



CASE STUDY

The Fitness Store Owner Who Was Running His Business Like Business Like He Ran His Marathons

All Speed, No Strategy

PACE Performance — Daniel Okafor | Lagos, Nigeria

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THE STORY

Running Fast in the Wrong Direction

Daniel Okafor ran his first marathon at 19. He ran his 47th at 34. He knew how to push through pain. He knew how to keep going when it got hard. He knew how to finish what he started. What he didn't know was when to **SLOW DOWN** and look at where he was going.

His Shopify showed **\$41,000/month** revenue. His bank account showed the result of running very fast in slightly the wrong direction for 18 consecutive months.

The Health Check was his first time looking up from the road.



PACE Performance

"Gear Built for Athletes Who Don't Quit"

STORE

PACE Performance

Platform: Shopify

Lagos, Nigeria

Ships Africa + UK + USA

REVENUE & AD SPEND

Monthly Revenue: **\$38K-\$44K**

Monthly Ad Spend: **\$8,400**

Meta: \$5,600 + Google: \$2,800

PRODUCTS & TEAM

94 SKUs

Team: Daniel + 2 staff

Store Age: 1.5 years

SOCIAL FOLLOWING

Overall: 80k

EMAIL & TRAFFIC

Email List: **11,247** subscribers

Monthly Traffic: ~42,000 sessions

Reviews: 4.6/5 (892)

THE DIFFERENTIATOR

Daniel is a real marathon runner

His running content drives sales

Problem: Revenue growing but feels like hamster wheel



DISCOVERY CALL — OCTOBER 7,
2024

I have 234,000 TikTok followers. My running videos get 2-4 million views regularly. My store makes about makes about \$41,000 a month. I spend \$8,400 on ads. But here's the thing I'm embarrassed to say: I don't say: I don't actually know if I'm profitable. I have money in the account. But I don't know if that's PROFIT or PROFIT or just... money that hasn't been spent yet.

— Daniel O., PACE Performance

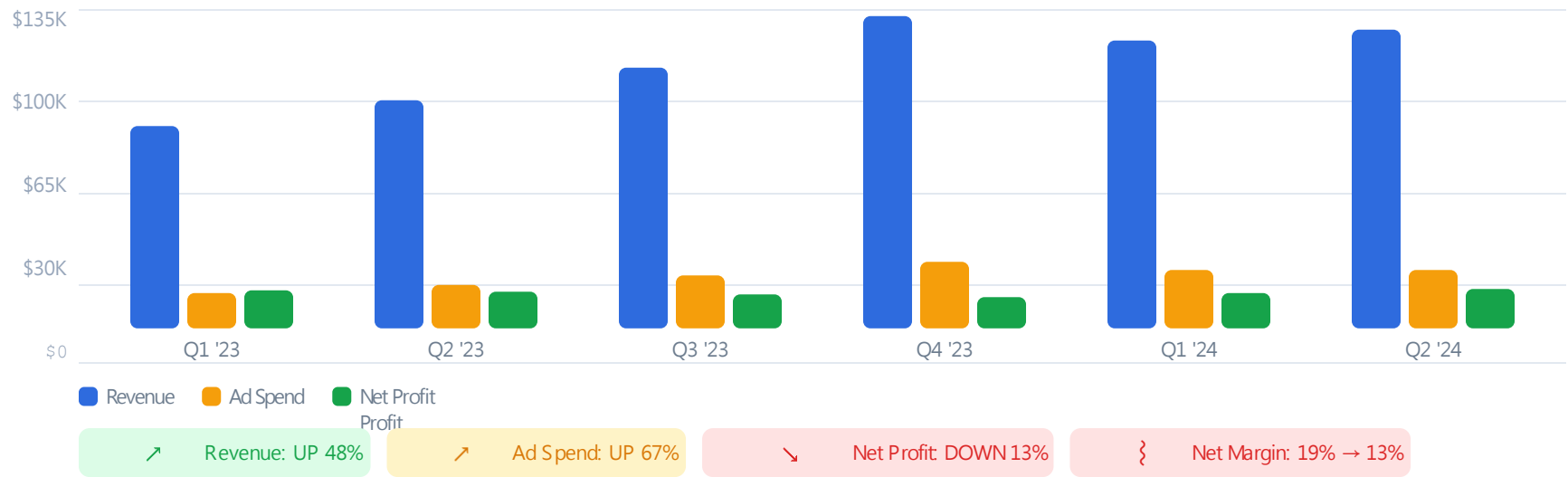


Starter Package:

E-Commerce Health Check — \$250

ANALYSIS 1: REVENUE SNAPSHOT

Revenue Up 48% Profit Down 13% The Data Tells the Truth.



If this continues 6 more quarters: Revenue ~\$200K/quarter, Profit ~\$8K/quarter, Margin ~4%. He IS running fast. Going nowhere.

THE TIKTOK DISCOVERY — NOBODY EXPECTED THIS

23 Race Videos Outperformed 105 Paid Ads

Methodology: Matched 284 TikTok videos with store traffic + sales data over 72 hours

VIDEO TYPE	AVG VIEWS	TRAFFIC INCREASE	SALES INCREASE	CUSTOMER LTV
 RACE DAY	2.4M avg views	+312% traffic	+284% sales	\$287 LTV
 PRODUCT REVIEW	340K avg views	+47% traffic	+38% sales	\$89 LTV
 TRAINING TIPS	890K avg views	+127% traffic	+112% sales	\$187 LTV
 PAID ADS	89K avg views	N/A	0.8% conv	\$67 LTV

Daniel's 23 Race Day videos generated more revenue than his 105 Paid Ads combined. He was paying **\$8,400/month** for ads that performed WORSE than his free content — and acquired customers worth **4.3x LESS**.



PRODUCT ANALYSIS

The Data Screams: Be a Running Store, Not a Fitness Store

Running products: 38-61% margins, 1-6% returns. Fitness products: 14-22% margins, 18-24% returns.

Category	Revenue/Qtr	True Margin	Return Rate	Best Video Type
Running Shoes	\$67,840	38%	12%	Race Day
Compression Gear	\$34,280	44%	6%	Training Tips
Race Nutrition	\$28,940	61%	1%	Race Day
Smart Watches	\$22,480	22%	18%	Product Review
Recovery Tools	\$18,320	48%	4%	Training Tips
Generic Fitness	\$14,840	14%	24%	None
Branded Hoodies	\$12,480	52%	3%	Race Day



TOP 3 CATEGORIES (RUNNING)

\$59,740 revenue, 48% avg margin,
true profit



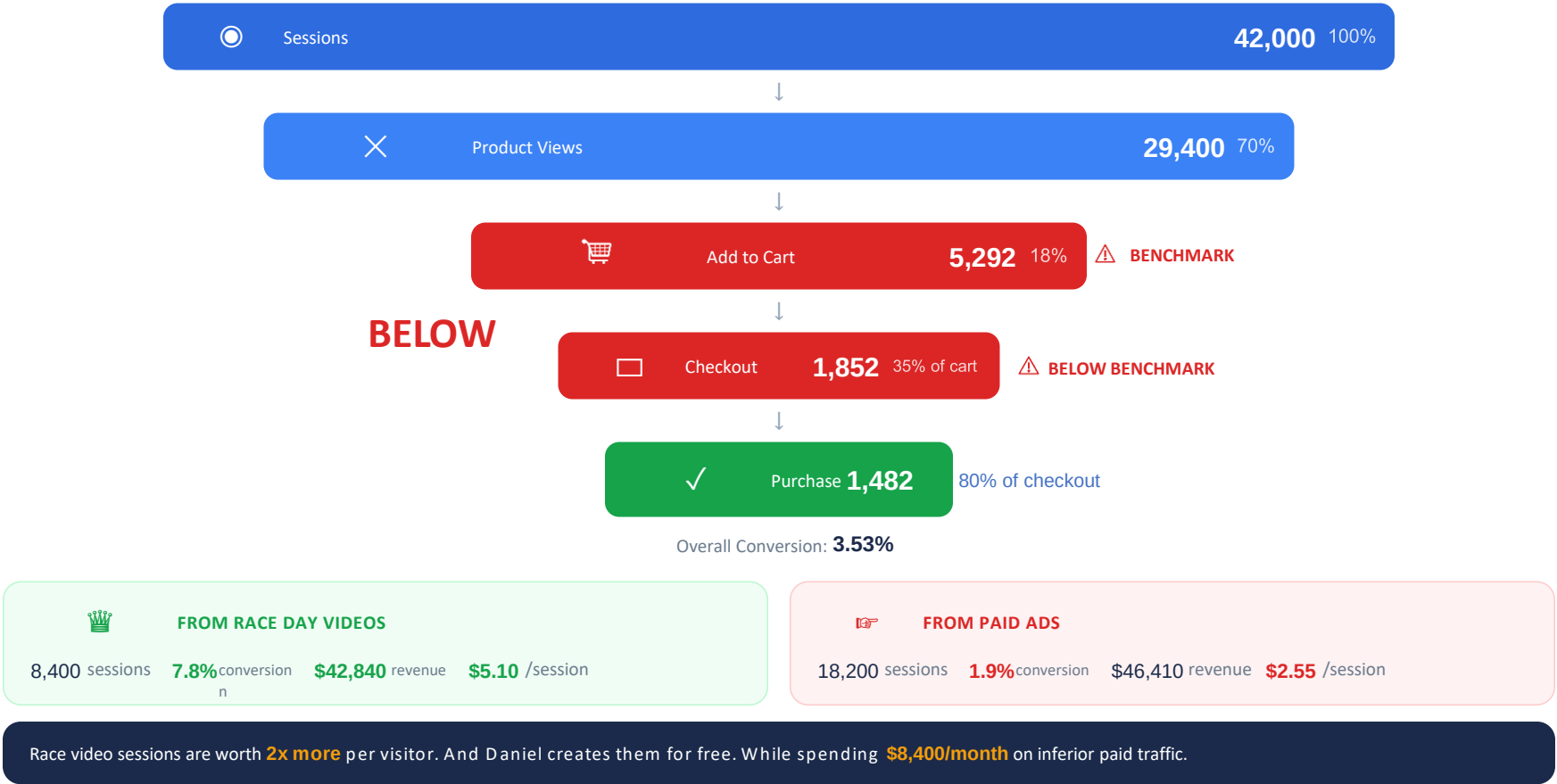
WORST 2 (SMART WATCHES + GENERIC FITNESS)

\$37,320 revenue, 14-22% margins, 18-24% returns —
— **NEGATIVE** after full costs

Removing smart watches + generic fitness: Revenue drops \$37,320/quarter. Profit **INCREASES \$14,200/quarter**. Immediately.

ANALYSIS 2: CONVERSION FUNNEL

Race Video Visitors Convert at 4x the Rate of Paid Ads



ANALYSIS 3: CUSTOMER IDENTIFICATION

Organic Customers Are Worth 58x More Than Paid Ad Customers

Champions



187 (2%) **\$524** LTV 89% organic

Loyal



412 (4.5%) **\$287** LTV 71% organic

Potential Loyalists



892 (9.6%) **\$124** LTV 54% organic

LTV RATIO: **58:1** —Organic content customers worth 58x more than paid ad customers

New



1,847 (20%) **\$48** LTV 67% paid

At Risk



2,134 (23%) **\$42** LTV 74% paid

Lost

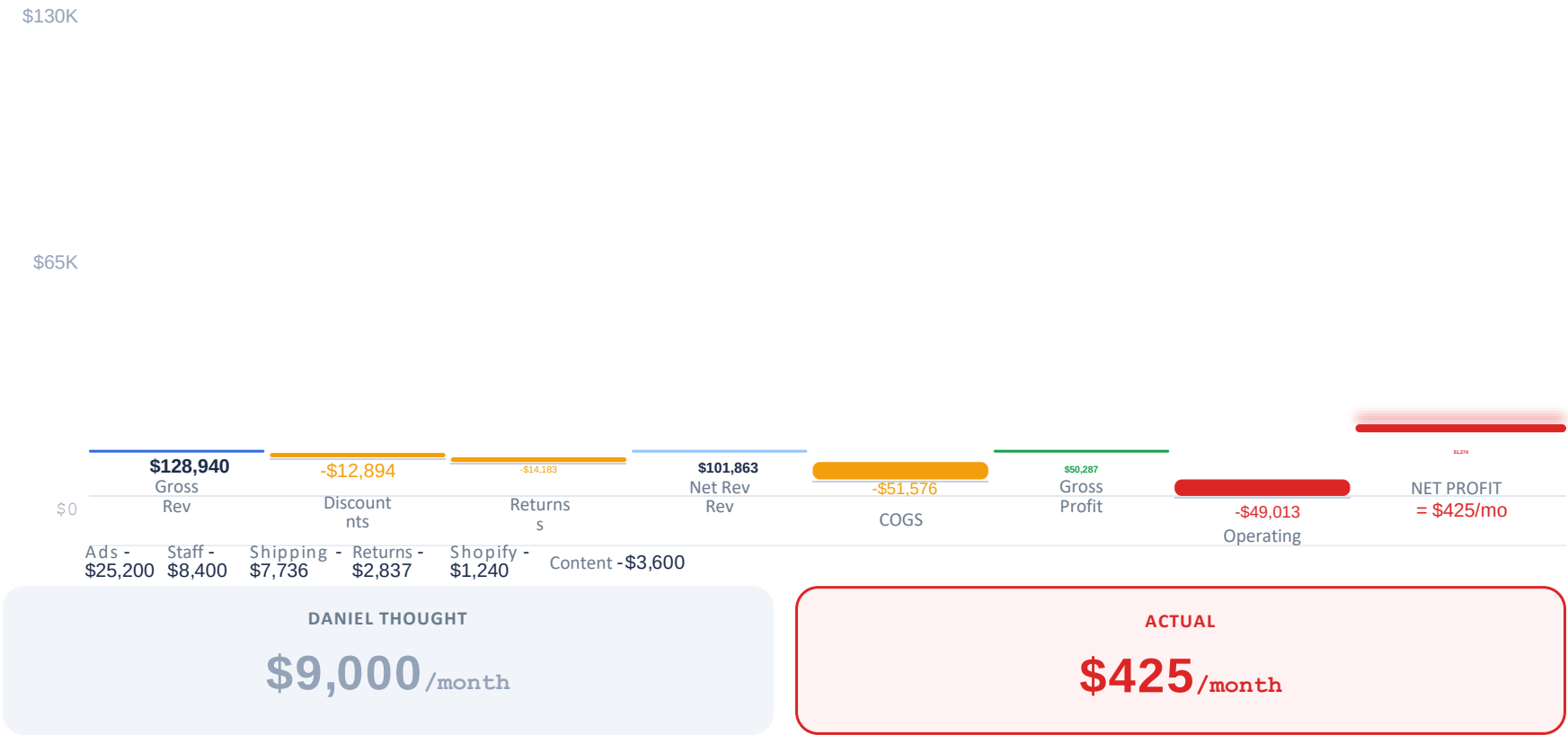


3,775 (41%) **\$9** LTV 81% paid

Daniel spends **\$8,400/month** acquiring customers worth **\$9** average LTV. His organic content acquires customers worth **\$287-\$524** average LTV. For free. His paid ad spend is diluting customer base quality while increasing costs — exactly why margin keeps shrinking despite revenue growing.

ANALYSIS 4: PROFIT REALITY CHECK

Daniel Thought He Made \$9,000/Month. He Actually Made \$425.



The hidden cost destroying profit: Smart Watches 18% return rate + Generic Fitness 24% return rate = **\$10,482/quarter** in returns = **\$3,494/month** in pure waste.

TOP 5 FINDINGS

Five Critical Discoveries That Changed Everything

1 EMERGENCY

Your net profit is **\$425/month**. Not \$9,000. At current trajectory: **6 months to zero profit**.

IMPACT



2 CRITICAL

Your 23 race videos outperformed 105 paid ads. Authentic content drives **\$287–\$524** LTV customers. Paid ads drive **\$9–\$67** LTV customers.

IMPACT



3 CRITICAL

You are a running brand trying to be a fitness brand. Running: **38–61% margins**. Fitness: **14–22% margins** with 18–24% returns. Removing bad-fit products increases profit **\$14,200/quarter** immediately.

IMPACT



4 CRITICAL

Your return rate is 11% — almost double industry average. Smart watches alone: **\$4,046/quarter** in returned revenue. Fix: Remove bad-fit products. Save **\$3,494/month**.

IMPACT



5 HIGH PRIORITY

2,134 runners are about to leave your community forever. A genuine video message from Daniel — runner to runner — could recover **34% = \$48,642**.

IMPACT



Impact: Fix these 5 things = **\$18,000+/month** immediately

This Week: Survival Actions

1 REMOVE

Smart watches + generic fitness products

+\$4,667/mo □ 2 hrs

2 CUT ADS

Meta ads by 70%
\$5,600 → \$1,680/mo

+\$3,920/mo saved

3 FILM

One Race Day video this weekend.
weekend. Authentic > polished

+\$12–18K/mo □ 0 extra hrs

4 SEND

Personal video to 2,134 at-risk customers. Runner to runner

34% = \$48,642 □ 1 hr

5 COMMIT

2 race day videos/month. Schedule
Schedule 2 races in 60 days

+\$24–36K/mo Cost: \$0



THIS MONTH

→ Redirect Google ads to running keywords

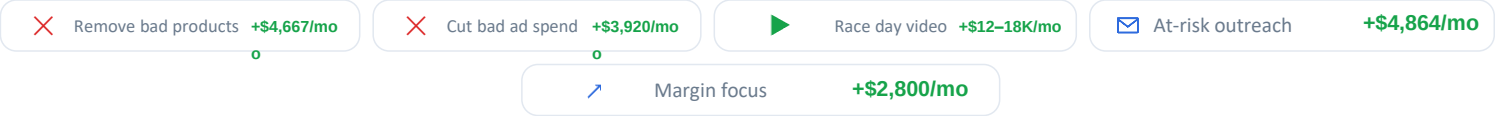
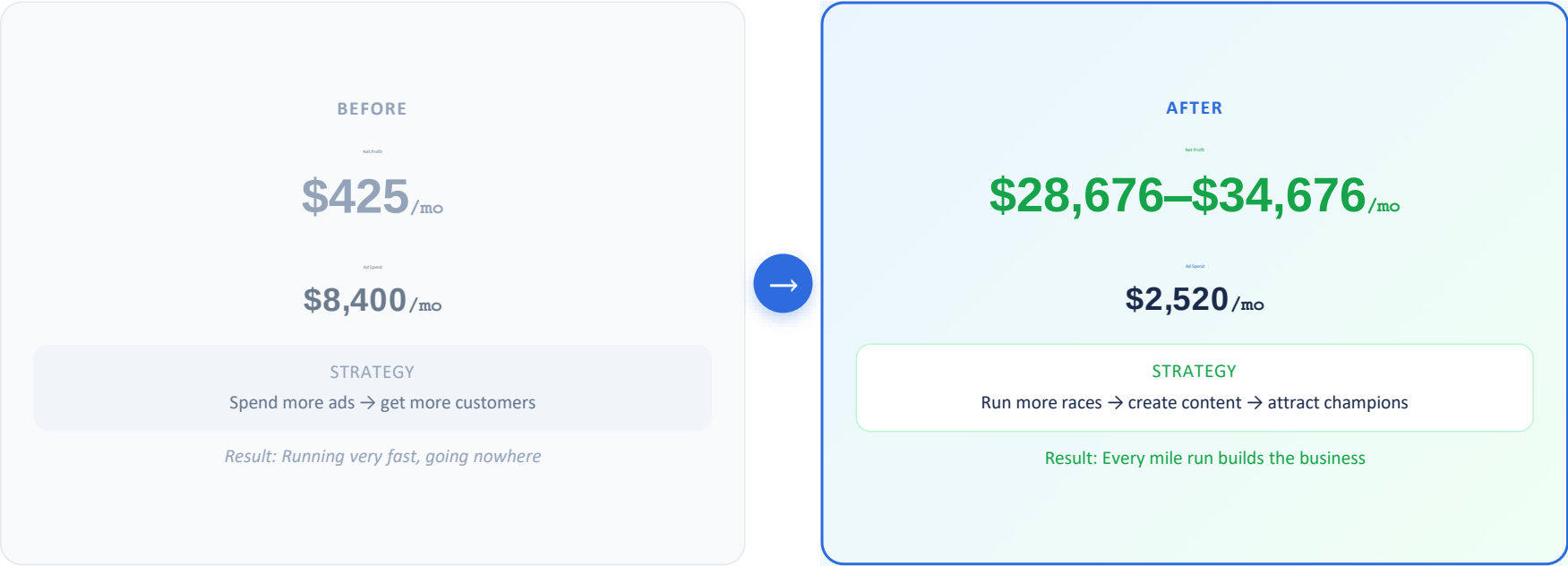
→ Set up 5-email post-purchase running tips sequence

→ Partner with 2 local running clubs

→ Create Champions Corner VIP community

→ Promote Race Nutrition + Recovery Recovery Tools

From \$425 to \$28,676+/Month



INVESTMENT	MONTH 1 RETURN	ANNUAL ADDITIONAL PROFIT
\$250	113x–137x	\$339,012–\$411,012

VERIFIED TESTIMONIAL

"

In running, we have a concept called junk miles. Miles that feel productive because you're moving. But they don't make you faster. They just tire you out. My you out. My \$8,400/month in ads were junk miles. I was moving. Spending. Working. Getting customers worth \$9 average. While my race day videos attracted videos attracted customers worth \$524. For free. While I was just running. Which I do anyway.

The first race video I posted after the Health Check: 2.8 million views. \$24,000 in sales in 72 hours. I was just running the Lagos City Marathon. I do that anyway. do that anyway. Month 1: Net profit \$31,400. Profit up 7,300%. I paid \$250. I made that back in 43 minutes of the first Monday. The best investment I've ever made investment I've ever made cost less than my running shoes.

— Daniel O. | PACE Performance | Lagos, Nigeria



Profit: ~~\$425~~ → **\$31,400/mo**



Ad Spend: ~~\$8,400~~ → **\$2,520/mo**



ROI: **12,460x** Month 1