Membership Purchase A/B Test

A/B Test Description

Goal: Determine if removing the fitness test from the membership registration process increases likelihood of a prospective member to purchase a membership.

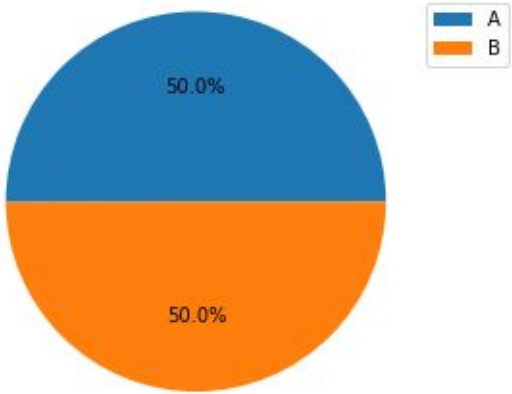
Approach: Randomly assign visitors to two groups - Group A and Group B. Determine if there is a statistically significant difference in the membership purchase rate.

Dataset Summary

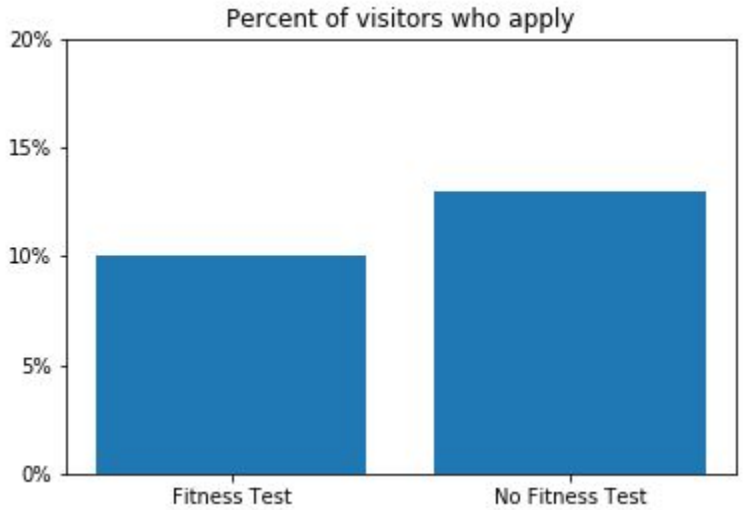
An equal number of visitors were (Group A) or were not (Group B) required to take part in a fitness test prior to receiving an application.

Combined three datasets to capture the progress of each customer to becoming a member

- Visitors - customers who visited the facility
- Applicants - visitors who picked up an application
- Members - Applicants who paid the first months membership fee



Hypothesis test results

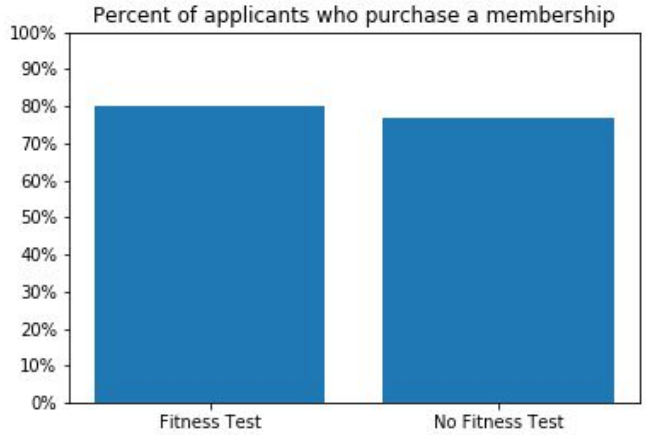


Chi Squared: Used to determine if there is a statistically significant difference between the number of applications submitted by Group A and Group B.

Appropriate as we have more than two categorical datasets. The customer either received a fitness test or did not received a fitness test and either did or did not fill out an application.

P-Value: .001 means it is very likely that there is a significant, statistically valid difference between the datasets

Hypothesis test results - Part 2

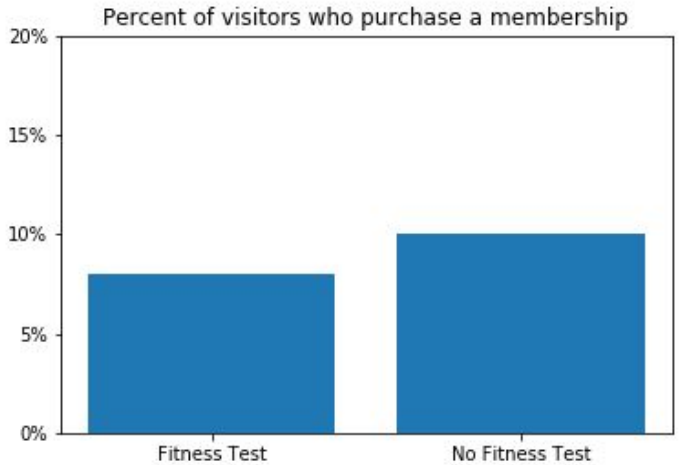


Chi Squared: Used to determine if there is a statistically significant difference between the number of new memberships between Group A and Group B where an application was picked up

Appropriate as we have more than two categorical datasets. The user either received a fitness test or did not receive a fitness test and either purchased or did not purchase a membership.

P-Value: .43 means there is not a statistically significant difference between membership signups in Group A and Group B, depending on if they picked up an application. The possibility of the difference between Group A and Group B being purely coincidental is too high to be considered statistically valid.

Hypothesis test results - Part 3



Chi Squared: Used to determine if there is a statistically significant difference between the number of new memberships between Group A and Group B (regardless of whether an application was picked up)

Appropriate as we have more than two categorical datasets. The user either received a fitness test or did not receive a fitness test and either purchased or did not purchase a membership.

P-Value: .01 means that that it highly unlikely the difference identified between the two sets of data is due to chance. The difference is likely statistically significant.

Qualitative Data Summary

- There is a statistically significant difference in the number of visitors from Group A and Group B that pick up an application. More visitors in Group B (No fitness test) picked up an application.
- There is not a statistically significant difference between the same groups when filtering the data to only customers who have picked up an application. Roughly the same percentage of those who picked up an application in both Group A and Group B end up making the first membership payment.
- There is a statistically significant difference in initial membership payments depending on whether the customer was required to take a fitness test or not, regardless of whether an application was picked up. There are more members of Group B (no fitness test) that made the first membership payment.

Recommendations

Make the fitness test optional

- Consider making the fitness test optional for membership. Develop talking points for trainers to help customers understand the benefits of the test, but make it clear that it is optional and the customer will have a great experience with or without.

Rebrand the fitness test

- Consider rebranding the fitness test as a free ‘fitness launch’ or ‘fitness kickoff’. The goal being to make the customer feel less like they are being put on the spot and instead, receiving benefit or value from participating in the activity.