

PROINSIGHT™

Mystery Shopping & Consumer Research



BENCHMARK REPORT SALES

Annual Report 2019

Commercial insight for the leisure industry

OUR VALUES

PROINSIGHT™

CORE VALUES

we live by

FUN



*We have fun
making it happen.*

SPEED

*We focus on speed, responding
and engaging swiftly, without
compromising quality.*

QUALITY



*We are detail focused, and make
sure that our partners receive
only the highest quality insights.*

OWN IT



*We take ownership and do whatever
it takes to get the job done.*

PASSION



*We are passionate about
outstanding customer experiences.*

**TEAM
PLAYERS**



*We are one team and challenge
each other to be the best.*

FLEXIBILITY

*Nothing is too much trouble and we
always deliver on our promises.*

OUR KEYS TO SUCCESS

MESSAGE FROM DAVID HOPKINS

Welcome to the Proinsight **Benchmark Report 2019**, the only published report on sales effectiveness for the leisure industry.

Benchmarking your performance forms an important strand of navigating through the current fast changing leisure environment. An organisation's relationship with its customers is open to more scrutiny than ever before and how it handles that relationship when things go wrong can be a public issue. Sticking to your operating model is one way of managing the customer relationship positively.

We know that budget operators have shaken up the industry in the last seven years but now it is the boutique market's turn. Customer expectation is moving all the time, are your brand standards moving with them?

From this perspective you can see how having longitudinal performance data on operating model compliance from mystery shopping programmes allows deep dive into what the customer is actually

experiencing on front line and helps identify trends.

We are seeing more and more of our clients using benchmarking data at board level which is helping drive resource budgets and communication strategies. This report contains some inter-sector analysis that shows up where council run facilities have some work to do compared with private sector but there are also soft spots in the private sector scores.

As Proinsight grows into other business sectors we will be able to produce some comparisons between leisure and high value sales data such as phone purchase, car purchase and even house purchase – this is coming.

This year we've teamed up with MyCustomerLens to look specifically at the correlation between adherence to a sales

process (mystery shop score) and loyalty (Net Promotor Score – NPS), when you're reading this section ask yourself have I set the bar too low for my teams?

Enjoy the read and please contact me with any questions, I'd love to hear from you.



David Hopkins
Managing Director and Founder
of Proinsight Research Ltd



REPORT HIGHLIGHTS

Data has been gathered from over 1,000 locations around the UK that have been mystery shopped 6,000 times to provide over 84,000 metrics for analysis.

The **Digital Score was 67%** and measures the online response performance to a customer question. This was an improvement of 4% over last year and shows that two thirds of our client companies are hitting their brand standards for digital and one third are failing. **The soft spot remains actually answering the query;** the customer expectations for online communication can only move upwards and brand standards need to be revised to match this trend.

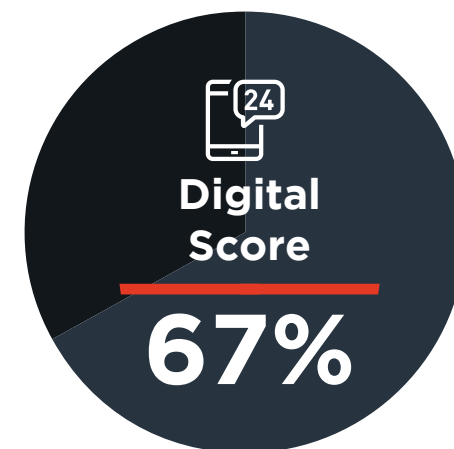
The **Telephone Score of 72%** was 4% up year on year. The score reflects the key skills required to make a positive connection with a customer over the phone and persuade them to visit. Making a positive impact with a customer is

important and being pleasant on answering (scored over 80%) and helpful on sign off (Offering Directions up 6% year on year) is the way to achieve that. The key commercial outcome of getting an appointment also improved 8% up over last year.

The **Face2Face of 67%** score reflects the strength of the person-to-person contact with the customer. The score was up marginally on last year by 2%, but there was a significant improvement in Follow up which is a great from the commercial point of view. There is still a training gap when it comes to listening to the customers' wants and needs, this metric is a disappointing **63% and sales people across the industry have got to switch down their desire to**

talk and switch up their desire to listen.

For the first time in the report there is a national breakdown for each benchmark score for the regions; Wales comes out well with top place for both Digital and F2F scores. London on the other hand is at the bottom for two of the three scores, Telephone and Digital. A monthly breakdown shows the sales process at its strongest in the traditional big sales months of January and September and it peaked in April. There is also micro-analysis on the F2F score across times slots during the day that shows a slight degradation of 3% in the evening time slot compared with morning and afternoon.



WHAT ARE WE MEASURING?

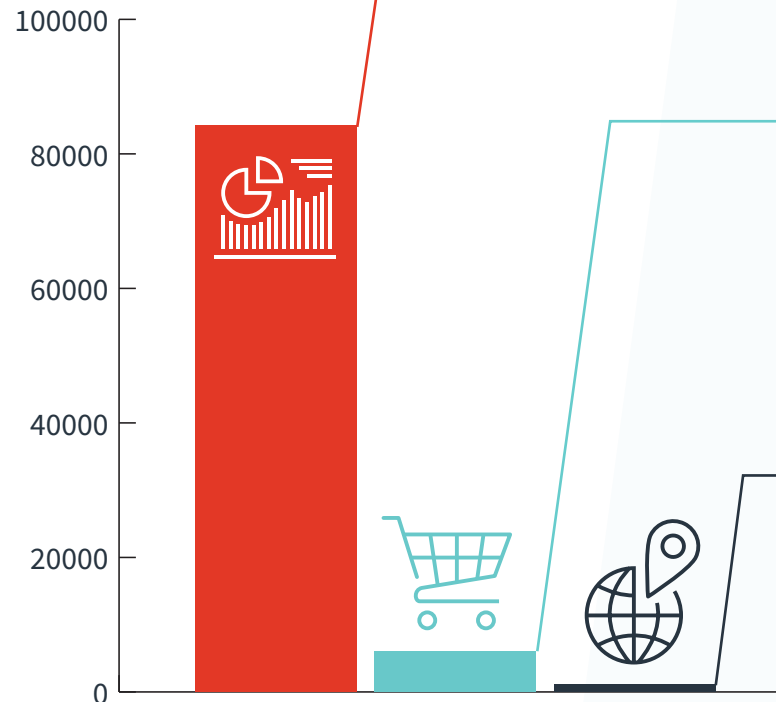
Proinsight is the industry leader in sales process analysis for the leisure sector. The metrics that make up each score are critical to achieving a successful commercial outcome with prospective consumers across three key sales communication channels

Our nationwide client base makes this report a comprehensive picture of sale performance up and down the country.

The channels under analysis are:

- Digital response looks at online communication and has 3 metrics
- Telephone is still an important communication tool for many prospective customers and has 6 metrics
- Face to Face is the walk in sales enquiry and has 8 metrics

The method of calculation for the Proinsight Benchmark Score has been changed slightly. The percentage score is the number of points scored out of the total points available in the mystery shop. Our database allows the prior year to be calculated this way so comparisons are like for like, despite the change in score calculation.



REPORT NUMBERS

NUMBER OF METRICS IN DATABASE

84,202

NUMBER OF MYSTERY SHOPS CARRIED OUT

6,061

NUMBER OF LOCATIONS INVOLVED ACROSS THE UK

1,141

SCORE DEFINITIONS



Digital Response.

The prospective customer wants:

Desired customer experience	Metric
A quick answer	Response Time
They are recognised as a person	Personalised
Their questions are answered	Enquiry Dealt With



Telephone Enquiry.

The listening customer wants to hear:

Desired customer experience	Metric
Their call is attended to quickly	Prompt Answer
There is a welcoming introduction	Positive Greeting
They are important	Data Taken
The call has an outcome for them	Offered Appointment
They feel cared for	Offered Directions
They leave the call feeling better	Positive Impact



Face 2 Face Walk in.

That person has to feel:

Desired customer experience	Metric
They are acknowledged when they arrive	Positive Welcome
They are important to you	Data Capture
That they will be listened to	Needs Analysis
They can see what is for sale suits them	Tour
That the sales person sees the whole person	Building Rapport
The transaction is clearly explained	Effective Price Presentation
That the business wants them	Asked to Join
That the organisation cares that they took time to enquire	Follow Up

DIGITAL CHANNEL BENCHMARK SCORE

The Digital Score improved over last year driven by a **quicker response time**.

The brand promise extended by organisations should be reflected in their digital channel and match their service delivery on the ground. Key elements include acknowledging an online enquiry promptly, using their name and dealing with their questions.

The results show that two of the elements are being hit in two thirds of the time. The weakest part of the digital response is actually answering the customer's question, which is only being done in just over half the online queries.

Companies should be asking "Are our brand guidelines for response time in line with current customer expectations?" Customers expect answers within an hour, are your brand guidelines as they were

5 years ago, stuck in the past? Have you moved with customer expectation? The personalisation of the response did not improve significantly which is disappointing; people expect to be addressed as an individual. One improved feature of the overall result over last year is that only a fraction of digital mystery shops scored absolute zero; 1% this year compared with 6% last year.

KEY TAKEAWAY



Train colleagues to pick on one key question and ensure that this forms the central part of any reply

**Proinsight Benchmark Score
for Digital 2018 is 67%**
Improvement over last year **+4%**



TELEPHONE CHANNEL BENCHMARK SCORE

The Telephone Score shows a marginal improvement over last year with the most improved metric being 'Offered Appointment'.

The telephone remains an easy to use and accessible way for a customer to find information quickly and on the move. The organisation can make or break their relationship with a potential (and actual) customer over the phone. The highest scoring metric for the last four years has been the Positive Greeting and this remains the case, despite a slip. Otherwise improvement across the board is good to see.

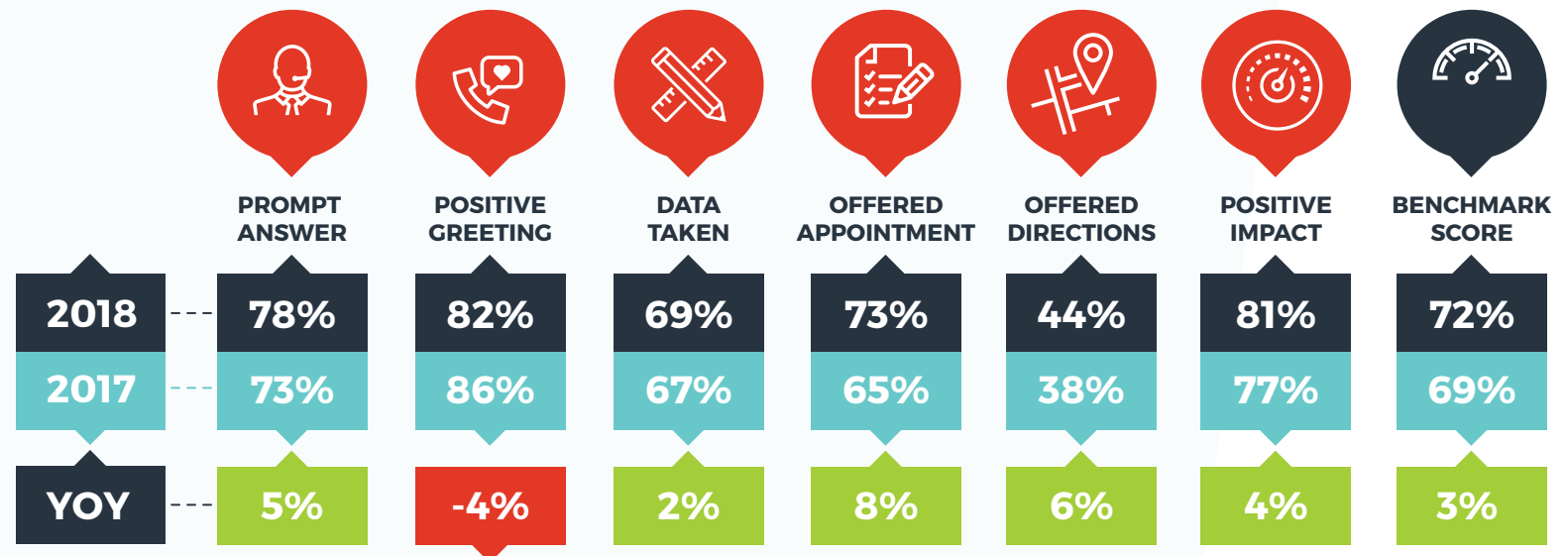
Proinsight Benchmark Score for Telephone 2018 is 72%
Improvement over last year +3%

The push towards achieving a positive outcome from a call is shown in the 8% increase in the Offered Appointment, alongside the increase in the 'helpfulness' aspect of Offered Directions, means that our client organisations are making a more positive impact during the telephone call. Small touches matter.

KEY TAKEAWAY



Colleagues should not feel it is an imposition to ask for name and contact number; it forms part of providing the best service



FACE2FACE BENCHMARK SCORE

Any personal interaction offers an opportunity to strengthen your customer relationship. If managed properly, it will improve the commercial outlook of the organisation. The welcoming atmosphere created by reception staff and the price presentation from the sales staff are consistently excellent scores; both of these metrics have been the highest scores since the inaugural report four years ago.

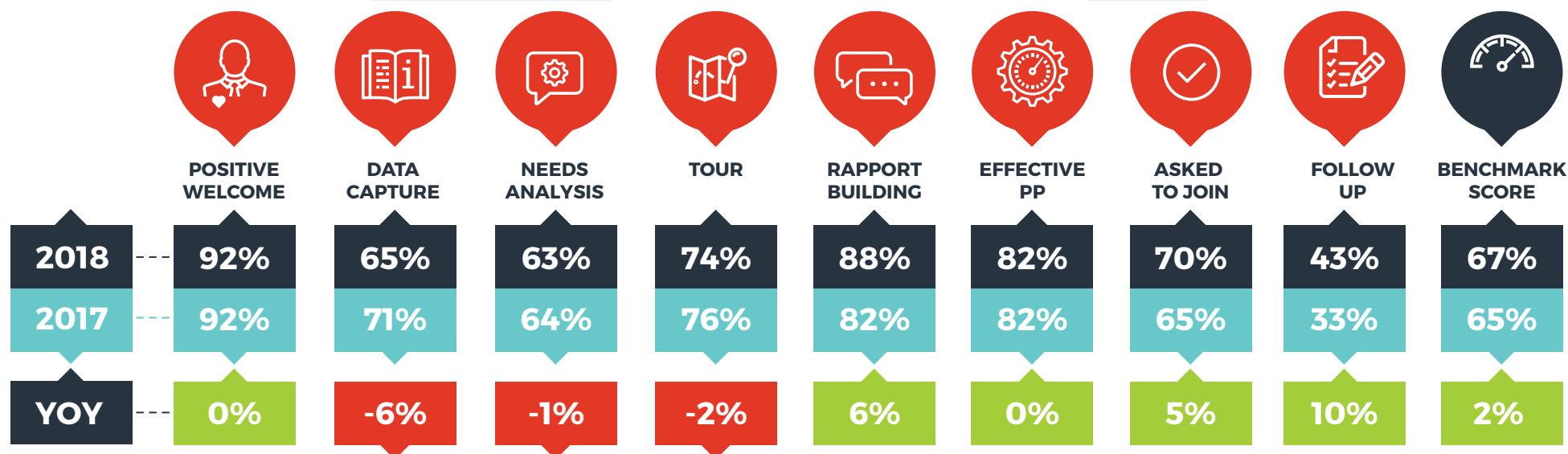
Proinsight Benchmark Score for Face2Face 2018 is 67%
Improvement over last year +2%

The highest mover year on year is the Follow up, 10% up and something clients have been working hard on over the last twelve months. A disappointing slip in Data Capture is starting to look like a trend; why are colleagues passing off the opportunity to take contact details? This may reflect a growing reliance on e-communications or not, but the opportunity to add to the database of prospects should always be taken.

KEY TAKEAWAY



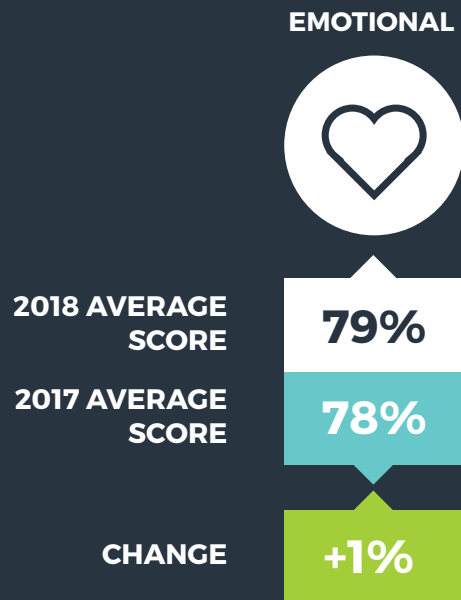
The Needs Analysis remains an area of concern, over a third of prospective customers do not feel they are being listened to. This is where colleagues must do more listening and less talking, asking open questions and probing for issues that the organisation has a solution for



EMOTIONAL VS. TECHNICAL

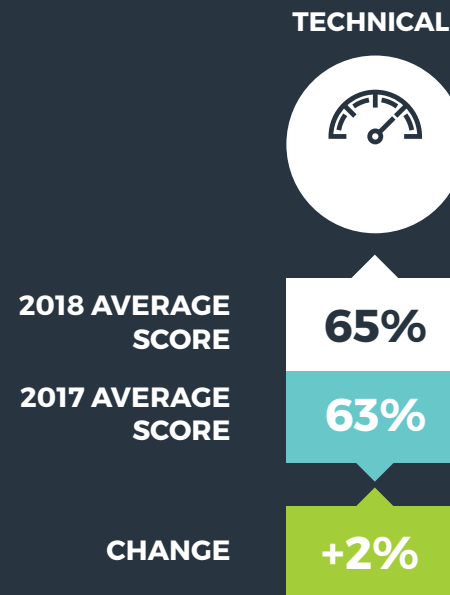
Within the selling process there is a contrasting tension in persuasion and closing; this tension is handled brilliantly by the best sales people but the rest of us can struggle a little. You have to make a persuasive case to the prospective customer that you are trustworthy; we call these the **Emotional Skills**. And you want to get money for something, you need to '**Close the Deal**', this is where the **Technical Skills** come into play.

Face2Face Emotional Skills are Positive Welcome, Needs Analysis, Tour and Rapport Building



No significant change in the average score for the softer, emotional skills but it would be great to see it move over the 80% mark next year.

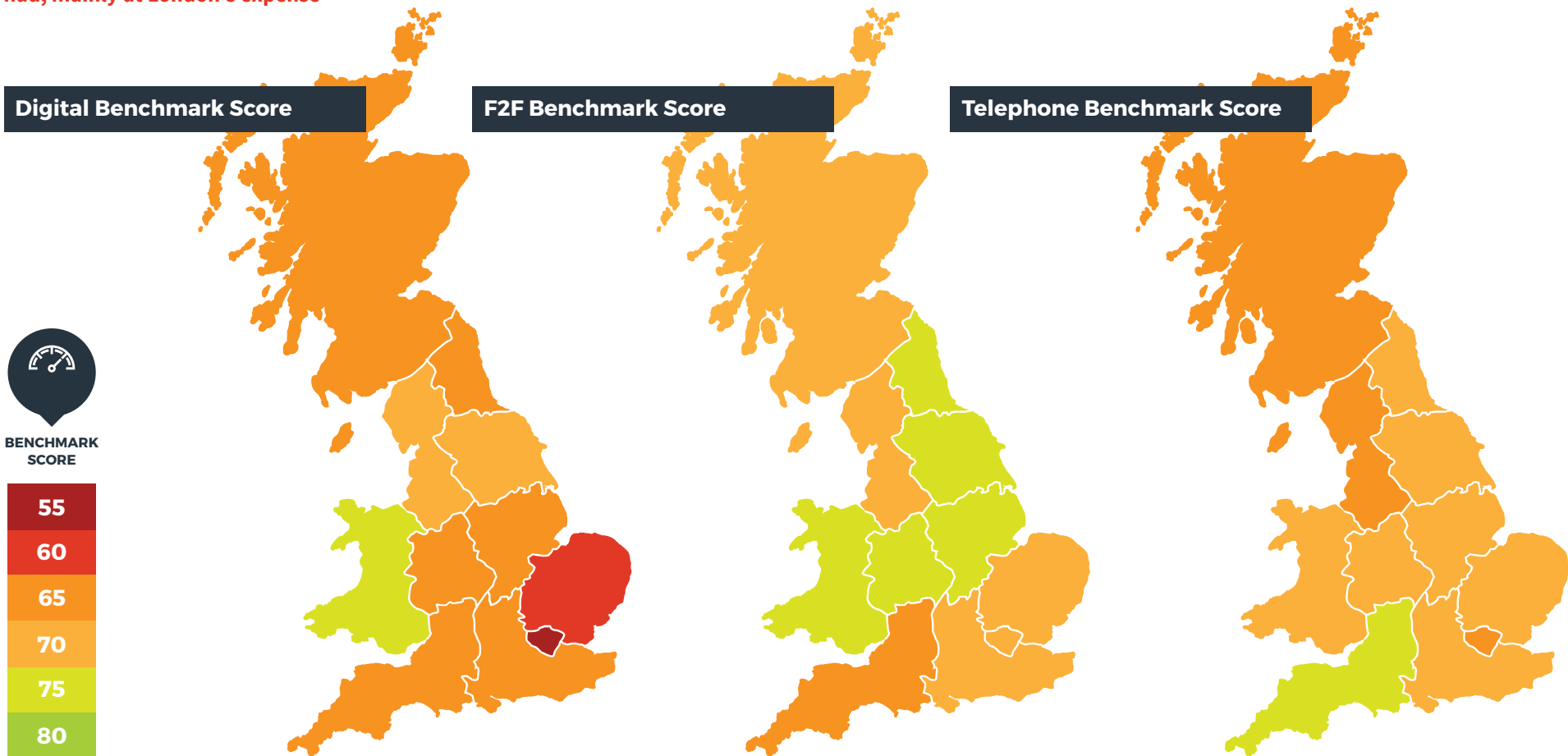
Face2Face Technical Skills are Data Capture, Price Presentation, Ask to Join, Follow up



The slight upwards movement in the Technical skills is something that clients have been working hard at. This has been drive by an improvement in 'Asked to Join' and 'Follow up', both of which are key to improving the acquisition of customers. However, this remains the weak side of the sales process for the leisure industry and one that requires constant training in how to confidently ask for business.

ACROSS THE COUNTRY

These heat maps are a fun way to look at how the performance changes across the country but it is really individual performances that matter so a bit of fun to be had, mainly at London's expense



SECTOR BREAKDOWN

DIGITAL

Sub Sector	Response Time	Personalised	Enquiry Dealt With	Benchmark Score
Private	73%	77%	57%	69%
Leisure Trust	65%	69%	57%	64%
Council	62%	69%	57%	64%
Education	74%	63%	60%	66%

DIGITAL

Pretty close scores across the sectors with Private just coming out on top. All need to work on giving the customer the answers that they want

TELEPHONE

Sub Sector	Prompt Answer	Positive Greeting	Data Taken	Offered Appointment	Offered Directions	Positive Impact	Benchmark Score
Private	92%	78%	71%	88%	47%	89%	78%
Leisure Trust	76%	84%	67%	69%	43%	78%	69%
Council	78%	85%	49%	61%	30%	82%	64%
Education	85%	70%	17%	42%	28%	78%	53%

TELEPHONE

Private sector tops the telephone score and some clear gaps in performance start to emerge. Commercially speaking the Council sector may need to look at taking names and numbers but they do make a positive impact due to friendliness

F2F

Sub Sector	Positive Welcome	Data Capture	Needs Analysis	Tour	Rapport Building	Effective Price Pres	Asked to Join	Follow up	Benchmark Score
Private	93%	59%	70%	84%	92%	79%	75%	58%	76%
Leisure Trust	93%	71%	60%	72%	82%	84%	63%	37%	70%
Council	89%	63%	54%	67%	72%	83%	58%	14%	63%
Education	76%	3%	24%	44%	44%	94%	47%	14%	44%

F2F

The Positive Impact made on the Telephone is not built on in the F2F. More listening required in Needs Analysis

TRENDS ACROSS TIME - SALES

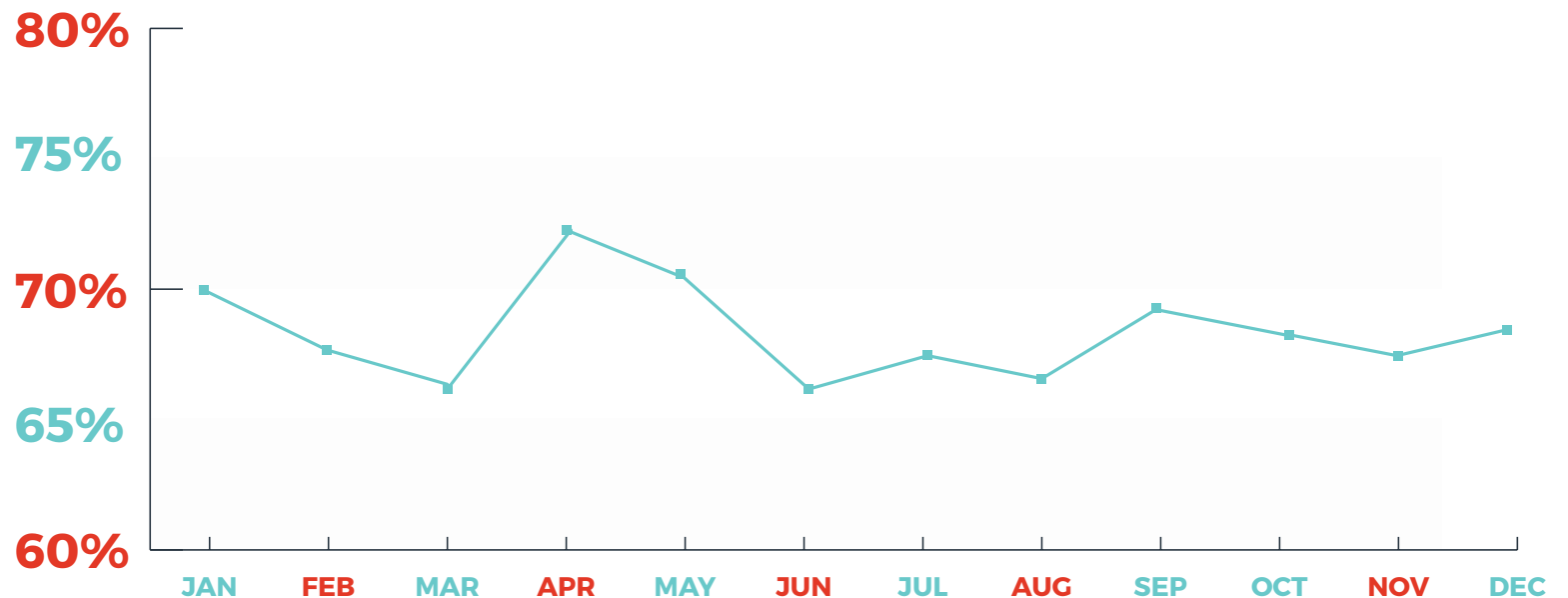
Sales process Score - Digital, Tel, F2F

Sales Process Strength

Here the combined scores are shown and predictably enough the top three months include January and September although the top month is April.

The low March score could be caused by specialist sales staff being on holiday after the hard toil of January and February.

Commercially the message here looks to be to plan for March to mitigate the predicted slump and try and maintain September momentum into October.



TRENDS ACROSS TIME – F2F SCORE

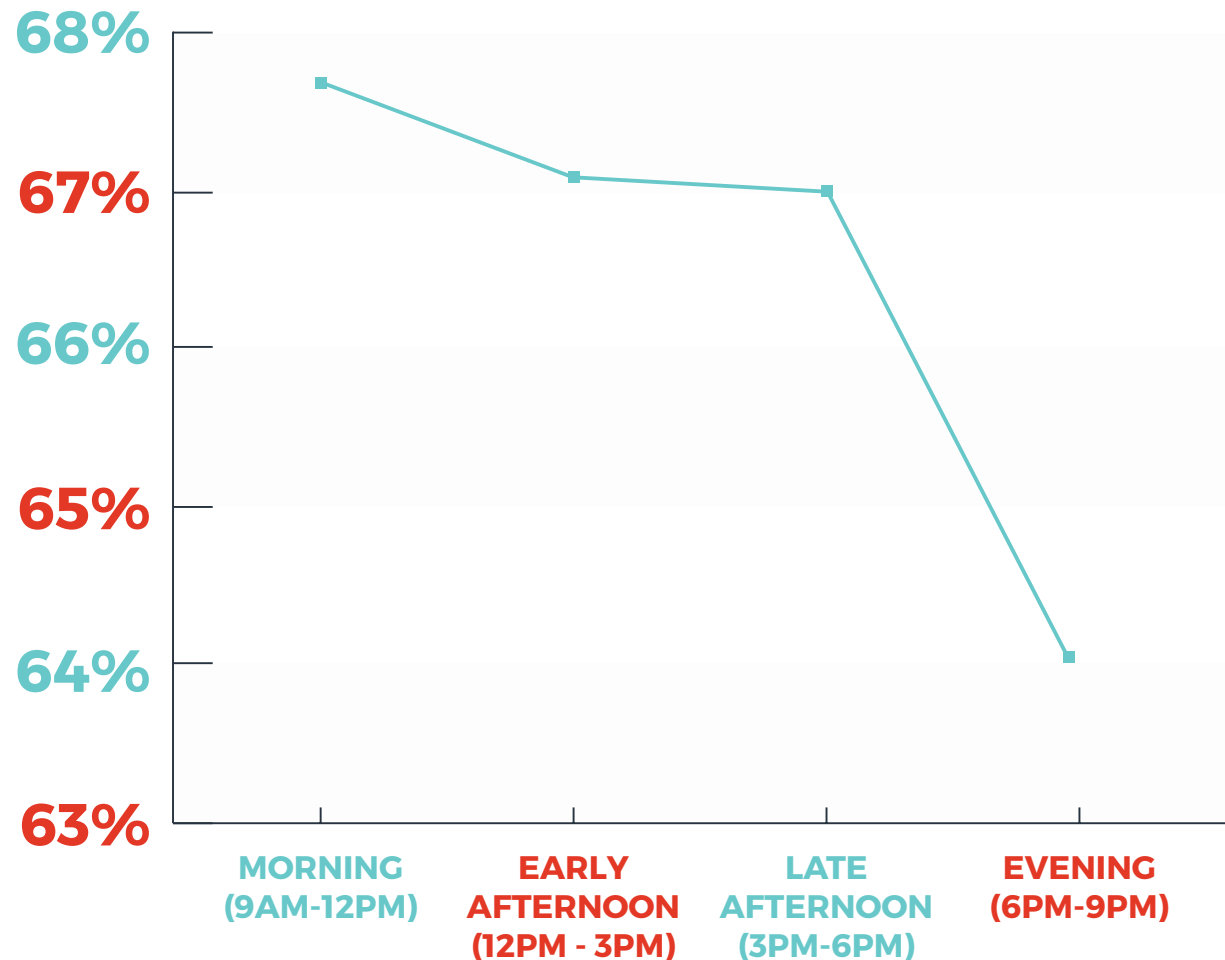
F2F Score Time Breakdown

F2F Score changes during the day

The F2F score is steady until the 6pm rush where it starts to weaken.

This may indicate a lack of resource or that the process lacks robustness under pressure. Tweaks to training or resource could positively affect the score which translates to more sales.

This is likely to be the time slot where your volume of walk-ins occurs so any incremental gains are commercially impactful.



CLIENT FEEDBACK



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



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

MYSTERY SHOP SCORES & NPS

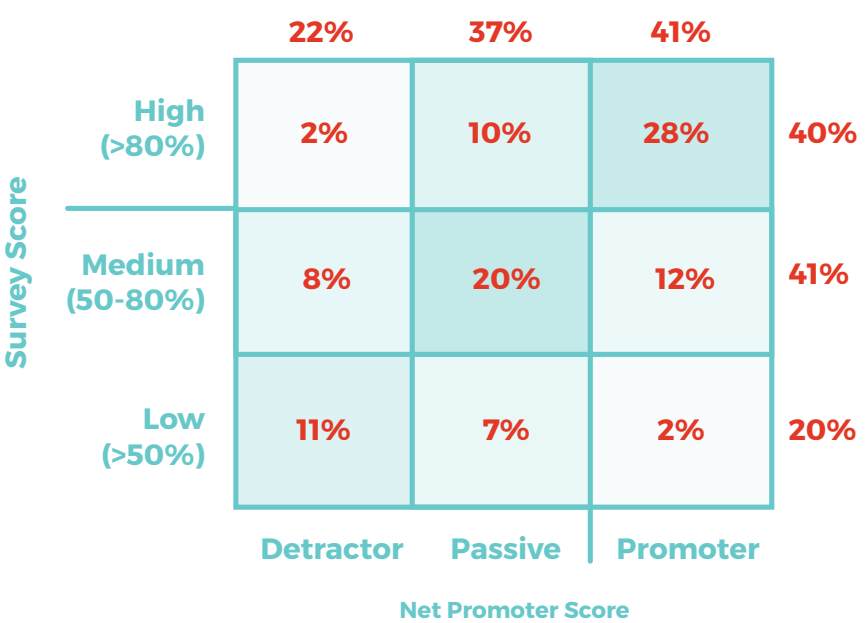
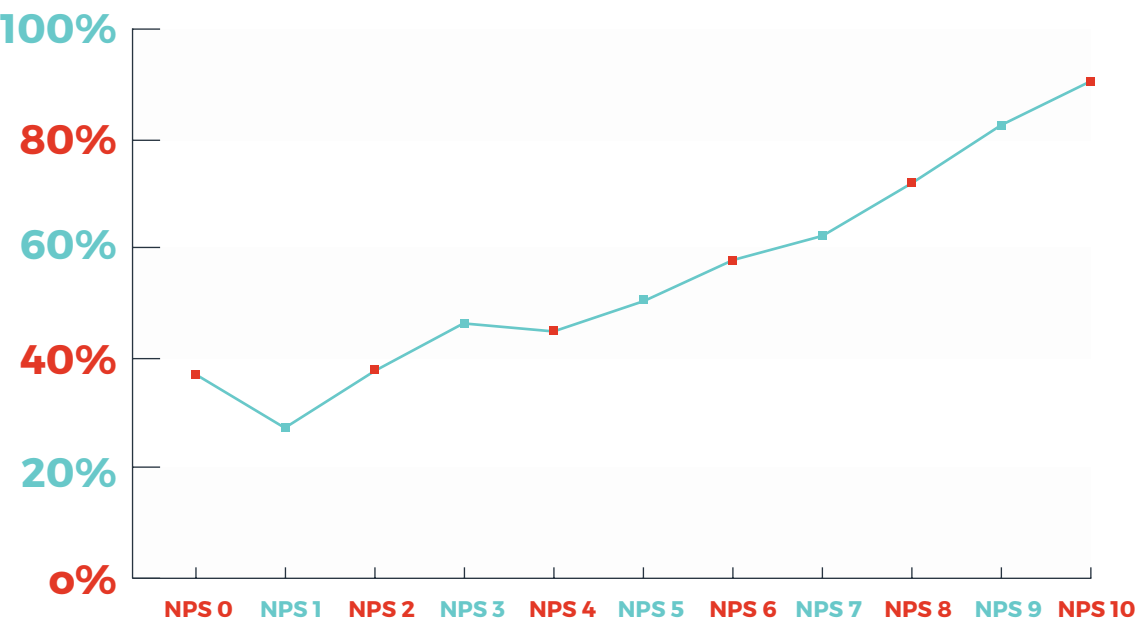
Through our partnership with MyCustomerLens we set out to establish if there is a direct correlation between mystery shop survey scores and Net Promoter Score (NPS) for the UK's Membership sales process ratings. Ideally demonstrating that good adherence to a sale process (mystery shop score) will start to drive consumer loyalty.

Using the same data sample expressed on page 5 , we established that when we asked the NPS question 28% of shops scoring a survey score above 80% were rated as a 9 or 10 on NPS, therefore deemed promoters, the most dominant cell in the first model below. Conversely those that had a shop score of under 50% had the largest proportion of scores from 0-6 on NPS, deemed detractor scores .

Interestingly most clients have their pass mark set to 75%, 5% short of the 80% threshold short of the 80% threshold which actually drive the promoters. If you are reading this speak with your Account Manager to make this simple change of score.

The second line graph shows a clear correlation between the mystery shop score and the NPS, in short, the higher the mystery shop score the greater the propensity to drive loyalty

Average Survey Score for each NPS rating

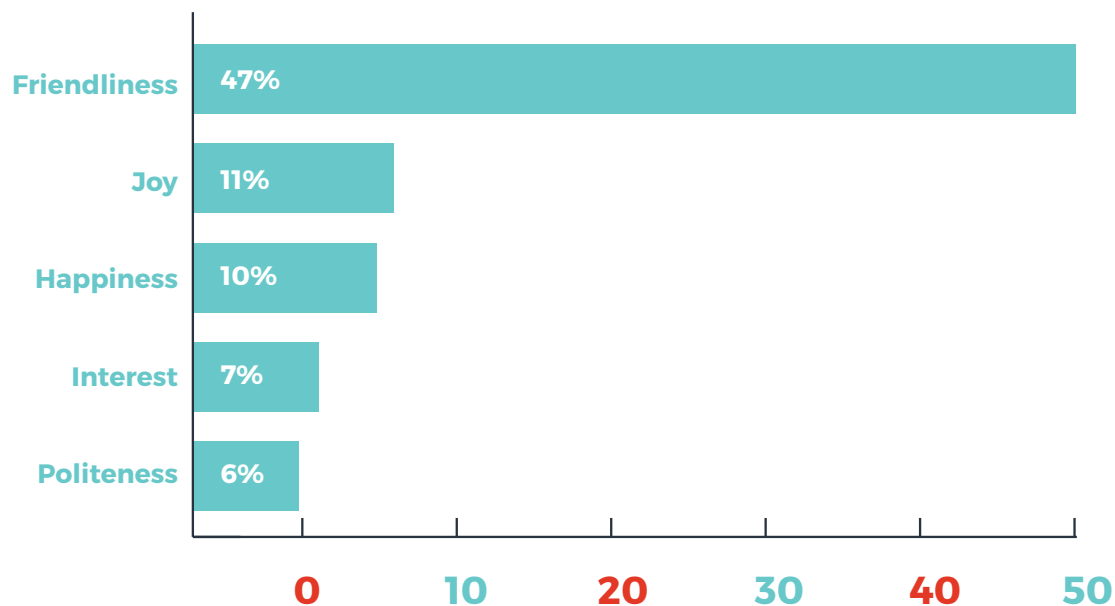


UNDERSTANDING THE EMOTIONS BEING CREATED

We wanted to drill a little deeper into the reasons why these promoters score the question the way they did and specifically looking at their emotional drivers. Friendliness is the most frequently mentioned emotion by mystery shoppers. In many cases, shoppers noted the positive friendliness of a staff member, even when the wider experience wasn't up to their expectations (NPS 6 or below).

Some emotions are expressed positively amongst promoters and negatively amongst detractors – notably the interest/disinterest and the presence/lack of politeness amongst staff. It suggests these are the key emotions influencing the customer's experience & NPS.

Dominant emotions in Promoter comments



Quotes from Mystery Shopper Promoters

"He was friendly, interested and genuinely cared about my requirements".

"I felt the tour was very personal to my needs and I could see myself joining this gym. In all, an excellent experience with highly professional and very friendly staff".

"She was polite enthusiastic throughout the tour and I truly felt she was focussed on trying to help me achieve my objectives in me joining".

"Lovely, polite and engaging staff that made me feel very welcome and were helpful and genuinely enthusiastic about the centre".

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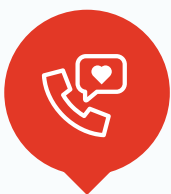


PRODUCT PAGE



DIGITAL CHANNEL

Measures speed, personalisation, customisation



PHONE CALL

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



SALES

Person to person measurement 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 your instructors measuring up to your brand?



SWIM

Are you getting the swim experience right?



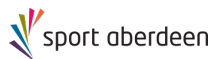
KIDS PLAY

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.

WHO WE WORK WITH



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**MYSTERY
SHOPPING
WITH CLOSED
LOOP ACTION
PLANNING**



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