

Using Point of Sale to Better
Understand Your Business

DO
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KNOW

the Lifetime Value
of Your Members?



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And You Can Use it to Drive Revenue!

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Do you ever wish you had a secret stash of fairy dust that you could dip into to magically make things easier, faster, more efficient, streamlined, and better integrated?

What if you could use that magical dust to see into the minds of your most high-performing members? With that insight, you could get to know your ideal client better, foster more meaningful relationships, and boost revenue too.

Believe it or not, you have the power to do all of this — and it's right at your fingertips. You just may not be using it.

Where is the magic, you ask? It's all in your ASF point of sale (POS) system.

A POS system is more than just payment processing. A powerful POS system can also provide critical insight into your members, their behaviors, their lifetime value, and more — information that can be used to significantly move the needle on both retention and revenue.

Let's explore how your POS system can help enhance your business, boost member retention and revenue, and deliver a better customer experience.


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Getting to Know Your Members and Better Understand Their Lifetime Value

Data can seem remote until you remember that each little piece tells part of a bigger story. A great metric to start with is Customer Lifetime Value (CLTV). According to HubSpot, CLTV is “the metric that indicates the total revenue a business can reasonably expect from a single customer account.”

For example, you can use CLTV to identify which customer segments are the most valuable to your business. Let's say Kate signed up two years ago with the **Auto 12 Package** (12 visits per month for \$120 per month). She comes in for spin class, without fail, exactly 12 times a month. After every visit, like clockwork, Kate purchases a Peanut Butter Protein Blaster Smoothie.

Although there are many complex ways to calculate CLTV, we'll use a simplified calculation based on Kate's annual revenue multiplied by the average lifetime of the customer.



Annual membership dues: \$1,440
Secondary Spend (smoothies): \$750
Membership length: 2 years
Annual value: \$2,190
LTV: \$2,190 X 2 = \$4,380

Kate doesn't seem to need much prodding to attend regularly, and she seems to be a satisfied member. But has anyone approached Kate to see if she would like to try some other classes? In fact, maybe Kate would be willing to increase her package to an Unlimited Monthly for \$150 per month/\$1,800 per year, which would result in additional revenue of \$360 per year. Perhaps Kate would also like an electrolyte drink (\$750 per year) to up her game in spin class or a massage once a month from the spa (\$1,200 per year).

Now, with minimal effort, **Kate's LTV has increased to \$9,000.**

YOUR
MEMBERS

There are few metrics more important than CLTV. Consider the following benefits of having a deeper understanding of your members' LTV:

Identify Missed Opportunities to Generate More Revenue

If you can increase CLTV, you can increase your revenue. Not only that, if customers feel attended to, noticed, maybe spoiled a bit, that goes a long way to building loyalty. For example, what if Kate's smoothie is waiting for her at the counter as she leaves spin class so she can grab it and go? If we understand our members' behaviors, we can implement meaningful changes to enhance experiences and increase retention.

On the flipside, members with low LTV may just need a little love. The right offers and messaging can nudge them along. Once you've identified these low-LTV members, you can work to provide them with more attention, take note of their interests and trends, and better align with their needs and expectations.

"All of this is right at your fingertips," says ASF Software Implementation Manager Mitch Smith. "If used strategically, your ASF POS system is the gateway to recognizing and understanding member trends, member engagement, and member spend so that you can make the right decisions and pivots for your business."

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Mitch Smith

ASF Software Implementation Manager

Retain Members by Leveraging Secondary Spend

If your retail sales process is attractive and efficient, that should translate to more sales, or secondary spend. More importantly, members who invest more — of themselves and their money — at your facility will likely remain members longer (and continue to spend).

Another trend that could help move the needle is the movement of fitness into the wellness space. Your members are focused on their overall wellness more than ever before. According to an [article on Today.com](#), "Restorative fitness genres — yoga, Pilates and barre — took the majority of the slots in the top five most popular digital workouts this year (and meditation and stretching made it into the top 10), as members called for ways to manage pandemic stress." Offer them solutions to enhance their wellness, and you have a win.

Gain Intel to Increase Your Success

Understanding what makes your loyal customers tick can give you a lot to go on when it comes to growing. Here are some examples of how customer intelligence can help grow your business and boost revenue:

1. Once you know what works, you can replicate it with other members.
2. The more you nurture your brand's relationship with your most loyal members, the more you can increase their LTV.
3. If you understand your members and what they need, they'll be happier and share their experiences with friends and family. According to a report by Convince & Convert, 83% of people are more likely to make a purchase based on a verbal recommendation from a friend or family member.

In short, if you don't fully understand your members, you could leave thousands of missed opportunities and dollars on the table every year.

Track Club Revenue to Better Understand Your Business

TRACK

Your POS system can help you gain quick insight into your business by tracking club revenue more effectively. For example, if 80% of your revenue is coming in from 20% of your members, you need to find ways to diversify and flatten that curve. If 75% of your water bottle revenue is coming from the pink one, you can automate the adjustment of your next order, and/or you can put the blue water bottle on sale.

With your ASF POS system, you can spot dips, peaks, and trends quickly to get on top of them. Here are just a few additional benefits:

Equip Your Staff to Sell More

Incentivize your staff to make more sales with commissions, spiffs, and more. Give them the tools to make the sale easy, and they will make you more money. This one doesn't even need fairy dust — it's that straightforward.

When your staff is creatively engaged and continually providing members with ways to enhance their workouts and their experiences, your members will feel pampered. It's the staff member who notices that Jenny forgot her towel for hot yoga and can offer her a new one. It's Bridget at the front desk who sees Tom come in every day with a room temperature bottle of water that's spilling all over and offers him a large, clean, insulated, no-spill water bottle. Members will see these efforts as the staff getting to know them and assisting them, staff will see the commission, and the business will see a larger profit overall.

Make Everyone's Life Easier

No more toggling between software! Everything you need is fully integrated, which speeds up daily processes for you and your staff.

For example, if Kayla is selling a power bar to Jared, but he realizes he left his wallet in the car, Kayla can pause the transaction and move onto the next person in line. Then, once Jared comes back, Kayla can pull his transaction back up quickly and easily without skipping a beat.

In short, your POS system brings a new level of efficiency to your front desk that makes your club more professional, more efficient, and more helpful. You can also say goodbye to the days of manually counting inventory and placing more orders from your many different vendors. Let the system handle it!

Debunking Three Common POS System Myths

MYTHS

POS systems are often misunderstood. Let's clear up some common misconceptions.

Misconception 1: Square Is Really All I Need to Process Retail Sales Payments

Reality: The truth is, there are many things that Square can't do, including:

- Provide you with member information or data or learnings
- Fully integrate with other software programs
- Load gift cards
- Pause orders
- Require staff to "balance" the drawer

The ASF POS system does all of these things and more.



Misconception 2: Square Is Less Expensive

Reality: The ASF transaction fee is cheaper than Square.

- **Square:** 2.6% + \$0.10 per transaction
- **ASF:** 2.5% + \$0.10 per transaction

Why pay more when your POS system already features integrated payment processing?

Misconception 3: POS is Daunting and Time Consuming to Implement and Run

Reality: With the ASF team ready to support you, you can take this concern right off the table. The implementation team at ASF will do all of the heavy lifting of implementation work for you so you can focus on what matters most: running your business.

"We understand fully that change is tough and that implementing a new system can seem overwhelming and distracting," says Mitch. "We take it completely off of your plate. We'll get you fully set up and wholly trained and our team is always a phone call away."

Get Started: Put Your POS System to Work for You

Fitness club management is tough, and we understand how important it is to simplify and strengthen your processes. If you are not fully leaning on your POS system, you truly do have a stash of fairy dust at your fingertips. Don't let substantial opportunities to enhance your efficiencies and your bottom line slip away. Let your POS system be the hardest working member of your team today.



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