

FRANCHISE ALERT #: 33 Membership-based Franchises

Introduction: From a business owner's perspective, **repeat, loyal customers** are attractive. If they **pay cash** or use a credit card at the time of purchase, each and every time, these customers are **VERY attractive**.

Many people exploring franchises are drawn to the **membership business model**.

What franchises are membership-based?

The first business that comes to mind, whether it is a franchise or a chain, is **fitness studios or gyms**. This is where the membership-based model is probably most frequent. Other sectors are also adopting this business model.

For example, it has been adopted by some businesses that offer

- Therapeutic massage
- Beauty services like waxing and facials and
- Pet grooming services and
- Weight loss programs among others

What are the benefits of a membership-based business?

For the business owner, **consistent cash flow**.

For the customer, **convenience**.

When is a membership-based business model appropriate?

This business model works best when there is a **regular utilization** of a service like with the businesses listed above. When customers have a one-time or infrequent experience at a business, it doesn't make sense to offer memberships to customers.

What are the challenges associated with a membership-based business?

One concern is how to keep customers. An owner will want to keep an eagle eye focused on the **attrition rate** or loss of members.

Many businesses are all about the customer experience. This is why businesses, like fitness studios and beauty franchises, focus so heavily on making the customer





experience exceptional. This is what drives membership and serves to differentiate a business from the competition.

Bottom Line:

As a potential business owner, it is important to consider who your customers will be and how you will build loyalty to your business. Membership-based franchises have an advantage here.

When considering the financial aspects of a business, it is difficult to find a more **attractive business model** than one with repeat, loyal customers who pay cash or use a credit card which generates **consistent cash flow**.

It's my pleasure to help you understand membership-based franchises.

NEXT STEP: 3 options

1. Visit our [website](#), [FAQs](#), [videos](#), [testimonials](#), [Resources](#), and [LinkedIn profile](#)
2. Schedule a confidential appointment with Anna by calling/texting 706.736.0579, emailing anna@selectfranchises.com, or [clicking here](#).
3. Stay in touch and be informed by engaging on social media to get the latest news on what's hot in franchising and learn what you need to know about franchises.

- Subscribe to our [Youtube](#) channel
- Send me a friend request on [Facebook](#)
- Follow Select Franchises on [Facebook](#)
- Invite me to connect on [LinkedIn](#) and follow Select Franchises on [LinkedIn](#)
- Be informed on [Instagram](#) and [Tweet](#) me your questions on X

It's my pleasure to help you understand [membership-based](#) franchises.

Learn. Launch. Live Your Dreams.



anna@selectfranchises.com



706-736-0579



www.howtoselectfranchises.com



@annawilds