



# HEALTH & FITNESS CLUBS

CUSTOMER SATISFACTION

INDUSTRY BENCHMARK STUDY

2015

UNITED STATES



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1	Objectives and Methodology	03
2	Findings	07
3	Follow-up Membership Inquiry	29
4	Summary	37
5	Key Insights	40



# CONTENTS

# OBJECTIVES AND METHODOLOGY



# STUDY OBJECTIVES

The study sought to quantifiably measure the experience of current members, previous members and non-members through scoring of various aspects of the membership experience.

- Understand the current sentiment of opinions around health club membership in the United States
- Compare current and previous member ratings
- Compare ratings of different clubs within the industry
- Discover reasons why members leave a club
- Discover what it may take to re-gain previous members
- Uncover why some never joined a club
- Learn what it would take to gain commitment



# METHODOLOGY

## 1 Study Overview

Random panel sampling of health club membership statuses to gain insights on the customer experience and expectations within the health and fitness industry.

More than 5,000 distributed surveys across United States.

## 2 Key Questions

What features brought current members to the club, what improvements would they like to see, for what are they willing to pay more?

What drove previous members away, what would bring them back, and for what are they willing to pay?

Why have some chosen never to have been a member of a club and what can be done to capture their commitment?

## 3 Sample

1,938 surveys completed by participants with various member statuses.

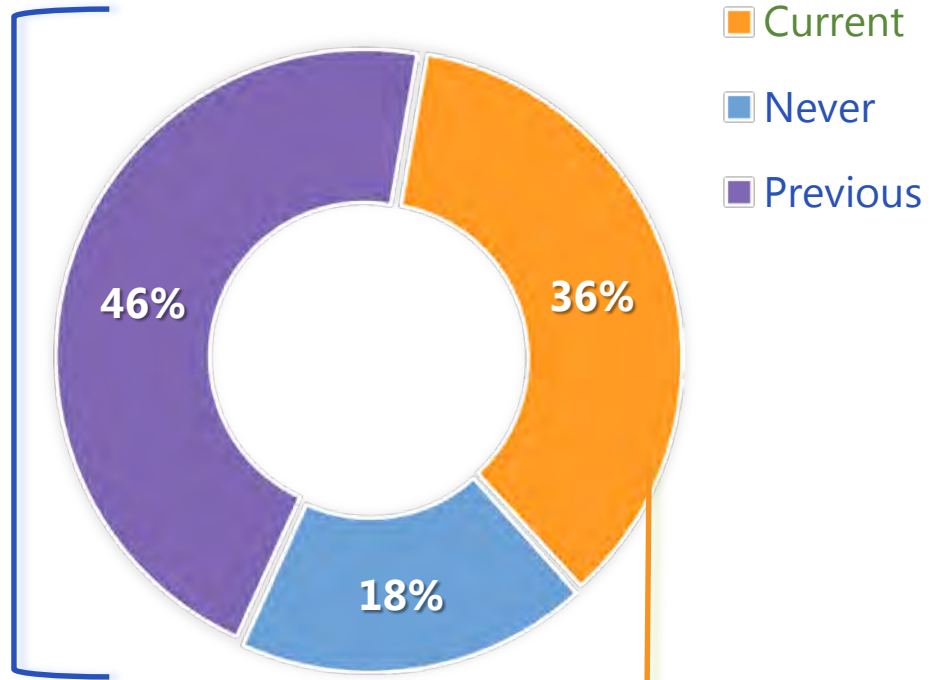
# RESULTS OVERVIEW

## Membership Status

Nearly 2/3 of the random sample **were not currently** club members.

46% of the respondents indicate they were members previously, but no longer.

18% state they have never joined a health club



**36% of the respondents held current club memberships**

# FINDINGS

# CURRENT MEMBER FEEDBACK



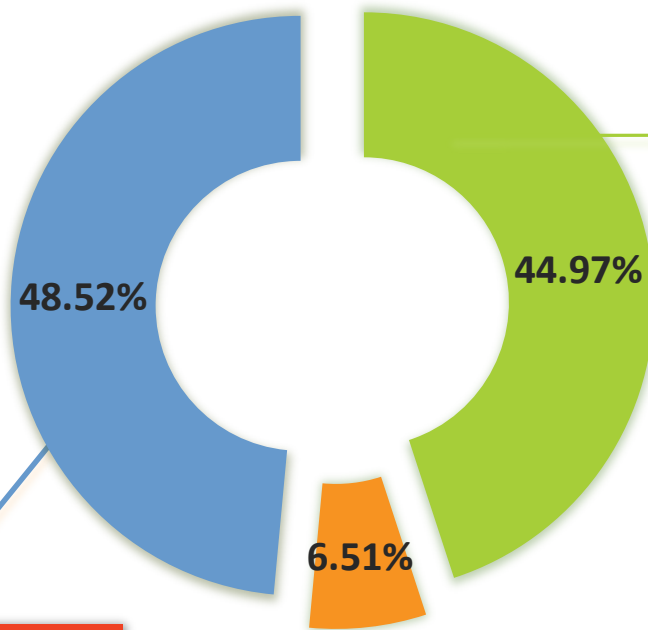


# RESULTS: Current Member



Does Current Club Membership Meet Your Needs?

■ Always   ■ Sometimes   ■ Not Really



On average, **only 44.97%** of members feel that their club is always meeting their needs.

Of these, Equinox rated 100%, with the next closest at 51%. Which club is that? The local YMCA.

## OPPORTUNITY

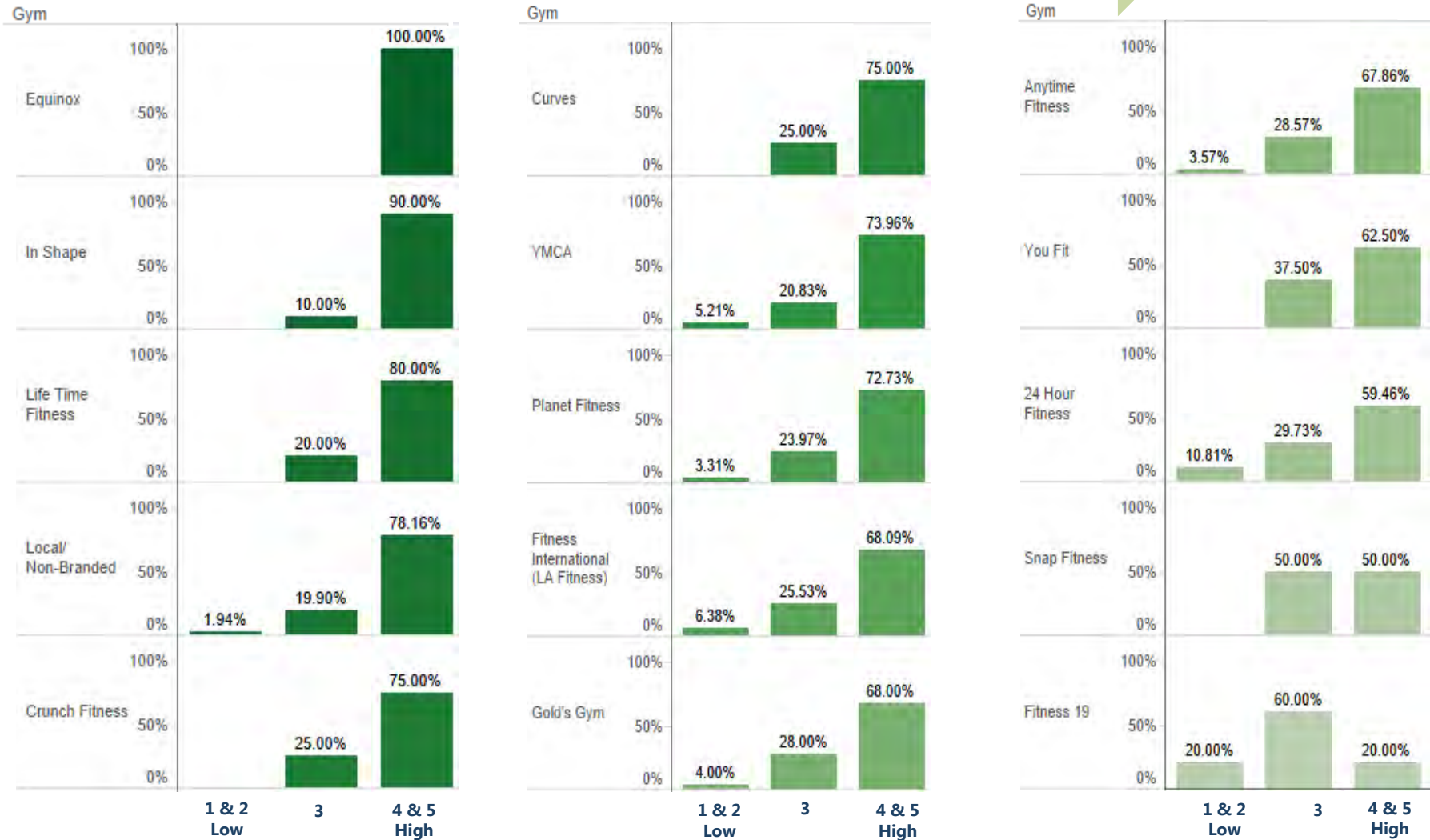
**48.52%** of current member respondents stated that their current club **did not really meet their needs**.

# RESULTS: Current Member Satisfaction Ratings

Top Ratings



Lower Ratings

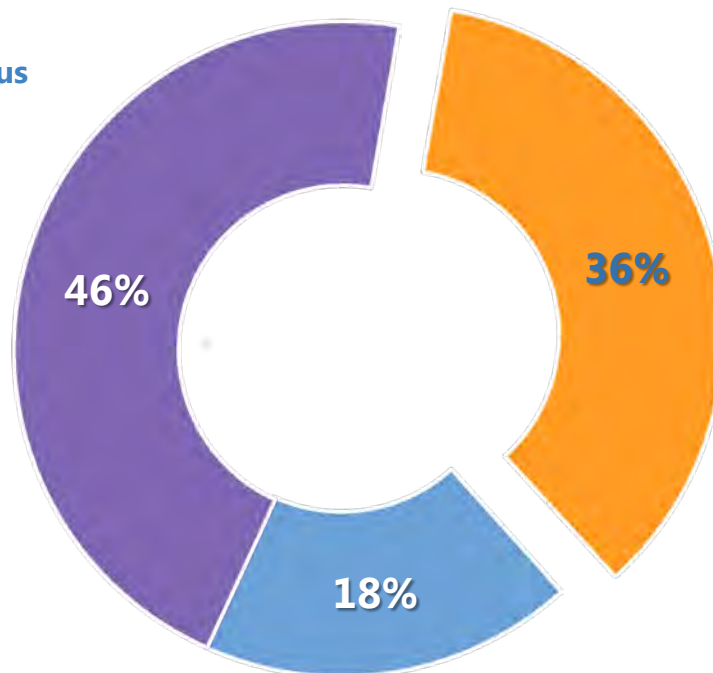


# RESULTS: Current Member



What are current members really thinking?

- Current
- Never
- Previous



Only 70.8% of current members gave their clubs a rating of 4 or better – that means **29.2% of current members could be considering looking elsewhere.**

31% of members would be **more satisfied with the offering of more classes**, followed by additional amenities (24.5%) and better hours (14%). Members are willing to pay **more** when these options are available.

# RESULTS: Current Member Top Reasons for Joining



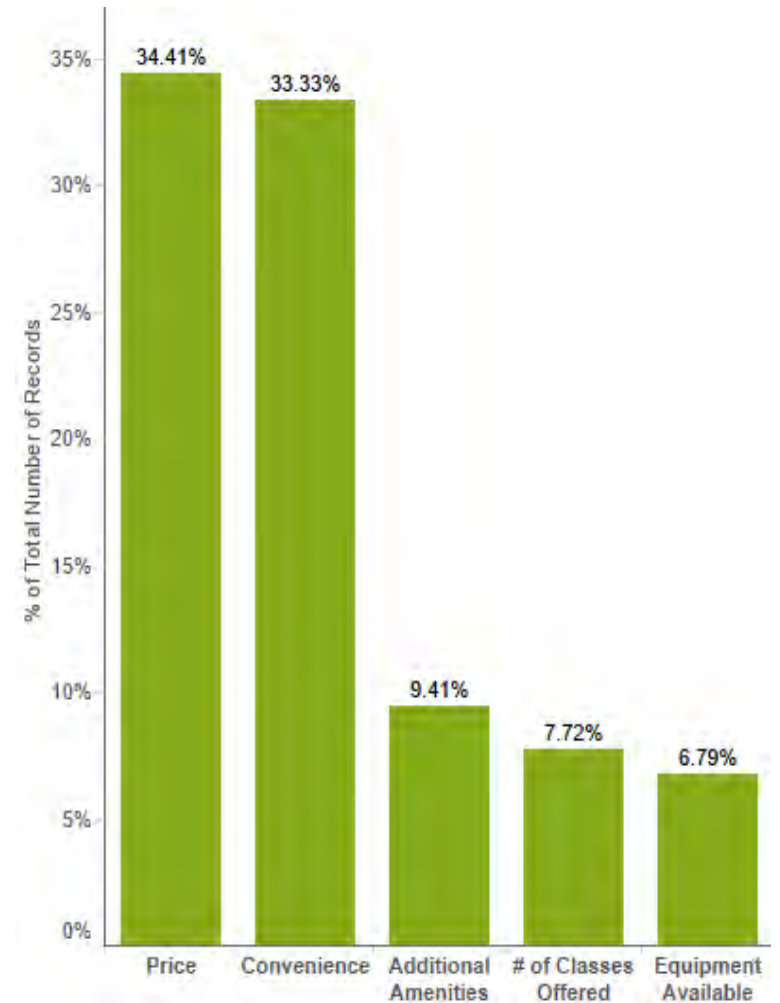
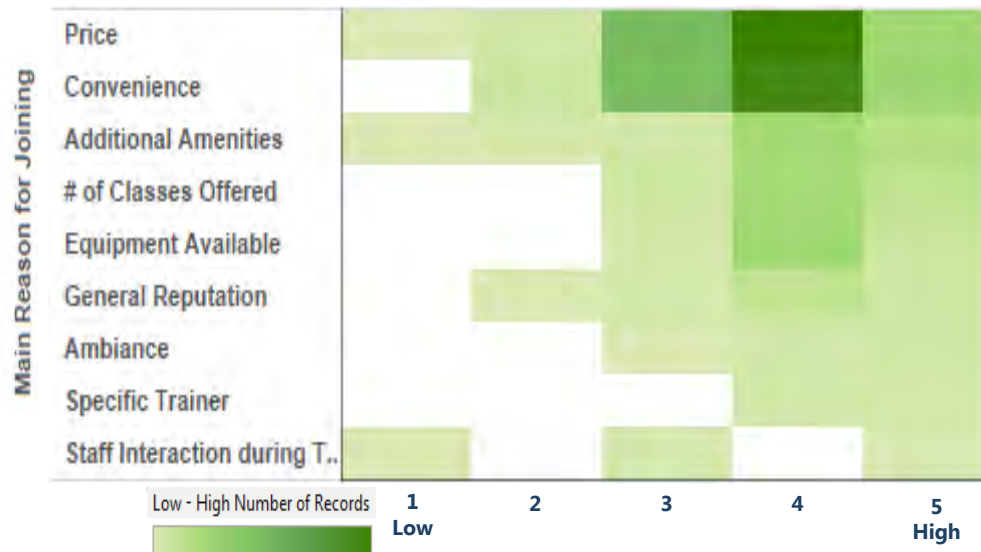
What matters most when joining a club?

**Price** and **Convenience**

Amenities, Classes, and Equipment were the other drivers of membership.

Members who join based on these top reasons, are more likely to be satisfied with their club.

Member Satisfaction Rating by Reasons for Joining



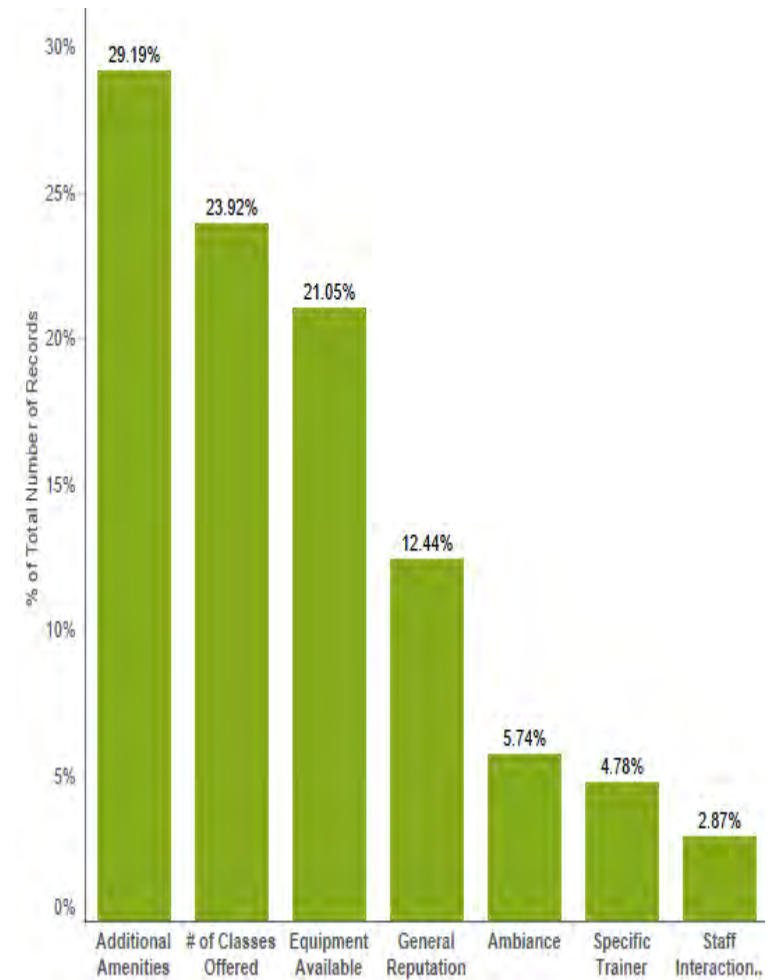
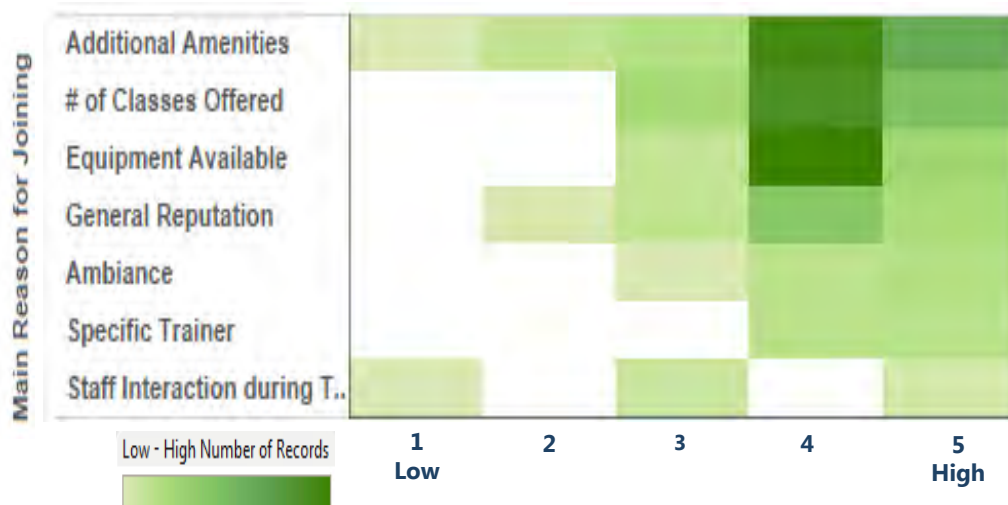
# RESULTS: Current Member Top Reasons for Joining

*With Price and Convenience out of the equation, further insights can be found.*

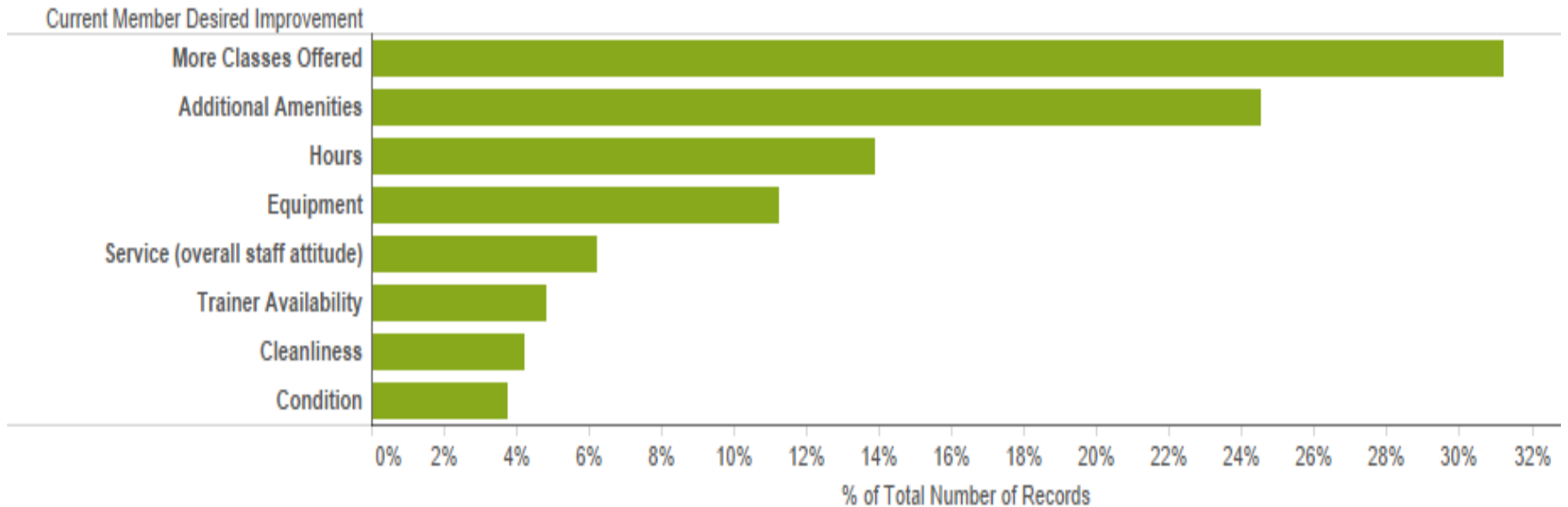
When not considering price and convenience, Current Members chose their club for Additional Amenities 29.2% of the time, Number of Classes offered 23.9% of the time and Equipment 21% of the time.

**These members tended to rate their clubs higher than those who joined based on price and convenience.**

Member Satisfaction Rating by Reasons for Joining (controlled for Price and Convenience)



# RESULTS: Current Member Desired Club Improvements



When asked what they would **most like to improve** about their club (other than fees), more than 31% of current members indicate that they would like **more classes offered**, followed by 24.4% who want **additional amenities** and 14% who would like **extended hours**.

### Current Member Desired Improvement

More Classes Offered	31.42%	High
Additional Amenities	24.40%	
Hours	14.04%	
Equipment	11.00%	
Service (overall staff attitude)	6.38%	
Trainer Availability	4.63%	
Cleanliness	4.31%	
Condition	3.83%	Low

# RESULTS: Current Member Rating & Fee Correlations

Total percentile per monthly fee breakdown

Less than \$40	0.48%	3.38%	24.64%	56.04%	15.46%
\$40 - \$70	0.69%	2.78%	16.67%	54.17%	25.69%
\$71 - \$99.99		2.38%	30.95%	40.48%	26.19%
\$100 or more			20.59%	32.35%	47.06%
	1 Low	2	3	4	5 High

Clubs with higher fees, tended to receive the **highest** ratings by their members.

However, when ratings are pulled into top-2 box results, there were equal ratings across all fee levels.

This suggests that **club member satisfaction is driven by the value of their expectations being met**, no matter how many dollars are paid.

Less than \$40	3.86%	24.64%	71.50%
\$40 - \$70	3.47%	16.67%	79.86%
\$71 - \$99.99	2.38%	30.95%	66.67%
\$100 or more		20.59%	79.41%
	1 & 2 Low	3	4 & 5 High



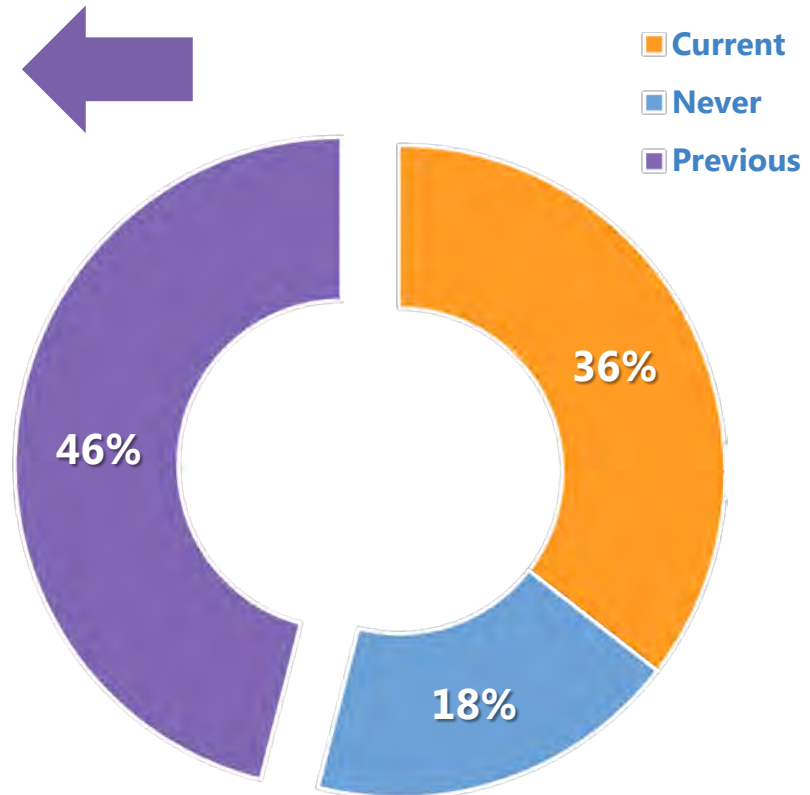
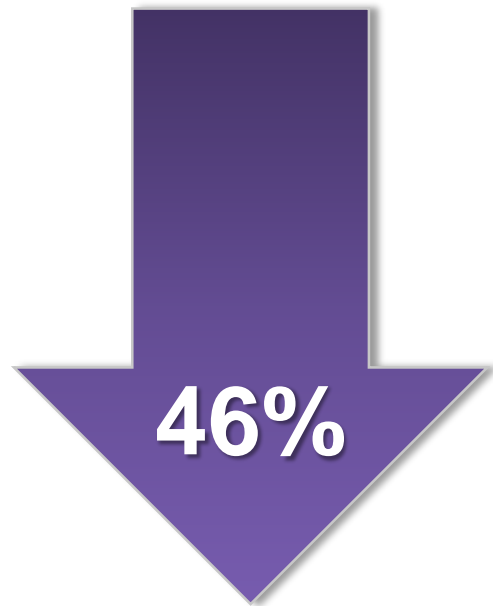
# PREVIOUS MEMBER FEEDBACK





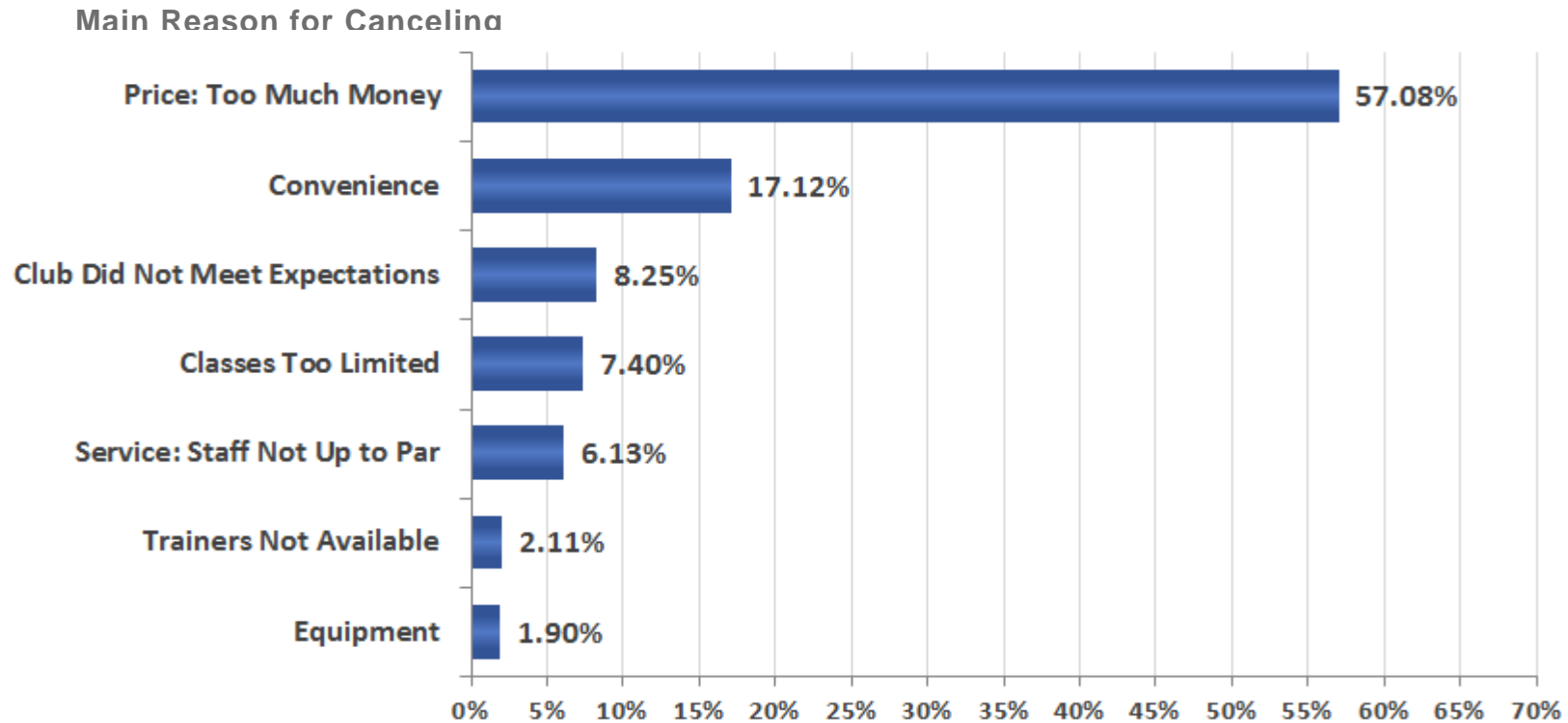
## RESULTS: Previous Members

46% of the respondents to this survey indicated they had previously been members of a health club, but were no longer members.



**Membership Retention Failure in 46% of the survey population.**

# RESULTS: Previous Members



More than 50% of previous members have canceled their membership due to **membership fees**. After price, the main reason for members to cancel is due to **convenience factors**, such as club hours.

Beyond that, responses indicate that the club did not meet expectations, classes were limited and the staff was not up to par. Unavailability of trainers and equipment gripes were the least cited reasons for cancellations.

# RESULTS: Previous Members



Main Reason for Canceling & Previous Member Ratings

	Ratings		
	Low: 1 & 2	Neutral: 3	Top Box: 4 & 5
<b>Price: Too Much Money</b>	High	High	High
<b>Convenience</b>	Low	Low	Low
<b>Classes: Too limited</b>	Low	Low	Low
<b>Service: Staff Not Up to Par</b>	Low	Low	Low
<b>Club Did Not Meet Expectations</b>	Low	Low	Low
<b>Trainers Not Available</b>	Low	Low	Low
<b>Equipment</b>	Low	Low	Low

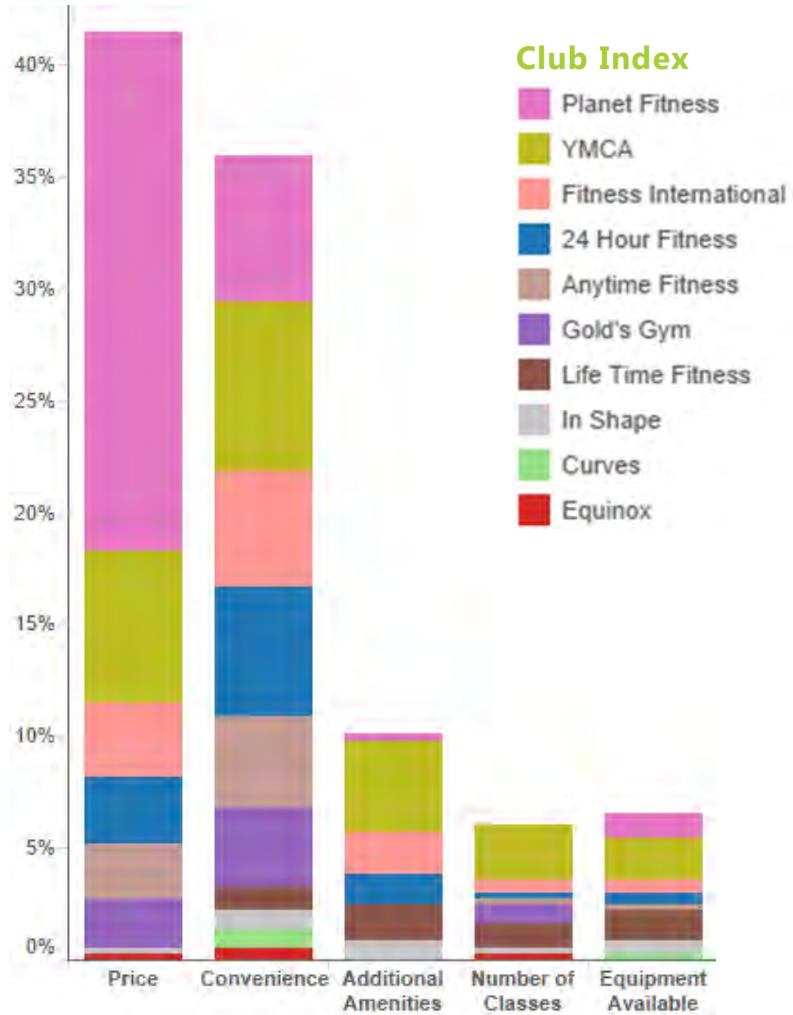
**Cost of membership** as a main reason for cancellation was strong across all ratings. Even those who rated their club the highest, were willing to leave if they did not feel the price was equaled by perceived value.



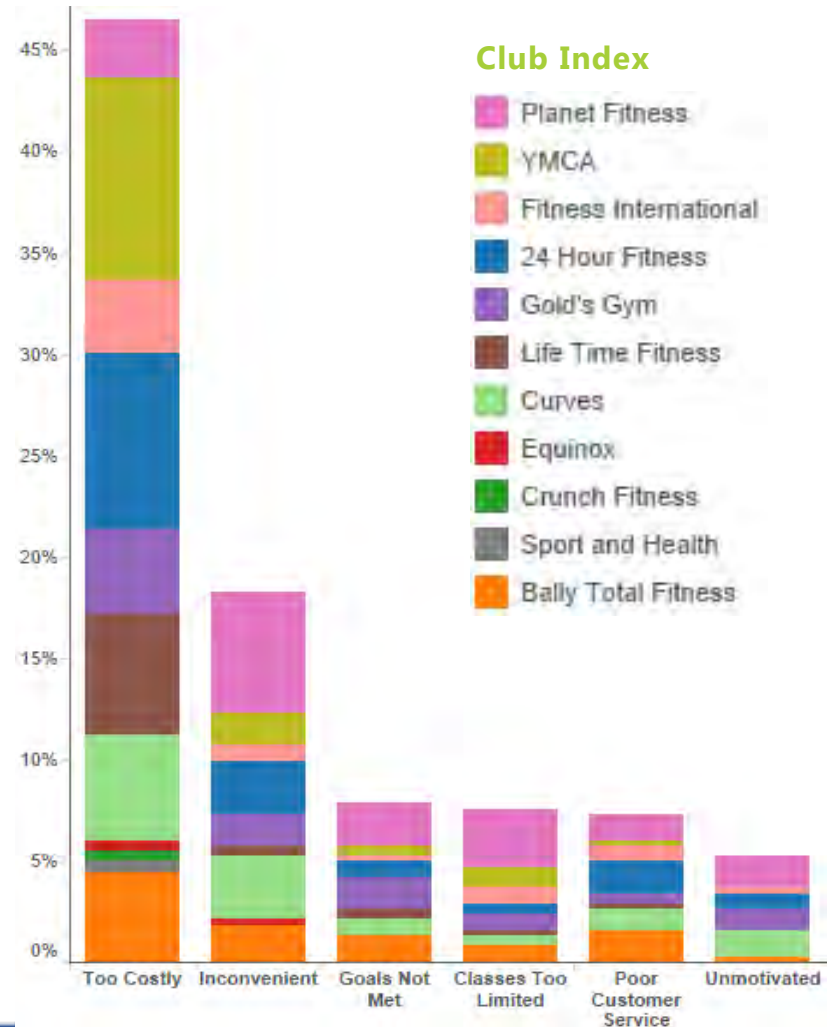


# RESULTS: Previous Members Filtered for Local/Non-Branded

Top Reasons for Joining

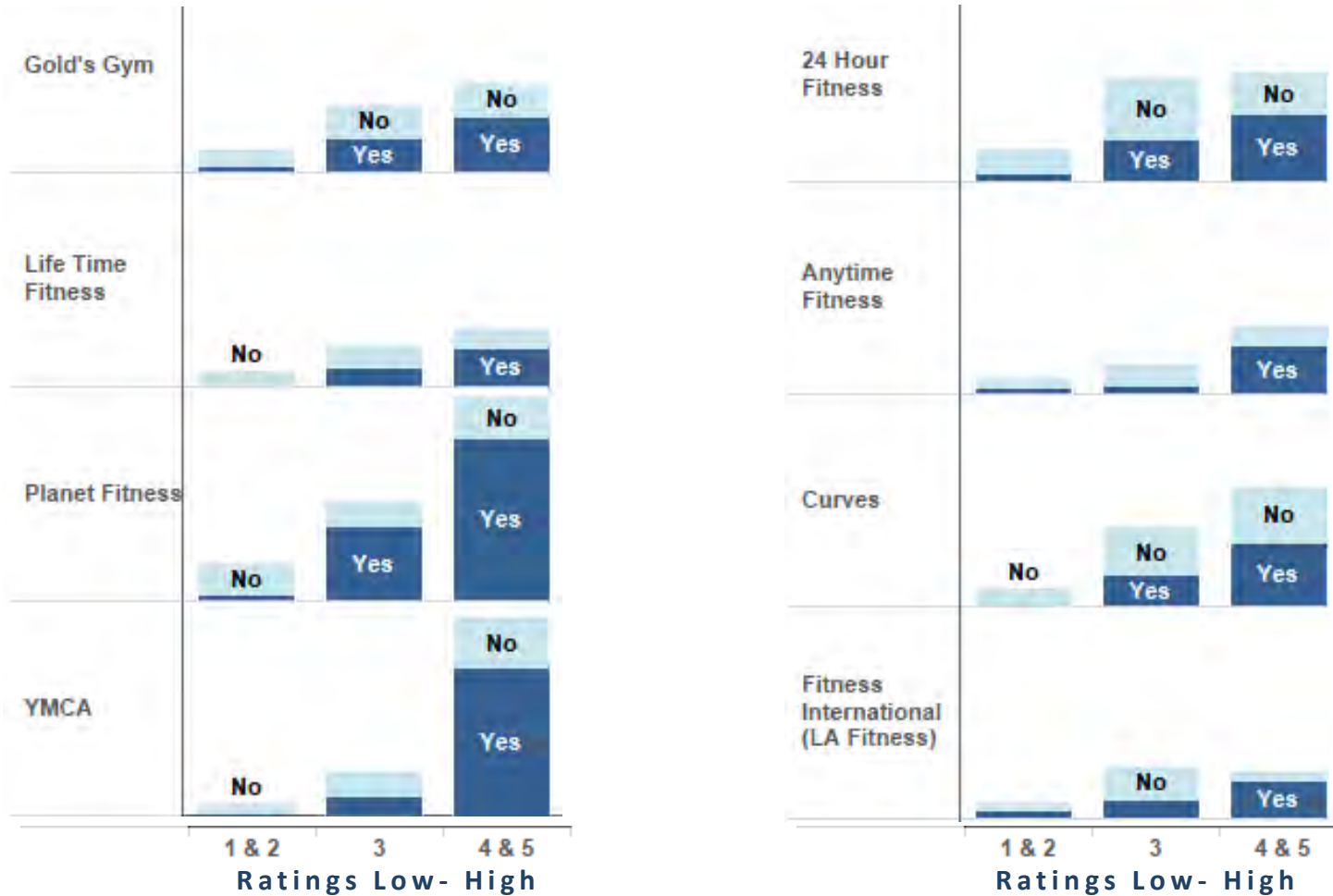


Top Reasons for Canceling



# RESULTS: Previous Members

 Would you rejoin your previous club in the future?



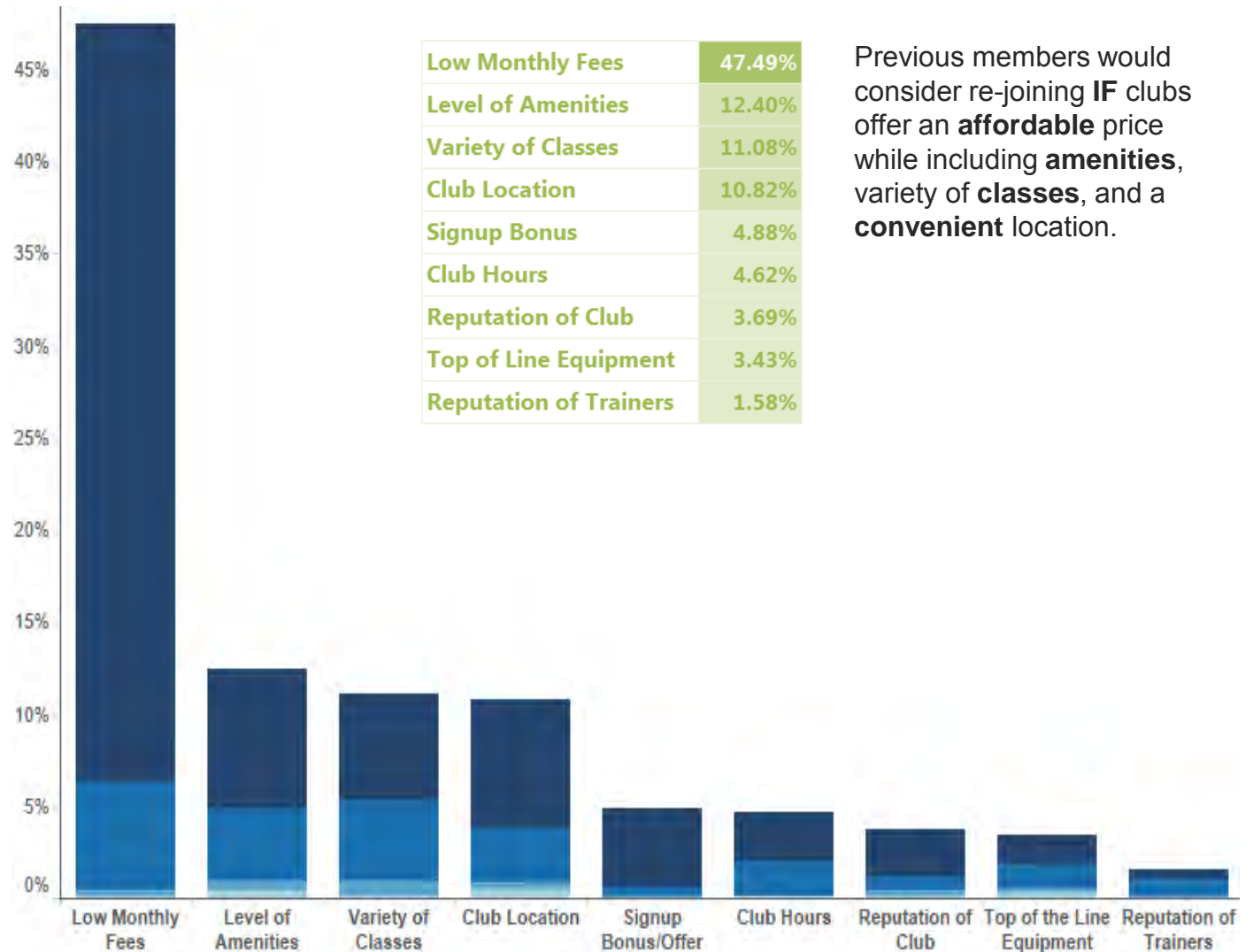
There is correlation between the Previous Member Rating and the Likelihood to Rejoin



# RESULTS: Previous Members: Rejoin Drivers

Factors that would drive a previous member to rejoin and what they are willing to pay for them

- Less than \$40
- \$40 - \$70
- \$71 - \$99.99
- \$100 or more



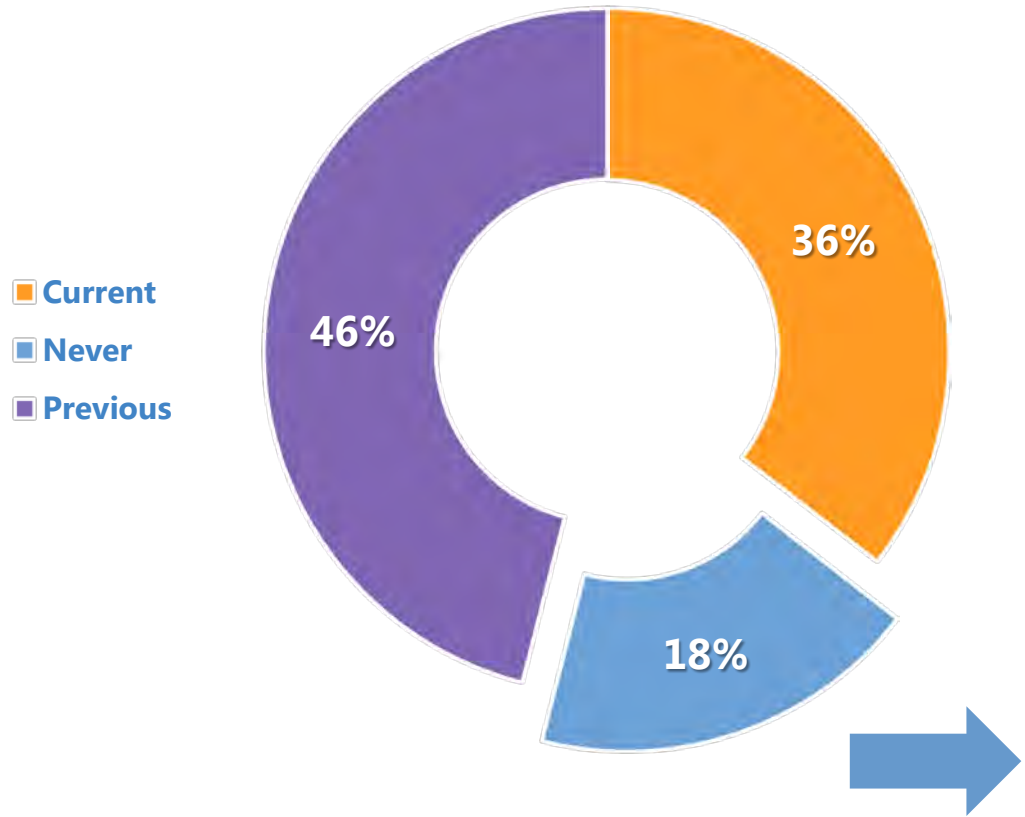
Previous members would consider re-joining **IF** clubs offer an **affordable** price while including **amenities**, variety of **classes**, and a **convenient** location.

# NEVER BEEN A MEMBER FEEDBACK





# RESULTS: Never Members



Of those respondents who have never been members, **more than 87% indicated they would consider membership in the future.**

## RESULTS: Never Members

# 87.67%

*Would consider joining...*



# 12.33%

*Would not...*

### Reasons to Consider in Future

<b>Overall Fitness</b>	<b>55.31%</b>
<b>Weight Loss</b>	<b>31.87%</b>
<b>Cardio Fitness</b>	<b>6.56%</b>
<b>Muscular Development</b>	<b>5.00%</b>
<b>Social Experience</b>	<b>1.25%</b>

### Would Never Consider It

<b>Can't afford it</b>	<b>47.22%</b>
<b>Work out at home</b>	<b>30.56%</b>
<b>Don't need it</b>	<b>11.11%</b>
<b>Too inconvenient</b>	<b>11.11%</b>



# RESULTS: Never Members



What would be the most important (#1) aspect of any fitness club when/if you join in the future?

<b>Low Monthly Fees</b>	<b>52.81%</b>
<b>Level of Amenities</b>	<b>13.13%</b>
<b>Club Location</b>	<b>8.75%</b>
<b>Variety of Classes</b>	<b>8.13%</b>
<b>Signup Bonus Offered</b>	<b>7.50%</b>
<b>Reputation of Club</b>	<b>4.06%</b>
<b>Club Hours</b>	<b>2.19%</b>
<b>Top of Line Equipment</b>	<b>1.88%</b>
<b>Reputation of Trainers</b>	<b>1.56%</b>



# MEMBERSHIP INQUIRY CALLS



# METHODOLOGY

1

## Overview

Specific measurement around calls made to 10 major club brands in 10 cities across the United States.

2

## Key Questions

When potential members call into a club, how is that inquiry handled?

Are membership consultants competent, friendly and personable?

Do consultants mention the features and benefits of the club?

Do consultants convey a solid knowledge about fitness?

Do consultants invite callers to visit the club?

3

## Results

100 calls were completed.

Average call time was 6 ½ minutes.

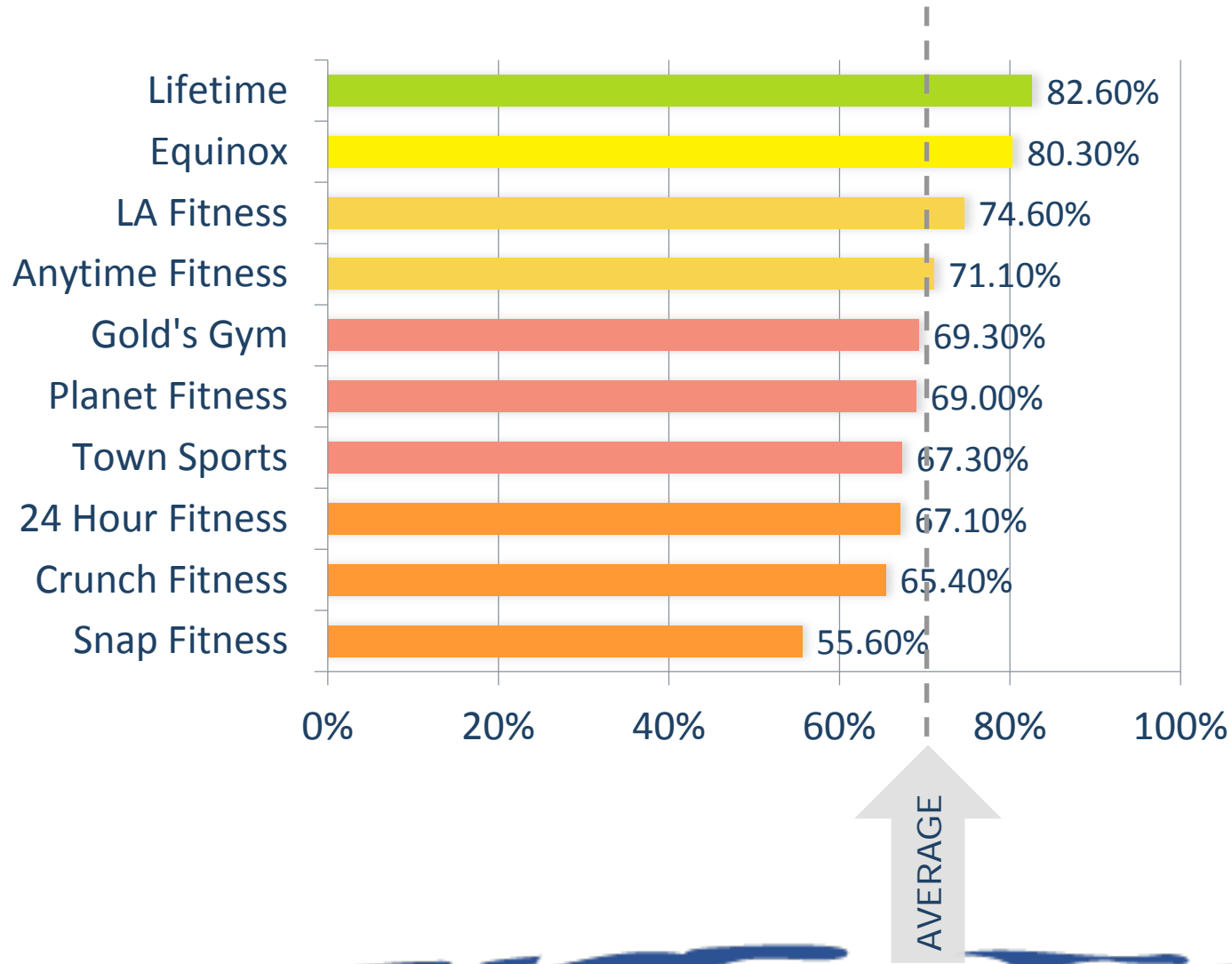
87% of the time, membership consultants are friendly and personable.

41% of the time, consultants did not have a solid knowledge about fitness when asked specific fitness questions.

84% of the consultants invited the caller to visit the club, but only 35% asked for the caller's name or contact information.

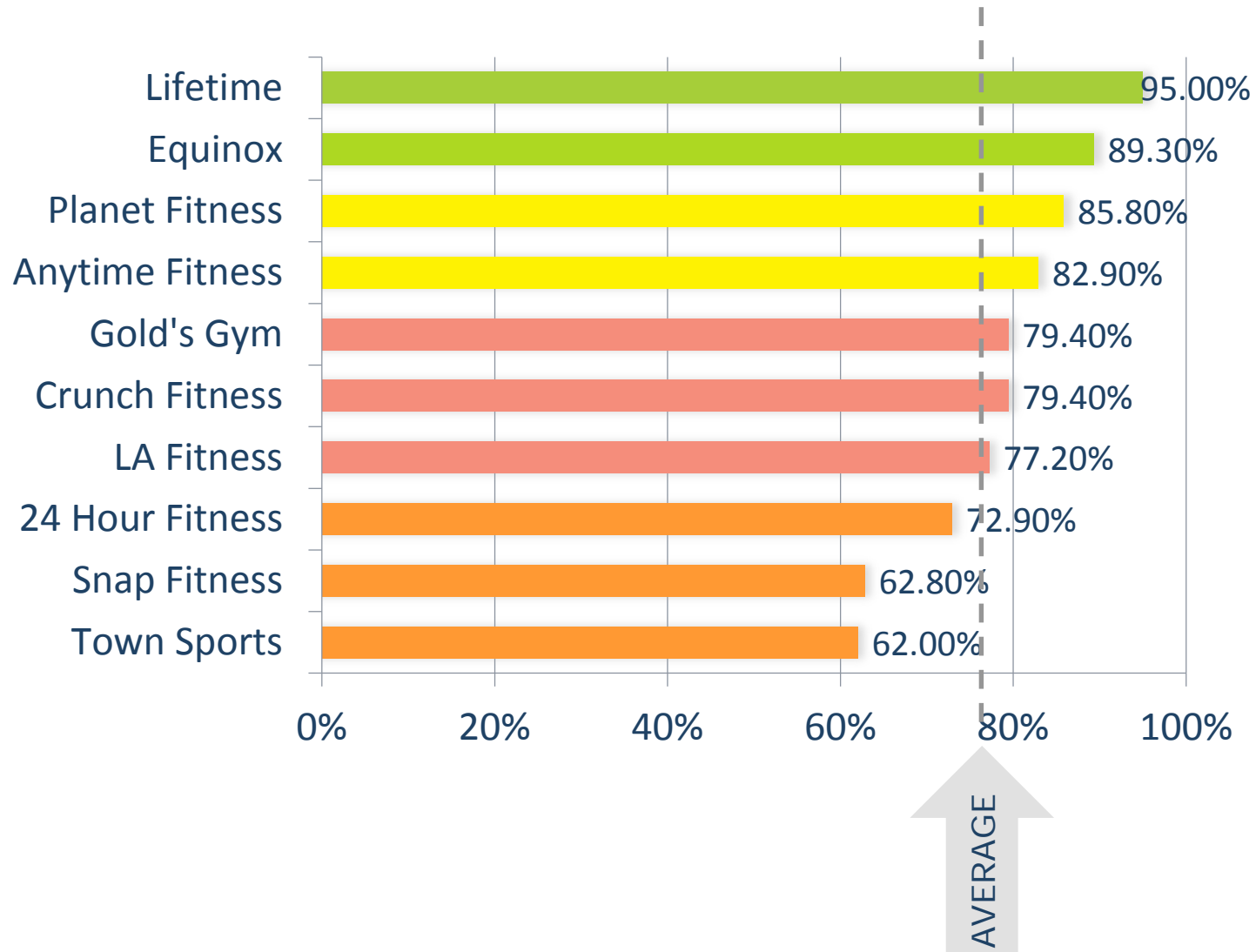
# RESULTS: MEMBERSHIP INQUIRY

Overall Score Results Ranking



# RESULTS: MEMBERSHIP INQUIRY

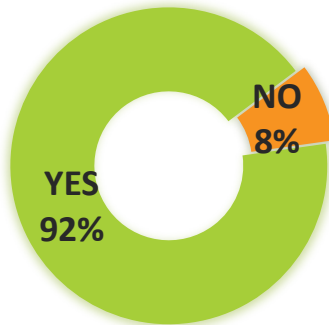
## Relationship-Building Phone Skills Ranking



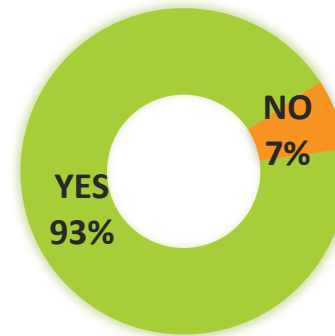


# RESULTS: MEMBERSHIP INQUIRY SUCCESSES

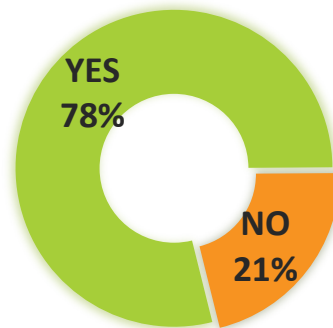
Was the consultant professional, friendly and courteous throughout the call?



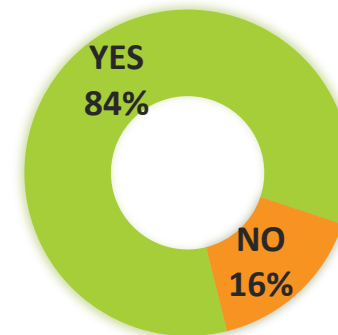
Did the consultant provide pricing options when asked?



Did the consultant mention the features and benefits of the club?

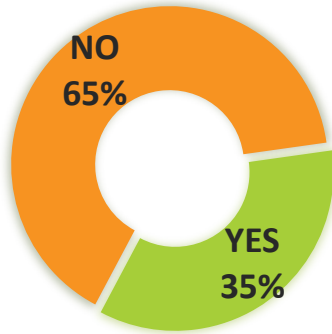


Did the consultant suggest the caller visit the club?

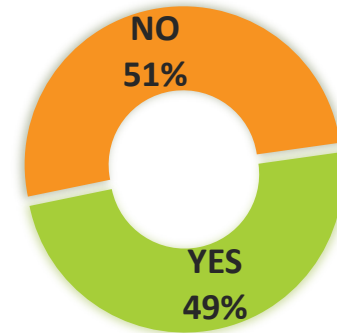


# RESULTS: MEMBERSHIP INQUIRY OPPORTUNITIES

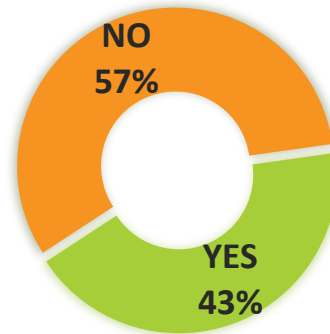
Was the caller asked for their contact information?



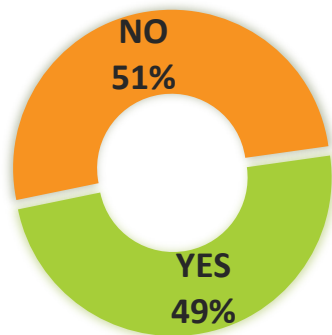
Was the caller asked about their fitness goals and interests?



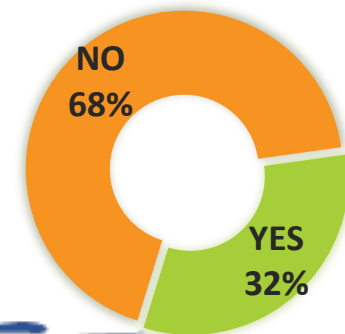
Was caller asked about their primary interest in joining a health club?



Did the consultant convey a solid knowledge about fitness?



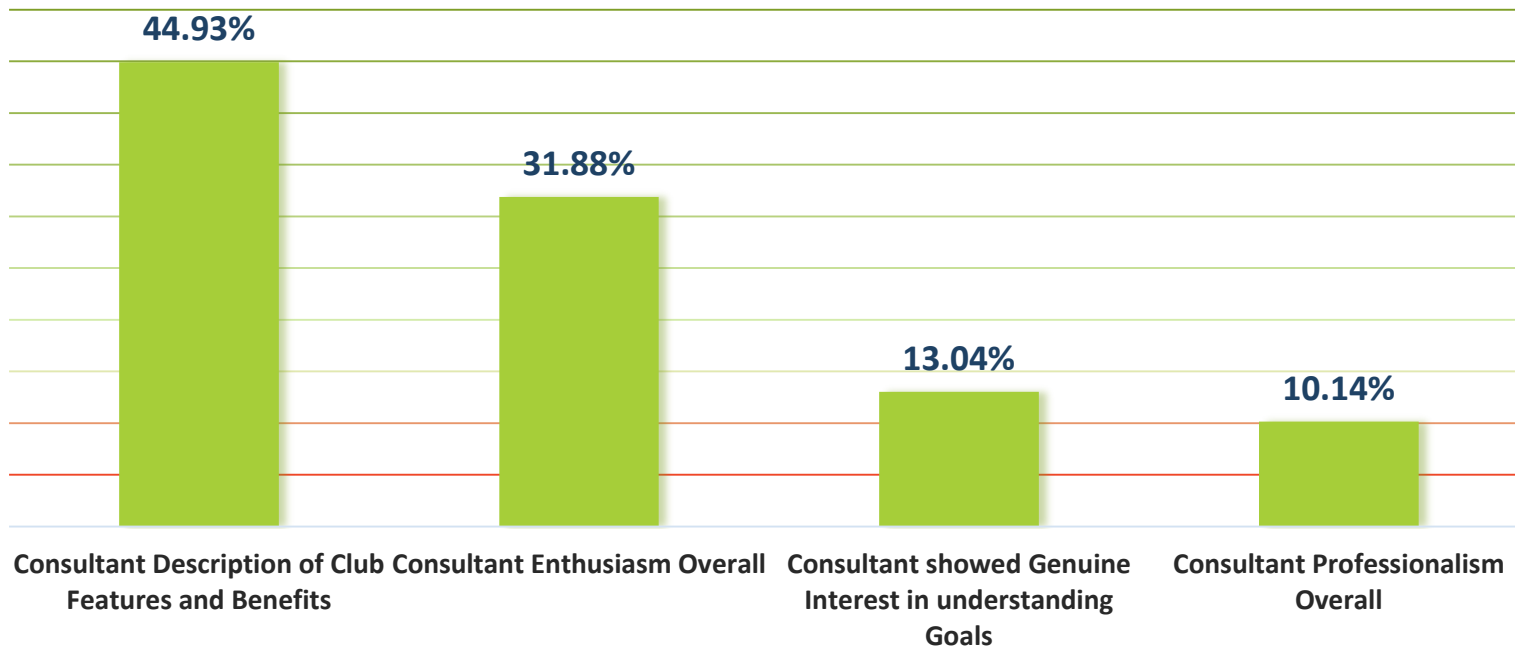
Did the consultant confirm caller knew how to get to the club, offer directions or parking information?



# RESULTS: MEMBERSHIP INQUIRY CALLER OPINIONS



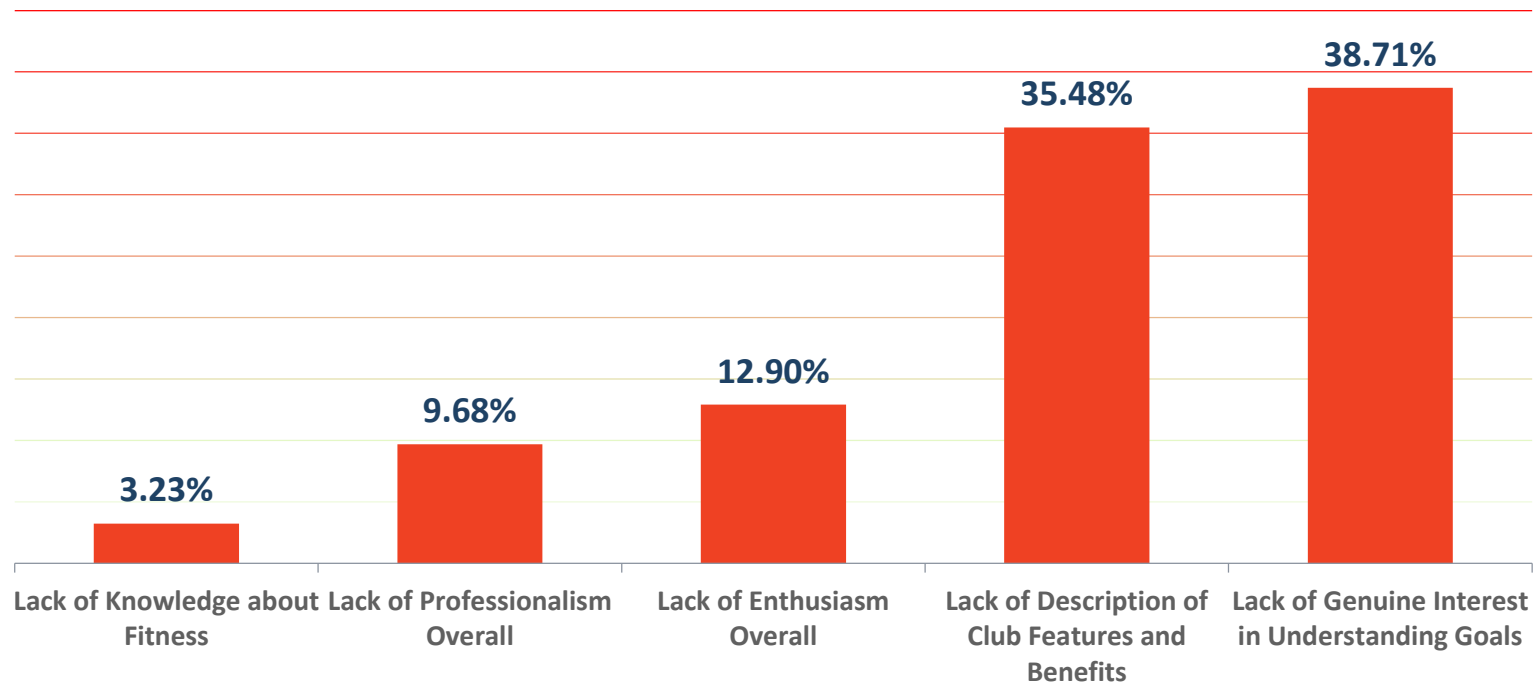
Caller would visit this club based on the conversation.  
#1 motivator provided by the consultant that effected this answer.



# RESULTS: MEMBERSHIP INQUIRY CALLER OPINIONS



Caller would NOT visit this club based on the conversation.  
#1 reason why not.





# SUMMARY

# STUDY SUMMARY

## Participant Feedback

- 48.52% of **current member** respondents stated that their current club did not really meet their needs which strongly indicates the need for clubs to reach out to their members for continual feedback in order to evolve with changing member expectations.
- 31% of **current members** would be more satisfied if more classes were offered, followed by additional amenities (24.5%) and better hours (14%).
- More than 50% of **previous members** canceled their membership due to cost. After price, the main reason for members to cancel was due to convenience factors, such as club hours and distance traveled.
- **Previous members** would consider re-joining IF clubs offer an affordable price while including enough amenities, a good variety of classes, and a convenient location.
- Of those respondents who have **never been club members**, more than 87% would think about joining if the price were right, and the club offerings met their needs.



# STUDY SUMMARY

## Membership Inquiry Call Results

- 87% of the time, membership consultants are friendly and personable but less than half of them had a solid knowledge about fitness when asked specific fitness questions.
- While most of the membership consultants invited the caller to visit the club, only a third of them asked for the caller's name or contact information in order to add them to the database for any follow-up.
- More than 50% of the time, the consultants did not inquire about the caller's goals and fitness needs, missing the opportunity to target the caller's interests while describing the club's offerings.
- During 60% of the calls, the caller was never asked how they heard about or knew about the club which missed collecting important feedback for marketing planning and budgeting.
- More than 50% of the time, callers were not asked if they had ever belonged to a club before, thereby missing the chance to match the information offered to the caller's experience level.





# KEY INSIGHTS



# KEY INSIGHTS

## Current, Previous and Never Been a Member

- Extending club hours, offering additional amenities and being creative with classes offered can keep **current members** engaged, rekindle the interest of previous members, and drive those who have never joined to want to be a part of the scene.
- Surveying **current members** to rate the value they get from their membership, the likelihood of renewing their membership, and the likelihood of recommending the club can identify those members most likely to renew and those least likely to renew. This can give the club insight to formulate intervention for retention.
- Reaching back out to **previous members** with a special discount offer to renew their membership will likely generate loyal, long-term members.
- Offering trial memberships, walk-in classes, and other services such as free fitness assessments, dance cardio for charity, health fairs, senior days and other community activities can grow membership by attracting a broader audience.
- The opportunity to attract those who have **never joined** a health club exists by changing the club culture and offering fun and exciting ways to entice non-exercisers off the couch and onto the exercise floor. Give this non traditional audience a way to forget that they're exercising.



# KEY INSIGHTS

## Membership Inquiry Call Results

- Callers inquiring about membership need to be handled by membership sales consultants who not only know the offerings of the club, but who have a solid understanding of fitness.
- Gathering the contact information of a potential member is essential to follow-up opportunities. The incoming call indicates they are looking for the right club to join.
- Training membership consultants and front desk staff to ask the right questions in order to build rapport with the potential member is key. The membership call results indicate that genuine interest in understanding the caller's goals will drive the caller's desire to visit or not visit the club for a tour.



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