

The Data Digest: Shaping the future of fitness

It's all very well knowing how often the third treadmill from the wall was used last week or being able to find out how many of your members did a lunchtime HIIT class. But all the data in the world is effectively worthless until it's refined, reported and analysed. Done properly, that analysis can help improve business decisions, guide strategic direction and ultimately improve commercial success

A century ago, the most lucrative commodity in the world was oil. Fast forward to 2017 and our most valuable resource is altogether less tangible Data.

Described in an Economist article as “the oil of the digital era”, there’s no denying we live in a data economy; from Google’s vast search archives to Facebook’s algorithms, data is a driver for growth and change in almost every industry.

Health and fitness is no exception. Operators are sitting on reams of data; more than ever before. Leisure management systems, mobile apps, treadmills and turnstiles... each collects valuable customer information on everything from their preferences and habits to their spending, and has made the data we have access to ubiquitous. But despite having reams of it, much of this data remains crude, muddled, unrefined, uncategorised and – crucially – unused.

Peter Sondergaard, Senior Vice President and global head of research at Gartner Research, sums it up. Data may be the oil of the 21st century but, he says, like crude oil which needs refining before it’s useful and valuable, with data “analytics is the combustion engine. Data is inherently dumb. It doesn’t actually do anything unless you know how to use it. The next digital gold rush will be focused on how you do something with data, not just what you do with it.”



What goes in, must come out...

So how can operators improve their understanding of the information they're sitting on and, more importantly, use it to benefit their business? It all begins, says Gladstone's managing director Tom Withers, with what goes in.

Leisure management systems (LMS) have advanced to the point where they can collect limitless data: how many members a site has, popular memberships, joiners and leavers and what type of people they are, what money a site is taking for different classes and retail items, what classes are most popular and the profile of the people doing those classes. This list is by no means exhaustive. But only when data collection is accurate can resulting reports be trusted.

"First focus on how data gets into whatever system you use. Where are the holes and how do you plug those gaps? Only then can you be sure you're getting complete, accurate and data," says Withers. "If you want to know how many people come in to your centre but you have a large, open-plan foyer and no turnstiles, you're never going to have accurate usage data. Understand your facility, where data is and isn't missing and put the technology in place to gather it."

The DataHub, a unique virtual hub for sports and leisure data, is taking this process a step further. Offering operators an automated way to securely upload their data to the Hub, whatever capture methods they may use, it then systematises that data, tackling one of the long-standing hurdles faced by the fitness industry – the lack of data standards applicable from one club to the next.

The DataHub currently holds information from 157 operators on more than 270 million visits. More than 1,800 leisure centres, sports facilities, health clubs and community activity programmes have signed up. "What makes the DataHub different is consistency," says Chris Phillips, DataHub's Head of Sales. "Multiple organisations refer to the same thing differently. What one leisure centre calls a Yoga class, another might label Mind Body, another Group Stretch. They're essentially the same, but if there's no standardised naming in place you can never compare them, which makes it difficult to dig in and really mine that information to glean as much as you can from it. The DataHub matches all inputted information to data standards so now, whatever a yoga session is called locally, it's reported accordingly."

It is what you know...

Once you've aligned your data and know you can trust the reports you're getting from your LMS, power lies in unlocking the insights that data reveals.

"Look at the retail sector; it employs dedicated analysts whose job it is to look at data and trends, and alter businesses based on that data," says Withers. "In leisure, we have more of an all-pitch-in approach – everyone does a bit of reporting. It's not commonplace to invest in someone who knows their stuff to do the analytics. Supermarkets would go nuts if they had the in-depth data we hold about our customers. We've got it! But we don't do nearly enough with it."

Gladstone offers solutions for meaningful and actionable reporting. "The Gladstone business intelligence and reporting solution, eyeQ, allows users to customise reports to extract relevant information, and Business Process Manager (BPM) then allows users to mail out to their database based on what they've revealed," says Guy Bickerton, head of data services at Gladstone. "Instantly you're doing something meaningful with data, rather than just looking at it in abstract."

Bickerton heads up Gladstone's data analytics team, which creates bespoke report outputs for clients and offers a professional data mining consultancy service to help operators delve deeper into their database. For 82% of respondents in recent Gladstone research, that objective was to grow membership while 73% want to increase operational efficiencies. One such organisation is Shetland Recreational Trust (SRT), which operates eight sites. It recently used Gladstone's consultancy service to streamline its invoicing procedures by creating an interface between its member management software and external accounting package. Bickerton worked with SRT to create an extract file to pull out the relevant data, organise it for compatibility and export it to Excel for uploading into the accounting system. According to clerical assistant Norma Johnson, no longer having to enter this data manually saves one full day a month and ensures much greater accuracy. While business intelligence solutions are invaluable, says Bickerton, data consultancy fills the gap when expert input is needed: "In short, if it's stored in your system, we will be able to extract it, and in the format you require," he says

Sharing the love

Products like the DataHub are also offering modules which extract data in ways that are digestible and useful, and allow operators to compare like for like and benchmark. “Amassed data is power. It leads to more informed investment and will allow the leisure sector to create a real link between what we do and improved health outcomes,” says Phillips.

Sharing data is a relatively new concept in health and fitness, as until now there’s simply not been the infrastructure in place to facilitate it. The DataHub is working to make sure every operator can see beyond their four walls to find out what works, what doesn’t and what ‘good’ looks like nationwide. “With data from over seven million individuals, we can show operators what someone’s doing if they’re spending £30 to get active, where and when. Sharing the learning about what’s getting the public active right now gives operators a clearer insight into how to plan their programming and what to invest in,” says Phillips. “Data de-risks investment as it becomes smarter, more informed and aligned to better health outcomes. It’s win win.”

Data sharing puts the whole sector on a cycle of continuous improvement, with everyone learning from everyone else, and evolving in the process. It assists the formation of more effective partnerships, which generate greater outcomes, more value to the end customer and so more impacts from investment. “It’s this process that will ensure the industry changes and grows to become the wellness sector we aspire to be, expanding the boundaries of what’s possible,” says Steven Ward, CEO of ukactive.

Phillips predicts we’ll see a shift in the sector as access to meaningful data becomes more commonplace. “For the first time, leisure centres can validate what they’re doing, in monetary terms, and take this to government backed up by strong, accurate figures. Data endorses what we’re doing as an industry – aligning with health outcomes and addressing inactivity,” he says.



Brave new world

Change is happening quickly and author of the world's largest retention study, Dr Paul Bedford argues that the data we have now will, in the future, be replaced by the advent of 'big data'. Data mining techniques, predictive analytics and machine learning will shape the future of the industry.

"The first thing to get straight is the difference between big data and large data," he says. "Large data is what most operators have; a huge amount of information that's stored in rows and columns. Big, unstructured data can take rich content like graphics, slides, videos, voice chats and posts on social media into account and add that to our understanding."

Bedford is working with Rob Gregory and computer scientist Jafar Adibi to use big data and bring predictive modelling analytics to the leisure industry via the company Reunify. The technology can predict – from the minute a member joins – their likelihood of quitting, the length of time they're likely to stay and their lifetime value as well as a host of other useful information. Reunify learns the member's behaviour and constructs a risk of quitting score. It means leisure organisations could get a much better understanding of what's the right message for the right person is, at the right time.

"Combining big data with large data gives us another level of comprehension of members' behaviour, which could help with everything from marketing to programming," says Bedford. "It's extremely powerful; like a puzzle – without using unstructured data, you will never complete the picture."

Very few operators have started this journey and a proliferation of big data is a long way off being the norm. In the meantime, says Bedford, get your house in order. Consolidate your data into a usable format and create a data strategy, so you understand what you capture, and when, and how you're going to use it. "Understand your drivers," he says. "What outcomes are you hoping to achieve, by when? And then ask what data you aren't collecting and what information don't you have. Only then can you use your data to prove your output (how many people you've helped) and so drive further input (investment for future projects). Understand the importance of data, ask yourself honestly if you're using it to its full potential and, if you're not, take steps to do something about it."

Embrace the intelligence beyond your own four walls or you'll be left behind. The sector is coming together and it's doing so very quickly and those that don't appreciate the value of data they hold could be at risk of being left behind.



Case study: Data power in practice

John Hancock, business manager at Rhondda Cynon Taf County Borough Council in Wales, says: “We been a Gladstone customer for 12 years, using the Plus2 membership management software across our nine leisure centres and our open-air lido. At the start of last year we implemented Gladstone’s new business intelligence and reporting tool, eyeQ, to our portfolio, to help us get the most from our data.

“Before taking on eyeQ, we were using a combination of other limited reporting tools, which meant we still had to produce a number of reports manually. In contrast, eyeQ offered a simple, straightforward reporting tool that promised to be not only accurate but also customisable to our specific needs.

“One of the features of we like the best is the Query Builder. As long as you have a reasonable understanding of your database, producing specific data extracts is simple, while the ability to export to Excel means reports you create can be easily viewed and understood by both senior office and operational staff.

“The biggest impact eyeQ has had on our business is that everyone is now reporting usage, membership details and financial information in the same way, from the same source, instead of querying the data in different ways from self-built reports and getting slightly different results. This means that frontline operational managers now have reliable, high-level financial information and membership data at their fingertips, allowing them to make better-informed business decisions. For example, eyeQ reports recently gave us the confidence to overhaul our memberships system and pricing structure to make it much more streamlined.

“At site level, eyeQ reports are helping managers to keep abreast of fluctuations in class numbers and identify patterns, so they can better assess the viability of each class and make informed decisions about future programming.”



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