

FITNESS



PUMP UP YOUR PROFITS WITH INDOOR TANNING

Especially in economically difficult times, all business owners look for opportunities to secure earnings. For health clubs, this does not only mean stabilizing and improving membership recruitment and retention rates, but also addressing the issue of incremental revenue. This is where every health club and gym owner can count on the proven record of the tanning business. Not only do most of the clients of a modern health club expect a professional tanning service, it can be very good for the bottom line while using a comparably small amount of square footage.

- **A TYPICAL TANNING BED OCCUPIES ONLY 60-100 SQUARE FEET OF SPACE, YET IT CAN OFTEN GENERATE UP TO \$15,000 IN GROSS REVENUE PER YEAR.**
- **DON'T LET YOUR CUSTOMERS LEAVE YOUR BUSINESS TO GO TAN AT ANOTHER BUSINESS DOWN THE STREET.**
- **BETWEEN 30-40% OF FITNESS CUSTOMERS ARE TANNERS.**
- **WITH GAS PRICES INCREASING, CUSTOMERS ARE LOOKING FOR A "ONE STOP SHOP" FOR ALL OF THEIR HEALTH AND FITNESS NEEDS.**
- **CROSS PROMOTE THE FITNESS SIDE AND THE TANNING SIDE TO GENERATE ADDITIONAL REVENUE AND INCREASE YOUR TOTAL MEMBERSHIP BASE IN GENERAL.**

Sun Ergoline is the leader in the professional tanning market and the #1 manufacturer of professional tanning beds. Sun Ergoline is also the leader in the fitness market with a high degree of recognition, acceptance and customer satisfaction among investors and clients alike. Listed below are some fitness clubs that are using Sun Ergoline equipment:

- **XSPORT FITNESS**
- **PLANET FITNESS**
- **POWERHOUSE GYMS**
- **SNAP FITNESS**
- **LIFE TIME FITNESS**
- **GOLD'S GYMS**

We would like to pass on to you our experience in the successful operation of tanning beds in health clubs and gyms with this e-handbook for health club operators. Sun Ergoline has been a partner of the fitness industry for decades and is here to consult on a one-on-one basis how to make your existing tanning business more profitable or how to add a successful tanning business to your club.

**GIVE US A CALL TOLL-FREE AT 1.800.643.0086 X 2288
OR E-MAIL ERGOLINE@SUNERGOLINE.COM.**

YOUR SUN ERGOLINE TEAM



WHY TANNING BEDS BELONG IN EVERY HEALTH CLUB

Offering Tanning in Health Clubs and Gyms comes naturally. Here's why:

- TAKE ADVANTAGE OF YOUR **LARGE MEMBERSHIP BASE** WITH THE ADDITION OF TANNING AS A SEPARATE, YET INTERNAL AREA OF PROFIT.
- TAKE ADVANTAGE OF YOUR ALREADY ESTABLISHED CUSTOMER BASE BY OFFERING A FREE TANNING PACKAGE WITH THEIR MEMBERSHIP AND DO THE SAME ON THE TANNING SIDE. THIS WILL INCREASE MEMBERSHIPS ON BOTH ENDS, FITNESS AND TANNING!
- YOU ATTRACT SOME OF THE **MOST APPEARANCE-CONSCIOUS CUSTOMERS** IN THE WORLD. THE PERFECT TARGET GROUP FOR OFFERING TANNING
 - WE LIVE IN A WORLD WHERE IMAGE IS EVERYTHING – PEOPLE WANT TO LOOK FIT & TAN.
 - TAKE ADVANTAGE AND SEIZE THE OPPORTUNITY OF EARNING EXTRA INCOME WHILE THE CUSTOMER IS AT YOUR FACILITY.
- INDOOR TANNING ALREADY HAS A HIGH PERCEIVED VALUE ESTABLISHED IN THE MINDS OF YOUR MEMBERS. IT IS NOT AN AMENITY LIKE A SAUNA OR A HOT TUB, BUT A PROVEN PROFIT CENTER.
- ERGOLINE NAME RECOGNITION IS SOMETHING YOUR CUSTOMERS ALREADY KNOW, AS MORE AND MORE SALONS ARE UPGRADING TO THE BEST EQUIPMENT IN THE INDUSTRY.
- SUN ERGOLINE INDOOR TANNING EQUIPMENT PROVIDES THE PERFECT EXTENSION OF YOUR SERVICES AND ALLOWS YOUR MEMBERS TO PUT THE FINISHING TOUCHES ON THEIR IMPROVED PHYSIQUES.
- A TANNED BODY LOOKS THINNER AND MORE TONED. YOUR MEMBER RETENTION IS LIKELY TO BE CONSIDERABLY HIGHER WITH AN ACTIVE TANNING BUSINESS IN YOUR CLUB.



THE PROFITABILITY OF OFFERING TANNING IN HEALTH CLUBS

ITEMIZED COSTS OF A TANNING BED IN HEALTH CLUBS

Sample ROI calculation:

- THE OPERATING COST PER SESSION FOR A PREMIUM CLASS 32-LAMP TANNING SYSTEM, SUCH AS THE ERGOLINE AMBITION 200, IS APPROXIMATELY 40 CENTS PER SESSION, INCLUDING ELECTRICITY AND LAMP USE.
- A TYPICAL TANNING BED OCCUPIES ONLY 80-100 SQUARE FEET OF SPACE, YET IT CAN OFTEN GENERATE UP TO \$15,000 IN GROSS REVENUE PER YEAR.
- MOST SALONS HAVE AN UNLIMITED PACKAGE FOR TANNING BETWEEN \$39.00 & \$49.00 PER MONTH. THIS IS USUALLY FOR A LEVEL 1 BED.
- IF THE FITNESS CLUB HAD 500 MEMBERS AND 50% (250 MEMBERS) OF THEM TANNED AT \$99.00 FOR THE ENTIRE YEAR, THIS COULD GENERATE \$24,750.00. THIS DOES NOT INCLUDE UPGRADE REVENUE FOR HIGHER END BEDS – THESE NUMBERS ARE FOR TANNING ON A LEVEL 1 BED ONLY.



Lease/Rent/Depreciation + Interest:

Variable Costs (lamps, electrical, cleaning materials etc.) (Cost per session sheet attached:)

Estimated Revenue: (Business analysis offered)

Customers needed to break even:



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SELECTING THE RIGHT EQUIPMENT

When selecting the tanning equipment for a health club, keep the following in mind:

- **LET YOUR SELECTION BE GUIDED BY THE IMAGE YOUR CLUB WANTS TO CONVEY: A LIFESTYLE CLUB WHOSE IMAGE ASPIRES TO THE MOST DISCERNING CLIENTELE WILL CHOOSE A DIFFERENT TYPE OF TANNING EQUIPMENT THAN A DISCOUNT CLUB. THE SMALLEST AND UNAPPEALING TANNING BED IS JUST AS FAR OUT OF PLACE IN THE 5 STAR HEALTH CLUB AS A TOP-OF-THE-LINE SUNBED IS IN A SMALL SUBURBAN DISCOUNT CLUB.**
- **AS WITH ALL INVESTMENT-RELATED CALCULATIONS, SALES PRICE CONSIDERATIONS SHOULD NOT PLAY THE MAJOR ROLE INITIALLY. THE PRIMARY CONSIDERATION IS TO FIND THE RIGHT INVESTMENT – THE ONE THAT PAYS.**
 - **YOUR SUN ERGOLINE PROFESSIONAL SALES REPRESENTATIVE WILL BE ABLE TO DIRECT YOU TO THE RIGHT CHOICE OF TANNING EQUIPMENT.**
- **A HEALTH CLUB’S TANNING EQUIPMENT MUST BE ABLE TO COMPARE FAVORABLY TO THE PROFESSIONAL TANNING SALON IN ORDER TO HAVE THE HIGHEST REVENUE POTENTIAL.**
 - **MORE AND MORE CUSTOMERS RECOGNIZE THE SUN ERGOLINE BRAND NAME. MANY SALONS ARE UPGRADING AND USING SUN ERGOLINE EQUIPMENT IN THEIR PROFESSIONAL SALONS.**
- **WHEN ADDING TANNING INSIDE THE HEALTH CLUB, (NOT AS A SEPARATE BUSINESS CONNECTED TO THE CLUB) EXPERIENCE HAS SHOWN THAT THE TANNING UNITS SHOULD BE IDENTICAL (SAME TYPE, COLOR AND SIZE) TO MAKE THE SELLING PROCESS FAST AND EASY. AN EXCEPTION TO THIS RULE MAY BE THE DIFFERENTIATION BETWEEN TANNING BEDS AND STAND-UP UNITS.**
- **THE LARGER FITNESS CLUBS HAVE BEEN EXPERIMENTING BY HAVING TWO SEPARATE ENTRANCES, ONE FOR THE GYM AND THE OTHER ENTRANCE FOR THE TANNING SALON. THEY FIND THAT HAVING A SEPARATE ENTRANCE TO THE TANNING FACILITY WILL ENCOURAGE NON-MEMBERS FROM THE AREA TO USE THEIR FACILITIES FOR TANNING. SOME CUSTOMERS ARE INTIMIDATED WALKING THROUGH A FITNESS CENTER TO GO TANNING.**



DETERMINING THE NUMBER OF TANNING BEDS

The number of tanning beds necessary for a successful tanning business is primarily defined by the number of expected or actually existing club members. To ensure a profitable degree of utilization, the formula that applies calls for one tanning unit per 500 members, though there should be a minimum of two units. Just as at least two treadmills are purchased for reasons having to do with capacity and not just one, it is wise to proceed in the same manner when acquiring tanning beds. No consideration is given to the number of potential outside customers when calculating the number of units in a fitness club. Experience has taught us that very few external clients use the tanning area of a fitness club. Special club concepts, in which the tanning area is attached to the fitness club, but operated and organized like an external tanning salon, are an exception.



THE RIGHT POSITIONING INSIDE THE CLUB

Next to selecting the right tanning equipment, location within the fitness club is the most important decision for the success of tanning. Ideally, tanning beds are set up where all clients pass by at least four times: on the way between check-in and changing/locker rooms. If practical, they should be placed as close as possible to the changing/locker rooms, optimally across from the entrance door to these rooms. At least two units should be placed here.

- **VISUALIZATION IS VERY IMPORTANT. IT MAKES CUSTOMERS “THINK” TANNING WHEN PASSING BY TO GO TO THE LOCKER ROOM. IT’S ESPECIALLY GOOD FOR DISPLAYING HIGHER END BEDS (UPGRADE BEDS) TO ENTICE THE CUSTOMER TO SPEND A LITTLE MORE TO UPGRADE TO THE NEXT TANNING LEVEL – WHICH GENERATES MORE REVENUE.**

There is the option to feature indoor tanning as a separate business inside the club that is also open to the general public. In this concept, both the fitness business and the tanning business attract a large number of customers and will feed off each other’s clientele.

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INCREASING SALES AT LOW COST

Take advantage of the high perceived value of indoor tanning to sell memberships and maximize profits on each membership sold. Or use indoor tanning sessions to increase sales of pro shop items and vitamins. Ask our consultants for the strategy that is right for your club.

- OFFER A FREE 30 DAY TANNING PACKAGE (\$40.00 PERCEIVED VALUE) TO RECRUIT NEW GYM MEMBERSHIPS.
- ON THE FLIP SIDE, OFFER A 30 DAY GYM MEMBERSHIP WITH A 3 MONTH TANNING PACKAGE.
- THE COMBINATIONS ARE ENDLESS AND THE PROFIT POTENTIAL IS TREMENDOUS!



The presentation of the futuristically-designed Sun Ergoline tanning beds can be accomplished with the use of sliding doors that should remain open after use. This way, members will feel like getting a tan just by seeing the tanning beds.

Additionally, Sun Ergoline offers a series of marketing materials, to promote your tanning service: "skin type posters", promotional posters, brochures and much more.

With the addition of tanning to the health club comes substantial profit potential from high-margin lotion sales.

Ask your Sun Ergoline representative about the many options that exist.

- LOTION SALES GENERATE BIG PROFITS. SELL A \$50.00 BOTTLE OF LOTION AND MAKE \$25.00 PER SALE.
- HAVE A "LOTION" OF THE MONTH SALE AND BUNDLE A DEAL WITH A "FREE" UPGRADE SESSION FOR PURCHASING A BOTTLE OF LOTION @ FULL PRICE. YOU'LL MAKE MORE MONEY OFF THE SALE OF THE LOTION AND THE COST PER SESSION ON A SUNDASH 252 STAND-UP IS ABOUT 80 CENTS PER SESSION.



INDIVIDUAL FINANCING OPTIONS

For many companies in the leisure industry, the subject of "financing" is a thorny issue. In today's business environment, more and more significance is attached to liquidity. Sun Ergoline and its trading partners responded to this issue early in the game and they can offer various financing plans that are tailored to meet the needs of the fitness industry:

JK CAPITAL

To take the pressure off your own credit line with your bank and, in an effort to avoid having to shop around for external leases that do not hold out much promise of success, JK Capital offers exclusive financing on tanning beds made by Sun Ergoline.

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