Prospective Member A/B Test

MuscleHub

Steps for Prospective Members

1. Take a fitness test with a personal trainer

2. Fill out an application for the gym

3. Send in their payment for their first month's membership

Question

Does the fitness test intimidate some prospective members?

Hypothesis

Visitors who are not required to take the fitness test will be more likely to eventually purchase a membership to MuscleHub.



Methodology

Visitors were randomly assigned to one of two groups:

- Group A were still asked to take a fitness test with a personal trainer.
- Group B skipped the fitness test and could proceed directly to the application.

Dataset Summary

Each stage of the application process is represented by a data table:

- **visits**: information on <u>ALL</u> gym visitors
- fitness_tests: information on potential members in Group A <u>ONLY</u>
- applications: information on <u>ALL</u> potential members who filled out an application
 - purchases: information on those who purchased a membership

Dataset Summary (cont'd.)

Each table contains the following key data points:

- First and Last Name
- E-mail Address
- Gender
- Date of Respective Action

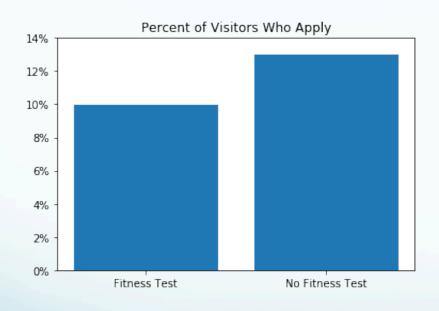


Test Method Rationale

A Chi Square Test was deemed appropriate because:

- 1. The data is categorical in nature.
- 2. A comparison between two categories of data was necessary.

Test Results

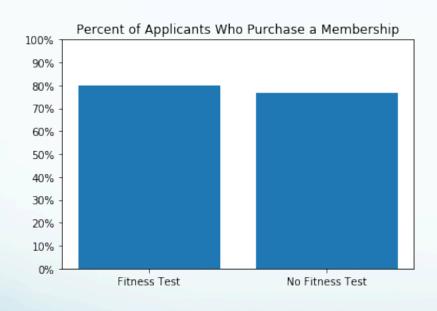


• p-value < 0.01

SIGNIFICANT RESULT

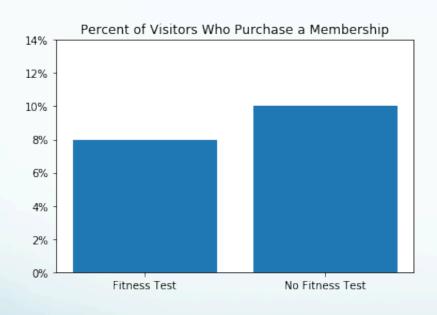
- 30% more applications submitted by Group B customers
- Indicates that a significant number of potential customers in Group A may have been discouraged from applying due to the fitness test requirement

Test Results (cont'd.)



- p-value = 0.43
- INSIGNIFICANT RESULT
- Group A applicants slightly more likely to purchase memberships
- Group A applicants already (or became more) committed after performing fitness test
- Application step the same for both groups

Test Results (cont'd.)



- p-value = 0.01
- SIGNIFICANT RESULT
- 1 in 10 Group B visitors became members
- 25% more Group B visitors than Group A visitors became members
- Despite comparable application numbers, initial visitors still appear put off by the fitness test

Qualitative Data Summary

- Group A visitors had polarized views on what they got out of the fitness test
 - Group B visitors approved of the straightforward sign-up process compared to that of a competitor
 - While not guaranteeing a purchase, the application-only sign-up option received more positive feedback than the fitness test option

Source: Customer interviews

What they said...

Recommendation

Remove the fitness test requirement from the membership sign-up process

- Proved successful in converting more visitors into members
 - Attracted visitors otherwise discouraged by LiftCity's sign-up process