

Cycling Studio Owners Advisory Group

Most Valuable Lessons Learned Interviews

Name of Studio: Ride Revolution Cycling Studios, LLC
Location of Studio: Northvale, NJ
Phone: 201-259-7221
email: Steph@Ride-Revolution.com
Owner Name: Steph Cohen
Owner Title: Owner
Years in Operation: 3 Years
Size of studio: 2,000 Sq. Feet
Number of members/clients: **2,400 Unique Visitors since opening**

1. **If you were advising somebody whose dream is to open a fitness studio – what would be your primary nuggets of advice?**
 - Make sure the financial picture makes sense. The market where you are may not actually be able to hold your initial price per session. What are your earning projections if the price per session is a lower amount than originally offered?
 - Ensure you have a strong marketing budget. Too many studios forget this part or put it last on their budget list. While you are building your new place you need to begin the online and print advertising so that once you open locals will already recognize your name.
 - Have a clear mission – the “why” you opened your studio – and have that set the tone for all of your marketing and outreach. Make sure that your employees have the same vision in mind at all times as well.
 - In addition to having great instructors playing fabulous music, learn your client’s names and remember their unique stories. That is what will make them want to come back again and again.
 - Be prepared to do EVERYTHING yourself for the first few years. I am the front desk, marketing coordinator, instructor manager AND I wash the towels every few days! No task is too big or too small for the owner to actually do for the studio.

2. What specific training or comprehensive information would you have benefited from having?

- A training class specifically for studio owners would have been so helpful. Similar to what we are now doing for others with this group. Studio ownership is not rocket science but there are so many little ins and outs that you need to learn about. It would have been very helpful to have a formal place to contact studio owners during my own opening.

3. If you were starting over today, what would you do differently?

- I would have made more of an effort to speak with other new studio owners (I did speak with a few but would like to have heard more stories). I would have joined the online forums sooner to read about methods and other owner's issues more consistently.
- I would have been much stricter with my contractor about getting receipts for every single thing and not just written checks blindly. We spent our entire loan and will be paying it off for several more months which cuts deeply into our potential to profit. In the end he owed us over \$20K for work not finished which still hurts us until this day.

4. What were the motivators that made you want to get into the business of running a fitness studio?

- After I had my second daughter I was determined to lose all of the baby weight that I had gained from both pregnancies. I joined a great gym and took several different classes and in 2008 took my first spinning class. I fell in love with it immediately – the loud music – the dark room – the encouraging instructor and I did end up losing all of the weight with my exercise regimen. I knew that I wanted that feeling of accomplishment for everyone! Also owning a spin studio seemed like a great idea – much of the money is credit cards online (not many cash transactions) and people that love to spin really love to spin and tend to be loyal.

5. How did you get your first clients?

- We obtained our first clients through local print advertising, Groupon, LivingSocial and word of mouth started by our instructors. We did have a grand opening as well – we hired a PR agency to start us off the first few months in business and prior to opening.

6. What is your pricing model? How did you arrive at that model? Did you price shop your competition?

- Our pricing was developed by looking at the prices of single sessions of spin studios and yoga studios within a 30 mile radius of my place. We are happy with the combination of monthly subscription and individual package prices. As stated above, it turns out that our original price for a single session turned out to be too high for my market so the monthly and package deals lower the price of an individual ride about 17% lower. There is a lot of trial and error when coming up with pricing for your services. Groupon also lowers the pricing considerably so it is tougher to convert those initial users to regular pricing. Our sweet spot is \$19 / Ride and we offer two monthly packages – one for students/teachers/fire/police at \$109 per month and a regular rate of \$149 per month.

7. How do you deal with competition? Who do you view as competition? (Other studios? Big box health clubs?)

- Our competition is any fitness gym or studio within a 15 mile radius of us. We surveyed our clients and the clear majority are only willing to drive 2 – 10 miles to get to their fitness studio. Regular gyms are considered competition since if the client is already paying a monthly fee to belong there it is often difficult for them to justify also paying for a monthly membership at RR especially if that gym offers spinning classes. The only thing we can do is offer the best possible experience for each and every client with personalized service to that it becomes 'worth it' to pay more for spin classes regardless of where else they may belong.

8. What has been your most successful marketing campaign/tactic to attract new clients/members? (Please provide as many specifics as you can such as):

- a. What was the offer?
 - b. How was it communicated?
 - c. What platform(s) did you use to send it out (Facebook, eNewsletter, word of mouth)?
 - d. How much did you spend?
 - e. How many new members/clients did you generate?
- The biggest mixed marketing blessing has been Groupon. It brought us 45% of our client base and about 16% of those people converted to become regular clients. However the conversion is tough since the price is so much lower than retail. We do a lot to make sure our SEO is optimized so we come up first or second when people search on Google for a spin studio in Bergen County or Rockland County. The Groupon comes up in that search as well. In terms of regular promotions that we

run, we have a new one each month and send it out in our weekly email and post on Facebook. Our best promos lower the price of each ride to about \$19.

9. Tell us a little bit about what differentiates your studio from the competition?

- Clients often describe RR as immaculately clean, Zen, upscale and Relaxed (not a scene). However the push for a great workout is there with each and every instructor. Our clients truly feel that the staff cares about their workout and takes their experience very seriously. The room we have is 1,000 sq. feet and is kept dark and cool. In addition the bikes are a nice distance – about 3 feet - from each other so everyone is not squished in together. We also have fans which some of the instructors use to keep it even cooler. Also as mentioned above the staff takes the time to learn everyone's first name and their unique fitness journeys.

10. What are your biggest day-to-day challenges?

- The biggest day to day challenges are obvious – as a new biz I personally handle everything from the marketing strategy, stocking products to washing the towels. It has also been difficult to do all of this work and not be able to take a salary for so many months. You have to be willing to work for 'free' for a long time when you start a new biz and you wear all of the hats unless you can afford part-time / full-time help!

11. What are the essential pieces of equipment a Cycling studio needs to create the most unique experience for their members/clients?

- The bikes need to be in top condition at all times – now that our bikes are nearing their 3 year life it seems like they are breaking down every single day. The consoles which track RPMs are consistently needing to be replaced and the pedals and or silver Schwinn plates are coming undone on several of them. We also have resistance bands for work off of the bikes and hand weights for arm work while on or off of the bikes.

12. In order to keep your equipment running at optimal performance, please give the viewers an understanding of how often you clean your equipment. Is there any special type of cleaning solution you use or that you've seen work best?

- We wipe down the bikes and the hand weights after every single class. We often use Tri – which is an oil spray that helps keep the pedals and the handlebars lubricated.

We have an expert come check the bikes on a regular basis every 90 days or so and he also comes when there is a fix emergency. You can also use regular WD40.

13. How did you go about creating an atmosphere that was conducive to getting the most revenue per square foot from the equipment you chose?

- We actually have not perfected this to date. We have a small 100 sq ft block of space near the back of our studio which we should use to rent out to a store to display clothes / spin shoes or maybe even a juice bar! The spin room itself is a giant rectangle and all of the 24 bikes that we have are on the platform rows with no bikes on the floor. The floor space around the instructor platform is empty for classes that we hold where the clients exercise off of the bikes.

14. Do you require a special certification for your trainers/instructors?

- All of our indoor instructors are Mad Dogg certified through SPINNING. A few are also Schwinn certified.

15. Where have you found the best talent for your studio? (i.e., craigslist, certifying organizations, internship program?)

- The one true way to find new talent for our studio has been personal referral and/or current clients becoming teachers! I have placed ads on Craigslist and searched Facebook chat boards mostly to not yield any results.

16. What retention strategies have you employed/created to keep your members/clients coming back and staying engaged with you when they aren't in the studio?

- We are heavily engaged on social media – my demographic key range is women 40 to 60 years old and Facebook has been a fabulous way to keep in touch with them and make them aware of new promotions and things happening at the studio. I also learn everyone's first name and something about their personal story (an injury, a family member home from school, etc.) and that keeps them engaged with Ride Revolution as well. I also send out a weekly e-newsletter every Sunday morning with the latest RR news, any industry news and the weekly schedule lineup. I also update my website blog (not often enough) but that also helps. Our database for the newsletter has grown from 100 people to over 2,600 people since we have been open in November of 2013.