

'Sometimes **really busy and have to have a strong motivation** to come here.'

'**Too busy at peak**, takes 2 hours to complete programme that should take 1 hour..'

'Can't use racks, I **have to wait** 20mins - I'm **thinking of leaving** because of this.'

'Rowers are **too busy** (waiting for one messes up circuits time - just add a couple more).'

'View of free weights area blocked so can't keep eye on it to see when equipment is free, **because it is rarely free and so I have to work around** being able to get on the free weights equipment.'

'**Too busy** 'even at weekends, came in for 10mins and **walked out.**'

'Need more equipment, or stop taking memberships, it is becoming **too difficult to get a workout done.**'

'Move cable jungle in free weight area to get more room for more benches, because **its obvious that that is what people want to use.**'

'Lots of people want to use the same equipment at the same time, **its like a race to get to it first.**'

'**Not enough equipment** - I have to improvise on some exercises, when they could just get one more of some equipment.'

'Because its **too busy** would **prevent me from recommending.**'

'I left for a budget gym but could never get on a treadmill after work, it didn't matter that I only paid £15, **I'd rather pay more and be able to get on a treadmill.**'

Too busy at unpredictable times, difficult to get a consistent workout.

'**Have to wait** 5-10 minutes for equipment, lose motivation if I **wait too long** to get on the equipment.'

'Waiting for equipment main thing that would **put me off recommending** this gym to friends.'

Difficult to find an uncrowded time - have to take time off work to find a quiet time.

'**It's really annoying** having to stop in the middle of my workout to wait for an available bench.

Can't come at a convenient time because I **can't get on the equipment** I want to use, have to either come early or late.

GYMetrix™
Making gyms fit

Is
'Equipment Availability'
the Higgs Boson
Particle of the gym
industry?

* These are all actual Customer Comments.

Is 'Equipment Availability' the Higgs Boson Particle of the gym industry?

The simple truth is that a customer's main purpose for being on a gym floor is to use the equipment, 'Equipment Availability' is a direct measure of the service being provided to customers, and a direct measure of how easily they can access **value**.

This Case Study consolidates the results of over **Fourteen Thousand Gym Floor Customer Surveys** and proves once and for all that 'Equipment Availability' is a **primary value driver** for customers. Operators need to be measuring this service level to maximise customer satisfaction and to maximise return on investment.

Methodology:

When GYMetrix first started attaching sensors to gym equipment and measuring 'Equipment Availability' (the inverse of equipment occupancy) the problem was although we could see some equipment was used a lot and had low 'Availability', and some equipment was hardly ever used and had high 'Availability', we had no customer context as to what was a good or bad level of 'Availability', so we started to do surveys and in them we asked customers;

What are your favourite 3 types of equipment you like to use the most in the gym?

TreadmillA.....B.....**C**
 TRX**A**.....B.....C
 Free Weights BenchA.....B.....**C**

Please attach the statement that best describes how you feel about that equipment.

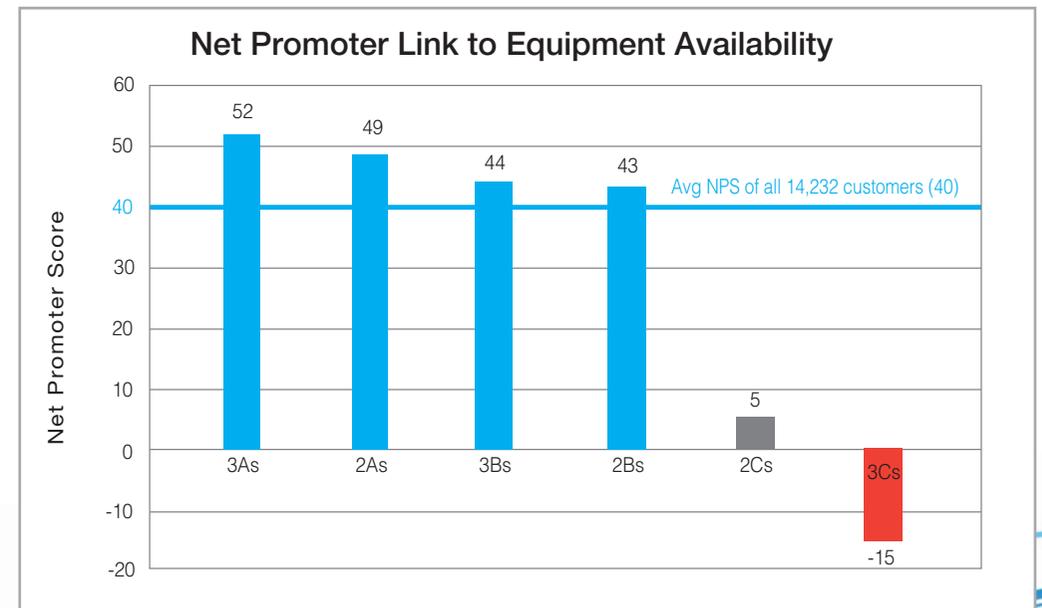
- A The equipment is usually free and I am happy
- B The equipment is usually busy but it doesn't bother me
- C The equipment is usually busy and it does bother me

This enabled us to work out the percentage level of 'Equipment Availability' customers were frustrated and responded 'C' - Equipment is usually Busy and it Bothers Me.

On the same survey we also ask the Net Promoter Question: On a scale of 0 -10 how likely are you to recommend this gym? A measure of customer satisfaction.

The Results:

We have now consolidated the results of all of our surveys to date (Excluding Virgin Active). This is over **Fourteen Thousand Customer Surveys** (14,232). It covers a range of operators from Public sector Trusts and Universities to Private sector operators.



This graph is showing the 'Net Promoter Scores' grouped by how busy customers find their favourite equipment types. It proves that a direct relationship exists between 'customer satisfaction' and how available they find equipment.

The Devastating Impact of 2 C's and 3 C's on Customer Satisfaction

- 3 As** – Customers who found all 3 of their favourite equipment types were 'Usually Free and they were happy' had a Net Promoter Score of 52, 12 points higher than the overall average.
- 2 Cs** – However if customers responded with 2 Cs, ie 2 of their favourite pieces of equipment were usually busy and it bothered them, their NPS had fallen to just 5.
- 3 Cs** – If they responded that all 3 of their favourite equipment types were usually busy and it bothered them it was -15! 55 points below the average, and 67 points below people who responded with 3 As!

The Conclusion:

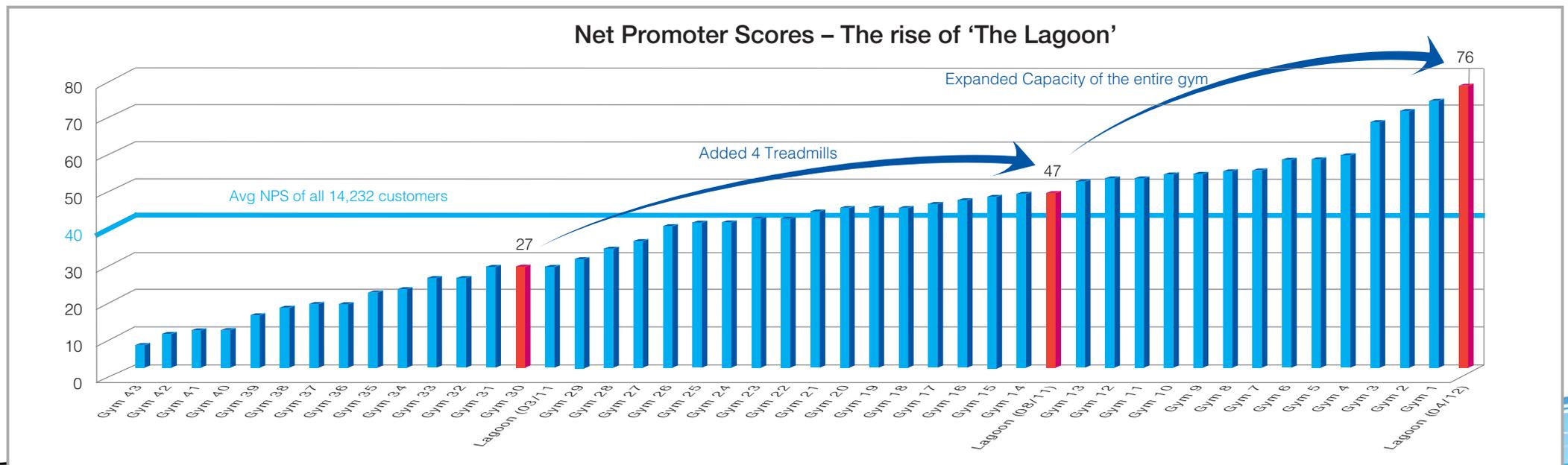
- Customers who cannot use the equipment of their choice are not satisfied. To use 'Available Equipment' is the reason they are on a gym floor and if you aren't providing them with enough 'Available Equipment' it doesn't matter what else you are doing well, they will not be happy.
- Using the gyms equipment is the primary way in which customers access value from their gym, therefore identifying and solving shortages in equipment produces massive gains in customer value and satisfaction.
- The gym Industry as a whole, largely ignores the importance of 'Equipment Availability'. Until GYMetrix came along it was not measured nor proactively managed. Operators who recognise how important a **Value Driver** it is for customers will be at a strategic advantage to those who do not.

The Problem:

Most 2 C's and 3 C's responses were generated in gyms that had overall excess capacity. The problem isn't that these gyms need more equipment, they don't, what they need is more of some types of equipment but less of other types of equipment - matching capacity with demand. When done effectively this results in reducing / eliminating 2 and 3 C responses whilst at the same time reducing investment in under used non value add equipment.

The Rise and Rise of Renfrewshire Leisure's Lagoon Centre

We first started working with Mark Tokeley and Renfrewshire Leisure in March 2011, we carried out a study at their Lagoon Leisure Centre to gain an understanding of what equipment would be needed to match customer demand for an upcoming refurb. The graph below shows the Customer Satisfaction Scores (Net Promoter Score) compared to other gyms we have done studies for. The first survey for the Lagoon was done in 03/11, they added 4 Treadmills and a 2nd study was done in 08/11, they expanded their capacity and a 3rd study was done in 04/12.



How Lagoon Increased Its NPS

1st Study NPS 27 – The 1st study revealed that the gym had an overall capacity problem; it needed to get bigger to cater for customer demand. This is unusual, most of our studies reveal overcapacity, and in fact most gyms could provide a better service to customers, with less equipment, if they knew what their customer demand was.

In particular The Lagoon had an acute shortage of Treadmills with 'Equipment Availability' for treadmills dropping to as low as being available only 16% of the time in a peak period.

2nd Study NPS 47 – Rather than leave this acute source of bad service and cause of customer dissatisfaction until the planned refurb Mark squeezed in another 4 treadmills to relieve the pressure on them. (See Case study 5)

This alone saw his Net Promoter Score jump 73% from 27 to 47!

3rd Study NPS 76 – However, the main refurb then took place and the overall size of the gym was expanded to meet demand. This was done using the information we provided on Customer demand from our first study.

We returned and did another set of surveys measuring Customer Satisfaction and asking equipment specific questions around Availability.

The Lagoons Customer Satisfaction score, NPS, had rocketed to 76!

76 is the highest score we have measured and the one of the highest recorded in the entire industry!

64% of all customers surveyed gave it a 10 out of 10!

In the final survey following the refurb no customer responded with 3 Cs and only 1% of customers responded with 2Cs.

The industry needs to pay greater attention to a customer service metric that until now has been neglected. 'Equipment Availability' is potentially the most important **value driver** for customers.

Operators that are not paying attention to this vital source of customer value, do not measure it and manage it, are missing out on a vital opportunity to provide a far better service to their customers, whilst at the same time wasting money on non value add equipment.

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 waits 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 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.

I asked GYMetrix to run a study at our busiest gym (The Lagoon in Paisley) and the equipment usage results were astounding. Acting on GYMetrix advice, to add 4 more Treadmills, saw our net promoter score increase from 27 to 47. Feedback from members was really positive and we saw a significant improvement in our member retention.

I had so much confidence in Rory's GYMetrix system that when we invested £300,000 in new fitness equipment for the new 600m2 fitness suite at the Lagoon the equipment mix was dictated almost entirely by the results of GYMetrix studies. I knew that this would ensure that we achieved maximum value for ourselves and our customers.

The phenomenal increase in our Net Promoter Score to 76, has confirmed the validity of this approach.

"I'll never refurbish, change or re-equip another fitness suite without undertaking a GYMetrix study first, it ensures my customers have the equipment they want in the quantities they need."

Mark Tokeley
Operations Manager

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