

IHRSA Smart Summit  
State of the Art  
Operational Excellence and  
Innovation  
November 17-19, 2021

Hans Muench  
MSC GmbH  
Switzerland



# Hans Muench, profile

- Canadian born, German passport
- Worked / lived in 7 countries on 3 continents
- Based in Switzerland since 2014
- MBA International Business
- IHRSA Director for 12 years (Intl., Europe)
- Worked on club (single, chain) and supplier sides (Life Fitness, Nautilus, Virtuagym)
- Education company experience - lectured 5 years in the MBA program of the German University for Health and Prevention; NASM
- Public Speaker
- Author trade articles in several markets (DE, IT, ES, US, CH, AT)
- Happy Traveller



## CONTACT:

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- TEL. +41-77-975-5180

# Learnings from Covid

- Digital transformation: temporary or permanent changes of habits?
- Sales and retention processes
- Staffing: tasks, responsibilities, interaction with clients
- Innovation (services outside the club)
- Dividing the membership as a whole into subsets, based on interest and needs (also on ability and interest to pay)

# Self-critical examination of strengths and weaknesses during Covid-19 and after re-opening

- NPS (members)
- Staff Survey
- Client outreach and interaction
- Pricing
- New products, services and offers aimed at target groups (segmentation of current, former and potential members)
- Data and evidence-based changes to the product and delivery

# Benchmarking

- Digital transformation, including AI (in Sales and retention processes)
- Programming (Fitness Club Success, UK)
- PT and variations (SGPT), Gymternships (NASM)
- Examples leading edge around the world
- Software systems, compatability
- Hybrid membership models (streaming, at home, on demand / live, outdoor)
- Unbundling, club in club i.e. boxing, Martial Arts, EMS
- Nutrition (add-on programs, including food and counseling)
- Recovery (Cryotherapy, massage-live and devices i.e. Kreuzritter, Hyperice)
- Examples Sats (Mirror), Lifetime-Apple Fitness+ tie up, BasicFit
- Online shop
- Community/ies (Conqueror, MyVirtualMission - New Zealand)

Henrik Gockel

Co-Founder, Prime Time Fitness  
IHRSA European Council member



## CEO Panel

Annie Faltman

Juan Del Rio

MAS

Patrick Mazerot

Martin Seibold





# Bryan O'Rourke Keynote Presentation

Bryan's full presentation:  
<https://lnkd.in/djJTQg6n>

Example  
Golds Gym,  
Berlin  
Energy  
Self-Sufficie  
ncy



**THE FITNESS INDUSTRY IS AT AN INFLECTION  
POINT OF OPPORTUNITY**

@BRYANKOROURKI

# Macro Perspective:

- Globalism
- Demographics
- Prosumers
- Technologies
- Economics

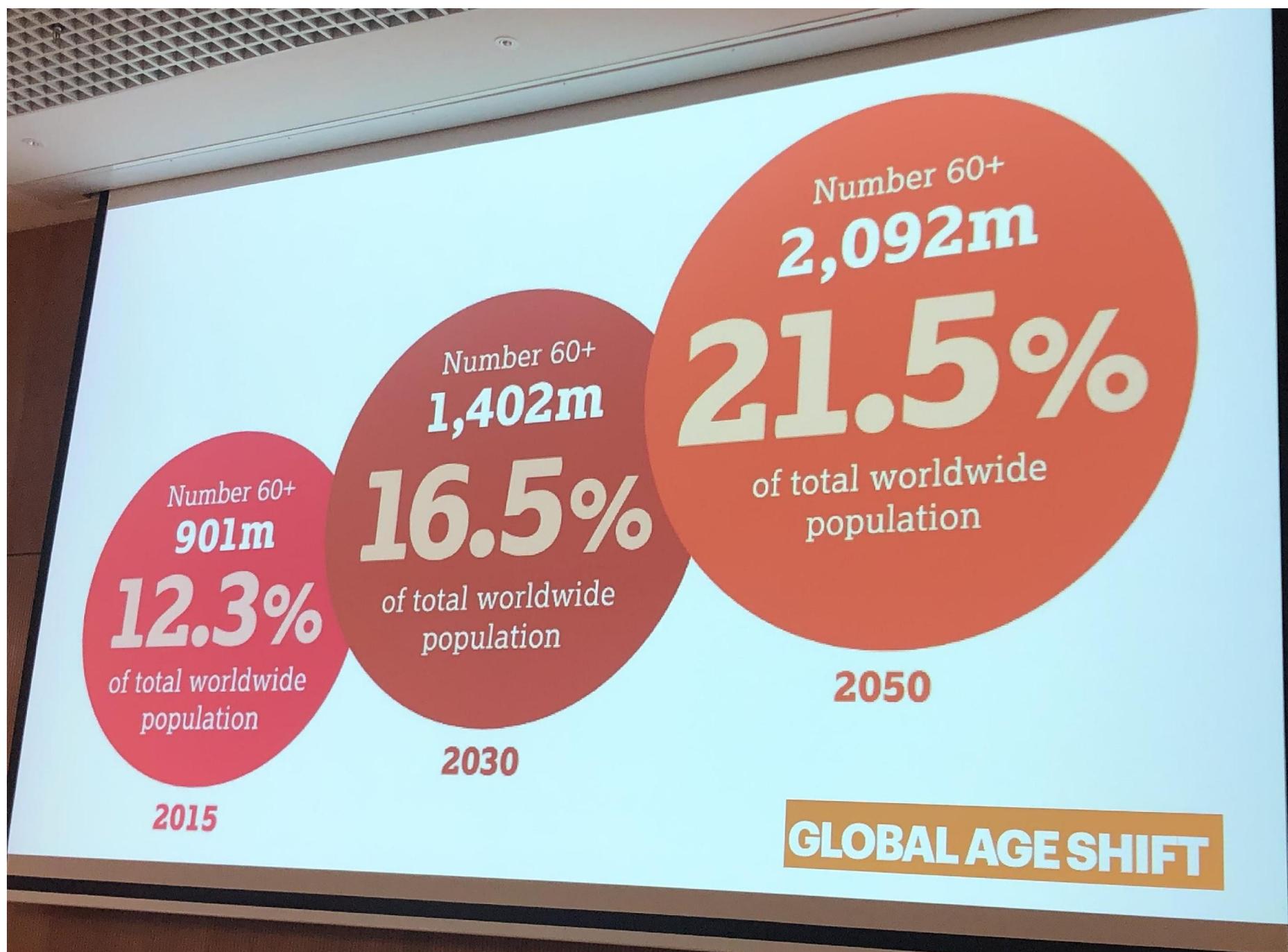
**MEGA TREND DRIVERS**

Globalism    Demographics    Prosumers    Technologies    Economics

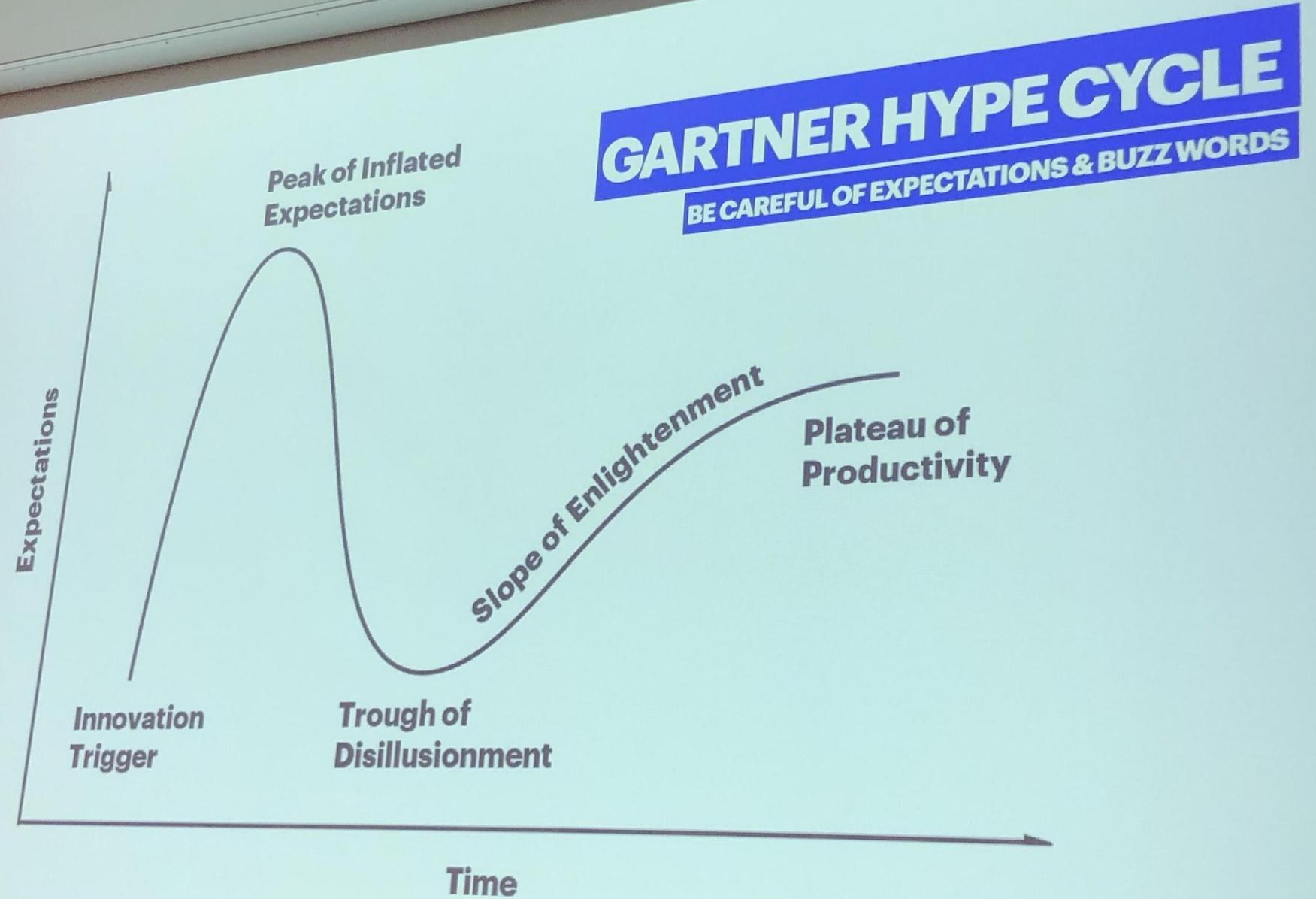
**5 INTER  
CONNECTED  
MEGA-TREND  
DRIVERS**

How does this affect your...

- product
- marketing
- staff
- customer journey
- customer interaction



Where is  
Enjoy?

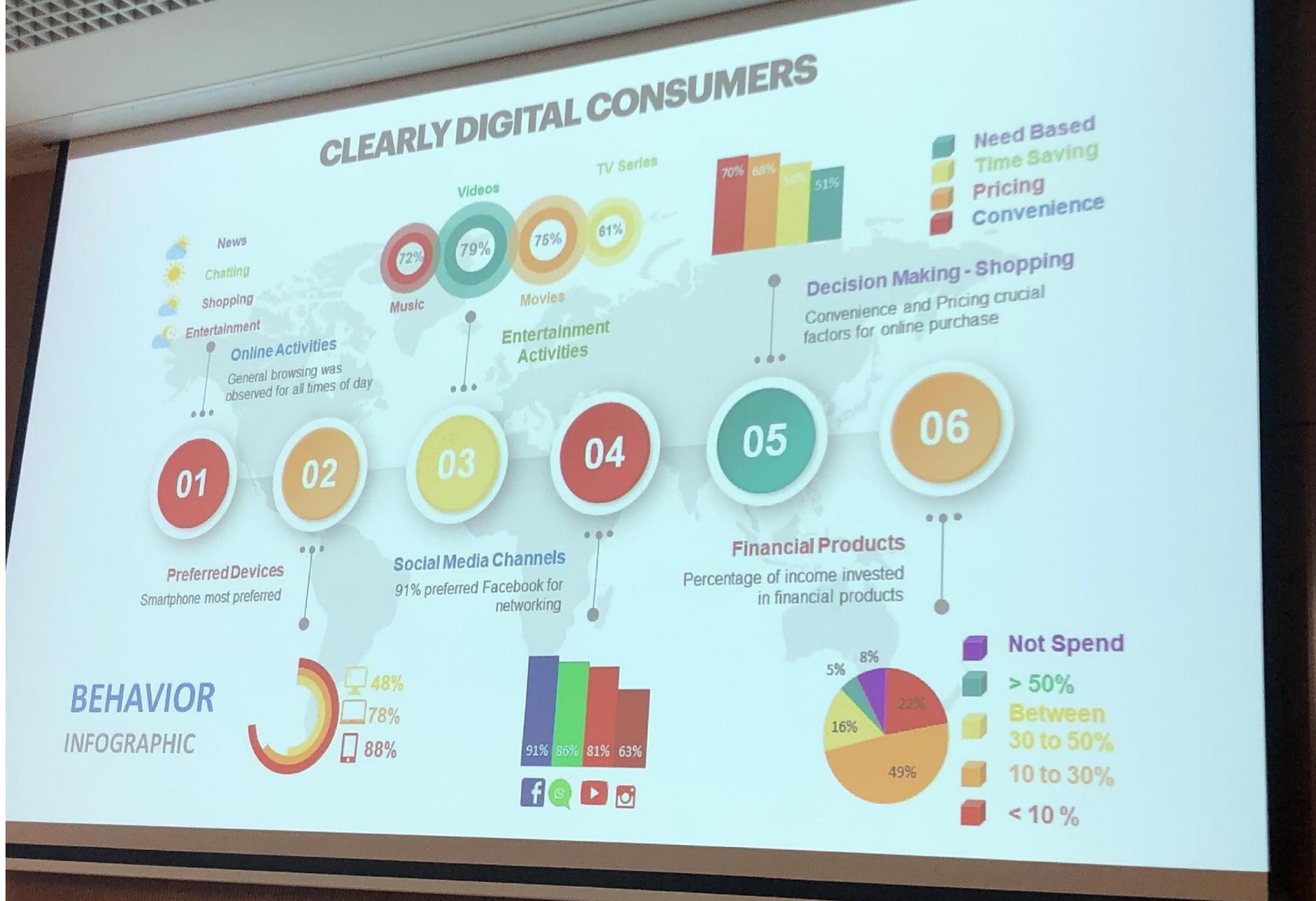


Do you know  
your customer  
expectations?



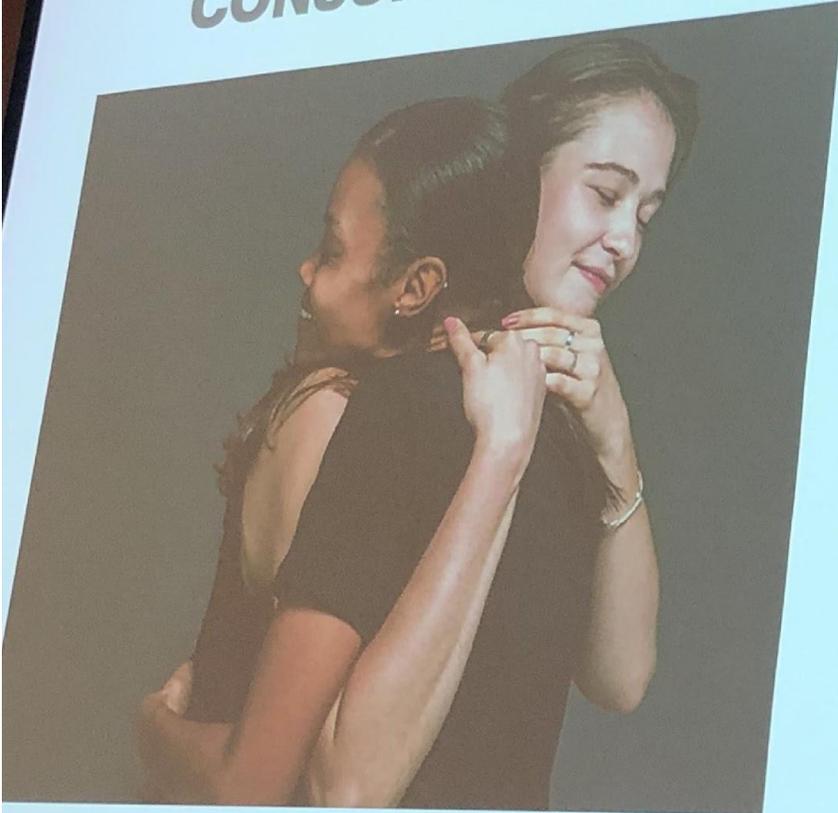
# Behaviour and Digital Consumers across

- devices
- social media
- financial products

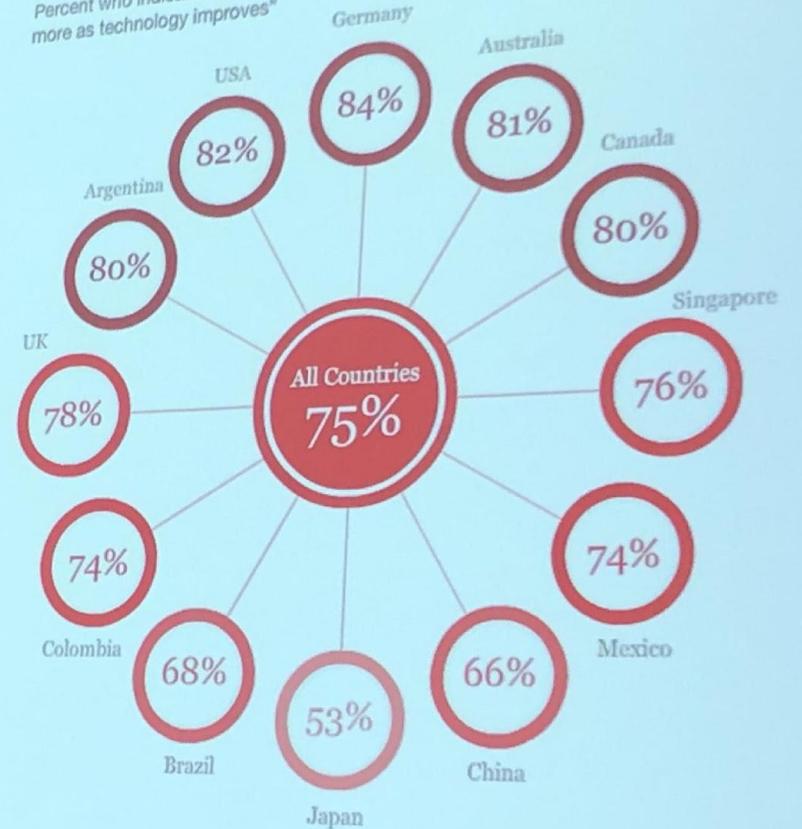


One reason  
clients  
come to us  
in person  
vs. online

## CONSUMERS WANT HUMAN INTERACTION

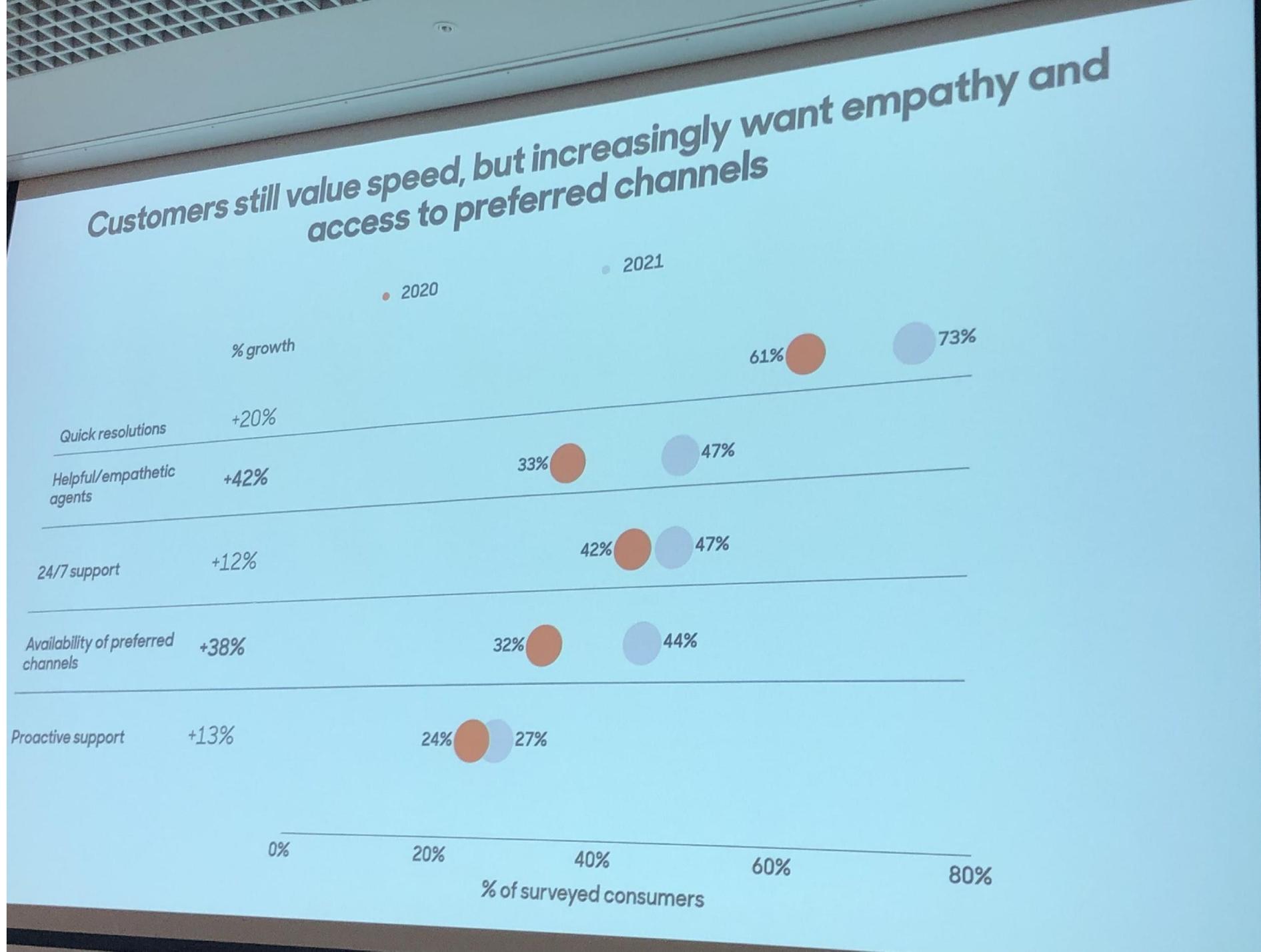


**Human vs. Automated Interaction**  
Percent who indicate: "I'll want to interact with a real person more as technology improves"



## THE VALUE OF EMPATHY

# Speed, Empathy and Channels



Which of these Fitness Consumer types are in your clubs, and at which levels?

### Fitness consumer archetypes



McKinsey analysis shows that fitness consumers cluster around elements such as motivation, personalization, price consciousness, time sensitivity, and desire for innovation.



### Passive participant (55%)

Fitness is not a priority for these consumers, but they may consume fitness offerings in reaction to an external event. Winning passive participants is about accessibility, relationships, and emotions management. Passive participants who develop intrinsic motivations for staying fit tend to evolve into one of the other consumer archetypes.



### Researcher-experimenter (10%)

Seeking new and unique experiences, these consumers are always looking for the latest and greatest in fitness. Researcher-experimenters are early adopters of new products and may not remain loyal. Winning them hinges on constant innovation that creates and sustains excitement.

### Traditionalist (11%)

The habitual morning runners, lunchtime gymgoers, and evening-class participants, traditionalists have been following the same routines for years and tend to be among the last to adopt new offerings. Winning them is extremely difficult and may require incremental improvements to something familiar. However, relationships with them pay off in the long run.



### Wellness enthusiast (23%)

Motivated by performance, identity, or balance, enthusiasts put fitness, nutrition, and mental and physical well-being front and center in an effort to achieve holistic wellness. They view their fitness schedule as a core part of their happiness and prioritize it in daily life. They value and seek out incremental innovations that cater to their values but may be skeptical of radical new offerings.



**MCKINSEY CONSUMER RESEARCH**  
**5-10% ANNUAL GROWTH [HTTPS://MCK.CO/2YUCQ58](https://mck.co/2YUCQ58)**

Which future opportunities are you addressing?

# NEW MARKETS & NEW LIFESTYLE SERVICES

A \$4.2 TRILLION MARKET

The wellness economy is a multi-market mega opportunity



**\$1.08T**

Personal care,  
beauty & anti-aging



**\$119B**

Spa economy



**\$639B**

Wellness  
tourism



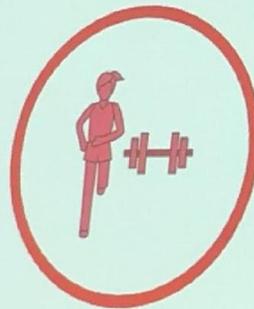
**\$702B**

Healthy eating,  
nutrition &  
weight loss



**\$575B**

Preventive &  
personalized  
medicine &  
public health



**\$595B**

Fitness & mind-  
body



**\$48B**

Workplace wellness



**\$134B**

Wellness real estate

# Trends (Source Welltodo, UK/Asia

The image shows a large digital display with a purple background. On the right side, there is a photograph of a woman wearing a futuristic, glowing helmet and a device on her upper arm. The device has a circular sensor and is connected to a wristband. The woman is looking down at the device. The text on the display is as follows:

**WELLTUDO**

**TRENDS CONTINUE**

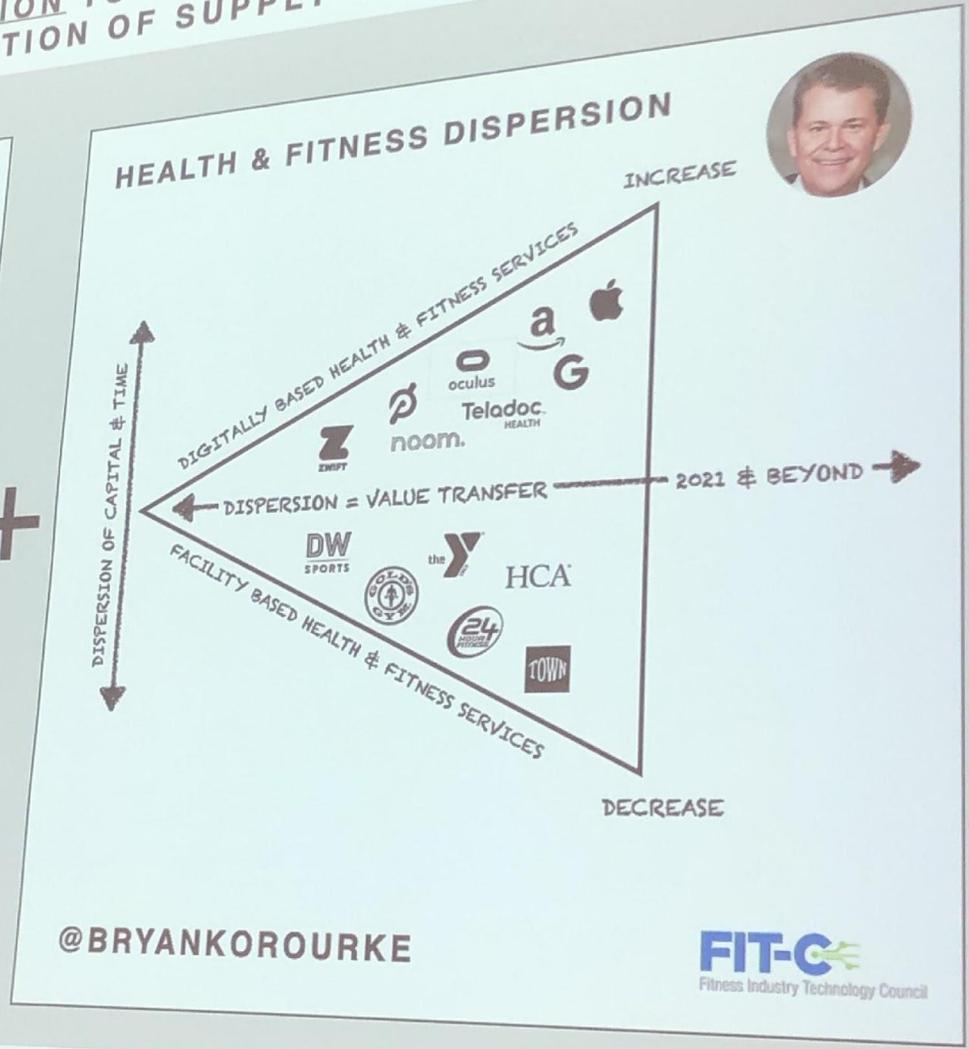
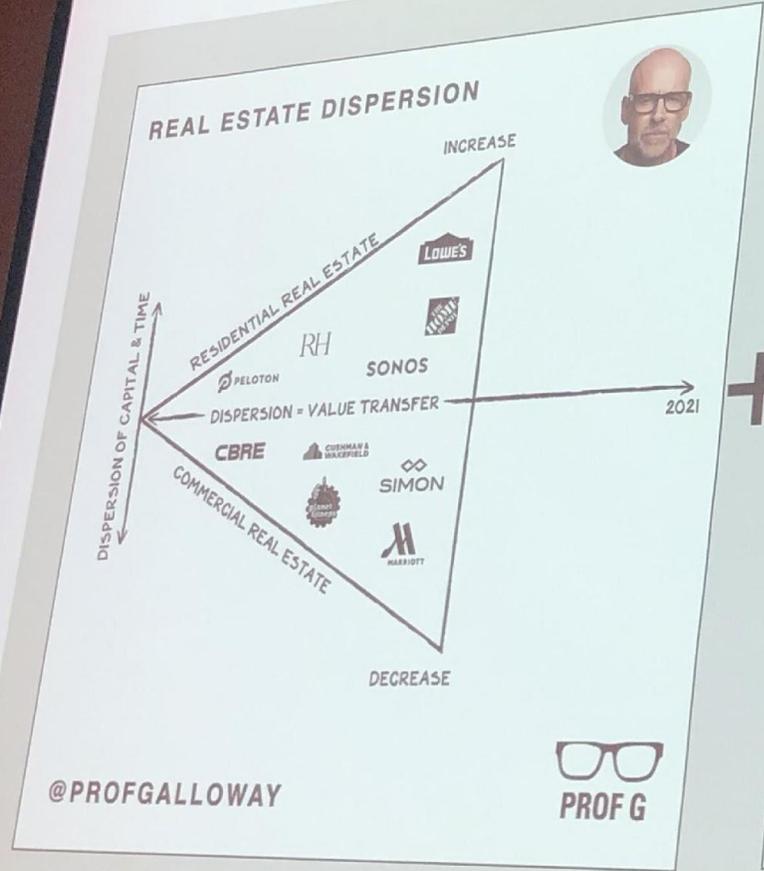
**CONTENTS**

- P5 TREND 1: FITUTAINMENT
- P16 TREND 2: NEXT-GEN HEALTH TRACKING
- P27 TREND 3: PERSONAL CARE BUT MAKE IT WELLNESS
- P36 TREND 4: PRECISION NUTRITION
- P48 TREND 5: DIVERSIFYING INCLUSIVITY
- P58 TREND 6: SERVICE-LED
- P68 TREND 7: HOSPITAL AT-HOME
- P77 TREND 8: REDUCE, REGENERATE & RESET

**@BRYANKOROURKE**

Compare our sector to real estate (dispersion)

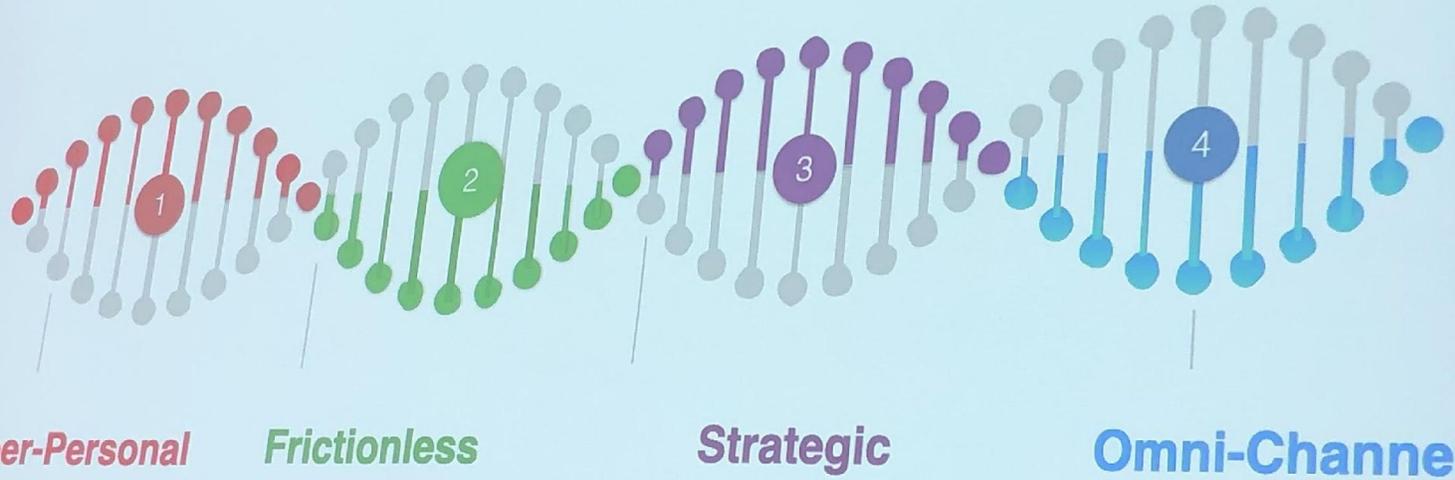
DISPERSION : DISTRIBUTION TO A WIDER MARKETPLACE  
THE RECONFIGURATION OF SUPPLY CHAINS



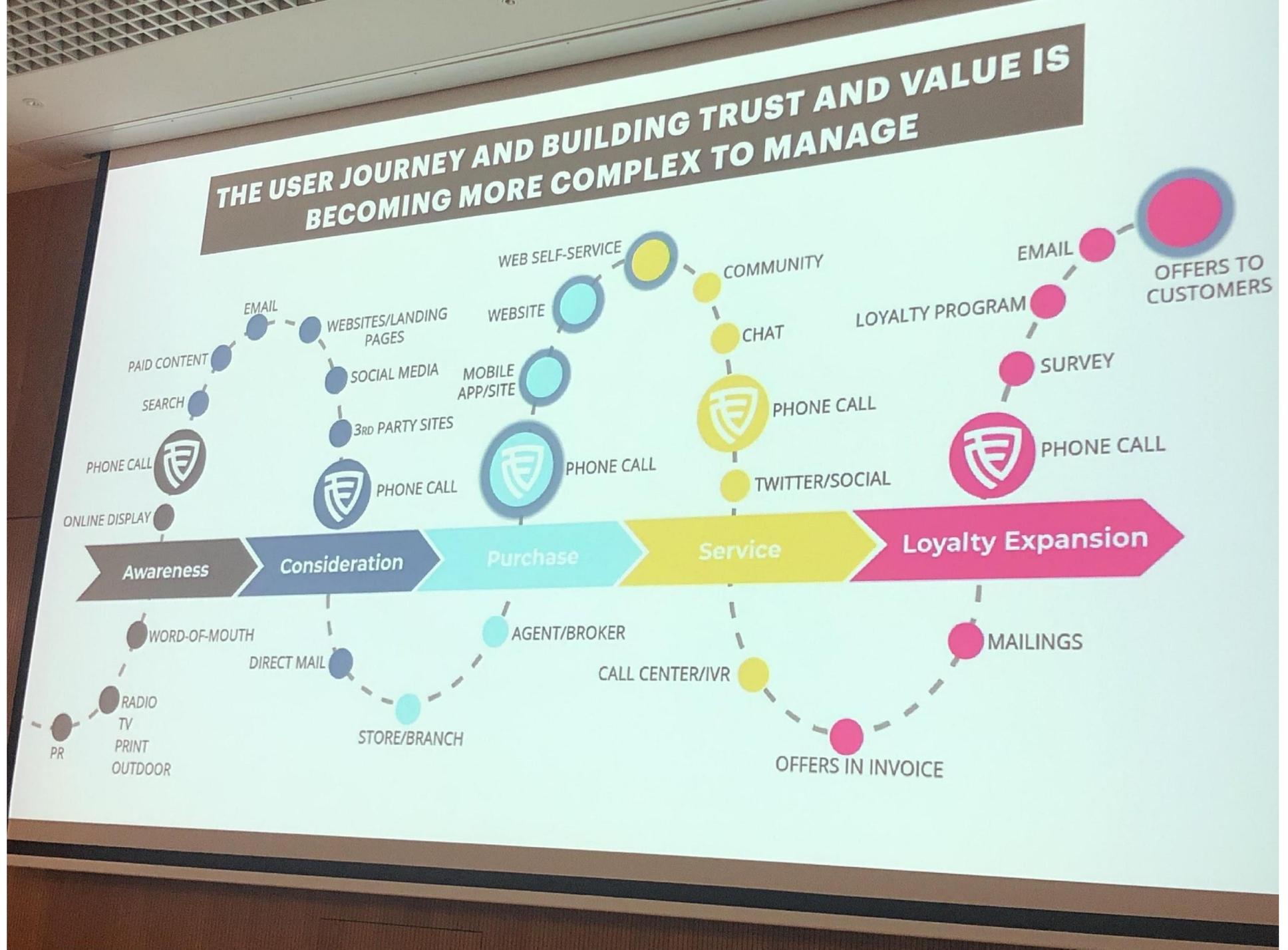
UX:

- Hyper-  
Personal
- Frictionless
- Strategic
- Omni-  
Channel

DIGITAL AS A TOOL FOUR INTERCONNECTED KEYS TO  
EXCELLENT USER EXPERIENCE



# The Trust Factor, User Journey and Value chain



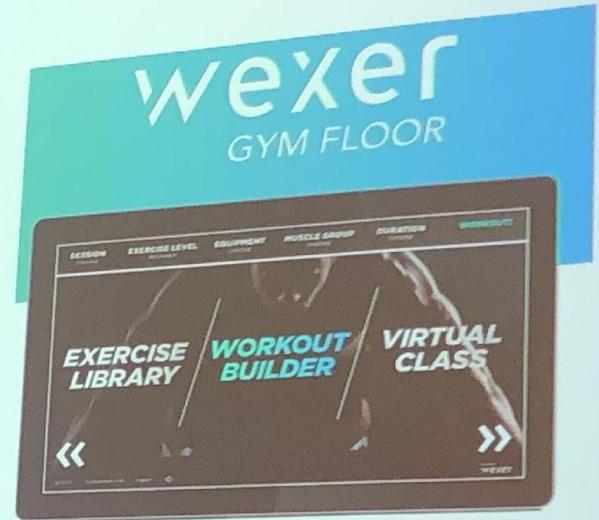
# Two Examples of Micro and Macro Omni Channels

THE FUTURE IS MICRO AND MACRO OMNI CHANNEL  
IN CLUB AND OUT OF CLUB EXPERIENCES

SC

**ISC**  
FITNESS

**BASIC FIT**

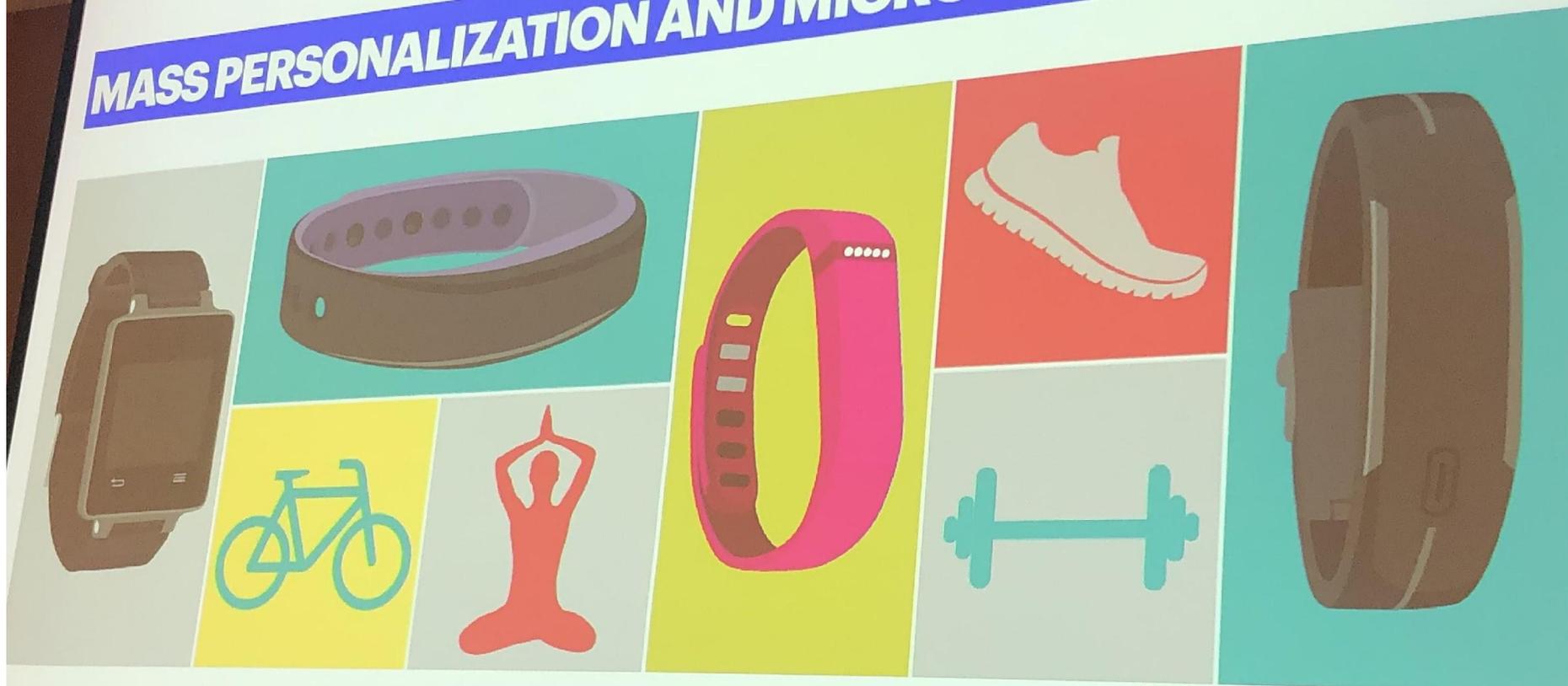


**airbnb** EXPERIENCES  
WHAT THE NEW CHANGES  
MEAN FOR TOUR & ACTIVITY COMPANIES



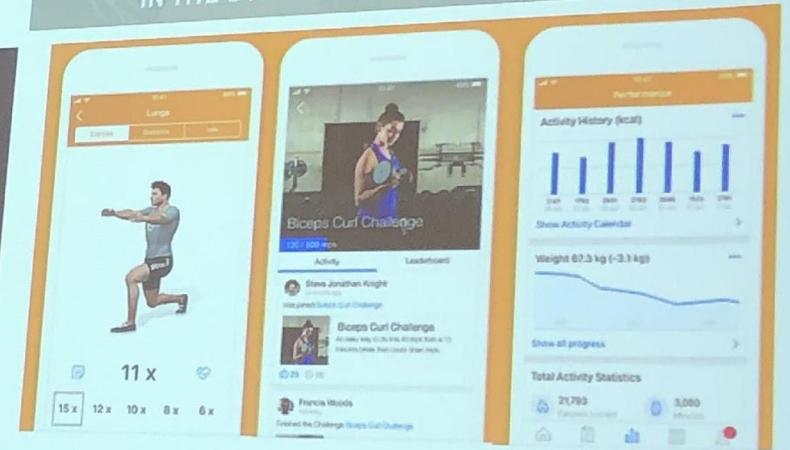
Should this be part of our product delivery?

## MASS PERSONALIZATION AND MICRO-MOMENTS UX



Silos are not the future

# THE FUTURE IS THE ENTERPRISE PLATFORM FOR EXECUTION



Trust and loyalty  
- also a focus of  
Jon Nasta's  
Retention  
concepts

*“Building trust is  
bigger than  
tactics — it’s your  
entire mission.”*

*— Brian Clark*



**BUILD TRUST**

# The MUNE Model

- Mindset
- UX
- New Economies
- Execution Engines

## HOW TO EXECUTE FOR THE FUTURE INTERRELATED DYNAMICS

**1. MINDSET**  
How you see the world, how your values impact culture, and how you interact with and deliver value to employees, stakeholders and customers. Mindset is about change. It is the most important aspect of success today because it impacts what people see as possible; Challenges assumptions.

**2. USER EXPERIENCE**  
The experiences brands create for their employees, customers, and stakeholders are the key differentiator in a competitive world. Omnipresence, hyper-personalization, frictionless commerce, strategic, facilitated, and convenient are all things that combine to evoke feelings in humans.

**3. NEW ECONOMICS**  
New ways to create and monetize the business as a platform, digital-physical delivery, dynamic pricing, the way businesses can sustainably monetize has expanded into many many options. Transaction is the lowest common denominator with platforms enabling the highest value creation.

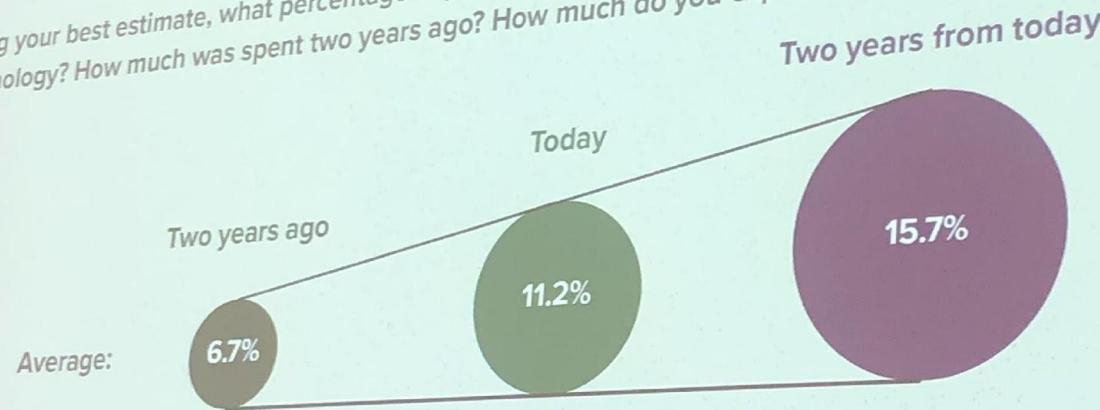
**4. EXECUTION ENGINES**  
The foundation to executing experience in a sustainable business now requires fundamental tools : enterprise systems, human capital, automation, data collection, and machine intelligence. Without attention to these engines UX and New Economics cannot work.

### A CONTINUAL PROCESS

How has  
Enjoy  
used the  
Pandemic  
to  
automate  
processes?

# AUTOMATION

"Using your best estimate, what percentage of your organization's overall IT budget was spent this year on automation technology? How much was spent two years ago? How much do you expect to be spent two years from now?"



Base: 450 automation and AI decision makers

Source: A commissioned study conducted by Forrester Consulting on behalf of Kofax, January 2020

# Bryan O'Rourke's Quadrant Model and the importance of culture



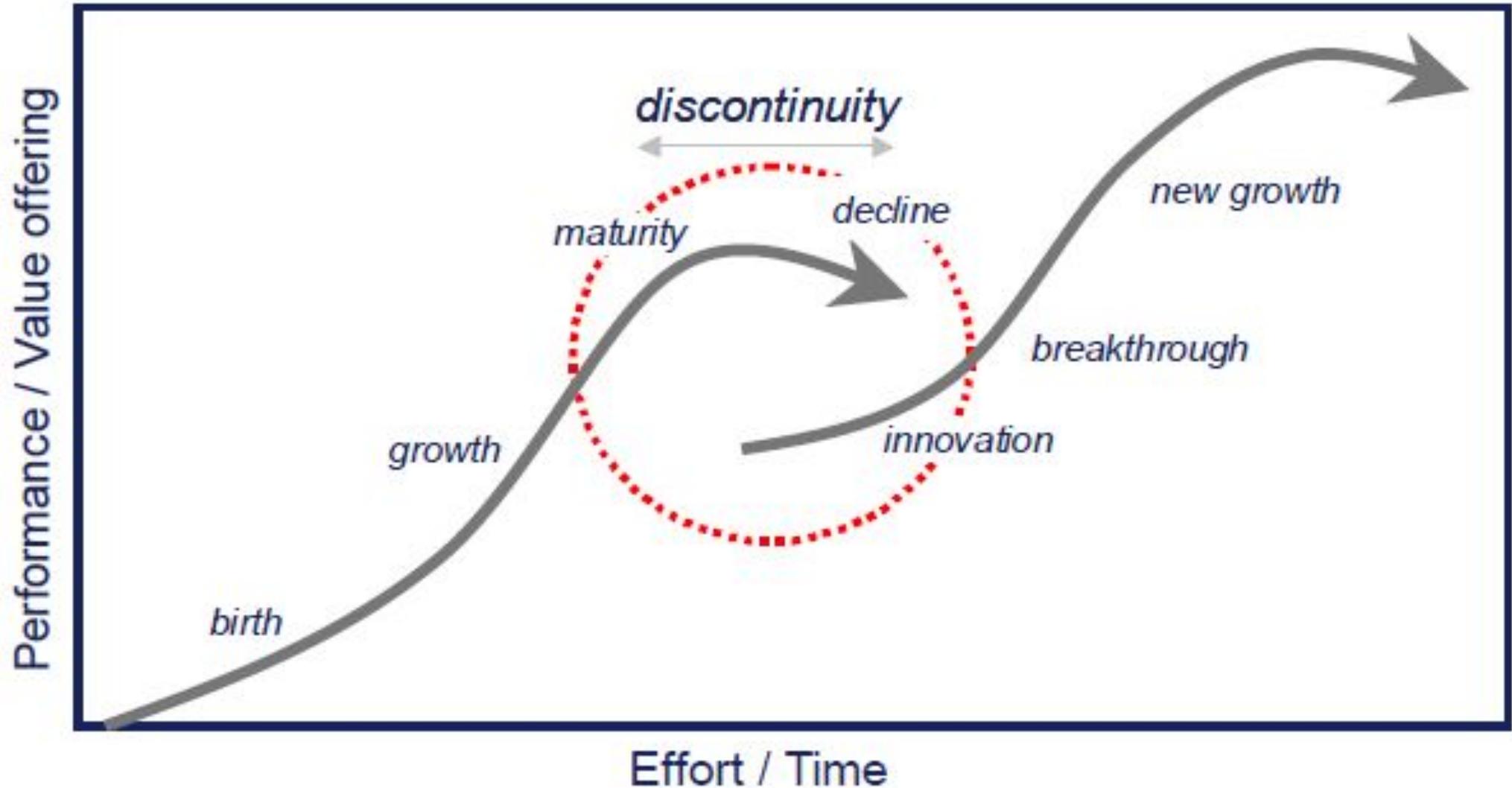


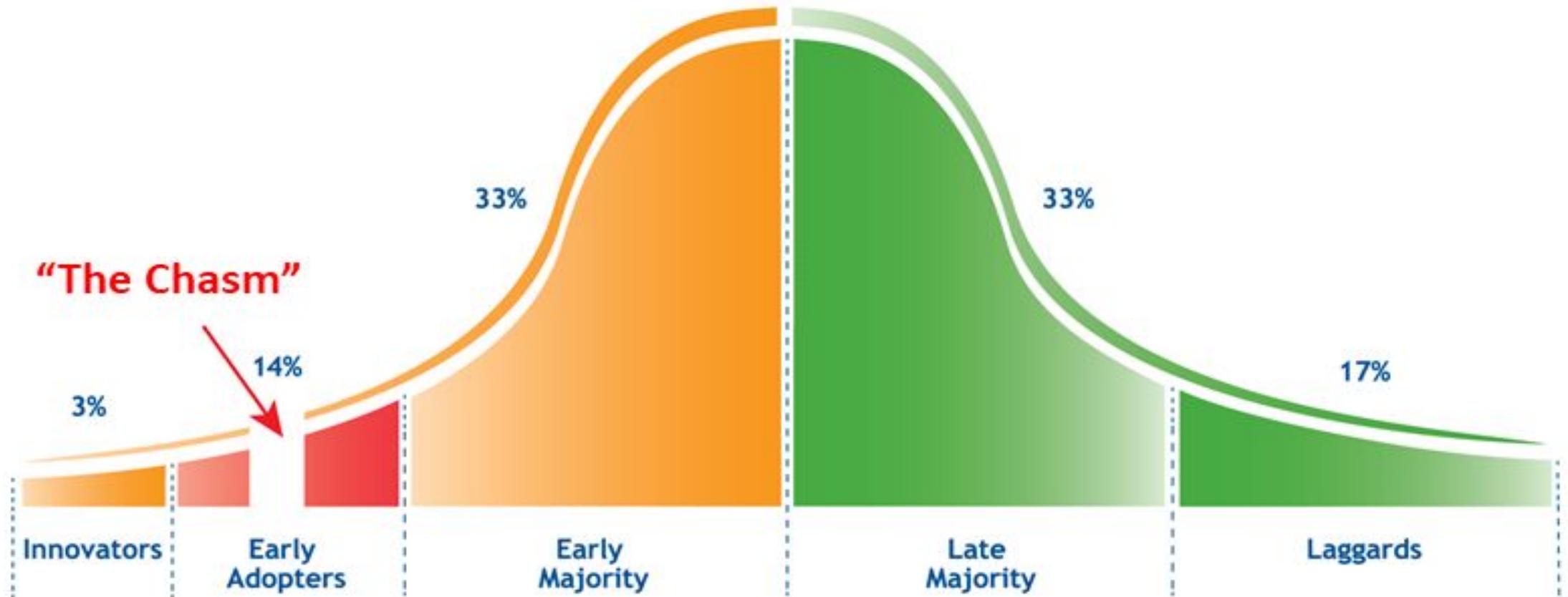
Figure 4. Discontinuity brought on by disruption and “jumping the curve”<sup>3</sup>

Source: <http://innovisio.blogspot.com/2012/12/capturing-opportunity-in-disruption.html>

# People buy benefits, not features

## Technology Adoption

Percent Adopting



Driving awareness and utilization is the challenge

# Example Conqueror Events (New Zealand)

- 90% complete their challenges
- 130.000 strong Facebook Community
- B2B2C channel – seeking POC partners

## SUCCESS

87.2% OF PEOPLE COMPLETE THEIR VIRTUAL CHALLENGE. HERE'S WHY:

### 1. AWESOME FINISHERS MEDALS

Each person receives a beautifully crafted finishers medal for completing the challenge.



### 2. ANY PLACE, ANY ACTIVITY, ANY TIME

People can participate in a virtual challenge from any location around the world, doing any type of activity.



### 3. INTERACTIVE MAP AND STREET VIEW

Become immersed into the location of the challenge by exploring the map and Streetview as progress is made along the pathway.



### 4. PLANT TREES!

We plant a real tree every time a person reaches 20%, 40%, 60%, 80% and 100% of their challenge.



# Hans Muench presenting Business Models Post-Pandemic



# Sponsor Urban Sports Club (Benjamin Roth)



Valerie  
Bures-Boenstrom

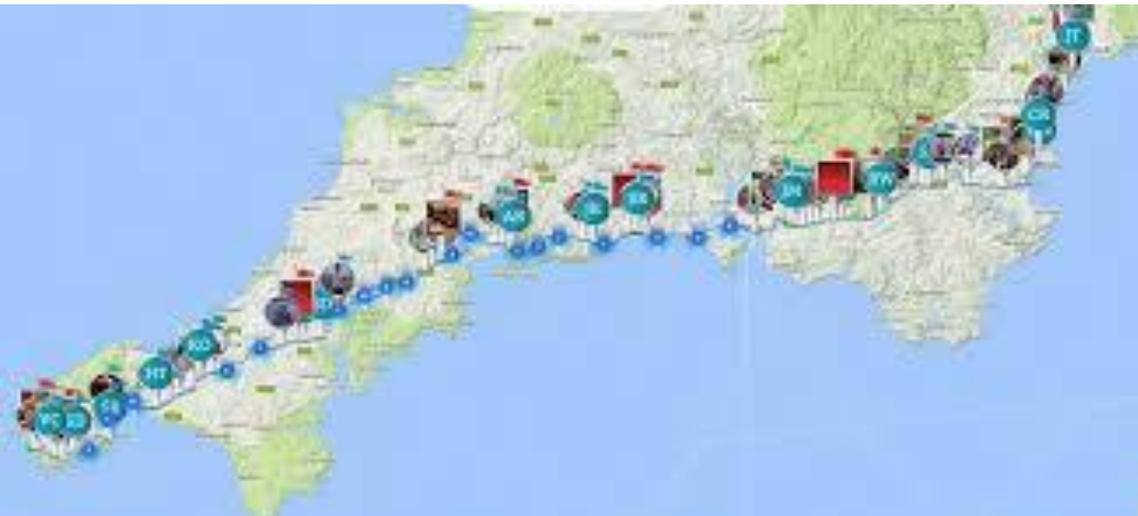
Flow  
VAHA  
Founder Mrs. Sporty



# Communities



- Joining people with like interests
- Motivation and platform for sharing, encouragement
- Encouraging interaction  
(vs. working out in their own home / outside)
- Individual (The Conqueror), Groups (My Virtual Mission)



# Natalia Karbasova

## Founder of FitTech Summit

### Munich, Germany



The traditional fitness industry will blend with [#FitTech](#) and [#HealthTech](#) in the years to come, with technology being used to:

- ✓ generate more data insights,
- ✓ create healthy habits,
- ✓ engage the users in unprecedented ways (**memorable and remarkable-Victor Brick**) .

Will the customers get back to traditional gyms? In the short term, many will (at least out of habit and sense of belonging).

Still, gyms need to embrace [#HomeFitness](#) and other digital ways to connect to their (potential) customers whenever those are.

I also believe gyms need to think about hybrid solutions to make sure they are not being replaced by a pure home fitness player offering a better experience for the same price.

# Pillars of Club Management, Henrik Gockel Prime Time Fitness, Germany – 9 clubs



# Selling in the (post) Covid era: Example Prime Time Fitness

PTF now  
entering  
Switzerland

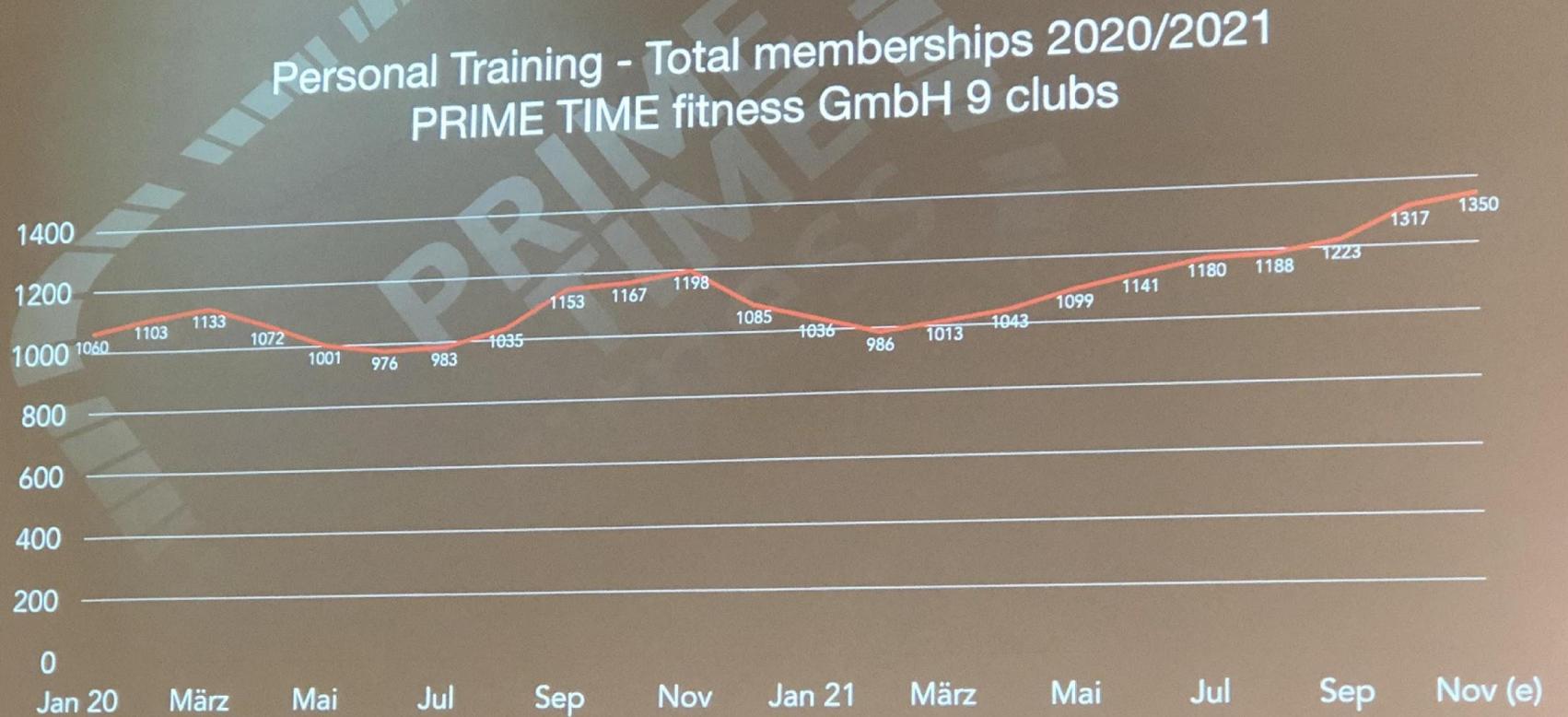
SALES  
PERSONAL ADVICE



- ✓ NEEDS ANALYSIS
- ✓ CLUBTOUR
- ✓ CLOSING
- ✓ POS - VIP LEADS
- ✓ FOLLOW UP

# Personal Training focus and results

## Prime Time Fitness



Prime Time Fitness:  
Free content and  
selling online PT  
- also a tool for  
membership  
retention  
- out of necessity  
now a „virtue“  
(here to stay)



It all begins by defining our purpose, vision and strategy

## PRIME TIME fitness - Vision & Strategy

- ▶ PRIME TIME fitness is a selection of compact, urban „Performance“ health clubs at „PRIME“ locations in larger agglomerations
- ▶ PRIME TIME is convenient for its members close to where members live and/or work
- ▶ PRIME TIME fitness work outs are intense and time-effective
- ▶ That's why PTF work outs even fit into busy schedules
- ▶ D. h. 85% of the clubs surface is dedicated to training



# Adapting and embracing technology into sales



PRIME TIME fitness - Premium Training



**Leads, Needs, Closing & Referrals: Blend the Traditional Membership Sales Approach with Today's Technology**

**AGENDA**

- , Who are we?
- , E-Leads
- , Traditional sales system

Henrik Gockel Founder & MD  
IHRSA SMART SUMMIT 19th of November

Data-based management and decision making: Example tracking leads (Alan Leach, Ireland)



# Example Solinca Fitness: segmentation

## Track & Control

2

ISCI FITNESS

Clube	Média Acessos			PRIMEIROS 28 DIAS											
	M	YTD	Var.pp	0 ACESSOS			1-3 ACESSOS			4 A 7	8 A 11	12 OU MAIS ACESSOS			
				M	YTD	var.pp	M	YTD	var.pp	M	M	M	YTD	var.pp	
P.ODI	8,7	8,3	5%	1%	11%	-10%	14%	13%	1%	27%	31%	27%	28%	-1%	
TGT	8,0	8,0	0%	5%	5%	0%	10%	10%	0%	20%	25%	40%	40%	0%	
P.AMA	7,9	7,6	3%	1%	11%	-10%	21%	15%	6%	31%	27%	20%	23%	-2%	
MP	7,7	7,5	1%	5%	12%	-7%	19%	15%	4%	28%	29%	20%	23%	-3%	
P.BAR	7,4	7,3	2%	5%	11%	-6%	17%	15%	1%	32%	27%	19%	21%	-2%	
P.ALV	7,3	7,4	-1%	3%	11%	-8%	21%	12%	9%	33%	26%	17%	20%	-3%	
P.SEI	7,2	7,7	-7%	6%	11%	-5%	23%	14%	9%	25%	31%	15%	23%	1%	
P.ALM	7,1	6,8	4%	11%	17%	-6%	20%	16%	4%	24%	29%	17%	20%	-3%	
P.MAI	7,1	6,6	7%	8%	15%	-6%	24%	16%	8%	25%	22%	21%	17%	4%	
TOT.P	7,1	7,3	-3%	6%	13%	-6%	20%	15%	5%	29%	27%	17%	21%	-4%	
P.FAR	7,0	7,6	-8%	5%	10%	-6%	15%	16%	0%	40%	25%	15%	22%	-7%	
DA	6,7	7,2	-7%	7%	12%	-5%	21%	15%	1%	34%	25%	14%	19%	-5%	
DO	6,6	7,0	-6%	9%	15%	-7%	25%	15%	10%	26%	23%	17%	19%	-2%	
P.ERM	6,5	7,1	-9%	10%	16%	-6%	25%	15%	10%	25%	22%	18%	20%	-2%	
P.CAS	6,3	7,0	-10%	12%	14%	-2%	20%	15%	5%	28%	26%	14%	19%	-5%	
P.FOZ	6,2	7,4	-17%	6%	15%	-8%	24%	13%	11%	33%	29%	8%	21%	-13%	
P.SAL	6,1	6,6	-9%	5%	13%	-8%	25%	18%	7%	39%	23%	8%	16%	8%	

Problem

Analysis

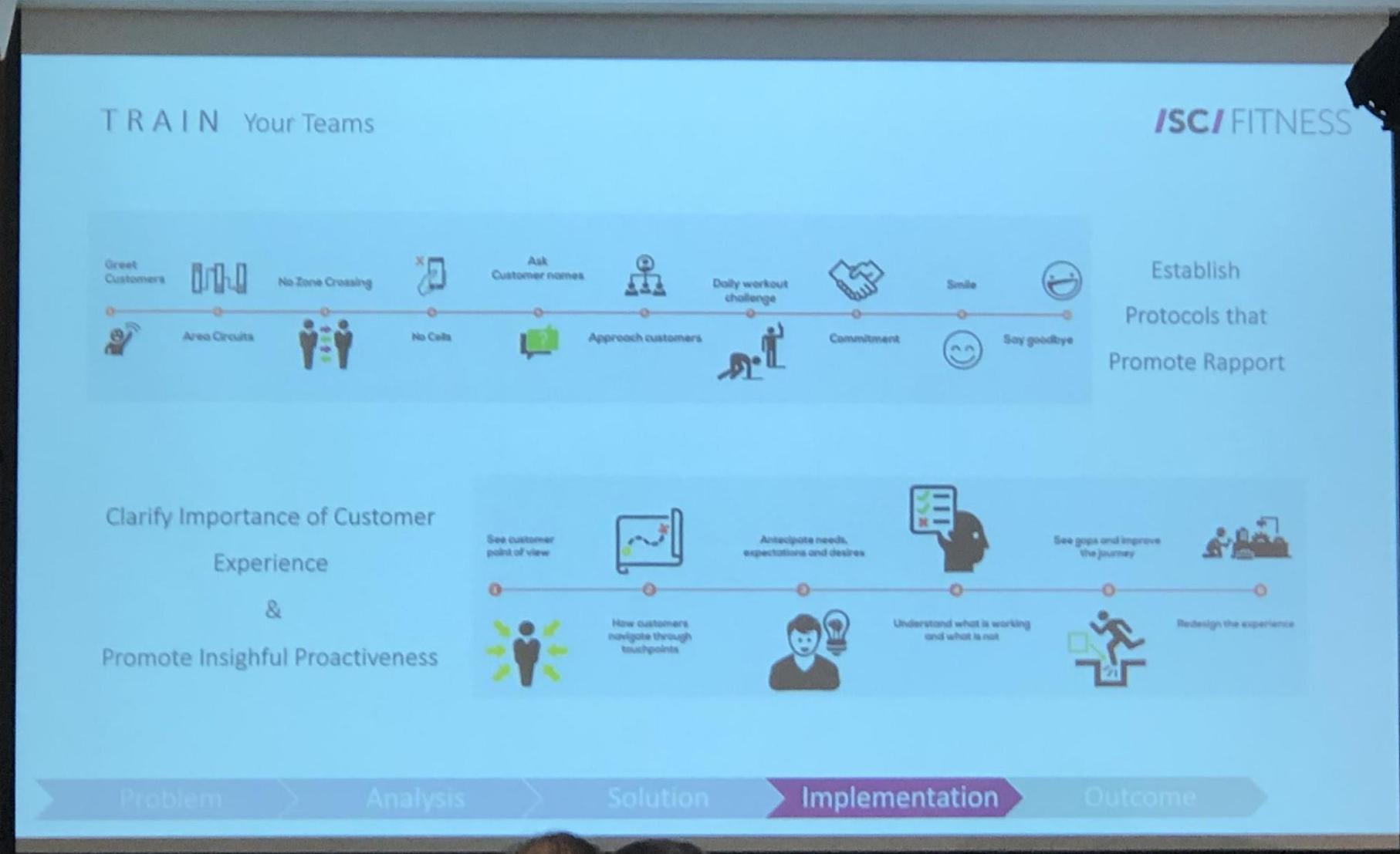
Solution

Implementation

Outcome



# Training Teams is Essential



# Customer Journey and Retention

Summary

ISCI/FITNESS

## CUSTOMER JOURNEY RETENTION PROJECT

	HABIT CREATION	CHURN: OFF CLUB	CHURN: IN CLUB	SATISFACTION	RETENTION
STREAM 1: ANALYTICS	Induction Status 	Usage Assessment 	Member Risk Level 	NPS Analysis 	Cancellations control 
	Usage 1st 30 days 	Churn Risk 	Action Effect 	Incident Analysis 	Recovery workflow 
	Goals and challenges 	Action Effect 	Action Effect 	Audit Results 	Recovery offers 
STREAM 2: CRM	Message to Induction and Nutrition Consultation 	Weekly actions Messages 	Record interactions and recognize members 	NPS 	Recovery offers 
	Message to access control 	Customer Experience Email 	Customer Feedback 	Customer Feedback 	Exit Interviews 
	Welcome Email 	Customer Experience Email 	FI Interaction 	Fitness Feedback 	Exit Interviews 
STREAM 3: IN STORE			Incidents 	Incidents 	Exit Interviews 
				Audits 	Exit Interviews 
					Exit Interviews 

Analysis

Solution

Implementation

Outcome

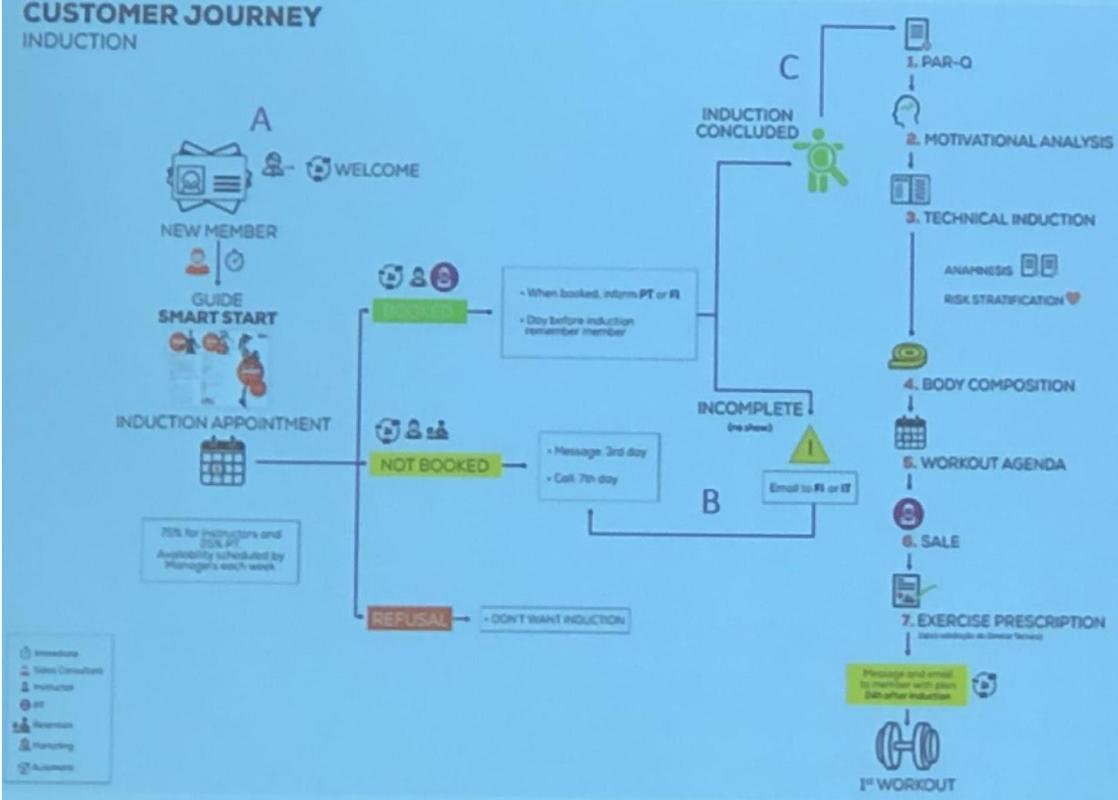
Induction of new members - higher retention occurs when habits are established within the first 42 days

- Duncan Green  
Webinar 30.11.21

## How it Begins

ISCI FITNESS

### CUSTOMER JOURNEY INDUCTION



### SOFTWARE

- A. New Member Appears on Tablet Identified as Such
- B. Interaction to Reschedule Induction is Triggered
- C. Induction is Conducted on the Software

Problem

Analysis

Solution

Implementation

Outcome

Rating Customers by churn risk and health risk factors: interaction factor

## Interactions with customers

CLIENTE

Em Clube  Excluir A3  Em Abuso

Procurar

FOTO	NOME NÚMERO	DT. ADEÇÃO MESES PJ/REN	EST. RISCO EST. FREQ (% AG)	ÚLTIMA AF (DATA E LT)	CICLO DE VIDA	INTERAÇÃO PROGRAMADA
	Nadine Chorão 160295	03-04-2017 2 meses	N/A SLP (0%)	CONCLUIDA (396 d)	CYB - SM (4/91 d)	NÃO EXISTE
	Ana Silva 31003693	07-01-2019	N/A LRU (0%)	NÃO EXISTE	NÃO EXISTE	Marcar AFI 07-02-2019

2 cliente(s) encontrado(s) 1 SLP(s)

Ranking Customers by:

1. New Members (onboarding)
2. Churn Risk
3. Health Risk Factor

**DETALHES AFI**

Estado de Risco Condição física e de saúde Perda de peso Performance

**DATAS**

Antecedente Não faz anos 3º mês 2º mês de contrato C/ cancelamento Programado Não realizado C/ pedido de cancelamento de contrato recuperado Cancelamento normal

**CONSUMO**

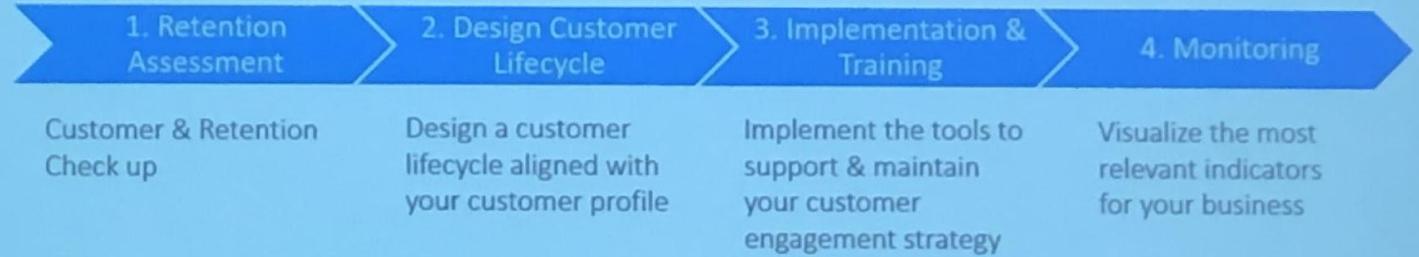
Cliente ativo PT Compras serviços de PT nos últimos 90 dias Cliente ativo Nutrição Compras serviços de Nutrição nos últimos 90 dias In-Cliente PT Compras serviços de PT há mais de 90 dias

# Insights and Action

HOW to Act on the Gathered Insight?

ISCI FITNESS

RETENTION STRATEGY



PROPOSED SOLUTION



**CHURN ANALYTICS**

Proactively retain through automatic detection of potential churners



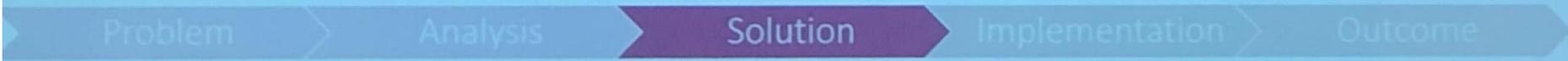
**IN-CLUB INTERACTIONS**

All customer data and interaction tracking in one place



**OFF-CLUB INTERACTIONS**

Automatic customer surveys and direct messaging



Fact-based  
customer  
lifetime  
value

## Customer who stay longer



Older



Contract



High usage rates



Good physical assessment



Group Fitness



Promoters

# Segmentation of members based on usage

Risk

ISC FITNESS

## FREQUENCY LEVEL

5		<b>SLEEPERS</b>		(no visits)	<b>+ 60 DAYS</b>
4		<b>HIGH RISK</b>		(no visits)	<b>+ 30 DAYS</b>
3		<b>MEDIUM RISK</b>	  	1-3 visits	<b>LAST 30 DAYS</b>
2		<b>LOW RISK</b>	        	4-8 visits	<b>LAST 30 DAYS</b>
1		<b>ACTIVE USERS</b>	        	+ 9 visits	<b>LAST 30 DAYS</b>

Problem

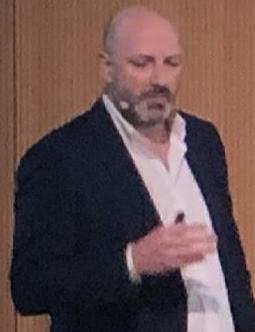
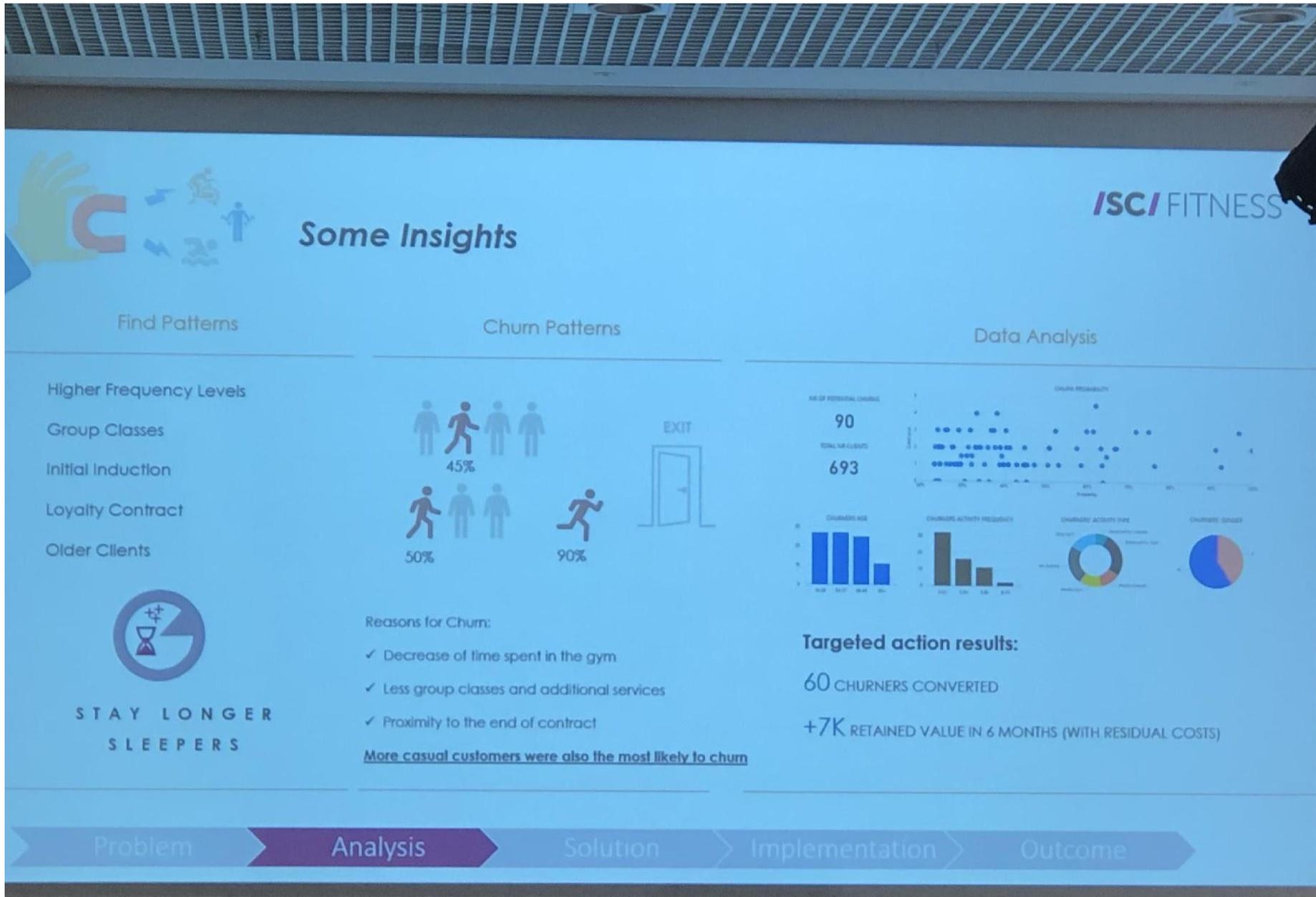
Analysis

Solution

Implementation

Outcome

# Insights from Bernardo Novo



# Churn Prediction (Gonzalo Artiach, Decidata- Spain)

## Churn Prediction

Insurance

### Problem

- Lack of knowledge of the reasons behind a client cancellation
- Bad customer experience
- Better terms offered by the competence

### Used Data

- Customer Data
- Other Service Data
- Behavioral Data
- Interactions with the company

### Solution

- Based on "random forest" algorithm
- XGBoost algorithm could be used
- A list and the probability of exit of the clients ordered from high to low likelihood

"The retention of clients is the key of success for a profitable business".

### Results

- Capacity to adapt and learn from the changes in the behaviour of the clients in the long run.
- Improves by 4x the prediction compared to traditional systems of BI
- Decrease in 15% of the churn
- Knowledge of the main variables that affect the exit of clients

Keynote speaker  
Cate Trotter  
(London)

A shift  
from-to

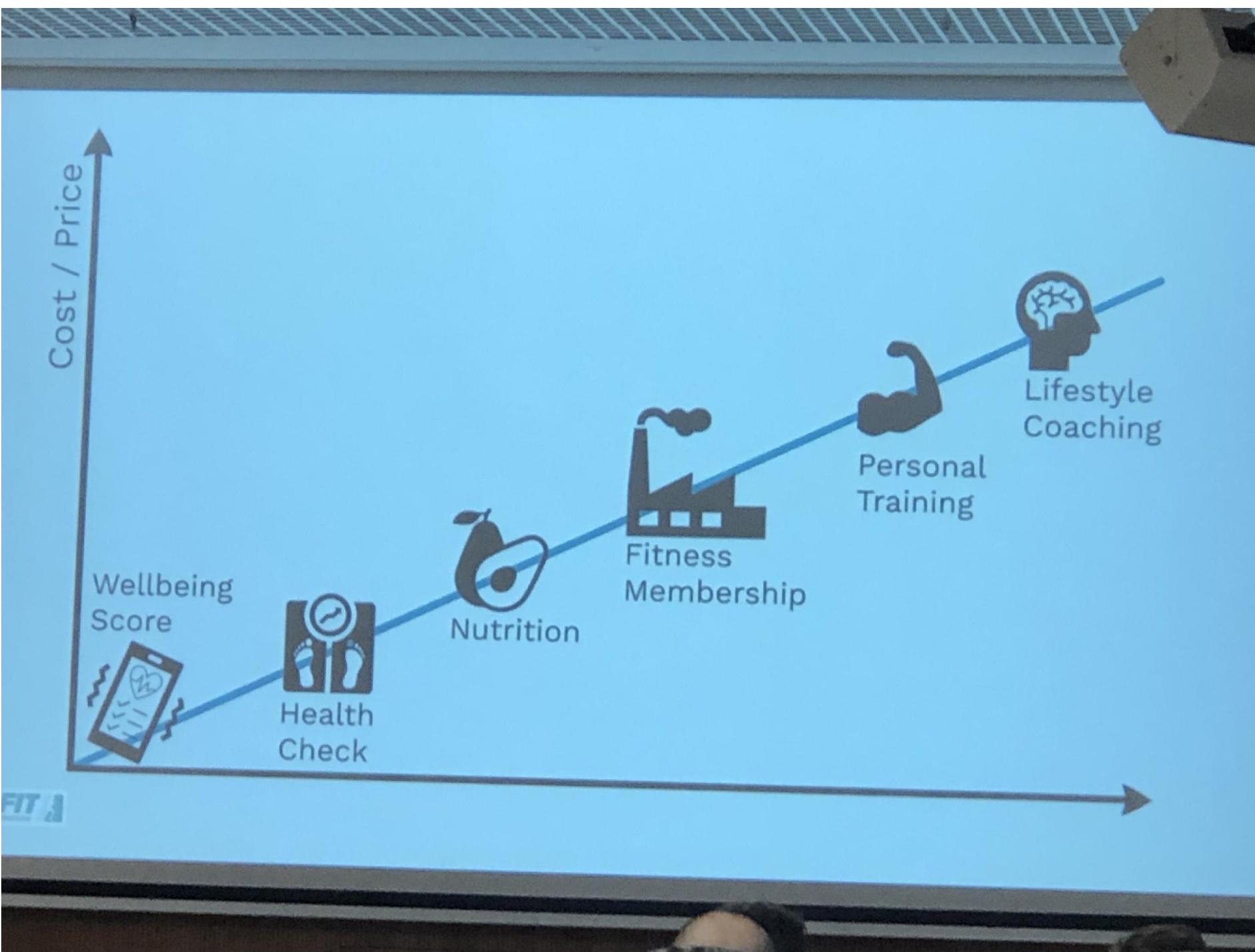


# Guy Griffiths, GG Fit

Introducing  
New  
membership  
models...  
Fitness Club  
vs.  
Health Club



Predictor  
of  
Longer  
staying  
members  
and their  
spending  
habits



Research supports increased health focus

## HEALTH

7/10 adults motivated to make healthier choices in 2021\*

\*PHE survey Jan 2021  
5,000 Adults in England

- Exercise more (41%)
- Eat more healthily (40%)
- Lose weight (39%)



### Active Lives Survey\*

- 700,000 (-1.9%) fewer active adults, &
- 1 million (+2%) more inactive adults

\*May 2019-May 2020  
Sport England

## Plan to Use a Gym/Fitness Studio by EOY 2021 Percent of the Population by Country

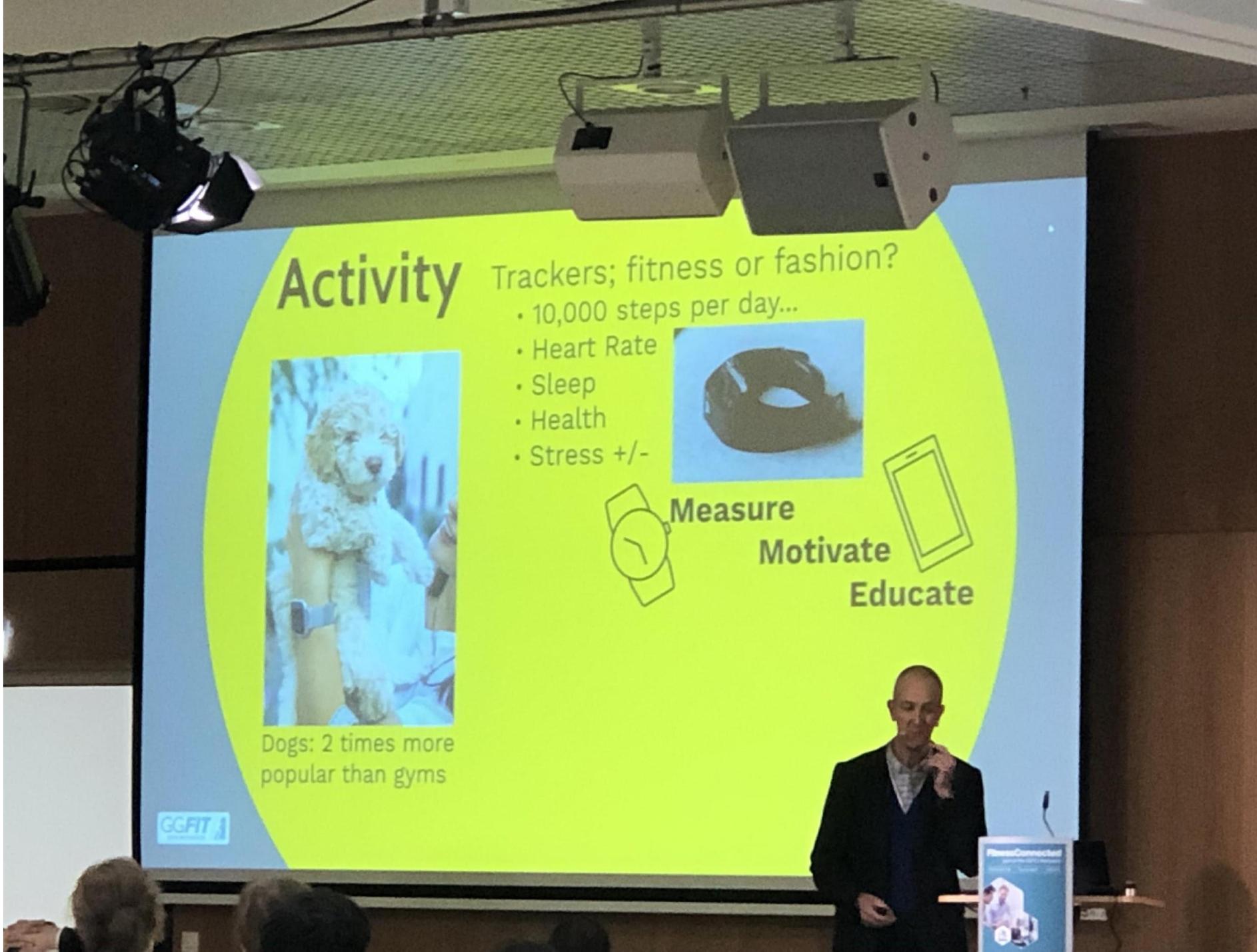


Source: PwC Global Consumer Insights Survey

Mind Body  
Research  
pre-Omicron /  
4th wave

Spain at 31%!

Extending the membership benefits to outside the club as well...the implied membership contract



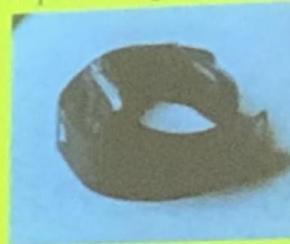
## Activity



Dogs: 2 times more popular than gyms

Trackers; fitness or fashion?

- 10,000 steps per day...
- Heart Rate
- Sleep
- Health
- Stress +/-



Measure

Motivate

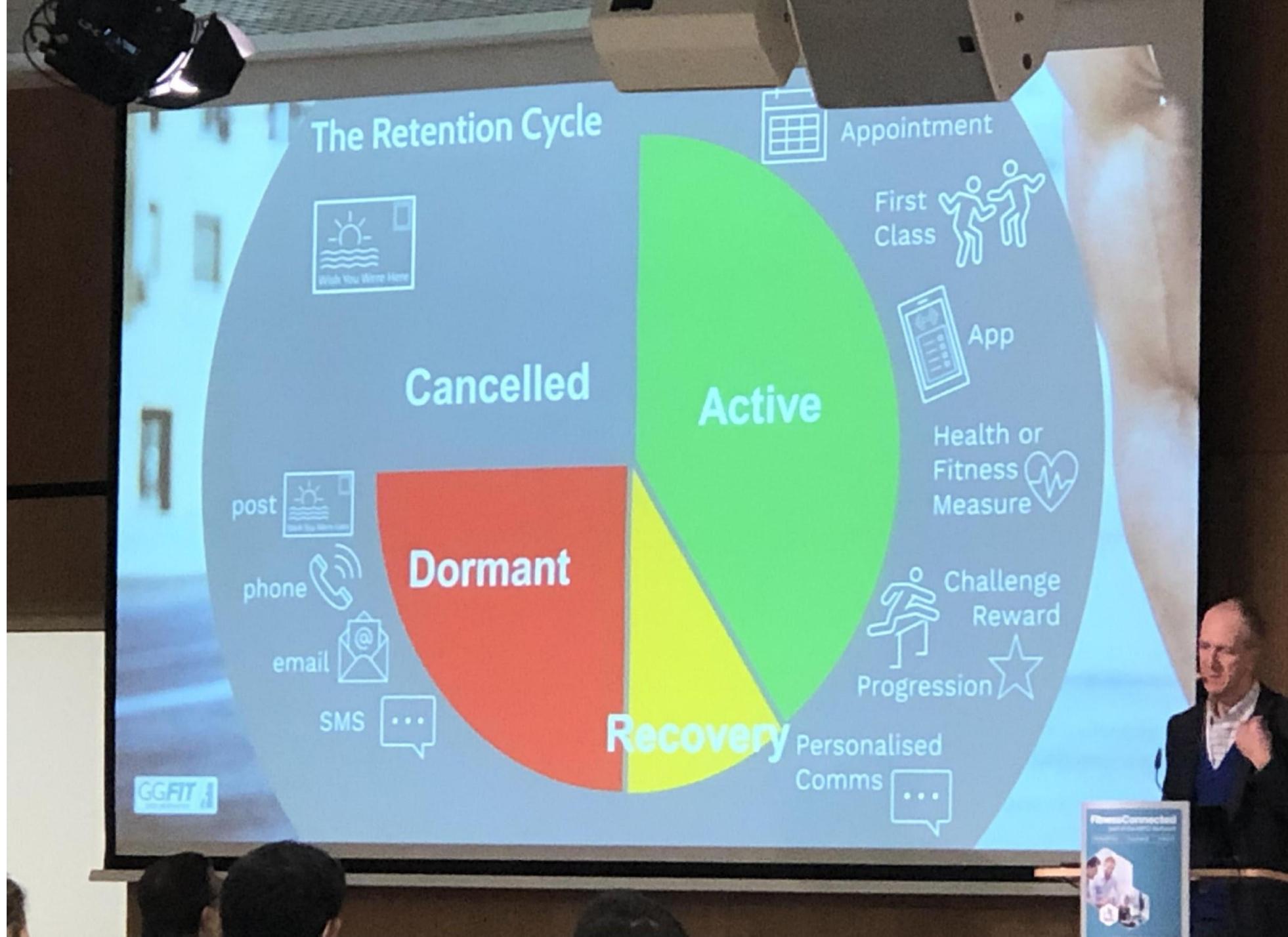
Educate



GGFIT

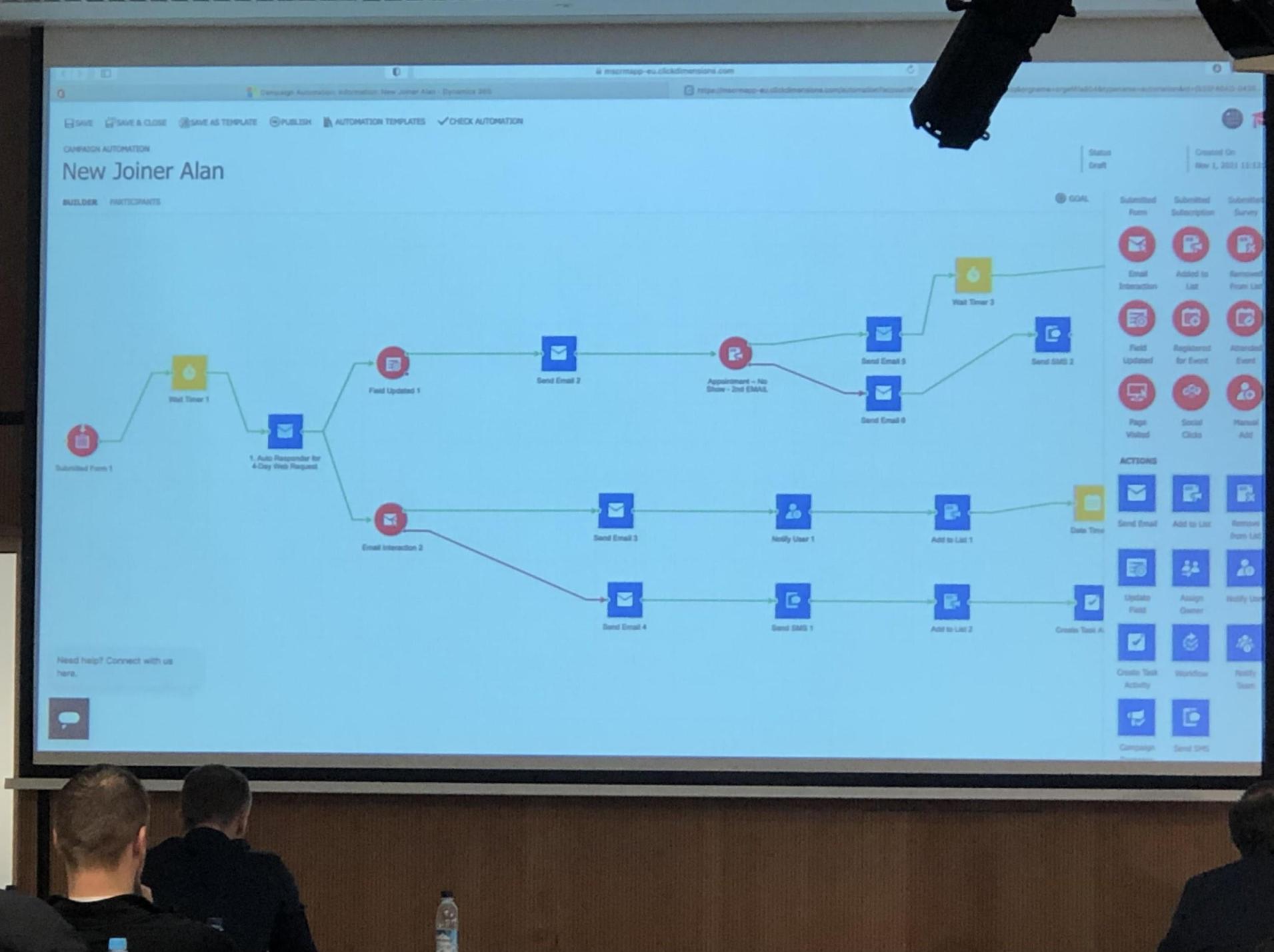


The Retention Cycle and activities broken down by membership usage „types“



Member Journey mapping:

High tech or lower tech (example 360 Fitness, Sweden's Text message system)



# Next steps



Reflect

Share / Brainstorm

Prioritize

Get Team behind change

Don't be afraid to make mistakes

Celebrate wins