



WEEKLY MUSCLE BUILDING EXPERT *Interview Series*



Gym Sales Secrets – How to Get A Good Deal

Jeff Anderson Interviews Mike Westerdal

JA: Hello everyone, this is Jeff Anderson from NaturalBodybuildingTips.com, and welcome to this webcast. Now, specifically, this is the time of year that most people are getting back in the gym to increase their level of physical fitness, and the gyms know this. They'll do anything they can to take advantage of this opportunity to increase their memberships.

Now, they use several marketing tactics to accomplish this. What we're going to be discussing today is, we're going to expose the top gym sales secrets and discover how you can not only avoid getting taken by the gyms, but also, how to negotiate the best rate possible for the most value.

Now, to discuss this with us today, we have personal trainer and reformed gym sales representative Mike Westerdal. Now, Mike is the creator of the Critical Bench

program and you can find out more about Mike's programs at his fitness site at www.CriticalBench.com. You can check out more of his information.

So, Mike, welcome to the program.

MW: Thanks for having me, Jeff.

JA: Now, Mike, I've given just a brief description of you, why don't you give us a little bit more of your background. I know that you've been a personal trainer, you've had your own personal studio, as well as worked as a gym representative in the sales department. So, this gives you kind of the inside perspective on what the gyms are doing to bring in memberships and some of the tactics that they use to get people in.

So, can you give us a little bit more of your background and how you got started and how you got to Critical Bench?

MW: Sure. Like a lot of the listeners, I've been working out my whole life and been a member of gyms my whole life. Fitness has always been a part of my life, playing football in college. After college I've had jobs as a personal trainer, worked for a lot of different gyms, too. I've worked at family owned places where there's just one location. I've also worked at the 3rd largest chain in the country with more than 100 clubs. So, I've seen a lot of different aspects, worked as a personal trainer as well. Now, my main thing is the website, CriticalBench.com.

JA: Okay. What I'm specifically looking to tap into in this interview is your experience as a gym sales representative. Now, I know you've had your own personal business and you probably learned that it was more than having a client assigned to you like they do at the gyms. But, you also had to...in order to make your business successful, you had to bring people in as well.

So, I'm sure you've had experience with what you needed to do to be able to sign people up and make a living. But then also, when you were working for other gyms, what is like a sales program that you had to go through where the gyms actually taught you different things to focus on when people were coming in to check it out?

MW: Yeah, that would actually be an understatement. I mean, I'm sitting right here with a big manual, this giant three ring binder just full of sales training and tactics before starting the job. We actually had to go to New York for two weeks just to learn all different sales training. We had meetings.

JA: Oh, wow.

MW: Yeah, you go to a gym and you think that, oh, this guy just works at a gym, like an easy job. But, one of the main things that people don't realize is that it really is a

high pressure job. There's a high turnover, too, because a lot of people can't stay with it very long. And one of the main things you should know about these sales guys is that they all have quotas. And if you don't get your quota a few months in a row, you could wind up getting fired. So, it's definitely a very high pressure job, a very serious job for the person doing it, which a lot of people don't realize. But, that's something you can use to your advantage, actually.

JA: Yeah, I didn't realize that there was that much... I mean, you go in and the people that are doing the sales job, it seems like sometimes, they just called into the ad and signed up and got that job. You do see some turnover in that as well. So, I figured it was just kind of a temporary stop for them. I also didn't realize that they had quotas. So, that's interesting.

Now, what were some of the... I know part of, if you call it, the sales funnel, the number one step is to get people in the door. And so, as they're watching television, particularly in the beginning of the year when everybody has those New Year's resolutions, you'll see a lot of the marketing ads to bring people in and there's some special sales that go on. What are some of the things that they use to bring people in the door to begin with?

MW: A lot of times, I mean, as a sales person you're hoping the gym will spend some money on marketing, doing commercials and newspaper ads and things like that, pretty much just get awareness of the club out there. Once people are in the door, then it's your job to close them and get them to become members. I mean, some ways that you can bring people in there to the gym is pretty much member referrals. So, you'll talk to the people that are current members and ask them about friends and family. You can also go out to local businesses and try to partner up. You can do health fairs at different companies. So, there's a lot of ways to try to get traffic into the gym. Once you get people in the door, then it's your job to convert them into members.

JA: Right, so...and I know from the gyms that I've been to, when you get there, there's almost...sometimes there's a required process you have to go through, which I'm assuming is also part of that sales funnel as well, right?

MW: Exactly. I mean, the first thing the sales person is going to do is figure out a needs analysis so we know exactly what you're looking for. You'll probably have to fill out a card of information about yourself that way they can get to know you and try to make you feel a little bit more comfortable. There's a whole process of taking the person through a tour of the club, things you're supposed to say, pointing out different benefits rather than features. Then, there's a price presentation, there's a closing, overcoming objections.

I mean, it's a boring process to talk about, but there's actually a lot involved with it and someone who's good at the job is going to make you feel pretty comfortable and seem like, oh, I just kind of happened that way. But, it is actually a whole, planned process. And one thing I noticed was that a lot of gyms do it exactly the same way.

Like I said, I worked at the family-owned place, they did it exactly the same way as the large chain. So, it's like the little guys learn from the big guys how to do things. So, it's very similar everywhere you go.

JA: Yeah, so you're not going to escape it by going to Joe's Gym down the street. Everybody has to get in memberships. I think it's important to point out that we don't want to completely trash the gym membership arena. Even that tour of the facility... If you're going to check out a gym, you want to make sure that you know what the equipment there is. I mean, it's a give and take process and you want to make sure you're asking the right questions as well. And that's some of the things I'm going to be asking of you is, what are those important questions to ask.

But, that tour of the gym itself also gives you an opportunity to take a look at what they have as far as benefits and see if it has what you're looking for. So, let's keep that in mind, too. But, Mike, what are some of the... You said there were some specific sales points and things that you ask people along the way. What are some of those questions that they ask or some of those objections, those statements for overcoming objections that they use that people may find pretty familiar and maybe want to be on the lookout for?

MW: Well, I mean, any objection that you can come up with of why you cannot join today, I'm going to have an answer already prepared for that. We actually have meetings about that during the week and that's something we train for, to overcome any objection that you might have.

There's a couple that really...you don't really have an answer to and one thing, "I want to talk it over with my spouse," or boyfriend/girlfriend, husband or wife, something like that. We can say, "Well, aren't they supportive of your fitness goals?" And they're going to say, "Yeah, but before making any big decision, I like to just talk it over with them." There's not much you can really say about that. So, if you're feeling pressured and you want some time to think about it, that's one that the person's not really going to be able to pressure you any further after that. So, that's a good one.

Another one is saying you'd like to try the club out first. Almost every single health club has a seven day trial. So, when you first come in there, they want you to join that day. Once they realize that's probably not going to happen, as a last resort they'll offer you a one week trial pass to try the gym out, see if you like it. Then, they're hoping to get you at the end of the week. So, you always have that week to think about

it, try it out and see if you really do like it as well. So, that's another option to keep in mind, is the seven day trial.

JA: Well, you know, you brought up a couple of good points there because I guess when most people are impulse buyers, the focus is probably to get them to sign up right away when they're hottest. I mean, obviously they've walked in the door of the gym, they're ready to check it out, that's when you're most apt to get a sale. So, the most you can do to kind of get them in that saying yes mode right there is while they're there. Most people...I'm assuming a lot of people go back and maybe think when they get home after they've already signed the dotted line that, gee, maybe this isn't what I want to do or maybe it's further away than I want it to be, and they have that buyer's remorse. But then, it's, "Well, I already signed up and I'm in the contract and everything." So, the focus really is on making the sale right there, isn't it?

MW: Exactly. And if anyone does sign the contract and then have some regrets about it, almost every single state in the country has a three day right to cancel law. So, you can get your money back three days after signing any contract.

JA: Yeah.

MW: And most gyms have their own guarantee as well, seven to fourteen days they'll give you a refund. Something you've got to remember with that is, it might take a while to get your refund.

JA: Yeah, that's true.

MW: You'll have to get a check cut by corporate. It's not like they'll just put it right back on your credit card.

JA: Yeah, from the corporate office in China, yeah. We have to ship it over to you.

MW: Exactly.

JA: Okay, so, we're in the sales meeting itself. You've already given us a couple of ways to overcome objections there. But, what questions should we be asking the person that is our representative, that they're giving us a tour and everything. Are there some important questions that we should ask to make sure that this is the right gym for us?

MW: Well, I think once you've gone through the tour, you're going to know if it's the right atmosphere for you. You'll be able to tell the clientele. I mean, you've got some hardcore places and you've got some fitness places, some senior places. So, when you do go visit the gym, go at a time that you'd usually workout so you can see how crowded it is and see what the crowd is like then.

You're going to know classes if you're interested in aerobics or weight training and what equipment they have, if you're going to need help from a trainer. Pretty much everything is going to be covered. By the time you go through the tour and sit down, I think you're already going to know if they have what you want or not. It's pretty much going to come down to the price. That's where you get into the price negotiation.

But, I just wanted to point out one thing that I think would help everybody out. Before you even get to the gym, we talked a little bit about quotas. So, just to kind of get things on your side a little bit, the best time to go into a gym to sign up for membership is towards the end of the month. This is because of the quotas of the sales people. At the beginning of the month, people are a little more laid back, they have the entire month to hit their quota. Once you start getting to the end of the month and you've only got a week left and some people aren't close to hitting their quotas, that's when they'll start negotiating a little bit. They'll start doing things they're not supposed to be doing. Sometimes they do this without the managers knowing, because they want to hit their quotas.

So, if you can, try to go in at the end of the month, and that's when you can get the best deals because people are trying to reach their quotas.

JA: Now, does that also apply... I know January is probably not a hard time to make your quota unless the gyms...do they spike up their quotas in January because they know it's an easily attainable goal anyway, because most people are getting back in?

MW: It's usually, the gyms will do sales in September and January, because those are the two busiest months of the year. You've got the New Year's resolutions and then you've got everybody after the summer, getting back into the gym because in the summer everybody's outside and going on vacation. So, September everybody gets back to the gym and then January is when the New Year's resolutions come. So, during those times, you'll actually have better prices. All the gyms are competing with each other. I mean, the gyms can wind up making 40% of their money in those two months alone.

So, it's going to be a lot busier then, but there will be sales. So, that's another thing to keep in mind, is what time of day that you actually go in. If you go in after a typical work day and you go there at like six o'clock at night, there's going to be a lot of other people, too. The sales person might even have people waiting for them. You're going to feel a little rushed, a little more pressured and probably less likely to spend a lot of time with you and negotiate that price.

So, say you went in on your lunch break and the sales rep has just been sitting there for a few hours with nothing to do. You might be able to spend some time together and really work out a better price. So, if you go in when it's really busy and

there's a lot of people waiting to talk to one of the sales guys, it might be a little bit harder to get a better deal at that time, too.

JA: Interesting. Okay. All right, so we're sitting down at the...and we've decided that we're going to... This is a gym that we'd like to be at. Getting to the price negotiation and the contract itself, I know that lot of gyms have their activation fee or their signup fee and they call it a lot of different things. Now, what...specifically, what does this fee cover, because I don't know of an activation fee. I mean, I know we have the same thing like with cell phones. But when it comes to a gym membership, what the hell is the activation fee?

MW: It's a bunch of crap, really. I mean, we have answers to give to those questions, but I mean, you should be able to tell it's a bunch of bull. The activation fee, it's just an extra way to get more money. But, whether you can avoid those or not, that's...at the retail rate, you'll have a rate card that shows you what they want to charge. But, as long as you don't pay the full price of what's on the card, you're okay. But, it's going to be hard to completely avoid some kind of enrollment fee or activation fee. But, just make sure you don't pay the full price, because it can get lowered. You can't always get rid of it, but it definitely can be lowered, and that should be your goal.

JA: Okay. So, it's part of the process and expect that, and there may not be any way around that. But, there may be ways to negotiate that down. Okay.

MW: Exactly, yep.

JA: Now, one of the other things that you normally see on these contracts is the requirement for a specific time period and usually, I guess it's anywhere from one to...I've even seen three year contracts out there. And I know there's some steep fees for getting out of that contract. Now, is that negotiable as well as far as how long the contract can be for?

MW: I depends on the gym. Some places have month to month memberships and then they'll usually have a much higher enrollment fee. And you'll have a one year where the enrollment fee goes down a little bit, and then for the two year it goes down a little bit more. So, usually the longer that you join for, the cheaper the membership is going to be.

JA: Right.

MW: So, I mean, some things you can keep in mind, there are ways to get out of the contracts as well, which they don't always make it easy for you. But, if you know about it, I mean, anytime that you move 25 miles from a gym, either your job or your work, you can prove that with an out of state license. You can show them plane tickets that you're

moving. If you get a job offer letter, if you get an acceptance to a college letter, show them a passport from another country, things like that. You can usually get out of the contracts.

Otherwise, yeah, that's usually like two or three hundred dollar fee to cancel early. Just make sure you know how long you're joining for. Some sales reps aren't always completely ethical and they don't always point out that you can get that rate by doing three years. You sign up, but you didn't realize you signed up for three years. So, definitely find out. That's a very important question. Find out how long the membership is for, and what are the exact ways to get out of the membership if you need to.

JA: Yeah, read that fine print.

MW: Yep.

JA: Well, let's look at people that are already into a gym membership. Now, not everybody that's listening to this is ready to just get in there and start the whole process with a new gym membership. Some are...most are probably already in the gym if they're looking at this material. So, is there any way that if I'm already in a contract, if I'm already spending a contracted amount of money each month, is there a way for me to go in and negotiate my rate down or find a way to get more value for my membership, or do something more than what I have right now?

MW: It's possible. There are a few ways. Sometimes the current rates could be cheaper than what you're paying. So, if you resign the contract and kind of renew it, you can get in at the new rate. So, that's one option. But then again, you extend your contract, kind of like a cell phone. You want to get the better plan, you can resign up and get the better plan. But now you're committed for a little bit longer.

The other thing, like we said, the sales reps all have quotas. So, go in there towards the end of the month and find out who's panicking, who still needs a bunch of sales. And then if you help them out, they can help you out. Maybe you have a bunch of friends from work that are interested in the gym. You can actually bring those people to the sales guy and say, "Hey, I've got three people that are interested in joining, what can you do for me?"

JA: That's a great gift right there. I mean, you could even maybe put something up at work, you know, interested in going to the gym, let's negotiate a better...let's negotiate a better contract. You could probably even get them a little bit better deal, even make it look like it's a little better deal. And then, work out another deal for yourself on the side.

MW: Exactly. Yeah, the other thing a lot of people don't realize is that your health plan or your insurance is actually separate from the gym, but through your insurance, if you're a member of a health club for three months, a lot of insurance companies offer reimbursement. So, you can get that once a year, up to like \$200.

So, I've heard people that... I actually did this myself. I had Blue Cross/Blue Shield in Connecticut and I was a member of a gym. And then later when I started working at a gym, I found out about this reimbursement. But, I didn't know about it. The insurance company never told me, the gym never told me. I could have been getting \$150 back every year. So, check with your insurance and see if they offer any incentives for staying healthy and working out at a gym.

JA: Great tip. Now, before somebody gets in there, let's map out kind of a step one, step two, step three plan for, all right, you're getting ready to go check out getting into the gym. I'm going to say that in my mind, when I was looking for a gym, first one was looking at proximity to where...because you need to make it convenient. A lot of people just drop out of the gym because it become inconvenient for them. So, I know the proximity is a big part of it as well as the...basically setting up a budget for it.

We talked a little bit about actually when you go in there, making sure it's the right atmosphere for you, too. What do you think is the most important thing that somebody needs to take into consideration when they're looking for a gym to get started in?

MW: I think you mentioned it, convenience is the biggest factor, something that's close to you, close to work or close to home, just so you can stay on a schedule. I mean, so many people get motivated and want to do the gym, they join the gym, and then it takes a month or two and they drop off and you never see them again until the holidays or until after the holidays and New Year's resolution time. So, you've got to find something that works for you, like very close to work or home.

Some people that workout at night, they go to work all day, they get tired, they go home first and then once you get home you never make it to the gym. So, what a lot of people try to do is pack a bag, bring that with them to work. That way right after work, you just go immediately to the gym, workout, you're done and then you can go home and you're done for the night. That seems to work for a lot of people.

Another thing a lot of people don't like waking up extra early. I know you do. You're up at 3AM this morning, right?

JA: Yeah, right.

MW: But, if you can just get into the habit of getting up a little earlier and working out in the morning, it can actually increase your energy level. You think getting up earlier, this is just going to make me more tired, but you'd be surprised. You get into the routine of it, after a week or two it gets a lot easier and you'll find you have more energy for the day after your workout. Plus, at the end of your workday you're done, you already worked out. So, I'd say convenience and making sure it's something close to where you live or work, is going to be the biggest factor.

JA: Yeah, that's a great way to analyze where it's going to work best for you. I think you're right. A lot of people sign up for something that's convenient, something that may not be convenient later on. You really need to assess where you're at. Good point.

All right, great. Well, there's some great in tips in there, Mike, for people to get the most out of their membership and the value. And I appreciate you taking some time with us. Although, you're probably going to get some death threats from some of the other gym sales reps out there.

MW: Yeah, I'm going to have my old company calling me.

JA: What the hell are you doing? Yeah. Well, I wish you be safe then. And thank you very much for your time today. Any parting words of wisdom for our members out there?

MW: Well, there's just one last point that I wanted to bring up, if that's all right, because this is actually pretty important. When you come into the club to meet the gym person, you're probably going to be a little uptight, especially after hearing this whole interview and seeing all the inside stuff and they're really trying to get the sale that day. But, a lot of times they actually are trying to help you. I'm not trying to rip you off when you come in. I just want you to join that day and if I find out certain things about you, I can actually offer you a better price. So, try not to clam up, talk to the person, realize that they are trying to help you, because there are a lot of different membership categories. And I'd say that only about 1/3 of people actually pay the full, regular membership price. There's a lot of other categories that you could fall into. But, I'm not going to know that unless you answer some of the questions I ask you.

For example, you've got senior citizen memberships, you've got student memberships, police, fire and military memberships are cheaper. So, if I ask you about your job, it's not because I'm getting nosy about your personal life and trying to crowd your personal space, I'm trying to see if you qualify for some of our different membership plans. I don't want to bring it up if you don't qualify, because then you're going to wind up getting pissed off at me.

Corporate memberships, if there's other people at your gym that are members, you probably have a corporate rate set up. Anytime five or more people from one location join, you can get what's called a group rate or a corporate rate. So, if they ask you where you work, tell me and you might have a corporate rate that's cheaper than what's on the card.

If you come in with a friend or as a couple, you can get a couple's rate, get a cheaper rate that way. If you have certain insurance plans, you can get a cheaper rate just because of the insurance. We set up partnerships with different health plans.

So, I'm going to try to get you a better price. If I don't ask you these questions, you can ask the sales person that. Ask them about any of these categories, senior, student, police, fire, military, couples, group rates, corporate rates and insurance discounts. Those are the big things that will save you some money. So, bring those up.

JA: Great points. Thanks for the follow-up. Right, well, that's all the time we have today. So, Mike, thank you very much for spending this time with us. And for the rest of you, until the next webcast session, take care.

