



IOU Retention Forum

At LIW 2010 there was a great turn out of Independent Operators at the IOU Retention forum. On the panel of experts that day was Mike Hills, Retention Director at The Retention People and Marc Jones, Head of Commercial Sales at Connect, who shares his views on retention below:

Marc Jones – Connect – making retention simple

In the mid nineties I was working as a Fitness Manager for a large private health club with over 12,000 members. At this time, just under 12% of the UK population were members of a health and fitness facility and I was struggling to get my fitness team to move from behind the gym desk to talk to our customers.

Today 15 years later our penetration rate is still 12%. Members of that private health Club has fallen from 12,000 to under 5,000 and the industry is still struggling to get its fitness teams to talk to their customers.

Three things that haven't changed over the past 15 years:

1. 12% penetration rate
2. Staff interaction with customers
3. The focus on prescribing exercise

Three things that have changed over the past 15 years:

1. The increase in the number of health & fitness facilities (we now each have a smaller segment of the market)
2. Prices and joining fees have reduced
3. Obesity levels have increased

To move beyond the 12% penetration rate, I believe that we need to change the behaviours of our Managers and our fitness teams in order to facilitate a change in the behaviours of our customers.

Customers join and say "FIX ME" and so we give them a programme and tell them to do it 3 times a week.



How long will it take a person exercising zero times per week to adapt their lifestyle and build in 3 training sessions per week? As part of Paul Bedford's PhD research, he found that it takes 12 months to move a person up from exercising once per week to one and a half times per week.

The Cycle

People join to get results but we are not helping them to achieve these and so leave. Someone new joins and experiences the same. How many people is the fitness industry alienating?

The training providers all focus on prescribing exercise but we need to support people through change.

Most of you working in the fitness industry follow an exercise training programme? Why do you? Because you know the benefits and you believe that it is good for you. You have built it into your lifestyle from an early age and you have made these decisions by yourself. You were not forced to make them as over your lifetime you have bought into the concept.

This takes time but yet we sell a membership to a customer, show them how to use the equipment (sometimes), give them a programme (sometimes) and off they go. Within 6 weeks their enthusiasm has waned and they stop coming. They try to talk themselves back into going 3 or 4 more times but then give up again, realise they are wasting their money and cancel their membership.

Some of us are SO bad at helping our customers achieve their goals that we tie them into a contract as the only means of keeping them. The problem here is that we have not kept them; we have only kept their money!!

Marc's suggestions:

1. Stop fixing people - Provide a service that facilitates change – it's the only way to increase the 12% penetration figure
2. Stop discounting a great product – have confidence
3. Identify customers who are at risk of leaving and interact with them
4. Evaluate the effect your fitness team is having on retention
5. Empower your staff to seek out customers who need help and to take the responsibility to help them.

Connect is a retention software system check out www.makingretentionsimple.co.uk for more info.



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Make the most of your customer journey to improve your member retention

Mike Hills – The Retention People

It is important to recognise that retention is the end result of the combination of many different inputs. Like a good football manager who manages the numerous inputs for good performance – strategy, team selection, tactics, motivation – a good club manager will manage all the inputs that deliver a great retention score. It is only these inputs, and not the end result itself, that can be directly controlled.

Given the many variables to take into account, it can be hard to know where to start. The most important place to start is with evidence. There is a growing body of research that illustrates exactly which interventions and strategies work – and, just as important – which don't. Do not waste time on unproven strategies, a salesperson's word or testimonials – you have plenty to do just maximising proven interventions.

Once you have established the requirement for proof, it will help to see your customer experience as a journey. Every stage of the customer journey can be improved to make the members' journey with your club as long, so bringing in as much revenue, as possible.

All clubs clearly need to get the basics right. It is fundamental that clubs are clean, tidy, have working equipment and customers are met with a smile at the front door. Once the basics are right, you can get more sophisticated.

Certain members from different age groups and demographic groups will stay longer than others simply because of who they are. So, find out who they are at your club, identify where they live and attract them to the club. Filling your club with these members will put you on the front foot in your retention battle. Use marketing and sales strategies that encourage high yield sales not just high sales numbers.

The right new member induction or orientation improves retention. Be creative, engage with new members, speak to them regularly and help them



create a routine. Don't just split your induction into multiple parts if you cannot demonstrate it adds real value or that members complete the process.

Make the most of your self-motivated members. Why not really push yourself to turn as many into your 'raving fans' as possible? How many will voluntarily recommend your club to their friends and family?

Dedicate time to members who are struggling. Systems like TRP Interact and Connect exist to tell you which members are likely to cancel before they know it themselves. Once you know who they are, manage and motivate your teams to interact with them. The research is absolutely clear - making time to converse with high risk members saves members.

The final stage of any member journey is leaving. Members will eventually quit but challenge yourself to understand the real reasons why they quit. Look beyond 'lack of time', 'money' or 'moving house' and work to address the root causes. Is the gym actually a place people want to visit? If not, change it! After all, if you always do, what you have always done, you always get what you always got.

The Retention People are the leading researchers in leisure customer retention www.theretentionpeople.com