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Exploration of Attraction and Retention Factors of Health and Fitness Facility Members

Health and fitness facilities (HFFs) are reliant upon maintaining strong levels of membership and for this sole reason, the knowledge of what drives consumers to firstly, join as members, and secondly, maintain that membership once it falls due for renewal is critical for the HFFs' survival and existence. This paper identifies that this industry, in Australia, faces a potential crisis through a combination of heavy reliance on membership fees as its principal source of revenue and its high levels of membership churn. This issue is common to the industry at a global level as indicated by John McCarthy, Executive Director of The International Health, Racquet and Sports Association (IHRSA), when indicating what HFFs did poorly, he stated:

"The answer to this question has been the same for 20 years .... annual attrition rates have been around 40 to 50 per cent .... meaning clubs need to repopulate every 2 plus years. If the industry could close the attrition rate to 40 per cent (rather than 45 per cent) and sell the same number of memberships in 2003 as it did in 2002, it would end up with an 8 per cent gain" (IDEA, 2003, p94)

In the case of Australia, in 2008, 12.4% of the total population, or one in eight people, were participating in HFF membership of some kind (IHRSA, 2009). This is the 6th highest participation rate in the world (IHRSA, 2009, p29) and the highest in the Asia-Pacific region (IHRSA, 2009). The paper further highlights that many consumers once they cancel or abandon their memberships are lost entirely from the target population through the churn factor as many of them express no intention of rejoining a facility in the future (IHRSA, 1998). Thus, retention of members once they have joined is as important to the facilities as membership attraction in the first instance. Understanding these factors and the ability to strategise around them is critical for the long-term survival of HFF operators. With little literature (which mostly focuses outside of Australia) (Bodet, 2006; Drummond & Lenes, 1997; Hurley, 2004; McIntosh & Doherty, 2007; Oliver, 2003) and in addressing the situation described above, the present study undertook an exploratory approach in collecting qualitative data through conducting in-depth interviews. Specifically, facility owners’ perceptions on what factors influenced attraction and retention of HFF members and actual HFF member perceptions were collected. Results indicate that customer service elements (staff and service) ranked highest for both facility owners and HFF members in both attraction and retention of memberships. Further discussion of complete study results and implications will be presented.