

Part I: Retain & Gain: Keeping Your Members Engaged

Dr Paul Bedford



Acknowledgements

- Dr Melvyn Hillsdon

- Mike Hills *the retentionpeople* 

- FIA 



Dr Paul Bedford

20 years in the fitness industry

MSc Exercise and Health behaviour

MSc Social Science research

PhD Factors that effect retention in the
gym environment



Dr Paul Bedford

In the last 6 years

Spoken to nearly,

13,000 members (48 Sites)

10,000 Tennis Club members (28 sites)

I have had 86 gym inductions

Joined 11 clubs

In an attempt to understand what it is like to be a member of a health club



What do we know so far?

- Contract length
- Contract type
- Gender
- Age
- Visit frequency in 1st 4 weeks
- Inductions, exercise programme, support





2008 Retention report

01/01/2006 to 11/01/2007

293,527 member records

507 Clubs

259 Multi-site (11 operators)

248 Single-site operators.

ReAIM
retention and attrition management



1. Retention rate

‘The proportion of members who remain a member for any predetermined time period e.g., 3 months, 6 months, 12 months etc.’

2. Attrition rate

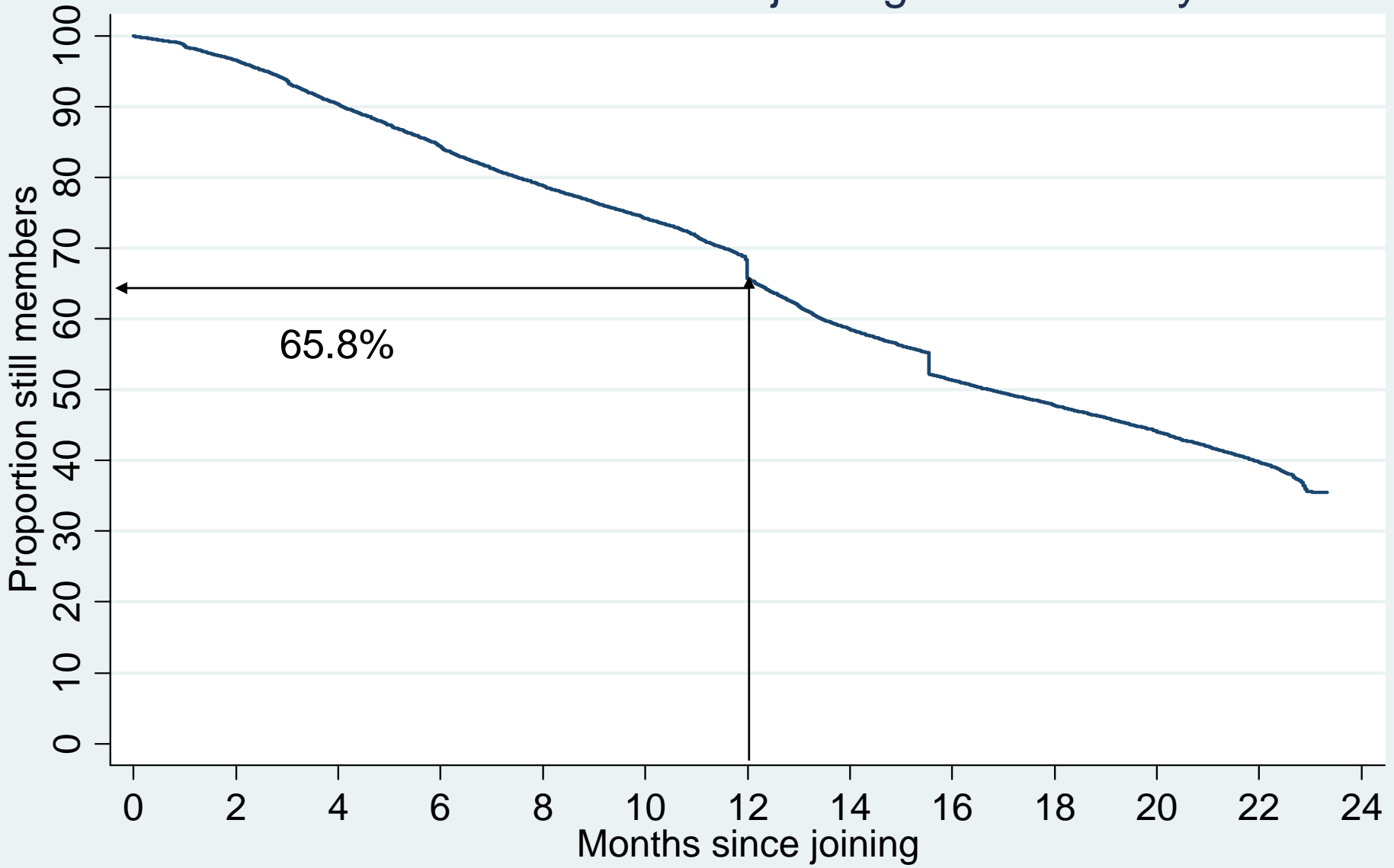
‘The number of members, per thousand, that cancel per month’

3. Lifetime value

‘The average (median) length of membership or the lifespan of a membership.’



Retention rate for members joining from January 2006



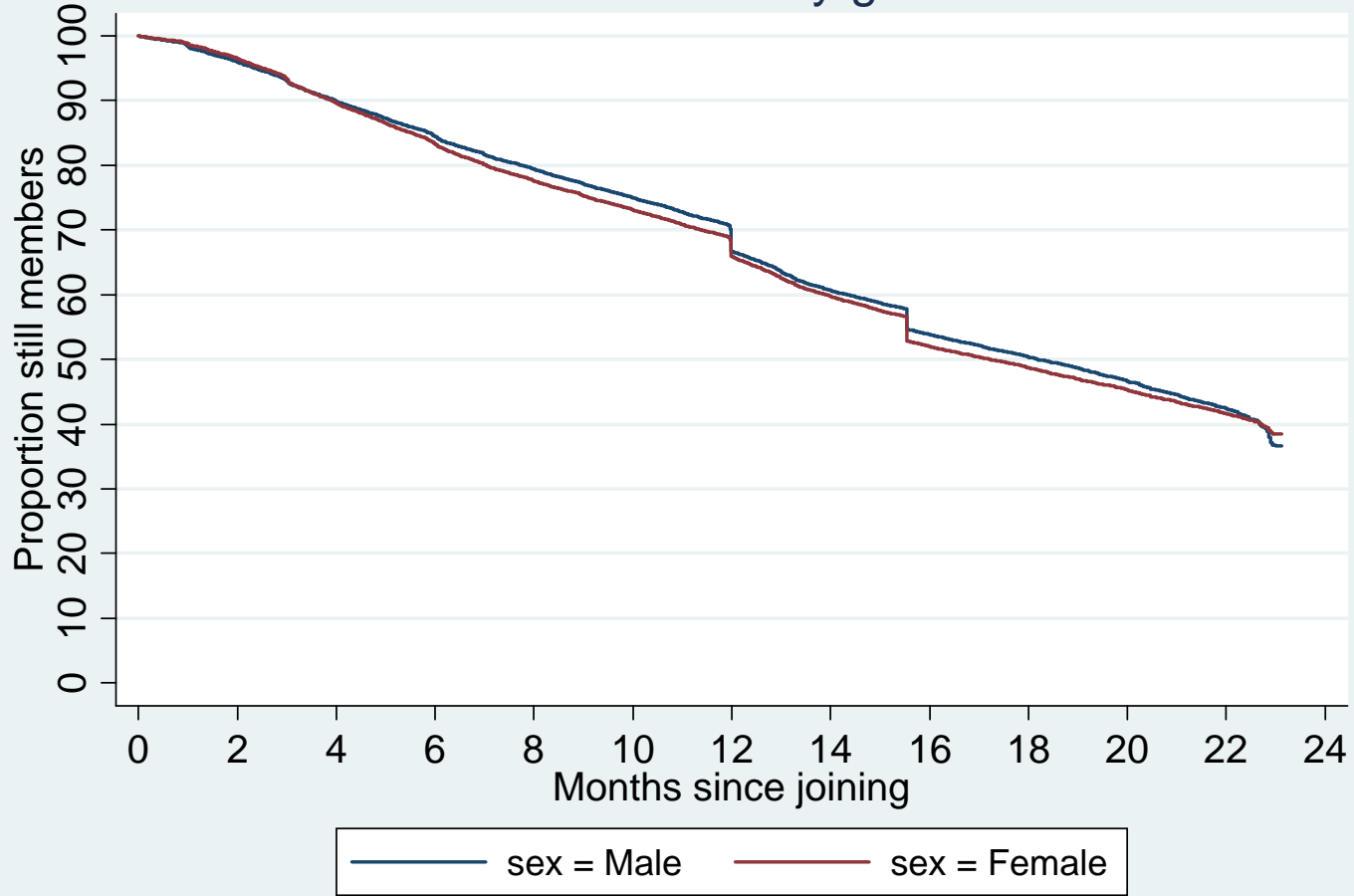


Monthly risk of quitting



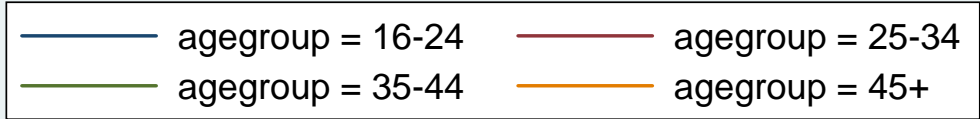
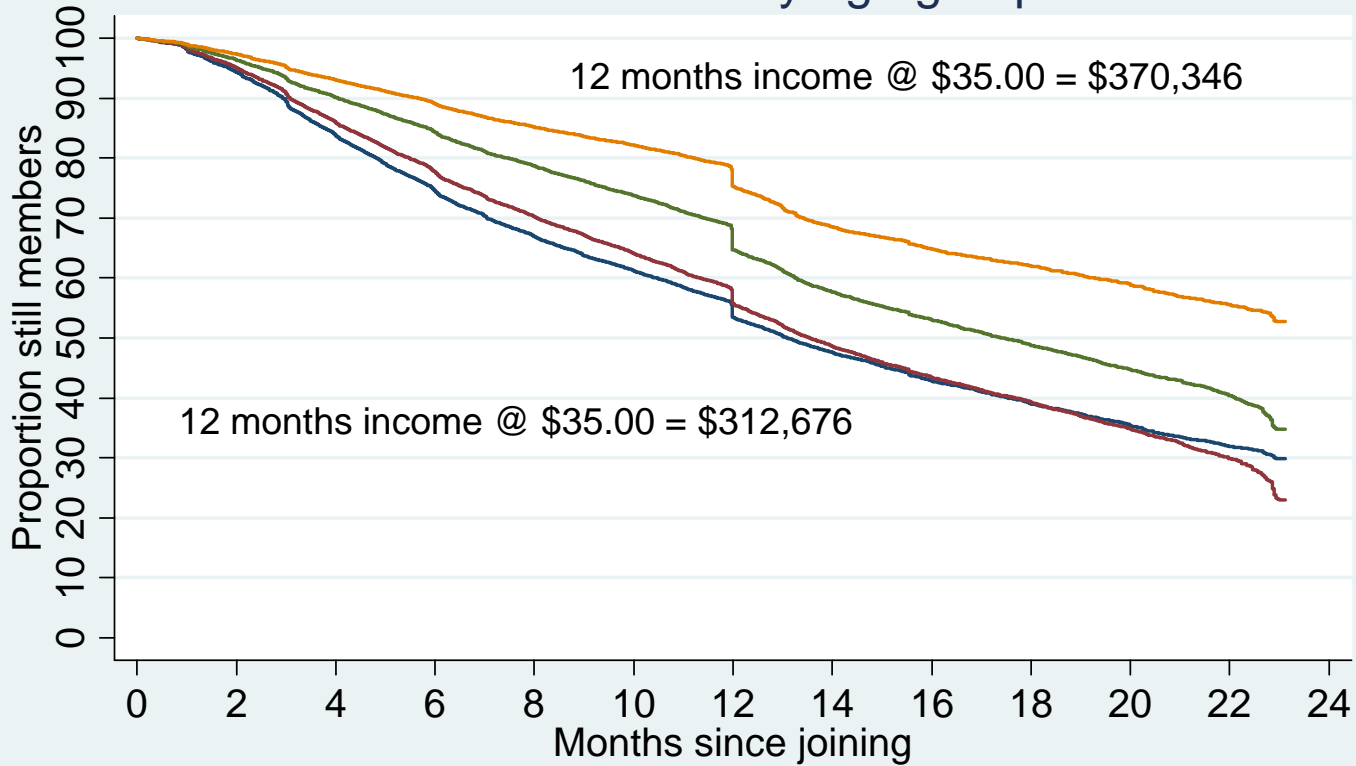


Retention rate by gender





Retention rate by age group





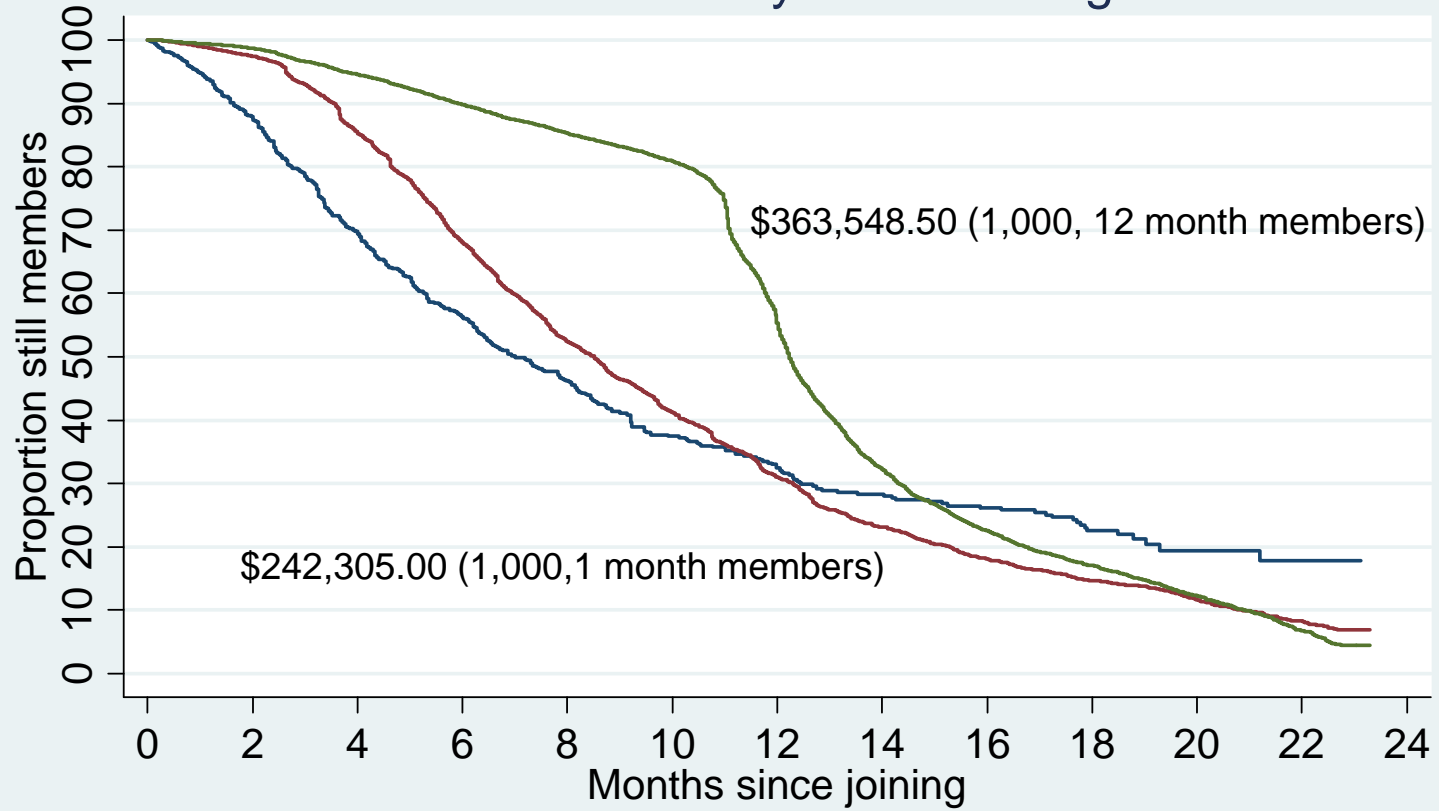
Attrition rate and average length of membership

	Attrition rate (per thousand/month)	Median length of stay (months)
Overall	35.5	16.7
Age group		
16-24	49.9	13.1
25-34	48.2	13.5
35-44	35.8	17.4
45+	24.1	>23
Gender		
Male	33.7	18.2
Female	35.0	17.2





Retention rate by contract length



— contract = 1 month — contract = 2-11 months
— contract = 12 months

Table 2. Attrition rate and average length of membership

	Attrition rate (per thousand/month)	Median length of stay (months)
Monthly dues (£)*		
<20	55.8	11.9
20-24.9	62.0	11.6
25-29.9	60.0	12.2
30-34.9	53.2	12.5
35-49.9	55.9	12.2
Contract length*		
1 month	90.3	7.0
2-11 months	81.3	8.5
12 months	55.8	12.2

Now they've joined what can
you do?



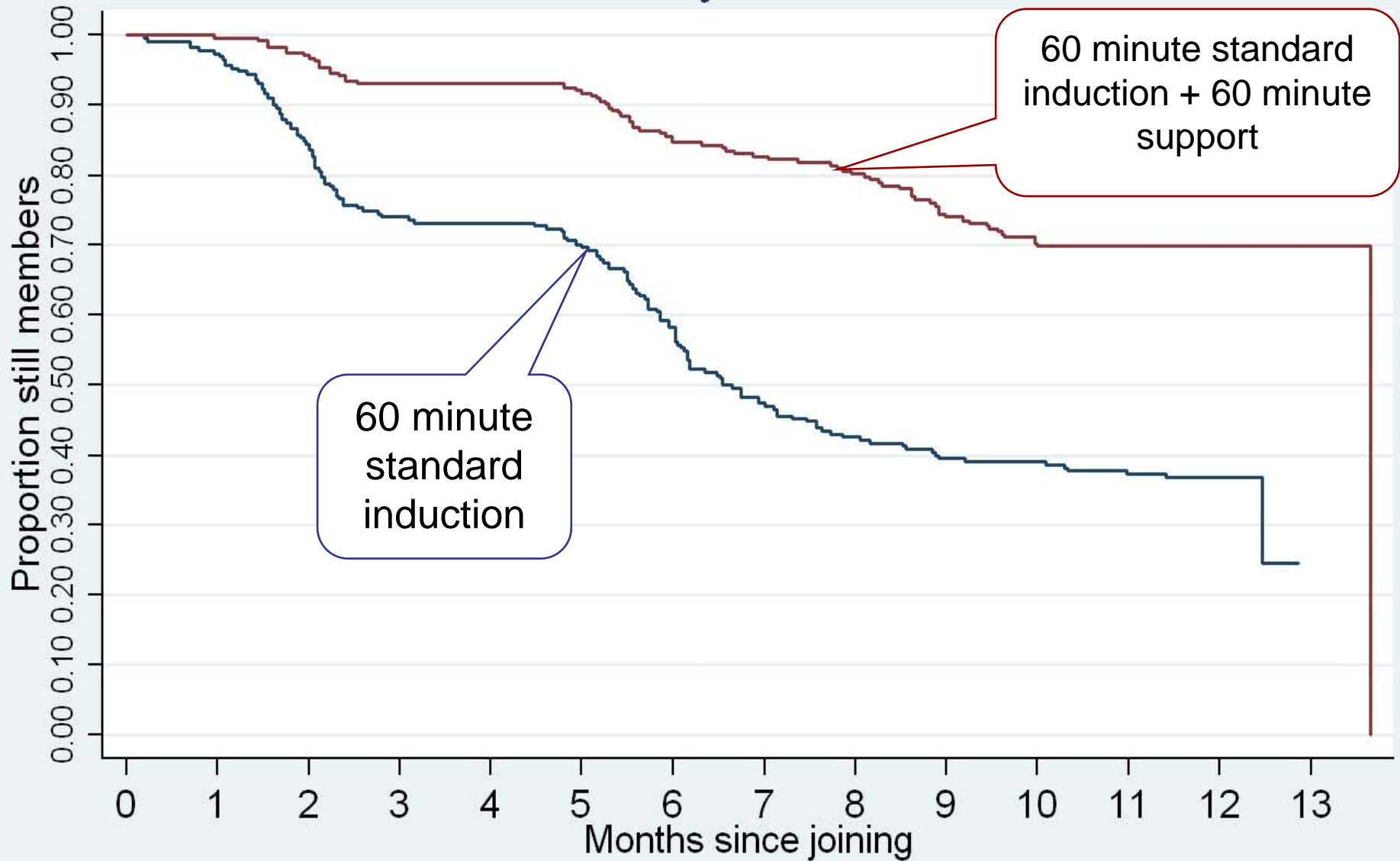
Should I have an induction programme?



A randomised controlled trial of the effects of interactions on membership retention: Dr Paul Bedford

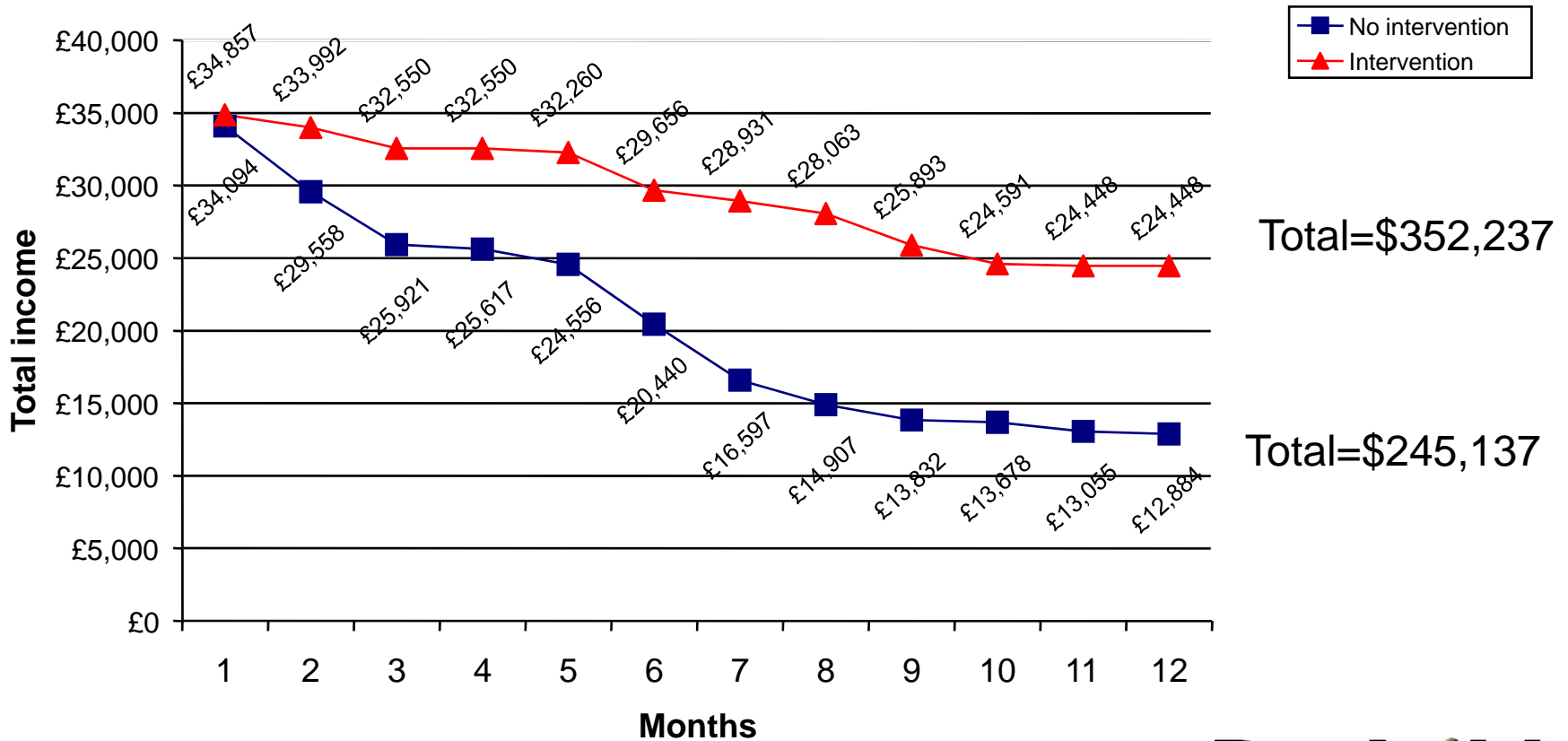


Retention rate by treatment received



— treat = no intervention — treat = intervention

Monthly income based on a starting membership of 1,000 paying \$35.00 per month



Attrition Rate

Intervention group 60 minutes + 60 minutes support	24.3 per 1000 per month
Control group 60 minute standard induction	77.6 per 1000 per month

Difference of 53 per 1000 per month

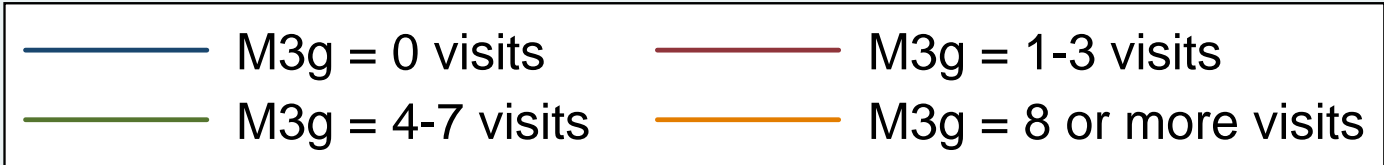
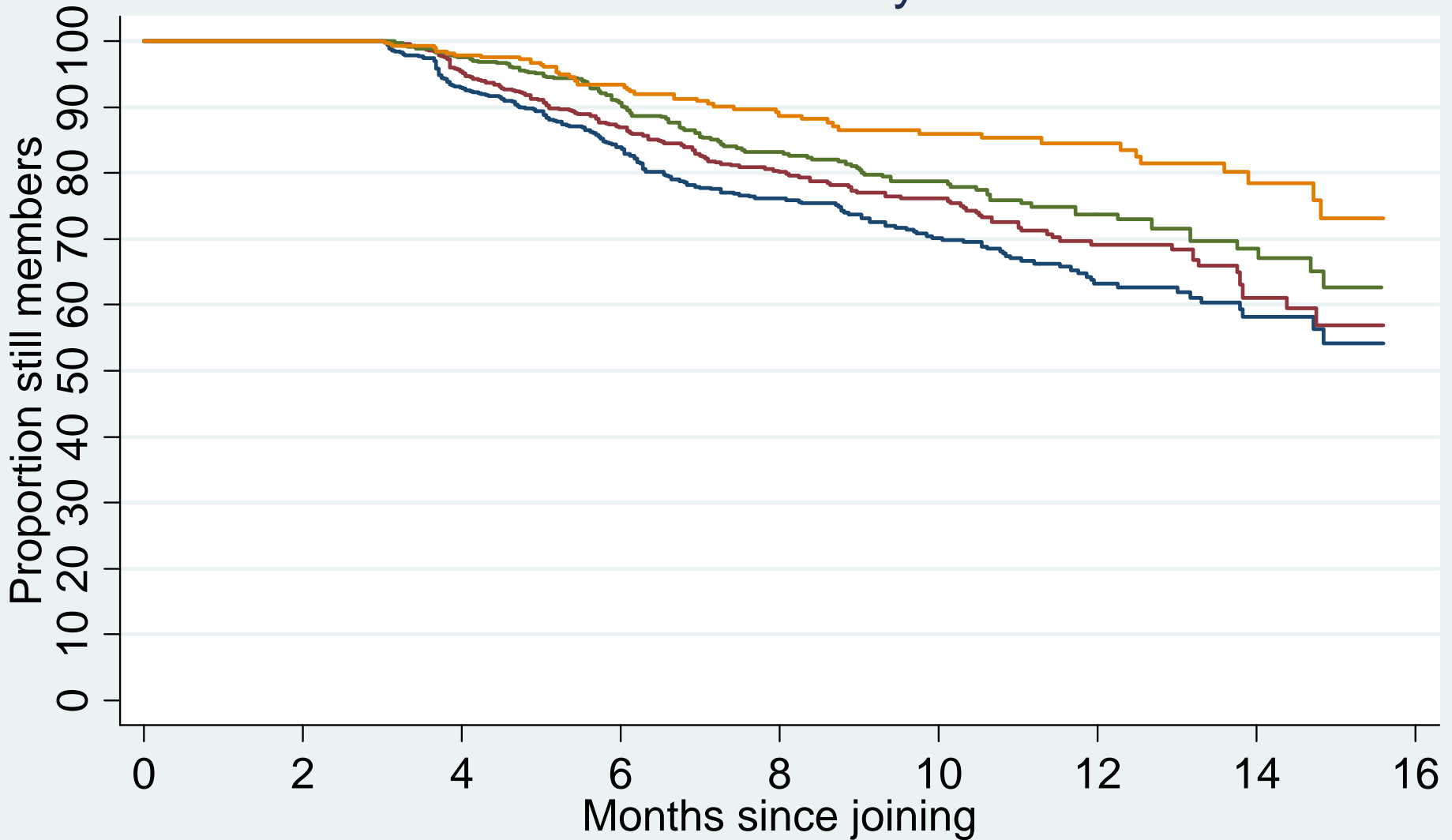


Do visits increase retention?





Retention rate by visits



Can we manipulate a member's visit frequency?



Club X

Nearly two thirds of members (64%) report either never or only rarely being spoken to while working out. The proportion is higher in older members, regular users and perhaps more worryingly, new members.



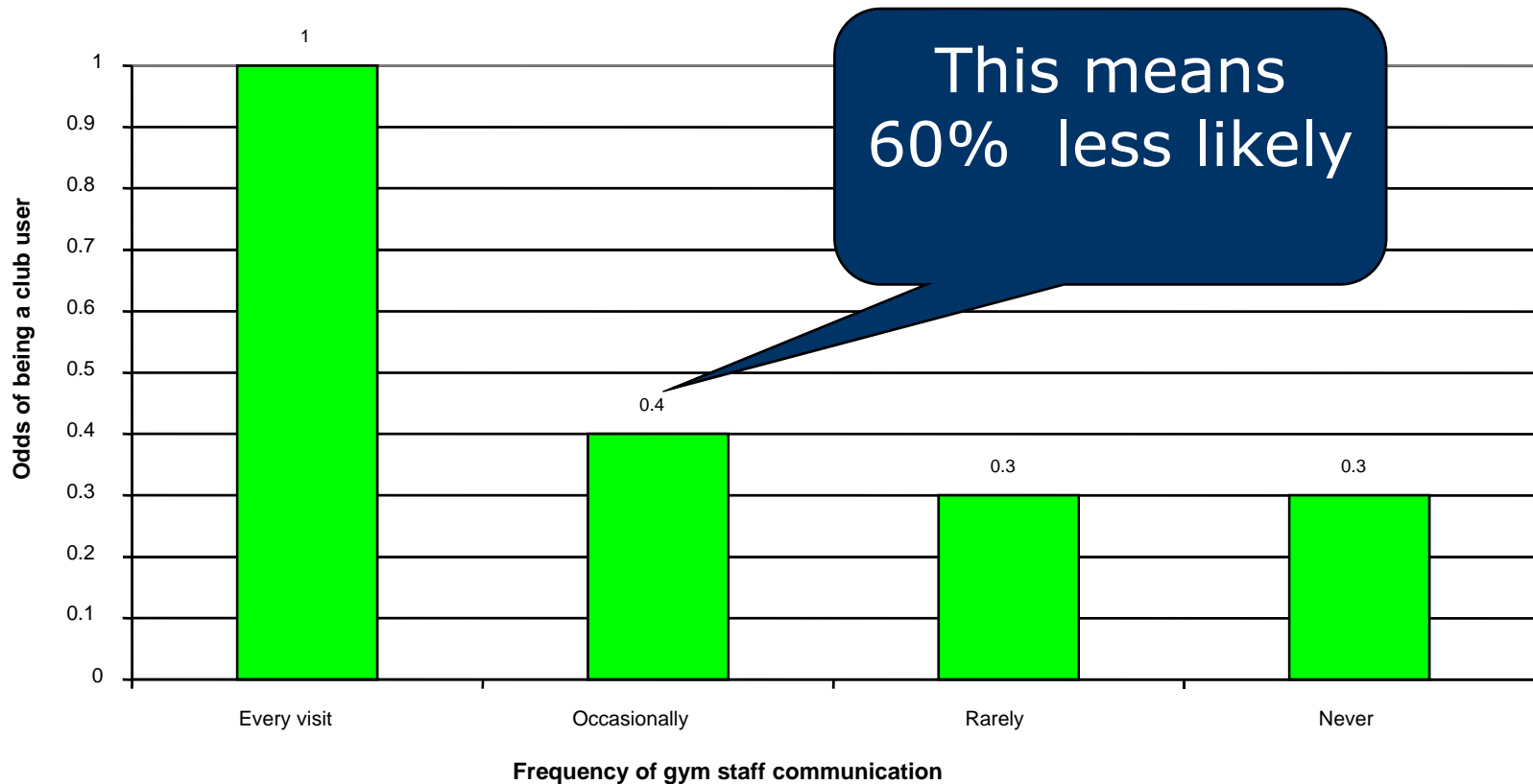
Acknowledgement to Gym service rating

Area	Acknowledgement	Gym service rating
London	19%	4.8
M25 Ring	22%	5.2
West Midlands	38%	5.7
Yorkshire	20%	4.9
Greater Manchester	55%	6.1
Liverpool	9%	3.8
South Wales	22%	4.7
South East	28%	4.8



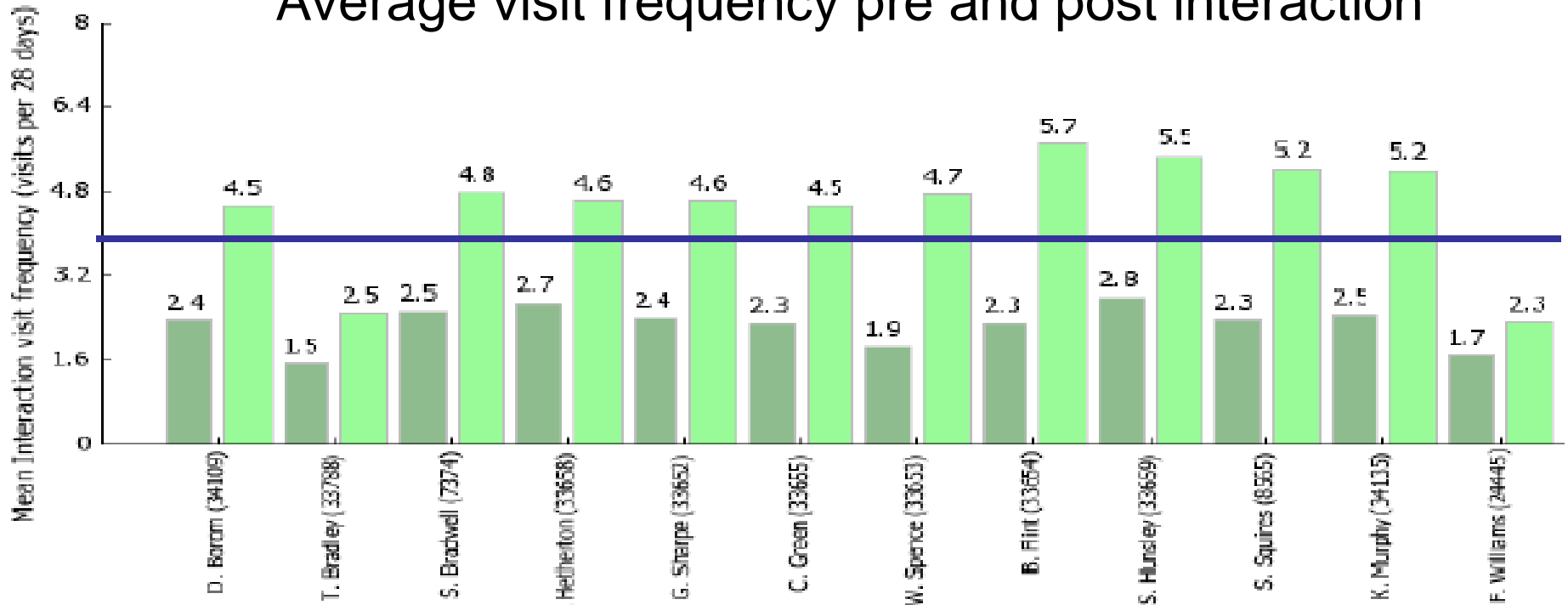
Spoken to per visit

Probability of a member reporting it likely they will still be using the club in 6 months by frequency of gym staff communication





Average visit frequency pre and post interaction



Pre interaction 
Post Interaction 



The probability of making a visit next month if fitness staff talk to you during a visit this month compared to if they don't.

	1 Interaction	2-3 Interactions	4+ interactions
Probability of visiting next month when compared to no interaction	20% more likely to visit	50% more likely to visit	80% more likely to visit



Does talking to members save memberships?





Retention by any interaction or not



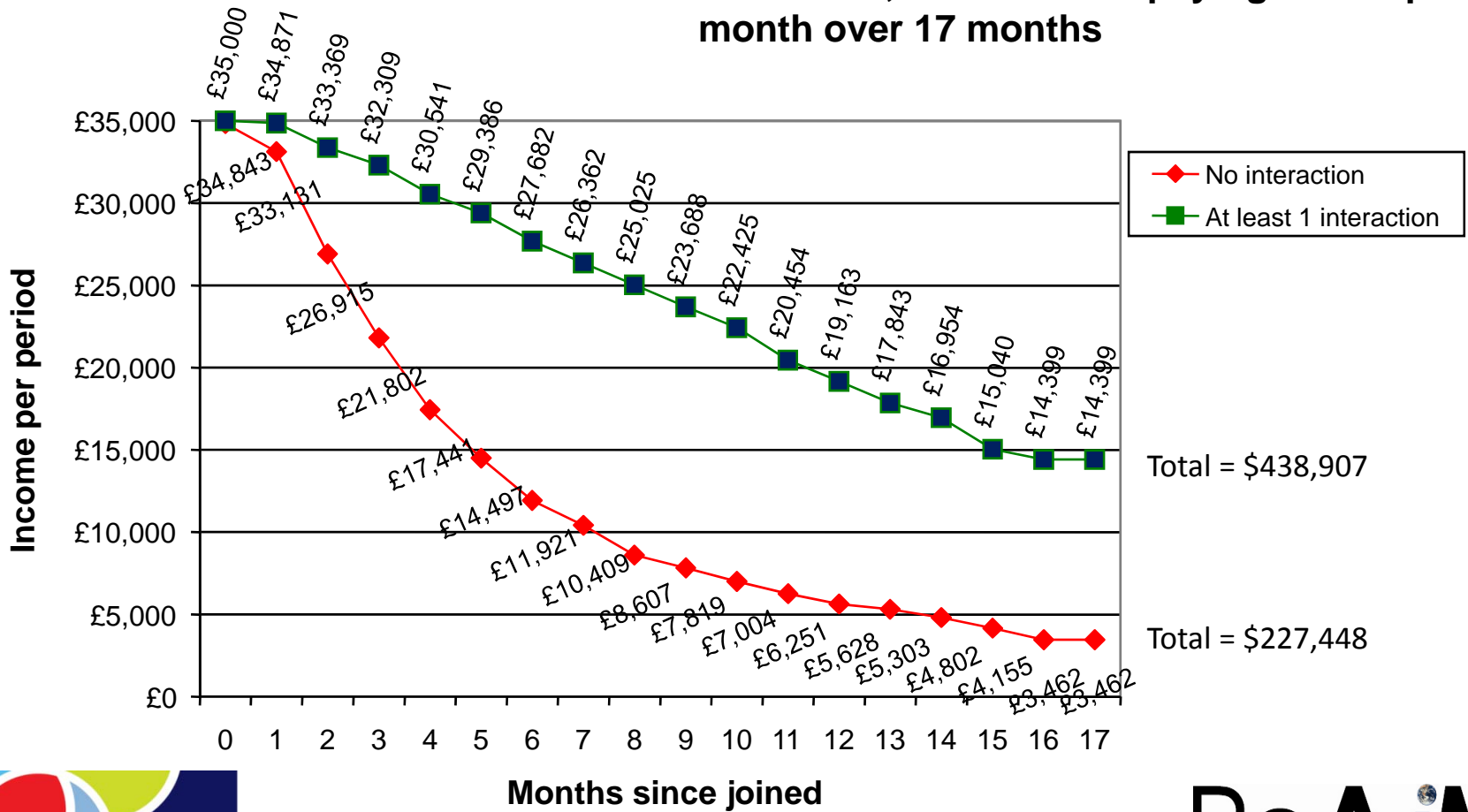


Cancellation rate and median length of stay by interaction for members who made at least one visit during the length of their membership

	Cancellations per thousand per month	Median length of membership
No interactions	123.5	4.9
At least 1 interaction	39.9	14.5



Income from dues based on 1,000 members paying \$35.00 per month over 17 months

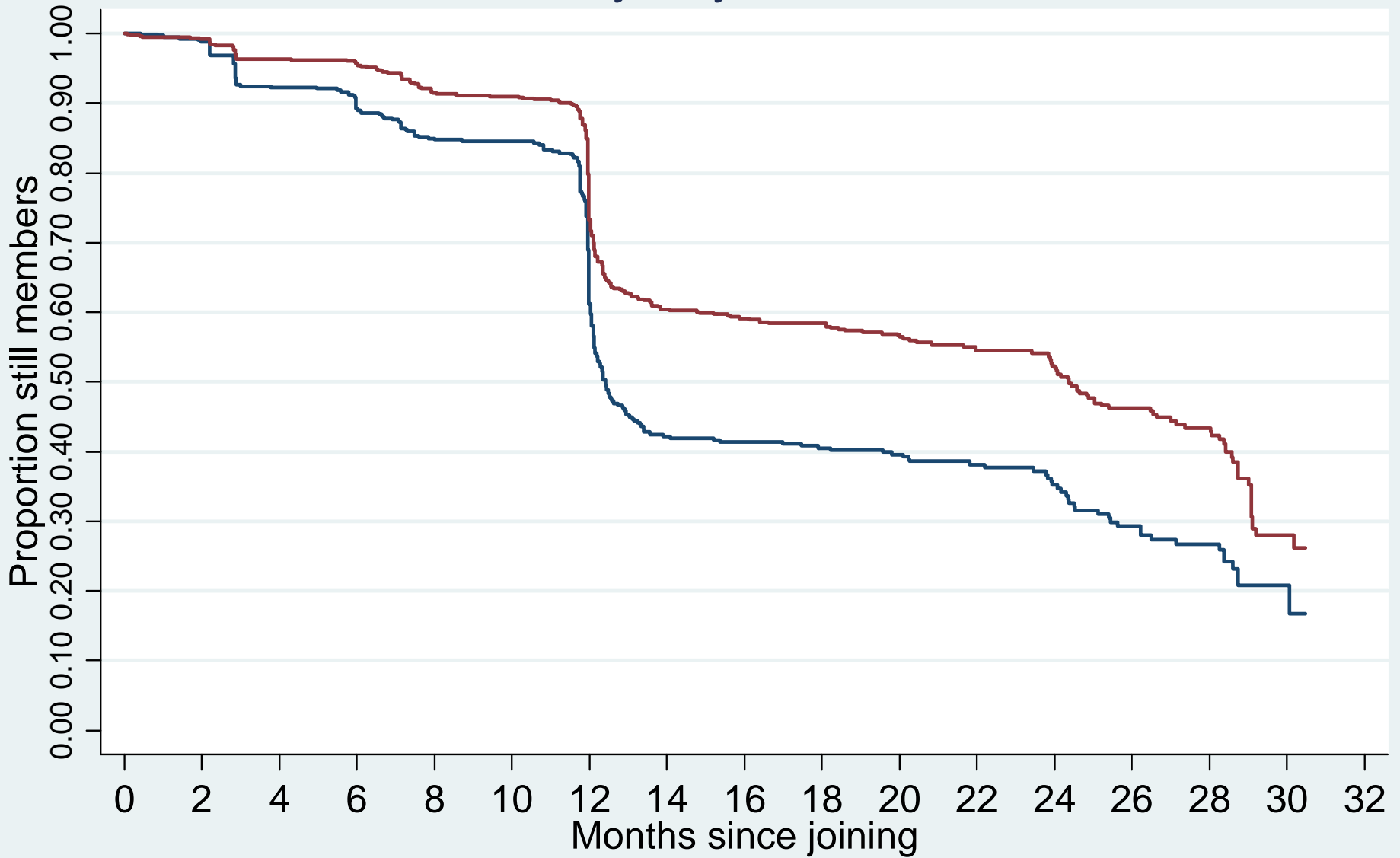


Monthly risk of quitting by interaction





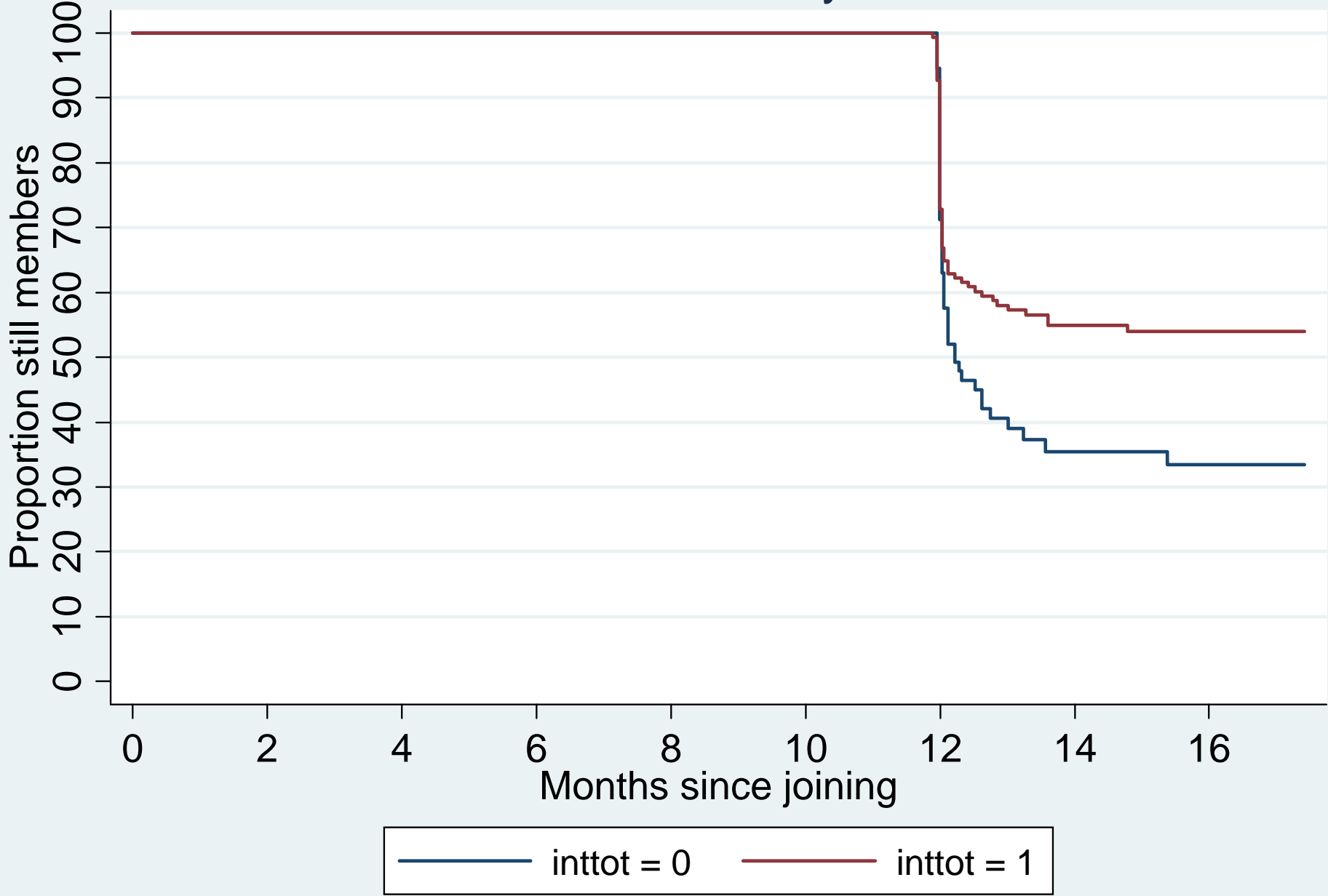
Retention by any interaction or not



inttot = 0 inttot = 1



Retention rate by interaction in month 10





Ratings of customer service (1-10*) by fitness staff communication and gym usage (%)

	<7 Detractors	7 Satisfied	8 Satisfied	>8 Promoter
Fitness communication				
Never	21.56	23.75	48.75	5.94
Rarely	12.01	32.47	49.35	6.17
Occasionally	10.27	37.50	47.77	4.46
Every visit	11.54	12.31	50.77	25.38
Gym usage				
≤ 1/week	19.05	36.19	37.14	7.62
2/week	11.89	21.62	56.76	9.73
≥ 3/week	14.37	28.87	48.59	8.17





Likelihood of recommending a friend (0-10) by fitness staff communication and gym usage

	<7	7	8	9	10
Frequency of gym staff communication (%)					
Every visit	5.43	12.40	31.78	10.85	39.53
Occasionally	12.05	13.39	44.20	13.84	16.52
Rarely	4.87	10.06	43.83	22.08	19.16
Never	13.04	18.63	26.40	13.98	27.95
Gym usage					
≤ 1/week	8.57	28.57	36.19	5.71	20.95
2/week	14.05	8.65	39.46	16.22	21.62
≥ 3/week	7.88	12.94	36.29	17.72	25.18



- If you speak to members:
 - They turn up more often
 - They pay for longer
 - They rate your customer service higher
 - They are more likely to refer a friend



Questions

Comments

Observations



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ReAIM

retention and attrition management