



**VFP increases members spending
and retention**

FACTS
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FACTS

**Research
conducted with
over 250,000 Health
club members**

Over 100 clubs

Presented by:



Do interactive visual sales presentations stimulate member spending over traditional methods of selling memberships and personal training?

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Abstract

PURPOSE OF THE STUDY:

- (a) Determine the direct impact a visual interactive presentation has on members who purchase a membership or undergo a personal training orientation
- (b) Compare objective measures to determine the effectiveness of such presentations
- (c) Assess quantifiable data provided by independent unbiased billing and management firm

Keywords: Health clubs, personal training orientation, personal training sales, retention, ancillary revenue, interactive visual presentation, sales presentation, Visual Sales Presentations, Traditional Sales Methods, Membership Sales, Visual Fitness Planner, VFP

Do interactive visual sales presentations stimulate member spending over traditional methods of selling memberships and personal training?

Hypothesis:

An interactive highly visible sales presentation would significantly increase member spending vs. traditional methods of selling health club memberships and personal training.

Traditional Selling Methods:

Traditional membership sales and personal training orientations have been completed in the fitness industry for decades utilizing well-known verbal sales techniques and standard flip books. The industry standard for personal training orientation includes: a physical assessment by the trainer and a brief workout establishing the prospect's baseline and goal. Visual Fitness Planner wanted to determine if utilizing a more highly interactive visual presentation during the membership sales process and the personal training orientation would significantly increase member spending and retention vs. traditional methods.

Design and Methods:

Four key factors were utilized for this study:

- (a) a highly visible interactive sales platform
- (b) a large club group with over 100 clubs
- (c) independent third party billing and management data through API integration
- (d) an independent researcher to determine the calculations

Note: Hypothesis was not disclosed to the researchers or club groups prior to sending/receiving the data assessed or compiling the results.

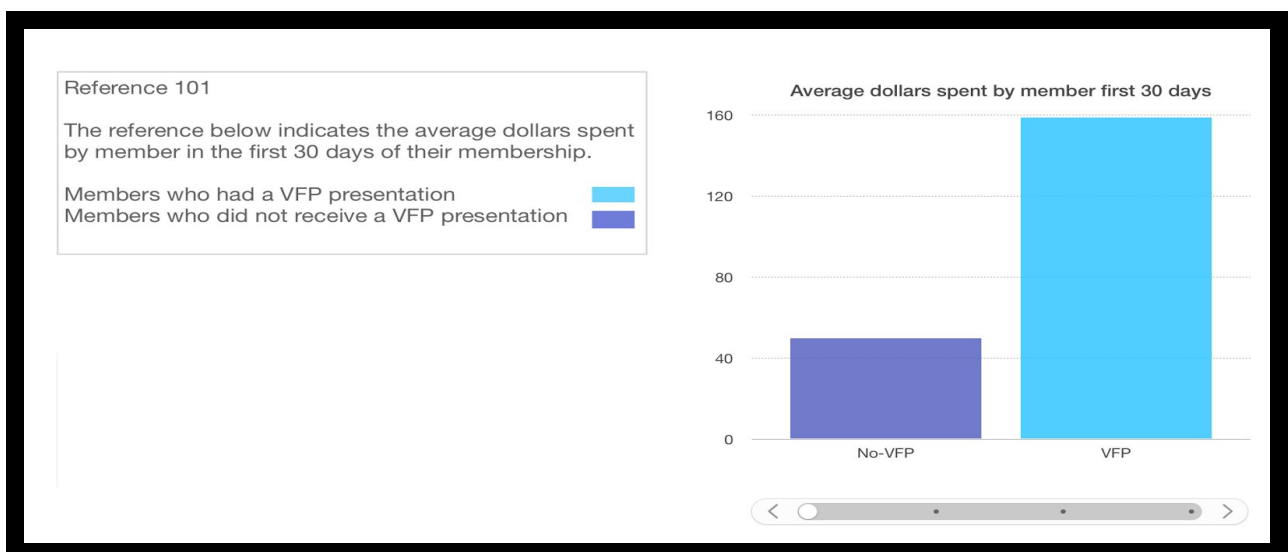
- (a) The highly interactive visual sales platform was provided by Visual Fitness Planner, and had been in operation within the clubs a minimum of 60 days prior to all sales data

being collected. This was a double-blind study, and neither the clubs or billing and management firm were told about the study prior to the data being collected.

- (b) The club groups with a minimum of 100 clubs met the diverse demographic criteria of having significant presentations across a large cross-section of the United States. They were unaware of the research or hypothesis of the study.
- (c) The club groups agreed to have their billing and management data transferred through an API integration. This was completely raw data where the researcher could connect an account number, representing a member, to the total amount that member had spent within the first 30 days of membership and over the last 12 months.
- (d) The independent research was given a set of instructions wherein they would look at the total amount that a member spends in their first 30 days and the amount they spend monthly over the next 12 months. The second set of instructions requested the researcher to divide the members into two groups:
 - Control group, which included all members who received a VFP presentation during a 12-month period.
 - Non- control group, which included members who had not received a VFP presentation during the same 12-month period as the control group.

The researcher connected the account number associated with a VFP presentation, to those members which became the control group. The control group members' account numbers were then associated with the amount they had spent. All members who did not have a VFP account number were replaced in the non-control group having no VFP sales presentation. With the two groups clearly defined, the researcher could assign a dollar value to each group and provide average spending by each group. It was important to the validity of the study that it be conducted double-blind. The researchers were only provided a set of instructions on how to obtain, prepare, and analyze the data. (see Figure 1)

Figure 1



Variables:

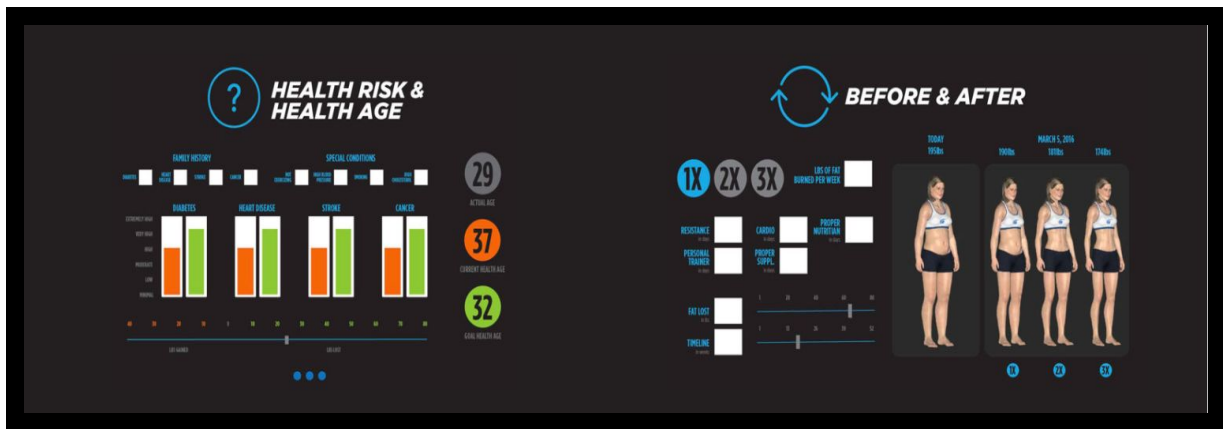
Highly customized interactive visual platform wherein the customer created their own custom branding platform that utilized the core Visual Fitness Planner screens. (see Figure 2)

Personal training orientations were also given without the Visual Fitness Planner. When analyzing the data, it was revealed there were a significant number of personal training orientations performed not using the Visual Fitness Planner. The personal training orientations that did not utilize the visual presentation contributed to the average price of the non-VFP averages.

Given that this study was done over such a large club group and an extended time period, the variables of staff performance, number of participants, number of presentations, and individual club performances were eliminated.

Figure 2

Results:



All new memberships created between January 1, 2015 and October 31, 2016: **273,782**
 All 273,782 memberships were tracked through October 31, 2016 for average length of stay.

Average length of stay:

- 95,947 - cancelled
- 87,247 - of cancellations had not received a VFP presentation
- 8,673 - did receive a VFP presentation

Average lengths of stay:

VFP members:	247 days
non-VFP members:	219 days

➤ 13% difference in retention

Average length of stay of members who joined in January:

Over the period of 1 year, starting January 1, 2015 from the above new memberships:

10668 - cancelled

10538 - of cancellations had not received a VFP presentation

130 - did receive a VFP presentation

Average lengths of stay:

VFP members: 212 days

non-VFP members: 126 days

➤ 51% difference in retention

Note: The clubs associated with this study did not wish to release exact dollar amounts - dollar amounts are given as a percentage.

Total members over 10 months: **273,782**

Total members receiving a VFP presentation: **38,329** - this group spent an additional **230%** when compared to the **235,452** members who did not receive a VFP presentation.

In addition, the group that received a VFP presentation - **38,329** - on average spent an additional **154%** more monthly when compared to those members who did not receive the VFP presentation.

Conclusion:

Utilizing a highly visible interactive sales presentation DOES have a significant impact on member spending vs. traditional methods of selling health club memberships and personal training.

Additional results concluded from the data are that member spending and retention greatly increase after having an initial VFP presentation.

As with all research, further studies should be conducted to continually verify the outcome of this study and support the ongoing conclusion stating members spend significantly more money after receiving a VFP highly visual interactive sales presentation.