

## "Identification and re-engagement of lapsed consumers": empirical studies in the fitness industry

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### Introduction

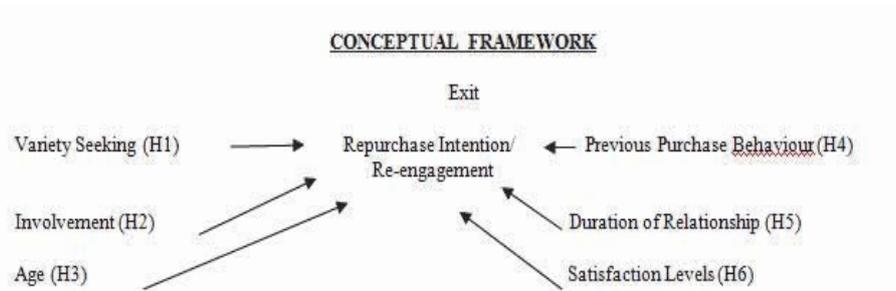
In a previous study by this author, only 52% of Irish health and fitness providers source why members discontinue membership of health clubs. Strauss and Friege (1999) emphasise the value of recaptured customers through their regain management model while Bolton et al., (2000) and Thomas et al., (2004) suggest that price impacts upon the reactivation of lapsed customers. Homburg et al., (2007)

note customer and relational characteristics as antecedents of revival performance while Robinson et al., (2010) build on this model.

### Aim

This study seeks to:

1. Identify factors influencing the propensity of members to lapse or discontinue membership of health clubs (Study 1)
2. Examine factors influencing the propensity of lapsed members to reactivate or re-engage with health clubs (Study 1)
3. Test reactivation incentives to reengage the lapsed member market (Study 2)



The conceptual framework above proposes to test the following hypothesis:

**H1** Intention to repurchase is negatively influenced by high variety seeking members who are more likely to exit and less likely to re-engage

**H2** Intention to repurchase is positively influenced by member involvement with frequent attendees less likely to exit and more likely to re-engage

**H3** Intention to repurchase is positively influenced by age with older members less likely to exit and more likely to re-engage

**H4** Intention to repurchase is negatively influenced by previous purchasing behavior with members who have a history of switching clubs more likely to exit and less likely to re-engage

**H5** Intention to repurchase is positively influenced by duration of membership with longer term members more likely to re-engage

**H6** Intention to repurchase is positively influenced by satisfaction levels with members reporting high satisfaction levels less likely to exit and more likely to reengage

### Research methodology & preliminary findings

**Study 1** involved a mail survey of 100 lapsed members to identify factors influencing the propensity of health club members to lapse or discontinue membership of health clubs. A 38% response rate was recorded.

### Preliminary results

An initial descriptive analysis of the survey revealed that 66% reported the club could have done nothing to prevent them discontinuing membership while 85% had not rejoined

another health club since discontinuing membership. 54% would consider rejoining the same health club if offered an incentive such as a price reduction (38%) or salon gift token (8%). Study 2 seeks to test these reactivation incentives to re-engage the lapsed member market.

Further analysis of study 1 will involve a more comprehensive analysis of the findings in order to test the hypothesis outlined in the conceptual framework above and will be available for conference presentation if accepted.

**Study 2** involves an experimental design to test incentives to reactivate the lapsed member market who will be offered a postal incentive of price reduction or salon gift token to entice reactivation of membership. The findings will be available for conference presentation if accepted.

### Implications & conclusion to date

Clearly the lapsed member market represents a unique opportunity for health and fitness providers to recover lost business with 54% of lapsed members in this study reporting to be predisposed to re-engagement. Study 2 proposes to test this lapsed member market and willingness to re-engage by offering reactivation incentives which provides a more

cost effective means for health and fitness providers to gain business in what is an increasingly competitive industry. Further analysis of study 1 and completion and analysis of study 2 will provide for a more thorough discussion of results/findings and implications for research and industry.

#### References

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