



Industry Best Practices White Paper

**Member Engagement:
How is Your Fitness Facility using
Technology to Engage Members?**

Author
Al Noshirvani, Chairman
Motionsoft

How are you engaging your members with technology?

As competition in the health club industry expands and everyone is fighting for new members, retaining the ones you do have is more crucial than ever. Although that might be an obvious fact, how to go about member retention may not be.

Sure, you can improve equipment or add new amenities, but there are no guarantees that every member will be “wowed” by whatever falls under your club’s new and improved banner.

What almost every person will respond to, however, is personal attention. So rather than boast about the new sauna or additional cycling class that’s now on the schedule, take time to see what your members say would be the types of things that make them more likely to stick around as a starting point to test, sustain and optimize your member experience strategy.

Polling every single member can take too much time, but fortunately there’s another way to get the pulse of your members’ fitness wants—create an app or perhaps improve on the one your club currently has. Yes, your members may already have a fitness app that tracks their steps, physical activity and/or nutrition plan, but how do they connect your members with your club?

Short answer: they don’t.

Instead, consider a club-branded app as another communication channel to stay engaged with your members.

How do you get started? We explored that question in a Fitness Technology Thought Leader Interview with Samir Desai, CIO, Equinox, about how to develop an app, what to include, how to benefit from having an app as well as the future of technology in the health club industry. [Equinox](#) operates 89 upscale, full-service clubs in New York, Los Angeles, San Francisco, Miami, Chicago, Boston, Dallas, Houston and Washington, D.C., as well as international locations in London, Toronto and Vancouver. As a luxury lifestyle leader, the brand offers an integrated selection of Equinox-branded programs, services and products, including strength and cardio training, innovative group fitness classes, personal training, a full range of spa services/products, apparel and food/juice bars.

Getting started

Why an app?

From the member standpoint, an app provides a great deal of flexibility for members to engage with your club’s brand, to keep track of their physical exercise activities, schedule their group fitness classes and more, depending on how much functionality you’ve added to your app.

On the business side of things, there are three core business values that apps deliver for clubs that are looking to engage with your members:

1. Build awareness and create additional sales avenues

Consider this: you have a member who just runs on the treadmill a few times a week and notes that activity in your app. The business opportunity is to take the data your app is collecting and creating new opportunities for members to explore and experience other benefits of your club.

You can take that data and let that member know about some of your club's group exercise classes that are more step intensive. You could also use similar data to introduce members to personal training sessions your club offers for an additional fee.

2. Use collected data to retain more members

Once that former cardio-only member finds classes they like and have been converted to a group class participant, they will probably attend classes on a consistent basis, which lowers the chance of them switching to a new club. That retained member goes back to being able to see what they do at the club through your app. Be ready to acknowledge first-time participation via email communications, front desk interactions and group instruction engagement.

3. Personalize your members' experience

That data your club collects through the app can help your team communicate with members more personally. If you can see their goals, favorite activities and interests, you can leverage that into a personal message that suggests exercise plans or diet tips based on the goals they shared and the services your club can deliver. You could also use that data to suggest classes they might like based off of their favorite activity or modes of exercise.

Criteria for making technology investments

Not all clubs' budgets are considered equal, so how you decide how much money to put into your club's app will depend on where else your dollars need to go. Regardless of how big or small your technology budget is, you may want to mirror how Desai assesses club technology investments at Equinox. Desai uses three core metrics when considering investing in technology:

- How do you get more members?
- How do you retain members?
- How do you drive spending behaviors?

"For us, when we're thinking about new technology investment, it has to affect one of those three numbers," Desai said. "If what we're building is not going to affect one of those three things, it's probably not worth doing."

If you decide that building a club-branded app will affect one of three metrics and move forward with development, pack your patience. Even a club with a budget as large as Equinox's often has to wait months before it sees any kind of return.

While you're testing out your app, or any new venture, be sure to get member feedback. If you're seeing members' behavior change in a positive way, continue to push forward and invest, even if you're not seeing your desired return right away. The key thing at this early stage of development is that people are engaging and using your app and you're improving their experience.

What does a fitness app need?

If the app development process is brand new to you, that's OK. There's a lot to process, which is why you don't have to throw every bit of information and functionality into your app right away. You can get

it created with a couple of simple items and build on it along the way. Think about what would be most beneficial to your members and start there.

For example, many people like to do as much as they can from their mobile phones. You would be doing a lot of your members a favor if they could do the following through an app rather than having to go online or call the club:

- Pay their bill
- Update their account information
- Sign up for a group class or buy a personal training session
- Book spa appointments

Developing your app—build or buy?

OK, so you've seen how an app can help your club and decided to move forward. You know what you want to include and are ready to make investment. Now you just have to get your app, which leads to another decision: do you build or buy it?

The answer comes down to a couple of things. For starters, is your team equipped to develop an app on its own? You don't just have to think about whether you have someone in-house who could do it; you also have to consider the resources you would have to allocate even after the app is complete.

Former Planet Fitness Chief Information Officer Corey Benish spoke about build vs. buy during a fitness technology panel at a recent Motionsoft Technology Summit. Planet Fitness initially opted to build its own solutions but has since gone on to buy, in part because of the cost. Although you might save initially by building an app yourself, the trade offs might leave you paying more—not just with money but also with time.

Here are a few of the things you would continue to be on the hook for if you built as opposed to bought your app:

- Pay for additional maintenance supplies
- Ongoing obligation to iterate and create new functionalities
- Provide continued support for whatever solution you have in place

Bottom line: Consider all of your costs, not just the immediate ones but also those that will come up down the road.

How to measure your app's success

It's great if your app is improving your members' overall club experience, but you also want to make sure the usage is justifying the time and money that was invested in it. How you determine what's a success is up to you and your team, but that metric should probably revolve around engagement. Downloads are great, but members actually using the app is what will help with your retention numbers. "App engagement generates a better retention likelihood than people who are not using the app at all," Desai said. "We're able to draw that correlation and show there's value in getting app engagement because it translates into retention."

Here are the steps Equinox takes to gauge its app's success that you could follow as well:

- Review the percentage of members that are using the app.
- Determine what “usage” means to your club. (Equinox considers anyone who engages with its app at least once a week as a user.)
- Do analysis to help correlate app engagement with higher segment scores from members who actively engage with the app.

How to engage with non-app users

Your app could be the most innovative and engaging in the world, but the truth is that some of your members are not going to use it. If your app is for members only, then you're missing out on the opportunity to engage with non-members, too. Another solution is to leverage your social media platforms. Your Facebook, Twitter, Instagram, etc. feeds are great homes for any content you have on hand to increase awareness about your club. You could also use your club's social media pages to talk about the benefits of your app to try to entice members who aren't using it.

Keeping up with technological trends

Even when your app is complete, your work in terms of staying innovative never is. It's important to stay on top of what's new in the fitness technology space so you can be ready for the next change and act accordingly. It can be tough to keep on top of everything that is going on in the industry, so here are a few ways to help you keep up:

1. Make it a priority

Create a team that is dedicated to business development functions within your organization. This team's areas of focus could include understanding the company's plans and what the next big business opportunity might be from both an innovations standpoint and a global business capability standpoint.

2. Reach out to experts

Industry insiders such as venture capitalists are a great resource for information and for help understanding and getting a feel for which companies would make sense for your club to partner with. They also can introduce you to the right players.

3. Talk to your workforce

Whether your club's employee count is a few people or a few thousand, you'd be surprised what innovative ideas your team members may have. Make sure employees know that they are welcome to propose ideas at any time. Sometimes, people may be too shy to speak up, but letting it be known that innovation can come from anybody might be all the push they need.

Conclusion

Membership numbers are the backbone of any health club, regardless of how big or well recognized the name is. If you want to continue to retain your current members, making them feel like they are your top priority is a great way to go about it. So, get to know what their priorities are with a helping hand from technology. Get your club's app developed today.

To recap why developing a branded app is one of the best technology-based moves your club can make:

1. You can gain more insight into the affinities of your members (their interests, goals, exercise activity of choice, etc.)
2. Your ability to track data will help you communicate with your customers in a more personalized way.
3. The information you'll gain from an app will help you make better business decisions when it comes to where to invest your money.
4. Give more power to your powers with capabilities such as paying their balance, purchasing personal training sessions and updating their account.