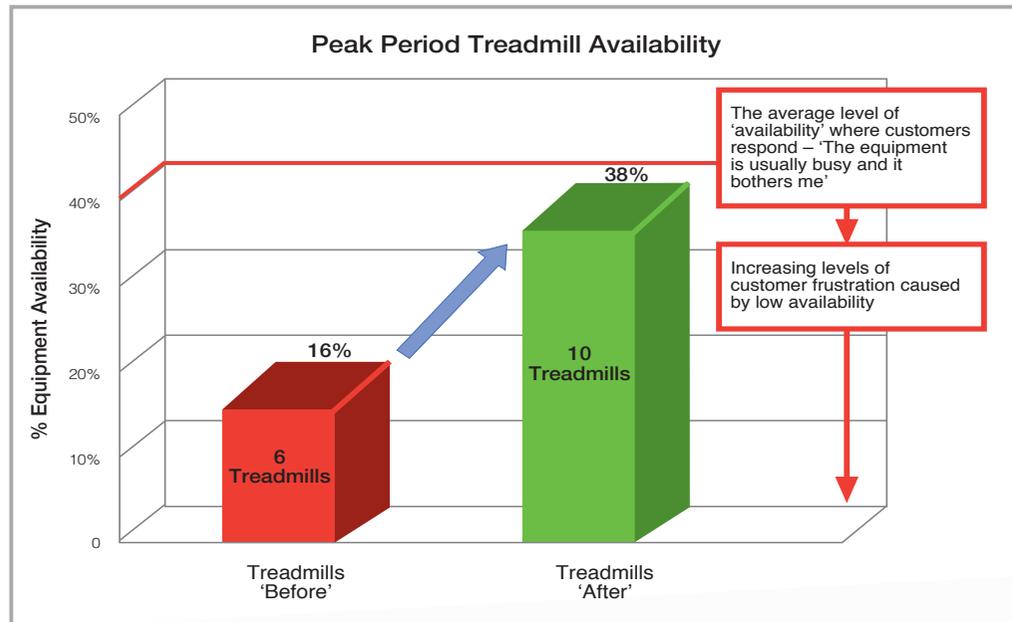


Scenario

Lagoon is a 52 station gym. We did an initial study to inform an upcoming refurb and expansion of the gym. What it revealed was an acute shortage of treadmills causing customer dissatisfaction. Mark Tokeley, the operator, decided not to wait a year until the scheduled refurb to solve this problem and bought in an additional 4 treadmill bringing the total up to 10 from 6.

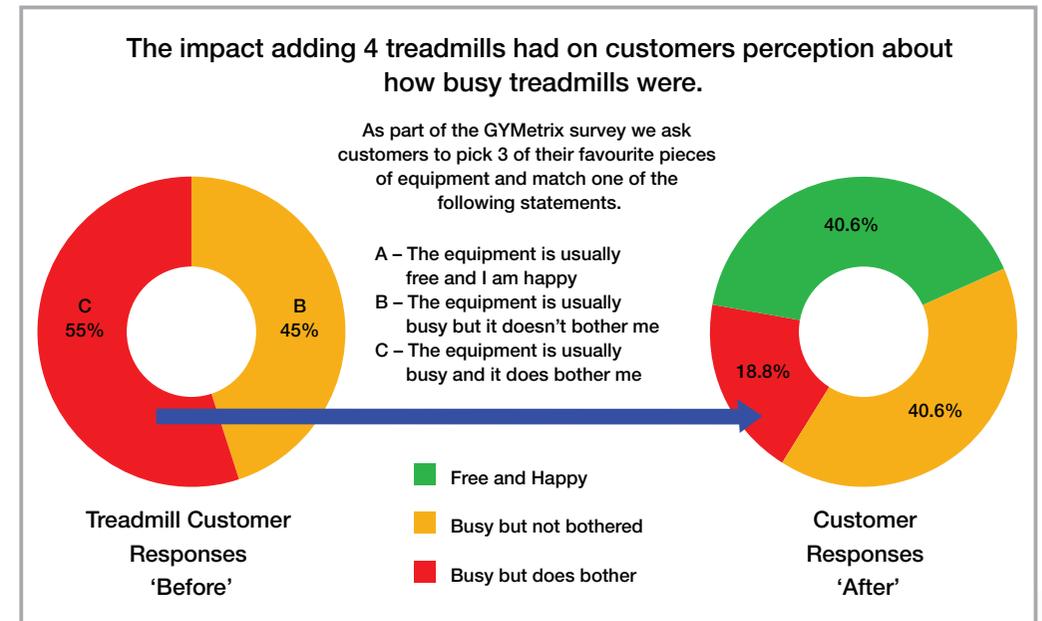
After the new treadmills had been installed GYMetrix returned to do a second study, measuring the equipment availability and conducting another customer survey, measuring the Net Promoter Score.



After the first study we calculated that The Lagoon required an additional 3 Treadmills and one crosstrainer to bring availability up to 40%. We noted however that because availability was so low there would be an element of 'unmet demand', customers who wanted to use treadmills at present that couldn't because availability was so low.

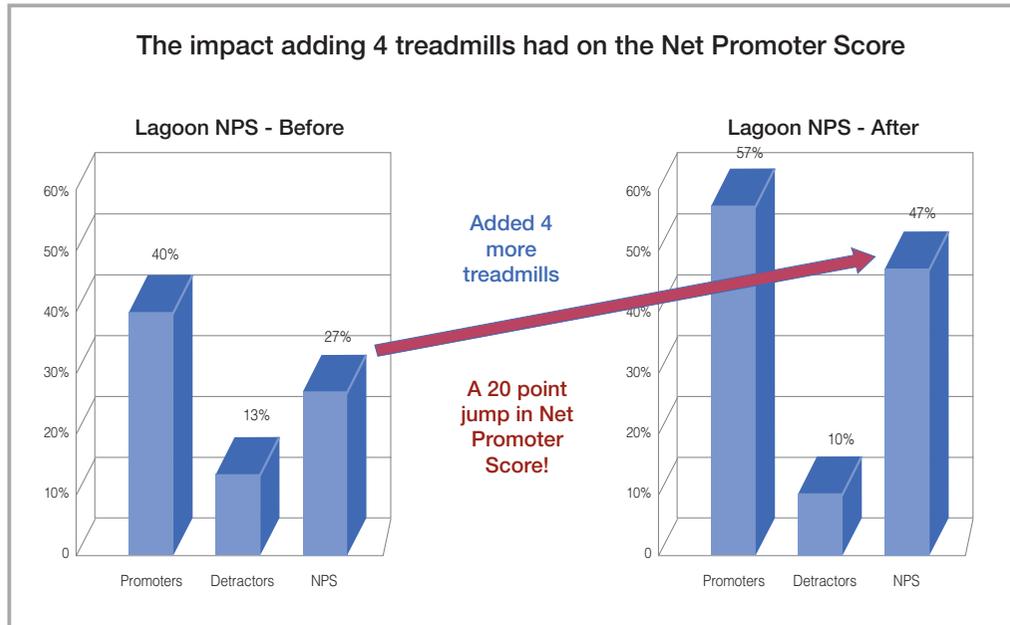
We also noted that there would have been 'equipment switching' to crosstrainers as people would use these when they couldn't use treadmills. The operator therefore decided to buy an additional 4 treadmills and no crosstrainers.

As can be seen opposite, treadmill peak period availability went from a very low, frustration generating 16% up to 38%, this is still below the 40% availability which was the average level at which customers responded 'C' in our surveys, 'Equipment is usually busy and it bothers me' but still a huge improvement.



GYMetrix has discovered there is a direct relationship between 'Promoters' (enthusiastic customers) and responses 'The equipment is free and I'm happy'. The more customers that find equipment of their choice is available the more Promoters a club has.

Similarly there is a direct relationship and 'Detractors' (dissatisfied customers) and responses 'Equipment is busy and it bothers me' The more customers that find equipment of their choice is unavailable because other customers are using it, the more Detractors a club has.



The increase in the Net Promoter Score can primarily be attributed to the increased provision of Treadmills.

Our research has proven that there is a direct link between equipment availability and Net Promoter Scores (customer satisfaction) Customers are paying gyms to use their equipment, equipment being available for them to use is the single most important value driver for customers. If customers find that equipment of their choice is unavailable the value of the gym drops sharply.

The more customers who cannot get onto equipment of their choice the more detractors the gym will have. The more customers who find equipment of their choice is free and available the more promoters the gym will have. It is that simple and that profound!

Our research indicates that the service levels gyms provide customers around the single most important metric to them 'Equipment Availability' is the single biggest determinant of Net Promoter Scores! (Customer Satisfaction)

The Operators Comment:

Historically when I've purchased new gym equipment I've relied on the equipment manufacturer to ensure I've got the right equipment mix for the fitness suites. Over recent years I have found this method increasing unsatisfactory and inaccurate with member complaints regarding equipment wait times at all time highs.

With all six of our fitness suites due to have new equipment installed over the next 3 years (at a cost of £1.4million) and 3 new fitness suites being built as part of our £40million facility redevelopment plan I knew that I had to find a solution. I had find a way to ensure that Renfrewshire Leisure's investment in new equipment would give our 9,000 (and counting) members the equipment they want in the right quantities to avoid long wait times yet ensure Renfrewshire Leisure didn't invest in equipment that was being underutilised.

Whilst discussing this problem with a friend in the industry he recommended Rory and GYMetrix. Within five minutes of meeting Rory I knew that I had to use GYMetrix as it would provide me with EXACTLY the information I needed.

I asked Rory to run a study at our busiest gym and the equipment usage results were astounding. Even more astounding was Rory's recommendation. Rather than increase the numbers of all of the CV equipment (as I would have guessed) Rory's recommendation was to add just 4 treadmills. Acting on Rory's advice has seen our promoter score shoot up from 40% to 57% and net promoter score increase from 27% to 47%. Feedback from members has been really positive and we've seen a significant increase in our member retention. We've subsequently acted on Rory's second recommendation to add 2 adjustable benches in our free weights area and I'm confident that this will see our promoter and net promoter scores increase once more.

I'm confident that using Rory's GYMetrix system will ensure that Renfrewshire Leisure will achieve maximum value when investing in new equipment and our members will enjoy fitness suites that contain the equipment they want in the quantities they need.

I'll never refurbish, change or re-equip another fitness suite without undertaking a GYMetrix study first.

Mark Tokeley
Operations Manager

To find out more contact Rory, tel: 07880 647 836 email: rory@gymetrix.co.uk
web: www.gymetrix.co.uk