

How Technology Is Influencing The Modern Health Club Ecosystem



By Dr. Mike Rucker

Last year, data suggests 57 million Americans had a gym membership. Recent data from consumer surveys suggest that out of that figure, less than one in five of those who have invested in a gym membership continue to attend the gym after three months. To confront these troubling engagement rates, health clubs are continually trying out new business models that have the potential to attract and retain more members. On this quest, gym technology is increasingly being

viewed as an important asset, especially when the gym caters to younger members—a member group who has come to expect any technology they consume to work as flawlessly as Instagram or Uber.

Great technology is only half the battle of course. A personalized, goal-centered fitness experience has been credited with higher club visit rates, as well as retention rates. It is clear from the data that people respond well to personal attention. Moreover, as the “experience economy” evolves, modern members seem to value investing in a great experience more than simply being a member of something.

When your gym or health club can offer personalization through technology and connect with your members in modern and novel ways, your operation is more likely to survive this evolution. These changes are requiring operators to up their game. The good news is these trends in technology and personalization are increasingly bringing in new money to our ecosystem - investment from government, health insurers and the medical industry.

Connecting Your Members And Your Club

Fitness technology can be used in numerous ways to attract and engage gym goers. One of the most common ways is a club-branded mobile app. This gives members a direct channel of communication with the club. A good health club app can be used not only to register for classes, receive messages and offers, but also to manage one's membership. The best ones are able to seamlessly track physical activity as well.

Collecting personal data using a club-branded app also enables you as an operator to cater to members on a more personal level, creating an experience more tailored to their preferences. For instance, if you capture their goals and interests, you can suggest exercise plans, specific group classes and other wellness-related tips specific to the affinity of the app's user. Technology can also be used to create a sense of community - for example, by setting up social media groups where members can discuss gym and fitness-related topics and achievements.

Fitness trackers and wearable devices are another way we can stay connected with our members. This type of technology is generally no longer perceived as competition, but rather complements what we are already doing in our clubs, a welcomed additional tool for our members to use along their fitness journey.

Good wearable devices can provide a lot of data too, and the more data that we can collect regarding our members' habits, the better we can serve them. However, some members might be cost-conscious and could find the latest wearable devices something they are not willing to invest in. Therefore, offering a free fitness app as an appetizer - one that can tap into a smartphone's existing built-in sensors, might work better for a wide range of members and help you reach more people.

The newer equipment provided by most of the major cardio machine manufacturers has built-in software that helps users optimize their workout. These systems tend to be cloud-based, and personal usage data is stored and is accessible anytime by the user. Also, since newer equipment is connected, operators can send relevant messages to exercisers right to the console of the equipment.

Gym Technology Is Now Attractive To Insurers

Insurers have a growing interest in seeing that their insured members stay healthy. As such, insurers are joining forces with health technology companies and offering their customers incentives for sharing health data tracked with wearable devices. The goal is to motivate people to stay healthy and, in theory, reduce the cost of preventable medical conditions.

Unfortunately, it appears that the average American has little motivation to forward data from personal fitness trackers to their health provider. A 2016 large-scale study that included almost 80,000 people from the Los Angeles area showed that only 0.8 percent of participants were willing to share their data. Moreover, those most at risk of poor health were the least likely to comply. Health experts have, therefore, suggested using novel marketing techniques, incentives and cultural change to encourage data-sharing practices. Gym technology that can monitor member engagement might be particularly valuable in this process. The mutual relationship based on trust and value common between members and great operators is a strong position that could increase the willingness of some people to share their data.

If health clubs continue to be effective at engaging members and improve on collecting accurate data (regarding member outcomes), incentives are more likely to be offered by insurers in the future, potentially bringing more people to our clubs too. To qualify for fitness reimbursements, health clubs need to fulfill different criteria, for example offering programming that target specific conditions (e.g. diabetes prevention programs, Silver Sneakers, etc.).

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The Lost Art Of Pro-Active Referrals

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only important but smart. Some of the very best referral programs I've ever seen were the result of engaging staff, both full and part time, in a competition to come up with the best referral concept. Not only did they think way outside the box and create multiple campaigns, but they had ownership of the execution! This dramatically influenced the success. Of course, when members are excited about a promotion they will refer more people.

Let's Share!

One way to get more out of your CCD membership is to share best practices with other members. I'd love to write a piece on specific referral campaigns that have been successful at your facility. Shoot me an email and we'll set up a time for a quick chat. I'll compile the submissions and put them together in an article for next time. I look forward to hearing from you.

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Some experts also suggest that if clubs can establish more trust and credibility regarding medical fitness, it might become easier to build medical partnerships. Unfortunately, many of the current medical fitness programs are poorly developed. If our fitness protocols can be better validated (as recorded by accurate fitness trackers), it is likely that health care professionals will increasingly refer their patients.

As these opportunities grow for us, data protection needs to be considered as fitness technology is further developed, especially when dealing with potentially sensitive data that goes beyond counting steps. Members always should have control regarding how they want their data shared. If data from your gym or health club becomes integrated into insurance plans, it will be important to give clients the choice to opt-out. It is likely that when members see personal benefits - for example, lower insurance premiums - they will be more motivated to both exercise more and share information more freely.

Committing To A Digital Strategy

There are different digital strategies a health club can adopt. For some, building (or adapting) their own mobile app will suffice. Others might opt to have their whole digital infrastructure retooled in novel ways that help members achieve and track outcomes (e.g. Equinox and chatbots).

The bottom line is, in the future successful gyms will likely connect their brick and mortar businesses with innovative digital strategies. Furthermore, giving members ample opportunities to collect their health data will likely play an important role in attracting new prospects, as well as bringing in more partnerships with insurers and health providers.

When insurers begin to get access to our members' fitness data, (fitness data they trust as accurate,) they will be more confident in providing incentives for healthy behavior. Perhaps more importantly, they (and we) will be able to assess when a person's activity levels decrease and incentivize them to get back onto healthy habits. In other words, we will detect deviations from a member's normal routine, which will trigger an incentive that may help our members get back on the right track in the same way we get incentives from retailers when they notice we have not shopped in awhile.

Many vendors of tracking devices, including Apple, Samsung, Garmin, Microsoft, Withings, Polar and Misfit are already beginning to work with insurance companies. Gyms and health clubs, too, should build these partnerships in the future.

To achieve this, we need to explore how to personalize the fitness experience further, as well as better monitor member engagement and outcomes through technology so our data products become more valuable. Through new innovation, even today, we can achieve this in really interesting ways. From coin-sized beacons that can identify the activity pattern of your members throughout their workout (detecting when they leave as well so you have duration data, too), to facial recognition that accomplishes the same function without your member ever needing a physical device, we are now able to get what is referred to as contextual data (from our members, as well as our physical environments). Simply put, this type of data add context to what we already know, giving us the ability to make better data-driven decisions for our members and our club operations. For example, when a member arrives at your club, he or she can receive notifications relevant to their fitness goals and preferences.

It is an exciting time to be in the health club business. The trends that are making it more affordable to use cutting-edge technology to engage our members and report accurate outcomes are bringing with them new opportunities to change peoples' lives in ways that simply were not possible a few years ago. As such, we have finally caught the eye of health insurers, and this has the potential to finally create the continuum of care that we have all been working on for too long now.

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