

Ray Algar and Jon Moody, take an in-depth look at online sentiment in the UK health & fitness sector, which reveals a surprising range of opinions, not all of which are negative

Start the digital dialogue

When Tim Berners-Lee invented the World Wide Web at CERN in Switzerland in 1991, we wonder if he envisioned a future where consumers would harness its coalescent power to bargain down the price of virtually everything, and allow the anatomy of organisations to be forensically examined, mouse click by mouse click.

The power of opinion

Taking just 10% of all UK health club members creates the capacity for nearly three million annual opinions to be posted in discussion forums, blogs and online communities, on everything from the tepid swimming pool water during last night's swim to a video rant on YouTube about an unnecessarily long notice period to quit a club.

Consumer generated content

Readers will know the above phenomenon as consumer generated content (CGC), but does this label really propel organisations to explore this exciting opportunity, or does it just wash-over as yet more fleeting tech-jargon?

Assuming the latter, we propose re-defining 'consumer-generated content' to 'consumer generated conversation'. This should resonate with organisations because it helps to visualise an active and spontaneous dialogue that is taking place today – more opinions have been posted in the last minute. It also conveys its viral characteristics; a trickle that can become a torrent if consumers smell deceit or disdain. Browse to www.ihatedell.net where employees and customers vent their rage about 'Dell Hell'. Just one member has written over 1,550 posts during the past four years, averaging a post a day. Perhaps, all they wanted was a replacement laptop battery. Consumers may rant and rage, but does it affect purchasing behaviour?

It seems it does, according to a recent YouGov social media for brands survey which found that six out of 10 UK respondents would abandon a travel purchase if they read negative opinions. Slightly less for consumer electronics. Google your company now and get a sense for the online conversation taking place. If your sales pipeline is slowing perhaps it is clogged with negative consumer chatter.

On-line opinion harnessed

Having introduced this new on-line 'consumer-scape', we conducted research into online opinion of UK health and fitness clubs. Online opinions were captured over an eight-month period from February to September 2007, on 10 well-known national brands including: Bannatynes Health Clubs; Cannons Health Clubs; David Lloyd Leisure; Esporta; Fitness First; Holmes Place (prior to its acquisition by Virgin Active); JJB Fitness Clubs; LA Fitness; Next Generation; and Virgin Active.

511 opinions were captured from a series of dis-

ussion forums and web sites such as the BBC, Review Centre and Dooyoo UK. Opinions were captured from three key groups: Current club members; Past club members; Prospective club members.

We explored several key intangible and tangible aspects of the health club proposition including: The brand; Facilities; Membership; The service experience.

Top Line Findings

An impressive 36% of all opinion was positive. The mix of positive to negative opinion varied by chain. Negative opinion was higher for those brands that were mentioned more frequently.

Only 5% of opinions by previous members was positive, which is calamitous for generating goodwill and referral opportunities.

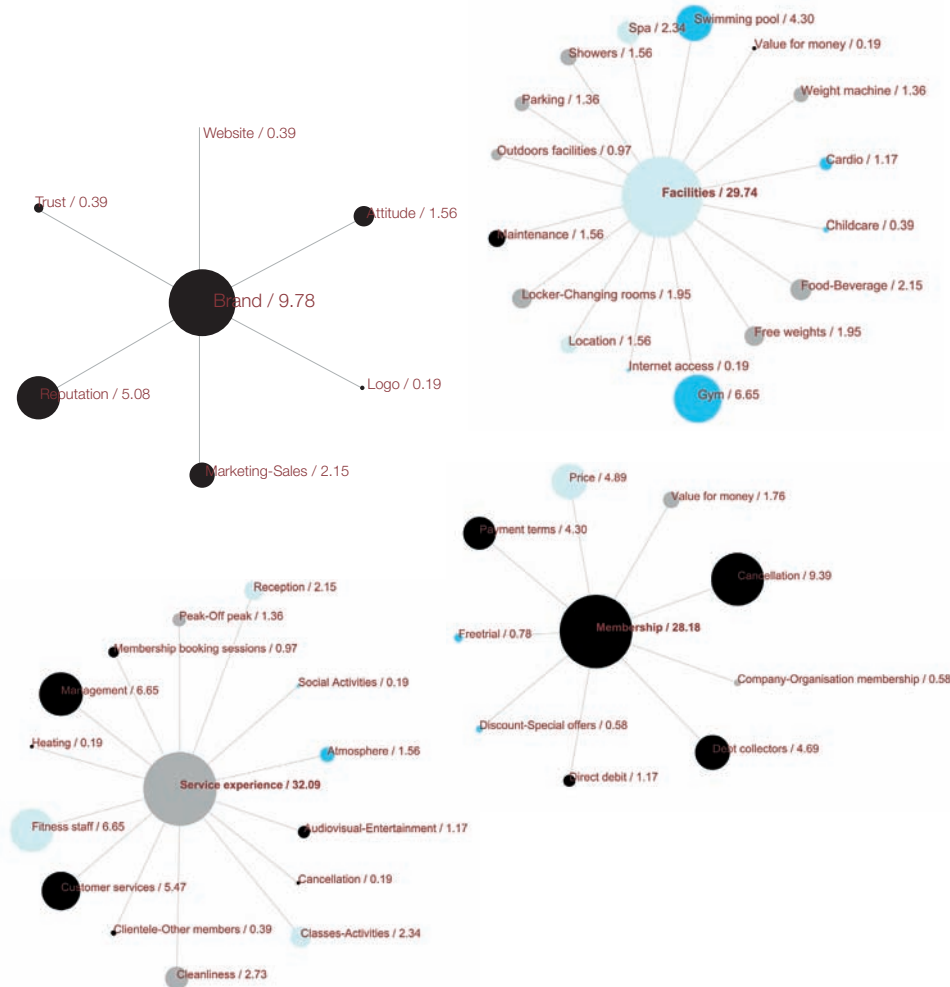
Numerous sub-elements of the membership experience were then captured and illustrated in the following figure. (See diagrams below)

Top line survey findings

| | Positively expressed opinion | Negatively expressed opinion |
|---------------------|------------------------------|------------------------------|
| Current members | 40% | 60% |
| Past members | 5% | 95% |
| Prospective members | 47% | 53% |
| All opinions | 36% | 64% |

Interpreting the figures

The circle size denotes the volume of comments relative to another topic. The larger the circle, the greater the conversational 'buzz'. A turquoise circle denotes that at least 75% of all expressed comments were positive, turning black if 75% or more expressed negative sentiment. The 'facilities' figure for example, shows positive conversation about swimming pools, gyms, other facility areas and equipment. Specialist viewer software can 'drill down' through the figures to read actual published



consumer opinions. 'The swimming pool and wet area is my favourite' 'luxurious gym, 'fantastic environment', 'good modern equipment, 'excellent facilities and a hug gym' ' are typical facilities comments.

Health club design has progressed dramatically over the past decade and there are now numerous examples of beautiful, jaw-dropping clubs that create an extraordinary first impression. Club design was once a clear 'sales winner', as a prospective member's head was left spinning after a club tour. Now, club design has been relegated to a 'sales qualifier', as we fill our homes with Arne Jacobsen 'Egg' reproduction chairs and sip cappuccinos in Philippe Starck-inspired cafes.

The bottom line is that we are no longer seduced by good design alone. Nevertheless, this research clearly illustrates that health clubs have the building and the physical proposition right. However, our research shows that as we move away from club premises (the tangible parts of the proposition) and into the member experience and user perceptions, the opinion sentiment turns sharply negative.

Now we navigate from the safety of beautifully designed interiors, cavernous gyms, luxurious changing rooms and award-winning equipment to the complex world where staff behaviour mesh with the idiosyncratic sensitivities of members. 'Why did the receptionist not call me 'Ray' today, when she did last week?' 'Why does it take a week to change a battery on the rowing machine console?' and 'why are there never any cups for the water dispenser?'. Suddenly, last week's extraordinary health club is looking decidedly ordinary.

Do clubs care?

Many health clubs are highly systemised and expert at acquiring members. Even a seasoned double-glazing salesman, in a long-term relationship with their sofa could be persuaded that it was time to join up and lose a few pounds. 'The best salesmen ever!' 'They are very sweet and very nice when they try to sign you up.' 'Cup of coffee bought for me, and all the trimmings upon arrival.' 'I remember how friendly the sales lady was in trying to get me to join up.'

However, member opinion changes once the honeymoon period ends. 'After the initial session, they have never checked my circumstances or how I was doing over my two years of membership.' 'The clubs are not interested in their members.' 'The receptionist was too busy talking to her two friends to actually bother with anybody.' 'Once I'd joined, she (sales staff) would blank me when I said hi to her!'. Unless members are involved in structured activities, such as exercise classes or a tennis league, there can be a sense of bewilderment, as they self-navigate their way around the club. Sentiment often changes when members adopt a structured activity such as exercise-to-music classes. 'At the club, I regularly attend the exercise classes, and find the instructors very friendly and approachable. The instructors can often be found in the bar enjoying a drink with people after the class, which is always nice to see and shows that they enjoy being there as much as the customers'.

Read before you sign

Membership factors such as cancellation terms,

length of contract, notice period and debt collection procedures elicited some of the most emotional opinions with 87% of all sentiment being negative. 'I was not aware of the 12-month commitment period until I tried to cancel, and had not been given a copy of the contract.'

There is strong opinion that clubs are sometimes over-zealous in their sales practices. 'Beware smiling salesmen offering 'great deals' and asking you to sign contracts with very small print.' 'For me, the main reason to join, was that I was told that I was only signing up for monthly contracts, and that I could cancel at any time. Now, after 9 months when, due to personal and professional reasons, I want to cancel, I am being told that I have signed for a minimum of 12 months.' Many members were seeking short-term membership flexibility, while some clubs were insisting on a one-year contract. This inevitably leads to tension as commission-driven sales staff burdened by extremely stretching monthly targets attempt to close a sale. 'Their tactics are to tell you anything to get you to join.' 'Because I supposedly didn't give 30 days' written notice, I'm being forced to pay another month for a membership I'm not using.' 'I am being pursued by a debt collection agency. I joined in October 2006 and visited once before I was diagnosed with breast cancer. I informed the manager straight away and have since sent five letters. No response apart from the letters from the debt collection agency.'

Some clubs trade-off a loss of goodwill and potential new member referral opportunities for the certainty of collecting a few extra months of subscription income.

Don't fake positive opinion

It may be very tempting for companies to go on-line and post some of their own comments in an attempt to neutralise some negative opinion. This is a bad idea. Just ask David Bremner, the red-faced owner of a hotel that nestles on Loch Ness whose on-line postings from non-existent guests on TripAdvisor included comments such as: 'Well done to the staff, who were really charming ... the food is outstanding ... believe me you'll love it' and 'My parents stayed many years ago and said what a lovely spot this place was. They were so right!'. We mention fake hotel reviews because we also found evidence of well-crafted, overly-enthusiastic comments that were not authentic. Companies can and should join in the on-line conversation to engage with stakeholders; just be straight and honest.

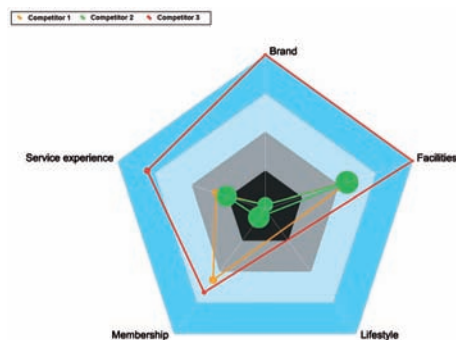
Would members recommend?

Some management consultants believe that a customer's willingness to recommend a company to family and friends is a key determinant of corporate prosperity (Google: net promoter score).

If so, then health clubs seem to be languishing, as our separate analysis of 317 member reviews harvested from a single customer review website, revealed a 10% promoter rate. Drilling down within this figure showed one chain with a promoter rate of just 7%, while the highest reached 22%.

How do competitors match up?

The following figure (see above, right) shows how three direct club competitors square-up. Using the same colour legend as before (turquoise representing positive opinion, while black being negative),



it is clear that the red brand is attracting more positive consumer sentiment on all five measures. The green brand scores poorly in respect to brand, service experience and membership and is redeemed only by the quality and scale of its facilities. The message is clear; physical infrastructure is great; clubs should focus on content and intangibles.

How do other sectors shape up?

Some national airline carriers have been found to have slightly higher (70%) levels of negative opinion (64% for UK health clubs). Sentiment levels often change by country with a tendency for more negative opinion in an airline's home country. One large European carrier found that positive opinion increased to 57% once English and Spanish language opinions were factored in. Away from leisure, a study of a Spanish internet service provider found 60% negative opinion with 'buzz' around mis-selling, Draconian cancellation terms and poor customer service.

How should health clubs respond?

We recommend the health club industry consider the following key actions:

- Commit to a comprehensive audit study to understand the scope and nature of on-line consumer sentiment towards the industry.
- Discuss and agree the corporate actions that can be implemented to re-balance consumer sentiment.
- Agree a definitive code of on-line practice that includes a ban on fake postings.
- Agree how on-line consumer sentiment monitoring features as part of the industry's wider data collection activities.

The health club industry has been late in harnessing the potential from consumer generated content. The time has now arrived for the industry to participate in the on-line conversation and recognise the enormous pool of wisdom that members, past and present and other stakeholders are freely providing. Rather than ignore it; harness it.

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