

PROINSIGHT SALES BENCHMARK REPORT

Commercial insight for the leisure industry | **2016**



We are delighted with the improved performance on our mystery shopping programme...we have worked on training to help staff deliver sales excellence for all elements of our sales journey, which resulted in a **13% sales increase**.

Graeme MacLennan
Head of Marketing
Parkwood Leisure

MESSAGE FROM THE MD

I have thoroughly enjoyed the last 12 months, leading Proinsight through a period of exceptional growth. It has also been a great learning curve for me personally and my team; **we never stop learning at Proinsight.**

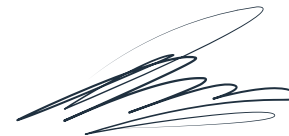
As our portfolio has expanded to include client partners from the hospitality and retail industries, we have gained insight into how high volume mystery shopping linked to staff team incentives can have a big impact on a company's performance.

One of the biggest challenges of the new consumption-driven economy is to train, resource and motivate your staff teams to provide that **extra special ingredient** that elevates a customer experience from an average one to a great one; this creates both goodwill and an ambassador for your company after each and every interaction. In addition, the off and online experience needs to match each other in a seamless fashion.

How can we help? Well I believe that we can build the right sort of insight programme using a multi-channel approach that will impact your customer service scores and your bottom line. We will work with you to make sure the frequency of shops is enough to create change and that the results are delivered straight to where they need to go. Quick delivery of the results plus recommended action to the source, creates immediate impact that is aimed at improving the customer experience within 24 hours. If the shop results also link to your staff performance metrics this further enhances the impact on the customer as staff strive to hit targets. With our experience in high volume shopping plus **new functionalities** we can now

offer on the platform, such as **Action Planning**, I believe we can create real change together.

The sales benchmark report is now one of three benchmark reports we produce and it concentrates on how to deliver a great sales experience. The report card for 2016 shows more effort required so let's get to work...



David Hopkins
Managing Director and Founder
Proinsight Research Ltd



EXECUTIVE SUMMARY

The Proinsight Benchmark Score (PBS) for 2016 is 65.3% which is very close to last year's **65.5%**. Despite no overall improvement in the PBS there are movements in the contributing benchmarks that show increased scores in the soft selling skills in F2F and the Telephone score. However there was a significant fall back in the Web Response score.

The 2016 score is made up of over **34,000 metrics** from over **800 locations** UK-wide and gives the most accurate measure of selling in the leisure industry. The score is a weighted average derived from a combination of 17 different key touch points drawn from the three main channels that consumers use to enquire about membership; Face 2 Face (F2F), Telephone Call and Web Response. The score for each channel represents best practice for the sales process in our experience.

What are the trends and movements in 2016?

The Face 2 Face PBS for 2016 is 65.9%, which is up a marginal 0.2% on last year's score. The two highest scoring metrics were the same as last year with

Positive Welcome and *Effective Price Presentation* **both scoring over 85%**; the reception team can put on a good welcome and the sales team like to present prices for joining. What about in-between? It was heartening to see an improvement in *Data Capture* which was up 3.3% year on year to just over 63%. And as mentioned above, the soft skills that make up the *Tour, Rapport Building* and *Needs Analysis* scores all improved over last year (1%-3% up). However, these improvements were wiped out by a drop in *Asked to Join* of just over 2% and more disappointingly, *Follow-up*, that dropped by 5%.

By comparison the Telephone PBS posted a result of 67.8% which is a full 5% up on last year's 62.8%. This is an excellent result driven by big improvements in both *Positive Greeting*, up 20%, and

Across the three channels, we have three key recommendations:

Link a portion of incentive to fulfilment of the *Asked to Join* metric

Make *Follow-up* a mandatory action of the sales process and create a specific action plan to drive improvement

Take a fresh look at your online response pathway and make personalisation a priority

Data Capture, up nearly 15% year on year. A good first impression with the caller and contact details are being collected for sales database. Good work from the front of house team.

The Web Response PBS for 2016 was 59.4% which is nearly 8% down. Of the three metrics that make up the score it was the *Personalised* score that caused the most damage, dropping to 66%, nearly 15% down year on year. This means that almost a third of enquirers do not get a response that uses their name. In the age of connecting with your customer, this is a poor start. In fact in almost a fifth of the locations there was no response within 24 hours and when the response finally came it was neither personalised nor addressed the query. So 20% of locations scored 0%. This must improve for 2017.

BENCHMARKING

WHAT IS IT?

Benchmarking is the process of comparing one's business processes and performance metrics to industry bests and best practices from other companies.

Proinsight's extensive reach into the leisure industry means we are uniquely placed to develop benchmarking data on sales processes for companies to compare themselves against. The benchmarking encompasses commercially focused key metrics across three different channels:

- Face 2 Face sales tour
- Web based enquiry
- Telephone call query

Why is it important?

Benchmarking can help your business to:

- Improve weaknesses in the sales process
- Create focused action plans

- Assess the return on investment from training initiatives
- Link team incentives to mystery shop results

All Proinsight clients can use their bespoke dashboard* and reports portal to highlight different areas of their mystery shop. Focused action plans will improve commercial performance. The platform also provides a suite of reports that can be curated to individual needs to ensure the right information is presented to the leadership teams and boards overseeing the business.

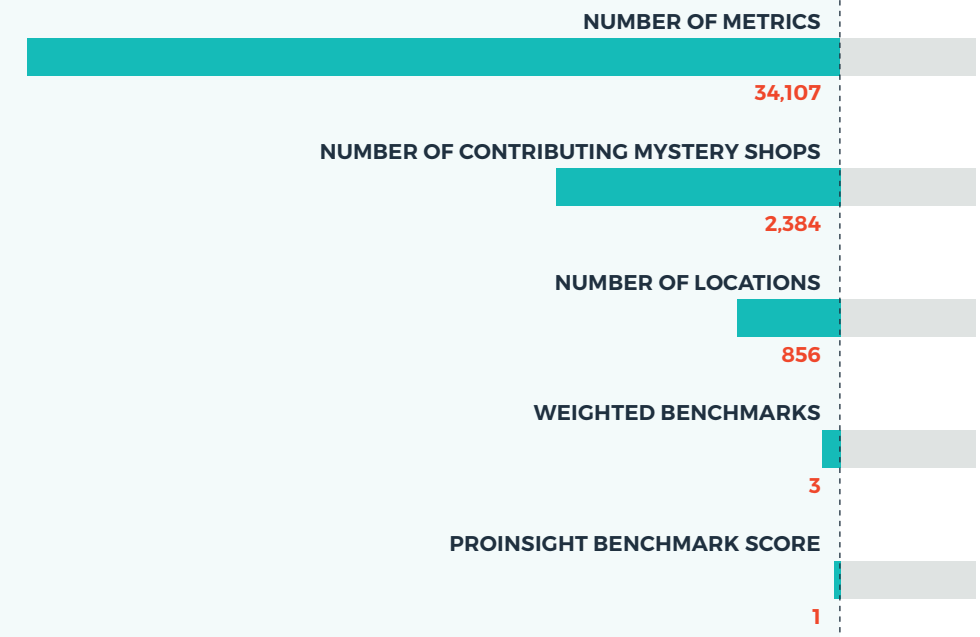
**Proinsight offers all its clients access to training webinars covering the reporting platform.*

THE PROINSIGHT BENCHMARK SCORE

Our score is built from 17 key metrics across three channels:

- **Face to Face** benchmark score has 8 metrics
- **Telephone** benchmark score has 6 metrics
- **Web Response** benchmark score has 3 metrics

A weighted average is used to calculate the overall score with the F2F score deemed the most influential therefore is most heavily weighted.



KEY METRICS MEASURED

Proinsight has the specialist in-house sales expertise to identify the best sales process and practice across three different channels to produce benchmarks in each one. Each channel has metrics that are critical to a successful and consistent sales process:

Web Response

For this communication channel the speed of response, personalisation and tailored information communicated back to the customer are key to a good online response.

Key Metric	Source Question
Response Time	Was the response received within 24 hours?
Personalised	Was the response personalised (using your name)?
Enquiry Dealt With	Did they deal with each element of your query?

Telephone Call

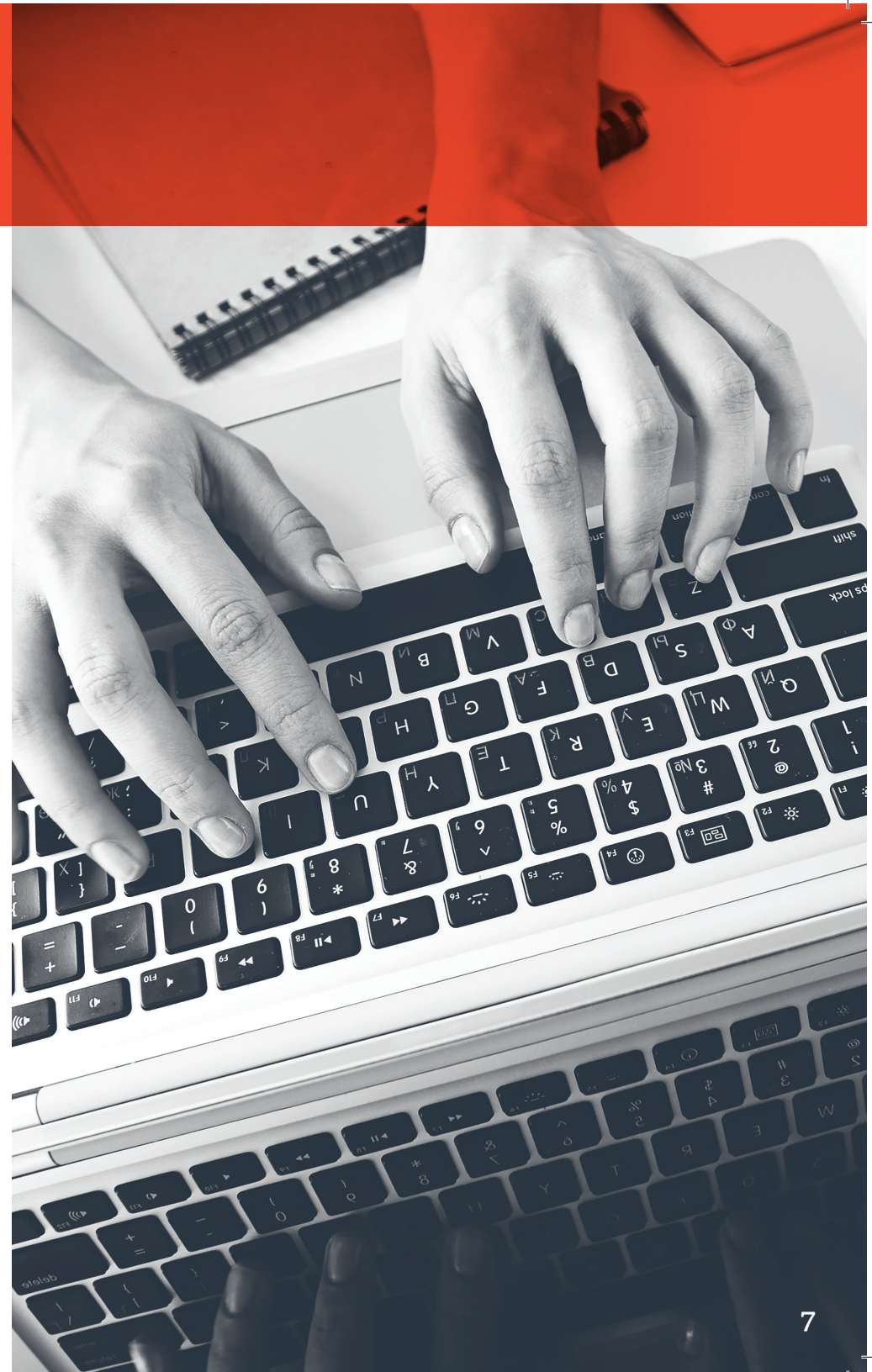
The ability to communicate positively over the phone still matters. The service aspect of the sales process should be seamless across all channels and it is an opportunity to create a great first impression.

Key Metric	Source Question
Prompt Response	Did the location answer within 4 [or 5/6] rings
Positive Greeting	Was the Receptionist friendly, answering using "Good Morning/Afternoon" and with their name?
Data Taken	Did they take your name and telephone number?
Offered Appointment	Were you asked to make an appointment to visit?
Offered Directions	Did they offer directions or ask you if you knew how to get to the centre?
Positive Impact	Following the call, are you more encouraged to visit the centre?

Face 2 Face Tour

Selected from the personal interaction section of the mystery shop each of these metrics is a key element of the sales process. When each of these is executed to a good standard no potential sale will be missed.

Key Metric	Source Question
Positive Welcome	Did you receive a warm welcome with eye contact and “how can I help?”
Data Capture	Did you fill out an enquiry card?
Needs Analysis	Sectional score for Needs Analysis
Tour	Was the tour related to your needs (i.e. not a generic tour?)
Rapport Building	Did the sales person build a rapport with you throughout the tour?
Effective Price Presentation	Were the options presented relevant to your needs?
Ask to Join	Were you asked to join?
Follow-up	Was your enquiry followed up within 48 hours?



THE 2016 PROINSIGHT BENCHMARK SCORE

Each PBS is shown below with year on year comparison

The PBS score
for 2016 is

65.3%

2015 | 65.5%

2014 | 61.1%

F2F
PBS

2016

65.9%

2015
65.7%

About the same
just 0.2% up

Telephone
PBS

2016

67.8%

2015
62.8%

Boosted by 5%

Web
Response
PBS

2016

59.4%

2015
67.2%

Drop Back 7.8%

From the individual contributing benchmark scores there is a divergence in performance with telephone scores improving (check out the Case Study further on in the report) and web performance falling back. In the analysis on the following pages, the contributing metrics are shown with their respective year on year scores. When looking at these pages, reflect on where the performance of your organisation fits in and where weaknesses can be strengthened and strengths capitalised on.

FACE 2 FACE PBS

The F2F PBS showed a marginal increase of 0.2% year on year. Improvements in three metrics, *Data Capture*, *Rapport Building* and *Positive Welcome*, were counteracted by a disappointing fall in *Follow-up* of nearly 5% and *Asked to Join* of just over 2%.

We like to talk about the technical and emotional side of selling in the F2F score. The emotional metrics of *Needs Analysis*, *Tour* and *Rapport Building* improved by a combined 7.1% year on year. The sales people are improving on the skill set required for this side of the selling equation, they are making people feel noticed and listened to – the hardest part of selling.

However, when it comes to what should be in theory the simpler tasks of taking contact details, asking for the sale or following up, this combination dropped by 4.0% year on

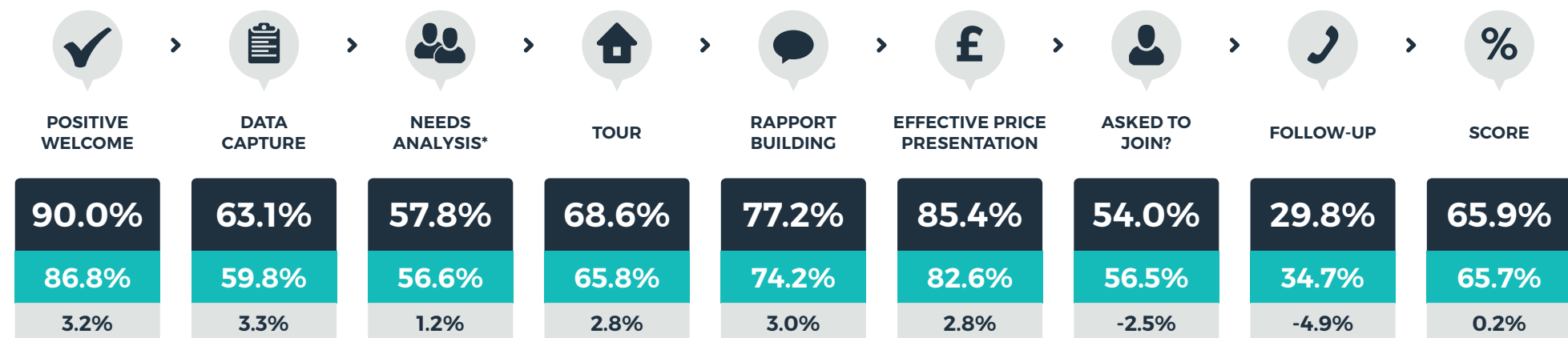
year. One of the technical metrics did actually improve by just over 3%, and it was *Data Capture*, which makes the lack of *Follow-up* all the more disappointing.

Proinsight can help focus on a key metric such as *Asked to Join* with a platform functionality called *Action Planning*. This allows you to put an auto generated but bespoke action plan together that is sent out as soon as a low score in *Asked to Join* is registered on the platform via your mystery shopping programme.

2016
SCORE

2015
SCORE

YOY



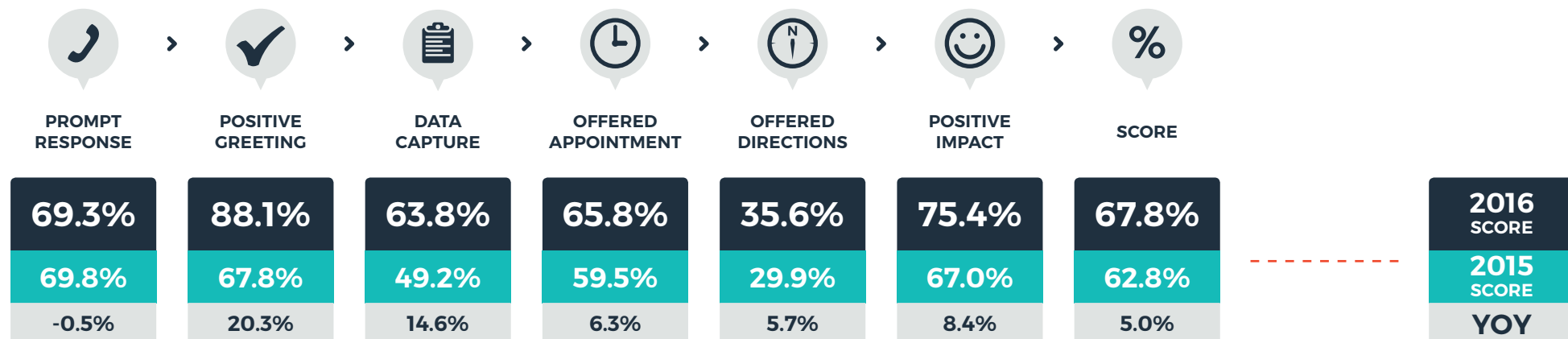
TELEPHONE PBS

The Telephone score has shown great improvement and we congratulate our clients' efforts on this. The standout stat in terms of pure sales is the Data Capture showing a 15% improvement over last year.

Last year more than half of all callers were not asked to give any details, this year nearly two thirds were asked for contact details, a significant win in commercial terms as we all know the bigger the database, more sales will be made.

In terms of the emotional side the initial greeting has improved by over 20% and the prospects finished the call

feeling positive about the business they had just spoken to, all good indicators for a positive service culture. Another metric that is key in the 'helpfulness' stakes (see our Future Trends section) is prospective customers being offered directions, always good to check this and it indicates a more caring attitude towards customers.



WEB RESPONSE PBS

The Web Response score dropped nearly 8% year on year and this is a cause for concern. The rising importance of businesses getting consistency across all channels of communication is well documented. The online response in particular is very time sensitive, yet there is no improvement in this metric with nearly 40% of prospects not receiving a response within 48 hours. That is a generous time limit and in fact across other sectors response times are measured in minutes not hours.

If a customer makes an online enquiry they expect not only a quick response but also a personal one and one that actually answers the question; the drop in both those metrics needs to be addressed. A prior survey of the car sales industry had a personalised rate of 96% so there is a lot of room for improvement.

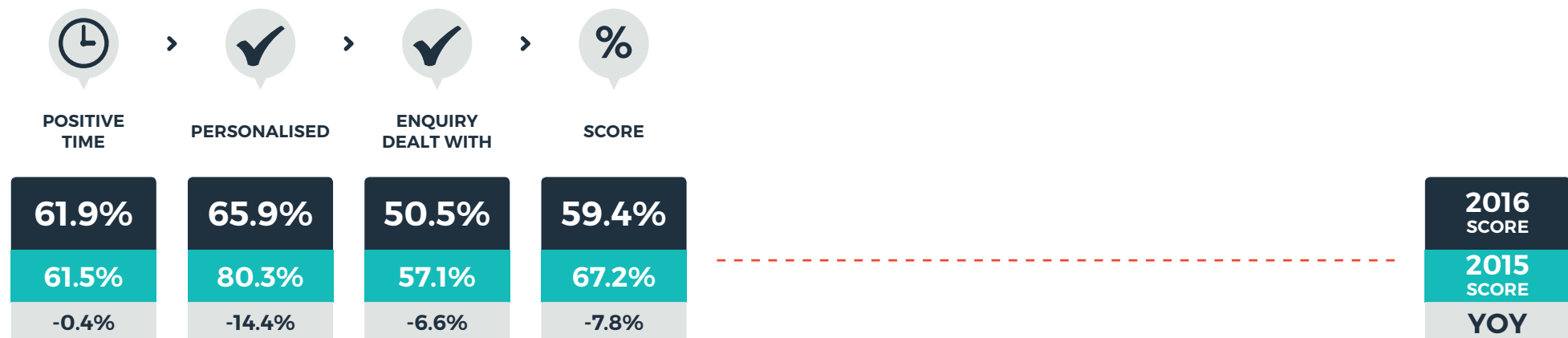
Key Finding - 20% of the locations contributing to the score scored a Web Response PBS of 0% which means they did not get a response out in 24 hours, did not use the prospects name or deal with what the person was asking. A shocking performance and this is not a good reflection on our industry. We need to work together to improve the online response

performance as auto responses just don't cut it.

Different sector - From an online response survey conducted by the Proinsight research team 45 different car brands were tested with an enquiry that presented a specific issue. The personalised rate was 96% and this is what consumers expect from top brands.

Questions to ask yourself about your online enquiry pathway:

- Where are your volume enquiries going?
- Are brand standards applied across all communications?
- How is personalisation being handled?



CASE STUDY

FROM A CLIENT



From our initial mystery shopping programme we had identified that telephone interaction was a soft spot in our communication with prospective customers, as we handle over ½ million calls a year across our estate we decided to do something about that. Working with Proinsight we embarked on an intensive training and testing programme aimed at making a better impression over the phone and improving the data capture element of the call.

JJ Erasmus
Regional Business Sales
Everyone Active

How to Focus

The Proinsight mystery call programme allows the recording of each and every call which is then available on the platform to listen and analyse. The programme consisted of a call to each location on a monthly basis and the team were set a target score to hit. If this target was missed then intervention calls were made in between to push the score up. Training was enhanced by the ability to play the call recordings and point out where improvements could be made and how to leave the customer with a good impression of the company.

Results

The Telephone Score increased by 9% points over the year, nearly twice the overall industry benchmark gain of 5%.

Biggest gains were in the 'helpfulness' indicator of *Offered Directions* that rose by 30% and in *Offered Appointment* which increased from occurring just under 30% of the time during a call to nearly 60% of the time. Along with a 9% increase in the occurrence of *Data Taken* this has had a direct commercial impact on the sales – more people through the doors and more prospects on the database.

More data capture + More appointments = More sales



It's critical that we know what's hot and not to manage a sales system. More clients are turning to Proinsight to give them independent industry leading insight.

With an ever changing competitive landscape, it's the great service experiences that will set us apart.

This makes testing and measuring through mystery shopping crucial to brand success.

Paul Woodford
Director of Marketing and Partnerships
Alliance Leisure

FUTURE TRENDS

As we move from a product-led to a consumption-driven economy, customer experience rises in importance. Products are often too similar for consumers to differentiate between, and service levels can be copied. As such, these are now just hygiene factors i.e. they do not provide a competitive advantage. The competitive advantage is in the customer experience.

What is customer experience?

This can be hard to define and is context dependent, however research produced by Cranfield University* has produced a Customer Experience Model that can be visualised using the doughnut model opposite. Product lies at the core, and this is augmented by service. The outer layer is the least tangible and contains the 'emotional', 'social impact', 'relationship' type factors that combine to make up customer experience.

One example finding below shows the complexity of defining what to measure and how to measure it:

“...the attitude with which service is provided is as important as the objective service quality in driving a positive experience.”*

Top B2C Factors

The top factors weighted for frequency and weighted variability in the B2C environment in order of importance are:

1. Helpfulness
2. Value for Time
3. Customer Recognition
4. Promise Fulfilment
5. Problem Solving
6. Personalisation
7. Competence
8. Accessibility

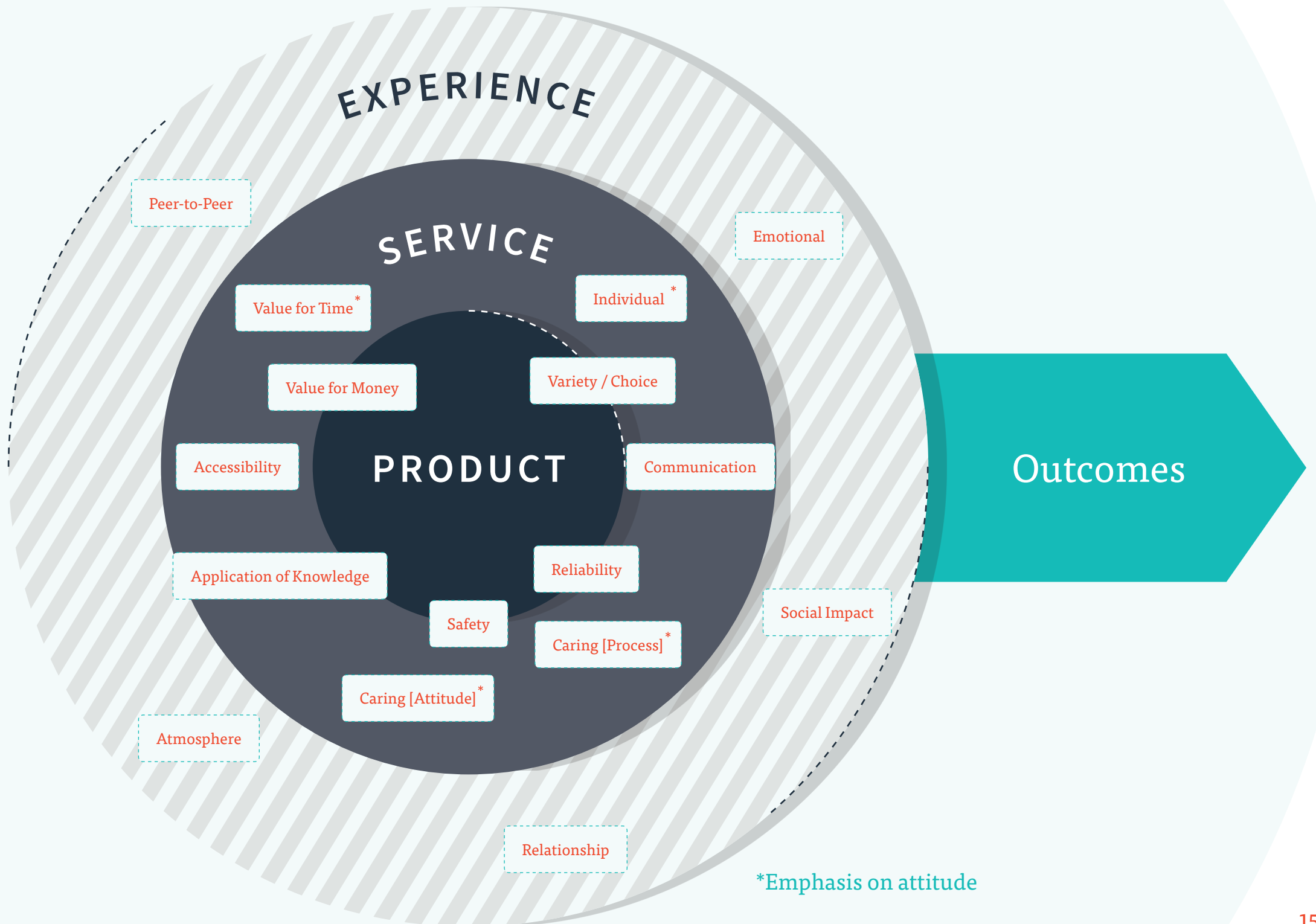
Although there are many other factors that influence customer experience these were the eight most important factors in driving customer experience. This provides a framework that leadership teams can work with to create a customer experience that gives their business a competitive advantage.

** “What makes a great customer experience” by Lemke, Wilson, Clarke*



Sector Differences

Supplier Condition



PRODUCT PAGE



Web Response

Measures speed, personalisation, customisation



Phone Call

Recording available immediately, measures promptness, positive impact, data capture



Sales

A Person to Person measurement (that can be videoed) that looks at all aspects of a sales tour and closing - plus *Follow-up*



Customer Journey

How is your customer experience after the sale has been made?



Group Exercise

How are you delivering the customer experience specifically through your class timetable?



Swim

Are you getting the swim experience right?



Kids Play

Is the commercial aspect being driven alongside the safety and enjoyment factors?

All of Proinsight products can be tailored to your specific needs. Email on info@proinsight.org to find out more about each product and how we can help you improve your customer experience.



We have now had a full round of surveys across the group which provided quality feedback, appreciated by both club and head office staff. This initial feedback has resulted in some front of house system changes which will improve staff efficiencies and overall customer satisfaction.

Steve Bradley
Operations Director
Fitness4Less Group Ltd

The Proinsight Team

David Hopkins	Managing Director
Oliver Matthews	Operations Director
Charlie Hunt	Client Services Manager
Silas Kawooya	Programme Coordinator
Abbey Samson	Programme Coordinator
Karen Lee	Programme Coordinator
Dani Martin	Quality Control
Rose Matthews	Quality Control
Liz Addison	Quality Control
Iveta Webster	Credit Control
Mhairi FitzPatrick	Executive Director
Andy Kay	Executive Director

Contact David on david.hopkins@proinsight.org to find out more about:



**MYSTERY SHOPPING
WITH CLOSED LOOP
ACTION PLANNING**



**PROINSIGHT
SMARTAUDIT**



RESEARCH



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