



MAXIMIZING YOUR GYM'S EFFICIENCY ... AND BULKING UP YOUR BUSINESS ... WITH BIOMETRICS

How In Motion Identification Increases ROI and Membership Retention

According to the "2014 IHRSA Member Retention" report, 'fantastic staff,' 'great service,' and 'friendly team' were cited by survey respondents as the top traits for clubs with the highest member loyalty. By contrast, 'poor service and staff' was the most frequently cited negative trait of clubs with the lowest retention rates.

How can gyms and health clubs provide the service and attention their members expect when there are already so many other demands on the staff? The answer is to focus on upselling to members.

"The more they pay, the longer they stay" has been a longtime industry axiom, and with good reason. Non-dues revenue has historically been linked to higher member retention,¹ meaning when clubs give members a reason to spend money beyond their base membership fees, retention increases. Of course the reason members part with their hard-earned money is because they feel they are getting value out of their membership and that the club is helping them accomplish their fitness goals. By focusing on (the right kind of) upselling, clubs connect with members in a meaningful way and give customers the great service they are looking for.

The Problem: Clubs Need to Connect with Their Members, But Where Are the Staff?

Health club receptionists are burdened with an excessive number of responsibilities – monitoring entries and exits, handing out towels and locker keys, and dealing with numerous administrative tasks, as well as answering customers' questions. They are the main contact points for most members and yet, with so much to handle, are often unable to provide their customers with the attention they deserve.

Why Can't Every Club Upsell Effectively?

The average health club earns 30% of its revenue from non-dues sources, which involves upselling products and services to existing members. In turn, the average customer retention rate is about 68%. Clubs that provide great service and are in tune with what their members want are rewarded with increased revenue **and** higher member retention rates. Such organizations earn up to 40% of their revenue on average from upselling and maintain a 79% average retention rate – 11% higher than the industry average.²

¹ International, Health, Racquet, and Sports Club Association staff, "IHRSA Profiles of Success," IHRSA

² International, Health, Racquet, and Sports Club Association staff, "IHRSA Profiles of Success," IHRSA



It is clear that gyms must enable employees, especially those at the front desk and lobby, to engage with members in a meaningful way throughout the day. However, the average health club in the United States has 1,570 members and over 400 visits a day. The task of giving each and every visitor sufficient attention is immense. Clubs must therefore find ways to free up staff time in order to create more opportunity for meaningful customer engagement.

The check-in process alone utilizes significant time. If the average check-in time is 10 seconds per member and a club is open 14 hours/day, front desk staff spend 70 minutes a day (8% of their time) ensuring visitors check in properly. This becomes much higher when factoring in mishaps in the signing in process; guest visits and unauthorized users trying to sneak into the facility. Staff will inevitably miss the opportunity to speak to the members who get stuck in line during periods of congestion.

But What Are Your Customers Not Telling You?

Customer engagement leads to a better and more profitable business. But clubs also learn a lot about their members and their desires by looking at what they **do**. Clubs that can identify which facilities customers use the most, their visiting patterns, and how preferences change throughout the year are able to upsell through targeted marketing campaigns. This enables clubs to promote deals and offers that are not only relevant, but personalized to individual customers.

Getting the right message to the right person at the right time is something all business owners can appreciate and should strive for.

The Solution: In Motion Identification

In Motion Identification™ (IMID) uses a unique fusion of biometric identification technologies to identify gym members and staff. IMID identifies users via face recognition and body behavior analytics, while they are walking, with 100% accuracy. While doing so, the system automatically informs front desk staff who is approaching and their visiting record through integration with the gym's membership database system. Staff can then greet members on a personal level, further promoting a gym's reputation for providing its members with unparalleled service.

IMID also eliminates the need key fobs, swipe cards or other forms of identification. The system recognizes each user by his/her unique appearance and behaviors, creating a situation where members don't have to prove who they are, and staff can greet them in a natural and familiar manner.

Effective upselling

With the time gained by front desk staff – at least seventy minutes a day for the average club – through an automated check-in system, combined with the increased personal attention paid towards members that such a system provides, the average club can anticipate an increase in upselling activity of



approximately \$47,000 per month.³ Using an IMID system to take over the “gatekeeping” role provides staff with over 8% additional time for meaningful customer engagement in the reception area. The efforts spent engaging members and upselling the amenities, could lead to an increase in sales of between \$2,000 to \$4,700 per month in additional gym revenues.

Targeted Marketing

With IMID, gym management can know exactly who visits the club, how often and where they go on site. Marketing teams can then create personalized promotional offers for discount packages suited to members’ individual interests and preferences. Whether it is yoga, zumba, or simply adding pool access to their membership, gyms can engage and sell to members based on their personal interests.

Return on Investment

With IMID, health clubs can expect fast and frequent RIO. These benefits include:

- More time dedicated to customers - A club that is open **420 hours per month** (14 hours per day for 30 days): With IMID, gyms can expect **at least 8% more time for front desk staff** (who no longer have to waste time to identify members), **increasing time devoted to customers by 34 hours per month.**
- Increased member retention - Retention rates are typically 68% per year, but with increased attention and upselling from staff using IMID, clubs can put themselves in the **best-in-class category**, with **average retention rates of 79% per year.** This is an **increase of 11% above the industry average.**
- Increased revenue from upselling - Upselling brings in \$47,000 per month on average for a typical club. With **more time dedicated to upselling through the use of IMID, rates can be expected to rise between 4%-10%, or \$2,000 to \$4,700 per month depending on the current sales organization** and even more depending on the club’s individual offerings

By adopting the IMID system, clubs can improve service to their customers, and also increase club earnings each year.

Conclusion

Every manager knows that great service is the key to succeeding in this competitive industry. While increasing staff can be prohibitively expensive, IMID provides gyms and health clubs the opportunity to make better use of the staff they already have. It enables staff to engage with members in a meaningful way, putting them in touch with members’ needs, as well as specific insight on what members want to pay extra for. IMID is the ideal solution to help staff connect with club members and engage in effective upselling, while creating positive experiences that will keep members returning.

³ International, Health, Racquet, and Sports Club Association staff, “IHRSA Profiles of Success,” IHRSA