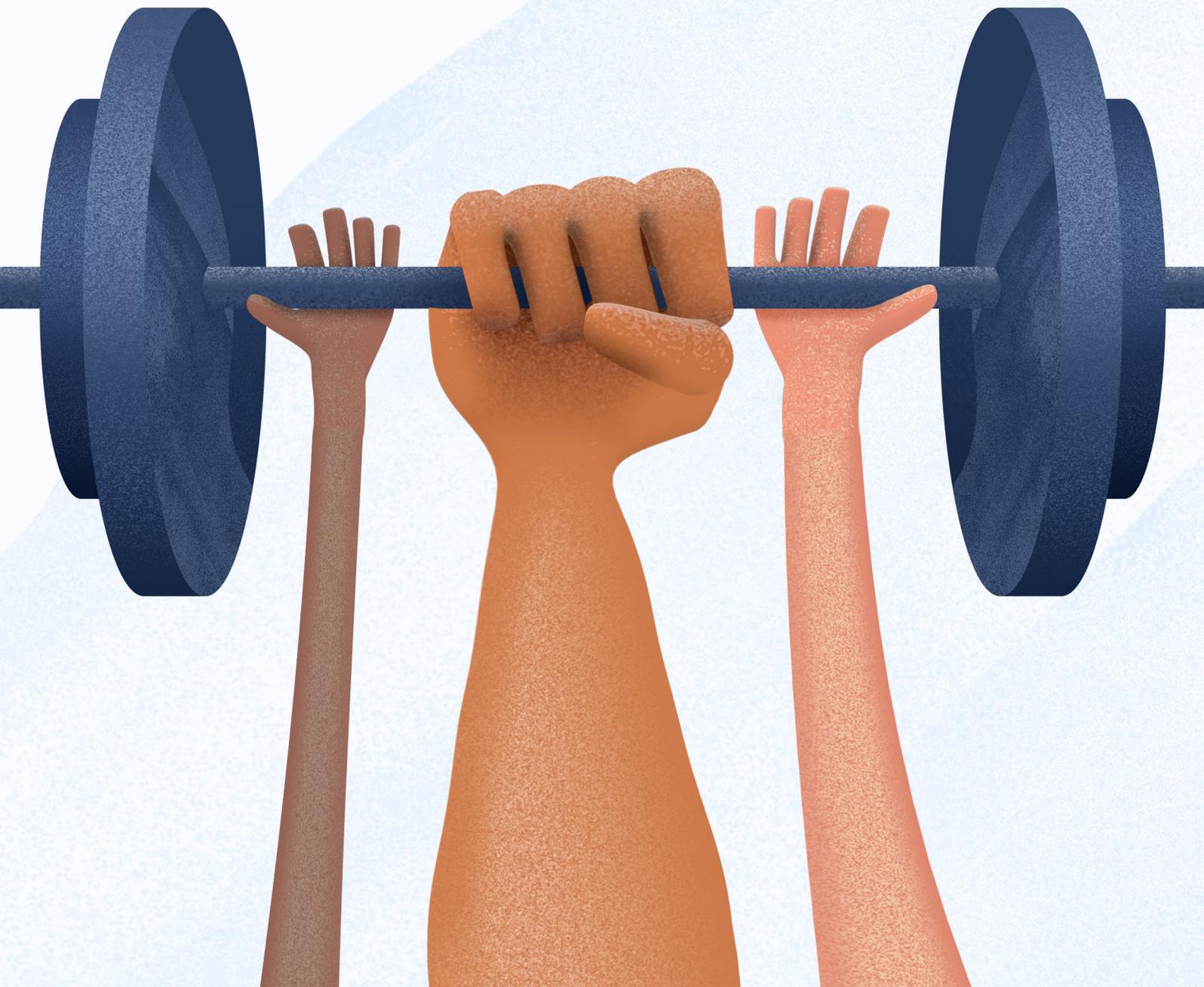


GOCARDLESS

Member Retention Bootcamp

6 business workouts to stretch your average membership duration and build member loyalty



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The member retention challenge

More people are going to the gym than ever before – about 9.7 million people in Britain, according to the State of the UK Fitness Industry Report 2017.

But keeping those members is getting harder.

According to the Mintel UK Health and Fitness Club Report 2017, gyms lose 50% of their members each year and 47% of members would consider cancelling for alternative exercise options. The 2018 Project Fitness UK report even found that one fifth of Britons would rather use an online fitness video, app or wearable device than go to the gym or see a personal trainer.

Those who do go to the gym increasingly want flexible access and don't want to be tied into a contract. One third of all private gym memberships are now for pay-as-you-go or budget gyms (State of UK Fitness Industry Report, 2017) and the Competition and Markets Authority reported last year that **750,000 gym-goers had already benefited from more flexible gym terms by the end of 2016.**



The results

Gym memberships have always been cyclical, with members joining and leaving in seasonal spikes.

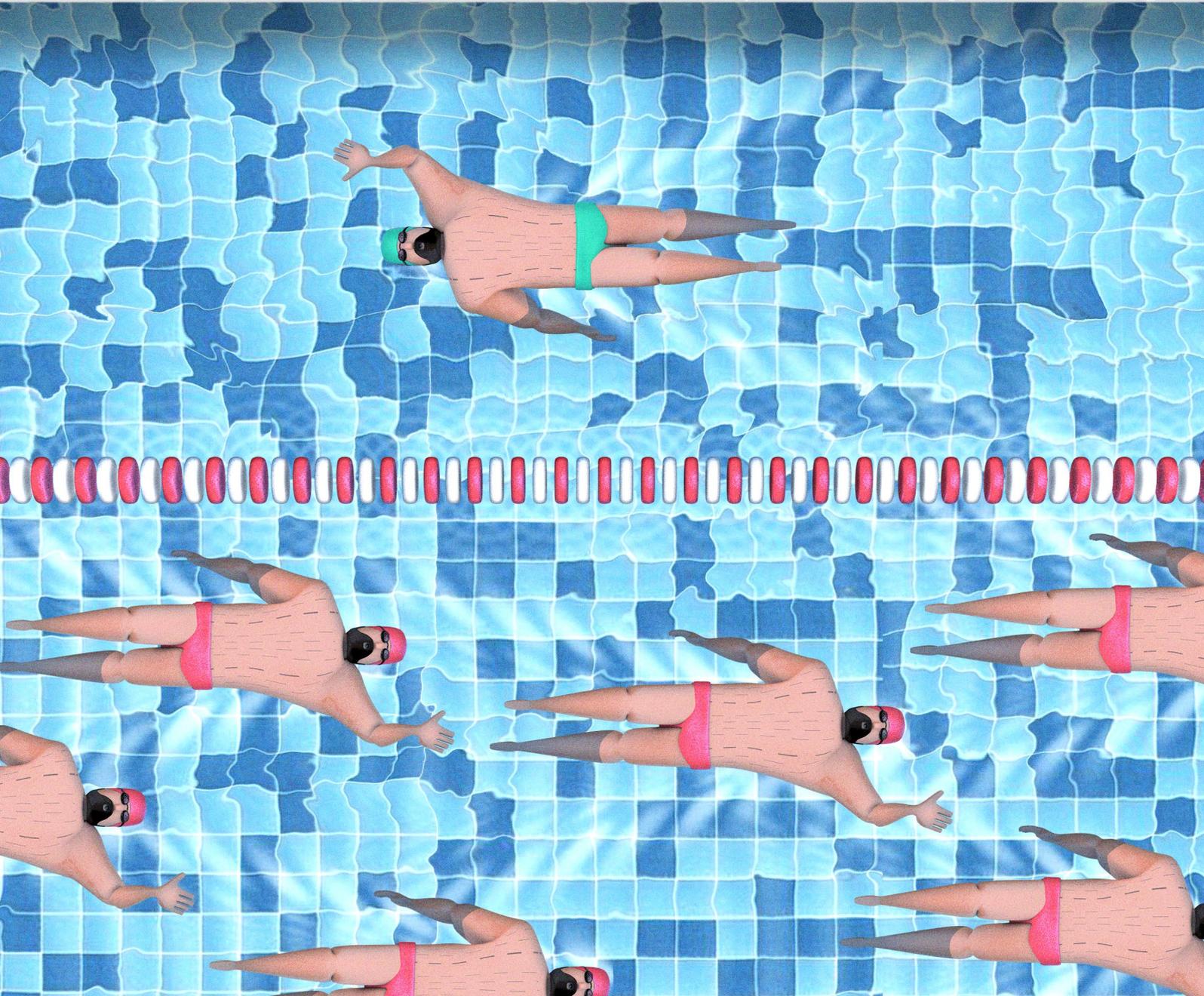
While gym owners may not be able to change the fundamentals of human behaviour, they can give members an experience that will motivate them to keep returning – and recommend the outlet to their peers.

- Retaining an existing customer is far easier (and cheaper) than attracting a new joiner. According to Harvard Business Review, it's [5-25 times more expensive to win a new customer than to keep one.](#)
- Fitness businesses are starting to acknowledge the importance of member retention. The Gym Group for example, has [publicly discussed its progress](#) towards longer average membership tenure and better member engagement.

Try our 6 business workouts to increase your average membership duration, reduce your churn rate and increase member satisfaction in your gym.

1

Go boutique – and give it
the personal touch



Boutique gyms are on the rise – typically smaller operations which specialise in instructor-led group classes focusing on just two or three areas of fitness, such as yoga, barre, high-intensity interval training or cycling.

- There are about 250 boutique gym operations in the UK, according to the 2018 Project Fitness UK report, with this number expected to grow significantly in the future.
- Specialist outlets are proving hugely popular, particularly with young, urban professionals and millennials, and are potentially very lucrative, since the discerning clientele they attract are often prepared to pay more to get what they want.

Focusing on a specific area of fitness can be easier than trying to appeal to everyone, as traditional gyms have.

But you don't have to be boutique to go boutique. Exploit fitness trends, such as outdoor fitness, and devise a new set of classes to sell to your members.

Just remember: the quality of the classes on offer is of paramount importance to their success.

The personal touch

While it might be difficult to tailor all aspects of your service, personal touches don't have to cost a lot, and can go a long way to creating long-lasting member relationships. If they provide enough value to customers, you might even be able to charge for them. Consider:

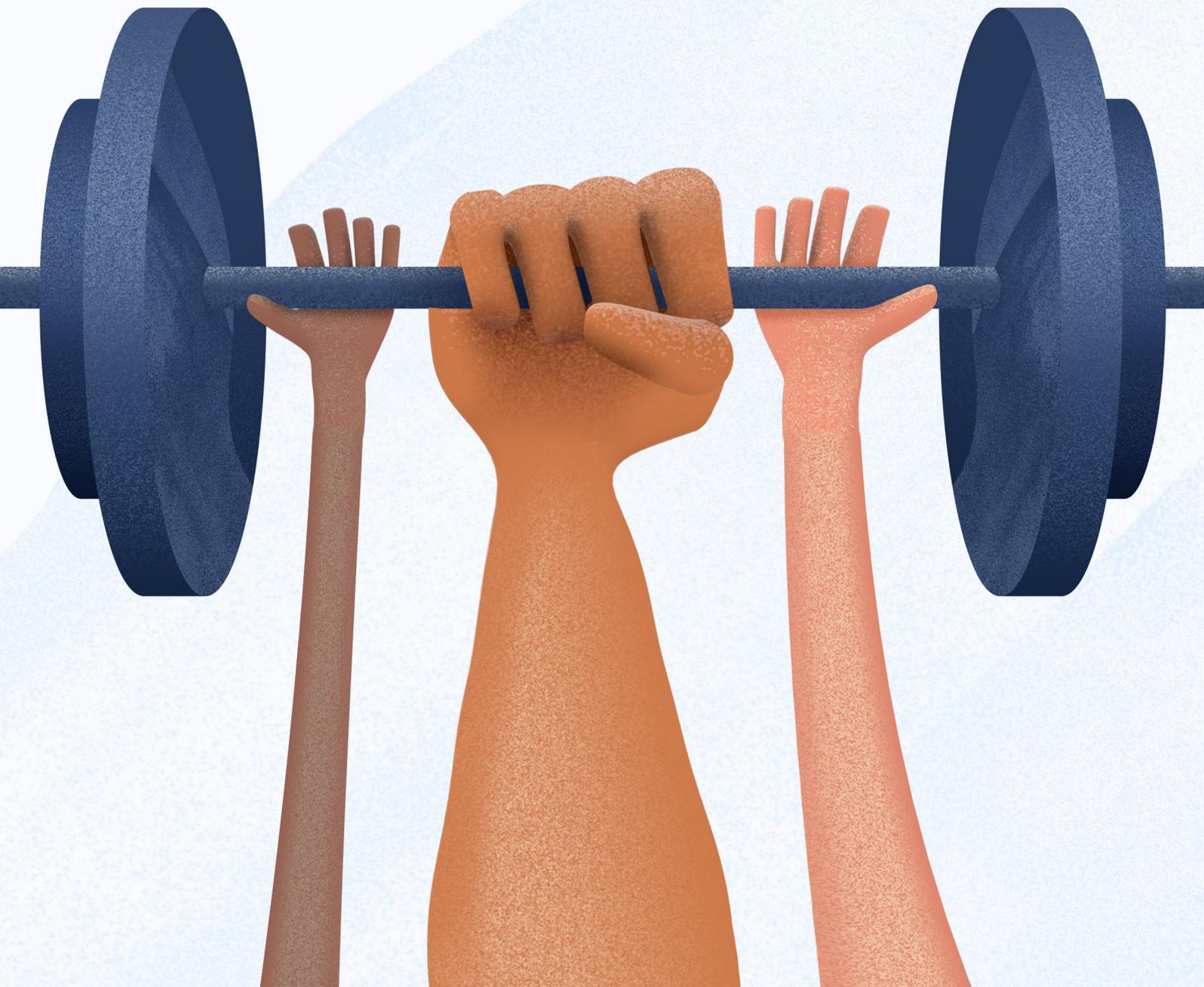
- Free fitness assessments and 'taster' personal training sessions.
- Advice on health and wellness, such as healthy recipe ideas and motivation tips. GoCardless customer Fitness Space, for example, offers nutritional programmes and DNA testing to its members (at an extra cost).
- Free gifts such as branded gym bottles or kit bags.
- A reward scheme for regular attendance to engage customers and drive loyalty.

Consider market data when targeting your members with these extras. For example, men are more likely to hire a personal trainer than women, according to data from the [IHRSA](#).

Women, on the other hand, are much more inclined to engage in group-based exercise (61% of group exercise participants are female, compared with 39% who are men).

2

Hire energetic staff and
create a sense of community



Of course you have to nail the basics of member experience, like managing peak times to ensure members can use popular equipment and find a space in classes (after all, one in four people who don't use their gym membership say it's because they have to queue for the machines they want to use, according to [research by clothing firm Banana Moon](#)).

But it's the relationships clients build with personal trainers, class instructors, and other staff members that will transform members' exercise experience. In fact, [The Retention People \(TRP\) found that 40%](#) of gym members are less likely to cancel their gym membership if they have made a friend at the gym in the last three months.

Create a sense of community that makes your operation a fun, inspiring, and exciting place to be.

Much of this comes down to the staff. Hire energetic, enthusiastic employees, train them well, and reward them for their successes with clients.

Also think about the diversity of your training team. Having a mix of genders, ethnicities, and ages among your staff could attract a broader range of members.

3

Help members see results



A big part of member satisfaction comes from seeing results. Consider how you can work with members to help them set goals and track results – for example through an app, or personalised training programmes.

And the early days really count. Regular attendees are far more likely to stick with your business for the long term, so establishing a client's attendance at three times a week or more from the beginning will make it far more likely they'll still be with you in six months' time.

Engage one-on-one with new members to establish attendance.

Employees should keep an eye on new recruits to encourage them to adopt good habits from day one. Talk to recent joiners who aren't sticking to their exercise plan to see if there's any way you can help them to increase their visits per week. Most members say that staff helping them reach their fitness goals contributes hugely to how happy they are with their gym membership.

4

Invest in tech



Investment in the latest tech has become as important for fitness businesses as having the latest equipment in the gym itself.

- 20% of clubs now have a mobile app (State of UK Fitness Industry Report, 2017)
- 41% of clubs offer class booking online (State of UK Fitness Industry Report, 2017)
- One in four Britons use a piece of wearable technology to monitor or manage their health (Project Fitness UK 2018).

Boutique fitness clubs are leading the way in adoption of technology, [ClubIntel research shows](#), which is likely a reflection of their popularity with a younger, digitally wired generation.

The public sector is also setting an example here, with more than six out of ten publicly-run fitness centres offering bookings via the internet versus just over four out of ten in the private sector.

Tech-savvy gym users want to feel connected, able to arrange their gym schedules on the move, and to track their fitness progress digitally. Wearable devices and digitally-integrated machines have become the norm.

Consider developing your own app to allow members to customise fitness regimes, set themselves targets, and watch exercise videos and workouts on their phones.

Think about developing remote training and virtual classes for clients who are travelling or working from home with video technology, such as Skype and FaceTime.

And make use of social media to strengthen relationship with members and inspire them to train. Use Instagram and Facebook to post success stories, before and after transformation pictures, work-out videos and fitness tips.

5

Master the data
behind retention



Make use of your membership and payments software to gain data insights that could help you identify 'at risk' members and put in place re-engagement initiatives at the right time.

Talk to your membership management software provider about how they can help you with retention campaigns, by providing retention metrics and reports.

Ask your Direct Debit provider, how they can help you monitor member engagement via your online payments portal, for example sending you real-time notifications so you can see instantly when a member cancels their Direct Debit mandate. This makes sure your membership teams can promptly put into action re-engagement campaigns, which increase the chance of winning your members back.

Consider other leading indicators for retention and member churn, like Net Promoter Score. Survey your members to see how likely they would be to recommend you to a friend. According to the Net Promoter methodology, those who rate their likelihood to recommend as 9 or 10 out of 10 are your 'promoters'; those who rate it as 7 or 8 are your 'passives' and those who rate it as 6 or under are your 'detractors'.

The Retention People (TRP) found that members who are promoters were 15% more likely to stay with your gym after 2 years than those who were detractors. With data like this, you can target your re-engagement initiatives at passives and detractors, and use your promoters to prompt referrals.



Ease the pain of paying



Ensuring members can pay easily can make the difference between someone choosing your brand over another. Guaranteeing that your payment systems never disrupt a client's exercise routine is essential.

82% of gym member payments in the UK are made by Direct Debit. It's cost effective and convenient, keeping costs and admin down; while members can set up payment quickly and easily and then forget about it.

Make your Direct Debit solution work harder for you and your members and take advantage of the latest in payment technology:

- Ask your provider for visibility of payments, so you can amend them easily in response to member requests, and so you know instantly when a member has cancelled a payment, allowing for a quick response.
- Ask your provider what they can do to reduce your payment failure rate. At best payment failures are a hassle for members who may find their membership disrupted, at worst they can lead to unintentional customer churn and lost revenue. Direct Debit providers like [GoCardless](#) can help you reduce your payment failure rates to as low as 0.5%.
- Consider allowing your customers to choose their monthly payment date, for example after they've been paid.

Something to think about...

While pay-as-you-go gyms are on the rise, there will still be many people who want to sign up to an annual contract.

Agreeing to a longer-term relationship shouldn't carry with it the risk of being aggressively chased for payment if someone has a change of heart and cancels their membership.

Given that many people repeatedly drop in and out of gym membership, if they've had a bad experience being harassed for unpaid fees, chances are they won't return to that same fitness provider in the future.

Some gyms see the majority of their less flattering social media or Trustpilot reviews coming from disgruntled members who have had negative experiences with debt collectors. These gyms are risking their reputations and their future revenue.

Consider how you can better communicate the terms of membership contracts to new members, and how to resolve payment issues without aggressive debt chasing.

Be sure you speak to your fee collection agency to see how they can help prevent the need for debt collection in the first place, for example by reducing your payment failure rate.