Challenge

Millions of dollars are invested in a new facility, so 24 Hour Fitness needed more insightful data and analysis to forecast site performance over a long-term horizon.

Solution

Using a custom model designed for their needs, 24 Hour Fitness can now make more informed decisions around club deployment—enabling them to grow with confidence.

24 Hour Fitness began in 1983 as a one-club operation in San Leandro, California. Today, they serve nearly 4 million members in more than 420 clubs across the United States.

The company is widely credited with changing the industry landscape by introducing a variety of innovations including the first clubs to be open 24 hours a day and the first to introduce month-to-month and online memberships. 24 Hour Fitness has pioneered the concept of making fitness accessible, affordable and a way of life for everyone. Convenience and accessibility are critical for their success.

“Site selection is very important to our business,” notes Nelson Williams, Director Real Estate Strategy. “A significant amount of member satisfaction is driven by their impressions of the facility and the member’s experience while in the club. Proximity to home and work are main drivers of a person’s decision to join a fitness club.”

24 Hour Fitness invests several million dollars to launch every new site and will often commit to long-term leases, which means that Williams and his team need to be accurate with their long-range projections.

“Real estate is a combination of art and science,” Williams explains. “Our previous methodologies were not as data-driven as we needed. Four years ago we switched to AnySite® from Pitney Bowes Business Insight and now we have the data and analysis we need to help avoid the costly mistake of a poor-performing facility.”

The move to AnySite allowed 24 Hour Fitness to expand their evaluation to include not only demographic data, but also the psychographics and behaviors most relevant to their industry. Today, their entire real estate team has access to market optimization studies and trade area evaluations. Plus, with the customization developed specifically for their business, they can instantly build predictive models to forecast member potential.

“AnySite is crucial to our data-driven site selection strategy,” Williams adds. “We get much more clarity than other tools we’ve worked with before.”
“OVERALL, WE ARE PLEASED WITH THE PERFORMANCE OF THE LOCATIONS THAT HAVE BEEN SCREENED AND EVALUATED USING THE ANYSITE SYSTEM FROM PITNEY BOWES BUSINESS INSIGHT.”

Nelson Williams, Director Real Estate Strategy, 24 Hour Fitness

RESULT

24 Hour Fitness has already relied on AnySite to open nearly two dozen sites across the United States. Williams notes how his team can now make more informed decisions: “Overall, we are pleased with the performance of the locations that have been screened and evaluated using the AnySite system from Pitney Bowes Business Insight.”

When it comes to specifics, they comment on four areas where AnySite offers clear advantages over other possible tools.

**Member-focused Evaluations**

“Working with Pitney Bowes Business Insight, we’ve become even more tuned into our members and their needs,” Williams notes. “We already had a lot of information about our members; and now we can map that out and compare this data to overall market characteristics. This data-driven analysis has helped us uncover the factors that determine whether someone has a propensity to fitness—and how the specific location of a facility can make an impact.”

**Sophisticated Predictive Modeling**

Initially, the professional services team from Pitney Bowes Business Insight designed a custom model built specifically for 24 Hour Fitness. Now, the 24 Hour Fitness Real Estate Strategy Team can conduct the analysis they need, when they need it. “We are looking for trade areas that over-index in terms of fitness participation. With the data and maps we can generate, we can now make more insightful decisions on club deployment,” details Williams. “Today, we can go beyond simple market demographics to understand member potential and determine which attributes drive club performance.”

**Speed to Market**

When new real estate opportunities arise, 24 Hour Fitness can easily evaluate multiple sites, so Williams and his team can respond quickly and make intelligent decisions about how much they can invest in any one particular site. “The fact is, AnySite identifies many factors in what constitutes a successful membership population, and that gives us the confidence to move quickly.”

**Ease of Use**

“The AnySite platform is much easier to use,” adds Jared Smith, Real Estate Strategy Analyst. “We can quickly create trade area boundaries and customize reports. With server-linked layers, we can adjust parameters as needed without having to rebuild layers, which provides us with more versatility. With our old software, much of our time was spent building maps, which required a greater knowledge of systems infrastructure. AnySite allows us to spend more time analyzing maps and reports—focusing on interpreting information rather than creating it.”

Williams concludes: “I like to think that real estate selection is still in part an art form, but with AnySite, we can scientifically validate every decision we make.”

Designed to perform powerful predictive analytics and modeling functions, AnySite is an essential market analysis and decision support tool. AnySite provides directors, analysts and marketers valuable insight into market data, allowing them to easily analyze the relationship between the performance of a location relative to the market area demographic characteristics. Developed by the leading provider of location intelligence solutions, Pitney Bowes Business Insight, AnySite supports open data architecture and can be deployed from the desktop to the enterprise.