

THE LIST

Going monthly

HEALTH CLUBS ALTER BUSINESS MODEL TO MAKE WORKING OUT MORE OF A HABIT

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One in five Americans pay gym membership fees – and now more than ever, more people actually are using those memberships.

More than 54 million Americans paid gym membership fees in 2014, and for the second consecutive year, actual visits to the gym exceeded 5 billion, according to statistics from franchisehelp.com.

Some Valley gym owners suspect the increase in attendance is not just the desire to get fit, but also the ease of signing up for a monthly gym membership instead of being tied down with an annual contract.

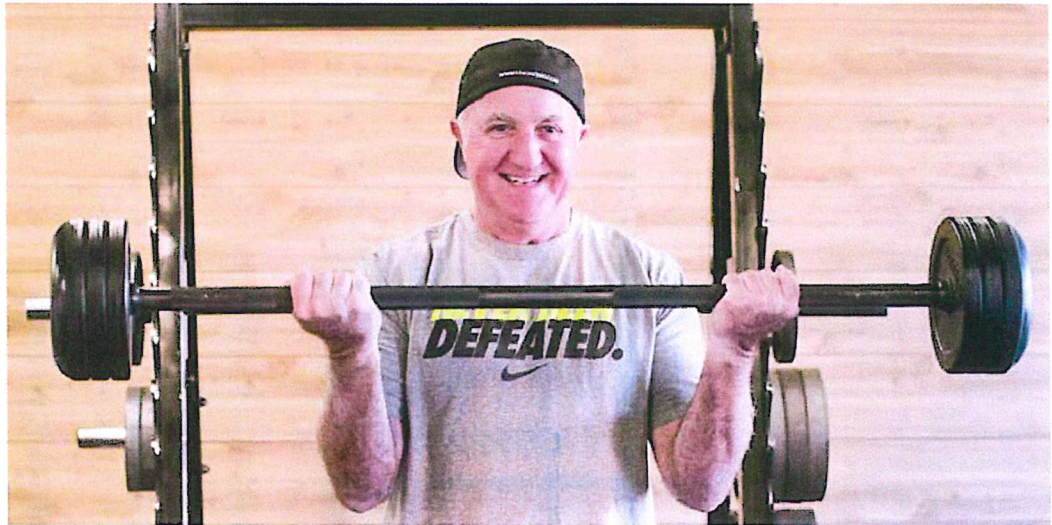
"If people are paying each month, I've seen that they are more likely to keep coming," said Michael Blake, owner of Live Jacked Studio, a personal training facility. "They know they are paying for it each month so they make it more of a habit and routine to come in and work out."

Blake said Live Jacked Studio just rolled out its monthly plan in March, but even before then patrons weren't tied to a contract.

"I don't want to lock people in," Blake said. "Before the monthly payments, people paid per session, and they still can, so there was never a commitment. I want people to commit themselves to getting fit instead of me forcing them to come and pay all this money."

At Live Jacked Studio, a monthly membership is \$150. Blake said most people signing up for that membership are younger.

Most Valley gyms have moved away from contracts that lock in patrons and



PROVIDED BY LIVE JACKED STUDIO

Michael Blake, owner of Live Jacked Studio, says monthly gym memberships are a better incentive to work out.

have shifted to monthly memberships, with the option to upgrade to an annual or premium membership.

Planet Fitness offers one of the lowest monthly rates at just \$10, with the upgraded premium membership being \$20 per month.

"I would say it's about 50-50 of people who have the \$10 and the \$20 memberships," said Junior Martinez, an employee at Planet Fitness in Tempe. "The premium membership has a one-year commitment, and so for the people who don't like or want that we have the \$10 per month membership, with that one you just don't have guest passes or access to amenities."

Martinez and Blake both said they

have seen an increase in memberships and in people actually getting use out of those memberships.

Memberships have grown 18.6 percent between 2008 and 2014, and the trend continued in 2015, according to franchisehelp.com.

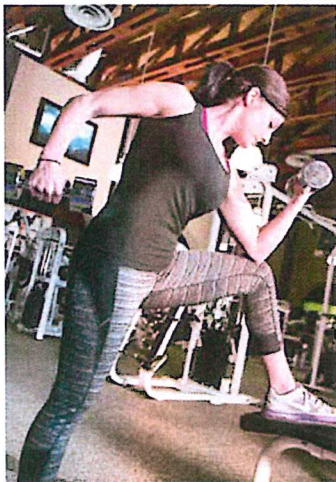
"We have seen an increase of 40 percent in just the last year," Blake said. "We introduced our monthly membership and classes in the past year, so I think that definitely played a role in it."

Arizona Grand Athletic Club & Spa is another health facility, like Planet Fitness, that allows customers to start with a monthly membership and switch to annual if they are pleased with their experience.

"Monthly memberships range from \$69 to \$153," said Emily Dille, spokeswoman for the Arizona Grand Athletic Club & Spa. "We have 250 members, and many begin as monthly members and then convert to annual when they are pleased with the experience and prefer to benefit from the savings."

Blake said his philosophy is that every one should try a gym or health center at some point in their life, no matter what kind of membership you opt for.

"You just aren't going to make your weight loss goals by dieting alone," Blake said. "It gives you better results and better health when you go to a gym regularly, it also makes weight loss less intimidating."



PROVIDED BY THE VILLAGE HEALTH CLUBS & SPAS

Patrons at Arizona Grand Athletic Club & Spa opt for more annual memberships.

BY THE NUMBERS

\$25.8 billion

Revenue for U.S. health clubs during 2015

36,180

Health clubs operating in the U.S. during 2015

55 million

Memberships at U.S. health clubs during 2015

SOURCE: INTERNATIONAL HEALTH, RACKET & SPORTSCLUB ASSOCIATION