

How to retain or grow your members

Membership “churn” is an unavoidable component of the businesses

Even if you provide:

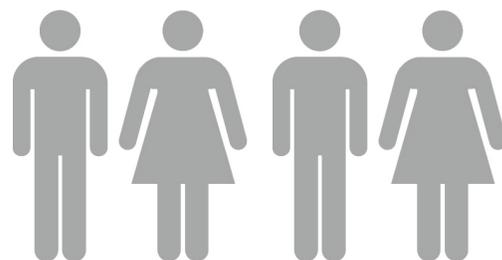


The reality is some members just wont stick!



How to MAINTAIN member count?

This means if you want to maintain a club of 200 members you need to gain 165 new members per a year



How to INCREASE member count?

If you want to grow to a 220 member club you need 185 new members per a year

- 240 members, 205 new members
- 260 members, 225 new members

As a general rule of thumb:

$$x = y - 35$$

where,

x = the number of new memberships required
y= your goal no. of members

How to calculate your clubs membership enquiry rate

To get a good outcome your club needs to be at least 3 years old

What data do you need?

a = no. of members at the end of year 2

b = no. of members at the end of year 1

c = no. of new members that were obtained from year 1- year 2

y = your goal number of members for the end of year 3

Plug your data for a,b and c into the equation below

$$x = y - 2a + b + c$$

X = gives you the number of new members you need to achieve your goal

.....

Let's look at an example!

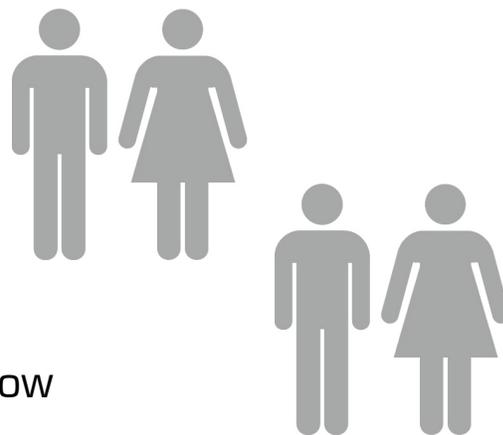
a = 180

b = 173

c = 145

y = your goal number of members is 220

Plug your data for a,b and c into the equation below



$$x = 220 - (2 \times 180) + 173 + 152 = 185$$

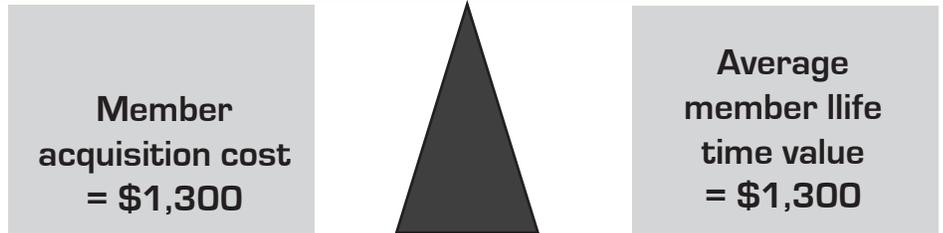
Therefore to achieve your goal of 220 members you need 185 new members through out the year

The cost of winning new members through promotions (excluding shopping mall)

The secret is a well-balanced business model

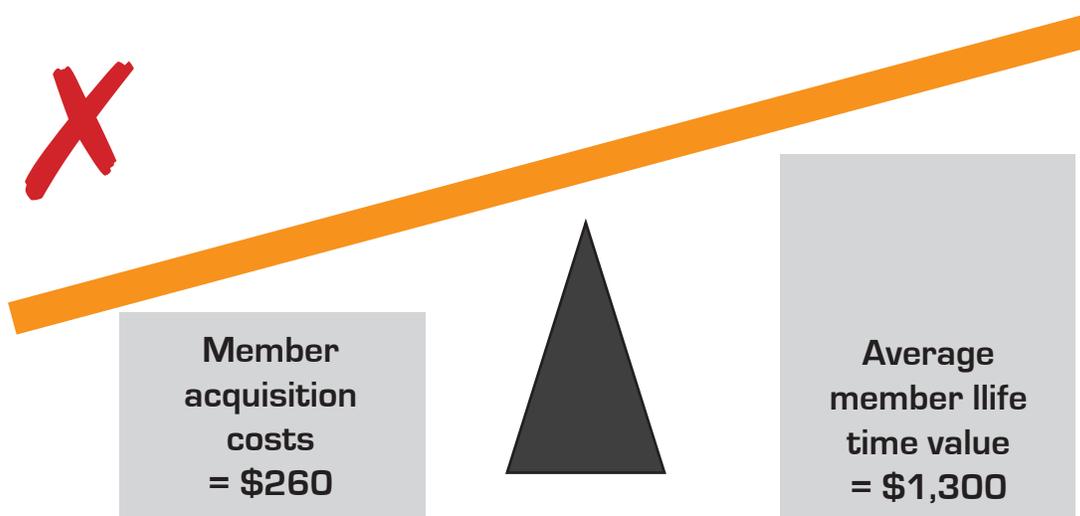
Break-even

According to industry standards, if the ratio is close to 1:1, you're spending too much.



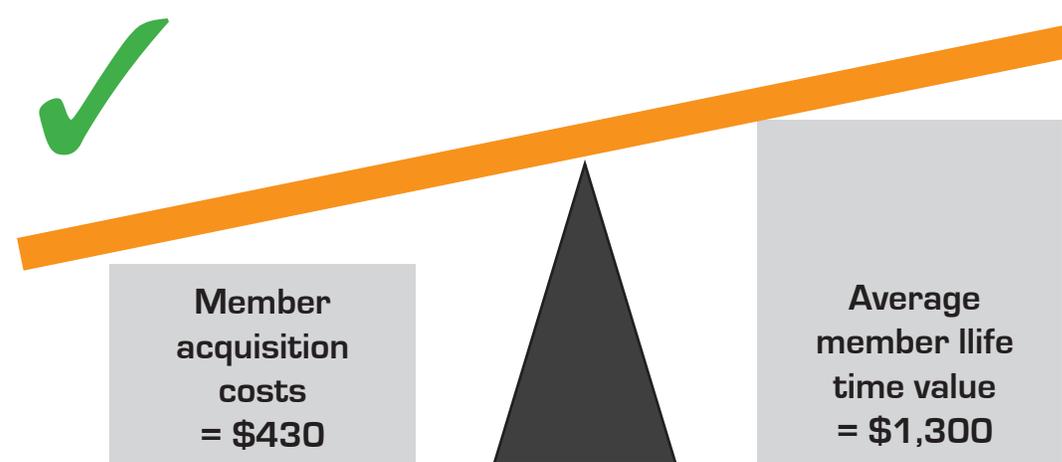
Loss

However if it's 5:1, you are spending too little. In fact, you are missing out on business and not making as much as you could.



Profit

The ideal ratio should be 3:1. The lifetime value of a member should be three times more than the cost of acquiring them.



Infinity clubs sweet spot

The cost of winning each new member

How long should you take to recover your investment?

According to industry standards,
for a 3:1 ratio to be successful you should aim to
recover your member acquisition costs in < 12 months,
otherwise your business will require too much capital to grow

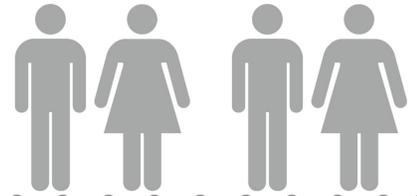
Time taken for age groups to recover

FUN & FITNESS 4 KIDS

< 8 months



2 - 4 YEARS

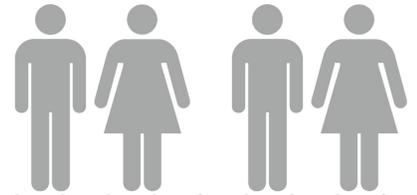


PLAYFUL PANDAS

< 4 months



4 - 7 YEARS

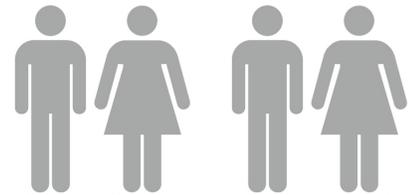


MIGHTY MONKEYS

< 3 months



7 + YEARS

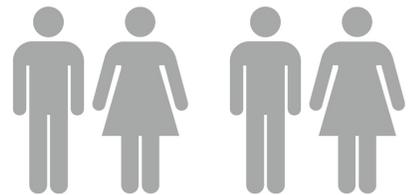


ADULT MEMBERS

< 3 months



16 + YEARS



How to optimise your Shopping Mall Promotion

Positives

Brings in large volumes of new members (38%)



Negatives

One of our more costly promotions

The Shopping Mall technique relies on selling our business to the public. This style of member recruitment often has lower retention rates compared to when a member has walked in or found us online themselves.

For example we may have sold the idea to a parent in the 4-7 years but the child lacked interest when they came to the club.

The ideal member acquisition costs for your Shopping Mall Promotion is \$ 330



Profit

Member acquisition costs = \$ 330

Average member life time value = \$ 990

Infinity clubs sweet spot

infinity
martial arts

For more tips and tricks on how to make money, visit: infinityinstructors.com

The cost of winning each new member

How long should you take to recover your investment?

According to industry standards, for a 3:1 ratio to be successful you should aim to recover your member acquisition costs in < 12 months, otherwise your business will require too much capital to grow

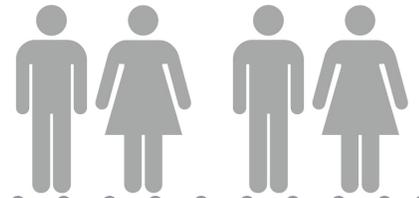
Time taken for age groups to recover

FUN & FITNESS 4 KIDS

< 6 months



2 - 4 YEARS

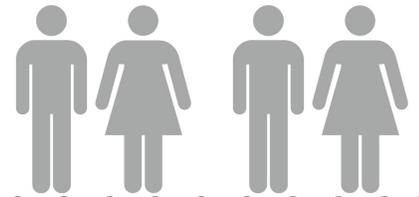


PLAYFUL PANDAS

< 3 months



4 - 7 YEARS

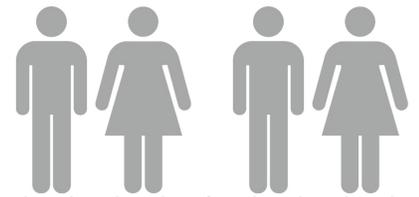


MIGHTY MONKEYS

< 3 months



7 + YEARS

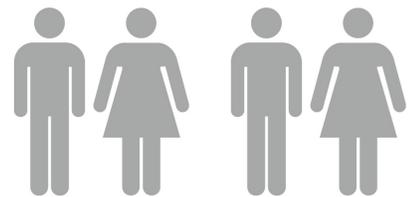


ADULT MEMBERS

< 2 months



16 + YEARS



How to make money

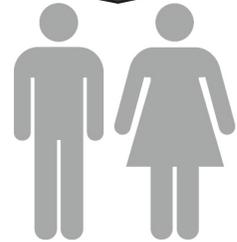
From every membership subscription

Let's consider the following scenario:

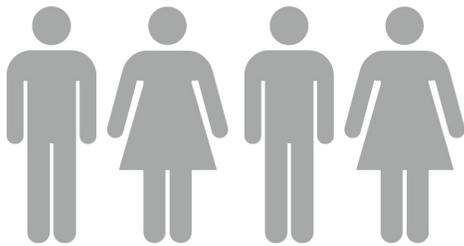
A customer walks into the gym mid week and wants to sign up for a subscription valued at \$80 a month.

You explain that the payments for the subscription will start coming out of their account at the beginning of next week but they can start classes today if they pay an on the spot deposit of \$20.

That's an extra
\$20



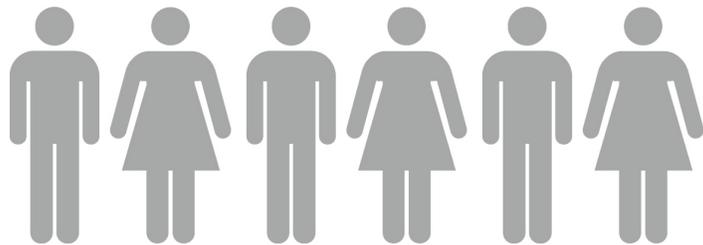
Ok that might not seem like a lot of money but imagine if you did this for the next 100 customers



25%

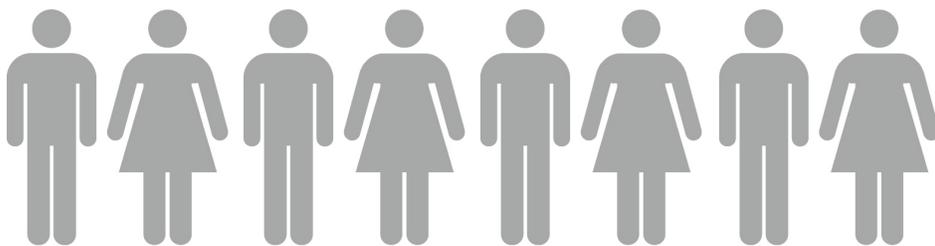
You would make an extra \$500

That's money for nothing!



50%

You would make an extra \$1000



75%

You would make an extra \$1500