

Success Story: Customer Retention A Healthy Result

Background

Nuffield Health is one of the leading health organisations in the country, with 51 gyms throughout the UK.

However, they suffered from a very common problem in the health and fitness market. Many of their members, having taken out an annual gym membership, lost motivation and ended their contract with only one month's notice.

But, by identifying potential lapsed early on, a communications programme could be developed and an ongoing relationship established, that would help them retain these members.

Challenge

Our challenge was to:

- Build a model to predict lapsing behaviour
- Identify the members most in danger of lapsing
- Provide useful statistics and descriptions on why a member was at risk, based on behaviour at gym, where they lived, type of contract, age, etc.
- Identify the groups they should target for communications
- Create a communications strategy based on the predictive model

Solution

We carried out a data audit of transactional information at all Nuffield gyms.

This looked at more than 20 variables – age, length of membership, gender, daily usage, contract type, etc – to identify the factors that most strongly indicated if a member was likely to lapse.

A score using the predictive model was reached for each individual, based on a combination of the most important socio-demographic, membership and transactional data sets.

A communications strategy – based on this score – with ideas on ways to keep members loyal, was then provided for the client to implement.

Results

The model has an accuracy of a least 80% and helped to identify behaviour that indicated when a member might lapse.

Our innovative communications strategy helped to increase Nuffield's member retention year on year by up to 5%.

Nuffield Health was extremely happy with the results. They said:

“We use the model to personalise our member contact strategy. It enables us to tailor our messaging and offers depending on the member's level of risk and likelihood to churn, and ensures we contact them at just the right time.”

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