

Optimizing New Member Sales Heading into 2008

There are few things — if any! — as important as optimizing your membership sales in the first quarter, regardless of your business model. It is usually the best traffic quarter and prospects are motivated to join (New Year's Resolutions, weight gain over the holidays, etc.). Adding members to your core in early 2008 will pay dividends with recurring EFT revenues all year long. There are several things to consider to determine if you are ready for the challenge.

Price/Marketing

Are you the lower-priced choice in your market? If so, does everyone know that? That selling point should appear in all marketing, mentioned on all telephone inquiries and explained on every tour. If your facility also matches or exceeds your competition in terms of quality (equipment, service, etc.), be sure to explain that as well so prospects do not assume low quality.

Are you the higher-priced choice in your market? If so, does everyone know that? You shouldn't hide the fact that you cost more than your competitors. The specific price should not be mentioned in marketing, on telephone inquiries, etc., but the reasons why your memberships cost more should be. Your goal is to get people into the center to show them why, for a slightly higher investment, the benefits they receive are worth it. Feature the reasons you are priced higher (equipment, facilities, service, cleanliness, trainers, etc.) and train your staff to get people to come to your facility to see for themselves.

The first quarter is not the time to be stingy with your marketing dollars. This is the time to try

radio, TV, direct-mail, in-club promotions and other marketing activities. Be aggressive with mailing/emailing to former members and new prospects. Use your club management software to create lists of focused groups — people interested in specific aspects of your center, filtering out former members that moved away, etc. — and send mail and email-merged communications to these prospects.

Internal marketing is also important. Send mail or email to members announcing referral promotions. Some club management software has functionality built in to track referrals and discount the monthly dues when a member refers someone — and then take the discount away if the new member cancels automatically.

Sales Team Structure

The decision to have a dedicated sales team is often a difficult one. It basically comes down to this: Can you cross train your staff to sell your center effectively or is it best to have a staff of highly trained sales professionals? If you are the low priced center, chances are you can cross train your front desk/fitness staff to sell effectively. Make sure they can close with confidence and the knowledge that the prospect can reach all of their fitness goals at your facility and do it at a lower cost than at any competitor. If you are not the lowest priced center, it may be a harder decision. It comes down to three business model choices:

Hire a sales team that will be trained and managed to have effective presentations, closing percentages and thorough follow up. Expect to spend a minimum of \$125 per membership for payroll (example: to sell 1,000 members, annual payroll will be in excess of \$120,000). The key to this model is that the sales people self-generate leads, close at a much higher percentage than cross-trained staff and follow up with every lead (otherwise there is no point in having a full-time sales team).

Have your entire staff cross-trained. Common sense dictates they will not be quite as effective as a dedicated sales professional. However, with monetary or other incentives for cross-trained staff, this approach can work. By not hiring salespeople, you can put more money into marketing to increase traffic — offsetting the dip in the closing percentage.

The third option, and one that I am seeing work quite well, is a hybrid between the two. Hire one person that is in charge of sales. That one person must be highly trained and organized and work with the cross-trained staff. They make sure the staff has a good understanding of the sales process and they are financially motivated by both their own results, as well as team results. They would be in charge of all follow-up. This model has advantages in efficiency with scheduling (no "downtime" as a full sales team would have) and in making sure there is follow up with prospects (a weakness of the second model).

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Can You See Me Now?

Taking a look at your company's visibility in the realm of today's networking superhighways

Everyone knows the Verizon Wireless commercials that ask "Can you hear me now?"™ Each version of the commercial reiterates the idea of continually expanding the communication forefront by extending their networks to places never ventured to before. The question posed brings up an interesting idea revolving around networks and their importance to your business. This article addresses two aspects of networks: proactive expansion and the connection itself. To put a fitness facility in context of this scenario — we are asking you, can they see you now? How visible is your company and brand identity? How does your facility work at keeping your members connected? How is your facility expanding its networks? And we're not just simply talking about physical sightings — we're talking about what you as an organization are doing to ensure that you are "in the network."

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As stated by IHRSA, "Today, only 15% of the population is seeking their fitness needs in health clubs." To see a disappointing number like this in light of the growing concern over national trends towards obesity and heart disease, clubs have an incredible opportunity to tap into the other 85% that remains a dormant market. The fitness industry has the ability to leverage their expertise by actively pursuing and implementing solutions to motivate the general population towards an active and fit lifestyle. From the very get go, Motus USA has aggressively pursued the implementation of entertainment solutions into the exercise experience, mirroring today's reality where entertainment is integrated into every aspect of life. With the communication forefront being a leading proponent in advanced entertainment technologies, speaking the language of the audience we are addressing is key to successfully communicating our message. If you can speak their language and bridge the gap of communication, you have automatically raised your visibility as a company.

The first aspect is increasing your visibility in context of today's high speed networking channels. Every day millions click from site to site giving your facility the optimum opportunity for maximum exposure. How visible is your corporate identity in the world of cyberspace? Can they see you? You've all heard about sites such as Myspace®, Facebook®, YouTube™ and a whole slew of professional or common interest sites. According to online sources, Myspace® which launched in 1996 is now ranked as the 6th most visited website, and boasts a network now exceeding 61million members. These are just the beginning of today's mainstream communication methods that the younger generations are growing up on – and precisely where today's tech savvy professionals are rapidly heading. In today's internet driven world, we need to think outside the box in terms of traditional methods of building brand awareness like advertising in magazines, newspapers, radio commercials or utilizing a PR firm. Start tapping into the methods of communication that a brand new generation is growing up on. The internet is the training ground of tomorrow's future generations.

Online sites and blogs such as Myspace® and Facebook® provide an opportunity to present a façade and solicit interest. It's personal advertising to say the least! Companies are beginning to catch onto the mainstream communication threads of today and setting up their own corporate pages whether it be a LinkedIn® profile, a video posted on YouTube™ or a hip fun profile page. There is something to be said about being included on popular networking sites that can give your company the "cool factor" rating. In the world of health and fitness, the online opportunities for exposure are endless with interest specific sites such as Bodybuilding.com® which attracts health and fitness oriented individuals with online storefronts, articles on nutrition and fitness, contest results, and a blogging forum called Bodyspace.com® to connect members. Take your brand identity worldwide in an instant. It really doesn't matter whether you are one facility or a chain of one hundred. Getting your facility "out there" and generating the "buzz" about your brand and corporate identity is what is crucial to building up your business and credibility.

The second aspect is understanding the power of building relationships through accountability and connections. Be proactive in networking your members. Smaller clubs such as Curves® have exploded across the globe – a large part of the success and adherence is due to the accountability to a support group and developing relationships along the way which ultimately translates into sustaining a transformed lifestyle. Larger facilities can find creative ways to incorporate that valuable ingredient into their own offerings in an effort to break down the intimidation factor and increase the motivation of their members. Put up a blog on your website dedicated to your members that allows them to connect with each other and nurture a sense of community. Empower your staff to interact with members and offer them one more reason to stay connected and stay in touch. A motivated member is a valuable member!

In addition to increasing your visibility and developing your networking opportunities, providing value added services to your members is essential to building up retention rates. Relaying back to the idea of

"being in the network," consider the various ways that your facility can proactively increase the communication channels with your members and staff. Utilize email blasts to keep your members up to speed with specials and seasonal group offerings. Consider occasional survey events to solicit valuable feedback from your members and find ways to improve and further meet their needs. Travel vouchers and partnerships with clubs can be a valuable asset for members that must travel frequently and are looking for that "extended network" per se. Loyalty based programs work phenomenally when implemented with the right incentives and rewards. Give new prospects and current members a reason to want to join your facility.

Be a resource for your clients. They are coming to your facility for two reasons – to improve their overall health and fitness and to connect with others. Translating this idea into our mission as a manufacturer, Motus USA is also embracing cyberspace and actively incorporates networking tools such as Myspace®, Facebook®, and YouTube®, to name a few. At the heart of the blogging and networking communities we feel that it not only give us great exposure at no cost, but it also opens up channels of communications on an open forum. We are adamant about feedback and connecting with others in the industry. If you are interested in getting connected, we invite you to join us online! Let's start getting connected! (Myspace: www.myspace/motususa.com.)

Speaking of ways to keep your clients motivated and connected, be sure to stay tuned for our next article introducing our Motus USA MVC Program, the first loyalty rewards program to be released in the exercise equipment industry.

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motion refined.

Mo•tus [mo-tus]
motion (noun); movement





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