DEPLOYMENT OF THE TARGOMO'S ANALYTICS PLATFORM AT RSG GROUP

With brands such as McFit, John Reed and High5, RSG Group is the leading operator of gyms in Europe. Through the acquisition of Gold's Gym in the United States, RSG Group even became the global number one in its industrysegment in 2020, according to its own figures.

This strong market position helps RSG Group to drive expansion in a focused manner: After all, a company that has been on the market for 25 years, operates around 1,000 studios worldwide and - according to Deloitte estimations - has over 1.3 million members in Germany alone, holds a huge amount of data alongside tried-and-tested formulas for making the most of it. In combination with external data such as competition and demographics, RSG Group is able to forecast how many members it will gain with which studio brand at a new location.

Since 2021, RSG Group has relied on TargomoLOOP to distil decision-making insights from its rich data. "With the platform, we can create rankings and comparisons of potential future locations much faster," says Jörg Fockenberg, who heads RSG Group's strategic expansion worldwide. Previously, the group had worked with traditional GIS systems, but it took much longer to get results. "With Targomo we get the evaluation at the push of a button", explains Fockenberg.

Heat maps help Jörg Fockenberg's team to find areas with untapped potential. For the heat maps, Targomo's analytics experts used Geo AI to calculate forecasts for every inhabited place in Germany in a high-resolution grid. When RSG's site managers click on a location on the heat map, they immediately see the potential at that location. They can switch between two views: with or without cannibalisation effects.

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"Things have improved a lot for us thanks to Targomo," confirms Jörg Fockenberg. The platform allows him to precisely map the specific requirements of his industry and his company. Gym operators, unlike shopping centre or supermarket operators, have to identify very granular catchment areas. "We think in terms of 5-, 10- and 15-minute drive areas around a location. That's where a lot of our potential is," explains the expansion director.

Another big advantage, he says, is that TargomoLOOP provides different areas of the company with the same information based on high, trustworthy data quality, allowing for a shared view of the basis for decision-making. "We from the global strategic expansion work with the platform as well as the country expansions and marketing," explains Fockenberg: "For the latter, clustered stay and movement data are of particular interest."

Jörg Fockenberg is delighted with the quality of Targomo's data and Geo AI analyses. "We can use it to create very reliable forecasts for new locations," he says. This was also possible before the deployment of Targomo, but it took considerably longer without the platform. The fact that Targomo also allows access from mobile devices also makes the work of RSG Group's expansion managers much easier.

Of course, the site visits of potential locations cannot be skipped by the data analysis - many important questions have to be clarified on site before RSG Group decides to negotiate with a landlord. McFit, for example, is characterised by the fact that the studios are open around the clock, every day of the year. Thus, the locations need independent access that can be used by members. Likewise, the question of which parking spaces are available to customers is an important criterion for the RSG Group. However, the country expansion managers only need to visit locations that are clear in advance, showing that they are suitable for getting a certain number of members.

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On average, the RSG Group experts look at at least five locations before negotiating one with the landlord. In the end, it is usually the landlord's willingness to invest, in combination with the rent level, that decides which of the suitable locations gets the deal.

The precise analysis of the catchment area and the local competitive environment play a particularly important role in deciding on locations for the fitness studios. "The fact that real estate developers succeed in attracting high visitor frequencies does not at all mean that the location is also suitable for our studios," explains Jörg Fockenberg. After all, customers decide on a membership in a fitness studio based on the proximity to their home. Inner-city locations and shopping centres are only interesting for the RSG Group if it is also attractive for the target group to live there in the immediate vicinity. The vacancy rate and desolate retail situation in the centre of medium-sized cities do open up considerable opportunities for RSG Group - but only where they are still attractive as residential locations.

RSG Group's expansion managers also conduct a very thorough analysis of the local competitive environment. "We always have to deal with regional players and local heroes in our industry, which we scrutinise before we make a location assessment," says Jörg Fockenberg.

RSG GROUP

Interview partner: Jörg Fockenberg
Director International Expansion, RSG Group

Photo: RSG Group