

A member seduced by a low fee may eventually be tempted by one that's yet lower.

Cheap Distinction: Depend on group-x, not price wars

By Cathy Spencer-Browning

All too often, clubs find themselves competing on the basis of price. Facilities, equipment, and basic programming may seem similar, undistinguished, but a low price always catches a prospect's attention. Unfortunately, a member who was seduced by an attractive figure may eventually be tempted by one that's a bit lower.

How can you differentiate, spotlight, your product without spending a small fortune?

One way to do so is by taking full advantage of the virtues of group-exercise classes.

Most clubs now offer such sessions, but few have begun to tap the full potential of group-x. Beyond its strong consumer appeal, group-x is also eminently practical. On a per-member basis, group-x is more efficient in terms of staff, space, and equipment than virtually any other club activity. You can serve 50 customers with several employees, acres of space, and 50 pieces of cardio equipment... or with a single instructor, single studio, and scant, if any, equipment. According to IHRSA's *2003 Profiles of Success*, a typical club requires 13 square feet to accommodate each member, but group-x-centric facilities can get by with as little as five.

What, then, does it take to attract and engage the group-x prospect? Four things:

- **Programming:** You have to offer the *right* programs—ones that cater to most of the people most of the time, rather than binging on the latest (and passing) fads. Are the programs safe, smart, straightforward, fun, and effective? Do they yield real results? Avoid ones that are too esoteric or technical.

- **Marketing:** Focus on the excitement, interaction, and endless variety that group-x classes can provide. Unlike many club regimens, which prompt responses such as "boring," "solitary," and/or "tough," the sessions are fun, incredibly social, and, in most cases, can accommodate participants at different fitness levels. Emphasize group-x' many virtues.

- **Training:** Recruit and train the right instructors—people with a sincere interest in fitness and a solid understanding of exercise principals, who are outgoing, supportive, patient, and, of course, up to the physical challenge. You may well find promising candidates among your current staff.

- **Environment:** Group-x deserves something better than an old aerobics studio with wraparound mirrors. The classrooms and their furnishings should be attractive, inviting, contribute to the desired mood, and appeal to a diverse clientele.

Make the most of group-x, and you may never again have to play games with your prices. ■

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Chesneau, a personal trainer at Fitness First, in Paris, told the *New York Times* recently. "Fifteen years ago, nobody did fitness. It was not the habitude. Now, people are doing every kind of training."

France's tax structure and strict labor laws, which limit a business' hours of operation, may have impeded the club industry's growth, but they certainly haven't frustrated it. The country, which is about the size of Texas, has a population of about 60 million, or about one-fifth the U.S.'s 294 million, and, in terms of club penetration, it's now approaching the level seen in the States. France has one club per every 17,000 people, while the U.S. has one per every 12,500.

The principal provider remains Club Med Gym, which, at the end of 2003, had 44 owned and 100 franchised facilities, serving 98,000 members, but new clubs—from simple gyms, to family oriented operations, to upscale establishments with extra *je ne sais quoi*—are opening constantly.

[Editor's note: To learn more about Club Med Gym, read the July 2004 issue of Club Business Europe online at www.ihrsa.org/cbe/.

The Ken Club, in Paris, was transformed from a spa into a health club in 2002, and delivers exclusive services that cost its members about \$3,000 a year. "Unlike other clubs, it is no sacrifice to come here," manager Arthur Benzaquen told the *Times*. "If you are too tired after work to do sport, you can come here and just relax in the swimming pool, or get a massage or tan." ■