A SYSTEMATIC ANALYSIS OF PERSONAL TRAINING CLIENT RETENTION RATES FOR SPORT AND HEALTH, CRYSTAL PARK

by

Robert Keenan
A Project
Submitted to the
Graduate Faculty
of
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in Partial Fulfillment of
The Requirements for the Degree
of
Master of Science
Sport and Recreation Studies

Committee:

___________________________________________ Chair

___________________________________________

___________________________________________

___________________________________________ Academic Program Coordinator

___________________________________________ Academic Program Coordinator

___________________________________________ Dean, College of Education and Human Development

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George Mason University
Fairfax, VA
A Systematic Analysis of Personal Training Client Retention Rates for Sport and Health, Crystal Park

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by

Robert Keenan
Bachelors of Arts
Sonoma State University, 2012

Director: Brenda P. Wiggins, Associate Professor
School of Recreation, Health and Tourism
College of Education and Human Development

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Fairfax, VA
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Abstract

A SYSTEMATIC ANALYSIS OF PERSONAL TRAINING CLIENT RETENTION RATES FOR SPORT AND HEALTH, CRYSTAL PARK

Robert Keenan, M.S.

George Mason University, 2015

Project Director: Dr. Brenda P. Wiggins

This project was to conduct a systematic data evaluation of all the personal training programs sold at the Crystal Park Sport and Health. The purpose of this project was to utilize information received from the evaluation to determine possible methods to increase client retention. Data collection consists of personal training programs sold between January 1st, 2013 and December 31st, 2013. The data was analyzed to determine average contract lengths of programs sold during that year. The data collected consists of the Sport and Health Crystal Park sales sheets of all contracts sold during the mentioned timeframe, client contracts and client survey. From the data obtained, it appears that January had the most contract sales, July had the highest client retention rate for contracts sold during that month, January had the most contract cancellations, and an insufficient amount of responses was received to determine the primary reason why people cancelled their contract.
Chapter One

The world of fitness is a growing rapidly and has yet to reach its peak. With all the new knowledge and interest in fitness, more and more Americans are joining health clubs. These health clubs are becoming more specialized and specific to meet the customers’ desires. Increases have been seen in yoga, Pilates, group training, aquatics, and more specifically, personal training. Training industry personnel witnessed an increase demand over the past twenty years for personal training. Currently, personal fitness training is a lucrative business that is increasing the interest of many Americans. One key problem, however, is the retention rate of clients with a personal trainer or personal training department. Sport and Health Crystal Park’s system of organization for client purchase history, cancellation, and longevity of contract is structured in a manner that is difficult to utilize when trying to improve client retention rates. A new systems approach, initiated by an evaluation that records client purchase, cancellation, and purposes for leaving, would provide the information needed to adequately solve the problem of contract cancellations.

Definitions

• Program: A planned series of purchased personal training sessions from a Crystal Park trainer or employee for a minimum 3-month commitment (Sport and Health, 2010)
• Retention: the continued possession and use of a program (Sport and Health, 2010).

Statement of Problem

Not enough is known about strategies for increasing client retention rates at the Sport and Health Crystal Park personal training department. A systematic evaluation of the department’s client retention rate would help clarify client retention in an organized structure arranged by months. This organization of data in months rather than years would allow for the company to take a specific approach towards client retention. Hopefully by breaking down client sales and cancellations into months, the company would utilize more qualitative data determining how to increase client retention rates.

Extent of Study

The study covered all the personal training programs sold between January 1, 2013 and December 31, 2013. All contracts were categorized by the month in which they were sold, when the client cancelled their contract, and for what reasons they cancelled their contract. If a client was still under contract after December 31, 2013, they were categorized as an active client.

Delimitations

The delimitations of this study include only clients who purchased a personal training program of at least three months and only clients who purchased on or by January 1, 2013. No clients before that date were included in the study. This study will
evaluate any and all programs sold during the allocated time regardless of clients’ age, gender or ethnicity.

Limitations
The limitations of this project included the possibility of biased or untruthful responses as to why clients cancelled their training programs.

Assumptions
During 2013, many personal training promotions and purchasing incentives were offered to prospective clients in hopes of increasing their likelihood of purchasing a program. These incentives are sporadically offered throughout the year and are typically offered for a short period of time in the hope of encouraging an impulse purchase. These incentives may influence clients’ purchase intentions, but do not influence program retention.
Review of Literature

This review of literature synthesized a collected amount of research pertaining to the topic of client retention in the personal fitness training industry. Personal training department staff must comprehend the growth potential of the fitness industry, proper managerial and leadership skills to better administer a personal training department, and recognize the behaviors of the consumers, the purchase intentions of buyers, methods of keeping clients satisfied, as well as recognizing why clients cancel contracts. These areas of focus will assist in evaluating and improving the current personal training department.

The fitness industry is a thriving business with growth and potential. According to Merritt (2012), physical fitness centers generate an estimated 72.7 billion dollars in annual revenue in the United States. There has continued to be increasing demand for personal trainers in the U.S., despite difficult economic conditions. Amid reports stating that over 25 per cent of adults in the United States are obese, fitness studios offering personal training seem to be turning in a profit. Jeff Jervik, president of Fitness Together Holdings Inc., explained that high healthcare costs are encouraging more people to invest in fitness (Butler, 2010). Personal trainer Monique McDaniel advises people on a budget to find a group of friends and look for gyms that offer group discounts (Butler, 2010).

Personal training is becoming a high-demand industry in America. According to The Journal on Active Aging, the 2008 Personal Training Program & Equipment Survey
conducted by IDEA in the United States showed that half of the personal training programs clients were between ages 45 and 64. The survey affirmed that one-on-one training for older people was the dominant session format. However, 84 per cent of personal trainer members offered training sessions shared by two clients. Butler also focused on baby boomers who engaged in the fitness industry. Craig Milner, founder of the International Council on Active Aging, stated that adults over 55 are the fastest growing segment of health club members. His group created a checklist to help baby boomers select a qualified trainer who can train them appropriately. Personal trainer Katy Stevens stated that older trainers might seem prevalent because they are aging, but staying in the business (Butler 2012).

Personal training was viewed as an excuse for those looking to get in shape without having to do too much of the work. It was considered a “nonessential” commodity. However, personal trainers and physical fitness centers in the U.S. can help their clients’ lead healthy lifestyles, despite a job loss. Personal trainers are advised to help clients stay positive and avoid negative thinking following a job loss, as well as a way of encouraging and promoting an active lifestyle, and taking advantage of the time away from work (Oberliesen, 2009). Training also assists with the overall health knowledge of people who partake in health and fitness activities, especially those who work with a personal trainer. Dickson-Spillman and Siegrist (2010) examined misconceptions in the general population regarding healthy eating. They conducted a study that concluded that those who knew more about nutrition ate more vegetables. This study illustrated the importance of health, fitness, and nutrition knowledge within the
population; a knowledge that personal training departments do teach clients and members. Bosse-Smith (2011) points out that the notion of making a difference in clients’ lives has motivated many of the personal trainers to get into the industry. She adds that personal trainers serve as the stress outlet and counselor for clients. She further writes that personal trainers develop relationships with people that are long lasting. Training not only helps people get in physical shape, but also helps with social and psychological needs (Bosse-Smith, 2011).

Personal training has also been viewed as a “trendy” interest fluctuating based on the interests of consumers. Herek (2003) shared the thoughts of personal trainers on trends coming out of gyms. Sporting goods business staff surveyed leaders and trendsetters in athletic clubs across the U.S. to determine what the next trends coming out of this pipeline will be. Many of the trainers surveyed explained that trends do occur and are inconsistent, but the trends are what promote the fitness industries’ objective. According to the author, it is important to follow the trends observed by fitness industry professionals in order to better adapt to the clientele and changes in the environment Herek (2003).

These trends and changes in the fitness industry influence organizational improvements and consistent methods to expand performance. Hawn (2008) discussed considerations for the design and management of a fitness center. Several factors are described, including the functionality of the physical space, the environmental sustainability of building systems and construction, and the consideration of the demographic characteristics of the community when selecting equipment. Anderson
(2001) also presented tips on management of physical fitness staffs in the U.S. Provision of incentives, rewards and recognition to show appreciation of works; were viewed as the most valuable tips. Along with strong managerial evaluations, it is important to focus on specific departments within a fitness industry. The personal training staff is an essential group to evaluate when trying to improve personal training within the fitness industry. Kaplan (2005) offered insights for physical fitness trainers on how to be successful in the personal training business. It is important for trainers to know and command their true value. Setting goals, planning actions, taking actions and evaluating the results are essential to the career development of a trainer. Effective marketing in the business involves establishing relationships with other trainers and creating alliances. Along with Kaplan’s suggestions for improved personal training business, Biscontini (2011) provided information for group exercise instructors and personal trainers on three types of cueing. According to the author, there are three types of cues for three types of learners that include visual, auditory and kinesthetic. Mastery of three-part cueing is recommended in order for instructors and trainers to reach a greater number of learners. Recording a training session is also suggested in order to review and hone communication skills. Atkinson (2002) presented marketing guidelines that improve a physical fitness business. These approaches helped create relationships with potential clients, tips on creating business cards, and the importance of continuing education for personal trainers. Strong program evaluation and knowledge of the fitness industry’s mission and objectives are vital for understanding methods to improve those missions and objectives. Part of program evaluation and knowledge starts with a foundation of management
strategies and skills. Hoch (2002) explained the basic strategies for good gym management, specifically through leadership and program design. Hoch detailed a list of regulations and standards to follow in order to manage a gym properly. This study illustrated significant factors and methods that ultimately result in a more desirable environment for potential and current members. One primary factor of successful gym management is gym professionalism. Horch (2003) examined the growing sport industry in Germany and the demand for professionalism in the management of sport organizations. The study expressed the importance of professional management in the sport setting; translating support for organizational changes (if needed) in a personal training department.

Developing a professional gym environment is essential for a successful industry. However, in order to increase client and membership retention it is important to maintain an appropriate facility. Woolf (2008) illustrated the importance of taking a strategic perspective in developing support services to enhance gym facilities. Providing supplemental services helps to differentiate health clubs from their competitors. However, if health club managers wish to leverage these services and make them more profitable, they will need to develop more tailored service bundles targeted at specific markets.

Milner (2013) described the need to select appropriate wellness and physical fitness equipment for fitness centers to maintain the active-life, health and the center's market competition. The author focuses on a survey conducted by the International Council on Active Aging, which reveals that 82 per cent of older people emphasize
establishing fitness centers in the retirement communities. These studies illustrated how gym facility management is vital for the success of the fitness industry and member retention.

Besides facility management and developing a professional environment, performance and organizational evaluation determines the successes of the fitness industry. However, the information obtained from evaluations may not be as credible as perceived. Martinez (2010) focused on measuring perceived quality in the context of sport and fitness services using a novel approach in sport management: fuzzy logic. Fuzzy logic is a form of many-valued logic that deals approximate, rather than fixed and exact reasoning. Several analytical procedures have been depicted to operate with fuzzy techniques, which may be applied to empirical research by a wide range of researchers in the sport literature, as well as by sport managers. This study showed that fuzzy logic is an attractive method to increase the value of the information collected from customers' evaluations. The implemented procedure overcomes the disadvantages of the research focused on the third-person approach, and minimizes the categorization bias and interaction bias derived from the relationship between verbal and numerical labels. An empirical study of two samples of consumers from two fitness centers illustrates the advantages of this method.

It is important to manage the department properly, this includes avoiding fuzzy logic when surveying, developing a professional environment, and proper engagement of facilities.
Accurate understanding of consumer behavior is a key factor in developing a strategy for membership retention. In her article “Don’t Fear Progress;” Young (2005) discussed the factors to consider in managing health clubs and community recreation centers. These include understanding the reason why people engage in personal training and why people stop training.

In order to develop a strategy centered on client retention, we must first understand the behaviors of our clients, why they buy, what factors influence behaviors, and expectations clients have for us and us for them. A noteworthy factor includes the role emotions play in decision behavior. Kang (2011) identified the role of emotion in decision-making processes for participant sport consumption. A structural model is proposed to integrate emotions with self-image congruency and attitudes as antecedents of the decision to initiate physical activity in the consumption context. Two scenarios investigated context effects: (1) joining a private health club and (2) skiing in an indoor ski resort. A total of 199 persons responded, and structural equation models were examined. The results indicate that emotion mediates the influence of attitudes and self-image congruency on the decision to join the club and resort. Bodet (2012) executed a similar study. The purpose of this study was to test the mediating role of psychological commitment in the relationships among consumers' satisfaction, perceived value, involvement, identification, informational, and volitional processes and their attitudinal and behavioral loyalty toward a fitness organization. Along with psychological and emotional factors, motivation contributes significantly to physical fitness center retention. Young (2005) discussed factors that contribute to exercise adherence among clients of
physical fitness centers. Importance of participation and enjoyment of workout programs to personal motivation; relevance of a program plan in improving intensity of the activity; significance of identifying the determinants of exercise adherence and barriers to participation are all factors to be considered.

Outside influences play a strong part in consumer behavior. Advertisement and marketing are crucial for influencing consumer behaviors as cited by Cunningham (2011). The author studied how the advertisement focus influences attitudes toward and intentions to join a fitness club. Students (N = 200) from a public university in the southwest participated in an experimental study in which a fitness club's advertisement varied based on the focus (health-oriented or appearance-oriented). Structural equation modeling showed that perceptions of health and wellness focused on by the clubs were positively associated with perceived fitness with the club. Clubs also must understand social constructs within their target market in order to influence and comprehend consumer behavior. In a recent study, Kreng and May-Yao (2011) discussed the importance of corporations taking social responsibility into account when making business decisions, pursing reasonable profits and social responsibility at the same time based on trends in consumer behavior and purchase intentions.

Based on emotional and outside influences, fitness industry professionals can provide assistance for gym members seeking personal trainers. The Journal on Active Aging provided an article presenting the handout from the International Council on Active Aging (ICAA). It offered guidance for older people and their families, as well as healthcare and aging service providers on how to select an age-friendly personal fitness
trainer. Moreover, several charts that list ICAA recommended questions to ask a personal fitness trainer, answers to look for, and age-friendly personal trainer checklist are also included. The article reported that the ICAA is offering the free booklet, How to Select an Age-Friendly Personal Fitness Trainer, to help older adults select a fitness trainer. The ICAA recommends older adults consider experience, education, personality and business practices when interviewing fitness trainers. These resources adequately assist the fitness industry professionals with client acquisition and retention.

Many factors are involved with purchase intentions among gym members and personal training clients. It is important as an organization to understand and utilize these factors. Mullen (2010) examined individual and related factors that contribute to initial involvement and sustained participation in fitness club membership across age and gender. A web-based survey (N = 326) revealed the top participation motives were health and functioning and appearance, while factors facilitating commitment were seeing physical changes and feeling in control. Significant age and gender differences were found across variables. Appearance-related issues were more critical for young and middle-aged adults and more important for women than men. Feeling in control was most important to middle-aged adults and rated more important to women than men. In general, older adults placed less importance on qualities of the fitness club (convenience, extra amenities, and time-related factors) than their younger peers, and women rated these qualities to be more important than men. Implications for individuals belonging to a fitness club and for those operating such a facility were discussed.
Understanding purchase intentions will promote a marketing strategy that effectively targets the health club market. According to Chen et al. (2012) brands play a vital role in consumer behavior and purchase intentions. They examined brand imagine, brand equity, involvement and purchase intention. They used a questionnaire to explore the correlation between brand image and brand equity with consumer purchase intention. They found that brand image and equity highly affected purchase intention.

Understanding the significance of brand image, a fitness organization should focus on brand building. Williams (2012) conducted a study on the advances of brand association research into participatory sports (i.e. fitness) by examining health club related dimensions and extending research into the United States. The findings and discussions assisted fitness managers in brand building, marketing strategies and member retention.

The fitness industry has a strong membership and clientele foundation that needs to be retained and expanded. Retention is as important as expansion in the fitness industry. If members do not stay members for very long, then the company risks failure. Chen (2004) studied factors affecting membership enrollment and retention in gym members. The study made clear that member retention and enrollment is critical to the success of the organization. Chen developed a membership incentives scale (MIS) to identify important membership incentives. These incentives provided important tools for managers to access essential membership incentives. The Journal of Sport Management (1990) article explained membership issues in relation to high annual attrition rate of 45 per cent for most health and fitness clubs. The article reported that the time has come to shift from a sales model to a retention model when dealing with membership. In the new
fitness industry, existing members are becoming more and more important and managers need to develop ways to keep them. One possibility is to hire a staff member/management specialist whose expressed responsibility is to systemize and optimize club utilization. His/her duties would include the development of a three-pronged program: (a) monitoring that is new member orientation, contact, special events, (b) communication systems that is scheduling, counseling, mailings and (c) tracking and intervention that is follow-up, motivation technique, evaluation. The article stated that such an approach could increase the retention rate by at least 12 per cent.

In *The American Journal of Health Studies* published another study in 2002 indicating the increase of wages of sport club employees could have a positive effect on membership retention based on a study conducted in 2001. Another strong argument for client and member retention is client-trainer relationships. The stronger or more satisfying the relationship is for the client, the greater the odds for supporting membership retention. Schopp (2007) conducted a study that evaluated a personal assistance services (PAS) training program that aimed to improve the consumer and personal assistant relationship while increasing consumer and personal assistant knowledge on health and wellness issues. This paper demonstrated methods for building client-trainer relations to help create a satisfying environment by increasing membership retention rates. Emerson (1996) completed a similar study discussing the factors that keep clients satisfied with their physical fitness clubs and personal trainers. Murphy (2010) described strategies on how to retain clients in the wellness industry. She explains that
fitness organizations must consider the client lifecycle and understand the three stages of the cycle: first contact, new customers to the business, and ongoing clients.

Understanding methods of client retention and satisfaction is critical for the success of any business, especially the fitness industry. Because the fitness industry’s predominate source of revenue is through membership sales and retention, it is important to understand why people cancel and do not retain a membership. Pridgeon (2012) investigated the experiences of maintaining and dropping out of gym-based exercise programs. Many factors influenced individuals dropping out of their program including: over-masculine gym culture, fear of long-term commitment, lack of social support among females, lack of motivation, and lack of habits that incorporate gym activity. Based on studies presented by researchers such as Pridgeon, fitness industries able to develop strategies to solve the issue of training cancellations. Harrigan (1997) suggested tips in holding onto clients in the grounds maintenance industry in the United States. These tips will further advance our ability to improve the fitness organization by understanding membership trends, client satisfaction, cancellation purposes, and ways to better retain the current clients.

**Conclusion:**

In order to develop a systematic approach for retaining clients in a fitness organization’s personal training department, it is important to understand the different factors associated with the organization. Personal training departments must appreciate the growth potential of the fitness industry, proper managerial and leaderships skills needed to administer a personal training department, the behaviors of the consumers, the
purchase intentions of consumers, methods of keeping clients satisfied and why clients cancel contracts. These areas of focus will evaluate and improve the current personal training department.

Based on the review of literature, a claim can be made that personal training departments seeking greater retention will succeed if they focus on consumer behavior, purchase intentions and strategies to retain clients. Fitness training is a growing industry that gym organizations need to capitalize on. A substantial plan for client retention will not only sustain a profitable department, but also help the department’s growth.
Chapter Three

Methodology

This study used a descriptive-quantitative research method. This descriptive method was appropriate for describing quantifiable data involving numerical and statistical explanations. The population of this study includes all Sport and Health members who purchased a personal training program between 01/01/2013 – 12/31/13. Instrumentation used for this project was an evaluation conducted using data collected from Sport and Health’s 2013-purchase history report and a questionnaire administered to past clients. The reliability and validity of the purchase history report is authentic because this data was tangible and uninfluenced by possible biases. The questionnaire may be an unreliable and invalid instrument because of the risk of dishonest answers.

Research Design (internal and external validity)

This study’s research design obtained all the personal training contracts sold between 01/01/2013 – 12/31/2013. The data was collected from Sport and Health’s purchase history report. The data revealed how many people cancelled their training program among a group of people who purchased a training program between the specified timeframe and why they cancelled. The information gained from this evaluation is hoping to be used in the assistance of improving client retention rates in the Sport and Health, Crystal Park personal training department.
**Internal validity**: the only concern for systematic error in this study was how honest previous clients were when answering why they cancelled their program contract. The previous clients may not have answered truthfully and thus created a systematic error as to why they cancelled their training programs. Clients may also refuse to answer the questionnaire or legal restrictions prohibited contact to the clients. Other than dishonest answers and inability or refusal to participate in the questionnaire, the study demonstrated internal validity because all information (other than the questionnaire) was exact information recorded to Sport and Health’s purchase history reports. There was no variable manipulation in this study.

**External validity**: the extent of external validity for this study relied on the target market demographic for other training departments. In other words, other personal training departments who wish to use this evaluation study to improve their training departments must factor in the clubs’ specific demographic. If this study were used to evaluate another training department, the results would vary based on club demographic and target market. However, this study can validate important and proper methods for an evaluation of a personal training department.

**Data Collection**

Data collection included relevant data from management information systems. The research collected data on participant and situational characteristics in order to statistically control their influence on the dependent, or outcome variable. Variables were organized in the measurement instrument to collect the data. The questionnaire was administered via email to all clients who cancelled their training program. This data was
collected and evaluated for the assistance in improving client retention rates in personal training departments.

  o  Q1: Why did you discontinue your training contract?

Interviewee please circle:

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<tr>
<td>Moved away</td>
<td>1</td>
</tr>
<tr>
<td>Price</td>
<td>2</td>
</tr>
<tr>
<td>Fitness goals were met</td>
<td>3</td>
</tr>
<tr>
<td>Lost interest in training</td>
<td>4</td>
</tr>
<tr>
<td>Did not get along with trainer</td>
<td>5</td>
</tr>
<tr>
<td>Switched gyms</td>
<td>6</td>
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<tr>
<td>I don’t know</td>
<td>7</td>
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**Table 1**

**Ethical Issues**

All data collected was acquired meeting Sport and Health’s ethical standards. Policy protocol was charted, not allowing the release of personal information of clients. No personal information was needed from human subjects. The only data needed was program purchase date, program cancellation date, and why they cancelled. No names or personal information was needed for this study. Some clients who wished to never be contacted by Sport and Health or by Sport and Health affiliates were not considered in this study even if their profiles fit the qualifications.

**Data Analysis**

Data obtained from the Sport and Health’s purchase history report between 01/01/2013 and 12/31/2013 was discrete data. The counted data showed exactly how
many training programs were sold and how many contracts were cancelled. This data was noncontinuous and finite. The analysis was also a univariate analysis (Bialeschki and Henderson, 2010). This type of evaluation analysis demonstrated how many people cancelled their training program among a group of people who purchased a training program between the specified timeframe. The questionnaire was analyzed using SurveyMonkey’s collection response and data analysis software.

The Sport and Health purchase history report listed all individuals who purchased any Sport and Health product offered at the Crystal Park location. All information irrelevant to the study, was removed from the purchase history report, leaving only personal training programs sold during the specified timeframe. The programs were then organized by “month of purchase date,” creating twelve subsections for analysis (one for each month). Each subsection, or month, was graphed to show; how many people purchased training that month, how many people who purchased training in this month cancelled their contract, and in what month they made their final payment. Those who cancelled their contracts were asked why they cancelled in the questionnaire administered by SurveyMonkey. The most common answers were used to evaluate methods to increase client retention rates at Sport and Health Crystal Park.
Chapter Four

This chapter details the contracts sold and cancelled in each month of 2013.

Figure one explains the percentages of contracts sold in 2013.
Contracts purchased and cancelled within 2013

Figure 2
Figure 3
Figure 4

February Contract Cancellations

- 3 months: 46.67%
- 4 months: 13.33%
- 5 months: 6.67%
- 6 months: 13.33%
- 7 months: 6.67%
- 8 months
- 9 months: 6.67%
- 10 months: 6.67%

number of cancellations
Figure 5

March Contract Cancellations

<table>
<thead>
<tr>
<th>Length of Contract</th>
<th>Number of Cancellations</th>
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<tr>
<td>1 month</td>
<td>20%</td>
</tr>
<tr>
<td>2 months</td>
<td></td>
</tr>
<tr>
<td>3 months</td>
<td>60%</td>
</tr>
<tr>
<td>4 months</td>
<td>10%</td>
</tr>
<tr>
<td>5 months</td>
<td></td>
</tr>
<tr>
<td>6 months</td>
<td>10%</td>
</tr>
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Number of cancellations
Figure 6
Figure 7: Data
June Contract Cancellations

- 3 months: 40%
- 4 months: 20%
- 5 months: 20%
- 6 months: 20%
- 7 months: 20%

Figure 8
Figure 9

July Contract Cancellations

- 3 months: 50%
- 4 months: 50%

number of cancellations

Figure 9
Figure 10

August Contract Cancellations

- 3 months: 60%
- 4 months: 40%

Number of cancellations

Figure 10
Figure 11
Descriptive Analyses

In 2013 Sport and Health sold a total of 214 personal training contracts. Of those 214 contracts, 102 contracts were cancelled within the year. That is a 48% cancellation rate within one year. Of the 214 contracts, January had the highest purchase rate of 13% of all contracts sold. February was close behind with 12% and December was the lowest month of contracts sold with a total of 5%. Of the 102 contracts sold and cancelled within 2013, January had the highest cancellation rate of 23% of all contracts sold followed by...
March, February, and May. March had the highest cancellation rate of 95% of contracts sold in March.

Each contract had a minimum length of three months, after three months the contract became a month-to-month obligation. January had 63% after contracts cancelled at three months. February experienced 48%. March experienced 60%. April had a 50% cancellation rate, May with 36%, June with 40%, July with 50%, August with 60%, September with 66%, and October had a 100% contract cancellation rate of three months.

Of the 102 people who purchased and cancelled their training program, only nine responded to the survey, seven of which responded with cost being the primary factor for cancellation and two responded with relocation being the primary factor for cancellation. Based on the low response rate, it was determined that the data is insufficient to determine accurate measure for contract cancellation.

**Themes**

The common theme is the majority of contracts purchased where cancelled immediately after the initial three-month obligation was met. It also appears that certain times of the year have greater training sales than others. The early months of the year and right before summer appear to have the highest contracts sold.
Chapter 5

Summary of Major Findings and Conclusions

Major findings in this study indicate that the majority of contracts purchased in 2013 were done so in the first five months of the year. I believe this to be the case because of the large investment into personal health by individuals directly after the holidays in which people typically engage in unhealthy practices, the creation of a new year’s resolution dedicated to a healthier and more active year, and the desire to get and look in shape before the summer begins. We see a large drop off in contracts sold during the summer months and the months before the holidays and during the holidays. I believe this is the case because people do not see health and fitness as a long term investment or an investment worth engaging in during the holiday season which typically include investments into other pursuits like travel, consumer goods, extra time spent at work, and large quantities of food.

I conclude that the best time to target growth in the training sector of a gym is during the first few months of the year when there is a greater interest in personal training and personal training programs. I also recommend that fitness departments incorporate incentives to keep clients invested in training throughout the year, especially during the months in which training sales are low. Some incentives may include rewards for clients who continue with their programs after the initial three months, constant and consistent
progress tracking, and discounts to other departments of the gym for current training clients. Based on the information collected from this study, I theorize that many people view training as a short-term investment and or do not see the value in training after the initial three months. Gym facilities should try to develop a mindset that promotes long-term investment and continuous value throughout the training experience.

**Recommendations for Future Study**

For future data collection and research for other Sport and Health locations, I recommend having a system that tracks all clients who purchased and cancelled their training based on the month they purchased and the month they cancelled. This will make it easier for individuals to access clients who cancelled their programs. I believe that easier access to this type of information will reduce the amount of client cancellations, allow for fitness managers to reach out to recently cancelled members at ease and to possibly reactive their contracts. It would also be more beneficial to use another method of obtaining survey responses. In order for a survey to maintain validity, it would need a 64% response rate, have another method of response tracking like snail mail or another survey provider might help increase response rates. I also recommend that each client who cancels their contract fill out an exit survey that will provide the department with qualitative measurements as to why people cancel, resulting in effective measures to reduce the number of cancellations in the future.
References


Williams, A.S. (2012). Brand associations in the fitness segment of the sports industry in the United States: extending spectator sports branding conceptualization and dimensions to


Biography

Robert Keenan graduated from Temecula Valley High School, Temecula, California, in 2008. He received his Bachelor of Arts from Sonoma State University in 2012. He was employed as a fitness instructor and program director for two years with Sport and Health.