

Facilities Amenities

Objectives. A national health club franchise wanted to better understand the underlying factors that drive attrition and identify ways to increase its membership retention level. The study sought to identify and evaluate the psychographic and demographic profile of members who leave the Club, as well as to assess member satisfaction to gauge how the Club performed on the attributes members valued most.

Challenges & Methodologies. The Club had no mechanisms to collect member information or to learn about what impels different individuals to join and terminate their memberships. One challenge was that the membership prices and amenities varied dramatically by facility, therefore member expectations and satisfaction varied within the franchise.

Primary research was conducted to assess the reasons for member satisfaction and dissatisfaction, while completing an initial analysis of potential remedies for attrition. In-depth interviews and a survey were developed and administered to a stratified sample of members. From this a demographic and psychographic composite of members was generated by club location, and analyzed to determine what relationships existed between member satisfaction of Club attributes and the composite characteristics, which attributes members valued most, and how the Club was performing on those attributes. Quantitative techniques were employed, including factor and cluster analyses, to create actionable customer segments for the Club to address.

Outcomes. A final report outlined the impacts to membership attrition from implementing changes. Several meetings with the Club executive team and marketing groups were held to discuss study findings and suggested program development.

Based on our analysis, we found that overall the Club was performing well on the attributes the members valued most. However, the Club rates were inflated due to the breadth of amenities offered, several of which were found to have no impact on member satisfaction. The analysis also showed that member's overall value and perceived happiness with the amenities and services offered were directly related to their perceptions of the membership costs. Our recommendations to address these issues included suggesting programs to drive usage, improved communication programs to better convey the Club membership value and to improve brand perception, and evaluating alternative membership plans.

With a better understanding of its core target segments, the facility could modify its customer service, sales, and marketing strategies to achieve higher membership and member satisfaction, and to differentiate itself from the myriad of competitive fitness alternatives in the area.