



Building Loyalty to Your Health Club Requires Trust, Transparency and Thanks

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Is **loyalty** (<http://clubindustry.com/forprofits/great-health-club-culture-can-build-loyalty-20110501/>) dead? Between the increase in month-to-month offerings and health club membership buyouts and the latest flood of member lawsuits, you could easily conclude that loyalty is a thing of the past. No longer can members be expected to stick around for long, much less to rebuff tempting offers from competitors or to give club operators the benefit of the doubt when issues arise. Is this the new reality of today's economy and consumer-empowered culture?

As tough as it may seem, you should still try to develop long-term relationships with customers, but you must go about it differently now. Instead of expecting customers to be loyal, you must **reward them** (<http://clubindustry.com/stepbystep/loyalty-programs-201009/>) with your loyalty and actively show that you value their business. How? By demonstrating trust, practicing transparency and thanking them for their business in tangible ways.

Demonstrate trust. In his latest book "Enchantment: The Art of Changing Hearts, Minds and Actions," Silicon Valley business leader Guy Kawasaki explains that trust is a sequence, not a chicken and egg thing. We must trust others before they trust us.

Some of the most loved companies—Amazon, Zappos, Nordstrom—have generous return policies. They have trusted their customers from the start. In return, their customers have returned the goodwill with sales, positive word of mouth and loyalty.

In the same way, you should trust your members. People generally rise to what is expected of them. Lengthy contracts, restrictive policies and demeaning placards detract from building a relationship of trust. Instead, use simple, positive communication to demonstrate your confidence that members are not going to exploit special services or to abuse member privileges. And, make sure your employees have a "yes" attitude and give people the benefit of the doubt.

Practice transparency. With the technology that is available to consumers these days, hiding behind confusing policies or a corporate façade is no longer an option. You are better off embracing transparency as a business practice.

That means being open about the various offers and promotions you are running and clear about the terms of membership. Trying to dupe people into accepting an offer or terms that they don't understand or believe is your best deal will not win you happy customers—and your swindling will probably be exposed eventually. Plus, if you find yourself frequently in the difficult position of explaining the rationale behind your practices, you may want to rethink them and replace them with fairer ones.

Transparency also requires you to fess up when you have made a mistake or have done something wrong. A sincere apology and an explanation of how you are ensuring the error will not happen again pay dividends in goodwill. Down the road, people are more likely to remember your integrity than the error.

Involving members in developing new programs and identifying solutions to problems is another way to practice transparency. Actively solicit members' input—they will feel more ownership for the results and form a stronger bond with you.

Give tangible thanks. Showing that you appreciate your customers and their business is a surefire way to facilitate feelings of loyalty.

Although simply acknowledging and thanking members for their continued patronage are important, you must also tangibly demonstrate your appreciation. Offer them both economic and emotional benefits.

Some ideas:

- extended hours and designated parking to make visiting your club more convenient
- holding the line on prices even when your costs increase
- exclusive offers and promotions for long-time members
- priority access to classes, child care, prime locker space, etc.
- "power hours" during which all employees are focused on helping guests
- phone calls or emails following up on training sessions to ensure they are satisfied
- "value-added" services such as a car wash while they work out or a coat and bag check
- occasional gifts from your retail selection

Yes, these tactics cost money, but they are wise investments because the payout is increased loyalty. And, according to some sources, acquiring a new customer can cost six to seven times more than retaining an existing one, so it makes more business sense to make loyalty a priority.

Above all, we should not take our members for granted. Today's consumers may be more promiscuous and loyalty may not be what it once was, but you will still be better off if you develop a core group of members who stay with you for the long run. If loyalty is seen as a commitment that you make to your members—in addition to one you want them to make to you—you will be better for it.

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