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SlimAndFit APP–有效率購買健康服務相關之網路平台

SlimAndFit APP– An Online Platform for Effective
Buying Health-Related Services online program platform

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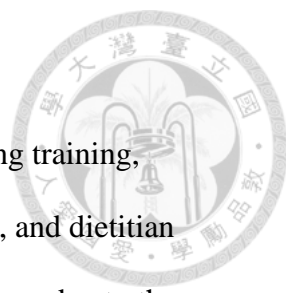
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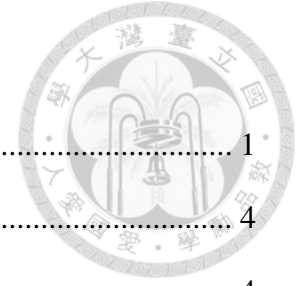
ABSTRACT



Health-related services like gym training services, scuba diving training, mountain climbing training, massage services, rehabilitation services, and dietitian services are getting a lot more popular in the world especially in Taiwan due to the aging society. Transparency of the pricing for the health-related services along with the quality it can provide has always been a big topic for the end customers when they face choosing one for themselves. These end customers are looking for cheap, effective, and good-quality health-related services programs to fulfill their desires and needs. Also, there are getting more and more health-related services providers (fitness training, dietitian, etc...) in Taiwan that can help to fulfill end customers' needs. However, the end customers and health-related service providers never know each other existed since currently most of the passing information is by word of mouth or basic online research. SlimAndFit online app is dedicated to link between both parties together with an efficient way to help both parties to better understand each other. SlimAndFit application will provide web-based services to both end customers and health-related professionals around the desired search areas to link up with each other. The end customer can choose a different variety of health-related services based on their needs and the rating comments provided by other end customers to the health-related service providers. Based on this information, it will be much easier for the end customer to achieve their goals. Also, on the other hand, health-related professional service providers can fulfill their need to increase their end customer base/source. Another benefit to health-related professional service providers is to reduce the overhead charge they need to pay to the facility where they currently worked at.

Key words: Business Plan, health-related, APP,

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EXECUTIVE SUMMARY

Information ambiguity is an issue faced by many people when customers are reaching out to look for a better lifestyle, shape, or activities. SlimAndFit, developed by Slim Fit Pty Ltd, is designed to address the issue of information ambiguity in the health/fitness-related industry and has a single mission which is to help the customers to find the best and safest way to achieve their desired physical goals based on customers' interests with professional suggestions (if desire). SlimAndFit will help the customer to reach out different types of service providers including but not limited to weight training, running, swimming, mountain climbing, massage, and dietitian consulting through its cloud-based online platform. By enabling GPS or looking through application map to help the customers seek different types of services around their area. Also, the customers can rate the programs that health-related service providers provided with comments through SlimAndFit to reduce information ambiguity between both parties.

Advertisement to find more customers and/or the overhead charge for from gym facility (50% of what customer paid) is high for health-related professionals. SlimAndFit also aims to help health-related professionals with niche areas (EX: running trainers, mountain climbing, athlete massage, and diet plans design) to reach out to more customer base. Also, gym trainers in some major gym brands, the brand will charge 50% of their service fees from their customers. Therefore, SlimAndFit will also help them to reduce the overhead charge for trainers who worked in major gym brands by helping teach additional classes in some other locations during their free time. Also, there is another pain point for the health-related service providers are that most of the end customer will not stick for a long time due to different kinds of reasons. Due to the

traditional marketing style is by word of mouth, it will be much easier for the health-related service providers to get more end customers.

SlimAndFit will be launched in Taiwan as there is a feasible demand and real potential for SlimAndFit to build a strong brand name, grow its user and coach base and generate stable income for a sustainable and financially-sound business. SlimAndFit will employ market breaking strategy to target on bringing service providers and the customer to the transparent platform for better service to the customer. SlimAndFit will be launched in Taiwan as there is a feasible demand and real potential for SlimAndFit to build a strong brand name, grow its user and coach base and generate stable income for a sustainable and financially-sound business. SlimAndFit will employ market breaking strategy to target on bringing service providers and the customer to the transparent platform for better service to the customer.

For business development, SlimAndFit will develop a trusted relationship between two parties together, customers who are looking for a better lifestyle, shape, or different exercise activities and health-related service providers who can deliver what the customer wants. By using a transparent grading system, to bring these two parties together to achieve a win-win situation from both sides. By doing so, SlimAndFit can help hundreds and thousands of people to achieve their personal goals within their own comfort zone with the help of health professionals around the area at a relatively low price.

SlimAndFit also has a realistic plan to become the first web-based service platform providing services to people who are looking for a better lifestyle, shape, or different types of exercise activities with plenty of health-related service providers and trending health-related information. On the other hand, good quality health-related service providers can be more exposed to the customers in need. Also, with the help of

the grading systems from both parties, it will help to attract better customers and health-related service providers to create a better ecosystem.



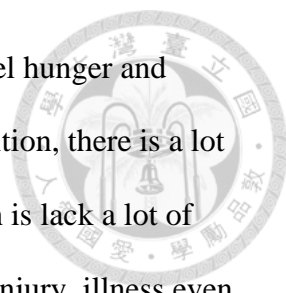
1. INTRODUCTION & BACKGROUND OF ENTERPRISE

1.1 INFORMATION AMBIGUITY IN THE DIET AND FITNESS INDUSTRY

When a person is trying to look for a better lifestyle, shape, or different types of exercise activities, he or she will usually find it difficult to find the health-related service they wanted to achieve their goal due to there is too much information in the cyber world or marketing slogan. And that person will usually end up with a trainer that doesn't fulfill their desire. Unlike the effectiveness of a drug in the medical world or stock price in the stock market which all of the information is relatively very transparent to everyone including effectiveness, price, and scale of testing conditions. However, in the health industry, it does not have similar information disclosure and even some of them are with ambiguity.

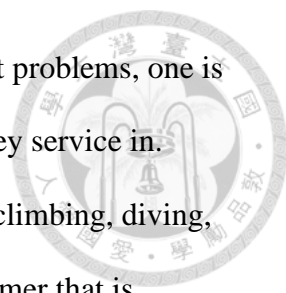
Due to every person's unique physical condition along with different perspectives, will lead to interests in different fields of health-related service providers EX: professional dietitians, professional gym trainers, running trainers, etc... Some customers will also have a hard time knowing which is the correct way for him/her to lose weight or achieve the lifestyle they desire healthily. For example, a professional gym trainer will ask you to eat a lot more protein and carbs. So, the customers can take more classes, work out more and gain more muscle. With more muscle, it will burn more calories and make the person will look leaner. However, that is usually not the case for most people. The customers will usually gain weight and look a lot bigger in the first place.¹ As for professional dietitians, their perspective is usually different from professional fitness trainers, professional nutritionists usually will ask people who wish to lose weight to eat below or equal to the customer's maintenance calorie level and

¹ Jillian Kubala, "Why Am I Gaining Weight Even When I Exercise?" [https://www.healthline.com/nutrition/gaining-weight-despite-exercise#TOC_TITLE_HDR_1], accessed February 2019.



don't exercise so much. In this case, the end customer usually will feel hunger and dizziness based on the period of the customer already on diet. In addition, there is a lot of "experience sharing" type of information in the cyberspaces which is lack a lot of details on the writers' physical condition in details. This will lead to injury, illness even death if the end customer wasn't careful enough with their body. Therefore, the end customer will need to spend a lot of time studying and comparing different options and information in cyberspace. To help the end customers to ease their pain in losing weight or achieve the lifestyle they desire with the benefit of spending their money more effectively, and information center will help the end customers to collect all the useful information and with all of the high-quality health professionals with transparent information sharing.

Also, there still are some customers who are looking for different types of health-related services like mountain climbing instructors, masseuses, rock climbing instructors, etc... Those customers will face strong headwinds in finding a good quality service provider to achieve their desired activities. Furthermore, the end customer will also face information asymmetry regarding service fees, service styles, and the equipment/supplements that the service provider suggests using/taking. For example, some of the yoga classes only cost around 200 NTD with instructor A but the instructor will charge 500 NTD per person. Due to the prices and quality of the service providers are different, it will lead to bad expectations if instructors weren't providing good services. In which, it will lead them to discouragement and spread negative things to the ecosystem-based on George Akerlof. Therefore, to mitigate and eliminate the problems above industry, with a special focus on transparent information with grading systems on the customers and service providers is the logic behind the development of the business idea which will be discussed in depth in this paper.

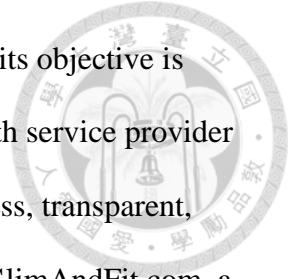


For the service providers, most of them are facing two different problems, one is the very high overhead (50% for most) charge from the gym/store they service in. Another one is for the niche market service (EX: running, mountain climbing, diving, rock climbing, etc..) provider, it is very hard to reach out to the customer that is interested in the services. In this case, the service providers usually will not make enough money to keep their basic living standard from the service they provided. This will lead to the market size shrinking. To resolve this kind of issue to let end customers can explore different types of health-related services/activities around the area. By introducing GPS/map technology, will help to establish this type of service. also, from doing so, it will help to expand the market size of these markets.

1.2 COMPANY INFORMATION

SlimAndFit is an online platform specifically developed by the company called Slim Fit Pty Ltd ("Company"), which was incorporated in the Republic of Taiwan and established under the law of Taiwan. The Company is a company limited by shares. SlimAndFit app aims to help the customer to reach out to different types of services providers including but not limited to weight training, running, swimming, mountain climbing, massage, and nutrition consulting through its cloud-based online platform. By enabling GPS or maps to help the customers seek different types of services around their area. Also, the SlimAndFit app is aiming to help the service provider to reach out for more end customers with a lot less overhead cost. SlimAndFit.com is a cloud-based online platform connecting all parties, which consists of end customers, professional health-related service providers, food and supplement vendors to bundle all parties in an interactive ecosystem through technology.

The name, SlimAndFit.com, is strategically chosen to reflect its objective is combining potential end customer who wishes to slim and fit or health service provider who is willing to provide such service together to create an easy access, transparent, healthy, and positive ecosystem. The slogan of SlimAndFit.com is "SlimAndFit.com, a platform solution making you look like a super star."



1.3 COMPANY'S VISION, MISSIONS & OBJECTIVES

1.3.1 Vision

The vision of SlimAndFit is combining both customers who are trying to look for a better lifestyle, shape, or different types of exercise or activities along with those health-related service provider who is willing to provide such service together to create an easy access, transparent, healthy, and positive ecosystem.

1.3.2 Missions

The missions of SlimAndFit.com are

- to become the first platform for the provision of all-around, one-to-one and end-to-end integrated health-related services; and
- to promote and encourage transparency to create a positive trend in the health-related market.

1.3.3 Objectives

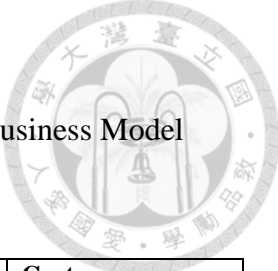
The objectives of SlimAndFit.com are

- to develop, maintain and improve an easy-assess and user-friendly online platform offering transparent information to all health professionals to their customers; and
- to allow all stakeholders to access all the transparent information including grading systems, price, and service scopes.

1.4 BUSINESS MODEL

The business model of SlimAndFit.com can be illustrated using the Business Model

Canvas template developed by Alexander Osterwalder, as follows:



Key Partners: <ul style="list-style-type: none"> Professional Health-related service providers Customers who are looking for a better lifestyle, shape, or different types of exercise or activities. Supplement vendors 	Key Activities: <ul style="list-style-type: none"> Online platform development & maintenance Continued service enhancement Key Resources: <ul style="list-style-type: none"> Website Personal & Human resources 	Value Proposition: <ul style="list-style-type: none"> Unique platform strategy aiming to introduce new ways for health professionals to engage with their customer Users-oriented – innovation in line with users' behavior change 	Customer Relationship: <ul style="list-style-type: none"> Online feedback Help hotline Channel: <ul style="list-style-type: none"> Direct: website & mobile website Indirect: affiliate program with health professionals and public figures 	Customer Segmentation: <ul style="list-style-type: none"> general market focus on combining end customer with health professionals that is willing to provide quality service together
Cost Structure: <ul style="list-style-type: none"> Research and development costs for the online platform design, development, maintenance and update and for ongoing information security measures and implementations. Operating cost of running, operating and maintaining the online platform and database. Costs pertaining to business development, marketing and promotion. Costs of running and operating an Information Technology company. 		Revenue Stream: <ul style="list-style-type: none"> Main source of income is commercial & service fee Additional revenue may be derived from data monetization. 		

Table 1: Business Model of SlimAndFit.com



2. PRODUCTS & SERVICES

2.1 SERVICE MODEL

SlimAndFit adopts a multisided platform strategy to provide services to multiple parties involved in the health-related business. In comparison with the traditional marketing buy and sell platform and random walk-in or search online where health-related services are offered and passed down in a single direction, SlimAndFit is benefited from the following features of the multisided platform²:

- Each side of the multisided platform is the customer of the multisided platform in some meaningful way; and
- Direct interactions between the sides are enabled.

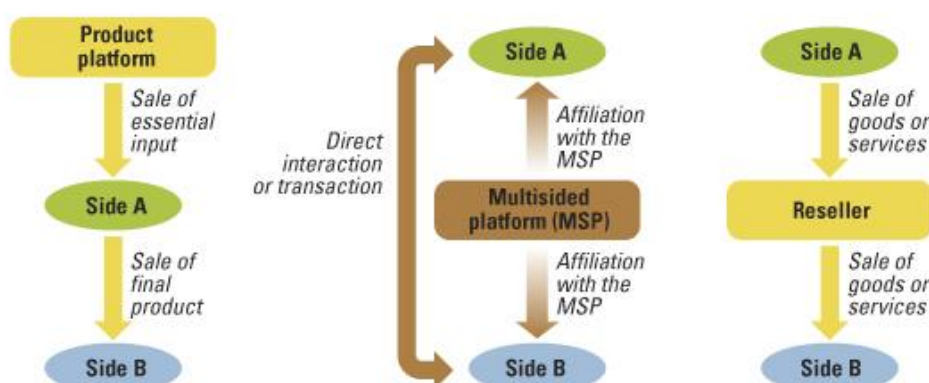


Figure 1: Multi-Sided Platform vs. Product Platform and Resellers

Source: Andrei Hagiu, “Strategic Decisions for Multisided Platform” *MIT Sloan Management Review*, December 19, 2013. <http://sloanreview.mit.edu/article/strategic-decisions-for-multisided-platforms/>, accessed January 2017.

² Andrei Hagiu, “Strategic Decisions for Multisided Platform” *MIT Sloan Management Review*, December 19, 2013. [<http://sloanreview.mit.edu/article/strategic-decisions-for-multisided-platforms/>], accessed January 2017.

2.2 INFORMATION MANAGEMENT

Information sharing and management regarding the infrastructure or a cycle of company activity related with the acquisition of information from one or multiple sources, management, custodianship, and distribution of that information to those who need it and distribution of such information. A good information flow and management will create value for an entity that adopts it.

The Information Technology Specialist team of SlimAndFit developed and will continue to maintain SlimAndFit.com and its database, which stores information supplied by the information suppliers, which are the end customers' information, health professionals' information, supplement & food vendor, gradings for each vendor and customers and from time to time throughout the transaction process. Such a database has a unique competitive advantage in the fragmented health-related market as it revolutionizes the supply of information and links each party together for a more efficient and effective way of communication.

2.2.1 Information Flow & Management for Transaction Management Service

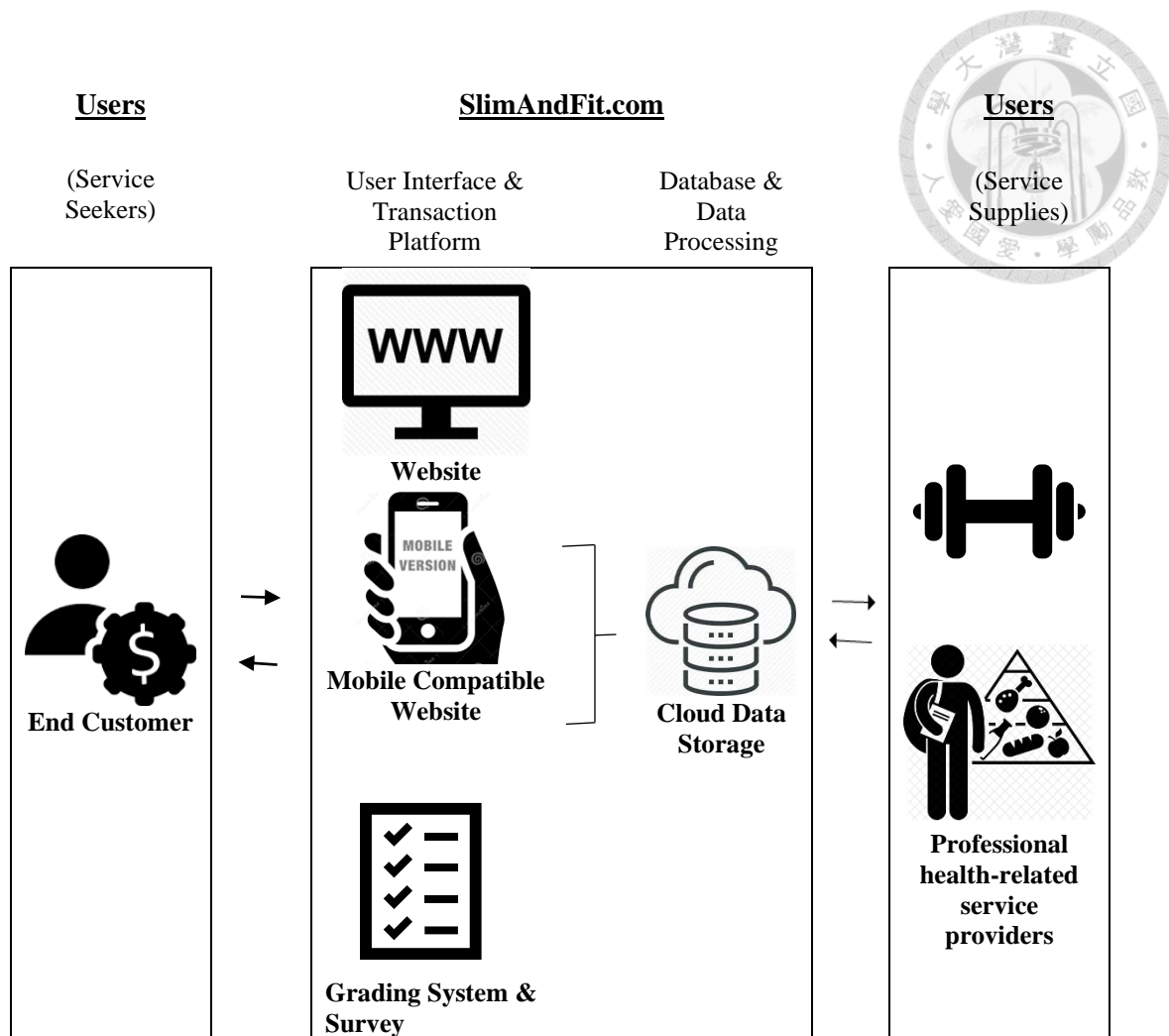


Figure 2: Information Flow and Management for Transaction Management Service

2.2.2 Information Flow & Management for Information Transaction Service

In terms of the information transaction service, similar information flow and management, which is shown as followed:

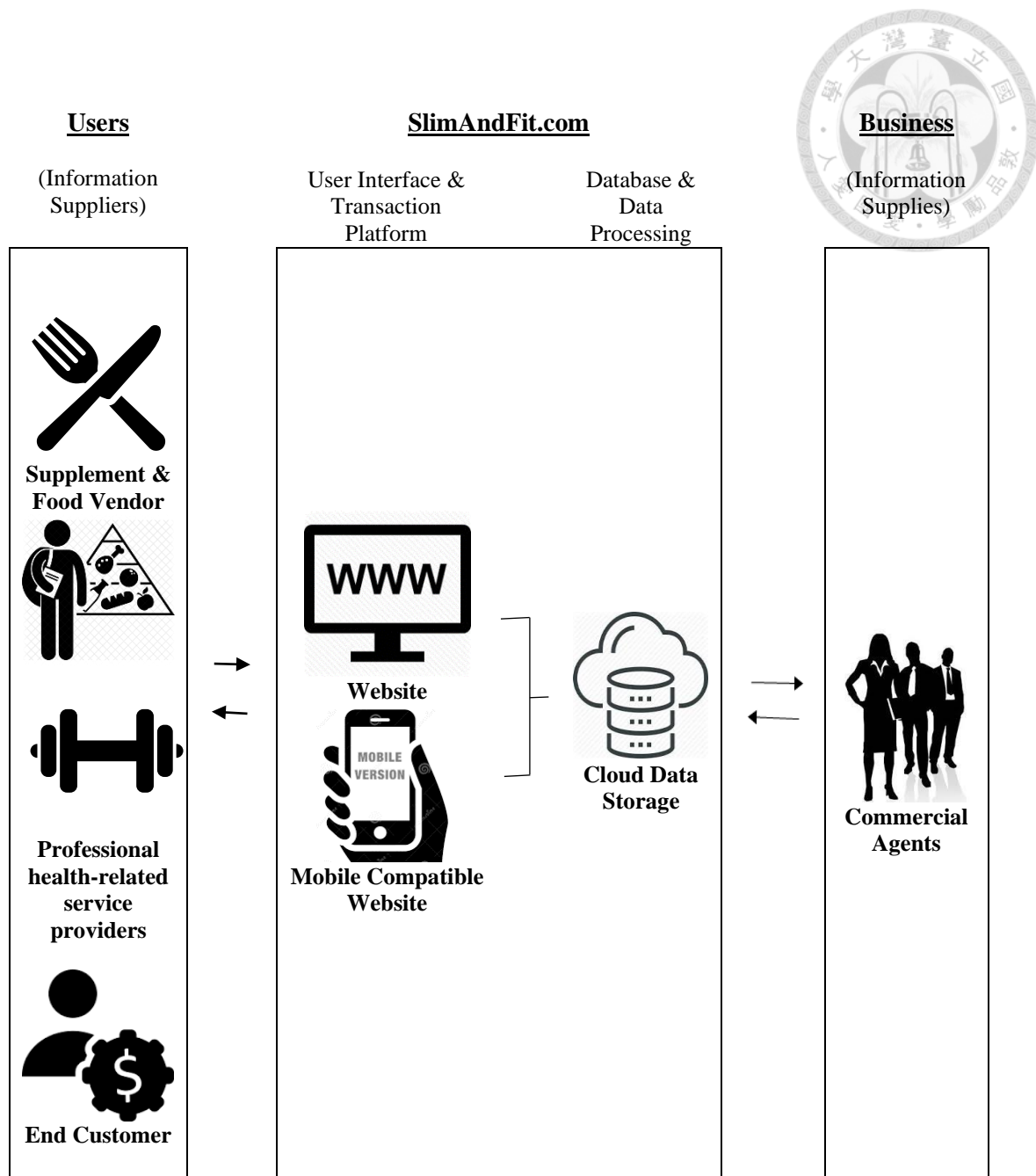
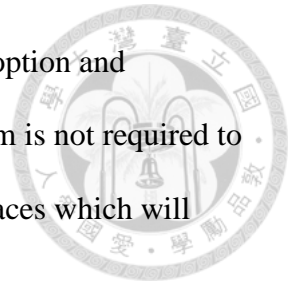


Figure 3: Information Flow and Management for information transaction big data Service

2.2.3 Cloud and Database management

The core of SlimAndFit.com is about cloud computing and database management. Cloud computing technology is an on-demand delivery of computer power, database storage, applications, and other information technology resources through a cloud

service platform via the internet. There is a cost advantage on the adoption and employment of cloud computing technology because SlimAndFit.com is not required to invest heavily in the physical data center with servers and storage spaces which will make significant overhead on business did not foresee the scope yet.



Due to the nature of data privacy and confidentiality of client(trainer/nutritionist) and customer information, SlimAndFit.com will first host all the data information in Amazon Web Service with secure data locking systems (AES256) to ensure safety. Also, the system will be developed on windows server systems to ensure swift deployment and transition for future system upgrades or using company clouds.

2.3 SERVICE DESCRIPTIONS

Services offered by SlimAndFit.com are best described as follows:

	Description of Services	Who are the Target Users?
SlimAndFit.com	Grading system and service tools	<ul style="list-style-type: none"> • End customers • Clients (trainer/nutritionist) • Commercial Agents
	Communication systems service	<ul style="list-style-type: none"> • End customers • Clients (trainer/nutritionist)
	Information Patrol Service	<ul style="list-style-type: none"> • Site Visitors & Registered Users

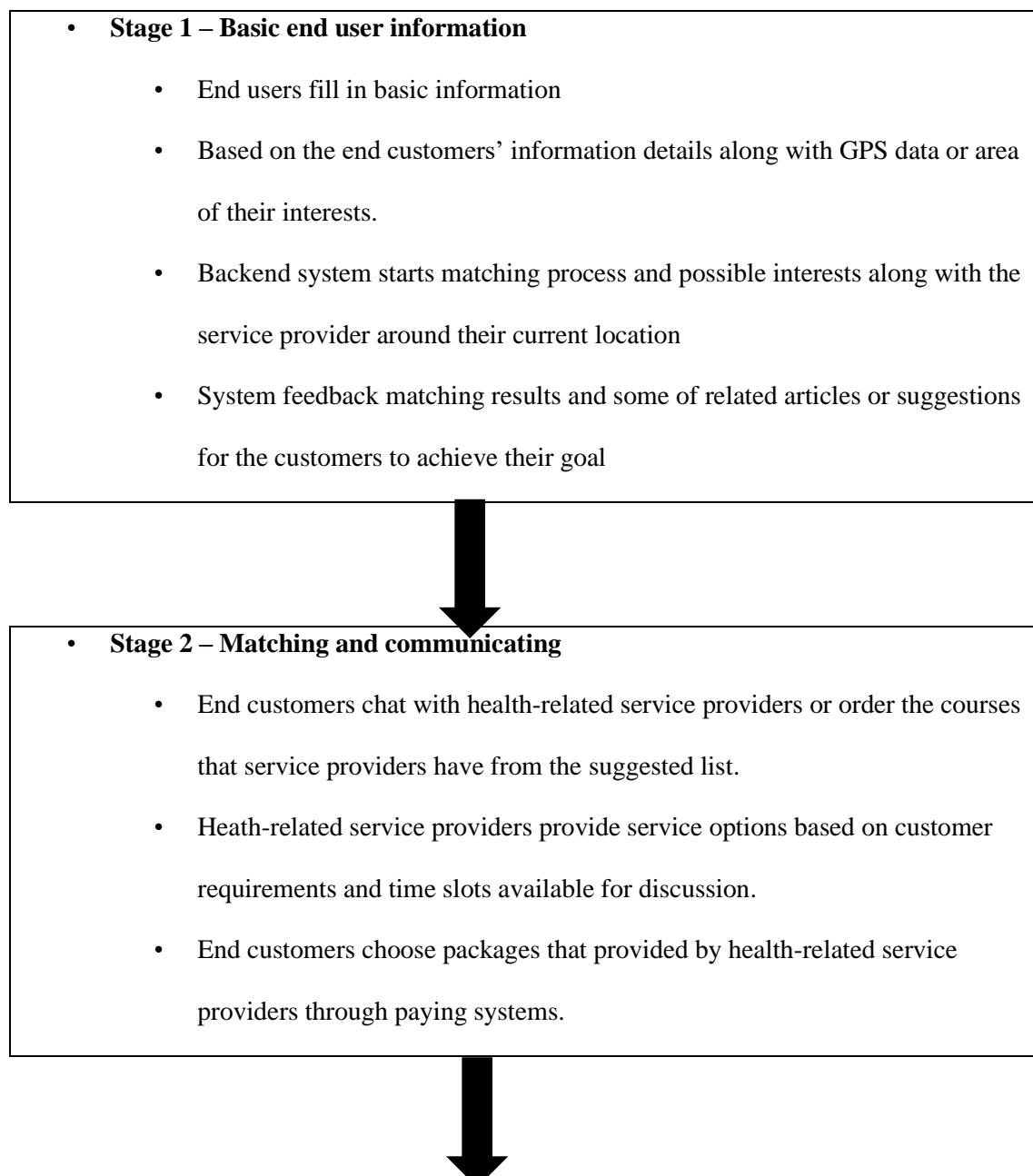
Table 2: Services offered by SlimAndFit.com

These services to be offered in SlimAndFit APP are strategically designed to help SlimAndFit APP to quickly enter the market, expand its user base and grow its brand recognition.

2.3.1 Grading system and services

As discussed in the above section, there needs to be a mutual agreement with a clear understanding of what is needed to be in place between the application client(trainer/nutritionist) and the end customers to create a healthy ecosystem.

Therefore, a transparent grading system needs to be in place for both parties to be aware of to create a good environment (check and balance). Also, there will be an audit staff need to be in place to ensure the credibility of the grading system.



- **Stage 3 – Scoring and Advertisement**
 - Health-related service providers confirm the end customers' order, the system will keep on monitoring the service package commitments.
 - After the selected package/program is completed, end customers can provide feedback and scores of recommendations to each other.
 - Back-end system will be based on the feedback and preference of the end customer to provide more suggestions or collect data for commercial agents

Figure 4: Stages Involved in the overall process of SlimAndFit

Traditionally, there is not much targeted and transparent information that can help the end customer can make their decisions. In many cases, end customers will need to go through hours of research with many tries and errors to find the desired packages along with the good service providers they desire. These tries and errors, asking and searching can be reduced for the end customer to find the better choice from the information/suggestion service SlimAndFit provides. The information/suggestion flow for SlimAndFit is illustrated in the following diagram.

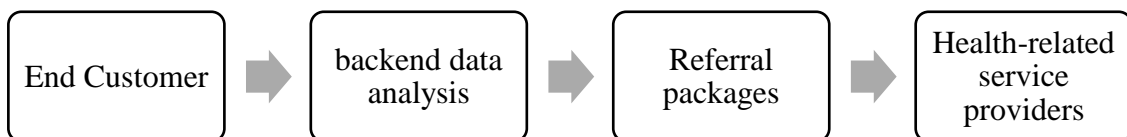


Figure 5: Sequence of information/ suggestion flow in SlimAndFit.com

Grading systems and service provides direct, easy, and user-friendly selections for the end customers to choose the trustworthy service providers and the packages they provided (all with grading). Also, the service providers can look at the comments on the end customer's feedback to tell if their packages are right for them or not. Also, the back-end system can get more data on the end user's behaviour. Based on the

information, the back-end system can suggest other packages provided by other health-related service providers that might fit for the end customers.

On the other hand, the service providers can also view the end customer's score. The service providers can also set different price ranges for each grading level of end customers. Also, for better encouragement, SlimAndFit will provide a 1~5 % discount for the customer with much better scores to encourage better ecosystems.

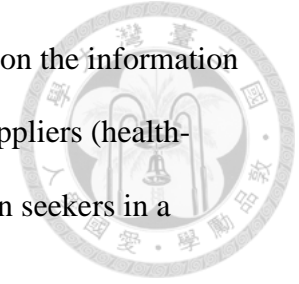
2.3.2 Communication systems service

For many that is trying to seek help and services for health-related service as the service providers provide. The end customers will face a lot of information asymmetry from the other service providers that might come to hostile intentions. Lots of end customers might be lost their faith on the markets which makes the market environment go into a negative spiral. This explains why there are a lot of negative related comments on the web for health-related services and telling the end customers to try out themselves only without using any services that health-related service providers provide.

According to the opinion of 30 end customers who is currently using the health-related services, there is very difficult on finding the right packages and make sure the price is not too high. 5 health-related service providers, who are currently working as health-related service providers, are also suffering on finding end customers and spend too much time on price negotiations. This is because most of the end customers are afraid of fraud that will cost their health and wallet.

The communication service provided by SlimAndFit is developed to address the issues mentioned in the above paragraph. With this service, the end customer can communicate online with the service providers directly or message publicly under the packages that everyone can read. The goal of the communication system service is to eliminate the information misalignment between end customers and the service

providers. This way of communication creates enormous frustration on the information seekers (end customers) because of the failure by the information suppliers (health-related service providers) in supplying information to the information seekers in a timely manner.



2.3.3 Information Patrol Services


In addition to the abovementioned core services, SlimAndFit provides information patrol service to its site visitors to achieve the following goals:

- to drive more traffic to the SlimAndFit;
- to create more positive ecosystem on health-related market environment for SlimAndFit;
- to grow popularity and brand recognition;
- to develop and grow end customers' subscriptions; and
- to develop and grow on more service providers' base

The reason behind this offering is to avoid more hostile or negative attacks against end customers' comments and health-related service providers' suggestions.

In this area of service offering, SlimAndFit positions itself to be the most accountable and reliable information portal providing trustworthy information pertaining to the health-related market in Taiwan. Patrolling will help end customers and health-related service providers to have a better understanding of each party with transparent information. This patrolling service will be the key success towards the application success and the priority of developing such a feature will be put as the second most important priority.

To echo the above positioning statement, SlimAndFit.com will focus on the provision of the following information through its information patrol service:

- 
- End customers' rating on the health-related service providers
 - Health-related service providers' rating on the end customers
 - Not for public transparent disclosure and just for client service providers only
 - Health-related service providers' rating from end customers
 - Service providers' rating from the end customer
 - For all the bad comments, will request health-related service providers' feedback on the review and possible room for improvements
 - Comments can only be provided by end customers that purchase service providers' packages
 - Comments can be viewed by all registered end customers
 - Health-related service providers' packages comments from the end customers
 - End customers can ask questions about the health-related service providers' packages or ask for customize
 - For any non-related comments, the back-end system will block it accordingly
 - Health-related trends, news, and tips
 - All news needs to be updated by official
 - Any disagreements on the topic posted can be updated by more new comments for better knowledgeable discussion.

2.4 REVENUE STREAM & PROFIT MODEL

Revenues will be derived from the following sources:

- The main source of income for the next five (5) years will be the service fee paid by the service providers' package service fee; and
- Data monetization through selling data to advertisement agencies

3. MARKET ANALYSIS



3.1 SELECTION OF INITIAL MARKET

How to live longer is always a big topic that we humans are searching for since the beginning of human history ever existed. But how to live better scientifically is the most recent hot topic in recent years.

This trend towards to health-related market has surged dramatically in the recent decade. Exercise, quality foods, and living a healthier lifestyle have been promoted all around the globe. United State of America (U.S), Canada, Europe, East Asia, and China all raise their awareness on personal health with quality living style, which leads to using lots of health-related products.

The net worth of weight loss market in United States is now a record of \$66 billion. But the total number of people who is on diet has dropped all because of the growth of the size acceptance and body positivity movement in the US. The plans that focus on Do-it-yourself still proliferate as the end customers use free diet & fitness apps. End customers are trying to avoid eating processed foods with artificial ingredients. However, frozen food makers sales are still going positive due to marketing or recipe adjustments. For companies that focus on helping people diet are posting strong growth. Also, The Affordable Care Act has adding values to medically supervised diet programs³.

For the APAC region, such as India, China, Japan, South Korea, Australia, New Zealand, Thailand, Malaysia, Vietnam, Philippines, Indonesia, and Singapore, the Weight Loss, and Diet Management Market increased with a CAGR of 8.37% due to

³ Marketdata LLC, "The U.S. Weight Loss & Diet Control Market", Research and Markets, March, 2021, [https://www.researchandmarkets.com/reports/5313560/the-u-s-weight-loss-and-diet-control-market?utm_source=BW&utm_medium=PressRelease&utm_code=twb39p&utm_campaign=1516435+-+U.S.+Weight+Loss+%26+Diet+Control+Market+Report+2021%3a+Market+Reached+a+Record+%2478+Billion+in+2019%2c+but+Suffered+a+21%25+Decline+in+2020+Due+to+COVID-19+-+Forecast+to+2025&utm_exec=chdo54prd],

increase awareness level of obesity will cause an increase in health-related problems. Also, some of the reason is due to new fitness equipment advancement, government policy, and education on health risks for the overweight population. Based on the factories above, the Weight Loss and Diet Management Market to APAC regions is with market size to be 4.1 billion USD in 2021 ⁴.

In Europe, it was estimated the market size of health-related products is around 5.5 billion dollars in market size with a CAGR of 8.45%. The reasons behind growth are similar with the APAC region which are the growing obese population, an increase in the number of users for online weight loss and weight management applications/programs, overall spare income increase, and increasing government policy and education on health risks for overweight population. Those key factors which drive the Europe Weight loss and Diet management market with an upward market trend. In addition, increasing in popularity on natural and organic foods and supplements also play a key factor in driving the Weight loss and Diet management market going upward ⁵. Therefore, there is a lot of room to grow for the application tool to link the end customers to health-related service providers will be the new blue sea for the market.

While it seems that there is great potential for SlimAndFit to launch its services globally, SlimAndFit.com, like many other information technology companies, employs the strategy of launching its services in one region to gauge the success before

⁴ “APAC Weight Loss and Diet Management Market Research Report – Segmented By Diet, Equipment, Services and Country (India, China, Japan, South Korea, Australia, New Zealand, Thailand, Malaysia, Vietnam, Philippines, Indonesia, Singapore and Rest of APAC) – Industry Size, Share, Trends and Growth Forecast (2021 to 2026)”, market Data forecast, April, 2021, [https://www.marketdataforecast.com/market-reports/asia-pacific-weight-loss-and-diet-management-market],

⁵ “Europe Weight Loss and Diet Management Market Research Report – Segmented By Diet, Equipment, Services and Country (United Kingdom, France, Spain, Germany, Italy, Russia, Sweden, Denmark, Switzerland, Netherlands and Rest of Europe) – Industry Analysis on Size, Share, Trends, COVID-19 Impact and Growth Forecast”, Market Data Forecast, april 2021, [https://www.marketdataforecast.com/market-reports/europe-weight-loss-and-diet-management-market].

considering moving on and expanding to the other regions. To determine which country is most suitable for SlimAndFit.com to launch its services in, a focus-group type of discussion with a team of 10 possible clients (trainer /nutritionist) who have or had experiences in health-related in Taiwan was conducted. In general, their views, derived from their past experiences and prior encounters, can be summarised as the following pragmatisms:

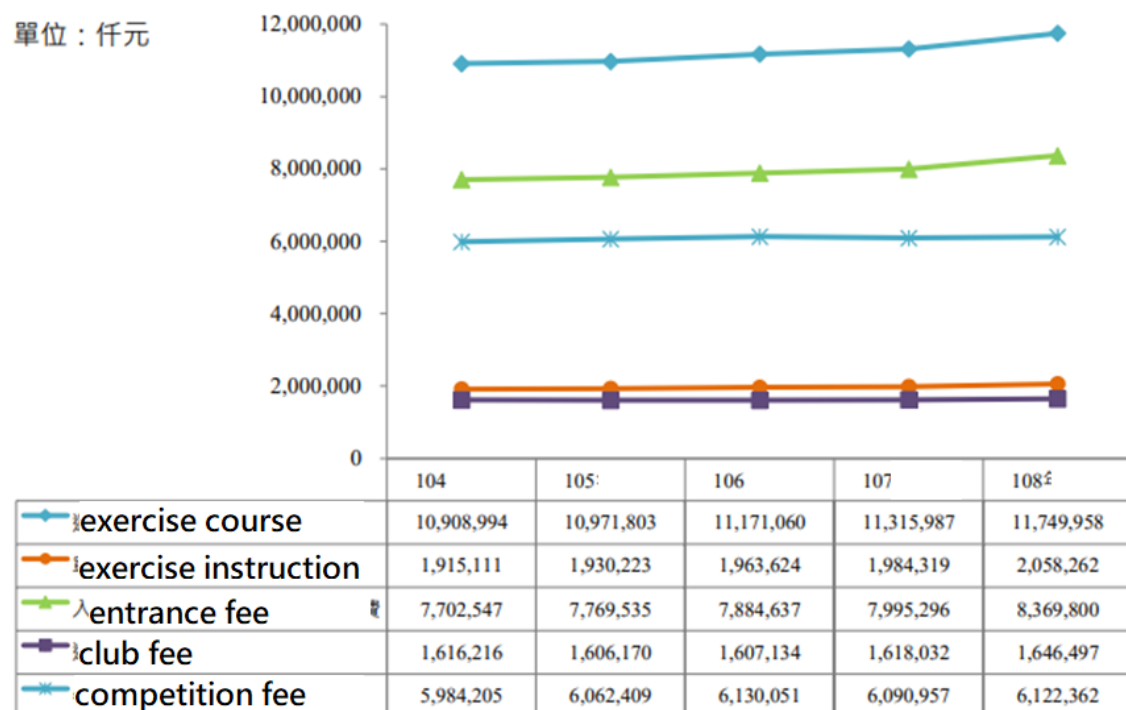
- Countries in North America, such as the United State of America (USA) and Canada, will not be an ideal market for SlimAndFit.com to enter first, especially when the main core businesses of SlimAndFit APP are mainly based on good communication between health-related service providers and the end customers. Due to the current setup, the reason behind it was that these two countries adopt a similar approach that we will need to reach out to the health professionals (clients) to sign up for the programs initially. Also, there are different regulations in Taiwan, therefore, lots of resources are required to set up a correct and functional working business in the North American region. So SlimAndFit.com will not put focus in this region yet.
- The cost of maintaining SlimAndFit will be skyrocketed high in countries like Malaysia, Philippines, Vietnam, Thailand or Cambodia because exercise and customer behaviour will be completely different. As these countries are more towards to fighting style of exercise and traditional local style "health products". Therefore, in these countries, it will require lots of resources to restructure, educate and invest in the end customers' behaviours. Further, the political instability and non-transparent food and health product regulations will bring lots of risk and instability to the investment.

3.2 OVERVIEW OF THE SELECTED MARKET

3.2.1 Market Size

The Increase of fitness or how to keep healthy related awareness has been increasing throughout the years in Taiwan. Especially in recent years, a healthy living style has become a trending fashion to keep fit, eat healthily, and with a fun living style in Taiwan. Therefore, there will be more end customers looking for gym trainers, professional dietitians, professional masseurs, outdoor activities trainers, etc...

The total value of the sports service-related spending in Taiwan is roughly around 30 billion New Taiwan money and reached 139.6 billion on sports-related spending in the year 2019⁶. Also based on the same study, the spending has been increasing roughly around 4% annually throughout the past 5 years. Based on the trend from a foreign country, the market growth margin is still big.



⁶ Sports Administration, Ministry of Education, “108 年度我國民眾運動消費支出調查”, <https://www.sa.gov.tw/Resource/1/1/1/5585/108%E5%B9%B4%E5%BA%A6%E6%88%91%E5%9C%8B%E6%B0%91%E7%9C%BE%E9%81%8B%E5%8B%95%E6%B6%88%E8%B2%BB%E6%94%AF%E5%87%BA%E8%AA%BF%E6%9F%A5-%E5%AE%9A%E7%A8%BF.pdf>, December 2021.

Figure 6: Annual Sports related spending from 2015~2019

Source: Sports Administration, Ministry of Education, “108 年度我國民眾運動消費支出調查”,

December 2021, [https://reurl.cc/Wrnp6Z].

Also, the study show, there are only 3.7% of people are paying for personal training course⁷ with the annual spending around 2500 NT per person which is only 0.3% of the annual average income from Taiwan. Also, by comparison, the percentage of spending on hiring health-related services is only half compared with Japan. Which there will be a lot more room for growth since Taiwan usually follows trends from Japan.

運動服務		年份	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
日本	運動課程	金額	87	96	108	105	88	86	76	84	79	84	87
		占比	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
	高爾夫球場入場費及練習費	金額	-	79	104	106	94	71	68	76	67	68	80
		占比	-	0.1%	0.2%	0.2%	0.2%	0.1%	0.1%	0.2%	0.1%	0.1%	0.2%
	健身房	金額	-	37	40	42	38	39	35	42	46	44	54
		占比	-	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
	其他運動場地及設備使用費	金額	-	26	27	24	23	22	18	21	18	19	22
		占比	-	0.04%	0.04%	0.04%	0.04%	0.05%	0.04%	0.05%	0.04%	0.04%	0.05%
	運動課程費	金額	-	-	41	43	44	43	41	40	43	43	44
		占比	-	-	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
臺灣	單純運動指導費	金額	-	-	8	8	8	8	7	7	8	8	8
		占比	-	-	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%
	入場費、會員費、場地設備出租費	金額	-	-	33	32	32	31	29	29	30	31	31
		占比	-	-	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
	運動社團費	金額	-	-	7	7	7	7	6	6	6	6	6
		占比	-	-	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.01%	0.01%
	參加運動比賽衍生費	金額	-	-	22	22	24	24	22	22	24	23	23
		占比	-	-	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%

Figure 7: Annual Sports-related spending between country 2009~2019

Source: Sports Administration, Ministry of Education, “108 年度我國民眾運動消費支出調查”,

December 2021, [https://reurl.cc/Wrnp6Z].

⁷ Sports Administration, Ministry of Education, “108 年度我國民眾運動消費支出調查”, “https://www.sa.gov.tw/Resource/1/1/1/5585/108%E5%B9%B4%E5%BA%A6%E6%88%91%E5%9C%8B%E6%B0%91%E7%9C%BE%E9%81%8B%E5%8B%95%E6%B6%88%E8%B2%BB%E6%94%AF%E5%87%BA%E8%AA%BF%E6%9F%A5-%E5%AE%9A%E7%A8%BF.pdf”, December 2021.

3.2.2 Market Characteristics

Taiwan's health-related service market has the following characteristics:

- Low degree of market transparency on pricing
- Difficulty on measuring the quality of professional health-related service providers
- Booming/growing market size.

(a) Low degree of market transparency on pricing and quality

Health-related service providers' pricing varies dramatically from 600 to over 3000 NTD per class⁸. This means there is a 500% price gap between different instructors. Also, some of them might just have a good title but not very good service attituded.

A low degree of pricing transparency will also bring a lot of distrust between end customers and health-related service providers. According to the statistic conducted by the Sports Administration, Ministry of Education of Taiwan, the average percentage of people spending on sports-related courses is only 3.7% of total spending based on all health-related spending overall⁹. Therefore, there is still a lot of room to grow if there is a trust relationship built up.

(b) Difficulty on measuring the quality of professional health-related service providers


Currently, there are many different types of certifications that is existed in the market in Taiwan. There are four well-known international licenses EX: ACE, NASM, ACSM, and NSCA. But there are some different specialty sports licenses EX: bodybuilding C-level coaching license, powerlifting C-level coaching license, CrossFit

⁸ Avis Wu, “專家教你把握 4 原則找「健身教練」不出錯！健身教練費用公開”, [https://www.womenshealthmag.com/tw/fitness/work-outs/g34202777/good-personal-trainer/], accessed Sept 2020.



Trainer license, Professional Association of Diving Instructors, TPPC license, etc....¹⁰.

These licenses are all targeted to different types of health-related services and can also certify different quality levels of services. From doing so, this will be causing some difficulties for the end customers to choose the fittest service providers for them.



	instructor fee	club fee	Competition fee	Lessions fee	Entrance fee
■ 108年	3.7%	6.0%	6.7%	12.7%	25.5%
■ 107年7-12月	3.4%	5.9%	6.5%	11.8%	23.9%
■ 107年1-6月	3.2%	5.7%	6.6%	11.5%	23.4%
■ 106年7-12月	3.1%	5.7%	6.6%	11.1%	23.1%
■ 106年1-6月	2.8%	5.5%	6.6%	10.8%	21.7%
■ 105年7-12月	2.9%	5.6%	6.8%	10.8%	22.1%
■ 105年1-6月	2.5%	5.6%	6.1%	9.8%	20.7%
■ 104年7-12月	2.4%	5.3%	6.1%	9.5%	19.4%
■ 104年1-6月	2.5%	5.4%	6.2%	9.5%	19.3%

Figure 8: Taiwan Annual sports related services break down 2019

Source: Sports Administration, Ministry of Education, “108 年度我國民眾運動消費支出調查”,

December 2021, [<https://reurl.cc/Wrnp6Z>].

(c) Booming/Growing Market Size

Due to the growing popularity of health consciousness and the pursuit of better body shape, there is a very strong growing demand on fitness-related or health-related services are needed. For the fitness-related facility, revenue is growing from 3 billion dollars NTD in 2013 to 15.2 billion dollars NTD in Taiwan with CAGR of 22.4%¹¹.

⁹ The fasion muscle, “<https://thefashionmuscles.com/fitness-trainer-certificate/>”, Domain, February, 2022, [<https://www.domain.com.au/news/vacancy-rates-remain-tight-to-start-the-year/>], accessed April 2022.

¹¹ 黃怡嫻, “2021 年健身房產業調查報告”, [<https://www.twtrend.com/trend-detail/gymsurvey01/>], accessed April 2022.

This brings a very high demand for health-related service professionals throughout the years.

Also, due to the blooming of the exercising population, there are some peripheral products and services needed for the end customers. Especially in the physical therapy/medical area, there is a 4%~5% annual growth rate on sectors in 2006-2018¹².

單位：百萬元

十二大類及行業編號名稱	95	96	97	98	99	100	101	102	103	104	105	106	107
十一、運動用品或器材租賃業													
7730 個人及家庭用品租賃業	52,207	56,674	59,961	60,161	64,998	69,462	74,762	79,455	90,806	105,417	114,311	119,535	121,257
十二、運動保健業													
86 醫療保健業	516,785	544,175	561,955	586,141	604,906	618,060	645,328	672,295	693,981	715,645	747,665	785,100	824,314
9319 其他運動產業	161,010	169,428	173,376	185,056	189,589	194,321	200,667	209,347	216,436	223,256	225,580	235,400	241,954

Figure 9: Taiwan Annual GDP related to sports industry

Source: 財團法人中華經濟研究院, “我國 107 年度運動產業產值及就業人數等統計研究”, June 2020, [https://www.sa.gov.tw/Resource/1/1/1/4689/107%E5%B9%B4%E7%AC%AC%E4%BA%8C%E9%9A%8E%E6%AE%B5%E5%A0%B1%E5%91%8A0806v.pdf].

3.3 MARKET SURVEY

3.3.1 Survey for End customers who need health-related services & Health-related service providers

The questionnaire survey for End customers who need health-related services & Health-related service providers focused on the investigation of the current market approaches towards buying and selling health-related services in Taiwan. The objective of this survey was to gain a better understanding of the current approaches adopted by the health-related service providers and the end customers who is looking for such services, examine the existed approaches, and identify the flaws and deficiencies in these approaches.

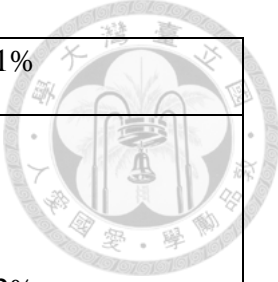
¹² 財團法人中華經濟研究院, “我國 107 年度運動產業產值及就業人數等統計研究”, [https://www.sa.gov.tw/Resource/1/1/1/4689/107%E5%B9%B4%E7%AC%AC%E4%BA%8C%E9%9A%8E%E6%AE%B5%E5%A0%B1%E5%91%8A0806v.pdf], accessed April 2022.

The questionnaires were disseminated to End customers who need health-related services & Health-related service providers in paper form during the period of 15 October 2021 to 31 October 2021. A total of 76 feedbacks were collected. The participants giving their feedback consist of the following groups:

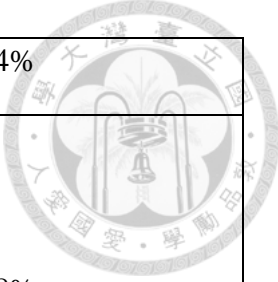
- End customers who need health-related services (37: female 20, male 17)
- Health-related service providers (39: Fitness trainer 23, Masseuse 10, Nutritionist 6)

The results of this survey are as follows:

	Survey Questionnaires	Participants' Answer
1.	Do you find it is difficult to find the end customer or correct health-related service providers?	<ul style="list-style-type: none"> • Yes: 79% • No: 18% • No Comments: 3%
2.	How do you find the end customers or correct health-related service providers?	<ul style="list-style-type: none"> • Through Walk-In: 15% • Online commercial: 23% • Friends & Family: 45% • Company promotion: 10% • Others: 7%
3.	What is the key factor for you to choose which health-related product?	<ul style="list-style-type: none"> • Doctor suggestion: 96% • Friend recommendations: 4% • Social Media: 0% • Commercials: • Others: 0%
4.	Do you think the current way of communication is sufficient for you?	<ul style="list-style-type: none"> • Yes: 30% • No: 69%



		<ul style="list-style-type: none"> No Comments: 1%
5.	Do you think it is important to know the quality of end customer or health-related service providers?	<ul style="list-style-type: none"> Yes: 84% No: 15% No Comments: 2%
6.	Have you ever considered there is a better option with the end customer or service provider you choose?	<ul style="list-style-type: none"> Yes: 60% No: 34% No Comments: 6%
7.	Will you use an online platform if this platform allows ratings for both end customers and the service providers?	<ul style="list-style-type: none"> Yes: 92% No: 3% No Comments: 4%
8.	Will you be willing to be rated based on the feedback end customer you provided service to? Also, the end customer needs to provide written feedback on the service reviews	<ul style="list-style-type: none"> Yes: 67% No: 29% No Comments: 4%
9.	Will you find it useful when you are provided ratings of the service?	<ul style="list-style-type: none"> Yes: 85% No: 11% No Comments: 4%
10.	Will you be willing to be rated based on the service providers that serve you? Also, the service providers will need to provide written feedback on the end customers	<ul style="list-style-type: none"> Yes: 57% No: 39% No Comments: 4%
11.	Currently, is there an online platform that provides similar services?	<ul style="list-style-type: none"> Yes: 0% No: 96%



		<ul style="list-style-type: none"> No Comments: 4%
12.	Will you be willing to buy an advertisement in a new online platform designed for the health-related services industry?	<ul style="list-style-type: none"> Yes: 55% No: 37% No Comments: 8%
13.	When buying advertising space, what characteristics of the online platform will impact on your decision?	<ul style="list-style-type: none"> Number of Users: 59% Pricing: 27% Number of Advertising Space: 13%

Table 3: Result of Survey for health-related service provides and the end customers

3.4 COMPETITION

3.4.1 Direct Competition

As of the date of this paper, there is no prevailing online platform providing similar or identical services which are to be offered by SlimAndFit APP according to the finding from the questionnaire survey from the last section.

3.4.2 Indirect Competition

Indirect competition comes from the existing well-known gyms based on the answers given by the participants of the questionnaire survey because these brand-name gyms can leverage on their popularity to prevent new entrants to bring more competition to the market. These known brand-name gyms are not only offer fitness training courses but also massage services and nutritionist counselling courses. Therefore, these well-known gym brands will have leverage on their popularity to prevent new entrants to bring more competition to the market. Their details are as follows:

- World Gym

- Fitness Factory
- TURE Yoga / Fitness
- Google ads from smaller vendors



3.4.3 World Gym

World gym was created by Joe Gold during 1976 in California as a fitness gym chain store. World gym moved into Taiwan's fitness markets in 2001 with the goal to bring exercise trends to Taiwan. Originally, World Gym starts and expands its business through acquisitions from popular fitness brands in Taiwan. Therefore, World Gym location is more focused on neighborhood areas with different gym qualities including different sizes and conditions. Currently, World Gym offers facilities for fitness training, also a swimming pool, basketball course, and squash course. As of now, World Gym is the biggest Gym brand in Taiwan with 105 stores across Taiwan with more than 600,000 members. According to its latest public report, World Gym has revenue of more than 300 million USD and introducing new APP systems booking systems that can help end customers to book classes online.

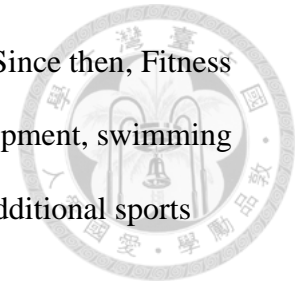
World gym derives its revenue from the following main strands of businesses:

- Monthly fee subscription from end customers.
- Online training course (100NTD); and
- Personal fitness training courses

3.4.4 Fitness Factory

Fitness Factory, the first fitness company that went public listing in Taiwan, is funded in 2005 in Kaohsiung, Taiwan. Fitness Factory's original goal is to introduce a higher quality fitness environment, introducing correct fitness knowledge and a better living style. Fitness factory is more focused on building high-quality and well-equipped gym with bigger size compare with World Gym. Due to Fitness factory is building their

gym from scratch, this will cause its expending rate to be a lot less. Since then, Fitness Factory already expend its service area from the original fitness equipment, swimming pool, golf practice ranch, and basketball course to the current with additional sports massage and nutritionist services.



As of now, Fitness Factory has expanded to 57 spots in Taiwan with over all with 3.6 billion Taiwan dollars in the year 2020. Even during the pandemic season, Fitness factory is still looking to aggressively to expand in the year of 2022.

Services offered by or along with Fitness factory are:

- Monthly fee subscription from the end customers.
- Personal fitness training courses
- Entrance fee for the first timers
- SPA, massage services.
- Nutritionist services

3.4.5 TURE Yoga / Fitness

TURE group or known as TURE Yoga or Ture fitness was funded in 2004 in Singapore. Ture group expends its reach to Taiwan during the year 2011. Originally TURE group is offering the most high-grade Yoga classes in Taiwan. Over decades of development in Taiwan, TURE yoga/fitness has become one of the top 3 fitness-related brands in Taiwan. Currently, TURE Yoga/fitness currently has 14 different types of stores in Taiwan.

TURE Yoga / Fitness is positioning itself as offering the highest quality yoga classes in Taiwan which is more focused on the female population. TURE group's success was built on the market where the female population has more interested in also from ads and course offers (EX: Dance, Yoga, and Pilates). This unique strategy empowers TURE Yoga / Fitness to be with the highest rating gym amount woman even

starts a trend of yoga classes among women. With this type of empowerment, the TURE group now is expanding its reach to office workers by placing the TURE fitness brand in high office density areas. For younger generations, the TRUE group also starts a brand called TURE dance to focus on different kinds of dance moves.



3.4.6 Google Ads

Google Ads also known as Google AdWords before was launched in the year 2000. In the beginning, AdWords advertisers paid for the service monthly, and Google would set up and manage end customers' ad campaigns. Google then soon introduced the AdWords self-service portal in order to accommodate smaller size businesses and those individuals who wanted to manage their own ad campaigns,¹³

Google Ads is considered as an indirect competition due to most of the end customers will search for more information in google. Therefore, for some of the smaller vendors, those vendors usually will buy google ads to get more end customers. However, the end customer might not know the actual keywords. Also, the cost of Google Ads is relatively high, and will need to spend a lot of time on how to correctly choose the right service plans that fit the needs.

¹³ Wikipedia, "Google Ads", [https://en.wikipedia.org/wiki/Google_Ads], accessed April 2022.



4. COMPETITIVENESS ANALYSIS

4.1 EXTERNAL MARKET ENVIRONMENT

In this paper, Porter's Five Forces of Competition Framework was used to analyze whether the business of SlimAndFit APP can be profitable and how vulnerable SlimAndFit APP may be. It will be based on other similar businesses in the Taiwan health-related industry.

In this paper, Porter's Five Forces of Competition Framework was used to analyze whether the business of SlimAndFit APP can be profitable and how vulnerable SlimAndFit APP may be. It will be based on other similar businesses in the Taiwan health-related industry.

Porter's Five Forces of Competition Framework was developed for understanding the analysing targets' competitive forces and their underlying causes and revealing the roots of their industry's current profitability while providing an analytical framework for anticipating and affecting competition and profitability as time goes by. According to Michael E. Porter, five forces build up the competition. These five forces of competition consist of three factors of horizontal competition factors, which are competition from substitutes, competition from new entrants, and competition from established rivals. And there are also additional two factor of competition in the vertical, which are the bargaining power of suppliers and the bargaining power of the buyer. These forces are used to measure the companies' competition intensity against the markets and the attractiveness and profitability of the business in industry or market¹⁴.

¹⁴Michael E. Porter, "The Five Competitive Forces that Shape Strategy", Harvard Business Review, January 2008, [<https://hbr.org/2008/01/the-five-competitive-forces-that-shape-strategy>], accessed April 2022.

4.1.1 Threat of New Entrants

The threat of new entrants is high as the barrier to setting up an online platform business offering the similar or identical services offered by SlimAndFit APP is low. New players can easily enter the market as effective competitor and weaken SlimAndFit APP's competitive edge if the products or services offered by SlimAndFit APP is undifferentiated and the brand recognition of SlimAndFit APP is low.

4.1.2 Suppliers' Bargaining Power

The bargaining power of the suppliers, including, cloud server, and developing machines is low to moderate as there are many providers offering the same or similar products in the market and switching cost is low. Dependence on the suppliers for running the complete service is expected to be low for SlimAndFit APP. As to looking for health-related service providers, since SlimAndFit APP has a lot lower cost than indirect competitors, it will cause the supplier's bargaining power to be lower.

4.1.3 Buyers' Bargaining Power

Buyers' bargaining is moderate as the users might have a hard time finding a good quality health-related service provider or a difficult time searching a niche market service to fulfill the end customers' curiosities. Therefore, the bargaining power switching cost for the buyer is not high.

4.1.4 Threat of Substitutes

The threat of substitutes is moderate as the services provided by SlimAndFit APP can be performed by the targeted customers manually such as online and the cost of such substitution is of low cost. However, it is quite an entry for the end customers since they will need to go through some tries and errors.

4.1.5 Competitive Rivalry

Competitive rivalry is moderate as there is no direct competitor in the market and the indirect competition may not have much implication on SlimAndFit APP after its services are introduced and launched to the market. SlimAndFit APP will likely enjoy the first mover's advantage.

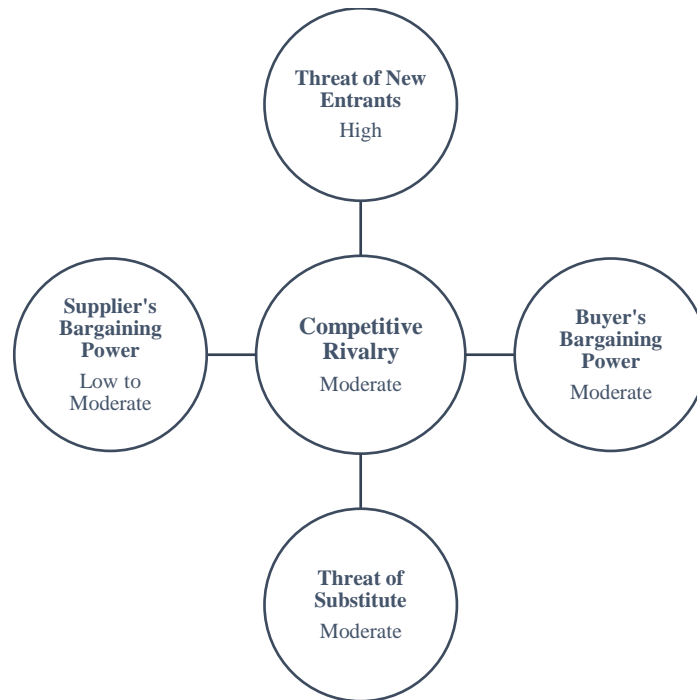


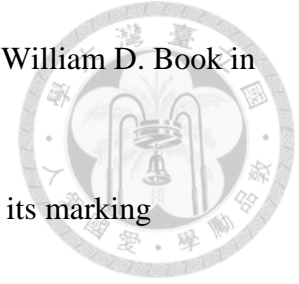
Figure 7: Porter's 5 Forces Analysis

Despite the above analysis, the health-related market is growing upward in Taiwan right now by comparison with other countries from the studies above. There are still opportunities for new players to break into the market if one can find a niche market to provide services to.

4.2 SWOT ANALYSIS

SWOT analysis is widely used to help a company to find out its strategic fit between an organization's internal, distinctive capabilities and other external possibilities to win. This analytical tool was first developed and being introduced by

Edmund P. Learned, C. Roland Christensen, Kenneth Andrews, and William D. Book in 1960s. SWOT stands for:



- Strengths – a company or a firm better at and separates it from its marking competition
- Weaknesses – Weaknesses of a company that might decrease performance at its optimum level. They are areas that the company needs to improve and stay competitive.
- Opportunities – Refer to external factors that can give a company a competitive advantage to grow on; and
- Threats - Refer to factors that have the potential to harm a company.

The following table is the SWOT Analysis for SlimAndFit.com:

Strengths: <ul style="list-style-type: none"> • Accessibility - website platform allowing the users to access the services anytime and anywhere. • Core technologies and offering is innovative. • Secured data storage initiatives and scheme. • Mobile compatibility. • Team of experts running the operation. 	Weaknesses: <ul style="list-style-type: none"> • Low brand awareness and targeted audiences may be sceptical about functionality and technologies that SlimAndFit APP promises to offer. • Limited funding and financial resources.
Opportunities: <ul style="list-style-type: none"> • Health-related service demand will continue to grow at a strong growth rate. • Forthcoming different types of exercise in the markets with a lack of marketing resources. Or due to increasing exercise populations, other health-related services demand will increase. • First mover advantage as there is no known 	Threats: <ul style="list-style-type: none"> • Low brand awareness and targeted audiences may be sceptical about the functionality and technologies that SlimAndFit APP promises to offer • Market acceptance has not been validated • The pandemic is still ongoing. Not sure the exact date everything will back to normal

<p>direct competitor offering identical or similar services.</p> <ul style="list-style-type: none"> • Well-defined market niche 	
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Table 4: SWOT Analysis for SlimAndFit APP



5. IMPLEMENTATION STRATEGIES

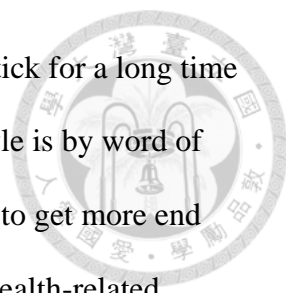
5.1 BUSINESS DEVELOPMENT STRATEGIES

The growing popularity and big database based on user database are the most important factor to the success of SlimAndFit APP. Based on the above competitiveness analysis, new players can easily enter the market as effective competitors and weaken SlimAndFit APP's competitive edge since the service model can be imitated easily and the barrier of entry for establishing an online platform with similar scope of business is low.

SlimAndFit APP will adopt the micro-market strategy from the beginning stage of business development. The micro-market strategy will mainly focus on starting from the small number of health-related services provides in different areas with a small number of end customers. The most famous and successful example is the launch of Uber in Taiwan, whose services were offered through a small number of test drivers in Taiwan, and the offer APP services are also very limited from the beginning. This strategy enables UBER to improve the quality of interactions amongst its users before its aggressive expansion.

Based on the survey, there are many health-related service providers thinks that there are a lot of overhead charges from some of the brand companies. It is expected that those health-related service providers will look for a lot better pay and look for better options with more than thirty percent profit from each service. Therefore, by doing so, there is a strong incentive that will empower SlimAndFit APP to grow its service base rapidly at the initial stage as health-related service providers increase profits from the benefits offered by SlimAndFit APP. By estimation, this may be taken by at least 80 to 100 health-related service providers in the first year and subsequently with annual growth at the rate of 5~10%. Also, there is another pain point for the health-





related service providers are that most of the end customer will not stick for a long time due to different kinds of reasons. Due to the traditional marketing style is by word of mouth, it will be much easier for the health-related service providers to get more end customers. Also, canceling at the last minute is a problem for some health-related service providers. By using SlimAndFit APP will also reduce the waiting gap and increase more income. Moreover, there are a lot of new professional health-related service providers that are growing each year. By using SlimAndFit APP, will also help them to get started much easier.

At the same time, the end customers will be benefited from lots and different variety of health-related service offered by SlimAndFit APP. From those different variety of additional choices for the end customer, it will also increase the amount of end customer to join to create a positive ecosystem. Also, for the health-related service providers and end customers who wrote down reviews, SlimAndFit APP will give out reward points for each party.

5.2 ORGANISATIONAL STRUCTURE

SlimAndFit APP uses the newest development organizational structure – Team. According to Naresh Jain, a team normally has members with corresponding skill sets and generates collaboration through teamwork which will allow each team members to maximize their strengths and minimize their weakness to create one plus one is greater than one effect ¹⁵.

The team of SlimAndFit APP will contain the following:

- IT Specialist – specializing in development, maintenance, and upgrading the online platform and solve the technical issues experienced from time to time;

¹⁵ Naresh Jain, (2009). "Run marathons, not sprints".

- Legal Consultant – providing support whenever there is regulation and legislation update and validating the content provided through SlimAndFit APP platform;
- Accountant – providing support in bookkeeping and other accounting duties and financial matters.
- Editor – providing support in website content management.
- Auditor – specializing in handling comments and scoring of health-related service providers and end customers for any abnormal updates.
- Business Development & Marketing – specializing in brand development and looking for additional health-related service providers.

Organizational structure of SlimAndFit APP is shown as followed:

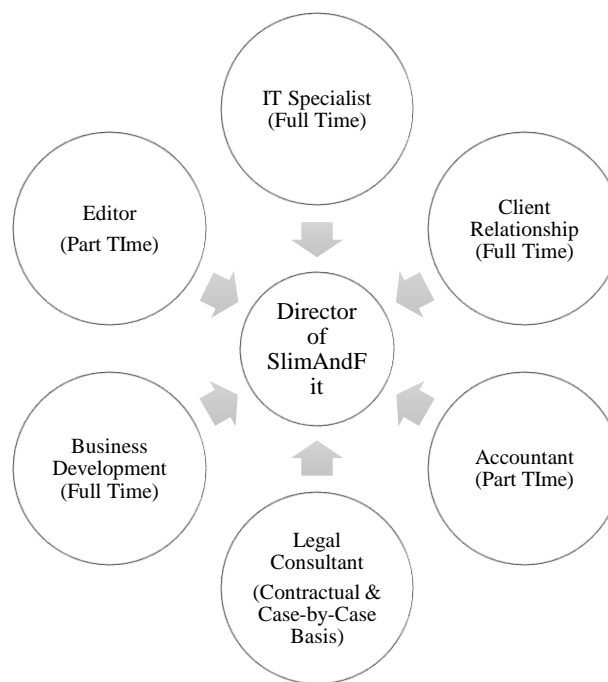
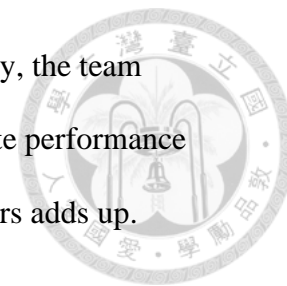


Figure 8: Organizational Structure of SlimAndFit APP

Director of the Company acts as the decision-maker and project coordinator of the team. And the team along with the members within the team performs the given tasks

and provides support to each other when required. Under this strategy, the team becomes more than just a collection of professionals and can generate performance which is much greater than the performance of its individual members adds up.



5.3 MARKETING STRATEGY

As a start-up company, SlimAndFit APP will take a cautious approach to managing its marketing strategy. While traditional marketing is still very popular in Taiwan, such as buying ads to display on the streets and hiring workers to send out flyers, is now common practice for advertisement in Taiwan, SlimAndFit APP will put less emphasis on this traditional type of marketing strategy because of the following reasons:

- Online platform business is different from traditional pipeline marketing for other indirect completers. Instead of creating awareness and brand recognition through traditional channels like advertising, it will be a better marketing strategy to increase or enlarge brand awareness if the systems and services of a platform have the ability to attract users with incentives for user participation and to create user loyalty.
- The target customers of SlimAndFit APP are the end customers that are interested in finding different variety of health-related services with the age group trending to be younger. Therefore, it will be better to use social media EX: YouTube, Google Ads, Instagram, or Tiktok.
- Taiwan has one of the highest social media penetrations in the world with one of the most connected markets in Asia ¹⁶.

¹⁶ Jose Lopez, "7 Facts on Taiwan Digital Marketing and Social Media", LEADSTOSUCCESS, March 28, 2020, [<https://leadstosuccess.me/2020/03/28/7-facts-on-taiwan-digital-marketing-and-social-media/>], accessed May 2022.

Based on the above analysis, SlimAndFit APP will put more attention on creating and providing the highest quality user experience, including developing a user-friendly user interface, along with constantly updating the latest service provider updates. Also, with an information portal to strengthen its information quality, adopting the latest and capable data security technology, and also establish a dedicated customer service department to ensure end customers' and health-related service providers' needs are all addressed timely.

In addition, SlimAndFit APP will also be commercialized among YouTubers, Tik-Tokers, and google Ads to notify about the services offered by SlimAndFit APP as a means for creating brand awareness and obtaining business.

5.4 PRICING STRATEGY

5.4.1 Pricing for Transaction Management Services

Currently most of the health-related service brand names, they charge up to 50 percent of the price that they charge from the end customer. This rate of charge is likely to be acceptable to the health-related service providers and the end customer according to the survey as described in the above section. Based on the facts and the percentage above, the end customer can receive ten percent of the overhead, SlimAndFit APP will take ten percent of it and the health-related service provider can take thirty percent of the total profit. In comparison, the existing practice is that the health-related service providers will return fifty percent of the total service fee to its original brand name. This data is more focused on the health-related service providers that are already serviced in famous brand names like Gym or massage chain stores.

SlimAndFit.com also wants to capture some other health-related small unique markets. To capture the potential customers from this category, SlimAndFit APP offers

the same rate for those small and unique health-related service providers as the gym and massage service providers (All ten present).



5.4.2 Rules for end customers & Service providers when filling out feedback after class

Feedback/comments from the end customers and health-related service providers after class is the key factors and success for SlimAndFit APP. Therefore, beneficial rules are enforced:

- All feedback/comments must be after completing the service and can be filled out by both end customers and health-related service providers.
- All feedback and review will go through central message AI to filter out the outstanding comments which abnormal for the system. For the outstanding messages, there will be a client development team to review those comments for accuracy.
- For the outstanding comments, the client development team will review all of the outstanding comments and based on those who rate the positive or negative feedback.
- According to the end customer feedback, it is essential for the end customer to choose which health-related health providers are fit for them. Also, for the health-related service providers mentioned that it will help to improve the market quality.

In the anticipated that with the grading system offered by the SlimAndFit APP, additional costs and expenses in try and error with different health-related service providers. However, it will be additional efforts for both parties to fill out the applications. Therefore, the additional incentive will be added to boost up the application filings. SlimAndFit APP will offer an incentive of a 2 percent deduction for

people who is willing to fill out the comments. For people who have consistently filled out additional rewards will be offered as with every 50 classes they commented.

5.4.3 Pricing for Advertising Space

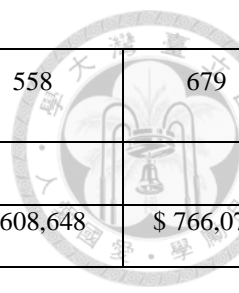
As SlimAndFit APP will likely grow its user base and therefore become an attractive avenue for health-related service providers to set commercials. SlimAndFit APP will offer an advertising package to health-related service providers for 2% of the service charging fee or 1000 NDT a month. For advertisements on the regular newsletter, the pricing will be 500 per advertisement per edition in the first year. Pricing will be inflated in the subsequent year when SlimAndFit APP becomes more popular, and the project marketers will then have to place the bid to acquire the right to advertise.



6. FINANCIAL PLAN

6.1 SALE FORECAST

<u>Sales Forecast - Revenue from Management for Transaction Management Service</u>					
	Year 1	Year 2	Year 3	Year 4	Year 5
Total # of People that regularly exercise in Taiwan	6,160,501	6,345,315	6,535,675	6,731,745	6,933,698
Total # of Registered end customer growth rate		150%	90%	70%	60%
Average services order by the end customer per year	10	15	17	19	20
Market Capture Rate	0.01%	0.032%	0.06%	0.082%	0.115%
Total # of Registered end customer growth registered in SlimAndFit APP	616	948	1,802	3,064	4,903
Total # of services order by the end customer registered in SlimAndFit APP	6,160	14,220	30,634	58,216	98,060
Total # subscribe commercial growth rate for with monthly fee	5%	15%	10%	10%	10%
Total # subscribe commercial growth rate for with monthly fee	5%	10%	10%	10%	10
Popularity Growth Rate (Based on the growth in market share)		0.42%	0.26%	0.27%	0.27%
<u>Revenue From Health-Related Service</u>					
	Year 1	Year 2	Year 3	Year 4	Year 5
Average service charging fee Growth Rate (averaged CPI Growth)		2%	2%	2%	2%
Average earning price per service	\$ 82	\$ 83.7	\$85.3	\$ 87.0	\$ 88.8
Total # of services ordered by end customer in SlimAndFit APP (Based on the above forecast)	6,160	14,220	30,634	58,216	98,060
Revenue From Health-Related Service	\$505,120	\$ 1,190,214	\$2,613,080.2	\$5,064,792	\$8,707,728
<u>Revenue from Selling Advertising Services</u>					
	Year 1	Year 2	Year 3	Year 4	Year 5
Total numbers of percentage charge type Advertising (Total)	\$5,051	\$ 11,902	\$26,130.80	\$50,647.92	\$87,077.28



Total Monthly subscription head count numbers (per year)	120	330	437	558	679
Revenue from Selling Advertising Services	\$ 125,051	\$ 341,902	\$ 463,131	\$ 608,648	\$ 766,077
<u>Total Revenue</u>					
Year	Year 1	Year 2	Year 3	Year 4	Year 5
TOTAL REVENUE	\$ 630,171	\$ 1,532,116	\$ 3,076,211	\$ 5,673,440	\$ 9,473,805

Table 5: Sales Forecast

Calculation Methodology & Assumption:

- For revenue from Health-Related services, the figure is derived based on the following formula:

Total Number of exercise population in Taiwan (18,668,184 people) x
Percentage of active exercise population in Taiwan (33.9%)¹⁷ x Average
earning price per service (\$82) x Market Capture Rate (0.03% in Year 1 and
grow by the annual rate of 1% in the subsequent years) x expected growth rate.

For Year 2 to year 5, the value is based on the Total # of Registered end
customer growth rate x revenue from the previous year.
- The average earning price per service is derived based on the ten percent of the average charge per service. The average charge per service is driven from the average of health-related service providers from the survey above..
- For Selling Advertising Services, the figure is derived based on the following formula:

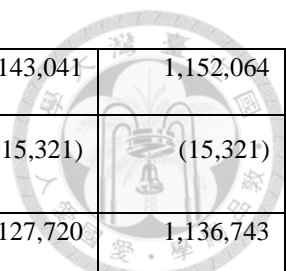
¹⁷ Sports Administration of Taiwan, “我國 107 年度運動產業產值及就業人數等統計研究”, June 2020, [https://www.sa.gov.tw/Resource/1/1/1/4689/107%E5%B9%B4%E7%AC%AC%E4%BA%8C%E9%9A%8E%E6%AE%B5%E5%A0%B1%E5%91%8A0806v.pdf], accessed May 2022.

- For Year 1: Total numbers of percentage charge type Advertising = Total # of services ordered by the end customer registered in SlimAndFit APP x five percent (expected to have at least 5 percent of services taken); Total Monthly subscription headcount numbers (per year) = Number of health-related service providers that is registered in SlimAndFit APP (total number of health-related service providers in Taiwan x Market Capture Rate) x five percent x 12 months per year x one thousand dollars per month.

For Year 2 to Year 5: the value is based on the Total # of Registered end customer growth rate x revenue from the previous year.

6.2 PRO FORMA FINANCIAL STATEMENT

<u>Financial Statement & 5 Years Projection (Currency: New Taiwan Dollars)</u>					
	Year 1	Year 2	Year 3	Year 4	Year 5
REVENUE:					
Health-Related Service	505,120.00	1,190,214	2,913,080	5,064,792	8,707,728
Advertising Services	125,051	341,902	463,131	608,648	766,077
Total Revenue	\$ 630,171	\$ 1,532,116	\$ 3,376,211	\$ 5,673,440	\$ 9,473,805
EXPENSES:					
Salary	(700,000)	(750,000)	(1,600,000)	(2,539,817)	(3,558,428)
Employment Benefit Expense	0	(126,851)	(126,851)	(401,945)	(483,713)
Consultant & Contractor Expenses	(1,240,000)	(1,480,000)	(663,167)	(846,605)	(1,037,459)
Marketing Related Expenses	(1,104,264)	(1,643,393)	(615,243)	(1,134,688)	(1,894,761)
Technology Expenses	(2,312,792)	(430,177)	(307,622)	(567,344)	(947,380)
Operations and Administration Expenses	0	0	(30,762)	(56,734)	(94,78)
Rent	0	0	0	(400,000)	(400,000)
Total Expense	(6,057,056)	(6,430,421)	(3,312,883)	(5,530,399)	(8,321,741)



EBITDA	(\$5,426,885)	(\$4,898,305)	63,328	143,041	1,152,064
Depreciation & Amortisation Expense	0	(15,321)	(15,321)	(15,321)	(15,321)
Profit before Income Tax	0	0	48,007	127,720	1,136,743
Income Tax Expenses	0	0	(325)	(863)	(11,367)
PROFIT OF YEAR	(\$5,426,885)	(\$4,898,305)	\$47,682	\$126,857	\$1,125,376

Table 6: Pro Forma Financial Statement

Calculation Methodology and Assumption

- Currency is New Taiwan dollars.
- The following expenses are estimated in accordance with the norm in Taiwan for small-scale Taiwanese companies, which are:
 - Salary is budgeted at one office staff for the first two years. And move to three or more depends on the growth needs as well as meeting the government and regulatory requirements in terms of salary increase.
 - Employment benefit is normally budgeted by the majority of the employers in Taiwan at 15% of total salary expense; and
 - Depreciation is roughly 1% of the total revenue since the company will not carry a lot of assets instead paying by monthly fees.
- In line with the proposed marketing strategy, the marketing expense is high for the first 2 years. Then will be kept be roughly 20% of the total revenue and decrease throughout the years.
- Technology expenses is estimated to be high for the first two years. Then it will be set to 10% of the total revenue is to highlight the importance of the information technology in the business activities of the SlimAndFit APP.
- Operation and administrative expenses will increase in line with the consumer price index of 1% annually for the last three years.

- Rent expense is based on small office size in New Taipei area small office size
- Income Tax Expenses set to be 1% of total revenue due to ROC (Taiwan) government regulations for the technological company.



6.3 PROFIT MARGIN ANALYSIS

With the above sales forecast and projected profit and loss, SlimAndFit APP will experience a shaky profit margin for the first two years. Later, SlimAndFit APP will have steady growth starting from the third year of operation. However, the first two years of operation is expected to perform better than the estimated value due to the end customers' value might be much higher than estimated.

	Year 1	Year 2	Year 3	Year 4	Year 5
Projected Profit Margin (Net Profit / Sales)	-860%	-420%	1.4%	2.2%	11.8%

Table 7: Net Profit Margin Forecast

7. EXIT OR EXPANSION STRATEGY

According to statistics in respect of the number of active exercise population will continue to grow strong in 2027 due to the low birth rate and becoming an aging society. Therefore, it is likely that SlimAndFit APP will just stay on growing core business to continue to grow. To continue to grow as a strong business, SlimAndFit APP shall develop a globalization plan by the end of 2025 and commence the international operation in 2027. As it is expected that the next upcoming market for health-related service boom will be in China's big-city region as more and more people have already adept at the fitness trend with an aging society also. Therefore, the fitness awareness will be getting higher also.

However, the globalization strategy may not be feasible due to the uncertainties that existed in the political and economic climate in the China market and the foreseeable risks involved in launching the international operation. SlimAndFit APP will consider the strategy of selling the business to one of the large indirect competitors in the market, such as chain store gyms or physical education schools. This exit strategy is to seek an acquirer with the solid financial backing and great influential power so that the operation of SlimAndFit APP can continue and grow.

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