SWOT Analysis of Bally Total Fitness

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Introduction

Bally Total Fitness is known as a renowned health fitness organization in the United States of America. It is one of the crucial names in the health club industry in the country. It started its business services in 1962. The organization of Bally Total Fitness is acclaimed as the largest commercial operator when it comes to fitness centers in the country (Wells, 2016). Notably, the particular organization of Bally Total Fitness is also facing immense market challenges as it is one of the major stakeholders in the country's health club industry. The corporation of Bally Total Fitness has faced an immense level of market competition in the last few years. This particular feature is the reason for the organization's stock price decrease. The particular business features of the organization demand consideration of all the elements associated with the business perspective of the company. Here, the focus is to critically analyze the market scenario for Bally Total Fitness with the necessary consideration of SWOT analysis.

SWOT Analysis

SWOT analysis or SWOT matrix is considered a crucial feature for understanding the actual business scenario for the organization effectively. The spectrum of SWOT analysis provides the necessary indications about the organization's potential strengths, weaknesses, opportunities, and threats (Helms & Nixon, 2010). It is known as a form of evaluation which can play a vital role in the overall strategic process of the organization.

SWOT Analysis of Bally Total Fitness

SWOT analysis can be a viable approach in the particular case of Bally Total Fitness to propose better options to deal with the possible business issues. The overall process of SWOT analysis comes up with the features of strengths, weaknesses, opportunities, and threats, which will be addressed one by one in the case of Bally Total Fitness Holding Corporation.

Strengths of Bally Total Fitness

There is the existence of some factors that can be characterized as the key strengths of the organization of Bally Total Fitness. These particular features made the organization the leading fitness provider in the country and internationally. The company's strengths are the facets that give a necessary competitive advantage in the market. The strengths of Bally Total Fitness can be mentioned as follows:

Size Advantage

Undoubtedly, the expanded size of the organization gives the necessary edge over its rival companies in the market. The organization of Bally Total Fitness has the potential and the necessary resources to effectively and efficiently deal with the different business risks. The organization has enough distribution of resources to expand its business in new markets.

Cost Advantage

Cost can be a feature of strength in the particular case of Bally Total Fitness. Lower costs for the new projects ultimately lead the organization to higher profits. The organization can effectively use this particular approach of low cost to give the necessary business edge over its rival organizations. Considering the high value, lower costs can benefit the organization's entity in the long run.

Unique Products

Unique products of exercise and fitness offered by Bally Total Fitness make it a leading organization compared to other potential organizations in the market. Unique features proposed by the company also enhance the customers' loyalty, which makes it difficult for other competitive organizations to gain the necessary value over the particular strength of Bally Total Fitness.

Weaknesses of Bally Total Fitness

Proper and necessary identification of the possible weaknesses in the case of Bally Total Fitness can be effective for the organization in addressing the concerning issues in a timely manner. The company has faced different business challenges in the last few years mainly due to its imbalanced approach to necessary business planning. The following are the features that can be identified as possible weaknesses in the case of Bally Total Fitness:

High Debt

A high form of debt burden or imposition of an immense level of taxes can be ranked as one major weakness in the case of Bally Total Fitness. The growing prospect of debt can lead the organization to the immense problem of bankruptcy if the organization remains stuck to poor business decisions. A high form of debt interest payments damages the company's long-term financial position.

Cost Structure

The cost structure of Bally Total Fitness is another feature that can be perceived as a weakness of the organization. The high cost of the company compared to its competitors significantly impacts the financial features of the organization. Inappropriate implementation of the cost structure ultimately increases the business's overall costs, which can be a reason for low profits.

Opportunities for Bally Total Fitness

Potential opportunities in the case of Bally Total Fitness provide the necessary insights into the external facets related to the business. They give the necessary indication about the prospects that the company can adopt to gain a competitive advantage in the market. Possible features of opportunities in the case of Bally Total Fitness can be explained as follows:

Global Markets

The factor of a global market can be considered a feature of opportunity in the particular case of Bally Total Fitness. The large size of the organization allows the company to expand its fitness and exercise services to different regions of the globe. The online market approach can also be a viable option for Bally Total Fitness to introduce its services and products to a large range of people from different parts of the world.

New Acquisitions

New acquisitions are another form that Bally Total Fitness can effectively use as an opportunity to expand its business (Gardon, Rutledge, Heinlein, & Diaz, 2011). This particular expansion can be in the form of the advancement of new technologies or the proposal of new features of services to its customers. The formation of new elements in the business plan can help the organization enhance its profitability by capturing a larger market share.

Threats of Bally Total Fitness

Identification of the possible threats to the market is another essential feature that can help the organization critically analyze the features of the potential pressures of the market. The prospect of threats in SWOT analysis helps to understand the external elements, which ultimately provide necessary indications about implementing the proper approach to the business plan.

Alternative Products

The availability of alternative products to customers can negatively impact Bally Total Fitness' profit level. If people have access to other services and fitness products available in the market, then it is immensely difficult for Bally Total Fitness to increase prices to the desired level because customers can easily switch to the other products, which ultimately hurts the demand for the company's products.

Change in the Market

The maturity of the market can be another threat that the organization Bally Total Fitness has to face (Ferreira & Gustafson, 2006). It can be difficult for the company to make more profits due to the expansion of the market.

Conclusion

SWOT analysis can be an effective approach to understanding all the market features effectively. A proper understanding of all the facets of this particular analysis can be helpful in proposing an effective approach to profitability in the case of Bally Total Fitness.

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