

# Report On

POPULARITY OF INTERNATIONAL FITNESS FRANCHISE "TAPOUT FITNESS" IN BANGLADESH: CURRENT ATTRACTIVENESS AND THE FUTURE.

By

Samit Saif Bari khan  
1510-4177

An internship report submitted to BRAC BUSINESS SCHOOL in partial fulfillment of the requirements for the degree of Bachelor of Business Administration

BRAC Business School  
BRAC University  
September, 2020

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## **Declaration**

It is hereby declared that

1. The internship report submitted is my own original work while completing degree at BRAC University.

2. The report does not contain material previously published or written by a third party, except where this is appropriately cited through full and accurate referencing.
3. The report does not contain material which has been accepted, or submitted, for any other degree or diploma at a university or other institution.
4. I have acknowledged all main sources of help.

**Student's Full Name & Signature:**

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**SAMIT SAIF BARI KHAN**  
15104177

**Supervisor's Full Name & Signature:**

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**Ummul Wara Adrita**  
**Senior lecturer**  
**BRAC UNIVERSITY**

# Letter of Transmittal

UMMUL WARA ADRITA  
LECTURER  
BRAC BUSINESS SCHOOL  
BRAC UNIVERSITY  
66 MOHAKHALI, DHAKA-1212

SUBJECT: SUBMISSION OF INTERNSHIP REPORT ON TAPOUT FITNESS  
BANGLADESH.

Dear Madam,

I SAMIT SAIF BARI KHAN have had the privilege to work for an international fitness franchise TAPOUT FITNESS and decided to write my internship report on my practical understanding of this industry ;my position was membership advisor and my supervisor was pleased with my work as I used to accomplish all my key performance indicators on time.

I have written this report with much due diligence and perseverance and time to time leveraged the support of my mentors and colleagues in areas I felt I was confused .I expect the report would meet the desires and secure me a good internship grade.

SINCERELY YOURS,

---

Samit Saif Bari khan

15104177

BRAC Business School

BRAC University

## **Non-Disclosure Agreement**

This agreement is made and entered into by and between TAPOUT FITNESS AND Samit Saif Bari khan the undersigned student of BRAC University to undertake the internship project described in this report based on the assurance of avoiding the unapproved disclosure of any confidential data of the organization.

.....

**TAPOUT FITNESS**

## Acknowledgement

This report was possible for all the amazing people who made time out of their busy schedule and considered it equally important to them as it was for. And I am extremely grateful to my internship supervisor UMMUL WARA ADRITA for granting me extra time and helping me with all the resources required to complete it. And finally to the entire tapout family who invested hours after hours for open-ended discussions, number of enrollments and every other information which was required to finish this report.

## Executive summary

Tapout Fitness started its journey with the help of its parent company JAMIL GROUP which is a family owned tobacco business. Jamil group paid for all the initial set up costs and franchise costs. Now TAPOUT is in a better position as it has 600 members. In this report I would be discussing all the internal details of TAPOUT. Why is the brand considered as a premium brand and the current and future attractiveness of the brand.

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## **List of acronyms**

MMA MIXED MARTIAL ARTS

TF TAPOUT FITNESS

TS TAPOUT STRIKE

T20 TAPOUT 20

TFMA TAP FITNESS MARTIAL ARTS

TKB TAPOUT KICK BOXING

TB TAPOUT BOXING

TF TAPOUT FUSION

GREEN BASIC FITNESS PACKAGE

BLUE UPGRADED PACKAGE THEN GREEN

BLACK UNLIMITED ACCESS TO CONVENTIONAL GYM AND UNLIMITED  
BRANDED CLASSES. + 3 MONTH FREEZING OPTION

BLACK VIP ALL AMENITIES OF BLACK UNLIMITED + FREE MMA+ 6 MONTH  
FREEZING OPTION+TAPOUT PREMIUM Boxing Gloves + Tapout  
Athleisure

## **1. Organization overview:**

### **1.1 TAPOUT Fitness Bangladesh**

Founded in 2014, Tapout Fitness is part of the Tapout brand family. Tapout is owned and operated by two powerhouse brands; Authentic Brands Group ([ABG](#)), a brand development, marketing and entertainment company, which owns a global portfolio of over 30 lifestyle, sports, celebrity and entertainment brands, and World Wrestling Entertainment the preeminent provider of wrestling-based entertainment. The franchise is brought over to Bangladesh by 3 entrepreneurs named MOHAMMAD ASAAD, AZEEM NASEER AND ABDUL QUDDUS. The profit sharing is 40:30:30.

Initially Tapout was located in Gulshan 2 exactly opposite to Gulshan club due to shrunked space and parking issues tapout relocated in 212, Gulshan-Tejgaon Link Road (opposite of Shanta Tower) The new outlet is 8000 square feet in size with added amenities such as a smoothie bar, steam rooms, retail, and supplement spaces, extended locker rooms, and new equipment for functional, circuit, high intensity and mixed martial arts training.

Tapout officially started its journey in Bangladesh on March 2019 and in the time span of just 1 year it became one of the most luxurious gyms in town and creating immense competition for boutique gyms of similar kind such as YEASMIN KARACHIWALA, RUSLANS' STUDIO AND GULSHAN CLUB PREMIUM FITNESS CENTRE.

Tapout Fitness combines the martial arts philosophy of discipline, determination and respect, with the energy of cardio, weight and HIIT training. This fusion fully integrates the mind and body, delivering a transformative fitness experience. Gym goers were tired of conventional gym and this new platform of fitness instantly attracted a lot of crowds.

### **1.2 Target audiences**

As the gym is located in a highly commercialized area the basic membership starts from 6000 taka and could go up to 14000 taka a month. The membership cost explains the target audiences are corporate people, celebrities, ambassadors, political personnel and the gym is designed to be perceived as a luxury gym in Bangladesh. Most consumers pay for the premium brand name as similar amenities could be found in gyms in Dhaka for relatively lower cost. At the same time tapout also aims its merchandises such as 'TAPOUT' & 'WWE' boxing gloves, wrist wraps, t-shirts, athleisure wear to any age group who is an avid follower of wrestling. Different flavors of protein shake, multi-vitamins and health supplements are targeted for any non- gym goers also.

Tapout directly imports certain rare medicines such as fish oils and BCAA's which not widely available in most spaces. And such supplements are targeted for anyone who is prescribed for it.

### **1.3 vision and mission**

Tapout wants to make fitness a top priority for consumers ranging from 16-66 and advertise tapout as the most premium gym in Dhaka. Tapout is open from 6.30 .a.m. to 12 at night. Following the mantra that no matter how tight schedule you have you could squeeze some time for fitness. For beginners there are branded classes like tapout sweat, tapout strike, tapout 20, tapout fusion, tapout boxing, Tapout kick-boxing and tapout mixed martial arts. In all these classes there 1-2 instructors always present to make fitness more fun and less intimidating for you. And at the same time push you eventually towards your desired fitness goals. And the flexibility of class schedules and the environment of group classes bolster fitness as a part of life for its target segment. And by the year 2025 tapout plans to have at least 15 more outlets over Dhaka. And two outlets in Chittagong, 1 in syhlet and 1 in Khulna. The existing outlet would be

the flagship outlet. And franchises would be sold from the existing one.

## 1.4 specialties

- 100 cars could be parked at a time
- Italian concept steam room
- Locker with finger print access
- Only gym in Bangladesh with mixed martial arts programs
- 8000 square feet of area
- Dojo (separate hall for martial arts program)
- International certified coaches
- Multiple tiers of certified personal trainers
- NASM and ISSA certified fitness instructors
- MTIA certified fitness coaches
- CPR and AED(AHA) certified fitness professionals
- Co-ed training facilities
- Nutrition Consultant
- Group classes
- Conventional gym with all the strength and cardio equipment

## 1.5 Equipment list and facilities

<b>Strength Training - Plate Loaded</b>		
	Impulse	Max Rack IT7033
	Impulse	Smith Machine IT7001
<b>Dumbbells, Bars, Benches &amp; Racks</b>		
	Impulse	Olympic Flat Bench IT7014
	Impulse	Multi-Adjustable Bench IT7011
	Impulse	Dumbbell Rack (12 pairs) IT7012
	Impulse	Barbell Rack IT7027
	Other	Vicore Fitness Terra Core (Black/Orange)
	Impulse	Weight Plate Tree IT7017
	Escape	Kettlebell Rack 10 bells ESC20RACK

**Figure: equipment list**

<b>Strength Training - Selectorized</b>		
	Impulse	Chest Press IT9501 Box 1 of 3
	Impulse	Seated Leg Curl IT9506 Box 1 of 3
	Impulse	Leg Extension IT9505 Box 1 of 3
	Impulse	Leg Press IT9510 box 1 of 4
	Impulse	Dual Adjustable Pulley IT9530 Box 1 of 3
	Impulse	Shoulder Press IT9512 Box 1 of 3
	Impulse	Lat Pulldown IT9502 Box 1 of 3

**Figure: equipment list**

<b>Strength Training - Plate Loaded</b>		
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	Escape	Kettlebell Rack 10 bells ESC20RACK

**Figure: equipment list**

The equipment used in tapout Bangladesh is the exact same equipment used in its other branches worldwide. And the general guideline is equipment should be serviced every 6 months and tested by professional so that in the process of working out any client does not hurt him/her.

## 1.6 SHAREHOLDERS

The ownership of tapout is divided into the ratio of 30:30:40. Azeem Naser owns majority of shares at 40%. Abdul Quddus owns 30% and Muhammad Assad owns 30%.

## 1.7 Brand awareness and promotional activities

Tapout memberships are quite expensive and to make them more accessible tapout partnered with EBL, CITY BANK and AMERICAN EXPRESS and gives its customers 0% rates on EMI. Tapout takes part in promotional activities with major food outlets like chefs table, SAAVA, Four Points by Sheraton. And there is a bundle offer and early birds' discount throughout the year. Tapout has a multitude of fitness packages: tapout sweat, strong, strike, kick boxing, tapout 20, tapout fusion and boxing classes and every few months' new variations of exercises are introduced and an early birds' discount is given on them. There are 3 tiers of personal trainers certified fitness trainer, elite fitness trainer, master fitness trainer and bundle offers are given on training sessions with each type of package. Tapout partnered with nutrition depot and has a part dedicated on tapout to sell various workout supplements, protein bars, sportswear and shakers.

Every Friday pamphlets are distributed in different areas to inform consumers about tapout and any potential member who visits the gym either gets one day complementary pass of the gym or a free t-shirt. Money is paid to agencies for search engine optimizations so that people in nearby area finds tapout immediately they search for a gym. Along with that all social media platforms like Facebook, Instagram, Snap chat and YouTube infomercials are leveraged to promote tapout and increase brand awareness. Founding members are the 500 first members to join Tapout; every member got merchandises of up to \$ 100 which included Tapout custom boxing wraps; founding members entrance card; life time freeze option- (members could freeze their package for up to 6 months and then continue once they want to) This enables existing members to maintain a lifelong relationship with the brand and not switch to a competitors brand.

## **2. Introduction of the project**

This project would delineate how popular premium fitness centers are in Bangladesh. Do people perceive international franchise as more exclusive than local competitors and are they willing to invest in fitness for a premium mark-up.

As I am an existing employee I leveraged and took assistance from the sales team to have specific and accurate information on monthly/quarterly/annual sales performance. At the same time compare and analyze the impact an international brand makes ones' purchasing decisions in comparison to local brands.

### **2.1 Objective**

Analyzing the future and current demand for a world renowned brand for the consumers in Bangladesh.

### **2.2 Scope**

To understand the underlying reason people spent such a high amount for a premium fitness brand; the age group and the income group of the cohort. And opportunities to make these consumers fully satisfied with their purchase decisions.

### **2.3 Limitations**

The major limitation was working with only one company cannot be an accurate understanding for an industry. And at times I realized the sales team to a little extent used to fabricate details to make the owners happy.

## **3. Literature Review**

Exercise is one of the most frequently prescribed therapies both in health and disease. There is irrefutable evidence showing the beneficial effects of exercise both to prevent and to treat several diseases. Researchers have shown that both men and women who report increased



levels of physical activity and fitness have reductions in relative risk of death (by about 20%–35%) (Blair, 1989; Macera, 1983)

Recent research suggests that modest increments in energy expenditure due to physical activity (~1000 kcal per week) or an increase in physical fitness of 1 MET (metabolic equivalent) is associated with lowering mortality by about 20% (Myers et al., 2004). Physically inactive middle-aged women (engaging in less than 1 h of exercise per week) experience a 52% increase in all-cause mortality, a doubling of cardiovascular-related mortality, and a 29% increase in cancer-related mortality when compared with physically active ones (Hu et al., 2004). Thus, there is clear evidence that regular physical activity produces significant health effects and reduces the risk of premature death from any cause and from cardiovascular disease in particular amongst asymptomatic men and women.

The benefits of physical activity are evident, not only in healthy persons but also in patients. Observational and randomized trials have shown that regular physical activity contributes to the treatment of several chronic diseases (Bouchard et al., 1994; Warburton et al., 2006a). There is evidence for prescribing exercise in the primary and secondary prevention of pulmonary and cardiovascular diseases (CHD, chronic obstructive pulmonary disease, hypertension, intermittent claudication); metabolic disorders (type 2 diabetes, dyslipidemia, obesity, insulin resistance); muscle, bone and joint diseases (rheumatoid arthritis, fibromyalgia, chronic fatigue syndrome, osteoporosis); cancer; and depression (Pedersen and Saltin, 2006; Warburton et al., 2006a). Even if exercise is an effective therapeutic agent for all of these diseases, as with any other medicine, the dosage (volume and intensity of the exercise), frequency of administration (sessions per week), type (aerobic vs. resistance exercise), systemic and psychoactive effects and contraindications and side effects of the exercise must be taken into account to achieve the best clinical outcome. For instance, both resistance and aerobic training have been shown to be of benefit for the control of diabetes; however, resistance training may have greater benefits for glycaemia control than aerobic training (Dunstan et al., 2005).

Being a CEO for a global fitness franchise (GOLDS' GYM) of up to 700 locations taught me that fitness is one of the most difficult commodity to sell in developing nations as there are better alternatives according to the clientele of 3<sup>rd</sup> world countries. (Adam Zeitsiff, 2019)

The targeted segment of tapouts are aware that how beneficial fitness is for them but they still spent the money on fast foods and other products which does not perceive as high physical benefits for them but tapouts used certain strategies to target consumers and make

fitness more attainable for them. The strategies are

**A. Tapout recognizes its target segment:** TAPOUT heavily invests on Instagram advertisements just to attract the age group of 16-38. As this age group spends a significant amount of time on Instagram and is heavily influenced by social media content like Instagram. Tapout intentionally located in Gulshan-Tejgaon link road as this place is a commercial hub so working professionals could drop by after office, finish their workout, freshen up and leave for home. The location is very near to Baridhara, Gulshan, Banani D.O.H.S and Bashundhara so that residents of these areas prefer going to tapout than local competitors. Tapout has dedicated corporate hours and has signed an probationary agreement with H&M Bangladesh and Pathao on a 4 month corporate deal. If this deal works out then further deals can be planned with the nearby offices. And this location is surrounded by major national and international corporations.

**B. Tapout is a complete fitness solution:** No other fitness center has an on board nutritionist and the world class trainers that tapout has. Tapout believes that one size does not fit all and thus every time a new member is enrolled he/she goes through an in depth consultation with the on board nutritionist. And then gets allocated a trainer based on his/her fitness goals. For e.g. a person with breathing issues would be prohibited to attend Tapout 20 classes and Tapout sweat classes. All trainers attend a monthly webinar conducted by KYLE COLETTI and GREG JACKSON. Kyle designed all the branded classes and makes time to time changes on the classes whereas Greg is one of the highest paid martial arts instructor in the world. Greg himself has trained 14 world champions and fighters and was the personal trainer to John Cena.

**C. Tapout supports local businesses:** Tapout has partnered with Nutrition Depot, Saava, City bank, American Express and EBL and clients of these businesses gets hefty amount of discounts and promotional offers.

#### **4. Methodology**

The report has been conducted from two types of information- primary and secondary.

##### **4.1 Open ended discussion with:**

**A.** Muhammad Asad (Franchise owner)

**B.** Azeem Nasser (Franchise owner)

**C.** Abdul Quddus (franchise owner)

**D.** Working as an membership advisor in tapout for 10 months.

**E.** Open-ended discussions with other membership advisors Mahdi Islam Shuvo and Saika Farhin.

**G.** Attending multiple webinars, sales training and key performance indicator progress meetings and in person interview with members.

##### **4.2 Secondary sources of data**

A. Google scholar

B. Tapoutfitness.usa

C. Tapoutfitness.bd

#### **5. Findings of the study**

These are the findings from my research, interviews and work experience.

##### **1. The interior design and amenities should be world class:**

These days people use gyms as a gateway from the daily stress of life and thus they prefer a very cozy and comfortable gym and amenities like lounge area and the juice bar immediately made tapout stand out in comparison to its competitors. Tapout Bangladesh has very large electronic lockers to store workout clothes up to a month and everyday fresh towel and toiletries are provided. Customers are willing to pay a premium price for convenience.

**2. Trial classes are crucial to sustain customers:**

Customers who never were part of any fitness regime tend to be highly skeptical in paying such a premium for fitness thus a 1 week trial classes successfully makes a good impression on the client and makes them more likely to get membership.

**3. Branded classes are one of the major reasons for Tapouts' sales revenue:**

New members tend to feel uncomfortable in weight room and find the branded classes quite amazing. I personally interrogated 4-6 members and they found weight room to be a better fit for more advanced gym goers whereas the branded classes were a better fit as it was performed as a group activity and seemed like sport.

**4. More world class trainers are needed:**

A lot of people came from far distances to tapout and they claimed that the trainers in tapout know what they teach and the clients got very fast result in comparison to their previous places.

**5. Membership tiers are very high and should be subject to change:**

A lot of customers complained that even for corporates the membership tiers are quite high and in future while expanding the membership tiers should be a bit reduced and should vary from area to area. A hypothetical example would be "Mirpur Tapout should charge less than Dhanmondi Tapout.

**6. Word of mouth is directly proportional to sales revenue for fitness industry:**

In every 10 members 4 came by themselves and the other 6 were brought by their friends, relatives or significant other and they joined only because someone close to them gave a good review regarding tapout.

## 6. Recommendations

Internet has made every consumer very picky regarding their brand loyalty than past times. Even 5 years back consumers would be reluctant to switch their gym membership only because a gym was slightly better but now this is not the case.

### 1. Introduction of loyalty programs:

Loyalty cards could be given to members so that even if they take a break of 3 months when they join back they get the same existing rates leveraging their card. Once a client takes such a long break he/she is very less likely to join but the loyalty card works as a strong incentive.

### 2. Free Trail classes on appointment:

International fitness chains use a strategy where prospective clients show up to the gym, learns about the facilities and signs up for 1 week trial classes. Showing up 6-7 days for trail classes makes the entire process of fitness less daunting and finally people purchase a membership as they are well aware what they are investing on.

### 3. Tapout fitness app for branded classes:

Every member who enrolls to tapout fitness would be given a 9 digit unique code and with the help of that unique code any member could login to tapout fitness app which would show the schedule for all the branded classes. An example is shown below:

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Tapout fit (8-9 A.M.)	TAPOUT STRONG	TAPOUT FUSION	TFMA	TAPOUT STRIKE	TAPOUT 20	TAPOUT STRONG
TAPOUT STRIKE (9.30-10.30)	TAPOUT 20	TFMA	TAPOUT 20	TAPOUT FUSION	TFMA	TAPOUT FUSION
TAPOUT 20 (12-12.20 p.m.)	TFMA	TAPOUT KICK BOXING	TAPOUT FUSION	TAPOUT KICK BOXING	TAPOUT SWEAT	TAPOUT STRIKE
Tapout fitness mixed martial arts(2-3 P.M)	TAPOUT FUSION	TAPOUT SWEAT	TAPOUT KICK BOXING	TFMA	TAPOUT FUSION	TAPOUT 20
TAPOUT FUSION	TAPOUT KICK	TAPOUT 20	TAPOUT STRIKE	TAPOUT 20	TAPOUT STRIKE	TAPOUT FIT

<b>(7-8) P.M.</b>	<b>BOXING</b>					
<b>TAPOUT BOXING (8-9) P.M.</b>	<b>TAPOUT SWEAT</b>	TAPOUT STRONG	TAPOUT 20	TAPOUT FIT	TAPOUT KICK BOXING	TFMA
<b>TAPOUT KICK BOXING ( 9.20-10)</b>	<b>TAPOUT STRIKE</b>	TAPOUT FIT	TAPOUT STRONG	TAPOUT STRIKE	TAPOUT FIT	TAPOUT KICK BOXING

Every member would have access to TAPOUT FITNESS app which would be available in both apple store and play store. According to the app they could schedule their fitness plan and the app would allow consumers request. For e.g. a new diet plan could be demanded via an app and when the client would visit tapout his/her diet plan would be ready and our on board nutritionist would help to navigate with this new fitness regimen.

### **Conclusion:**

Fitness is one of the most challenging and regressive industry in perspective to a developing country. And working in such a challenging industry with strict KPIS' and sales target was a great learning experience indeed. Tapout has an amazing future in Bangladesh as no other fitness centers have the certified world class trainers which tapout has; the equipment's are also made to order for tapout and has a sense of custom touch to it. Automated closet lockers help a customer to store clothes for 1 month and all other toiletries and towels are provided by tapout, making sure a client's only job is to show up. This automated mechanism makes a consumer more driven to tapout. Working for almost a year as a membership advisor taught me that this industry is completely new to customers and the more they get to learn about it the more they accept the offerings of this industry and recommend it to their peers. I there by conclude that Tapout was successfully accepted by BANGLADESH and if the qualities of services are maintained properly then it would have a very bright future.









