

August 2022 – Blair Wilson – How to Optimize Your Service Packaging

Lawrence: Hello everyone! Welcome to [HIT Business Membership](#). Welcome to the content for August 2022. We do this every single month. I'm going to say the topic today is pricing and packaging but I think that we will figure out what the topic is when we finish this episode and then I will use that to finalize the thumbnails and the details in the [Membership](#). But I'm just going to say pricing and packaging for now but we are going to talk about other things too.

Previous guests include [Dr. Doug McGuff](#), [Luke Carlson](#), [Jeff Tomaszewski](#), [John Little](#), [Bill DeSimone](#), [Owen Dockham](#), [Dr. Bryce Lee](#). I've had all these people on because they specialize in high intensity strength training and they understand the personal training and the business side of it. We always have everyone from the niche unto the [Membership](#) to really give you niched specific insights and advice.

Today, I'm joined by one of those people. His name is [Blair Wilson](#), and he is co-owner of [MedX Precision Fitness](#). Blair, great to see you again.

Blair: Thanks for having me on pal.

Lawrence: Thank you. No, I appreciate you taking the time. Just come a little bit closer so we can hear you clearly but you're fine. I'm really excited to catch up just to learn from you really as to what you've been going through lately. For everyone watching or listening, I wanted to do a podcast on pricing and

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packaging, scheduling, rollovers policies and all those things that frankly I hate dealing with. This is not the fun part of the business. I don't know many people that do enjoy it.

It's interesting because you've been going through quite a few changes in terms of your pricing model, your packages, scheduling, policies, rollovers and things like that. We were just talking off air there in terms of how you've had some real challenges with software and how that might even change again. I'm just going to start there and then we'll just see where these go and ask you some questions around some of those changes.

The first thing I wanted to understand and when you move on to this new platform I assume you're going to have a single session a la carte type of thing, essential membership, unlimited, and then something in between essential and unlimited.

Just for those listening, just for context, you can go to medxpf.com/pricing to see this. But basically the way it is set up currently is Essential Membership is 52 workouts a year which is once a week and that's \$310 a month (Canadian dollars), and Unlimited is unlimited but I'm guessing it's not really. It's 104 I think you said, didn't you, which it works out twice a week.

Blair: Yeah, we built a pricing model that way. Essentially it's once or twice a week but there are people who come in 3x. We've got a couple of super users that

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we classify as 3 to 4. Sometimes a guy named Mark Gadat who... I used his name because he is an absolute physical specimen that nobody can destroy. He comes in all the time. We have to force him into days off, weeks off. He makes this little [unclear] when he walks out. His arms are the size of my thighs. He is an absolute mutant.

But we are, like you say, exploring a change of platform. With the exploration of the change of platform has come a little bit head scratching associated with the two options and should be up to three. A little bit of background we were 4x, 6x, 8x auto pay similar to [DS](#) and a couple of the other folks that we all know of.

Lawrence: DS is [Discover Strength](#) for anyone who doesn't know that. That's okay.

Blair: There is a bit of confusion with that. I noticed that I was constantly talking to people about what these mean and I didn't do this and I didn't do that. And even though we thought we had really good terms and conditions, we didn't. And from an extreme ownership perspective, you go a little bit inward and introspective and you realize that you are back in that awkward place on the [Dunning-Krueger effect](#) and you've got to change everything. We thought we had it.

I think this is not from client feedback so maybe I'm wrong and maybe I should change it. I don't really like seeing people get burned and not get what

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they pay for. Rollover policies, cancellations, all that kind of stuff are great because they protect the consumer. But if you can build something that people don't have to mess with, you win and they win and keep people too. We are investigating putting a little option in the middle like you suggested. You could think of it as 4, 6, and 8. You could think of it as 1, 2, and 3. You can call it whatever the heck you want but that's something that we are looking at right now. That's going to be cool to talk about with you.

Lawrence: Yeah. Okay, so that would look. Would you still have the single session option?

Blair: Yeah, the single option is neat for a couple of reasons. I don't know if this makes any sense. You know, poke holes in my points here but you got to show value to the membership. If a single session is priced at \$85 and that makes sense and then your membership most expensive per session rate is \$70, there is a reason for somebody to sign up for a recurring revenue. It has got to make sense though. I think the delta can't be too big. You can have your one off be \$147 and your membership most expensive be \$70. But along with the benefit of the membership comes other things for us too like access to the schedule - scheduling your own appointments, changing your membership for yourself. More integrated access to the platform such as this so it's not just the pricing thing. But we'll keep the individual.

We have an introductory pack too that we use for promos pretty exclusively.

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Lawrence: 10-pack type of thing.

Blair: Well, it's a 7-pack. We call the introduction to the [MedX Precision Fitness](#) method so you get a free intro and then it is 7 more sessions and it is \$455. But when we do promos within the area we'll discount that. We won't discount anything else.

Lawrence: Would you discount everyone?

Blair: It depends on where it is headed. If we are doing it internally with a law firm because we have a client that wants to promote it within, we probably won't discount it because of the money that those people make which sounds kind of bad. We've had pretty good success with that but then we did it in the [St. Lawrence Market Business Association](#) that you and I talked about before.

Lawrence: Yup. We'll link that up. The business association promo and local residential.

Blair: Yeah, condo owners. Those are super successful for us. It was really good. We are doing another one in September. But we would go from \$455 to \$350 for 7 sessions.

Lawrence: How do you feel about things that often gets... Well, [Luke](#) talks about it the most. [Luke](#) being the CEO of [Discover Strength](#). He mentioned it on my podcast. The idea of that as soon as you discount unless there is a good

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reason you devalue your service. The idea that a lot of the medical services that we try to associate with wouldn't necessarily be discounted and therefore you're kind of put into you are the fitness personal training category low level. You are not the same level as those guys. It puts you in that bucket in the consumer's mind. What do you think about that? Do you get concerned about offering discounts and how that might devalue your brand?

Blair: Yeah, a little bit. I think everybody thinks about that just because it's sort of the narrative like devaluation and that kind of stuff. In fact, my wife often tells me that I shouldn't do it and it's been a point of discussion over the years. You know, there are things about the traditional fitness industry that are kind of interesting that we sometimes tend to demonize just because they are a different beast than we are. They make an absolute ton of money. We have inherently better retention than they do hopefully because we give a better service and all that kind of stuff. I don't think it's too horrible. I think you have to watch it. I think a discount of 10% and 15% is significantly less detrimental than a 50% discount. I think maybe there's rules on the optics associated with that. I haven't had trouble with that. I don't know if that's because we are coming out of the pandemic and everybody is hungry and they are eager for a different experience and we've been converting people and so far retaining them. We are going into the 9th month of the year and we've talked about how we were closed for two years. 2022 is like a brand new [MedX Precision Fitness](#) from our perspective.

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Lawrence: Also, just thinking as well in the context of when you were doing these campaigns. If you are doing it like a business association or... What did you call it? Condo something?

Blair: Yeah. I had a term for it at that time didn't I? It was like a condo association Facebook page.

Lawrence: But if you're going to get access into those communities and let's say you don't have a really good relationship then you need to offer an incentive. Don't you? That is valuable to the community. So it totally makes sense to offer a discount because there's a really good reason. I think that's a good variable.

Blair: Most of them won't do anything unless there is a discount, right?

Lawrence: Right, right, right. Well, they won't let you even promote it, right?

Blair: Yeah, exactly. I mean, I understand the devaluation but I think you can kick that to the curb a little bit if you are giving excellent service and you are showing these people what they are getting out of it. And that sort of comes back to our processes as well. The way we use the Vibe. The way we use the [InBody](#). After those first day sessions we have subjective feedback for them. You are going to get lucky on those no matter what. Even people that

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paid full pop are going to potentially stop coming. For now, we are running with this.

Again, here is another thing I'm freaking out about. The free introductory session. I'll put this to you. Should you charge for it and then discount the initial purchase the cost of the intro if they sign up on the spot?

Lawrence: That's interesting.

Blair: Right, I'm thinking that too. I don't have any answers. I have 7 million questions and I don't have a lot of answers. But that's what I'm thinking about too if you are giving a few intros.

Lawrence: First thought in my head is you will obviously get a lot less leads. You will get better quality. But I think the thing that trumps it all is demonstrating value. I don't know. You have to test it. That's the only way.

Blair: The problem with testing that one is if it doesn't work you don't get as much money.

Lawrence: I mean, it is funny, right? The other thing as well is so people pay for it they will definitely turn up. Your show rate will be much higher. I don't know. Maybe this sounds too. I don't know. I'm thinking about democratizing what we do and making it... That's one of the things I really like about [Discover](#)

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[Strength](#)'s philosophy is that one of the drivers behind small groups is how we can help as many people as possible. Yes, we have our target market. We have our Mary and Michael up, 6-figure salary lawyers and stuff. But it's like they have a small group for people that can't afford the 1-on-1. The small group is very, very affordable. It was half the cost per session or something like that, 60%. And then if people can't afford that then they go on and use that [unclear] They will probably get a ton of free value in terms of workout programs delivered via email sequences. I like the fact that they are trying to find a way to help as many people as possible even if they can't afford it unless you have no budget for any personal training.

I guess where I'm going with that is I like the idea of a free introductory workout because anyone can participate in that and get value and get a free workout. That's more of a socialist view of it I guess.

Blair: Access to everyone.

Lawrence: Yeah. But I don't typically speak that way politically so it's quite unusual for me to say. That's my two cents.

Blair: There is a term for it and I can't really speak to the term but I can put it out in the open. Isn't it referred to as a totally accessible market? So when you have a free consultation you increase the potential market and then the people that are going to continue end up waddling down into your avatars,

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right? You create your avatars after you've accessed the entirety of the market. If you have an \$85 introductory session, you are not maximizing the total accessible market. Does that make sense?

Lawrence: Yeah, so hang on. Let me try to understand what you are saying. You are zeroing in straight away on the target market with that price point. That's what you mean?

Blair: Totally. I don't know. I have more questions than answers, Lawrence.

Lawrence: That's fine. That's fine. I think it's cool to test these things. And if we do a follow up on this it would be interesting too if you end up and how that performs. Just moving on then. So you got the single session. Getting back to that, is it fair for me to say that's more of a... It's not you're trying to sell many of those single sessions. It is more of a comparison variable. It is to show. It is more to increase the value of the other offers. That's really its primary purpose.

Blair: Yeah, and they will also get... This is a weird one too. But we are not doing a lot of virtuals these days. We are not promoting virtuals. We have a couple of people that are sticking with it because they have moved out of the city and they haven't come back in or some people that will take us with them on vacation. But throughout this summer we've done some singles because people are at their cottage, in their home for a week and they just come in

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and they don't have a membership that they pay \$85 and they are cool with it. But those are existing clients utilizing their services. Not random people doing one offs. We don't get a lot of door knockers. People that come in out of town and book at us and do a single workout. I think it is probably just there for comparative purposes. You are setting the value and then proving the value with the membership.

Lawrence: Yeah. I think it's a great idea. It works really well. You see this quite a lot. You see a lot of companies do that in their websites, right, have the three offers. And then, they highlight the middle one as the best value or whatever. Is that where you're kind of inspired by that idea seeing that?

Blair: I think that's a little bit of purchasing strategy or psychology too. You drive them towards the one you want them to purchase. With that logic we obviously rather everybody be on unlimited but that's a pretty big price delta. We are thinking of bringing back that middle option like I said earlier. That might be the value prop.

Lawrence: Let's discuss this and let's just see if you think I'm right here in terms of understanding of what you are intending to do. We talked about the single session. You've got the Essential Membership and the Unlimited. You are looking for that middle option because the problem you have at the moment is you've got people on the unlimited paying \$550 every month which is certainly no small fee, right?

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Blair: Yeah.

Lawrence: And yet they are only using 6 or 7 a month. The consumers are going through their life... A lot of them are going through like, "No issue. I have a ton of money. It's no issue. I am not building contempt or resentment for your organization." I like this thing that we had a virtual happy hour recently and [Luke](#) was talking about share of hearts and share of wallet and how you are always trying to focus on getting... I'm probably completely miscommunicating this. But you are always focusing on trying to get that share of heart from a client and never allowing them to because it could, I don't know, subconsciously build up some resentment over time. And you'll end up churning them or impacting their propensity to generate referrals and that kind of thing. I don't know if I'm getting off tangent with that.

Blair: I think that factors into all of these decisions and should too, right?

Lawrence: Yeah. Maybe it's just enough to say it doesn't feel right which is what you were saying, right? Am I right in saying that? Was that why you're not feeling good about that at the moment?

Blair: Before I got into it I would say my least favorite thing in the entire universe is administrative work associated with switching people's membership that they haven't selected properly. It is on us as gym owners to make sure people are wearing the right shoes but the client has to tie their own shoes

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out. When somebody picks a six and they only come in five and they've done that 3 months in a row and they haven't told you that they want to change their membership to a 4 and now they want 4 bank sessions. That's the most annoying thing in the universe.

Inherently, I don't think they are wrong because they have paid for it and you should get the service that you have paid for. But at the same time I can't take responsibility for what you're doing outside of my facility. And if you're not prioritizing it and I'm opening my arms and making it easy for you to prioritize, that's a thorn in my side. We try to simplify this. And I think we've simplified it and I think we've done a reasonably good job. But I've started to notice a pretty significant trend in people not living up to the value of the unlimited. And eliminating that one in the middle might have been not the smartest idea.

We are talking a little bit about how we've been running some surveys lately. We can make them anonymous. I think that just with our system I think maybe our answers would be a little bit more critical if we were to anonymize it. I was hoping to use the results of the survey as a jumping off point to make a change to our memberships. Because we just changed them recently. I think it was back in February. And that's a little too soon to reach out in my book and say, "Hey, we are changing them again." But I think it's a little bit different if we've got feedback from the population and we can say, "Hey, we heard you. We would like to improve this for you." I was hoping to

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make that jump after the survey and because it's not anonymous we've got 60%. I think it was 60 something percent of people that we sent it to. These were active clients. 150 or 200 people or something like that. They were all too positive. That's cool. I'm not pumping my own tires. They are really nice people. You've got really wonderful relationships with them. Maybe 45% of them have been with us from before [COVID](#) and they pivoted to virtual. We care about these people but they probably don't really want to hurt our feelings.

We've got people saying things like, "The facility is 5 out of 5 clean." I know that if I walk in there on a Tuesday Stevey's coffee cup is probably sitting on top of the leg curl. That is not a 5 out of 5 thing. In fact, I left my coffee cup on top of the chest press, Lawrence. You are just being nice. I need to anonymize the thing.

Lawrence: Yeah, you do. Are you familiar with preference versus performance?

Blair: Yeah.

Lawrence: For those that don't and are not familiar with that, it's like you are trying to start a business and you're like, "Would you buy this thing off me?" Or, "Do you like this business idea?" And someone says, "Yeah, that's a great business idea. You should roll with it." And you say, "Okay. Well, it's \$10. Do you want one?" They are like, "Oh, well, I don't have the money." The way

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people behave and act, and I guess you could also interpret that as when people cancel their membership with you, or stop coming, or lower their frequency. These are the real signals. These are the honest signals. I totally get where you're coming from with this.

Just to clarify for people if it's not clear already. So you've got Essential and Unlimited Membership. One is 4, one is 8. You are thinking about some middle option that's like a 6. If you look at the likes of say [Discover Strength](#) who we have referenced a few times. They have 4, 6, 8 for 1-on-1 as well and various other options. That's what you are looking at doing and maybe calling it rather than talking about the number. Calling it something more abstract. A bit like we are talking about [Owen Dockham](#) over at [Live Oak](#) has Silver, Gold, and Platinum I believe.

Blair: He has all of those in his beard too so that's interesting.

Lawrence: In his beard. Yeah, it does. How would you then because at the moment... Let's talk about rolled sessions for a minute here. At the moment you have it set so, and this is the problem, right. You don't get rolled sessions. Your sessions are just if you don't use them you lose them. Say on your unlimited model, so they only use 8. They go into the next month and they only use 6. Tough luck. You've lost two. What is going to change in relation to rolled sessions in your new model?

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Blair: Cool question. Our essential is not necessarily a once a week limitation. We've set this for yearly exposures. I named it essential from the minimal effective dose perspective of an average of once a week sessions over the year contributing to all of these wonderful benefits. Now, we know we can get away with less but context is important. And I don't think you should strive for less so here is your Essential Membership package. The way we have it set within the actual system is 52 workouts per year. This is interesting because you could argue, "Well, what if someone signs up and they do 52 and it's been 6 months." Okay, they sign for another one. That's kind of silly because they've paid \$10 more per session versus going on the unlimited for a year.

That kind of buffers itself out. That also gets rid of rollover sessions if you really think about it because you can set the thing at the start and you can explain to people that you missed last week, come in twice this week. It is not a once a week limitation. It's 52 over the year.

Lawrence: Okay got it.

Blair: If you have a vacation in two weeks, get it twice before and get it twice after, and our trainers will work with you. And we have a filter set up within our CRM scheduling tool that we can just cli, "Okay, Lawrence, you started here. You've been in this many times with this date range like you're on track. Let's go." We can enable that. We can actually set it to limit to 52. After 52, it will

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prompt you to pay an extra per session rate that is the equivalent of \$310 times 12 divided by 52. I think it is \$71 or something. So it is \$71.50 for an extra session.

Lawrence: Got it. What if you get to the end of the year and someone still got 10 sessions they haven't used? What would you do?

Blair: Great question. We haven't experienced that yet. I'm not really, really sure what the answer is. I don't think it will really be a problem though.

Lawrence: You started this in February, right? What's the usage at the moment?

Blair: Yeah, great question. We are averaging 6.72 visits per week per visitor.

Lawrence: How do you then separate that across Essential and Unlimited? If we just focused on Essential just for simplicity. I know I'm asking you off on top of your head here. It's difficult.

Blair: We have probably 60 people on the Essential. I'd say the Essentials are the ones that are the most consistent.

Lawrence: It is easier to do obviously, once a week. It's easier to achieve.

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Blair: Then the Unlimited is a little bit too ambiguous to make that classification for, right? Like what is the ceiling of unlimited? How do you say that somebody is successful? I guess it would be 2+ a week would be successful. But we're finding as you hinted out before that we've got some people there averaging 6 or 7. That just doesn't really feel good, especially because in the unlimited cap there are no rollovers. It's not there 3 a week and then we got 2 that rolls over. You are just consistently not hitting the value benchmark for the pricing structure.

Lawrence: That's also a problem even when you have this annual set up where you're looking at, okay, the price point accounts for 104 sessions a year. And if someone is doing 6 or 7 a month that's still a problem. That's how it is set up currently, right?

Blair: Yeah.

Lawrence: So they need to be hitting 8 a month in order to get their return on investment for using what they pay for.

Blair: Yeah, to hit the bill. I mean, it is interesting though because from a big box gym perspective if you're paying \$100 a month just to walk in the door. Do you worry they only made it 4x this week versus 5? Probably not. When did people start to worry about it? If you are away for a month then they don't put much on hold. Are you worried about your \$100? Maybe. You're definitely

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worried about \$200. If it's once in a while you hit 7 instead of 8, you are probably not overly concerned. But if it's consistent, you don't want to be really driving somebody to worry if you're valuable or not.

Lawrence: Yeah. Here is the thing. I'm curious how you just think about this. This is the thing, right. It is how we make decisions about this stuff. Is there a pragmatic business filter like this that is going to lead to churn. Right now, I don't think it is manifested in any objective ill-response or churn.

Blair: No.

Lawrence: But it doesn't feel right to you. It's a more ethical issue, right? And maybe a long-term business view as well. This is where entrepreneurship can get tyrannizing, right? Because you do whatever the f you like. If anyone has ever read [Derek Sivers'](#) great book [Anything You Want](#). So clear distinction, it is not everything you want. It is anything you want. Because if you want everything you're not going to get it. But if you can focus on a few things you will probably get it, right?

Blair: There is a saying there, "You can have anything you want but you can't have everything you want."

Lawrence: Yeah, exactly. I actually read that book on a cruise in Croatia years ago. I emailed him straight after because I had a question. I think at that time I was

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just struggling with the idea. Actually at that time I wasn't sure if I was going to be doing [High Intensity Business](#) long-term. Now, I can see myself doing it for decades. But at that time I was thinking, "Ah, I want to do other things too. What if I don't have time?" I emailed him about it. He emailed me straight back. The guy is good. He's been on [Tim Ferriss](#). He's got a big profile. And he gave me some really good ideas and he said, "Life is long." And he sent me this gift which I shared in the thread. It is just a gift that represents how you could spend different decades of your life pursuing different crafts and stuff like that. I'm digressing.

Anyway, in that book, he talks about how building a business is like building your own little utopia. I don't know if that's the best word to use. But it is building something that is completely your own design or design that aligns with your values and your leadership team's values. I guess that is part of this. I'm assuming you have core values for your business. And does that help you make decisions like this because maybe that's where the starting point is for this.

Blair: That's a really good point. I think core values have to play in there for sure. But I also think there is an inherent difficulty for us as the owner of the business working in the business with the clients at the same time. It is understandable that it is tough to set your price points. You are literally talking to all of these people all of the time. If you are out of the business, running the business and not on the ground, I think it is a little bit easier. I'm

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slowly transitioning to that point but I'm not there yet. I still see the data and then see the person's face and know that that's the person that's only hit 6 the last 2.5 half months and they've paid for an unlimited sort of thing. I think that's the case for... I don't even know what that's a case for. But I think that's where I get my difficulty for sure. Would you see the people?

It's hard to ask for referrals and this is a bit of a tangent but hopefully I can connect it. It's hard to ask for referrals, fear of rejection, personal relationships, any of those reasons. It is understandably hard to ask for money too even if you are providing a service. I don't know. I think I would like to switch it back. And by switching it back I mean we used to be 4, 6, and 8 but I'm not quite sure how to do it. And I think the one thing you touched on before was the possibility of eliminating the definition of the package in the name of package. So instead of calling it a 4x membership, a 6x membership, or an 8x membership and putting a value on it right away.

Lawrence: Yeah, definitely wasn't my idea but thank you.

Blair: You mentioned it before. You and I were talking about it and [Owen Dockham](#).

Lawrence: You mentioned it.

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Blair: Right. I'll take the credit. I think there's maybe some value in that but I think this is a thing. This is a thing that everybody is always going to be talking about because everybody is going to do it a little bit differently, right?

Lawrence: Yeah, exactly. That's the important thing to take from this. You can tell that and just winging this to an extent. We haven't really talked about this in detail so I'm really just learning about what's going on with you and the business. Yes, like you are saying, everyone has got their own preference for their business. Maybe they've got their own heuristic they used to make decisions around core values and their strategy. And if you've been through [EOS](#) which we have in the [Membership](#) to set your business strategy. That will probably help you a lot with some of these decisions I think.

Okay. So you are politely moving towards a third option in between Essential and Unlimited, but you still have this model where you have this many sessions per year. You still think you are going to lean that way? And then follow up question for that. You would proactively look to flex clients up and down although you hate it if they start not using enough sessions or wanting to use more sessions because that is upservicing ultimately?

Blair: Yeah. We just started automating this a little bit. I don't mind doing the changes with notice. But grinding my gears is on August 2nd when you email me and say, "I forgot to tell you I'm going to be away." "Take good care. Well,

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I forgot to tell you I have a child, and a mortgage, and I have to pay my bills. I don't want to really refund you."

Lawrence: You tell them that, right? I mean, in your response.

Blair: I'm not a piggy bank. You can't just put it in and take it back out. There is a cost associated with all this stuff. We've automated an email campaign that will be sent out on the 28th of every month. That's just a literally a graphic that says something along the lines of have you thought about your membership next month. Be sure to tell us before the 1st so we could make any changes and then underneath with a little asterisk that says. "Refunds hurt small businesses. Help us help you." That's been super helpful. Because before from an immediate service correction perspective, if you reach out and you've been a client forever or if you've been a client for 2 months, we don't want to lose you. We want to fix the problem right away. We don't want to create any friction whatsoever. There's a little bit of pain associated with issuing a refund but there is also a significant amount of pain with replacing that person if they decide to leave if you don't give them the refund.

Lawrence: Very good point.

Blair: You're not just refunding. You are refunding and then setting them up for something else so there is transactional cost and those suck. You could probably argue that they are a cost of doing business. You could probably

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argue that there is merit to saying no and having a polite option for them the next month that sort of fixes the problem that doesn't cost you any money. But we started I think in March. I threw my hands up and I said, "Guys, no more refunds." And that puts you on the trainer towards the end of the month to be like, "Why aren't you in? What's the deal?" They've got to remember. And we went through a string of months with zero refunds and it was a high five city. And then summer came around, people forgot to tell us about vacations and I get an influx of emails in July and it is like, "Oh, Blair, I'm going to be away."

Lawrence: Just so I understand this, you are talking about a refund? What I don't quite understand and look, we are a fraction of the size of you, so I'm sure we'll have these problems in time. But I am just thinking about us, when I flex a client down which by the way normally we see it coming and actually we suggest it. I think there's a reason that makes sense for us because, not to focus on us too much, but we are in a location... Galway road infrastructures are terrible so it can be quite difficult to get to us despite the fact that we are in a good location so it's actually quite huffy where they come twice a week is one of the things we've learned. We lean much more on virtual. Now I know you don't like virtual. I like virtual.

Blair: I understand the benefits of accounting.

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Lawrence: Oh yeah. No, I 100% understand that. We actually if anyone is on twice a week is almost purely virtual or does studio once so we can do virtual. We actually do lean on virtual quite a lot just because Galway is what it is with the road infrastructure and the traffic is really bad.

Anyway, where I was going with that is if I have to flex someone down to once a week from twice a week, I'm just saying, "Hey, we are going to flex you down to once a week. By the way, you have this many rolled. This is what we're doing because you can't keep up. And you have this many rolled, let's figure out a way to schedule those in or speak to your trainer to schedule those in ASAP." So there is no talk of refund so I don't understand why you don't just do that. What am I missing here?

Blair: Yeah, I mean, that's great. We haven't had a rollover policy because of the Unlimited and we've only been through February to whatever.

Lawrence: I see. So people would literally pop down from \$550 to \$310? Sorry. Go on.

Blair: They are definitely not going to be here for a minimum. If you are on Unlimited and you've been consistently hitting 8 sessions a month and you're going to be away for two weeks in August...

Lawrence: They want you to prorate it basically. Is that what they are asking you to do?

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Blair: Prorate or August 1st all payments come out. So it doesn't matter if you started July 15th you are going to pay again on August 1st. Your proration is going to be from July 15th. It will discount a month and it does it automatically. Going through the total of July. But what happens is people will want to change from Unlimited to Essential because they are going to be away. They don't tell us. They'd get the receipt on August 1st and they email us and say, "I forgot to tell you this."

Lawrence: Okay. Got it.

Blair: What can we do about it? Now, we can either discount their next month by 50% because they are only going to be accessing 50% of the Unlimited and it will come out in the wash. That's probably preferable. But there are people who from their own personal accounting perspectives would rather the Unlimited be refunded and us reprocess it as an Essential. Do you want a fight and risk adding friction or do you just do it and it's a fee associated with the credit card transaction. It just hurts when I look at all my metrics but nobody else cares.

Lawrence: Is this the problem though with this model? I mean, this is where rolled sessions are the potential solution to this, right?

Blair: What if you're on an 8x a week and you wanted to be on a 4?

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Lawrence: You mean 8x a month?

Blair: Yeah, 8x a month. So then if you got an 8 and you only make it for 4, and 4 rolled over. Now, next month you have 8 + 4. Or you've got an 8, you only do 4. Do you change the next month to a 4 and do the 4 rolled over and then go back to the 8?

Lawrence: I see. Well, I mean, you try to do it all. You try to do 12.

Blair: Yeah.

Lawrence: Now, we've not had success doing that. I'm understanding it like [Discover Strength](#) will have people in 3x a week. I know [Mike Lipowski](#) and [Pure Physique](#), they are training people. I know that's a slightly different group. But 3x a week is their standard frequency. I know people listening to this be like, especially if they are coming from [Body by Science](#), "3x a week? That's way too much." But I know for instance that... Well, I don't know if this is still how they do it. You can correct me, Blair. But I know [Discover Strength](#) will say, "Look, you can do 3x a week over the short-term because overtraining is a process not an event. You don't do this forever but you know it [unclear] sessions.

Now, to answer your question. I reckon we're just going to find that I can see... It's too early to say. I just think a lot of our clients go once a week. I

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don't know. Our sample size is too small to comment because we do have a couple of clients who are twice a week. One in particular she has never missed a session. I sometimes think she is our avatar because we've not even really created a detailed avatar yet. We are keeping that a little bit more high level. Over 40 busy professionals, 200,000 a year income is our high level avatar right now. But I'm thinking she is probably where we are heading towards.

I guess what I see happening is most people end up just doing 4x or 6x. Although 6x I think confuses people. Whenever I say, sessions on every 5th or 6th day are just, I think from a scheduling point of view it's a bit of a nightmare. So that I noticed hasn't resonated yet. There is only one individual I can think of who has actually bought that offer. I can just see 70% of people doing 4x a week. I'm even fine with people starting at twice a week. And if they can't keep up we just downgrade them because at least we got that additional revenue in the beginning and then they can just use those rolled sessions. Frankly, it is good from a skill acquisition, right? If training more frequently in the beginning is probably more beneficial. That's my perspective. Does that all make sense?

Blair: Yeah, that makes sense. I think there is so much nuance that I don't think any answer is perfectly adaptable. We had instances in the past when we were on the floor 6-8 model and people would accumulate enough sessions for rollover and then come to you and say, "Well, just don't charge me for

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next month and I will just catch up.” Well, I’m not really quite sure how you think this business runs. But it is not running that well that I can just let you come and train for free four months after you paid for a session. Cash flow is king and all these kinds of things.

But I think they all have their own headaches and your tolerance for that I think is what’s going to determine your path. Accounting for rollovers is difficult. I think it is [Bryce](#) or [Owen](#). Maybe all of those guys. I’m not too sure. Their terms are you have to have an active package to be able to access your rollovers which is great. I think a couple of them put expiries on the rollover for two months. The [unclear] is again on you.

Again, you could make all of these comparisons. If you buy a pair of basketball shoes and then you never played basketball, you can’t just take them back to the Nike store.

Lawrence: That’s a really good comparison. Yeah.

Blair: You got to put them on. But we get into this service industry, alright, I say this to people about the dentist. You go to the dentist and you get a filling and then you don’t brush your teeth and floss and you get another one. Is it the dentist’s fault or is it yours? You paid for dental hygiene and then you disrespected it. And it goes all the way. You can think about that even with cancellation policies and all this kind of stuff too. You don’t go to the bakery

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to get a loaf of bread that's \$3 and say, "Oh, that's too expensive. I think it should be \$2.75." But then people walk into gyms which are in the service industry and they are like, "That's crazy." Well, what do you want me to say? You want me to tell you a different price because you told me that. You wouldn't do that anywhere else ever so why is it okay here? You get to find the thing that has the least amount of friction. I don't think there are a lot of wrong answers. I think there are a lot of right answers.

Lawrence: Maybe you're right. Maybe there is no perfect solution here.

Blair: If you are just chasing profitability and you don't have a lot of morals then the proper solution is a big box gym with an 80% over sold membership count at \$100 a month and you're just taking people's money for not showing up. But I don't think that's any of your listeners.

Lawrence: No.

Blair: So I don't think there is a perfect answer.

Lawrence: That's it. We actually want people to get results. Don't we?

Blair: That's terrible.

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Blair: Yes, shocking. I'm just aware of your time. There is a bunch of stuff here but I like the fact that we've actually spent a lot of time just at the beginning there. I know you've got a hard stop so I guess we'll pause it there and we'll pick up again once you've gone through this software transition. Yeah, I'm fascinated to see what you arrived at in terms of pricing and packaging and terms and such.

Blair, best place to contact you. I guess they can go to medxpf.com if they want to see the website.

Blair: Yeah. Hit the contact button. That form will come right to my inbox and get right back to you.

Lawrence: Awesome. Any parting thoughts about this subject that you want to share or do you want to wrap up?

Blair: No. I think it would be cool to get to this transition that we are about to do and explore and maybe have another chat in 3 months when we've got success or frustrations on our belt to probably keep talking about it.

Lawrence: Yeah, absolutely. And for everyone listening or watching, this is recorded obviously. It's transcribed as well if you prefer to read. Thank you for being a member. Thank you, Blair, for being a member. Just a quick teaser next month or maybe later this month actually. No, it's the beginning of next

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month. I've got the founder of [StrengthPortal](#), [Matt McGunagle](#). [StrengthPortal](#) is a platform for tracking and managing all your workouts. It's awesome. I'm partnering with them for the podcast sponsorship. I'm a big believer in the product and I love [Matt](#) and the team. We're doing a Q&A in the [Membership](#). So that's what we are doing in early September. So a Q&A on [StrengthPortal](#) just dive into some of the things and talk about it. I'll probably pull and get questions beforehand. But obviously we'll be able to ask [Matt](#) all the questions that we care about for our niched space and make sure there is software that is tailored to us. It can be.

Blair, anyway, thank you so much for doing this. I really appreciate it. Have a great rest of your day.

Blair: You too.

Lawrence: Yeah, we'll connect soon to do part 2.

Blair: Sounds great.

Lawrence: Alright. Take care.