Listen360

The Customer-first Theory Behind the Orange

HEALTH AND FITNESS ARTICLE

Even over the phone, Paul Reuter's energy is contagious. The Senior VP of Operations has the sort of upbeat attitude and enthusiasm one would expect to find in the exercise sector of the Health and Wellness world, but the methodology he now preaches at Orangetheory Fitness is anything but typical. What secret could Reuter have found to elevate his brand in the seemingly saturated world of fitness franchises? For Orangetheory, that was the $1billion question.

That's right. With a "b." The rapidly growing frontrunner of fitness to hit $1 billion in revenue and over 1,300 locations in 2019. All this in only 9 years since its conception. With this explosive growth rate and exciting new agreements to start developing studios in the UK, Orangetheory earned the #1 spot on *Franchise Time's* Fast & Serious list in 2017. So, what sort of regimen does it take to see these impressive gains? Reuter recognizes that, in an industry driven by memberships, customer feedback is key.

Orangetheory's goal is very clear. "To deliver proven fitness results for a healthier world, that's our mission," Reuter says, "and we can't do that if we don't listen to the voice of our consumer." He is a firm believer that happy customers and positive word of mouth lead to healthy, sustainable growth - the kind of growth Orangetheory has enjoyed over the past several years. It takes much more than a nice sentiment and a verbal commitment to ensure customer loyalty, though.

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Orangetheory has implemented meticulously monitored metrics, rigorous service standards, and consistent accountability over the years to ensure customers continue to sing its praises en masse. The name of the game, Reuter says, is "customer-centric feedback that's not only archived, but also aggregate in nature." He adds that Orangetheory has a finely-tuned customer feedback engine humming smoothly now, but installing one is a daunting task, and it certainly did not start out this way.

Reuter admits that obtaining and utilizing customer feedback was a struggle at first. "On little notecards in the studio," he laughs when asked about the beginning, "but when you're a new company, you can't always start with the best-in-class platforms." Not only were customer surveys difficult to collect and catalog, but the data was often unreliable as gym-goers w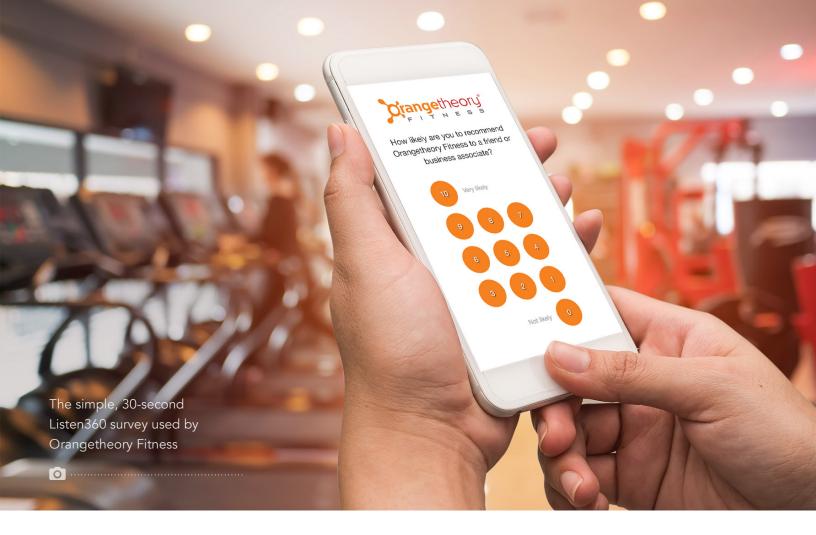ere sometimes prompted by employees to give higher ratings. Reuter and others quickly recognized the problem and sought a tool to help paint their ideal picture of customer feedback.

Enter Listen360, a Net Promoter Score (NPS)-based customer engagement platform. The software offers intuitive ways to gather customer reviews, quickly close the loop with negative feedback, and monitor customer experience across multiple locations. To Reuter, it was a perfect fit.

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The simple, 30-second Listen360 survey used by Orangetheory Fitness

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— Paul Reuter, Senior VP of Operations, Orange Theory Fitness

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"There is an absolute direct correlation with what we do to our member feedback," Reuter affirms. When a particular market or location is not performing well, it often denotes a lack of customer service standards or failure to collect accurate feedback. Listen360 essentially provides a finger on the pulse of performance, profitability, and sustainable growth, all through customer engagement.

Orangetheory is so serious about tracking and maintaining the relationships it has with its members that Listen360 has become an integral part of the brand culture. "It is a performance metric we tie to compensation," Reuter says with conviction. He knows all too well that an invaluable tool like Listen360 becomes nothing more than a widget if it is not used with dedication and accountability.
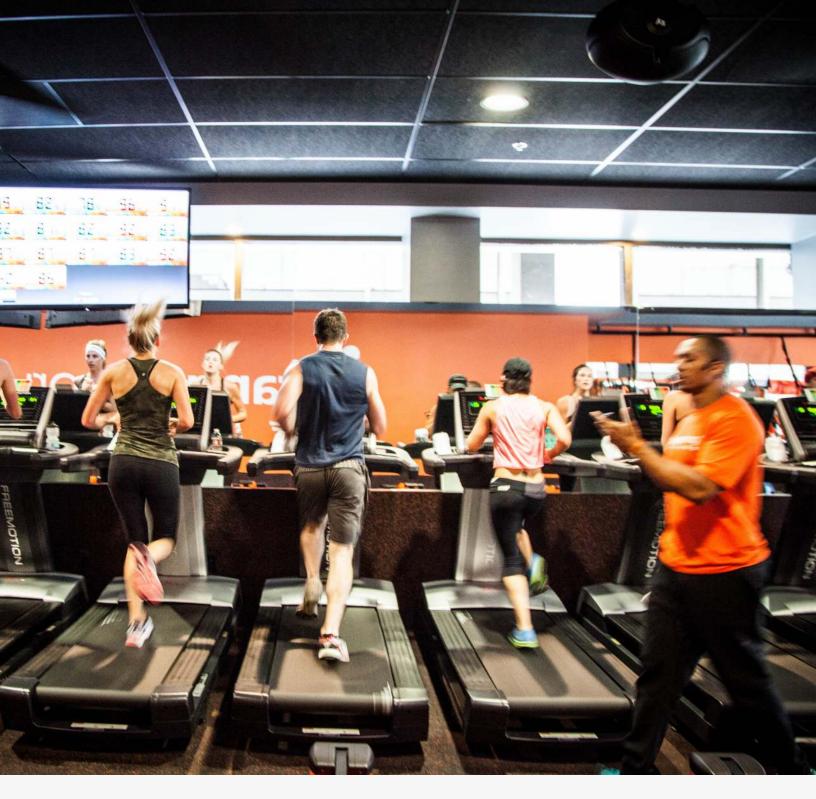
Reuter sees clearly why Orangetheory and Listen360 work so well together: they are all about doing the right thing. As he points out, many companies look to cut costs in the pursuit of growth, and customer feedback often lands on the chopping block. In the pursuit of quotas and the ever-important bottom line, some decision makers lose sight of a brand's duty to promote relationships and end up extracting value from customers rather than creating it with them.

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While a dollar from a brand detractor is just as green as one from a promoter, detractor dollars represent a brand-poisoning demographic that a financial report will never reveal. Inversely, brand promoters are not only free advertising but are more likely to make multiple purchases and less likely to be affected by higher prices. Investing in a process to measure and improve customer loyalty is not only ethical; it makes great business sense. Orangetheory's success goes to show that it pays off. Reuter sums it up wonderfully: "The ends are all the revenues and all the things that you get as a result of doing the right thing."

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WHAT CAN WE HELP YOU SOLVE?

Our member engagement platform is the key to listening to and learning from your members. Through metrics and insights, we help you leverage direct member feedback to make your products and services more meaningful to the members you serve.

Visit **listen360.com** for more info.