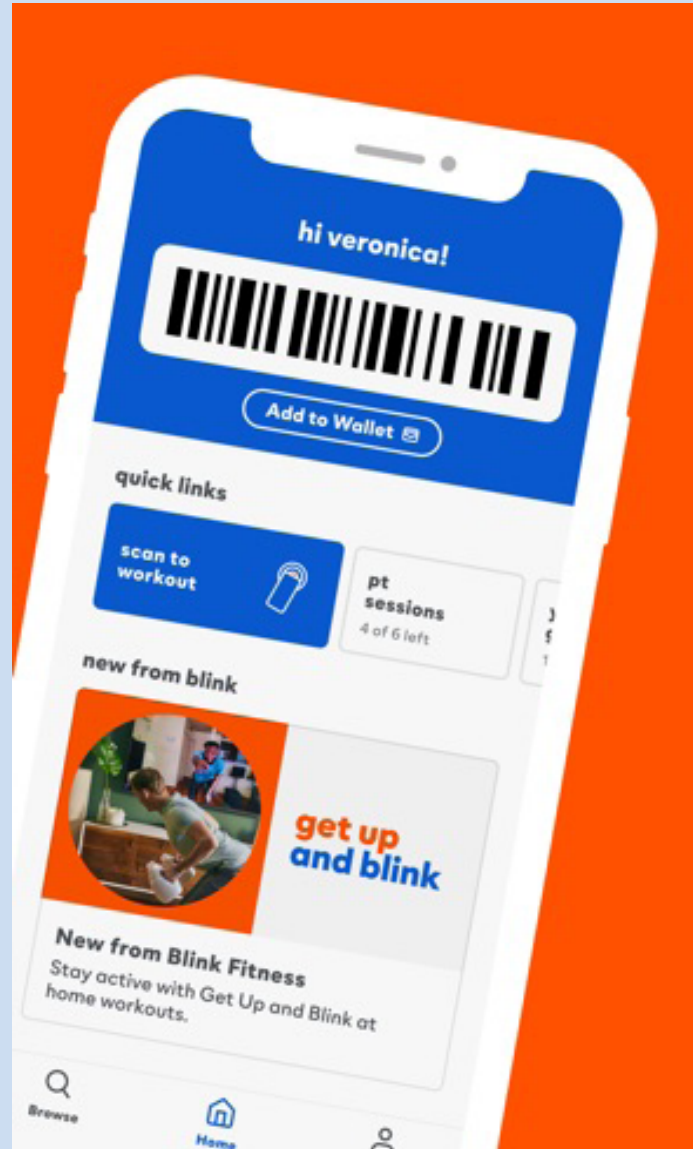
Give your data plan a rest and make the most of your gym days with free Wi-Fi__33.



Latest Innovations at Blink Fitness

Blink App:

Featuring 500+ classes, customizable workouts, tips, and recipes from our partners Sworkit, Aaptiv, Good Eats, and more! Get exclusive access when you join as a premium member (green or blue membership).



Personal Training:

Stay accountable and reach your goals with our friendly, certified personal trainers.



Virtual Personal Training:

Get the motivation and support you need from the comfort of home.



Blink During COVID-19

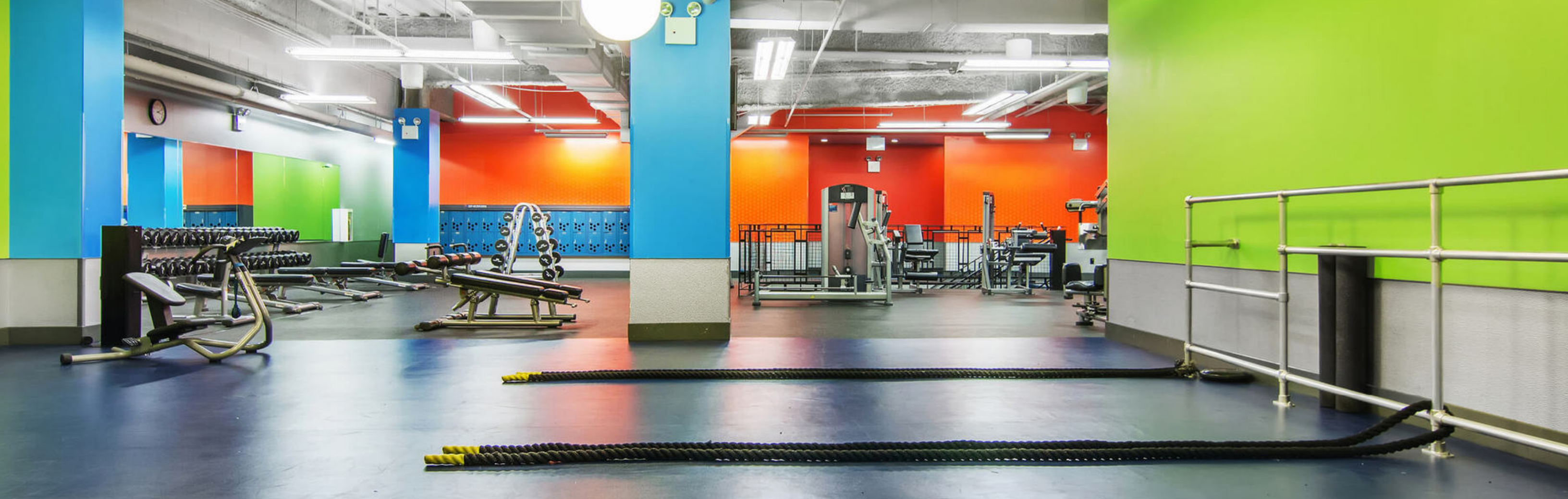
The Blink's new elevated cleaning standards include EPA-registered disinfectant chemicals qualified for use against the novel coronavirus that causes COVID-19.

Competition in the Industry

Competitive strategy is a long-term action plan of a company which is directed to gain competitive advantage over its rivals after evaluating their strengths, weaknesses, opportunities, and threats in the industry and compare it with your own. Such strategy is focused to achieve above average position and generate a superior Return on Investment (ROI). This strategy is very important when firms having a competitive marketplace and several similar products available for consumers. Competition in the fitness industry is fierce with large, all-inclusive clubs vying against smaller independent gyms. There is also competition coming from other recreational activities and home fitness programs.

Over the last couple of years, people all over the world have become more self-aware of the importance associated with living a healthy lifestyle. Because of this, fitness has become a trend for millions of people, leading to a rapid increase in the size and popularity of the global fitness industry. Despite the fact that the vast majority of people now live more sedentary lives, an increasing number of individuals are opting for a more proactive lifestyle; the benefits are plenty and well-known. For more details facts about 2021 Fitness Industry facts please check the link:

[https://policyadvice.net/insurance/insights/fitness-industry-statistics/.](https://policyadvice.net/insurance/insights/fitness-industry-statistics/)



Blink Fitness, 450 Main Street, Farmingdale, N.Y.

Franchise

Definition: A continuing relationship in which a franchisor provides a licensed privilege to the franchisee to do business and helps in organizing, training, merchandising, marketing and managing in return for a monetary consideration.

Franchising is a form of business by which the owner (franchisor) of a product, service or method obtains distribution through affiliated dealers (franchisees). If buying an existing business doesn't sound right but starting from scratch sounds a bit intimidating, one could be suited for franchise ownership. Essentially, a franchisee pays an initial fee and ongoing royalties to a franchisor; in return, the franchisee gains the use of a trademark, ongoing support from the franchisor, and the right to use the franchisor's system of doing business and sell its products or services.

In addition to a well-known brand name, buying a franchise offers many other advantages that aren't available to the entrepreneur starting a business from scratch. Perhaps the most significant one is to get a proven system of operation and training in how to use it. New franchisees can avoid a lot of mistakes that startup entrepreneurs typically make because the franchisor has already perfected daily operations through trial and error.

Reputable franchisors conduct market research before selling a new outlet, so that it would feel greater confidence that there's a demand for the product or service. The franchisor also provides you a clear picture of the competition and how to differentiate yourself from them.

Finally, franchisees enjoy the benefit of strength in numbers. Companies will gain from economics of scale in buying materials, supplies and services, such as advertising, as well as in negotiating for locations and lease terms. By comparison, independent operators have to negotiate on their own, usually getting less favorable terms. Some suppliers won't deal with new businesses or will reject your business because your account isn't big enough. Click the link here for more information about franchise legal agreements, etc.

Case Challenges

Challenge 1: What can Blink Fitness do to overcome competitors on Long Island?

Your recommendations should be for two different businesses:

1. Brick n Click, and
2. Home workouts

You are required to provide at least 2 suggestions (price) or offers that Blink Fitness could adopt for long-term sustainability (see the below Table 1).

When you give recommendations, please feel free to use the extra rows to cover more competitors.

Table 1. Competitor Analysis (Long Island)

Competitor	Annual Subscription	Monthly Subscription	Sign-up Fee	Offers	Special Features	References
Brick n Click						
Planet Fitness						
Retro Fitness						
Crunch Fitness						
24 Hour Fitness						
Pure Play Internet (Home Workouts)						
Peloton						
Hydrow						
Mirrors						

Challenge 2:

Mr. Allen Pinero, owner of Blink Fitness in Farmingdale, is looking for franchise opportunities to expand and diversify in the health and wellness industry.

He is interested in either a physical or a virtual franchise opportunity, and is looking for opportunities that can help build his portfolio and support long term sustainability. Student teams are required to give one possible opportunity to franchisee with any company related to health and wellness. Thereafter, teams should do the following:

- a. SWOT Analysis for the suggested franchisor company;
- b. Provide information related to the franchisee terms and conditions to enter the contract; and
- c. Provide a brief on the investment required to begin the franchisee and break-up of that investment.



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