

# Norm Cates' **CLUB INSIDER**<sup>TM</sup>

The Pulse of the Health and Fitness Club Industry



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## Club Marketing *Then, Now, Always*

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**FEBRUARY 2014**

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# Norm Cates' CLUB INSIDER™

The Pulse of the Health and Fitness Club Industry

## Club Marketing *Then, Now, Always*

By: Justin Cates

Marketing... It's the function of business we have all turned a blind eye to at some point. We don't have the time for it. We don't have the budget for it. We will do it next year. If we build it, they will come... At least, that is what we tell ourselves.

At a time when television, radio and print were pretty much the only mediums to consider for a traditional marketing campaign, this mindset was understandable. Those mediums are expensive, and they require a lot of legwork to make the cost worth it. Then, it is still not guaranteed to provide a return. That was then, though. This is now, and things have changed.

Today, television, radio and print are still there, but the prolific expansion of the Internet has created a new medium with numerous sub-mediums upon which to shine light on an organization's brand at a fraction of the cost. The top resources required are time and creativity, but that

has always been the case if an organization cares about how the public perceives their brand.

I'm getting ahead of myself, though... Let's start with the basics.

### What is Marketing?

Let's go to business school for a moment. If you Google "Marketing," you will get a plethora of different definitions. Some are complete; others not so much, but they all vary in clarity. So, instead of providing a precise definition of the word, let's discuss the inherent knowledge we all have about the subject of business:

1. We have a product or service to sell.
2. We need a customer to whom to sell the product or service.

Marketing is essentially the linkage between these two definitive statements. It is the process of making

someone aware of a product or service he can buy. Going further, though, successful marketing should not just make someone aware of a product or service he can buy, but it should make him *want* to buy it. As Steve Jobs said in 1998, "A lot of times, people don't know what they want until you show it to them."

The reason marketing is hard to truly define is because it is more than just a process to be followed. Marketing, at its core, is actually infused into the DNA of a product or service. Enter the marketing mix, the four Ps of marketing:

**Product:** This is what is actually being sold to the customer. It can be a tangible good or an intangible service. In health and fitness club facilities, the primary product is technically an intangible service. However, this can be comprised of numerous components (tangible and intangible) that create the final value proposition for the customer, so the product mix (not to be confused with marketing



Justin Cates

mix) should be considered. For example: What is included in a membership? Are there membership levels? What add-ons are available? Are tangible products sold in various departments, such as at a café, pro shop, juice bar, spa, etc.?

(See Club Marketing Page 12)

## Jonas Software Acquires Retention Management

The giant and very successful company, Jonas Software, parent company of Jonas Fitness, acquired Retention Management on January 20, 2014.

CLUB INSIDER has learned from Barry Symons, CEO of Jonas Software, that Retention Management will continue to operate as a separate entity, retaining its well-regarded brand in the fitness industry. The company will continue to foster the

valuable relationships it has with all of its partners in the fitness industry.

Retention Management will continue to operate out of its North Carolina offices, as well as virtually across the United States and the United Kingdom.

CLUB INSIDER has also learned that the existing team at Retention Management is still involved in the business, and they will be joined by

new General Manager, Kevin Petri, an experienced manager from the club side of the Jonas Software business. Rick Ekstrom, Retention Management Founder, will continue to provide strategic and consultative support to the business.

Jonas Software CEO, Mr. Barry Symons commented on the acquisition, "Jonas Software acquired Retention Management because of their successful

history in providing leading member retention software tools to the fitness industry. We truly value the partnerships that Retention Management has built and look forward to continuing operating the business in a similar fashion, while bringing the best practices that we have learned over the years in the club management industry."

Report by Norm Cates, CLUB INSIDER

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# Norm's Notes

•Hello Everybody! This is your CLUB INSIDER Publisher and Tribal Leader Since 1993 checking in!

•Is our America a great country, or what? Hmm... Hmm... Hmm! By the time you receive and read this, I hope America's Winter Olympic Team is kicking butt and that all Olympic athletes and attendees are safe over there in Sochi, Russia! God bless them all!

•I want to wish my good friend and former business partner in CourtSouth here in Atlanta, LYLE RAY IRWIN, the best of luck with his treatments as he told me a week ago he's been diagnosed with Cancer of the Larynx! Ray is partners with my other good friend, RICH BOGGS, at MOSSA (f/k/a Body Training Systems) and The STEP Company! God bless you, LYLE RAY!

•Best of luck to MIKE GRONDAHL, Planet Fitness Co-Founder, as he's embarked on a plan to help Augie's Quest raise \$6,000,000 during the Year 2014! The \$1 is so that, if Mike hits his goal, it will be the biggest amount ever raised during the Augie's Quest 8-year effort by just \$1! Check out Mike's Ad on our Outside Back Page, and give what you can! Also, don't miss the 8th Annual Augie's Quest Bash on March 14th in San Diego! And, Stay Tuned!

•Congratulations to RUSSELL WILSON and the entire Seattle Seahawks Football Team as they opened up a real big can of whoop ass on good old PEYTON MANNING and the Denver Broncos in Super Bowl 48! I'll forever wonder what that Denver Bronco Center was thinking right before he made that very first snap of the ball game, hitting Peyton Manning in the head with the football and with former UGA star, KNOWSHON MORENO, falling on the ball in the end zone to prevent it from being a touchdown but still ringing up 2 points for the Seahawks for a safety! WHOA! What a way to start off what became, by many opinions, the worst Super Bowl in History because it was so lopsided! I'm proud of Russell Wilson because he played college football at N.C. State University, the same place I played football. In 1967, our N.C. State Wolfpack Team reached the highest national ranking in the history of the school, #3 and our record going into our last two games was 8-0! But, the rest of the story is we lost our last two against Penn State and Clemson, and instead of going to the Orange Bowl, we ended up going to and beating the University of Georgia in the 1967 Liberty Bowl! Life is tough sometimes!

•Happy Birthday to MR. RAY WILSON, as he'll celebrate his 86th birthday on February 19th. Mr. Wilson

is doing very well at his resort home down in Punta Minta, Mexico. He sometimes sends me written recollections of his amazing 60+ years in the club industry, where he went through what I call "Spa Wars" back in the '50s when he and VIC TANNY were at each other's competitive throats in Southern California and where they slugged it out in that market for years. Along the way, Mr. Wilson acquired a yet to be perfected first generation Life Cycle and perfected it. He rolled it out nationally after investing several million dollars and with the help of the one and only AUGIE NIETO made Lifecycle a great success. He ultimately sold the Life Cycle Company to Bally Manufacturing, where Augie created Life Fitness and brought that great company to the world.

Mr. Wilson went on to build his Family Fitness chain into a very valuable group of 72 clubs in Southern and Northern California, and he sold that chain to MARK MASTROV for \$95 million a little over 15 years ago. Mastrov then went on to merge Family Fitness with his San Francisco Bay Area 24 Hour Nautilus chain, changed the name to 24 Hour Fitness and built the company into a mega chain of over 400 clubs. He went on to sell for it \$1.6 Billion, still a record amount in the history of the health club industry. It was paid by New York City investment banker, the late TED FORSTMANN, and his Forstmann-



Norm Cates

Little Company. Mr. Wilson and I are discussing the idea of me writing a book about his life story, and when we decide how to do that and when, you folks will be the first to know. I have proposed a name to Mr. Wilson for the book, and it is: Spa Wars... the Life and Times of Ray Wilson. I'd love to get feedback on this idea from you, so Mr. Wilson and I can measure what the potential interest in such a book chronicling the 60+ years history of the health club industry might be within our industry. Again... Happy Birthday, MR. WILSON! And folks, STAY TUNED!

•Just when I thought we were off and (See Norm's Notes Page 7)

## About Club Insider

# Established in 1993

## 21 Years and Counting!

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PRINTING and MAILING SERVICES - Walton Press  
[www.waltonpress.com](http://www.waltonpress.com)

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Edition #242

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# “Insider Speaks”

## What You Are Wearing Says A Lot About You!

**By:** Ashley Varol, M.Ed., ACE-CPT

I am always curious about why credibility and our ability to train, coach or teach are being challenged by the medical profession and the media. One of the reasons has become increasingly obvious: we simply don't try hard enough to look the part. Don't get me wrong; one of my favorite things about being a fitness professional is the fact that sneakers/gym shoes are an acceptable choice for footwear! However, we need to be aware of the settings we are in, the audience we are marketing ourselves to and the *impressions* that we make.

I am lucky enough to have multiple roles in the fitness industry, which affords me the opportunity to meet and work with fitness professionals at all levels within their careers. I will use my personal experience and the impressions and observations I've made to hopefully help make my point that we need to “raise the bar” and continue to demand higher expectations of one another so we

can improve the public's perception of our industry.

One role that I hold is as the Fitness Director at the University of Cincinnati Campus Recreation Center. I have the opportunity of interviewing instructors to teach our group fitness and instructional programs. I hire people freshly certified to seasoned professionals. Each person interested in working with us must provide a resume, background information, as well as teach a 30-minute demo class. There are many things I look for during this interview. However, one of the first things on my list is her attire. I am *not* interested in the logos on her yoga pants or shoes, but rather, what thought she has put into what she is wearing and what statement she is making with her appearance. You see, when she teaches at the Campus Recreation Center, she has access to upwards of 75 people per class that they are setting an example for and leading to a more healthful life. When you step in front of a room full of fitness participants, you are responsible for projecting a positive image as a role model.

much like the celebrities we criticize on TV. Because our population is comprised of mostly young adults 18-21 years old who are often accessing a gym for the first time, but we may also see faculty and staff that may be up to 80 years old. Our rule of thumb is to be a little more modest and always uplifting. I'm all for “*dressing the part*,” whether you're in the highlighter colors the Zumba staff wears or you're in camo gear for bootcamp, but the point is you're there for THEM. It's not about you, so don't show so much of yourself or be covered with logos and slogans that you lose their attention to whatever you may be “selling.” Make a positive impact, and you can change a life.

Another role that I hold sends me around the country presenting workshops for ACE and BOSU. I meet fitness professionals again who range in fitness levels and who've been in the industry for varying lengths of time. They have made the time and found the money to earn their continuing education, and they stay involved in the industry. As people enter the room, I do my best to greet them, shake their hand and introduce myself. I notice what people wear and generally get a sense of how much they plan to participate and what attitude they have about the class before they sit down. If they have done their homework, they know what the workshop is about, what is involved in the day and they dress the part. They have workout clothes with them in a bag or already on. When you don't show up ready to go or show up looking like you just rolled out of bed, the presenter (and your classmates) gets the sense that you're disinterested. You can appear to be overconfident and that you don't need the education, you were forced to go or you just need CECs to keep your certification current. Nine times out of ten, it's the lack of interest and overconfidence. The person not dressed for what they're about to do is usually disengaged or challenges others in the group. They don't join in the group workouts, and they miss out on the best thing that can come out of a workshop beyond the CECs: *networking*.

Last, I am lucky enough to attend, present and work at conferences thanks to my expertise, an opportunity through the IDEA Fitness Association and my role as a Board Member for the Women's Fitness Association. This gives me the chance to meet people from around the world who have gone far out of their way to be in the middle of what's new and fun in the



Ashley Varol, M.Ed., ACE-CPT

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industry. I've also had the chance to meet some of the professionals I look up to the most. I do my best to bring staff and others with me and always encourage them when packing to consider the opportunities they will have at the conferences: workout and lecture-based sessions, meet and greets, keynote speakers, as well as cocktail or other networking settings. Being inappropriately dressed for any of these can alter the success of the meetings you may have with those that you admire, seek business or employment from or simply your chance to be noticed. This is especially true if you are going to a conference or event on behalf of an organization or you are the presenter. I've seen everything from a participant wearing a shirt with an inappropriate slogan on it that distracted their presenter during a filmed session, a booth sponsor wearing shorts that were so short many didn't think she had any on (and many were looking to see), to a presenter who looked like he hadn't showered that day. First impressions can be lasting, so know what you're walking into and consider your audience or the audience you hope to have, and *adjust your attire accordingly*.

With the amount of work we have to do as fitness professionals continues to increase, we're getting noticed by the media, legislators, medical professionals and the average Joe/Jane in the supermarket. I strongly encourage you to walk the walk, talk the talk and show the world that we take our jobs and the impact that we have seriously. We provide a welcoming and inclusive environment for those you work out with or instruct.

(Ashley Varol, M.Ed., ACE-CPT is a Board Member of the Women's Fitness Association and can be reached at [ashley.varol@gmail.com](mailto:ashley.varol@gmail.com))

**...Norm's Notes**

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**running on the New Year**, I picked up a copy of our CLUB INSIDER January edition and found a doggone typo in my first sentence of my first **Norm's Note for the Year! DOLT!** That's no way to start a New Year! I hate typos, and I sincerely apologize because, last month, where I meant to type the word: **write**, I wrote the word: **written**. Drat... even with very few typos in 21 years of publishing, I'm disappointed! This is how it should have read and I repeat all of it because here we go again on January 29th with today's temperature at 10 degrees! "Folks, as I write this, it's 10 degrees way down south here in **Marietta, Georgia**, a suburb of the **A.T.L.** This **global warming** thing is rough!

• Even more important than my apology for my *rare typo last month*, on **January 29th I apologized to TYLER MONTGOMERY**, **Editor of Club Solutions Magazine**, because we used a photo of the lovely **GRETA WAGNER** on our **January 2014 Cover** that **Club Solutions** had already used on their **December 2011 cover**. However, **Ms. ELIZABETH BRAEMER of Chelsea Piers** provided us with the photo and written permission to publish it on our **January 2014 cover**.

• This month's cover story compiled and written by my son, **JUSTIN CATES**, is a remarkable 10,000+ word work on **Club Marketing** that you *absolutely* should make time to read and study because it's so packed with current information about marketing in the new cyber world, and he's gotten very helpful comments from **eight expert marketing leaders in our industry**, including **MIKE GRONDAHL, DEREK BARTON, CASEY CONRAD, BILL McBride, TERRY W. BROWNING, SHERRY ROBB, TRACEY BOURDON** and **NANCY TRENT**. You should not miss Justin's cover story work here this month. A good idea would be to *make a date with yourself* to sit down with coffee, pen and note pad in hand, and read this entire educational piece. Make notes on it and DO hold onto this issue as a resource guide for club marketing forever.

While I'm proudly enjoying telling you about the intellectual accomplishment and contribution of this great cover story by Justin, let me tell you what he's been up to with our now **20+ years of 242 Archived editions of CLUB INSIDER**. Justin is in the process of placing every past CLUB INSIDER edition since we started in November 1993 online for paid subscribers (**just \$89 a year or \$149 for 2 years**). This means that, once you buy a 1-year subscription, you get **12 monthly printed editions**, and at this point in his work, **12 years of archived editions dating back to 2002!** Once Justin has finished this archive project, our **Online**

**Archive Library** will be the world's most in-depth, fully searchable source for the **History of the Health Club Industry**. You will never find a better educational value than the CLUB INSIDER Archives, so we urge you to support this work with your investment of just \$89 for one year or \$149 for two years of printed and online editions, which also includes our entire **Online Archive Library**.

• **People ask Justin and I:** "Are you guys going to drop print and go completely online?" My answer now, and my answer years from now will be: **NO!** We'll always be in print every month. We'll also always provide monthly online editions along with our printed editions. We've got you covered in print and online, so you have the convenience of print and online reading as you wish. To subscribe to CLUB INSIDER, go to [www.clubinsideronline.com/subscribe](http://www.clubinsideronline.com/subscribe).

• **Congratulations to the kind folks at LifeTime Fitness and to any other clubs in the Atlanta area** that opened their doors to the public for folks who had gotten trapped in traffic jams everywhere by **Snowjam 2014!** Ironically, it wasn't the two inches of snow that caused what may well have been the world's biggest traffic jam for 5.5 million Atlanta area citizens on **Tuesday, January 28th**; it was the black ice!

• **Speaking of LifeTime Fitness**, they've announced that they're going to build a **LifeTime Fitness Club** in my old N.C. State University stomping grounds of Raleigh, North Carolina! Also, speaking of LifeTime, I received a mail piece here at my home, a glossy 48-page brochure, that was **by far the most impressive marketing piece I've ever seen in 40 years in our industry!** Whoever produced that piece should receive major **KUDOS!**

• I urge any one of you that are going to **IHRSA 2014 in San Diego** to take the following list of CLUB INSIDER Advertisers who will be exhibiting there with you. Do business with these folks, and they will treat you right and make you glad you did!

Company	Exhibit #
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Athletic Business Magazine	944
Club Insider	3054
Club Industry Magazine	4345
GymPoints	3562
GymWipes (2XL Corporation)	3150
IHRSA	1327
iGo Figure	3454
Iron Grip Barbell Company	3144
Jonas Fitness	1523
Motionsoft	3138
Orangetheory Fitness	1349
Sports & Fitness Insurance	2946
Visual Fitness Planner	722

• Long time club business friend,

**CECIL SPEARMAN**, owner of the **Laguna Niguel Racquet Club** and the **Racquet Club of Irvine**, announced that he's hired **MIKE THOERESZ** to be the **Assistant Director of Tennis and Director of Sales for his Irvine Racquet Club** (by the way, Cecil's Irvine club is where you would find the "Duke" a/k/a movie star, **JOHN WAYNE**, hanging out at the club's popular bar years ago!). Cecil tells me that Mike Thoeresz is a graduate of **Redlands' University** and twice was named as an **All American Tennis player**, led his team to a national ranking, and while serving as Assistant Coach of his own college tennis team, earned his **MBA**!

Mike also developed a large following in aerobic workouts designed to focus on the development of tennis strokes! Quite a guy and a great hire by Cecil's Team. Cecil, a **Duke University Alumnus** and **big time supporter**, whose Spearman name appears on the **Duke Tennis Center**, has enjoyed two careers. First, he spent decades in the medical world, and he's had a long and successful club business career during which he served the industry as a **former Board Member and President of IHRSA**. IHRSA changed the title from **President to Chairman** a few years ago. Cecil and his wife, Jean, (See Norm's Notes Page 8)

# JLR Associates

*Announces the placement of*

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**...Norm's Notes**

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have made a huge contribution to their **Southern California community** with their clubs and their fine group of sons, daughters-in-law and grandchildren! **Best wishes for great luck to you in your new roles, Mike. And, Hello and best wishes to Cecil, his devoted wife, JEAN!**

• **Octane Fitness** has added two industry veterans to their commercial sales team: **BRUCE QUICKEL** is the new **Southwest National Accounts Manager**, and **FRED SEABRIGHT** is the national **YMCA-East Manager**. **Best wishes and good luck** to both of these gents!

• Have you heard the saying, "**Love is Blind?**" Well, I ask you that because there was an article published in a recent issue of **USA Today**, and the article title was: **Why Kids Shouldn't Be Overweight In Kindergarten** by USA Today's **Nanci Hellmich**, with the headline reading: **Parents May Be In Denial When It Comes To Their Kids' Weight**. According

to the report, about half of parents with overweight or obese children don't think their kids are too heavy. Also, the researchers found that this is true in the United States and around the world. The article continued:

"Parents who underestimate their kids' weight may not take action to encourage healthy behaviors that would improve their child's weight and reduce their risk of future health conditions," says lead author, Alyssa Lundahl, a graduate student in the clinical psychology program at the University of Nebraska, Lincoln. The study showed that kids who're overweight in kindergarten are four times more likely to be obese by eighth grade compared with their normal-weight peers. About a third of the nation's young people are overweight or obese, says the Centers for Disease Control and Prevention. Extra pounds put kids at a higher risk for type 2 diabetes, high blood pressure, high cholesterol, liver disease, sleep apnea, musculoskeletal problems and other health problems. The focus of the story was that parents should do whatever they can to prevent their children

from becoming overweight as early as Kindergarten. Lundahl and colleagues reviewed 69 studies involving almost 16,000 children, ages 2 to 18. There were a lot of findings in the March 2014 issue of **Pediatrics**, including recommendations on what parents may do to help their children avoid easily could result in a lifetime battle against obesity.

• • •

I know that, when I was a 5th Grader in Virginia Beach, Virginia, I lived about two blocks from my school, so I would come home for lunch every day. **Love was blind** in the eyes of my beloved Mom, as she always made the same things that I loved for lunch: a bowl of tomato soup and two hamburgers. That year, I remember reaching 165 pounds, a lot for a 5th grader, and I've been after this battle with my weight ever since. I'm at it again, and I'm about halfway through the third journey of my adult life where I will lose 100 pounds. *This is hard work.* It takes tremendous dedication, and I'm also being very careful nutritionally. I wish this 100

was over with so I can begin my daily focus of keeping it off... something I've failed at *multiple times* before but am determined to do. **STAY TUNED!**

• **ThinkLite** has announced that they have sold over 1,000 units of the **Hammelite**, its proprietary lighting solution for indoor tennis clubs, since it went on the market in December 2012. Thanks to publicist, friend and press contact: **PHIL BONAMO**, **ThinkLite Marketing**, Phil can be reached by email at [phil.bonomo@thinklite.com](mailto:phil.bonomo@thinklite.com) or phone at: **(508) 243 - 7260**.

• **Congrats** to owner **JOAN VAN METRE** and all the folks at the **Mount Vernon Athletic Club (MTVAC)** in **Alexandria, Virginia**, as they recently hosted the **8th Annual Swing for Pink Charity Fundraiser**. Over 125 local tennis players raised their racquets for the cause. The evening consisted of round robin tennis, a silent auction, dinner and a Pro exhibition. The annual Swing for Pink event was founded by Van Metre and has raised **over \$98,000** since 2006. The **\$13,774** raised at the 8th annual event will go towards breast cancer research, education, screening and treatment at the **Breast Cancer Care Institute at INOVA Mount Vernon and Alexandria Cancer Center**. It's no wonder why MTVAC has been a community fixture for **40 years!**

• I got a tip from hard working and dedicated **Gold's Gym Franchise Association Executive Director, GINGER COLLINS** about what one of our former **CLUB INSIDER Cover Story** subjects, **Blair McHaney**, who's **President and Owner of Confluence Fitness Partners**, is doing. She shared a writing with me about Blair's work with **Medallia**, and I quote from that writing:

Blair McHaney, President and Owner of Confluence Fitness Partners, a Gold's Gym franchise in Washington state, shares his commitment to providing an excellent customer experience to his members as well as former members, which Blair refers to as "alumni." Understanding that this excellence requires a company-wide commitment, he has fostered a culture of empowered and enlightened employees. Further, he and his staff work hard to create processes that create lifelong fans of both Gold's Gyms and fitness. Taking action on daily VOC is embedded into the gyms' operations. Confluence Fitness Partners leverages insights into the **Voice of the Customer (VOC)** captured daily through use of the Medallia system. Medallia not only summarizes and analyzes customer feedback, but provides reports and tools to help organizations focus on improving those areas of customer experience that will yield the most significant results in terms of customer satisfaction and improvement to the bottom line.

(See Norm's Notes Page 10)

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## ...Norm's Notes

continued from page 8

Anybody who'd like to read about Medallia, contact me at [norm@clubinsideronline.com](mailto:norm@clubinsideronline.com), and I'll email the writing to you. Thanks GiGi for the heads up on this!

• We are really looking forward to seeing you all in the one of the **most beautiful cities in the world, San Diego, for IHRSA 2014!** Don't miss this folks! This is a *rare, one time a year period of four days* that you have a chance to advance the **State of the Art of your health and**

**fitness business.** Not only will you learn a lot from the many great speakers, you will learn an awful lot by **NETWORKING, NETWORKING, NETWORKING** with people you'll meet from clubs that literally are from all over the world (over 70 countries). The brainchild of my long-time friend, the genius on two feet, **RICK CARO**, he and I are extremely proud of the organization we were blessed to create now called IHRSA, and we urge you to take advantage of the best way in the world to make more money and advance the future of your club and fitness center business. **See you there!**

• Check out the Press Release on Page #36 from **IHRSA's JOE MOORE** about **IHRSA's 18th Annual Financial Panel** to be moderated by the one and only, **IHRSA Co-Founder, RICK CARO!**

• **Welcome to ROBIN SCHUETTE and JOHN GREENE, Principals of MedFit to our CLUB INSIDER Contributing Author Team!** Check out Robin's first article contribution on Page #26 of this edition entitled: **Fitness Futures and Healthcare Delivery Services Resolve to Expand Your Market This Year.**

• **IHRSA Awards** will be presented

at **IHRSA 2014** in San Diego. ABC Financial is the **2014 IHRSA Associate Member of the Year Award** winner. Congratulations to **JIM BOTTIN** and **PAUL SCHALLER** and their ABC Team. Check out the announcement on Page #36. Other IHRSA Awards include the **Julie Main Courage Award**, the **Dale Dibble Distinguished Service Award** and the **John McCarthy Entrepreneurial Award**. Stay tuned for our March Edition for our **2014 IHRSA Convention Report!**

• **CLUB INSIDER** is a **Paid Subscription based Publication**. Are you a **Paid** (See Norm's Notes Page 25)

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## ...Club Marketing

continued from page 3

**Price:** This is the amount the customer must pay for the product. Pricing will affect the product itself, and vice versa. For example: Think about Planet Fitness vs. Equinox and what is offered to the customer. Also, given a price, think about the expectation of the product by the customer. In cases of elastic demand, price will also greatly affect the demographics of the target consumer.

**Place (Distribution):** This is where the customer will actually consume the product. The obvious answer for health and fitness club facilities is that the customer comes to your facility to consume the product inside your four walls. However, is this always the case? What about outreach to the consumer (such as an off-site boot camp) to boost a brand's visibility in a specific community?

**Promotion:** This is the method of communication to the consumer, and it is what most people think about when they hear the term *Marketing*. Most don't really think about the three Ps already discussed as a part of marketing, though they are equally as important as all three will affect the method of communication and the message being communicated.

In marketing, especially at the academic level, there is always talk of a fifth P. I won't get into the dissenting opinions on this one; however, I do have one additional P to add to this discussion, but it's not to the four Ps. This P is Perception, and it is the sum of Product, Price, Place and Promotion. When all four Ps are taken into account, a potential customer will have an opinion of your organization. Simply put, they will have a perception of whether or not your club is for them.

### Traditional Promotional Tools

Now that we have the business school stuff out of the way, let's go more in-depth about the fourth P of marketing: **Promotion**. I am not forgetting about the other three. The assumption for the rest of this article is that the previous three Ps are set. Your organization has a fully developed product, it has a price for that product and distribution of that product (place) is set. Assuming this, the crux then becomes promotion, and that is something that should never be set in stone. It should always change and adapt (technically, the other Ps should always adapt to changing conditions as well because there are always numerous business factors to take into consideration, but that is outside the scope of this article).

Delving into Promotion, we must of course begin with the traditional mediums: television, radio and print. Even with the rise of the Internet, for the foreseeable future, all three will remain relevant and should be part of a

promotional mix (promotional mix should not be confused with marketing mix, as it is a subset of Promotion and includes a mix of advertising, sales promotion, personal selling, direct marketing and public relations).

One of the key factors that will affect your traditional media buys will be your target audience. Is your organization comprised of one local club, several local clubs or multiple clubs in multiple locations nationally or worldwide? Obviously, if your organization is buying television, radio or print for one local club, your organization will go with local sources for that medium. If your organization has more than one club locally, local sources would still be used, but now, your organization will be able to buy more media in aggregate because those costs can be spread across facilities, providing economies of scale. Finally, if your organization is going national or worldwide, it is an entirely different ballgame given the power of syndication and an exponentially larger audience.

Once this is determined, selecting the right sources then becomes the next task. These selections will be based on their audiences and whether or not they are within the demographics your organization hopes to target. This is where those first three Ps really come into play. They will help determine what those demographics are, and therefore, who those potential customers will be.

Then, of course, comes the process of developing the campaign itself. Within this area, there is the actual development of the message (slogans, taglines, storyboards, jingle lyrics, copy, etc.) and then the development of the content itself (television commercials, radio spots, print ads or offers, etc.). For the most part, there are standard formats and regulations to follow; however, the task can be daunting if they are in addition to daily club duties. To create a great campaign, having a marketing department or outsourcing to an agency can easily be justified. Creating and disseminating inferior media would simply be a waste of money, so the additional expense of a separate department or agency commission is a worthy insurance policy to have in place.

Above are general observations about traditional mediums. To provide you with more in-depth information on the subject, I reached out to **Mike Grondahl, Co-Founder of Planet Fitness and Derek Barton, former Senior VP of Marketing for Gold's Gym** and now **Owner of Barton Productions**. These two industry veterans were behind some of the great campaigns our industry has known. See those comments in the **Sidebars** beginning on **This Page**.

### Modern Promotional Tools

This author understands that many reading this are seasoned veterans, and this process is nothing new. Been there, done

(See Club Marketing Page 14)

## An Interview With Mike Grondahl

*Mike Grondahl is the Co-Founder of Planet Fitness.*

**CLUB INSIDER** - As the Co-Founder of Planet Fitness with your brother, Marc, to sellers of the company with 600+ locations, you've literally seen everything there is to see in terms of growth locally and then nationally. Please take us through the evolution of marketing challenges, *and opportunities*, as the chain grew from a local base to national prominence.

**Mike Grondahl (MG)** - As a local base, we were from a very, very small town in New Hampshire with 28,000 people, so we did not have the luxury of a large marketing budget. We mailed letters written by hand on the outside of the envelope. We sent them to members of the club and told them that, if they brought a friend in, we would give them a better deal than they could normally get on the street. That was our local challenge.

We were able to go from 600 members to about 4,500 in 18 months. The big pop was when we started with the 20 and 10. We got a list of all the local businesses within a 5-mile radius and sent them an offer to join for \$20 down and \$10 a month. Basically, from that day on, we would sell 400+ memberships a month.

Back then, too, you could use local radio. Nowadays, there are many other radio options (like Sirius and XM), so the radio has become much less of a driving force compared to the 1990s. We did radio as we grew, but we would only do it for 1-week periods. We would say something like, 'Come in this Friday, and we will give you XYZ deal.' It was always short-term with a call-to-action.

Nationally, obviously, the opportunity is that you have a lot more people paying you so your budget is much more. It goes into the millions. Once you do that, it becomes a lot more complicated because you have to get actors, you have to write scripts, we had marketing companies that would come in, etc. We would never let them go on their own, though. We would always tell them exactly what we wanted, and we would leave a 10- to 15-second tag at the end so we could have that call-to-action.

Over time, we found that the more the franchisees worked together and ran the same rates, the better it would work. When everyone was running different rates, not much of anything worked.

**C.I.** - At the Planet Fitness we all know today, did you have a dedicated marketing department or was creative outsourced to an agency? Or, was it a combination?

**MG** - At the end, it was a combination. In the beginning, I had two girls who sat in front of my desk, and we did everyone's marketing for them. It was a lot of work, but it was fun. It was a lot more fun than getting the agencies involved. Once the agencies got involved, there was way too much back-and-forth.

We would come in and sit down. Usually, I'd tell them exactly what we were looking for. They would go back, work for a couple of months and come back. I'd say 'Okay, this is good, but...' At that time, it was a lot more work because they were trying to be creative on their own and wouldn't listen. So, it became cumbersome with a much slower turn time.

(See An Interview With Mike Grondahl Page 14)



Mike Grondahl

## An Interview With Derek Barton

*Derek Barton was the Senior Vice President of Marketing for Gold's Gym from 1985 until 2005. He is now the owner of Barton Productions.*

**CLUB INSIDER (C.I.)** - Gold's Gym is the granddaddy of them all, and you served as Senior VP of Marketing there until 2005. Please take us through some of the challenges, *and opportunities*, of national media campaigns.

**Derek Barton (DB)** - Being the head of marketing from 1985 to 2005 was definitely challenging, educational, and at the same time, exhilarating. Since our competition all had much bigger ad budgets than we did, I had to think smarter and use guerrilla marketing. I used my entertainment industry connections to bring celebrities into Gold's. We gave them free memberships, free nutritional counseling and Gold's Gym logoed t-shirts and hats, and we promoted their movies, TV shows, concerts, etc. They showed their appreciation by wearing those shirts and hats in their movies, and when they did, the talk shows like Carson, Leno and Letterman, all plugged Gold's for getting them in shape. This was great exposure we never could have afforded.

It was always a challenge making sure promotions and cross promotions worked in hundreds of markets throughout the country. It was a challenge at times getting all the franchisees to participate. To better execute these promotions, I formed the Gold's Gym Advertising Advisory Committee in 1995 and handpicked whom I thought were the best marketers among our franchisees. Mike Epstein was the Chairman of this Committee. He is now the President of the Gold's Gym Franchise Association (GGFA). Mike and his fellow Committee members were a great ally.

We couldn't afford national media buys like our competition, so we pooled all our resources and created award winning print, radio and TV ads that our franchisees could run in their own markets. I always had to keep in mind that these ads had to work in 43 states, and with some translation, they had to work in the 27 countries we were in as well. We also banded together and rolled out a national program called the 'Tour de Cure' for the American Diabetes Association, which is still going strong to this day.

Another challenge was the Gold's Gym intimidation factor. Since Gold's Gym started in Venice and was known as 'The Mecca of Bodybuilding,' mainstream America thought that's all we had in our gyms. They knew we had the famous bodybuilders like Arnold and Lou, so the average person felt too intimidated to step foot in Gold's. Many of our franchisees wanted to get rid of our muscular icon holding the bent barbell. Others wanted to get rid of the word 'GYM,' which they thought was an intimidating word, even though 99.99% of men and women will say, I went to the 'gym' today. Nobody says I went to the 'Fitness Center' or 'Health Club.'

I have always believed that a company must embrace its heritage. That is the foundation to build upon. From there, you can grow, innovate and stay current in the marketplace, but 'never leave the woman who brought you to the dance.'

To try to educate mainstream America, I came up with our first tagline in 1985, 'Results for



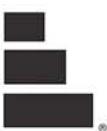
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## ...Club Marketing

continued from page 12

that, so let's talk about modern promotion. Namely, let's talk about the Internet and its great power when properly utilized.

Originally, a product of government and academia, the Internet has now come of age, and in doing so, it has quite literally changed the world. For a while, email was the Internet's key capability. Really, communicating by text was the Internet's original goal. Then, came all the websites we now use by habit. Then, of course, came social media. All along, where there are people, there is going to be promotion by business, and that's where we will begin the real meat of this article.

### Gain and Retain

What follows will be a synopsis of several of the major Internet tools your organization should now be using to utilize the power of the Internet. Where pertinent, the tool described will then be further broken down into ideas and strategies to *Gain* and *Retain* members. New members have always been a club organization's lifeblood, but the old thought that your best customer is your current customer still holds true; even more so when competition is tight or the economy is weak.

### Club Website



Everyone knows what a website is, and your organization should absolutely have one by now. If it does not, make

this a top priority because it is simply a necessity in the modern business world. On your website, there should be content for members and non-members alike. Many club companies split this content up by asking the website visitor on the home screen if they are a member or not. This is okay, but always consider that this is an extra step between a website user and the information they seek from your company. Online attention spans are at an all-time low, so anything to ease the possibility of a bounce (i.e. click away) is worthy of consideration.

**Gain Members:** One of the tried and true methods of gaining potential members via your organization's website is by utilizing a system to issue Free Trial passes to those who sign up. The key here is to keep it simple! When developing the form for the potential customer to fill out, ask for two pieces of information: Name and Email Address. *That is it.* There is an indirect correlation between the number of fields a website visitors must fill out in a form and the completion rate of that form. More fields, less completions; it's really as simple as that.

So, what happens with the information the potential member submitted? It goes into a database and they are *automatically* sent an email thanking them for their interest in the club, and the email provides them with the pass to print out and bring into the club (an electronic pass sent to their smartphone can also be used). When they come into the club with the pass, you now have a hot lead to take through your general sales process, but that process should not inundate them because all they really want to do is try out the facility. It is acceptable to keep a dialogue running with them as they progress through their trial and after the trial, should they choose not to join at that time. You want to walk with them through the buying process, not push them.

To provide you with more in-depth information on this subject, I reached out to **Casey Conrad, President of Communications Consultants**. See her comments in the **Sidebar** beginning **Below**.  
*(See Club Marketing Page 16)*

## An Interview With Casey Conrad

Casey Conrad is the President of Communications Consultants.

**CLUB INSIDER (C.I.)** - Please take our readers through the process of creating an auto-responder system for automatic delivery of Free Trial passes via website signup.

**Casey Conrad (CC)** - An optimal system should follow a specific process. First, the button (or link) promoting the free pass should be very visible to the person visiting the website. It's ideal if the web designer can include a prominent button in the border of the web design, ensuring that no matter what page a visitor is on, they can quickly click the link and begin the process of getting a pass. Next, upon clicking, the person should be brought to an opt-in page where the only thing that can be done is to fill out a form for a free pass. The 'required' information should be low-barrier. That means ask for nothing but a name and an email address.

If you want more information, have a two-tiered system where, for a 1-day pass, they simply give the minimum, but for a 1-week (or more) pass, they must give first name, last name, phone number and email

*(See An Interview With Casey Conrad Page 16)*



Casey Conrad

## An Interview With Mike Grondahl (continued)

continued from page 12

On the first ad spot ("I lift things up and put them down"), we learned a lot. The problem was that, for \$100,000, you get to use that for a year. If you try to use it for year two, then you get the SAG people involved, and it cost \$500,000. So, we learned that you have to find a marketing agency that is non-union, but they were just as good.

It was necessary, though, because once you broke the 300- to 400-location mark, it just wasn't possible to do it all in-house. The budget was too big, and the franchisees wanted a real professional look to the ads.

**C.I.** - Changing from a media world dominated by television, radio and print to the advent of the Internet, what were some of the opportunities and challenges with including Internet sources into your promotional mix?

**MG** - That's a tough one. That's a really, really hard one because television, radio and print were all we had used for 15 years. Once the Internet came about, it was like the Wild West. I'm still not sure anyone knows exactly how to use it. When I was with Planet Fitness, we used the Internet to sell a lot of memberships on our website. That was probably the biggest change. I think people still don't trust the industry because a lot of companies still try to use the hard-sell. Plus, with people who had already been members and wanted to come back, they already know what we had. So, to me, there is a huge opportunity to use your television, radio, print (postcards) to send everyone to the website. Then, they can just hit a button and *join right there*.

**C.I.** - What do you miss most about the creative challenges associated with developing national campaigns seen by millions of people?

**MG** - I'm not sure that I miss the national campaigns, but I miss the creativity of trying to figure out what the consumer wants. Lately, I have been doing a lot of real estate, and it's really boring. I always liked the challenge of figuring out what the market wanted next, and I really, really miss that a lot.

**C.I.** You sound like Steve Jobs there when he said, '[...] People don't know what they want until you show it to them.'

**MG** - Exactly. You have to figure out what they want, or may want, and then give it to them.

## An Interview With Derek Barton (continued)

continued from page 12

Every Body.' Not 'Everybody,' but splitting that word to read 'Every Body.' My goal was to get people to understand that, if Gold's can get the greatest bodybuilders in the world in shape, then we certainly can get *your body* in shape.

After a few years of using 'Results for Every Body,' I noticed our competition trying to copy us. Everyone seemed to be using the word 'Results' in their tagline. As I have learned, when your competition 'zigs,' you 'zag.' So, I changed the tagline to one that I thought was the heart and soul of Gold's Gym, 'Serious Fitness.' No other competitor could copy that because they all knew they weren't. But, I started noticing that companies outside the health club industry liked that line. Mizuno, a world-renowned sports equipment company that made the best hockey sticks, came out with 'Serious Hockey.' Major League Baseball came out with 'Serious Baseball' and so on. What's that quote, 'Imitation is the sincerest form of flattery?'

In 1999, when we had new ownership, they spent a quarter of a million dollars to do a national survey to find out what men and women thought of our name, logo and tagline. I was not surprised when the results came back that everyone loved them just the way they were.

**C.I.** - Changing from a media world dominated by television, radio and print to the advent of the Internet, what were some of the opportunities and challenges with including Internet sources into the promotional mix?

**DB** - I loved the advent of the Internet. It was another great marketing arrow in my quiver. Since we were an intimidating brand to some people, they could surf our website in the comfort of their own home and take virtual tours of our 550 gyms. 'Hey honey, look, Gold's has gyms in 43 states and 27 countries. Hey, there's one near us! They even have group exercise classes and people who look just like us. Wow, look at all these celebrities who train at Gold's. And, Dr. Phil is doing a cross-promotion with Gold's. Well, if Gold's is good enough for Dr. Phil, then maybe we should get to Gold's.'

The Internet and social media are a great way to reach a lot of people *right now*. It's 24/7/365. You can constantly get your message out there at anytime. I have always believed in a good marketing mix. As I have learned from working with brilliant creative directors like Jack Fund, advertising is like a diamond, there are many facets to it. Those facets today include print ads, radio ads, TV ads, billboards, websites, Facebook, Twitter, YouTube and on and on.

**C.I.** - Now, as a marketing consultant, how has your role changed when working with companies that acquire your services?

**DB** - I find it very similar. Like at Gold's, I am there for my clients to help grow their brand and to help differentiate them from their competitors. Everything I learned in my 20 years of helping to build the largest international co-ed gym chain, I now bring to my clients. Since leaving Gold's at the end of 2005, I have had many great clients under the Barton Productions umbrella. I only take on clients who really want to make a difference and who have the passion and commitment to build a great brand. There has to be a rapport because we are working closely together to improve all of their marketing efforts, including interior and exterior branding, their advertising, website, logos, taglines, social media and public relations.

It's very fulfilling for me when they see the difference my company can make in their company. Most of my clients have been around for decades, and like me, they have seen it all. But, after working with me, they soon realize that, with nearly 30 years in this business, I bring a lot to the table. Most of my clients already have someone in charge of their marketing or an agency that they work with, but they typically don't have the expertise or the experience I have, so I complement their team. It's a formula that works!

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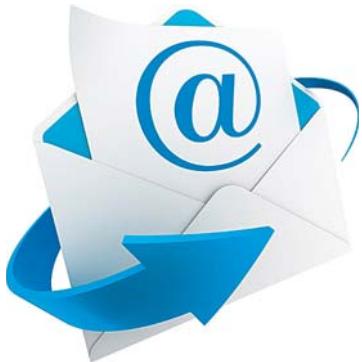
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## ...Club Marketing

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**Retain Members:** A current member will revisit your website for several reasons. He may want to double-check your club's hours, he may want to download this month's group exercise schedule, or he may want to know more about your staff, etc. These are all things that are expected and can be anticipated. However, if provided with something of value he does not expect, he may have new reasons to continue returning to your website, and hopefully, your facility. These could be things such as *basic* workout plans developed by your personal training staff (this will not cannibalize your PT revenue but can enhance retention), diet plans and recipes, forums for members to talk to and support each other, member success stories, non-commercial messages from the owner or general manager, or a blog with all the above and some, etc. This is only limited by creative imagination.

### Email Blasts



Email blasts can be used to disseminate information to members and non-members. Very importantly, though, make sure you have their permission to email them. This is done by disclosure when signing up on your website or on a new member contract. If you do not know how to design an email, which is a pain from a technical perspective because of varying standards in that realm, there are plenty of templates to choose from with the two companies I recommend for your mass email needs. Those companies are Constant Contact ([www.constantcontact.com](http://www.constantcontact.com)) and MailChimp ([www.mailchimp.com](http://www.mailchimp.com)). One of the key factors in having an email opened and read is having it sent through a reputable third-party company, such as those mentioned. And, of course, you must have pertinent content to share. If you would like to have an email template more customized to your club's website branding, which I highly recommend because of consistency across mediums, talk to your web developer and see if you can add this to the service they provide. If they cannot assist you here, it may be time to look elsewhere for your web development needs because this is a basic task for a professional web developer or firm.

### Facebook



First, there were websites. Then came more personal and easily updatable websites able to be followed by other web  
*(See Club Marketing Page 18)*

**Gain Members:** In the previous Club Website section, a system to deliver Free Trial passes to potential members was discussed, but for non-members, it does not have to be limited to just that. Since these leads are now in your system, *and have given you permission to email them*, they may be receptive to pertinent content. This does not mean to barrage them with emails that read like an ad to come back into the club to be sold. However, periodic, personally written check-up emails from a new member advocate (i.e. salesperson) are acceptable. So too are inspirational pieces that can help a potential member through the buying process. Some people who sign up simply may not be ready to buy, but when they are, you want your club to be top-of-mind, right? Well, being knowledgeable and showing you care about them, even as a non-member, will go a long way toward accomplishing this.

**Retain Members:** As just discussed, having your club remain top-of-mind to current members is important. Sure, you will have the typical email blasts to advertise club events or new programs, announce schedule changes, etc. But, providing content that is more personally useful is even more critical to accomplishing the goal of staying top-of-mind. Guess what, that content already exists or is being produced regularly... On your website! So, you can also email it. Or, with help from your web developer, you can mix the two and allow the member to select what information he would like to receive by email to keep connected to your club.

One of the keys with both the website and email blasts is the Google strategy. Start with a minimum viable product (MVP) and constantly add to it. So, for example, if you are starting from scratch, make sure a simple, but useful and usable, website is in place. Then, implement the Free Trial email system. After those two key tasks are accomplished, add to it from there. It should be a constant process. Analyze, modify and evolve.

## An Interview With Casey Conrad (continued)

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address. Upon submission of the request, a 'Thank You' page should pop up letting them know the request has been sent and they should be on the lookout in their inbox. The information is automatically sent to the club's auto-responder system, which will instantly kick back an e-mail confirmation that includes a link that opens up the guest pass for printing. This process ensures a guest pass only goes to those providing a valid email address.

**C.I.** - What are the pros of using an auto-responder compared to doing things manually?

**CC** - The one and only goal of all Internet marketing is to build a list of qualified prospects. Sure, the outcome of that list will be selling more memberships. Most clubs, however, don't report having a 'closing' problem; they report having a prospect problem (i.e. not enough bodies through the door). Using an auto-responder system for every aspect of your marketing ensures you build your own qualified list of prospects that you can then utilize to educate, motivate and sell.

**C.I.** - Should there still be a manual element, such as when the trial member comes to the club or when his trial membership has expired?

**CC** - We are in the people business, and there is no substitute for the human element on certain things. Building relationships with prospects is critical to earning their trust and their business. An auto-responder system is a wonderful prospect tool and a great safety net for communicating with both prospects and members. But, if you want to maximize the sales aspect of the system, you will need to do things the old fashioned way: meeting people, working the floor, following up by phone, etc.

**C.I.** - What are some other lead capture ideas that can be deployed on a club company's website?

**CC** - Educational information that is obtained via opt-in is a fantastic way to generate more leads. People search the Internet for information. If someone comes to your website and isn't yet ready to opt-in for a guest pass but is interested in losing weight or starting an exercise program, every club should see themselves as a resource for providing that person with useful, engaging and motivating information. EBooks, videos, teleseminar replays, any quality education, is a way of showing the community that you care about them and not just selling them a membership.

## An Interview With Bill McBride

*Bill McBride is the Founder of BMC3 and is now working on a new club brand called Active Sports Clubs.*



Bill McBride

**CLUB INSIDER (C.I.)** - Bill, as part of this cover story, I have also spoken with Mike Grondahl and Derek Barton, who as you know, were behind some major national campaigns. Club One is more of a localized company with multiple sites in the Bay area. During your time at Club One, tell us about the marketing opportunities of having multiple locations within a local area, compared to just one location, as you temporarily have with your new brand Active Sports Clubs, launched with your new partner, the veteran, Jill Stevens Kinney.

**Bill McBride (BM)** - Sure Justin, some of the benefits of regional brands are in market awareness, network benefit and operational scale (shared local resources). With multiple sites in a marketplace, you have a bigger megaphone with more people talking about your brand, more opportunities for overlap in marketing messaging, and generally, an ability to reach more people with your advertising spend. This is particularly helpful in print, radio, direct marketing and online campaigns. The network benefit is real for some and perceived for others. If you live close to a club and don't work near others, the benefit is a nice value-add (like a pool that may not be used often). But, if you live and work in a marketplace that has a club close to each location, it becomes a true benefit that enhances your ROI on advertising spend.

**C.I.** - Changing from a media world dominated by television, radio and print to the advent of the Internet, what were some of the opportunities and challenges with including Internet sources into the promotional mix?

**BM** - The new marketing tools and vehicles are very interesting because they add a new dynamic to the world of customer engagement. They have more of the *conversational*, two-way interactive component. You get this when someone calls you, but that is after they have made the decision to engage your product. Online, people engage during the contemplation phase: they Google you (you better show up close to the top); they read about you; they check your Yelp reviews; then, they engage your website and/or Facebook page. You have an ability to be part of the interactions through web lead contact forms, Facebook conversations, Yelp responses, etc... The marketing mix hasn't changed, but the P for Place has expanded significantly and how you portray your solutions, culture and personality are now more important in a broader sense. There is no 'Club Space' versus 'Internet Space.' Your brand and reputation exist as one everywhere.

**C.I.** - Now, with BMC3 and Active Sports Clubs, take us through the challenges you are finding with the marketing of a single facility (Active Sports Clubs at Petaluma).

**BM** - The challenges with marketing one club are that you want to do a lot and have a more limited budget, as there are fewer shared resources. In many ways, it forces you to be more disciplined, selective and strategic. I'm a big believer in measurement on sales and marketing efforts, but when you really dive into a club, by definition, it should be centered on a community. Our focus is what is relevant to our members and our communities, so we design the marketing mix based on member events, community events, community service within and outside the club, brand awareness, corporate business partners and lead generation. This is all through a lens of our club serving the local community. Certain aspects are the same, such as SEO, Direct Mail, Collateral, Corporate, but the community reach is bit more detailed and driven more by club staff and member-identified opportunities. A single club focus has more of an opportunity to specifically program and market to a specific community. Any time you narrow your focus, you can laser in more quickly on opportunities. Therefore, in our model, the local club will be adapted to the local market with a specialized approach. Segmentation and specialization are a part of evolution... Customization to the community is our vehicle to be of the highest service.

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## ...Club Marketing

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users. These were called blogs. Then, entered micro-blogs, which is what Facebook is, and it is the king of the mountain. You likely have a personal Facebook account. This is different than a business page. If your club does not yet have a business page, it is very easy to get one. Go to [www.facebook.com/pages/create](http://www.facebook.com/pages/create), and it is very intuitive from there. If you are logged into your personal Facebook account, that account will be tied to the business page you create. If you are not logged into, or do not have, a personal Facebook account, you can still create a page for your business. Once you have created a page for your business and you have some followers, you want to procure a username for the page so that is easy to access. To do this, go to [www.facebook.com/username](http://www.facebook.com/username). A great place to start when searching for available usernames is to use the prefix of your website address. So, if your website address is **xyzclub.com**, search for **xyzclub** as the username. If it is available, get it! Later, I will discuss why this is very important.

**Gain Members:** Business pages on Facebook are public to the world, meaning, even if someone does not have a Facebook account or is not logged in, they can still see the content your business page is posting. This means that members and non-members will see what your business posts, should they decide to look. That being said, a member of your club is more likely to follow your club on Facebook, so the content should be more tailored to him. There are still opportunities to gain club members via Facebook, though, and that is through the use of referrals. When a club member follows your page, they are essentially giving your page permission to have your content appear in their News Feed (not all content will appear because of Facebook's business model). This is very similar to opting in for regular email blasts. So, carrying this further, club members who follow your page are also Facebook friends with non-members. Bingo; it came to you before you read the next sentence. Periodically, target your club member Facebook followers with some sort of referral offer. The details will depend on how your club handles referrals, but the idea itself is what is important here.

**Retain Members:** To have posted content read by club members, you first need club members to follow your Facebook page. Before they can do that, they must be told your club has a Facebook page. So, first and foremost, make sure there is a Facebook button on your website. Or, you can even embed your Facebook page's feed into your website using widgets Facebook provides (talk to your web developer about this one). Then, of course, add it to your traditional marketing mediums. Don't just add the Facebook logo. Provide the full

address to your business page, something like [www.facebook.com/xyzclub](http://www.facebook.com/xyzclub). Okay, so your club members know you have a Facebook page; why should they follow it? Remember the content you provide on your website and through email blasts? Well, this content is prime for Facebook posting! You should now be seeing a pattern here, and why a good website is so crucial to your club. Next, to ensure some following occurs, sweeten the deal and offer something to your club members as an incentive to follow your club's page. Maybe it's a free sandwich in the café, a free smoothie at the snack bar, or even a free, and limited, small group personal training session with other Facebook followers so they can interact. Once again, the details are up to your club, but the idea is what is important, and especially, the *why* behind it. The goal is to stay on top of the member's mind. **Website:** Check. **Email:** Check. **Facebook:** Check. You are now even more in the club member's daily consciousness.

### Twitter



A few years after Facebook came out and took over the Internet, Twitter offered something different. The key to Twitter's differentiation was simplicity. A user of Twitter has 140 characters to create a message to share with the network. That small quantity of characters forces concise, albeit not always coherent, thought. Twitter has since become more complex with the addition of photos and video, but it is still much simpler to use than Facebook. If you do not already have a Twitter account for your club, go to [www.twitter.com](http://www.twitter.com) and sign up.

**Note:** If the identical username you use for Facebook is available for Twitter, get it. Your goal should be to have the same username across all services: Website, Facebook, Twitter, YouTube, Google Plus, Pinterest, etc. Everything you use. For example, my personal/professional brand website address is [www.iamjustincates.com](http://www.iamjustincates.com). You can also find me on social media at:

- [www.facebook.com/iamjustincates](http://www.facebook.com/iamjustincates),
- [www.twitter.com/iamjustincates](http://www.twitter.com/iamjustincates),
- [www.youtube.com/iamjustincates](http://www.youtube.com/iamjustincates),
- [www.pinterest.com/iamjustincates](http://www.pinterest.com/iamjustincates), etc.

(See Club Marketing Page 20)

## An Interview With Terry W. Browning

*Terry W. Browning is the President of MOSSA (formerly Body Training Systems).*

**CLUB INSIDER (C.I.)** - At MOSSA, you assist your client clubs with the marketing of the MOSSA product. Please tell us about this and what it entails.

**Terry Browning (TB)** - During the tough economic times around 2007, we saw that many of the clubs we work closely with really needed support in their marketing efforts to attract new members. We then began to invest heavily into our MOSSA Sales and Marketing System for clubs to be able to differentiate themselves in the market place and appeal to a broad audience. In addition to the economy hitting hard at this time, competition from the low-price segment was really heating up. We have been focused on assisting clubs to be able to compete on service rather than on just price. We believe the industry is at a fork in the road. You can either compete on price or compete on service; you can't do both. Importantly, if clubs choose to compete on service, then they must market their service. Our Sales and Marketing System enables them to market each program to a specific audience to increase awareness and create demand.

We have evolved into an ad agency for our customers, creating emotive campaigns every three months for each program they offer. We have helped clubs get away from market features such as price, types of equipment, day care, group fitness, personal training and number of locations, which all washes over the consumer as these are just expected amenities. We create campaigns that connect emotively with the reader and are specific to just one program. The marketing campaigns sell the benefit; they sell the dream. The benefit may be physical, but most importantly, it's a psychological benefit, like feeling better, more confident or stress free. Also, important is that we help clubs market just one experience or program, rather than create marketing with six or eight features of the club listed.

As with any great campaign - the copy, the image and the layout- these are essential in creating an enticing message for the consumer to stop, take notice and take action. Great companies like Apple are masters at really being able to create highly emotive campaigns to bring attention to their newest product, like the iPad Air. They do not feature the entire product line, but rather, they focus on one item and the psychological feeling it gives you. Clubs can really improve in marketing and selling the experience that they want someone to have in their club. The real strength in our system to clubs is that we give them the high-end, quality-controlled experience with our programs and a marketing system that drives people into the program experiences. It's similar to how NIKE delivers the highest-quality product to retailers and supplies the advertising to ensure they sell.

Our Sales and Marketing System consists of internal and external marketing resources for the clubs to gain awareness in many different mediums. We work closely with the clubs to help them create as many impressions as possible with each campaign through direct, email, website, social media and interactive internal marketing (staff using resources to communicate to members and guests).

**C.I.** - Changing from a media world dominated by television, radio and print to the advent of the Internet, what were some of the opportunities and challenges with including Internet sources into your promotional mix?

**TB** - This is a great question as this has really changed the game for clubs. Interestingly, clubs can get so much more from their marketing spend by utilizing the Internet, compared to standard mediums you mention in years past. Since we have been so focused on an effective marketing system for the clubs the last seven years, evolving our campaigns into Internet resources has actually been quite simple. We supply 10-14 different marketing resources for each campaign, which includes resources that are ready-made for club websites and Facebook pages. The challenge we had, or what we have learned, is what benefits the clubs the most is helping them understand 'why' and 'how' to use each campaign and its many resources. Once clubs understand this, their marketing effectiveness increases. To facilitate this, we hold quarterly MOSSA Sales and Marketing Webcasts to help explain the why and how of each campaign, plus we have management consultants called MOSSA Coaches that work closely with clubs to implement these marketing resources.



Terry W. Browning

## An Interview With Sherry Robb

*Sherry Robb is the owner of S.D.Robb & Associates, a full-service marketing firm.*

**CLUB INSIDER (C.I.)** - Changing from a media world dominated by television, radio and print to the advent of the Internet, what are some of the opportunities and challenges with including Internet sources into a club company's promotional mix?

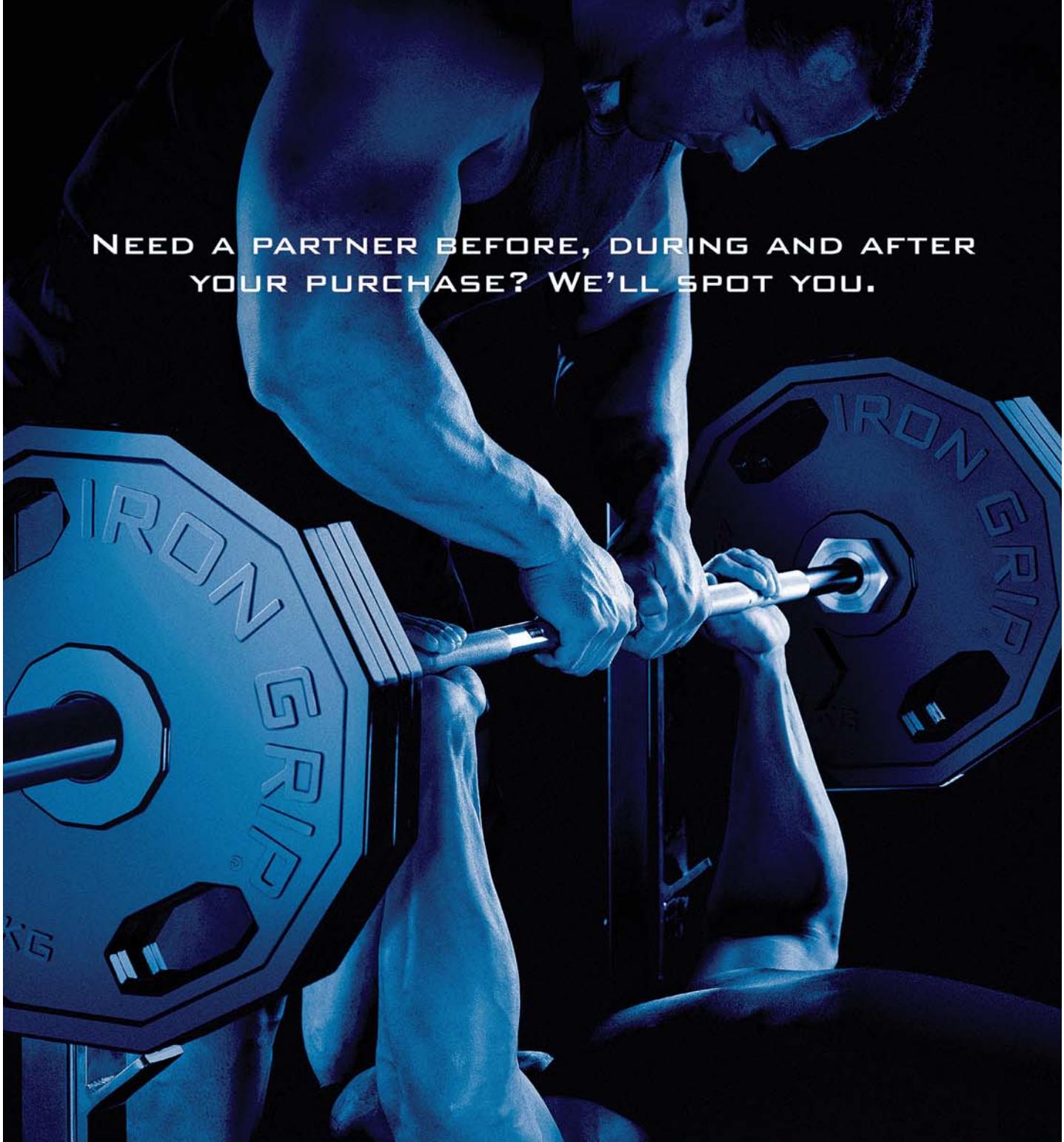
**Sherry Robb** - This is a question with many answers. Let me preface what I'm about to say with this: Although in some areas it can be very useful, traditional media in general is increasingly being replaced with online and social media. Consumers are plugged in to their desktops, tablets and mobile phones. They get most of their news online, they text and email rather than make phone calls, they listen to their iPods rather than the radio and they hang out on Facebook and Twitter. It makes sense that businesses need to be where their consumers are.

As a club marketer, I tend to look more closely at direct mail and newsprint because that's what most clubs have traditionally used for external marketing. Direct mail is a great direct sales tool, but it's also very expensive, whereas, contrary to popular belief, social media can also be used for direct sales if clubs invest in it and the strategy is orchestrated. Newsprint is also expensive, and it's losing popularity. Online marketing is significantly less costly, and it allows us to communicate in ways that we just weren't able to a few years ago. As a result, the methods have changed the message in radical ways, giving us greater freedom to try out new promotions with very little investment, while at the same time, form deeper, more trusting personal connections with our clients. This is such an exciting time for marketing. Consider now the new tools we have to work with: email, auto-responders, blogs, landing pages, Google ads, Facebook ads and posts, Twitter, Instagram, YouTube videos, Pinterest, the list goes on. When we first started in marketing, there was none of this available to us, so we had to learn it all as we went along. There was a lot

(See An Interview With Sherry Robb Page 20)



Sherry Robb



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## ...Club Marketing

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When this is accomplished, only one username must be remembered by a potential visitor to any of your pages or services. If they can remember **xyzclub.com**, they can find you on any of the social networks. Don't take my word for it, though. Search for a giant company, such as Ford, across the different social networks without using Google, and you will see the same pattern.

For the **Gain Members** and **Retain Members** sections of this tool, I actually refer you to what was written for Facebook. Many of the same things apply here; however, there are two options for the actual posting of content to Twitter. Facebook actually allows you to connect a Twitter account to your business page, so whatever you post to Facebook is posted to Twitter automatically. When time or technicality is limited, this is a good option, as you are guaranteed that the post will take place. However, many organizations do craft specific content for Twitter because there are some differences in the Twitter user base and how content is displayed. There are pros and cons to both strategies, but the key takeaway here is that your club should use both Facebook and Twitter, and they should be used accordingly to gain and retain members.

### YouTube



Once again, the ongoing theme continues. If your club does not yet have a YouTube, go to [www.youtube.com](http://www.youtube.com) and sign up. When you sign up, if the username you use for your Facebook and Twitter is available, get it.

**Gain Members:** The primary use of YouTube to potentially gain members is to provide some sort of video tour of your facility. This should then be embedded on your club's website using the embed codes that YouTube provides (your web developer will come to the rescue again). Member testimonials are always a tried and true content feature, as would be a

Thank You video from the Club Manager thanking a potential member for signing up for a free trial. A link to this could be embedded in the Free Trial email that is automatically sent upon signup.

**Retain Members:** Where the written form of things such as workout plans, recipes and other content described in the Club Website section might not be read, videos can go a long way in helping that content be consumed. For example: Personal trainers could provide videos of proper exercise techniques, recipes could be cooked on video (think Food Network here), etc. The possibilities are endless, and once again, only limited by creative imagination.

**Note:** One thing that must be mentioned is production value. Though your YouTube videos won't be Hollywood productions, reasonable time and effort needs to be put in to ensure that the product is presentable. If it looks like a wobbly home video with bad lighting and sound, it's better not to publicize it.

### Google Plus and Pinterest



When signing up for a YouTube account, you are technically signing up for the Google network of services, which includes an absolute plethora of useful features. One of those is Google Plus. I will only mention it here because your club may find value in it as it is yet another social media service. However, with only a fraction of members, it is still not really mainstream compared to industry leaders, Facebook and Twitter.

Pinterest is moderately new as well, but the traction it has gained in a few short years is noteworthy. The main demographic is women, but that seems to be changing as the service becomes more and more mainstream.

With both services, a lot of the same Gain and Retain ideas and strategies already discussed apply. Experiment and see what works best for your club. For example: Recipes are HUGE on Pinterest, so that could be your club's go-to source for posting recipe information (they actually have a specialized utility for recipes) and then embedding on your club's website. The sky is the limit with the creative mind.

**Note:** Remember to get the same usernames as your Facebook, Twitter and YouTube if they are available!

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## An Interview With Sherry Robb (continued)

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of trial and error figuring out what worked best. I think there's still a disconnect in terms of expectations about how well one media works over another, when in fact, they all have to work together, including traditional media.

The challenge for clubs is the juggling act this represents. A fair number of clubs I talk to still think online marketing means having all their information on their website and updating their Facebook page with daily group fitness updates is sufficient. It's no wonder they struggle to find an audience.

There's so much happening online that a person's attention span is very limited. People just don't visit your website for no reason. Regular visitors are usually only interested in your group fitness schedule. Yes, you will get random visitors who are interested in learning more because they are ready to act, but the majority of your audience will never see your services unless you're using other methods and tools to drive them there like a well-maintained educational blog, social media posts or some other form of entertainment like videos, surveys or contests. And those, again, will provide zero ROI unless they're used to redirect your audience to tools like landing pages with lead capture forms to build your database so that you can continue to market to them.

My favorite new media is Facebook, for now. Who knows what will come along next, but right now, Facebook is a behemoth, and it's not likely to go away anytime soon. Whether you personally like it or hate it, there is a very active audience that uses it all the time, and that makes it a fantastic relationship-building tool if you're using it for retention and referrals. Contrary to what others say, it's not just about selling programs to members or updating class announcements, but it can also be a fantastic direct sales tool, too, if you use it in conjunction with lead generating pages, either in tabs on Facebook or on your website. This is because it's highly targeted, relatively inexpensive compared to traditional media and it delivers immediate measurable results.

If you can invest in growing a good social media following, then you essentially have bought your own media. Clubs who take this seriously and invest in it like they do any other media can see tremendous results. The big challenge I see for most clubs is the time and commitment to do it right. Most leave it up to staffers to post class updates once a day, and that never nets the results they are looking for, perpetuating the myth that Facebook doesn't work for direct sales. You have to incorporate all of the other things I just talked about into Facebook, and that means you really should hire someone who knows how to put it together.

Technology is changing so fast! Consumers are using a variety of devices to access online information and businesses need to adapt to meet their needs. Consider the emerging mobile market. A fast-growing number of people are using their smartphones to browse online. This presents a challenge to clubs that still have traditional websites, and even those who have newer websites that are not designed for mobile devices. Visitors who have to pinch their way around a tiny screen to see your information lose interest fast because it's too much work. The new website technologies are built to recognize which device you are looking at from and then it reformats the information to present it in a way that is optimized for that device.

I'd also like to discuss YouTube for a minute as another note about how the Internet has changed our perceptions of traditional marketing. I'm really loving how some clubs are getting on the YouTube bandwagon and making their own video clips on everything from training demonstrations, freestyle fitness classes, member testimonials, etc. As consumers of this new media, our attitudes have changed, and I really think that's a great thing from a marketing perspective. It used to be that we'd scoff at anything that wasn't a professionally choreographed production. Now, anyone with a decent digital camera can take videos that are as convincing to our customers as those that are professionally produced. And, we can inject our personalities into our marketing and relate to our audience in a way that we couldn't before YouTube made it okay for us to be ourselves.

## An Interview With Tracey Bourdon

Tracey Bourdon is a Marketing Coach with Susan K. Bailey Marketing & Design, a full-service marketing firm.

**CLUB INSIDER (C.I.)** - For this cover story, I've talked to several notable industry veterans on the club side of marketing. Please take our readers through the process of working with a marketing firm such as Susan K. Bailey Marketing & Design. **Tracey Bourdon (TB)** - Good communication is key to marketing success at every step in the process. The relationship with our clients is as essential as the messaging we create to engage prospective members. It's all about the art of communication:



Tracey Bourdon

**1. Information Exchange** - Initial contact with one of our marketing coaches will establish your marketing needs and objectives. From there, we will begin a discovery of opportunities that will improve the performance of your marketing budget and give you sound recommendations to maximize your results. We start with what we call our 'Marketing Checklist,' found on our website at [www.susankbaileymarketing.com/marketingchecklist](http://www.susankbaileymarketing.com/marketingchecklist). We love these initial calls and getting to know our clients' unique business advantages and challenges alike.

**2. Your Goals. The Budget. Our Products and Services.** - Information we gather from listening to our clients then translates into a strategic plan of action: The Marketing Plan, the blueprint for success. We work with clubs to determine where to find the best prospects in their community that are most likely to join their gym and recommend a mix of marketing tools that will be most effective to reach them. We offer many different layers of service depending on our clients' needs, from implementing the marketing plan, one-on-one coaching, design services, printing, mailing and digital marketing solutions.

**3. The Ripple Effect** - Imagination and ideas are always flowing at Susan K. Bailey. When we go to work for our clients, our goal is to start a positive ripple effect on their business. The process involves setting strategies for success and getting those strategies working in the details:

(See *An Interview With Tracey Bourdon* Page 21)

## An Interview With Tracey Bourdon (continued)

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- A good and informed understanding of their business, needs and goals;
- A commitment to their marketing objectives;
- A plan of action that will make the best use of their budget;
- A high level of communication and rapport;
- Professional designers who work with our clients directly;
- Relevant concepts that develop a compelling connection with their audience;
- Design that uses strong visuals and delivers a clear message;
- The responsibility to develop, and the discipline to maintain their brand;

### ...and a bottomless talent for creativity!

**CL** - Changing from a media world dominated by television, radio and print to the advent of the Internet, what are some of the opportunities and challenges with including Internet sources into a club company's promotional mix?

**TB** - From cut and paste to cyberspace! When Susan K. Bailey was founded in 1984, we could not have imagined how profoundly our world of publishing and communications would change in such a short time. It did. So have we.

A great marketing plan still consists of a great marketing mix. We recommend a plan that includes a variety of traditional marketing vehicles like door hangers, sticky notes, direct mail, new homeowners, etc. along with digital tools, such as landing pages, emails, local search optimization, social media and texting. We have clients who have experienced amazing returns on their social media marketing efforts and others where the only vehicle that works for them is direct mail. No matter how big or small their budget is, we never recommend putting all of their eggs in one basket. We recommend committing to a vehicle for at least three months in order to track its effectiveness.

## An Interview With Nancy Trent

*Nancy Trent is the President of Trent & Company, a full-service public relations firm.*

**CLUB INSIDER (C.I.)** - Nancy, if I remember my business school vernacular correctly, the field of public relations is technically part of the promotional mix; separate from advertising but just as important. Can you take our readers through the differences of public relations compared to traditional advertising? Are there similarities that can create confusion?

**Nancy Trent (NT)** - There are three basic differences between Public Relations (PR) and Advertising. I call them the 3Bs. The first B is Budget. You can buy a year of PR for the cost of one ad in a media outlet like The New York Times. It's an affordable way to spread the word about your brand. The second B is Believability. Consumers don't want to hear what you have to say about your brand; they want to know what other people think of it. PR gives you the third-party endorsement of media and influencers, people consumers trust. The third B is Buzz. Other than the Super Bowl, you don't often hear people talk about ads they saw. People talk about news items they read about in the paper, magazine or a blog, or that they saw on TV.

**C.I.** - Please take our readers through the process of working with a public relations firm. Is the job ever done? **NT** - Publicity begets publicity. One hit leads to the next. The more successful a PR campaign is, the longer it will last, so the job is never done. As long as there is coverage, there will be PR people creating news. First, you need to develop a strategy, and then, you prepare press materials for a press kit. The next step is contacting the media by letter, email or phone to arrange interviews with your spokespeople.

**C.I.** - How has the Internet changed public relations?

**NT** - The Internet was a game-changer for public relations. You can get more done, faster. You can reach more audiences than ever before, in an instant. It turned a 24-7 job into 24-8. You also have a lot more clutter to cut through, and you have to have more control than ever over your message because the wrong message can spread just as fast as a good one. Social media is a natural extension for PR and works hand-in-hand getting your end-consumers to spread your message for you. (See **Nancy's Article on Page #28**)

## ...Club Marketing

continued from page 20

### LinkedIn



I will mention LinkedIn briefly because it is more of a backend business service and not business-to-consumer. Like Facebook, LinkedIn has company page capability, so your club should create one and enable employees to add your company to their LinkedIn Profiles (remember to be consistent with your username if it's available). Don't make it a requirement for employees, as it is more of an enhancer for an employee should he choose to include it on his profile. It is also good for employee search. This is also important for consistency and completeness. If a potential or current member does happen to come across your company page on LinkedIn, it will just be one more avenue where he will be impressed at your company's thoroughness and professionalism.

### Tying it All Together

There has been a lot covered in this article, but believe it or not, the list of tools discussed is not exhaustive, as many other tools were not covered. In fact, it would be better to think of this list as a minimum for your organization. If these tools have not been implemented, your organization is behind. But, luckily, playing catch-up is not difficult because these tools are so easy to use, and they are *free*. The only resources required are time and creativity. Yes, paid options (such as ads, featured posts, etc) do

exist for most of these tools but those were not discussed in this article. They are worth research on your own, though, because they are very affordable and can provide measurable results.

Let me close with this. The modern promotional tools discussed *are not* a replacement for the traditional promotional tools club businesses have always used. Think of this time in technology as a melding of two eras. All these tools must be used in concert with all the others to create optimum results. The job is *never* done. Analyze, modify and evolve.

• • •

Thank you for your time reading this article, which was a labor of love. Marketing is one of my favorite subjects, so it was a great honor to be tasked with this article's authorship. I hope it helps your club organization further succeed in the future. Finally, I want to think the all-star line-up of contributors this article featured: Mike Grondahl, Derek Barton, Casey Conrad Bill McBride, Terry W. Browning, Sherry Robb, Tracey Bourdon and Nancy Trent. Thank you all for your time and contributions in making this a more thorough article that can be used as a basic marketing guide for clubs everywhere. For extended comments from each of these contributors, go to [www.clubinsideronline.com](http://www.clubinsideronline.com).

*(Justin Cates is the President and Assistant Publisher of CLUB INSIDER and grew up in the health and sports club industry. Justin was born into a club business family in 1985, and from the age of eight, he spent his non-school and sports hours in a home which doubled as CLUB INSIDER Headquarters. He has lived and breathed this industry for 29 years, since his own day one. Now, he is an integral part of the "Story" of Norm Cates and CLUB INSIDER. Justin is also the owner of Pristine Media, an interactive media design company helping businesses in numerous industries succeed in the ever-changing and evolving field of marketing, both online and offline. Justin can be reached by phone at 423-314-4310 or email at [Justin@clubinsideronline.com](mailto:Justin@clubinsideronline.com))*

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# How to Bring Members Back That Leave After January

## Increase Club Annual Revenue With This 30 Day Process

By: Donna Krech

**Author's Note:** The articles I write are about the marketing and sales systems we actually use in our club in Lima, Ohio. We share the ones that make us more money and get our members better results. They are the same systems we teach to other clubs. We believe in sharing what works, more than we care about reporting on theory or some book we read. I share the systems here and in the free training we offer. Do we hope you'll use the systems we give you for free and then will want to be with us longer term? Of course we do! But, if you don't, whatever we share with you for free is just that... **free**. I am determined to see our industry be the solution provider that we should be for people fighting their body weight. I will not stop offering free training, and it will always be based on giving you something we use in our own facility.

• • •

Isn't it great when you get a completely unexpected gift? It seems even more special at Christmas time, like many of us recently celebrated. I can picture it now. You're sitting by the Christmas tree with ribbons and wrapping paper strewn everywhere. Christmas music is quietly in the background. Everyone is chatting and admiring gifts. You think the gift giving is finished. Suddenly, someone hands you another gift. Your heart skips a beat. You hardly notice the ribbon you're pulling apart as you rip off the paper.

It may have been the motorcycle helmet you casually mentioned to your wife. Maybe it was the diamond earrings you said you wanted or the tickets for that dream vacation you thought you'd never take. Whatever it was, it seemed so unreal you had to pinch yourself. It was like finding hidden treasure where you least expected it!

Well, you can get that same feeling with the three steps I'm about to share with you now, only this time it will be a special gift for your fitness club. You can find unexpected, hidden treasure right under your nose, within the next 30 days, thanks to a market that usually goes *unnoticed*. They want results you can provide, and they'll gladly pay you for those results... and many of them just enrolled a few weeks ago.

Think about it. It's the first quarter of the year. We all know what happens in the fitness industry right now. Business skyrockets because most people think that, if they work out, they will lose weight. They've made New Year's resolutions, and they intend to keep them. So, new members

flood through our doors. The parking lot is jammed. We even have people waiting to use equipment. It's great!

But, by the third week of January, everything pretty much returns to normal. You see empty spaces in your parking lot. Line-ups at the elliptical machines have disappeared. What's going on?

What many club owners don't realize is that most of our "January rush" members are *dieters*. Getting fit is *not* their top priority. They have come to your club to lose weight, and they want to lose it fast. When they don't see the results they hoped for by late January, they can easily drift away.

This is the phenomenon of New Year's resolutions. When people resolve to lose weight on January 1st, they will do one of three things:

1. Decide they know exactly what to do and can do it themselves;
2. Join your gym;
3. Buy something they see on TV, whether a program or piece of equipment, that promises to help them reach their goal.

Everyone starts with the best of intentions after the New Year celebrations end. However, as January rolls along, many will not see the results they hoped for. This is why that rush of new members fades from your club. It's in late January when most people who resolved to lose weight realize they need more help. Yet, most don't know what to do or where to get the help they need.

*These people are your hidden treasure, your unexpected gift.* Here are three steps you can take right now to help them achieve their goals. When you follow these steps, your revenue will explode, too. It will take 30 days or less to start seeing results, **I guarantee it!**

### 1. Market to The Hidden Treasure... not the typical gym member.

How many days needed: 2 to 10.

To attract a new crowd, your marketing must be *different* from your competition. Your club needs to stand out and appeal to this market. One way to do this is with a "before and after" testimonial ad.

This ad should highlight a member's success with *before* and *after* photos. Let your member share her story in her own words, and be sure to include an offer that attracts your target audience. Remember, with the right offer, your ad will pull like no other ad you've ever run before.

Don't make this harder than it is. All three groups mentioned in this article

are looking for the same result. Market the message that says you can help to that particular crowd. In other words, market one way to the members who just left at the end of January. Email to your database, post to social media and even provide simple flyer post-ups in the club.

With a different picture and story, talk to the person who tried some kind of weight loss plan that didn't work. That before and after picture and that story looks different than the club version. The offer can be the same. What should the offer be? An opportunity to come in and learn something for free. "We provide a free Metabolism Evaluation." Put this ad in your local media.

### 2. Sell to The Hidden Treasure Correctly... this is not a fitness present.

How many days needed: 7 to 14.

It's one thing to have more potential customers walking through your doors. It's another to convert these visitors to paying members. Keep in mind; these are not your average fitness clients. It's important that you and your staff use a systematic sales presentation, geared to their needs. This involves asking questions and listening, rather than giving just another tour of the facilities.

By asking the right questions, you will uncover *what* your prospective customer wants to achieve and more importantly, *why*. When you understand *why* she wants to lose weight, you will have the key to *why she will buy*. Don't you dare think selling is *selling*; selling is *serving*! When you help her purchase, you help her live. Don't just ask what results she wants. Uncover *why* she wants the results. And, don't forget to ask her to purchase. It really comes down to being that simple. Most of the time, in fitness facilities, we never ask why and we don't ask people to make the decision to buy.

### 3. Offer The Right Program.

How many days needed: 1 to 30.

Once you understand why potential members want to lose weight, you can offer targeted services, and that helps them get the results they *really* want. There are plenty to choose from. Just get the one that gives you business systems rather than just a diet. This is your key to hitting new records in your revenues.

There's a very important point to make here. Even your personal trainers can create a weight loss program for your club. They certainly have the knowledge to do it. But, a weight loss *program* in and of itself will not bring a rush of new members to your doors. Focus on the marketing



Donna Krech

and selling systems for it and the hidden treasure is yours.

**Case Study:** Kathy Pacifico applied these steps and opened a new world of business for her New Jersey gym. She knew she needed to cater to the weight loss market at her club. However, she also knew that she needed more than a weight loss *program*. Let's face it; there are a lot of weight loss programs out there. As Kathy says, "Probably like most in the fitness industry, I didn't think about Weight Watchers or Jenny Craig as competitors, even though I've been in the fitness industry for 30 years."

Kathy's revenues rose within the first month of applying this 30-day system, and she hasn't looked back since. "People in business want to be successful and are always looking for an edge. Tapping into this market gave us that edge."

### Now, It's Time For Your Unexpected Gift

If you're reading this article in February, people may still be swamping your club. They want to lose weight, and they're hoping exercise will do it. However, within the next month, they will be searching for more help. You can be in the perfect position to give them exactly what they need. If you want to grab your hidden treasure, *this is the time to do it*.

Now, you may be thinking, "Well, Kathy had training to bring that flood of new clients through her doors." If so, I have good news for you. One, Kathy received the three steps I've just given you, so you can do it right now. Two, **you can get the same training Kathy had, at no cost, for a limited time.** Call **(866) 260-8446 (THIN)**, Extension 116 and get the *gift of extra revenue* you deserve!

*(Donna Krech is the Founder and owner of Thin & Healthy Total Solutions)*

advice, etc.

## The Proof Is In The Numbers!

**I**t's been 8 months since we put Thin&Healthy's Total Solution systems (THTS) in our Delta Valley Athletic Club. At first, we understood them to be specific to weight loss. Much to our surprise, the systems are simple and encompass overall club operations. They can be plugged into any and all of the profit centers, so we've seen an increase in all areas, not just weight loss.

The results we've seen have truly gone above and beyond our expectations. We are ecstatic about how THTS has touched every part of our operation. Success and victory are addicting and contagious, and that has spread through our organization because we are implementing the daily systems and achieving new levels and higher goals, which is all related to higher profits.

I think one of the most surprising things is that we have always been in the business of helping people and changing lives, but I wonder, were we really doing that?

Now, our members are really seeing results in weight lost and inches

lost, which is emotional for our members and our staff. Member's lives are changing and we are participating in the change! We currently have over 200 people on the Thin&Healthy's Total Solution program and have seen over 800 lbs lost. That is from our club members only, with no outside marketing! We're excited to have evolved into a true wellness facility.

It's the law of achievement. If you follow a proven set of guidelines, you will reap the benefits. There is no doubt that the outcome is not going to be there if you do it correctly. I've been thinking about how simple the systems are, and how it really is human nature to complicate things. The training is there; whether you are reading the materials, listening to the audios or webinars, calling the Home Office to speak with staff, taking part in the live training or taking advantage of the onsite training.

We knew we wanted to increase revenues servicing further needs of our members. Adding THTS to our current Club was much needed and did I mention all in less

than 8 months. One of my favorite things about THTS is the availability of onsite training which allows us the ability to increase effectiveness with continuation in our daily productivity. We saw a 78% increase in overall sales following onsite training within 30 days.

In 2013, we saw a 700% increase in overall monies available to collect because of the THTS systems. I know that may sound unrealistic, but it is a fact. That is the nature of what happened overall last year with the implementation of the THTS systems being plugged into our entire business. Here are some other increases since adding THTS:

- 22% increase in dues lines
- Lead generation increased 95%, thus increasing all our ancillary programs at point of sale.
- Attrition continues to decrease as our staff has been equipped with solution systems (So we have can-sells instead of cancels!)
- Childcare has seen a 60% sales increase.
- Tanning sales have doubled.
- Wellness has seen \$20k per month in a 30-day cycle

By using the THTS tools available and implementing them exactly as instructed, you will add and increase revenues within your facilities. You truly reap what you sow. We work hard and on purpose, and we choose to win. Therefore we apply the systems exactly as instructed. Ok, sometime we miss the "exactly", but none the less, the systems are so simple that even when we make mistakes, we win because we are implementing proven systems.

Every business is perfectly designed to get the results they are getting. We knew we wanted to increase revenues by servicing more needs for our members. Adding THTS to our current club was much needed, and did I mention we did all this in less than 8 months?

The magic is in the numbers. Our ROI is more than we had hoped for. We set out to add another profit center and received more than we ever imagined. X

In 2013, we saw a 700% increase in overall monies available to collect because of the Thin&Healthy's Total Solution systems.

- SANDY MCCASLIN



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# Q1: The Referral Campaign

By: Deneen Laprade

The new year 2014 has just begun, and as is every New Year, it is a gift full of promise and growth yet to be realized. Now is the time to roll up your sleeves and turn to page one of your marketing plan!

January has energy unlike any other month in the fitness industry. Consider this statistic: "More than 12% of gym members join in January, compared to an average of 8.3% per month for the full year," according to the International Health, Racquet, and Sportsclub Association (IHRSA)\*. Clearly, New Year's resolutions are a powerful motivator, and by their very nature, they force people out of their comfort zones and into your clubs. Make the most of this up tick in new member sales by implementing timely, creative and exciting internal and external marketing campaigns to generate leads and empower your brand. **Hint:** They should jump off the pages of your marketing plan!

Time your marketing campaigns to coincide with the industry's buying cycles. Connecting the dots of when to put forth various campaigns and promotions will improve the results (i.e. the number of leads generated), and ultimately, they will net you a better return on your investment. Purposefully highlight the departments you've identified as underperforming and feature them in your campaigns, effectively driving leads to key areas throughout your club.

Right now, let's focus on the components of the campaign itself. Think about it. You just brought in a whole new group of members who are excited by their experiences with you and are beginning to see the possibility of success. They're telling their friends, family and co-workers about the new things they're trying and how they feel great about it. Why not entice them to bring those same folks in to have their own rewarding experiences? Now is the time to create a tiered reward system to get leads from your members.

The tiers, or layers, of the member referral campaign are pretty simple and relatively easy on the budget. Let's take a look:

**Level 1:** \$5 - \$10 reward in club bucks for every five leads given.

**Level 2:** For every lead that joins, the referring member gets a free month of membership or club bucks equal to that amount.

**Level 3:** Grand Prize. This can be anything from a full-service club package to a

bicycle or a vacation. I encourage you to seek barters for non-club prizes. Better still, I'll bet you have members who own businesses and will be most enthusiastic to contribute.

Culminate with a social event for all those who participated as a thank you for all their efforts. To improve event turn out, announce that a grand prize will be awarded and that you must be present to win.

Now that you have the basics of a solid referral campaign, you need to fully develop your marketing strategy. This is an internal focus. To maintain high-energy throughout, it should run for no more than 30 days. A successful marketing strategy includes a mix of marketing vehicles that are layered throughout the month to introduce the campaign, reinforce it, remind members of what's at stake and give them a last-chance call to action.

**Introduce** the campaign with a member mailer that matches internal signage. The creative design should be well-branded and exciting with messaging that compels members to act. The mailer should include a free pass or two for members to share with friends. For samples of materials for effective campaigns, send an email to this author at: [deneen@skbailey.com](mailto:deneen@skbailey.com).

**Reinforce** the message with staff-member interaction via announcements, create special class passes that match internal signage and use social media posts to inform and encourage dialogue. Have staff t-shirts and buttons made.

**Remind** members that the campaign is ongoing by creating an active display and putting it in a high-traffic area of your club that shows how close you are to reaching your goal. Send e-blasts reminding members of the campaign and include a mention of the grand prize, as well as your leads and new members to date to keep the level of excitement up.

**Be sure staff is making those "Last-Chance to participate" announcements** in all classes and training sessions. Add a small banner over the front of your internal signage that shows how much time is left to get in on the action and amp up your social media posts.

The **social event** is a way to get all the participants together to celebrate your success as a group. Include a group workout featuring a program or equipment you want more members to use. Be sure to offer refreshments and light snacks post

workout to keep everyone around for the Grand Prize Award.

It's always a good idea to recap the campaign and results to your entire membership. You can use e-mail, newsletters, social media and staff to spread the word of your success. Post the results on your Facebook page and display in the lobby for all to see. Don't forget fun photos of the social event!

For best results remember to:

- Make sure the staff knows what the campaign goals are before and during the month. You may decide to add a staff reward layer to the campaign as well.

- Have an attractive offer in place for the prospects that visit. The campaign will generate leads. How you treat prospects once they're in the club will affect turning them into your new members. Be warm, friendly and inviting. The hard sell is no longer effective, and prospects should be given the opportunity, via your offer, to try before they buy.

- Put a tracking system in place to identify which vehicles are the most effective. This will help you determine ROI for this campaign and provides valuable direction for future referral campaigns.

- Express your appreciation by sending Thank You cards to all the participating members and newly generated leads and members. Consider giving all of them a small (\$5 - \$10) gift in club bucks, just because!

Let's wrap by circling back to your marketing plan, which is an ever-evolving body of work, impacted by the results of each campaign. Record every piece of data you can:

- Which marketing vehicles garnered the biggest responses? This will identify which vehicles to continue to employ.

- How many leads were generated and how many new memberships were sold? This will highlight the efficacy of your sales staff and procedures. Use this as a learning and training opportunity for you and your team to improve upon.

- Were your campaign goals achieved? Analyze the overall strategy to find areas to improve upon.

- What were the campaign expenses? Calculate the cost to implement the entire campaign, including marketing, rewards



Deneen Laprade

and prizes.

- What is the campaign ROI? Compare the campaign expenses with the new memberships sold to determine the acquisition cost of these memberships.

- How are your growth goals for 2014 impacted, and does this change any of your plans for the remainder of Q1? Based on the results, you may need to step up your efforts or simply adjust your focus to other departments. Did you meet your goals? Better yet, did you exceed them? Take a look at where you stand and how this impacts the rest of Q1. Adjust your overall marketing strategy to support incremental growth.

Understanding the buying cycle of our industry and producing timely campaigns that are compelling, that empower your brand and generate leads is your primary marketing goal. A marketing plan keeps your energy and focus on execution rather than creating something new every month, which ultimately translates to forward movement and bottom line growth. Knowledge is power, people. Go forth and prosper!

\* <http://www.usnews.com/news/articles/2013/01/03/its-gym-season-from-now-until-march>

*(Deneen creates and manages effective marketing campaigns and programs that result in revenue growth, increased profits and member retention. As a Marketing Coach with Susan K. Bailey Marketing and Design, she consistently applies her years of experience at club level to meet the marketing needs of her clients. Deneen can be reached by email at [deneen@skbailey.com](mailto:deneen@skbailey.com) or phone at 888-349-4596. For more information, go to [www.susankbaileymarketing.com](http://www.susankbaileymarketing.com))*

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### ...Norm's Notes

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• God bless all of our troops, airmen and sailors and keep them safe. Thank you, **Congratulations** and **Welcome Home** to all of our troops who've served in **Afghanistan** and around the world. God bless you and your family, your club staff, your members and your club(s). God Bless America!

*(Norm Cates, Jr. is a 40-year veteran of the health, racquet and sportsclub industry. Cates is the Founder and Publisher of **CLUB INSIDER**, now in its 21st year of publication. Cates was IHRSA's First President, and a Co-Founder with Rick Caro and five others, in 1981. In 2001, IHRSA honored Cates with its DALE DIBBLE Distinguished Service Award, one of its highest honors. Cates may be reached by phone at 770-635-7578 or email at [Norm@clubinsideronline.com](mailto:Norm@clubinsideronline.com))*

**Make It Fun!**

# Fitness Futures and Healthcare Delivery Services

## Resolve to Expand Your Market This Year

**By:** Robin Schuette, MS

Your customers' resolutions may not have made it to the end of January, but how about your own business goals? Now that you've gotten through the January rush, how many of your strategies are on track to make business better this year? Fine-tuning your programs and communications tactics can better position your club as a part of the new healthcare delivery model.

We're pleased to use our medical fitness industry experience to provide **CLUB INSIDER** with a series of articles on strategies for fitness club owners to strengthen their health and wellness role in the new Affordable Care Act landscape. Although it is unclear how physicians and hospitals receiving bundled payments may pay for prevention and wellness services, it is clear that they will need to focus more attention on whole health. The current number of medical fitness centers nationwide cannot possibly meet this demand, leaving health clubs, with their geographic diversity, in a key position to be part of the healthcare network. In our next article, we will address how to get referrals from healthcare professionals, but let's start with who is actually in your club right now and how you can leverage these relationships strategically.

**1. Connectors, Mavens and Salesmen:** Malcolm Gladwell shares case studies on "How Little Things Can Make a Big Difference," in his 2000 book, *The Tipping Point*. We assigned this book to a group of fitness center managers and asked them to formulate their own tipping points related to primary goals for their center's business.

We especially wanted to increase awareness of chronic disease issues in the community, as we had purchased a series of ACSM exercise protocols that we believed create a key competitive advantage. But first, we needed the team's help in identifying connectors, mavens and salesmen among the membership to help spread our message: *to create our own tipping point*. Having your staff formulate a plan to identify such customers for key message delivery is an effective group exercise that can energize your current plan or be part of your planning process next year.

Our primary goal was to identify the Mavens, whom Gladwell describes as the, "Information specialists, or people we rely upon to connect us with new information." These prime referrers want to solve other people's problems. While probably not motivated by actual referral rewards, this group still needs nurturing.

Our goal was to identify this type from members who had responded to a Loyalty Survey or who had been recognized in Leader Circle groups (based on weekly attendance). Ultimately, we wanted to discover and promote their personal improvement stories and to develop talking points and incentives to spur them on to more referrals.

The other key groups in the Tipping Point concept are *connectors and salesmen*. Connectors typically make introductions in social circles because they have so many contacts in their network. Perhaps this valuable group is already active on your Facebook page. As you already know, salespeople are persuasive and charismatic, and you have them on staff.

You need all three groups working in concert to position your club for health care. But, you also need "the stickiness factor," as coined by Gladwell. That factor is the message. We'll describe more on key consumer segments and specific messages in a later article.

**2. Strategic Visioning:** Change is rapidly occurring in the \$2.7 trillion health care industry, especially in delivery. How will you be part of that change? During February's Black History Month, our thoughts turn to Martin Luther King Jr. King did not say, "I have a strategic plan." Instead, he shouted, "I have a DREAM!" and he created a crusade. When did you last

take time to dream about your business, to dream with your key managers? Ask your core team members to explore their high point in working for your club, a time when they were operating at peak performance. Have them tell the story and describe the most important and helpful factors in the organization and the results. What can you learn from each other's experience in how change occurs? Capture these details as you prepare for other changes that will be occurring in our industry. Start by asking what it was about the organization or team members that made a positive experience possible? What were the best qualities, skills or values that made it a high point? Write them down.

**3. Asking Better Questions:** Are you asking the right questions of your employees, your customers and yourself? The answers we get are often determined by the questions we ask. If we ask irrelevant questions, we get irrelevant answers. If we ask better questions, *empowering questions*, we get *empowering answers*. Marilee Adams, an executive coach, has developed a system of tools called *Question Thinking* that she outlines in her book, *Change Your Questions, Change Your Life*. In a future article, we will use these tools to dive into new member orientations and health and fitness assessments. Get started with your team with these questions: What could or should our competitive strategic advantage be? What do we have the ability



Robin Schuette

to create right now? In the mid-term? In the long-term?

**4. Living the Vision:** How has your business vision changed? In an annual all-staff meeting years ago, we used the FISH! Philosophy video, which describes how Pike's Place Fish Market in Seattle became world-famous. I still relate to its simple idea of coming together as a team to live the vision. Successful teams are guided by three principles:

**Be it:** make the vision part of everything you do.

**Commit:** make a commitment to bringing the vision into your place of work.

**Coach it:** teach others about the importance of the vision and have fun in doing it.

Are you modeling a culture of wellness and fitness among your employees? If not, how do they feel about delivering health and wellness to your customers, other clients and possibly mavens in your community? An upcoming article will explore corporate wellness programs and their role in the new healthcare landscape.

**5. Leaders Lead:** One of my favorite phrases in Norm's Notes is his identification as a Tribal Leader. Each of you is leading a tribe as well. Leaders focus on people and ask what and why. They develop and innovate. Are you ready to lead this next innovation? It's going to require a longer-term perspective and resources to create change in your club and its position within the community. We'll give you tips on how to get there.

Watch for our series, **Fitness Futures and Healthcare Delivery**, to cover:



# Tips to Buying a Gym Business for Sale

By: Jim Thomas

Will you achieve your dreams or plans for the future by buying a gym business? Will this fit the lifestyle that you want? Buying an existing health club or gym is advantageous because both have an established member base and ongoing operations. Financing from traditional sources is also easier. Below are tips in finding the right gym or health club opportunity.

**Are you familiar with the products or services offered by the gym?** What type of gym do you want? Does it match your background and experience? Having some understanding of the gym will lessen the amount of time you spend familiarizing with the product service, market and industry.

**Do you have the support of your family?** Running your own health club or gym requires a lot of time and effort. There are some tasks that you cannot delegate to your employees. Share your plans with your family so they understand and support your commitment to the business.

**Did you research the market and analyze the competition?** Do consumers prefer the product or services offered by

the gym over the competition? Make sure there is continuous demand for the product or service. Does the gym, its products or service have a good reputation? Is the club trusted? Find out what attracts members to the competition. What are its weaknesses? How can you do better? Before buying a gym for sale, compare one to the other gyms. Choose which is better for you in terms of location, the working hours, the work-family balance, etc.

**Do you have sufficient funds?** You will have start-up costs. You also bear the advertising, insurance and taxes, even when your sales are low. Do not forget the salaries of employees, rent, inventory and other operational costs. Do you have enough money to purchase the gym and run it? It may take some time before you recoup your investment. Have reserve funds for any unforeseen expenses.

**Why is the owner selling the gym?** Investigate the *real reason* why the owner is selling. Does this gym have many liabilities? Is it losing its key members? Is the gym or owner facing lawsuits? Is there a large health club competitor entering the market or area? Are there demographic changes in the area that affect auto- and people-traffic in the coming months or year? Are there changes in the tax code that

negatively affect the gym?

**Did you contact gym owners with similar operations?** Gym owners and consultants offer a wealth of information that can benefit you. What is the gym's reputation or history?

**Did you get advice and assistance from experts?** Professionals with experience in selling a business --lawyer, accountant and consultants-- can make sure you pay the right price for the gym. Your lawyer can go over the legal records of the gym to ensure it is free from liens and legal entanglements. He can explain the provisions, clauses and conditions of the purchase agreement. The accountant will see to it that you are buying a financially healthy business. He can project the cash flow of the business. Consultants can point out the various opportunities based on your field of interest, investment level and professional background.



Jim Thomas

gym. Take time to investigate and evaluate the gym, fitness center or health club for sale. Be confident that you arrived at the right decision.

**Now, go buy a gym!**

*(Jim Thomas is the President of Fitness Management and Consulting, USA and may be reached at 800 - 929 - 2898.)*

## ...Robin Schuette

continued from page 26

**1. Developing Healthcare Referrals:** Sedentary, deconditioned and overweight. You can reach this market more effectively with lifestyle programs that can expand your ancillary revenues. But first, you need to use the right message to get referrals from healthcare professionals in your market.

**2. Your Club, Your Community:** The healthcare environment is changing, and your role as a top fitness provider is a community asset. Have you identified community initiatives that can help you showcase your facility to residents and the health care community?

**3. Going Corporate:** Are you modeling a culture of wellness among your own employees? One of the best ways to develop a corporate wellness program is to practice what you preach.

**4. Sticky Messages for Segments:** Understanding who your customers are is one of the ways you've been successful in your business. Do you know what other customers you can reach in your market area? We do. With our PRIZM analysis model for medical fitness center consumers, we've identified ten top segments you

can reach with lifestyle programs and targeted communications.

**5. Measure and Evaluate.** Assessing your programs is yet another way to communicate your results to your customers and potential customers. Plus, it makes smart business sense for those healthcare constituents you want to entice.

Use these ideas to start brainstorming on changes occurring in our industry. We welcome your thoughts and feedback. Sign up on our website ([www.medfitpartners.com](http://www.medfitpartners.com)) to get a list of analytical questions to help maximize your strategic competitive advantage.

*(Robin Schuette is the Co-owner of MedFit Partners, Inc. and oversees management, operations and integrated communications. Recently, the company earned a Healthiest Employer Award in Western Pennsylvania on behalf of its wellness program designed for a 12-year management client. Her 20-year career with the medical fitness industry includes serving as Executive Director of the Medical Fitness Association and working with John P. Greene, Founder, to develop its initial benchmark studies for the industry and a national conference and trade show.)*

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# PR101: Navigating Your Local Media Market

By: Nancy Trent

Local publicity sells, and now more than ever, it is extremely important to effectively market yourself and your memberships to local media. Building relationships with media in your region can help turn you into a local "media darling," someone journalists can count on and members love. Becoming a media darling will result in increased brand awareness, but becoming a *local* media darling means a *better bottom line for your business*.

When it comes to marketing in these exciting times of growth and increasing competition, efforts should be predominantly focused on generating awareness, enhancing your reputation and building credibility, all to help boost sales by getting your brand mentioned for free in magazines, on TV and radio shows, in newspapers and on websites and blogs.

Club managers must be sure to put an emphasis on "sell through PR," publicity that drives members to buy memberships as opposed to "vanity PR," publicity that drives people to recognize your company

and vendors that focus on helping facilities market their memberships regionally and locally.

As a club owner or manager and local business operator, you are already paying attention to your local news, politics, sports, tourism, member's affairs, businesses and campuses, and so are people in your community. People are still reading their local newspapers. In fact, not only are they reading articles about memberships and services available in clubs, such as spa services, group fitness training and social events, but they are clipping them, saving them and referring to them at the counter. If your memberships, services or expertise are featured in a local newspaper, you should be prepared for new members to walk into your facility, with an increase in new membership and ancillary sales, too.

As a PR-savvy business operator, you should strive to be a part of your community and engage with your potential future members. By getting involved in local events, providing giveaways and building relationships with news personalities, including newspaper

reporters, weekly magazine editors, city guide writers and morning radio DJs, you'll form relationships that can result in important and helpful publicity. Contact your tourism bureau, local chamber of commerce, universities and corporations. See if there are any opportunities to sample or sell memberships at events that may already be going on. You will be considered an integral member of the community, and you will further establish your business place as a valuable "go-to" venue.

There are a number of PR tactics you can use to earn the trust of local residents and keep your business on their radar screens. Speaking with other business owners who are well known in their communities is a great way to learn more about boosting your local profile.

Sometimes, you will find that generating a local buzz is as easy as capitalizing on national buzz. Trends start nationally and trickle down regionally, so it is important to pay attention to what is going on at the national level. When something is hot on the national level, you start to see it on the local level. When



Nancy Trent, President, Trent & Associates

a fitness trend is hot, it saturates those media outlets, and people come in because they heard about it. You want journalists to come into your facility to ask what's new. They are out there to cover a story and want to know what's selling.

Health club operators can also adapt their vendors' national campaigns on  
(See Nancy Trent Page 30)

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# The Unsolved Problem in Our Industry

By: Will Phillips

## Part II: The Solution

Clubs know how to add members. Lots of members; they just can't keep them.

Retaining members is how we describe it. I believe a more accurate description is "clubs do not know how to help members build exercise habits." Retention from the Latin *retinēre* means to hold back, restrain; to keep possession of. I certainly would not like that word applied to me. Doctors say the patient is retaining fluid; a herdsman retains his flock. But, I better not tell my wife I want to retain her, keep possession of her or restrain her. Applying the word "retain" and "retention" might be perceived as disrespectful when applied to a customer. Retaining a customer is like saying you want to control them. We know that longer-term contracts do indeed control members and keep them paying longer, but they are not necessarily active as exercisers any longer. The evidence shows that neither punishment nor payment keep people exercising, eating well or not smoking for long. Even if we move from *you should*

exercise to *I should* exercise regularly, the effect is short lived.

Real change occurs when *should* moves to *want* and is supplemented by *is*. This is the path of internalizing regular exercise, good nutrition and adequate sleep. Before this transition can occur, though, the person must address these obstacles.

## The Seven Barriers to Exercise

1. Lack of a clearly articulated and passionate *why* for exercising.
2. Where and how to exercise. Your club solves this well.
3. Too much to do now and not enough time.
4. Insufficient self-worth to put one's self-health first, consistently.
5. Lack of an exercise habit, an automatic routine that is regularly cued up.
6. Satisfying payoff from the work of exercise. This seems built in if you exercise regularly.
7. The barriers that will knock you off track and a way to recover.

To help your members become regular exercisers (not retain them), you

will have to supply solutions to 1, 3, 4, 5 and 7 above. This is hard. Club owners and staff did not train for this and may not even like doing it. You all know the classic definition of insanity... It's when someone keeps doing the same thing even when it does not work. Technically, that is the definition of a neurosis! When your club's efforts to keep and engage members still has the club losing 20% of its members or more every year, your efforts at *retention* have plateaued. The club industry has articulated lots of ways to increase retention, and you are doing them. Yet, you are still losing 20% to 50% annually. Maybe it is time to explore an innovative approach. Let me share what I think might work.

## Lack of a Clearly Articulated and Passionate Why For Exercising

Without an inspiring vision, you will not engage yourself. Simon Sinek from MIT has succinctly explained the *power of why* in his TED talk and his book, *Start With Why*. After digesting these, try articulating a passionate vision for exercise.

**The goal.** *I want to be in shape; lose a bit of weight.*

**Why?** Rationale answer: *I will live longer and better.* Personal answer: *It is just amazingly cool and sensual to feel the muscles that are hidden in my body. I will look better clothed and naked. My libido increases when I am fit. I really like looking good to others and to myself. It makes me proud of me.*

You get the idea. The more specific, the more revealing and the longer the why, the more power it has.

## Macro Goals and Micro Quotas

This converts the *why* into goals and daily actions or quotas. Dreaming big is a good start for laying the foundation of intrinsic motivation. This is being motivated to do things internally, not through punishments or rewards. Dreaming big is an essential process of building habits that stick. However, you need to find a way to balance this desire to dream big with your day-to-day activities, which often do not result in quick, dramatic changes.

The answer is to create what Nathan Barry calls *micro quotas for macro goals*. Your goals should be the big picture vision that you wish to someday accomplish, but your quotas are the minimum amounts of work that you must get done every single day to make the bigger goal a reality. Quotas make each



Will Phillips

day approachable, and your goals become achievable because of this.

## Too Much To Do Now and Not Enough Time

Mark Gifford, a personal trainer at the Weymouth Club, comments that, at the first meeting with a new client, he asks them, "What are you going to give up?" This is a brilliant question because if it's not answered, the personal training may not occur. Mark reports the most common answer is TV. The next level of questions gets specifics on the table. Doing this requires skills in probing someone's life whom you have barely met and doing it with humor, persistence and respect. The goal is to find out which TV show at what times and days a week are going to be given up. Then, to follow up to confirm they have actually been given up. This just opens the door. The club coach must help the member examine and weigh the barriers to giving up TV if it is not being done. You may need to enlist other family members here. This is edging into the arena of confronting someone to help him achieve his best intentions.

## Insufficient Self Worth To Put One's Self-Health First Consistently

Mark says it is more difficult for women than men to carve out time for themselves for exercise. This reflects the still common tendency in our society for women to focus their lives on others and men to focus on and live their lives on themselves. Although this is changing with younger generations, it is firmly embedded in the majority of women over 40.

As a habit coach, you must be prepared that, when probing this issue, especially with women, there will be crying. Sadness, I think, of not having taken care of themselves or putting themselves first. Mark and his wife, who is a pastor, ran an (See Will Phillips Page 30)



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## Visual Fitness Planner to Host 4th Annual Seminar at IHRSA 2014

**FORT WORTH, TX** - Visual Fitness Planner (VFP) and InTouch will present their 4th Annual IHRSA Panel, which they are calling: **90 Minutes with the Most Connected Club Owners in the World** on Wednesday, March 12th at 2PM.

**CLUB INSIDER** reached out to Daron Allen, CEO of Visual Fitness Planner for his comments on VFP's 4th Annual Seminar. Daron Allen said:

"Over the last three years, we've actually had the largest audience of any seminars at the IHRSA Convention, other than the keynote addresses. We've enjoyed standing room only attendance for our past events. I think the reason for this was because we didn't attempt to 'sell' VFP. Our goal was to provide an impactful and educational session of great value. *Any person attending IHRSA will not want to miss this session!*"

Our panel this year will be co-moderated by Daron Allen and Bill McBride, and it will feature panelists David Patchell-Evans of Goodlife Fitness,

Jim Sansone of The Edge, and Maria Parrella-Turco from Crunch. We may add one more operator to the panel.

This panel is always comprised of the very best, most experienced, top-level operators. This year, the session will be focused on profitable and results-based personal training and small group training solutions. The seminar will give attendees the highest possible value, enabling them to ask questions of the very best in our industry.

The audience will have the opportunity to hear directly from some of the most successful and connected

operators around... by interacting with them by asking questions. This shapes up to be one of the most POWERFUL and useful sessions delivered at IHRSA. Not only will it be inspiring for attendees, this session will provide actionable expertise from the best in the industry to improve their clubs!

Previous VFP Panelists have included owners/operators who all have a passion for giving back to the industry, including: Bill McBride, Blair McHaney, David Patchell-Evans, Edgard Corona (Bio Ritmo - Brazil), Bryan O'Rourke, Larry Gurney, Rich Dreengberg, Rob Rettmann,



Daron Allen



### ...Nancy Trent

continued from page 28

a regional level. A brand should encourage its facilities to extend its national campaign to the store level by reaching out to media and influencers within each community.

When it comes to fitness facilities, the consensus is that promotions are the best way to drive local traffic and press. Members and prospective future members love trials and deals, as they build *trust*.

Strong identity and community are essentials. A brand is built on reputation, location and popularity. People are looking for places where they can meet. Create a friendly and open environment where members feel invited to visit and mix. Invite members of the community to spend time learning about fitness. And, monthly "Member Appreciation Parties" will provide a fun opportunity for members to bring their friends as guests, thus *opening the door* to those friends as prospective members.

People want to know more. They

are always asking questions about fitness. Every time a health issue is in the news, stores see members looking for new approaches based on media coverage.

Many fitness facilities offer an opportunity to expose members to the same education provided to sales staff, and trainers and instructors are encouraged to educate members. Promoting those educational seminars and demos on TV shows and local drive- and lunch-time radio shows are very effective.

Spokespeople who routinely visit fitness facilities internationally help make the experience with workouts more interactive. The chances are that people who go to a fitness center are eating healthy or are looking for information on how to stay healthier. Making a brand multi-faceted keeps it in front of the member.

As a club operator, it is also beneficial to make you and your brand available to media outlets in retail markets. Visit local markets to do seasonal segments on local TV morning shows. Attend events and trade shows across the country. Demo

your memberships and share them with news anchors who can direct viewers to local facilities so that they may shop for new memberships.

Take advantage of new memberships and programs being introduced. Take note of trends that may be developing within your store.

**Club operators, take note. Here are some ways to mobilize your vendors to garner publicity in your region:**

**Demos:** Work with club operators to host demos, sessions or events around their memberships. Partner with different businesses, such as restaurants that serve healthier food or charities to host these events. Use your in-house experts or invite club operators to speak. Events like this will turn your facility into a source for media activity.

**Reprints:** When a member of your club is featured in a magazine, display the article in the facility's point of purchase or in a place where members can't miss seeing it.

If the article is national, distribute it to local press to let them know this national trend is now available locally for their readers.

**Experts:** Offer your staff as local experts on fitness and nutrition for media opportunities.

**Co-promotions:** Develop programs with companies that have something in common with your club to garner local and national media for your club (Example: co-sponsor a road race or a Boot Camp).

*(Nancy Trent is a writer and speaker, a lifelong health advocate, a globe-trotting trend watcher and the founder and President of Trent & Company, a New York-based marketing communications firm. She is a recognized expert in PR with more than 30 years of experience creating and managing highly successful campaigns. Nancy can be reached at 212-966-0024 or by email at nancy@trentandcompany.com. You may also visit www.trentandcompany.com.)*

### ...Will Phillips

continued from page 29

8-week course for new club members on this topic. There were 30 women who all paid \$700 for eight evenings. The focus was awareness, possibility and support for taking care of themselves. Three years later, most of them are still active in the club.

#### Lack of An Exercise Habit

A habit is an automatic routine that is triggered by a cue and followed by a reward. It seems that over 40% of

our daily activities are habits. Walk into the bathroom, automatically brush teeth, wash face, walk to coffee maker, turn it on and have a cup of coffee. It happens every morning. The reward? I feel awake, refreshed and ready for the day. Later, driving home in the evening, I pull into the driveway before I remember Mary asked me to stop for milk. I drove home on autopilot, a habit. Habits save time, makes us efficient and allow us to get complex things done right... mostly.

**Example:** My goal was a daily exercise habit I could follow at home or when travelling. It had to be doable and not take

too much time. I had to give up something in my schedule to make space for it. I wanted to be able to increase the exercise in baby steps, and I wanted to build a habit. Here is my experiment.

I do 100 repetitions with bands in my bedroom every morning. I do this before teeth, washing or coffee. It is my new wake-up routine. I put a hook on the door exiting the bedroom so I see the band. That is the cue. Because 100 reps do not take a lot of time, I only had to free up about 10 to 15 minutes from my previous routine. Instead of watching the morning news on TV, I listen on my iPod while exercising.

I have been doing this for 60 days and micro-stepped up to 400 repetitions and a tougher band size. I like doing it. I feel great physically afterward, and I feel great emotionally because I am taking care of myself. Three times a week, I train at the gym. I still do the bands on those days.

I think I am building an exercise habit.

*(Will Phillips is the Founder of Rex Roundtables for Executives and may be reached at Will@REXroundtables.com)*

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# Catching Up With the *One and Only* Sandy Coffman

By: Norm Cates

I am happy to bring our readers this update on our long-time great friend, Sandy Coffman, author of the terrific book, *Successful Programs for Fitness and Health Clubs: 101 Profitable Ideas*, long-time club industry *leader and cheerleader*; not to mention long-time **CLUB INSIDER Contributing Author**.

I contacted Sandy recently because I wanted to do a little update with her about what she's been up to and to hear her thoughts after she discontinued her speaking trips to events like Club Industry and IHRSA.

Sandy and I go way, way back to 1978 when I flew from Atlanta up to West Allis, Wisconsin to attend one of Sandy's great racquetball programming seminars held at the now called Wisconsin Athletic Club. Her seminar was terrific, and I think that the things that I learned and later applied to our club operations in CourtSouth here in Atlanta were very beneficial.

She's turning 72 in March, and her loving husband, and also my friend,

Bud (I call him "Budman"), turned 80 in mid-February. A belated Happy Birthday to Budman, and Happy Birthday to you, Sandy!

So, here are a few update comments from Sandy, preceded by bullet points.

- My thoughts on the industry since 'my retirement.' First, I want you (Norm) and everyone to know that I never really "retired" from the industry in my heart, head, body or soul.

I'm still very active because 'this stuff really works!' I was able to enjoy the responsibility of equipping the little fitness center in the country club community (TARA, Bradenton, FL) where we live. I put in the signature line of Life Fitness. I'm told that there has never been more participation in our Center since we did that.

I'm golfing two times a week and playing tennis two times week, even after my second total knee replacement last August. I'm enjoying water aerobics, and I get to teach the class now and then when our instructor can't make it... I love it. I

also took up Yoga after all these years, and I love it! It's one of the things I find that I do best with a group and an instructor. I also enjoy Zumba. I think it was made for me (laughing).

- Here's my take on the club industry today from my perspective... There's not enough emphasis on **FUN, FUN, FUN!** Norm, you and I have talked about this subject for years. **We know FUN works.** I guess it's one of the most difficult things to produce and employ. Bring it back into the conversation. **MAKE IT FUN!** 'Fun' defines 'PROGRAMMING.'

**Publishers Note:** My Dear Friend of 36+ years, Sandy Coffman, is responsible for the fact that **CLUB INSIDER** has been publishing small little "**MAKE IT FUN!**" ads in *every* edition since we began in 1993 because of our strong belief that **MAKING IT FUN does WORK**, and that it's the single best market differentiator you can have in your club, bar none. Period.

- The **group** exercise atmosphere is still a winner. My yoga classes and water aerobic



Sandy Coffman

classes are the most 'FUN' things I do because of the *group* environment. When I was out with my knee replacement, the Get Well cards that I received from the participants in my classes were precious to me. I couldn't wait to return to the classes when I was able.

I'm hearing that STEP classes are going to make a comeback! I think they  
*(See Sandy Coffman Page 33)*

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### *...Sandy Coffman*

continued from page 32

should. If we start 'teaching the basics,' and don't immediately go to the advanced choreography for the new people, it will be a success. Hopefully, the industry can learn from the past. Yeah, 'group,' 'fun,' 'back to basics.' Never a bad mantra for business, **Hmm Hmm Hmm!**

•There's never too much training of communication skills for the technically educated staff and instructors. **Smile, aim your smile, shake hands as though you mean it, introduce yourself and give a compliment.** These are my **BASICS.** **Be friendly! Be fun! Fun + Fitness =**

### *Financial Success.*

•I urge all club operators to *always, always* say, 'Hello' with a smile and 'Good Bye' with a smile. Greet them with comments like, 'Thanks for coming in today! Good job today! Great to see you today! You look great today.'

Look up when you are at the front desk; don't be looking at the computer or your texts on your cell phone! How hard is all this to do?

All you salespeople sitting at your desks staring at the computer or talking with one another, how about *you* all doing the above? It works. Try it! **You'll get more sales.**

All you instructors and personal

trainers, exaggerate everything I just mentioned. Add some personal notes to people, such as 'Hi Sandy, we missed you last week (or last month!). Good to see you. How are you?' It's amazing how great that is to hear!

**Example:** My yoga instructor is a phenomenal 'yogi' and teacher, but converses *only* with her front row favorites. What a shame! See, Norm, I'm truly experiencing what I've 'preached' and 'practiced' for 40 years as a member now. It never ceases to amaze me how simple this is and how few times it occurs. Just do it! You'll find that **it's actually FUN being FRIENDLY!**

•My final advice to club owners and managers:

1. Practice all the above communication skills yourselves! Hone them until they are automatic.

2. Hire only staff that demonstrates the ability and genuine desire to deliver those skills consistently. That means every day, all day. It's easy to find certified instructors these days. It's not so easy to find the personalities that will grow your business, but it is still absolutely necessary.

I'm always a fan of **CLUB INSIDER**, and I'm yours in fun and fitness.

**Make Fun, Be Fun, Have Fun!**

# Make It Fun!

## Management of Augie's Quest Transitions to ALS TDI

**TUCSON, AZ and CAMBRIDGE, MA** - The Muscular Dystrophy Association (MDA) and Augie Nieto, co-chairman of MDA's ALS division together with his wife Lynne, announced they are transitioning management of the successful "Augie's Quest" campaign from MDA to the ALS Therapy Development Institute (ALS TDI). The transition will be occurring in the first quarter of 2014 as the organizations continue to support Augie's Quest initiatives. MDA and ALS TDI will continue to support all currently scheduled Augie's Quest events.

Since 2005, Augie's Quest has raised nearly \$40 million. From these donations, MDA has funded research and drug development ventures at ALS TDI, which have enabled the Institute to lead the world in preclinical drug screening of potential treatments for ALS, advance a promising treatment into clinical trials, develop new animal and induced pluripotent stem cell models to advance others and partner with several global biotechnology and pharmaceutical companies on other

important ALS treatment development programs.

"Augie has done remarkable work to raise both awareness and funds to support ALS," said R. Rodney Howell, MD, chairman of MDA's board of directors. "Because the funds are directed to ALS TDI through MDA's translational research grants program, it makes sense that the management of these operations be led by ALS TDI. We are grateful for the past partnership and look forward to building on our shared progress for the larger ALS community."

"I have been working with the MDA since I was diagnosed with ALS. It is a stellar organization. The momentum we have built with Augie's Quest at ALS TDI requires a renewed and focused effort on increasing the amount of funds going to research and drug development. I call upon all my fellow PALS and the global ALS community to join me in accomplishing the task before us," said Nieto, who also serves as chairman of ALS TDI.

MDA has 44 ALS clinics directly

assisting people fighting the disease and serves more ALS patients than any other U.S. nonprofit group, providing expert disease management, support groups and education, care coordination and patient assistance. After the transition, it will remain the largest non-profit funder of ALS research in America with about 50 different projects underway worldwide representing \$15 million of MDA commitments.

MDA's involvement with ALS began in the early 1950s when Eleanor Gehrig, widow of beloved Yankees first baseman Lou Gehrig, was searching for a way to fight the disease that had taken her husband's life. Mrs. Gehrig served more than a decade as MDA National Campaign Chairman. Since then, MDA has invested more than \$324 million to ALS research and health care services.

This decision will more closely align Augie's Quest fundraising efforts with ALS TDI. The world's first nonprofit biotech, ALS TDI is also the world's largest independent ALS-focused drug development organization. The Institute's



internal R&D team of 30 industry-trained scientists collaborates with leaders from both biopharma and academia to discover and develop treatments for ALS. ALS TDI has also emerged as the largest venture philanthropy investor with a focus on ALS.

See the **Bash for Augie's Quest** Ad on Pages #35 and **Mike Grondahl's ALS Fundraising Ad** on the Outside Back Page (#40).



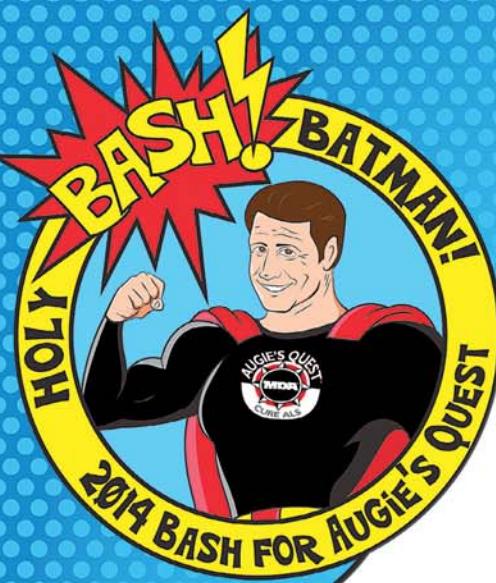
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## Don't Miss IHRSA's 18th Annual Financial Panel in San Diego

**BOSTON, MA** - The 18th Annual IHRSA Financial Panel: An In-Depth Review of the Health Club Industry Growth Factors & Financial Sectors will take place at IHRSA 2014 on Friday, March 14 from 11:15AM - 12:30PM. It is a must-attend session for CEOs, CFOs, club owners, GMs, investors, suppliers, press and all who are interested in the current economic conditions affecting the worldwide health club market.

Each of the presenters who make up this year's all-star panel has been involved in a major club transaction within the past year and will provide a unique

viewpoint on the financial factors that influence our industry.

Attendees of this session will learn how these financial executives see the industry's strengths and weaknesses, how they see future trends, how the industry compares to analogous industries, how different segments within the industry are faring and how the current debt and equity markets are behaving relative to the industry.

Rick Caro, President of Management Vision, Inc., will once again be moderating this annual Convention highlight.

The 2014 Panelists are:

- Pierre LeComte, Managing Director, TSG Consumer Partners;
- Sean Naughton, Senior Research Analyst, Piper Jaffray;
- Nathan Chandrasekaran, Principal, TZP Group LLC
- Ben Chapin, Vice President, GE Antares Capital.

All registered IHRSA 2014 Convention attendees are invited to attend. For more information and to register for the Convention, please visit [www.ihsra.org/convention](http://www.ihsra.org/convention).



Rick Caro

## ABC Financial Named IHRSA Associate Member of the Year

**BOSTON, MA** - The International Health, Racquet & Sportsclub Association announced that ABC Financial, a leading provider of club billing and management software, is the 2014 Associate Member of the Year.

The Associate Member of the Year Award is presented annually to recognize an IHRSA Member for their significant contributions to the advancement of the health club industry, as well as their support of IHRSA, its members and its mission

through program and event participation, advertising and sponsorship.

ABC Financial, an IHRSA member since 1986, was selected as this year's honoree due to their decades of outstanding achievements, innovations and support of the health and fitness industry, their continued investment in leading-edge technology, marketing programs and software solutions and their unwavering support of IHRSA and its members.

"We are happy to honor our

good friends at ABC Financial for their long-standing support of IHRSA, and for the important work they do every day to help club owners better understand their members and improve their businesses," said Joe Moore, IHRSA President and CEO.

The award will be presented during IHRSA 2014, the association's 33rd Annual International Convention & Trade Show in San Diego, California, March 12-15.

The IHRSA Awards Program



seeks to "recognize, celebrate, and inspire." For more information about IHRSA's annual industry awards, including prior recipients, please visit [www.ihsra.org/awards](http://www.ihsra.org/awards).

## Life Fitness Recognized for Innovation

**ROSEMONT, IL** - Life Fitness, a global leader in commercial fitness equipment manufacturing, was recently recognized for innovative consumer product designs as the recipient of two 2013 GOOD DESIGN Awards and one 2014 ISPO Award.

The company earned the 2013 GOOD DESIGN Awards for both its Lifecycle GX stationary bike and its

Discover Tablet Console. The GOOD DESIGN award is presented by the Chicago Athenaeum Museum of Architecture and Design and recognizes consumer products from around the world that exhibit exceptional design standards.

In addition, the Life Fitness Lifecycle GX stationary bike also received a 2014 ISPO Award, an honor presented

by ISPO, an international trade fair for the sports industry, and given to the sporting good industry's most exceptional products.

"At Life Fitness, we are committed to offering exercisers a wide range of fitness solutions, customizable options and technological advancements that will empower them to achieve their fitness goals," said Chris Clawson,



President of Life Fitness. "The Lifecycle GX and Discover Tablet Console are great examples of our innovation in action."

## What Does PCI Compliance Have To Do With The Exorcist?

**By: Hossein Noshirvani**

I love horror movies... and one of the all-time greatest was filmed right here in Washington D.C: The Exorcist. So, why do I think of PCI compliance when I think of the Exorcist? The answer is quite simple...

PCI compliance is frightening, and many salespeople have done a spectacular job of scaring the bajeezus out of our entire industry. If you just listened to what they had to say, you'd think *Armageddon* (1998, Bruce Willis classic, also filmed in D.C.) was about to hit the health and fitness industry.

I agree that PCI compliance does present a *Clear and Present Danger*

(1994, Harrison Ford, D.C. again) to your business. But, you should take time to understand what it really means and how easily you can prepare for it.

First, it is NOT the law of the land. It is not overseen by the government. In fact, PCI came about when *A Few Good Men* (1992, D.C.) got together to prevent *All the President's Men* (1976, D.C.) from getting lawmakers in Washington involved. This way, the industry can regulate itself and take action to protect consumers on its own instead of being government regulated.

Second, the truth is there is *No Way Out* (1987, D.C.) from under PCI. Anybody who processes credit cards needed to be compliant by July 1, 2010

(1984, D.C.). *Chances Are* (1988, D.C.), and businesses that aren't compliant face additional fees and a potential increase in processing rates. Using certified PCI compliant club management software and billing platforms like Motionsoft is a simple step to help you get closer to making sure your own facility is PCI compliant.

Third, and the reason for this article, don't think about PCI as frightening. Card information is highly sensitive and PCI compliance was enacted to ensure trust and make every one of us appreciate how valuable our members' personal and credit card information is. So, look at your operations and workflow to see how you can do a better job of protecting data and make sure you are working with a certified

PCI compliant vendor like Motionsoft. And lastly, let's not forget the importance of *St. Elmo's Fire* (1985, D.C.). (I know this has nothing to do with this article but how could I write an article referencing movies filmed in D.C. and not include the greatest of them all!)

If after reading this article about PCI compliance, your head is still spinning around and around; well, that means you probably should have auditioned for The Exorcist.

*(Hossein Noshirvani is the Executive Vice President for Motionsoft and is the head of Motionsoft's marketing team. He can be reach by email at hnoshirvani@motionsoft.net.)*

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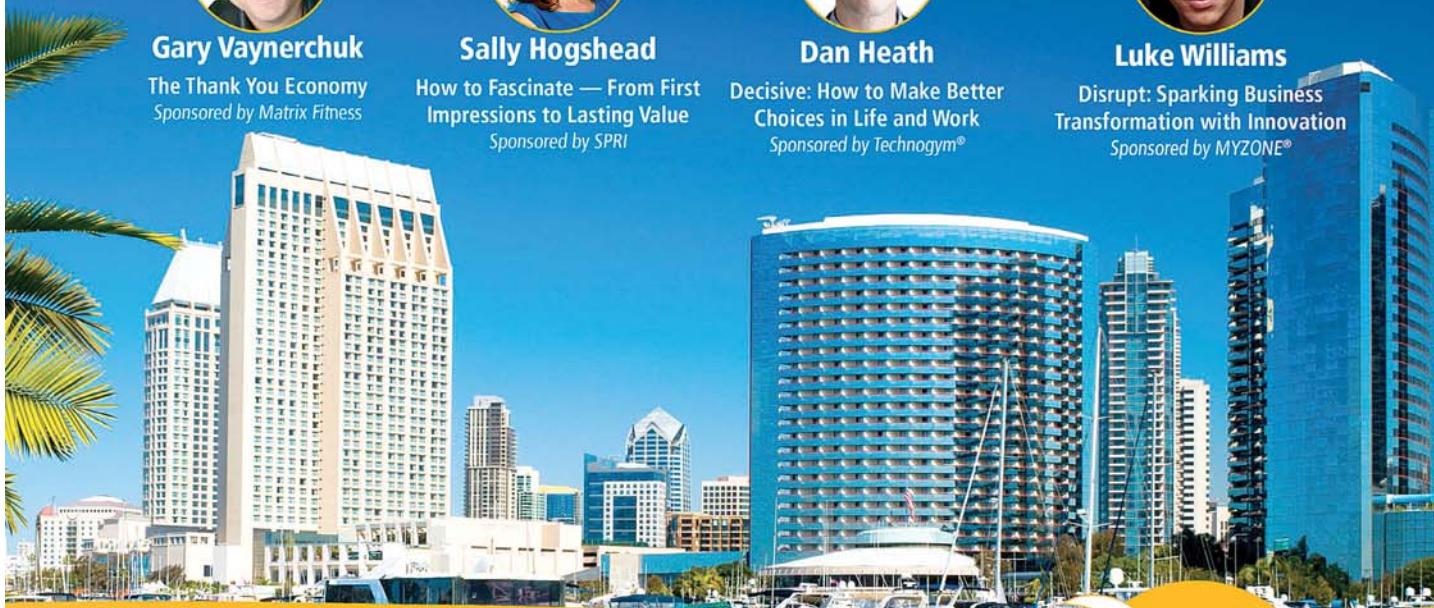
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# Programming For The “Fun Of It!”

## *The Group Fitness Program: Revenue Generator Or An Expense?*

**By:** Laurie Cingle, M.Ed.

Do you view your facility's Group Fitness program as a revenue generator or as an expense to your budget?

### A Conservative Example:

•Average Total Monthly Visits to Group Fitness = 2,580;

•Average Monthly Dues = \$55.00 per individual member;

**Assumption:** Members who attend Group Fitness classes take 2 to 3 classes per week

**Calculate Dues Revenue Directly Affected by Group Fitness:**

•2,580 monthly class visits divided by 4.3 weeks in a month = 600 weekly visits to Group Fitness classes

•600 weekly class visits divided by 2 to 3 visits per week per participant = 200 to 300 members who take Group Fitness classes each week.

•Average that number to 250 members regularly participating in Group Fitness.

•250 members multiplied by \$55.00 dues per month = \$13,750 per month in dues.

### Revenue Result:

•Annually, this example Group Fitness program is responsible for \$165,000

of dues.

What if 25 additional members could be attracted to the Group Fitness program by simply implementing *one* innovative class this year that is offered three times a week? That would bring an additional \$16,500 annually in dues, for a grand total of \$181,500 in dues revenue affected by Group Fitness.

### Bottom Line:

Happy Group Fitness members are not only retained long-term. Given the opportunity by you, they will bring their friends to the facility to share a class experience. Chances are good that those friends will join.

While Group Fitness may not directly generate *non-dues revenue*, it is responsible for retaining current members and attracting new members to the facility, which does directly affect *dues revenue*.

Calculate these numbers for your facility's Group Fitness program. Then, subtract your payroll expense and determine your Group Fitness Program net. You may be pleasantly surprised!



Laurie Cingle

*(Laurie Cingle, M.Ed., is a fitness business success coach, club consultant and a member of the Leadership Team at Akron General LifeStyles. Her specialties include creating successful club program champions through coaching, developing and operating non-dues revenue profit centers, establishing club market differentiation and designing programs that result in profit and retention. Laurie can be reached at laurie@lauriecingle.com.)*

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## Thanks and Appreciation

At CLUB INSIDER, we are excited to be celebrating our **21st Anniversary** of this home-based health and fitness club trade newspaper! The thought that this newspaper was *founded to serve an industry I truly love*, and so that *I could become a Mister Mom for my son, Justin*, is still *intriguing and amazing* to us. I wish to extend our most sincere **Thanks and Appreciation** to everyone that's made this amazing run possible.

A very sincere **Thanks and Appreciation** go to Rick Caro, Dr. Gerry Faust and the Faust Executive Roundtable #1 for helping me decide in 1993 what my home-based business would be. **Thanks and Appreciation** to my long-time friends, Ron Hudspeth and Cathy Miller of Atlanta's Hudspeth Report for the tremendous assistance they provided us during *our first 8 years of publication*. **Thanks and Appreciation** to all of the folks at Walton Press in Monroe, Georgia. They've done an absolutely excellent job for us all these years and have printed every one of our monthly editions! **Thanks and Appreciation** to all of our **READERS**. Sincere **Thanks and Appreciation** to our CLUB INSIDER **Advertisers**, past and present, for their kind and dedicated support of this publication. It's amazing to know that we have several advertisers with over 15 years of continuous advertising with us. Plus, we have one advertiser, **National Gym Supply**, with over 18 years advertising with us and one, **Affiliated Acceptance Corporation**, with over 19 years as they have advertised in every single edition of CLUB INSIDER since the first month that we sold advertising in June, 1994! We also want to say sincere **Thanks and Appreciation** to all of our CLUB INSIDER **Contributing Authors**, past and present, who've contributed *hundreds and hundreds* of excellent articles to help our readers with their Best Business Practices. **Thanks and Appreciation** to IHRSA for all it does.

Sincere **Thanks and Appreciation** to my son, Justin, who started working part-time for CLUB INSIDER when he was just 8 years old (helping with mailings). This young man, pretty much behind the scenes for 20 years now, has truly been a fantastic partner for his Dad in CLUB INSIDER. Justin does our editing, publication layouts, all of our website design and maintenance, all of our bookkeeping and subscription processing work, as well as archive management and anything else that needs doing, including writing eight cover stories per year.

Last, but surely not least, this writer who refused to fear failure when many told him he didn't have a chance of surviving the publishing business for even a year did survive. He would like to give sincere **Thanks and Appreciation** to the power that made that survival happen: **God**.

Very sincerely, with love in my heart for you all,

*Norm Cates, Jr.*

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# Secrets Everyone Should Know About ALS!

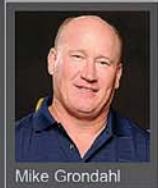
- Every 90 minutes, someone is diagnosed with ALS in the United States;
- The incidence rate is nearly identical to Multiple Sclerosis (MS);
- However, unlike MS, there are no effective treatments for ALS;
- Funding for ALS therapy development is urgently needed to move promising research forward.

Augie Nieto, the bravest man in the fitness industry, after eight years of not being able to move his arms, legs or breath on his own, is winning! His legs and arms are moving!

For anyone who has made \$1 in the fitness industry, we owe Augie Nieto, the trailblazer. Without men like him, we would not have an industry such as ours in which to thrive.

**Augie brought the Life Fitness Company to the world!**

All cardio grew from there.



I know a little bit about today's industry, where 80% of usage comes from treadmills, bikes, ellipticals and arc trainers. Where I used to work just hit 5 million members and 700 units. Everyone in the fitness industry, from independents to chains and manufacturers, needs to show financial support.

**YOU HAVE TO GIVE TO GET AND WHAT BETTER CAUSE!**



## THE GOAL

I asked Augie, "What is the most ever raised for ALS?"

He said, "\$6,000,000."

Then what should our goal be Augie? Knowing the answer any champion would give, he goes with, "\$6,000,001."



**By March 14, 2015, we will raise \$6,000,001!**

[www.augiesquest.org](http://www.augiesquest.org)