



PROINSIGHTTM
Mystery Shopping & Consumer Research

PROINSIGHT SALES BENCHMARK REPORT

Commercial insight for the leisure industry | **2017**

IN OUR CLIENTS' WORDS



David and Proinsight brought real insight into the customer sales journey for Edinburgh Leisure – it was objective and because it could be benchmarked, it eliminated any distracting talk about whether the measure was right.

It enabled us to focus on what needed to improve and we've had great results in the first 2 years of using the mystery shops. Every lead counts when up against budget gyms and Proinsight have given us the direction and confidence to know what to now expect.

Thank you!

Jo Nola

Head of Marketing & Sales

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WHAT'S NEW IN 2017?

Since our first report in 2014 the Proinsight Sales Benchmark Report has become an important resource for commercially minded people within and outside the leisure industry. Our 2017 report presents insights from over 50,000 metrics collated from 800 locations drawn from leisure trusts, council facilities and private and charity sectors operating health and fitness facilities.

Our unrivalled in-house expertise in sales and our on-going work with some of the smartest people operating in the industry uniquely places us to provide quality data and insights.

'We want this report to raise questions about the strength and depth of sales skills across the industry:

Which sales skills are scoring strongly and which are weakening?

How is the **soft skillset** of sales professionals compared with last year and is it improving?

Is the technical skillset element getting better?

MESSAGE FROM DAVID HOPKINS

The year has passed in a blur of meeting new and longstanding clients, presenting at client management conferences, attending industry events and of course motivating my team to produce the best for you, our clients.

It is made clear to me every single day from the great people I work with in Pro and our clients, that quality is the most important aspect in mystery shopping. Our **total focus** is in producing top quality mystery shops as speedily as possible for you. We love innovating and working with clients to push the positive aspects of shop results forward.

This is one of the reasons that we take a pause to produce the Proinsight Benchmark Report.

This is our fourth annual report and we want to present the stats and measures that we consider important in helping to improve the commercial processes within our client organisations. As you will read there are some interesting results in the relative strengths and challenges in the current sales processes and what we need to tackle in each of the three sales channels covered in the report. I look forward to discussing the results with you and talking about solutions.



Your success is important to us.

David Hopkins

Managing Director and Founder
Proinsight Research Ltd

REPORT HIGHLIGHTS

The Proinsight Benchmark Score (PBS) for 2017 is 66.7%. This is an improvement over the 2016 score of 65.3% and was driven by increases in the individual benchmark scores for all three channels of Web, Telephone and Face 2 Face. This is great news and we congratulate our clients for working with focus to improve results.

The more detailed picture is one of building on strengths in the Face 2 Face prospect enquiry process while leaving some soft spots in the web benchmark metrics that need attention.

The results are drawn from 822 locations UK-wide, 4,361 individual mystery shopping surveys completed, delivering 53,617 metrics to analyse and interpret. The benchmark metrics across the three main channels of web, telephone and face to face tours, represent the best practice in progressing a prospect's enquiry towards closing a sale.

The Face2Face benchmark score of 67.4% was up on last year by 1.5%. F2F has 8 contributing metrics and the highest scoring metric is Positive Welcome at **91.2%**. This score range for this metric has been impressively high at 88% to 91% over the 4 years so it can be said, with confidence; there is a warm welcome for 9 out of 10 prospects. At the other end of the process is the Follow Up which posted 28.3%, so just under 3/4's of prospects do not receive a follow up. The follow up to the enquiry should be personalised and happen within either 24 or 48 hours of the enquiry. A consistently weak element, this has never scored above 35% in the last 4 years reporting. This means clients are missing a window of opportunity to persuade a prospect to spend their precious leisure pound with you.

Telephone is still an important channel for selling and how the call is handled should reflect the brand or culture of the organisation as much as a face to face visit. The Telephone PBS of 68.1% was up on last year by **1.8%** and 6 out of 7 metrics improved over last year. Top score of Positive Greeting at 87.4% echoes the above F2F score; the biggest improvement came from the lowest scoring metric with Offered Directions up **+4.5%** to **40.1%**. Helpfulness is a highly rated characteristic in B2C so small touches like this matter.

Web Response benchmark score of 61.2% is up **1.8%** over last year but remains the soft spot in sales benchmarking. About half of customers who enquire online do not get their specific query answered and only 2/3's get a response within 24 hours. This percentage can be as high as **90%** for brands like BMW. Personalisation did improve but more resource into either software, people or a combination of both looks required to move the needle in this aspect of online communication.

WHAT ARE THE METRICS IN EACH BENCHMARK SCORE?

Proinsight has specialist in-house sales expertise that has identified the best sales process and practice across three different channels to produce benchmarks in each one.

With 17 key metrics picked out across online, telephone and face to face sales enquiries this is the industry's most comprehensive look at how we sell to our prospective customers.

- Face to Face 8 has 8 metrics
- Telephone has 6 metrics
- Web Response has 3 metrics

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

These metrics are critical to achieving the most successful commercial outcomes with prospective consumers across that channel:

Web

Response Time / Personalised / Enquiry Dealt With

Telephone

Prompt Answer / Positive Greeting / Data Taken / Offered Appointment / Offered Directions / Positive Impact

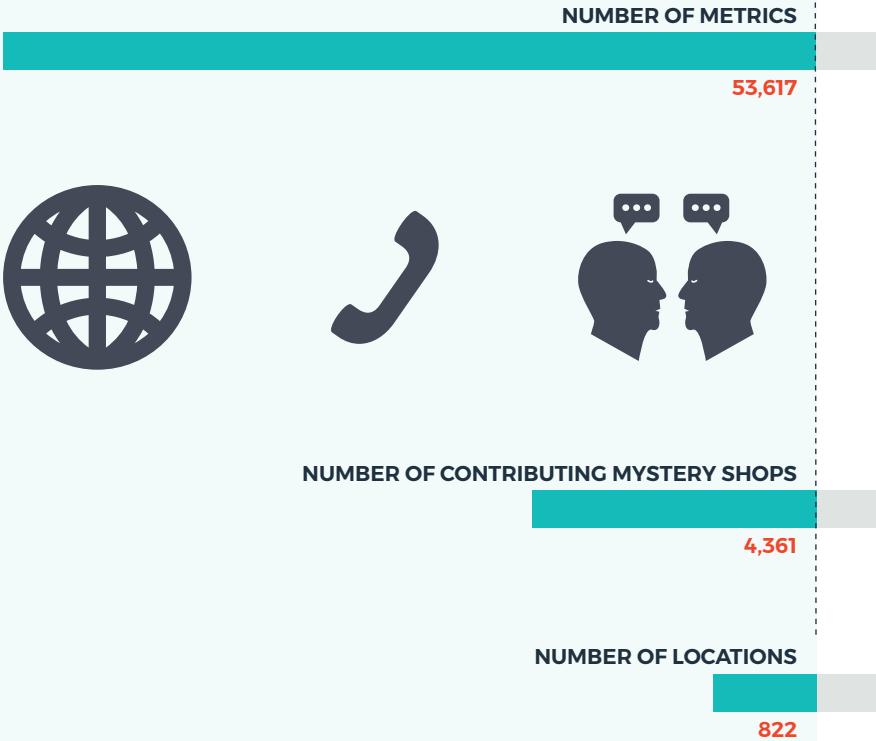
Face 2 Face

Positive Welcome / Data Capture / Needs Analysis/Tour / Rapport Building / Effective Price Presentation/ Asked to Join /Follow up

2017 NUMBERS

Metrics

Our score is built from data collated over a 12 month period across three channels:



FACE 2 FACE PBS

The top metric score in 2017, as with prior years, is Positive Welcome at over 90% once again.. This is something the health & fitness industry tends to get right on a consistent basis with great smiles and a welcome greeting. The next top two scores, both over 80%, are Rapport Building and Effective Price Presentation, demonstrating that the sales people can both engage on a personal level with the prospective customer, and are happy to present the price to join.

As the scores dip under 80%, the Tour comes in as the next highest at 76.2%; this score is usually hindered by the 'difficult to shift habit' of showing the customer all the facilities instead of concentrating on what they talked about in the Needs Analysis.

The next three scores of Needs Analysis, Data Capture and Asked to Join hover around the 60% mark. The Needs Analysis can be slightly rushed in favour of getting in with the Tour; Data Capture is often a gap in handover from reception to sales or simply attention to detail by sales. Asked to Join at just under 59% is demonstrating lack of commercial awareness that has

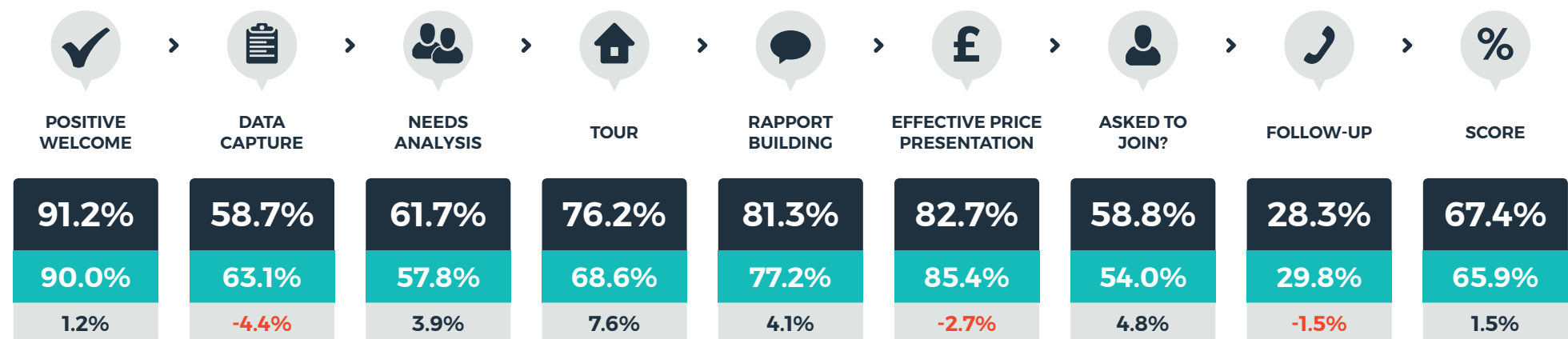
been consistently low in benchmarking terms over the years, meaning that 4 out of 10 people do not get asked for the business.

The other two weakening metrics, from a year on year perspective, are Data Capture and Effective Price Presentation. The Price Presentation metric is over 80% so the damage to the sales process from this metric is somewhat less than the Data Capture drop to 58%, which demonstrates that over a 1/3 of prospects are leaving forever unknown to the business. This represents a massive opportunity to improve the sales process and so the overall business performance.

Bringing up last place at just under 30% is Follow up; this is the targeted follow up that should happen within 24 or 48 hours of the enquiry to maximise chances of a sale. Not to be mistaken with the generic and often annoying mass follow ups beloved of our industry as organisations get close to month end. The lack of Data Capture compounds this issue but the score has been weak since benchmarking started 4 years ago and is falling further with a 1.5% drop over last year.

Example of detail contained in an actual Mystery Shop. Names have been changed to protect privacy.

"I was greeted cheerfully at reception by the member of the sales team. She was smart and well presented, but had no name badge visible. I was asked if I had seen the gym and I was offered a tour immediately. I found Clare very pleasant and friendly to chat to and she engaged well and built a rapport readily. Clare did not ask specific questions about my needs, other than questions about what I wanted to do at the centre and when I was likely to visit. I would have liked to talk more specifically to her about my goals and motivations."



TELEPHONE PBS

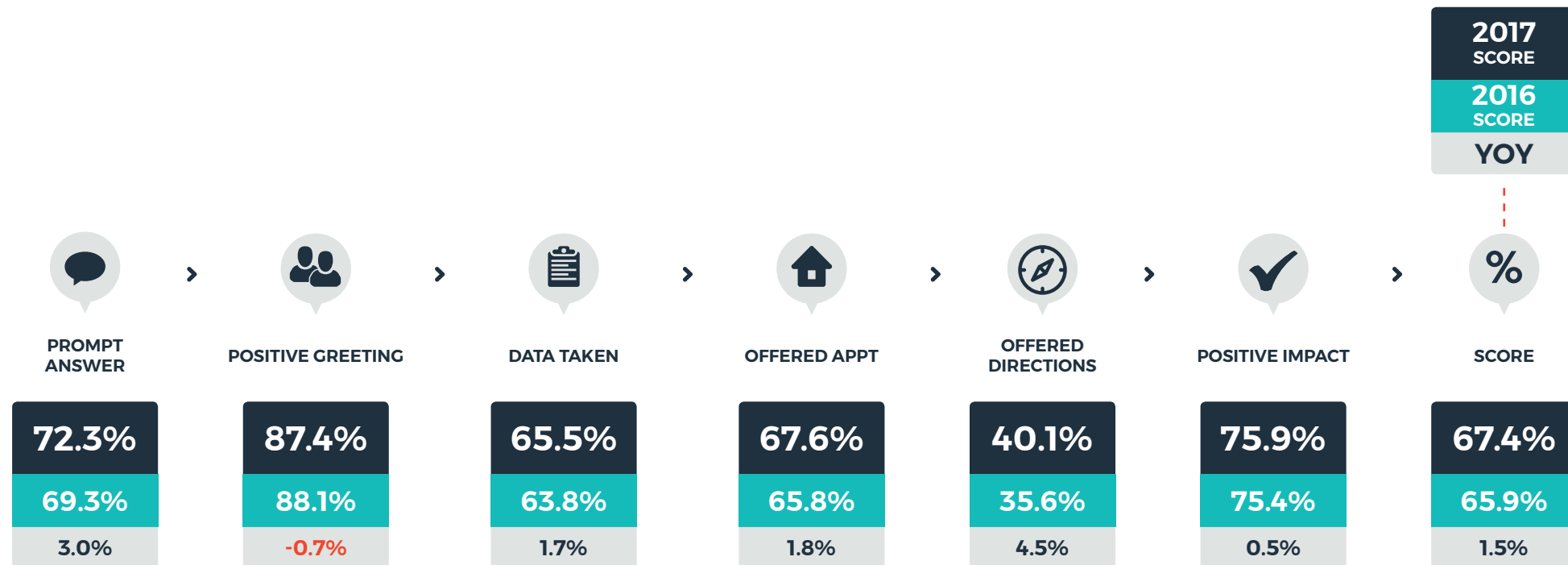
The Telephone PBS did improve year on year by making small gains across all the metrics. The only exception to this was the Positive Greeting score but this was a small movement down in the highest scoring individual metric.

Good to see that organisations have become quicker to answer and that taking names and contact numbers has improved. Still a third of potential customers are putting the phone down without giving any contact details, a wasted opportunity to make sure that customers attend any offered appointments.

The telephone is still an important sales tool and the handling of a prospect should not only follow the organisations processes but the tone, pacing and inflection of the voice used to convince the prospect that they should come and visit, should reflect the brand values.

Example of detail contained in an actual Mystery Shop. Names have been changed to protect privacy.

“Louise was very nice and clear during the call. She asked how she could help and what the membership was for. I told her it was for classes mainly as this was what I like most. Louise asked me if I have ever been to the centre before and invited me for a tour of the facilities so that she could show me around and go through the membership options. She asked if I was able to come in at the weekend between 10 am and 5 pm and we scheduled it for Saturday at 11 am. Louise confirmed the appointment and ended the call pleasantly.”



WEB RESPONSE PBS

The Web PBS tends to be the weakest of the three channels in terms of performance against standards set. It is not clear why this is the case as the online experience should match the offline experience.

Speed of response is critical in online and the standard of 24 hours is met 2/3's of the time but that leaves a lot of prospects waiting more than 24 hours for a response to their query. The stand out result is that the detail of the enquiry is not dealt with in half of all enquiries made to the locations and this has remained stubbornly low.

Just over 200 locations did not manage to hit one metric – so the person enquiring about membership gets a slow response that was not personalised and the content of which did not address the prospective customer's questions.

Consideration could be given to having a specialist online responder that deals with all the incoming queries with a brand standard feel to the greeting and sign off but can ensure the content of each query is addressed so adding that crucial customisation element to the process.

Example of detail contained in an actual Mystery Shop. Names have been changed to protect privacy.

“The email from Tom started off by thanking me for my enquiry and using my name in the opening line. There was a very positive opener in the email, by hoping I had a fantastic weekend, which was very positive and set the tone for the email.

I was given the specific rates for the centre in each membership category, which was a little confusing. It was great to see that the early morning swimming was confirmed, and there was a call to action to contact the centre should I have the need for further information along with an offer of an appointment. I do feel that the appointment setting could have been stronger, with some specific days and times listed, to increase the chance of me showing up for the appointment.”



EMOTIONAL VS. TECHNICAL

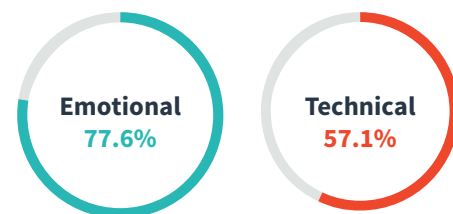
Defining Selling:

“Give or handover (something) in exchange for money”
Or “Persuade someone of the merits of”

Within the definition we see the dichotomy of selling – you want to get money for something - **hard skills** - but you do have to make a convincing case that it is worth it - **soft skills**.

The ‘emotional’ metrics of Positive Welcome, Needs Analysis, Tour and Rapport Building are defined as the softer skills where personality, listening skills, body language, passion for both product and people are more to the fore. The ‘technical’ side of selling is captured in the metrics of Data Capture, Effective Price Presentation, Asked to Join and Follow up. These are the hard skills of selling such as collecting details, putting prices in front and asking for the business.

If the emotional and technical metrics are averaged and set against each other this is the result:



This shows a huge difference between the different sides of selling of just over **20%**. What does this tell us?

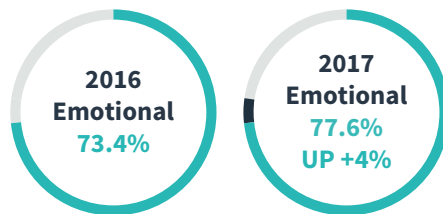
That sales people in health & fitness love to talk about the fun side of what is on offer and how it can help the individual achieve what they want BUT when it comes to asking for the business that same sales person falters. The Follow up could be a resource issue but is also affected by the Data Capture score of course, No name and no number then no follow up.

EMOTIONAL VS. TECHNICAL

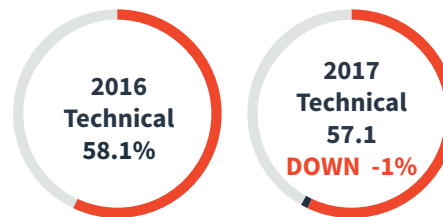
YEAR ON YEAR

How does the comparison work when looked at in terms of movement over last year?

The sales person cohort continues to strengthen on the emotional side of selling with Tour 7% up, and both Rapport Building and Needs Analysis rising by c. 4%



Let's look at the technical elements year on year:



A 1% drop in the technical side was caused by a drop in 3 out of the 4 elements with only Asked to Join rising by c. 5% as a lone bit of good news. The rise in Asked to Join was helped by our clients working on this element that was highlighted in last year's report by calculating the direct loss in income that not asking the prospect for the business causes, so it is good to see this particular metric increase.

The industry shows strength in **persuasion** but relative weakness in **money exchange**.

Is this related to how selling is coached into people in the industry?

Do organisations need to refine the way they train people to ask for business by helping the sales people couch this element in more emotional language so playing to strengths? This report can raise the questions and awareness about structural weaknesses in selling processes across the industry but we need to work together to tackle them and improve our industry's ability to compete for and win in the leisure spend competition.

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.

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MYSTERY SHOPPING
WITH CLOSED LOOP
ACTION PLANNING



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SMARTAUDIT



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