

CLUB INDUSTRY

COMMERCIAL CLUBS

Bright Spot: MADabolic Shifts to Equipment Rentals, Online Offerings During COVID-19 Shutdown

4/26/2020 5:49 pm | By Finley Funsten, co-owner and general manager, MADabolic Charlotte



Photo courtesy MADabolic., Finley Funsten (pictured), co-owner and general manager of MADabolic Charlotte, and her partners, Brandon Cullen and Kirk DeWaele, decided to weather the coronavirus pandemic and supplement revenue by offering members online classes and the option to rent equipment from the studio.

We held out as long as we could before temporarily closing the doors of our two locations in Charlotte, North Carolina, on March 18. That's the day that the city of Charlotte mandated that all non-essential businesses (including fitness centers) close their doors. We had to say a temporary goodbye to our 500 monthly members, as well as our class pack users and corporate partnership users, which means altogether a temporary goodbye to 750 to 800 unique visitors per month across both locations.

Once we closed, we had to decide how we could continue to support our members as well as how to generate revenue so we could continue to pay our full-time staff members. So, we decided to rent out our equipment starting March 23.

After the mandated closure, we opened the gym across two days for a two-hour rental pickup. We only allowed one person at a time on the training floor with one staff person so we could minimize contact and exposure. To reduce physical contact during this process, our team provided each member with sanitation wipes so they could select the materials they wanted to rent. After each person walked through the gym and picked out his or her materials, our team did a walk-through sanitization of all remaining equipment that the previous member may have touched before the next person was allowed to enter.

We asked members to sign a rental agreement either on-site when they picked up the equipment or digitally prior to picking up the equipment. We structured the rental to deliver more revenue upfront with a one-time fee. Half of the fee is for usage and the other half is a deposit. So, assuming the equipment is returned without damage, the renter will get half of it back upon timely return. However, if it isn't returned on time, we will retain the deposit portion. And if it is returned with damage, the renter is liable for 100 percent of the retail value (which may exceed the deposit portion).

We've rented out a fair amount of our equipment. Our kettlebells are the biggest hit, followed by our Concept2 cardio machines. We have a wide range of weights, so clients have selected those that fit with their training and strength capacity, which they can use to effectively strength train at home using the virtual training membership that our team is designing exclusively for members.

The equipment rental was fairly simple to initiate. But due to the stay-at-home mandate that followed about a week after our doors closed, it's harder to conduct in-person transactions to further bolster rental revenue, so we're glad we jumped on it when we could.

The equipment rentals were done on a one-off basis and were arranged through social media and email channels. We have an engaged following on Instagram, so word spread quickly among our members, all of whom were receptive to the established rules.

Despite the lack of face-to-face interactions, we've continued to talk to our membership base to fortify the strong culture we've built within our strength-driven interval training gym. The group format has laid the foundation for strong bonds to form between our customer base and our team.

And we're doing everything in our power to help recreate the MADabolic experience for them remotely during this time using our virtual training membership. Through social media, we've been sharing and reposting content that members have sent us of them using the equipment and engaging in our virtual workouts. We have also been hosting Q&As, have made ourselves available to listen to feedback and are constantly sharing client successes and progress.

Our monthly membership options are the most popular – we offer a 12-month unlimited and three-month unlimited. Also, we offer the option to purchase sessions singularly or in bulk. However, since we've shifted to our virtual training membership, monthly members gain unlimited access to the virtual program with their membership fee while non-monthly members have the option to enroll in a weekly membership to gain the same unlimited access. The weekly membership closely lines up with the respective market's monthly membership pricing.

Any challenges will likely be on the flip side when it comes time for people to return the rented equipment. It's hard to guess whether the materials will come back late, if they will come back damaged or if they will come back at all. But with the deposit built in to the rental fee and the signed agreements in place, our team will be covered if there are any issues with the rentals.

We're really glad we jumped on the opportunity to rent our equipment out, as it has played a significant role in staying engaged with our members and allowing them to continue their programs at home, albeit with a few modifications.