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PRECISION FITNESS CITES CLIENT RETENTION AS KEY DRIVER TO ITS FRANCHISE GROWTH

*Affordable Private Fitness Training Offers New Business Model;
Simplifies Client Acquisition and Supports Long Term Fitness Clientele*

ANAHEIM, Calif., October 15, 2008 – Precision Fitness (www.pfitness.net), a franchised fitness business model focused on affordable personal training, today released client acquisition and retention figures from its newest gym, citing these issues as top business incentives for new Precision Fitness franchises launched this year. Precision Fitness' recently opened San Diego gym, evolving from an existing private fitness training studio to a Precision Fitness franchise, retained 98 percent of its existing client base and added 38 new clients with the shift. In addition, the gym added ten new clients in its second month of operation, hitting the anticipated target of between eight and 12 new clients each month. A second San Diego facility is opening soon in the Vista area.

Precision Fitness combines weight training, cardiovascular exercise and nutrition into individualized programs like many private fitness environments, but differs significantly by offering private fitness training for as low as \$18 per session. This is a remarkable departure from established industry costs, directly addressing the challenges of client acquisition and retention, and establishing private fitness training as a viable, long-term business geared to a broad audience. Precision Fitness gyms to date have opened with strong initial client bases including the most recent openings in Placentia and San Diego. The company's Cerritos location opened with 75 percent of its minimum clientele in place and reached its fully projected minimum clientele within its first 90 days in business.

"Cost is a huge factor in personal fitness training – the common assumption is that trainers make a significant hourly rate and the general public is not the mainstream customer. But when we dig into the realities of the private fitness industry, we see that it is not such an expensive proposition but one that is overly complicated and involves several people making a profit from a single client. What we've done is revamp 'the way it's always been done' into an effective, affordable fitness enterprise that works for a much broader audience," said Mike Salerno, fitness entrepreneur and founder of Precision Fitness.

Precision Fitness estimates an individual personal trainer or midsize training studio can anticipate one to two new clients monthly, and can also anticipate that client to stay on board for a limited period of time ranging from six months to one year. In contrast – and largely fueled by word-of-mouth goodwill that accompanies results – Precision Fitness franchisees average ten new clients per month. A recent survey of clients in the company's flagship Anaheim facility indicated 70 percent are known as "lifers," meaning they have been on board since the inception of the gym itself. The remaining clientele includes a significant amount of repeat business, defined as clients who left the training environment but came back to Precision Fitness as their preferred fitness regime.

“Client acquisition is primarily by word of mouth and client retention is at an all-time high – people seeking long term health and fitness are truly enabled to stick with their program as long as it’s affordable,” added Salerno.

“Private fitness training has gained so much ground in recent years – it’s viewed much more widely as a method that really works for long term health and fitness. Historically though, those benefits have only been available to a privileged clientele that can train at established cost levels. Now it’s up to trainers to change the way the business works and the perception of expense among the general public,” said Caroline Coraggio, longtime fitness trainer and San Diego franchise owner, Precision Fitness. “Charging \$18 per session is not such a wild idea. Trainers do not earn \$60 per hour; they earn \$60 per hour when they have a client and they frequently pay the largest portion of that fee to the facilities that support the effort. That business model is just not a long term approach, for either the gym user or the trainer.”

Precision Fitness has evolved the business model of personal training from an elite-focused consultancy to a day-to-day fitness enterprise. Unlike the longstanding fitness studio/trainer framework that requires a large client fee to be split as profit between both the facility and the trainer, Precision Fitness’ more moderate client fees easily maintain a single ongoing profit center. Salaried trainers meet the demands of more clients and do not split fees; clients pay less and still get the personal attention they need.

The company’s business formula takes into account the varying levels of fitness expertise that franchisers bring to the table and encourages franchisers to build systems, knowledge and fitness expertise by taking advantage of as much or as little of the training and certification offered as part of the Precision Fitness franchise agreement.

Precision Fitness also offers franchise financing, and franchisees are not required to provide large sums of cash or even have home ownership to get started. Although costs vary slightly by location, the franchise fee is \$25,000 and gyms can be up and running with total costs in the \$60,000 to \$70,000 range, including up to \$5,000 in grand opening advertising and marketing expenses.

For more franchise details including costs or to request a franchise package, visit Precision Fitness’ franchise pages at http://www.pfitness.net/PF_Franchise_Opportunities.html.

About Precision Fitness

Based on proven systems and business operations, Precision Fitness eliminates the high costs traditionally associated with personal training and offers the structure and experience of an established fitness enterprise. Developed by fitness entrepreneur Mike Salerno and taking the lead as the new wave in fitness options, Precision Fitness creates individualized programs that combine the science of good health with personal attention and affordability. Gym users can achieve a new level of fitness based on the one-on-one attention of a private gym, and gym owners can achieve greater professional success and satisfaction in their own fitness business goals.

Gyms are currently open in Anaheim Hills, Redondo Beach, Riverside, Cerritos, Placentia and San Diego; franchises are opening soon in locations throughout Los Angeles, Orange and San Diego counties. Call (714) 906-7178 or visit www.pfitness.net for more information.