“Working out” the Gym Rat

A qualitative exploration into how The Qually Studio can optimize its retail strategy and earn a larger share of the Gym Rats’ wallet.
For some, living in the Instagram-era makes going to the gym as much about building social muscle as it is about building actual muscle. As the fitness industry reacts to this new trend, The Qually Studio, a national chain of gyms with attached retail stores, aims to increase retail sales by better understanding and appealing to one of its key audiences.

Through data analysis, The Qually Studio was able to divide its customers into two categories: Gym Rats and ImaGYMers.

The segmentation revealed a disconnect between usage behavior at the gym and purchasing behavior at the store; Gym Rats visit The Qually Studio 7 times more often than the ImaGYMers, yet the ImaGYMers spend twice as much money at The Qually Studio retail stores.

It is essential for The Qually Studio to gain a more nuanced understanding of the Gym Rats in order to capture a larger share of their wallet. Accordingly, this research aims to:

**Objectives**

- **Explore key differences** between Gym Rats and ImaGYMers, including:
  - Perceptions and use cases for The Qually Studio versus its competitive set
  - Purchase behavior: products used to support workouts, motivations for shopping, and preferred stores

- **Optimize** The Qually Studio retail experience by:
  - Uncovering retail strengths and pain points
  - Identifying key products and brands to start and stop stocking

- **Design a retention strategy** that encourages brand loyalty and repeat purchases from The Qually Studio
Understanding the Segments

Gym Rats

- Visit the gym practically **every day** (on average 20-30 times each month)
- Have auto-renewable **annual memberships**
- Enjoy the **physical aspect** of working out along with the social atmosphere
- 35% of the total gym population

ImaGYMers

- Visit the gym only **3-4 times per month** with unknown additional physical activity stats
- Pay **drop-in rates** rather than memberships; typically **more affluent** compared to Gym Rats
- Appreciate the **community atmosphere** of The Qually Studio (often visit for classes versus independent workouts)
- 25% of the total gym population; more likely to be women

**RECRUITMENT STRATEGY**

- The research will focus on speaking to more Gym Rats since they are the growth opportunity
- We will also speak with ImaGYMers to understand what about The Qually Studio retail stores keeps them coming back
- All participants will be recruited from a client-supplied list
Proposed Research Methodology

We recommend a three-step process to achieve the research objectives:

1. Dig deep into segment needs, drivers, and barriers with **Ethnoboards** (fielding over 3 days)

2. Uncover retail optimizations in-person, in real-time with **Cross-segment Shop-alongs** (fielding over 1 week)

3. Design a retention strategy using ideation and iteration with **Co-creation Sessions** (fielding over 2 days)
Three-day Ethnoboards

An asynchronous digital dialogue where participants answer self-reflective, projective, and video questions in the comfort of their own homes (or on the go!)

This approach allows the researchers to virtually peek inside the participants’ everyday lives and gain a holistic understanding of their drivers, barriers, and needs when it comes to shopping at The Qually Studio.

- **Day 1**: Build rapport and get to know who they are and how they workout
- **Day 2**: Explore how they shop for items to support their workouts - what are their behaviors, what do they buy, where do they shop, and why?
- **Day 3**: Share past experiences and current perceptions of The Qually Studio retail store

**KEY TAKEAWAYS OF THIS STEP:**

- A deep, ethnographic understanding of overlaps and key differences between the Gym Rats and ImaGYMers that influence how they spend
- Insight into the segments’ perceptions of and drivers for purchases from The Qually Studio
- A comprehensive list of The Qually Studio’s retail competitors

**WHY IS THIS METHOD IDEAL FOR THIS STEP?**

This method allows researchers to enter the lives of participants without imposing. Participants are free to share their thoughts and feelings without worrying about time constraints or group dynamics. This is a very time- and cost-effective approach that still offers an in-depth and nuanced understanding.
Cross-segment Shop-alongs

Meet the top participants from Step 1 in-person at The Qually Studio for a Shop-along exercise. Each Shop-along will be video recorded and will pair a same-gender Gym Rat and ImaGYMer together so that the research team can see each segment’s perspectives side-by-side.

- **Part 1:** Warm-up with additional probes from their blog responses to help participants build rapport with one another and get comfortable sharing
- **Part 2:** Provide each with a $25 gift certificate, and observe them as they shop
- **Part 3:** Once they’ve purchased their items, ask participants questions about their purchase and shopping experience
- **Part 4:** Together with a researcher, have the pair walk around, evaluate, and comment on the store experience

**KEY TAKEAWAYS OF THIS STEP:**

- An indication of what works in the store and what needs work
- Direction to optimize The Qually Studio retail experience
- Details on customer preferences, including products, brands, store layout, and pricing

**WHY IS THIS METHOD IDEAL FOR THIS STEP?**

Nothing beats seeing it for yourself first-hand, and with this approach the research team can experience the nuanced differences and similarities between the two segments in real-time. Since the best participants from Step 1 will be invited back, we know that the participants will be articulate and primed to share their honest opinions and attitudes.

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Invite freshly recruited Gym Rats to video recorded Co-creation Sessions to design solutions to capture and retain this segment. Inspired by design thinking, our format will generate innovative and effective solutions fueled by ideation and iteration:

- **Part 1**: Present participants with their challenge: to create a system/program that fosters loyalty and encourages them to make repeat purchases at The Qually Studio
- **Part 2**: Run an ideation sprint where participants generate solutions to the challenge
- **Part 3**: Narrow down the ideas to the top three through group discussion and private voting
- **Part 4**: Build those ideas out as a group to a high-level concept/prototype. Where possible sketch out aspects of the idea. Record details like what’s essential to make the solution successful (the core gem in the idea that makes it work) and what needs to be avoided to make sure this idea succeed (where could it go wrong)

**KEY TAKEAWAYS OF THIS STEP:**

- Brain-starters to guide a brand retention strategy to target Gym Rats
- A holistic understanding of what keeps Gym Rats coming back to a retail store

**WHY IS THIS METHOD IDEAL FOR THIS STEP?**

Targets bring their unique knowledge of what they like, don’t like, and what has and hasn’t worked for them in the past, while the researchers guide them through creative and engaging exercises to help them develop innovative solutions that would work for them.
Project Deliverables

RESEARCH REPORT
Target Audience: Research & Marketing Team
A highly visual yet comprehensive report that delivers strategic insights and reflects the voice of the consumer. This will serve as the go-to guide for crafting the brand’s strategy for targeting Gym Rats.

THREE-MINUTE VIDEO
Target Audience: Executives & Franchisees
A story-driven video highlighting key insights and supporting clips from all phases of the research. This will distill findings into an impactful story for those who need to buy in to the research but couldn’t see it first-hand.

BRAIN-STARTER CONCEPTS
Target Audience: Research & Marketing Team
A portfolio of brain-starter concepts that will serve as a foundation of ideas to be developed into a fleshed out Gym Rat retention strategy.

TO-STOCK OR NOT-TO-STOCK CHECKLIST
Target Audience: Retail Team & Franchisees
A research-driven checklist covering products and brands that The Qualily Studio should and shouldn’t carry in its retail stores.