24 HOUR FITNESS®

Executive summary

24 Hour Fitness began in 1983 as a one-club operation in San Leandro, California. Today, they serve nearly 4 million members in more than 420 clubs across the United States. The company is widely credited with changing the industry landscape by introducing a variety of innovations including the first clubs to be open 24 hours a day and the first to introduce month-to-month and online memberships. 24 Hour fitness has pioneered the concept of making fitness accessible, affordable and a way of life for everyone. Convenience and accessibility are critical for their success.

24 Hour Fitness turned to the Pitney Bowes Software AnySite® platform to provide the data insight required to optimize their site selection process. Designed to perform powerful predictive analytics and modeling functions, AnySite is an essential market analysis and decision support tool.

Business challenge

24 Hour Fitness invests several million dollars to launch every new site and will often commit to long-term leases, which means that Nelson Williams, Director Real Estate Strategy, and his team need to be accurate with their long-range projections. "Site selection is very important to our business," notes Williams. "A significant amount of member satisfaction is driven by their impressions of the facility and the member's experience while in the club. Proximity to home and work are main drivers of a person's decision to join a fitness club."

24 Hour Fitness needed more insightful data and analysis to forecast site performance over a long-term horizon and avoid the costly mistake of a poor-performing facility. "Real estate is a combination of art and science," Williams explains. "Our previous methodologies were not as data-driven as we needed."

The AnySite platform provides directors, analysts and marketers valuable insight into market data, allowing them to easily analyze the relationship between the performance of a location relative to the market area demographic characteristics.

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>
> **Nelson Williams**
> **Director Real Estate Strategy**

Pitney Bowes
Software

Solution

The move to AnySite allowed 24 Hour Fitness to expand their evaluation to include not only demographic data, but also the psychographics and behaviors most relevant to their industry. "We are looking for trade areas that over-index in terms of fitness participation. With the data and maps we can generate, we can now make more insightful decisions on club deployment," details Williams. "Anysite is crucial to our data-driven site selection strategy," Williams adds. "We get much more clarity than other tools we've worked with before."

When assessing locations for new facilities, 24 Hour Fitness relies on AnySite to analyze markets, forecast member potential, and pinpoint pockets of opportunity. Using a custom model designed for their needs by the professional services team from Pitney Bowes Software, 24 Hour Fitness could now make more informed decisions around club deployment – enabling them to grow with confidence. "The fact is, AnySite identifies many factors in what constitutes a successful membership population, and that gives us the confidence to move quickly," adds Williams.

Today, their entire real estate team has access to market optimization studies and trade area evaluations. Plus, with the customization developed specifically for their business, they can instantly build predictive models to forecast member potential. "Today, we can go beyond simple market demographics to understand member potential and determine which attributes drive club performance."

Results and benefits

Essential market analysis and decision support tool– 24 Hour Fitness has relied on AnySite to successfully open nearly two dozen sites across the United States.

Improved member-focus – 24 Hour Fitness can map out and compare member information data to overall market characteristics and instantly build predictive models to forecast member potential and determine which atributes drive club performance.

Speed to market – when new real estate opportunities arise, 24 Hour Fitness can quickly evaluate multiple sites and make intelligent decisions about how much they can invest in any one particular site.

Ease of use – open data architecture and server-linked layers allow 24 Hour Fitness to adjust parameters as needed without having to rebuild layers so more time is spent focusing on interpreting information rather than creating it.

> *"I like to think that real estate selection is still in part an art form, but with AnySite, we can scientifically validate every decision we make. Overall, we are pleased with the performance of the locations that have been screened and evaluated using the AnySite platform from Pitney Bowes Software."*
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> **Nelson Williams**
> **Director Real Estate Strategy**

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