

Examples of ROI with Easalytics

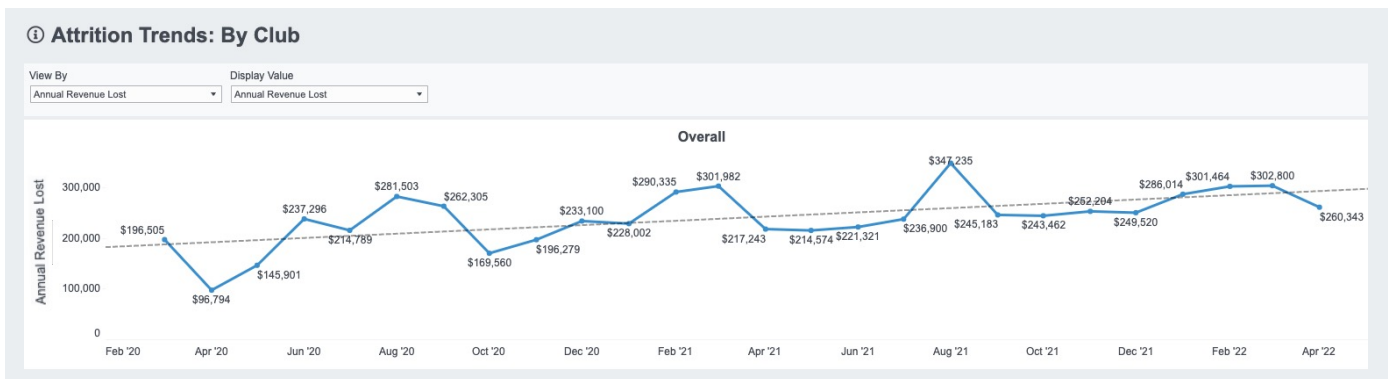
Below are just a few conservative examples of first-year focused ROI opportunities that have been found. Unlike many products, the ROI opportunities are not limited to one or two narrow areas, so many more opportunities may exist.

Increase PT Revenue via Untapped Segments (Recurring Opportunity)

- An unusual pattern of slightly increased PT purchasing in 4th year of membership was identified as a possible opportunity
- There were over 6400 members in 4th year of membership who had never purchased PT
- A 1% conversion rate of \$200 packages from one targeted promotion to this segment = **\$12,800**
- Our PT predictive model can continuously identify high-probability purchasers who are not currently being converted in membership months 7 through 36; just a 2% increase in conversions = **additional \$2500 per month in PT revenue**

Mitigate Increasing Revenue Retention Risks (Recurring Opportunity)

- The historical revenue retention advantages of annual contracts have been receding
- Only 54% of **new** members in Jan-Apr 2022 were annual contracts
- 49% of all **current** members are in open contracts
- 37% of all **current** members with **above average monthly spend** are in open contracts
- While attrition rates have been relatively stable, future annual revenue losses per month from attrition have been trending upward (see future annual revenue lost per month trend chart below)
- Avg Annual Rev Per Lost Member was \$594 in April '21 vs \$651 in April '22
- Our Attrition Risk predictive model has proven very accurate at predicting cancellations of 12 month contract and month-to-month members 3 months prior to actual cancellation
- Targeting retention efforts at only high risk, high value members to reduce the Avg Annual Rev Per Lost Member to just pre-2022 level below \$600 would retain an **additional \$2,000 per month** (without any change to current attrition rates, or efforts to retain any other members)



High-Value Lost Member Win-Back (Recurring Opportunity)

- Many clubs are finding success targeting desirable lost members with aggressive win-back offers (particularly members lost during height of Covid)
- Our Win-Back Desirability scoring identified 1,626 lost members rated Highly Desirable for win-back
- These lost members averaged \$1,200 annual revenue per member (43% above average)
- The top 10% of these averaged \$2,600 annual revenue per member (210% above average)
- Just a **one-time** campaign with 1% win-back rate = **\$19K additional annual revenue**

High-Value Member Segment Expansion (Recurring Opportunity)

- The 3 highest-spending member segments were also among the smallest segments
 - Segment 1: \$130/month avg spend x 261 members
 - Segment 2: \$125/month avg spend x 219 members
 - Segment 3: \$108/month avg spend x 103 members
- Their demographics can be used to shape targeted marketing and messaging to look-alike audiences
- The actual members in these segments can be targeted with more aggressive referral programs to attract similar members with higher probabilities of above-average spend
- Just a 10% size increase of these segments = **\$8200 additional monthly revenue**
- These segments are also average or below average member duration
- Extending average duration of these small segments by just one month with targeted retention efforts using our Attrition Risk scoring = **\$72K additional LTV revenue** (exclusive of any growth of the segments)

ROI Summary

The 4th Year Membership PT Sales Opportunity	\$12,800
2% increase in PT sales conversions	\$30,000 annually
High-Value Member Attrition Mitigation (minimal goal)	\$24,000 annually
High-Value Lost Member Win-Back	\$19,000 annually
High-Value Member Segment Expansion	\$98,400 annually
High-Value Member Segment Duration Extension (w/o expansion)	\$72,000 additional LTV