

American Fitness Center (AFC) Case Information¹

The American Fitness Center (AFC) was founded 10 years ago and operates in one location in the southeastern U.S. AFC targets “prime-timers” – men and women aged 55 and older, with some struggling with health issues. Many customers are attracted to the large indoor therapy pool that allows exercise using water resistance which is much easier on the bones and joints than traditional exercise. Members pay a monthly fee to attend plus additional fees for special classes, personal trainers, etc. AFC CEO Kate Newton contracted with a research firm to design the study. Generally, AFC is interested in growing its membership. Newton and her management team are interested in better understanding the kinds of people that are attracted to AFC and how best to recruit more of these kinds of people. The study was designed to address two research objectives:

1. To determine AFC members’ demographics and usage patterns of the AFC facility (including fees paid).
2. To investigate how AFC members learn about AFC.

The population of interest is AFC’s customer base. A customer was defined as anyone in the company’s member database who had visited AFC at least once in the previous 12 months. A membership roster maintained by AFC listing each members’ attendance served as the sampling frame. A sample of 400 customers was randomly selected using simple random sampling. Given the age of the population of interest, mail surveys were used instead of online/mobile surveys. The goal was to receive 200 usable completed surveys. Respondents returned 260 surveys after two weeks in the field and all were usable leading to a 65% response rate. Survey respondents were matched with the total fees they paid over the previous 12 months. The revenue data were secondary data obtained from AFC records.

Prior to primary data collection, the contracted research firm collected secondary data concerning fitness centers that cater to a mature target market. For example, the National Council on Aging recommends that older adults engage in regular exercise to promote independence, well-being and prevention of health issues related to aging.² Programs such as Silver Sneakers promote gym, on-demand videos and app-based exercise, health and nutrition classes to older Americans and is included in some Medicare plans.³ Cheryl Matheis, AARP’s senior vice president of health strategies stated that “many older adults want to find

¹ https://books.google.com/books/about/Basic_Marketing_Research.html?id=VqFOAgAAQBAJ

² <https://www.ncoa.org/center-for-healthy-aging/basics-of-evidence-based-programs/physical-activity-programs-for-older-adults/>

³ <https://www.silversneakers.com/blog/silversneakers-questions-answered/>

community programs or facilities that can help them be more active.”⁴ This information is consistent with AFC’s role in its community.

In addition to secondary data, primary qualitative research was used. In depth interviews were conducted with three AFC employees to gain insights into the kinds of members who attend AFC more regularly than others and their perceptions of the goals of the members with whom they most frequently interact. Also, in depth interviews were conducted with six AFC members (four women, two men; three who use the facility daily, three who use the facility occasionally). These interviews identified several motivations to attend AFC and methods by which members initially learn about the Center. These insights guided the development of the survey (provided on the next page).

Ms. Newton looks forward to receiving your memo in Week 5. She expects that it will provide actionable recommendations on the best ways to increase AFC membership and offer a clear profile of AFC members and their usage of AFC facilities.

⁴ https://www.aarp.org/health/fitness/info-02-2011/find_a_fitness_center_that_fits_you.html

American Fitness Center Survey

Thank you for taking time to provide important feedback about American Fitness Center (AFC). Please answer the following questions. Your candid responses will help us provide better services in the future. No one at AFC will see your specific responses, so please be honest.

Please tell us about your usage of AFC in the last 30 days.

1. Which of the following AFC services have you utilized at least once in the last 30 days? (Please mark all that apply.)

☐ Weight Training ☐ Exercise Circuit ☐ Therapy Pool
☐ Classes ☐ Circulation Station

(Coded as 1 = Yes, 0 = No)

2. Within the past 30 days, approximately how many times have you visited AFC to exercise?

_____ times in the last 30 days

3. During what part of the day have you typically visited AFC? (Please mark only one.)

☐ Morning ☐ Afternoon ☐ Evening

Now we'd like you to think about why you choose to work out at AFC.

4. How did you learn about AFC? (Please mark all that apply).

☐ Recommendation from Doctor ☐ Drove by location
☐ Recommendation from Friend ☐ Newspaper Article
☐ Advertising ☐ Other: _____
☐ Heard AFC Director speak

(Coded as 1 = Yes, 0 = No)

5. How important to you personally is each of the following reasons for participating in AFC programs? (Select a number on each scale.)

	Not at all				Very
	Important				Important
a. General Health and Fitness	1	2	3	4	5
b. Social Aspects	1	2	3	4	5
c. Physical Enjoyment	1	2	3	4	5
d. Specific Medical Concerns	1	2	3	4	5

6. How like is it that you would recommend AFC to a friend or colleague?

Not at all										Extremely					
Likely					Neutral					Likely					
0	1	2	3	4	5	6	7	8	9	10					

7. What was the original event that caused you to begin using services from AFC?

_____ (coded open-ended responses)

The following questions are for classification purposes only.

8. What is your current age? _____ Years Old

newage: 1 = under 70, 2 = 70 or older

9. What is your gender? _____ Male _____ Female

10. What is the highest level of education that you have achieved?

___ Less Than High School	___ Some College	___ College Degree
___ High School Degree	___ Associates Degree	___ Advanced Degree

newed: 1 = Associates degree or less, 2 = College degree or more

11. What is your approximate annual household income from all sources, before taxes?

___ Under \$15,000	___ \$60,000 - \$74,999
___ \$15,000 – \$29,999	___ \$75,000 - \$89,999
___ \$30,000 – \$44,999	___ \$90,000 - \$104,999
___ \$45,000 - \$59,999	___ \$105,000 - \$119,999
	___ \$120,000 or more

newinc: 1 = less than \$60,000, 2 = \$60,000 or more

12, What is your employment status?

___ Employed _____ Retired

Thank you for sharing your opinions!

Additional variable:

Revenue – One year revenue (\$) by respondent – from company records