

## Bally Total Fitness

### Client



Based in Chicago, Bally Total Fitness is one of the strongest and most recognized fitness club brands in the world. Founded more than 40 years ago, Bally operates 100 clubs serving nearly one million members domestically and abroad. Providing high-level support

for those members involves a number of response management tasks, including remittance processing, file maintenance, postal hygiene (determining which outgoing pieces were undeliverable and updating the company's data base), and responding to customer emails.

### Situation

As a result of a major restructuring in 2008, overhauling its West Coast member support operations center became one of Bally's top priorities. The operations center, a combination call center and administrative back office, had become redundant, inefficient and too expensive to maintain – costing the company \$24 million annually.

“We needed to get the back office costs under control and figure out how to service members in a more cost effective way,” said Bill Midwig, Vice President of Member Support for Bally Total Fitness. “We were managing the West Coast operations center entirely in-house, with our own employees. We realized we had a very antiquated remittance processing operation; our equipment was so old that we didn't even have maintenance contracts on it anymore. We needed to get out of the envelope-opening business, but we needed more. We needed to turn our back-office support over to a partner we could trust that could take us to the next level. We needed a company that would work with us to find the best way for Bally to provide member support, and do it more efficiently than we had in the past. That's why we chose Merkle Response”

### Approach

From the beginning, Merkle Response acted as more of a partner than a vendor, working closely with Bally to understand their needs and goals. Merkle Response's “high tech, high touch” approach delivered a customized response management solution that provides a consistently high level of service combined with using the latest technology to drive down costs and expand capabilities.

As part of the implementation process, Merkle's team visited Bally's West Coast operations center, evaluated the services being provided and determined the best



“I expected great things from them and they delivered. I trust Merkle, and I trust that if something does get off track they are going to fix it quickly. If every business relationship I had was as smooth as this one, my job would be a lot easier.”

### Bill Midwig

Vice President of  
Member Support,  
Bally Total Fitness

way to integrate those services into Merkle's service model. "The reason we have such a successful partnership is that they work hard to understand the task at hand, and take a very methodical approach in identifying the best solutions to meet our needs," said Midwig.

At first Bally moved "simpler" functions like remittance processing and file maintenance into Merkle's hands. However, once the relationship had evolved, and trust had been established, Bally put the more complex function of e-mail management in Merkle's hands, where direct communication with the members has an impact on customer service and retention.

### **Results**

Today, Merkle Response provides services to Bally Total Fitness that represent about 75 percent of the company's back office operations. As an integral part of Bally's member service operations, Merkle Response has reduced Bally's related operating costs by 15 percent and allowed Bally to focus on its core business goals of acquiring and retaining members. "As our partnership grew," Midwig said, "Merkle Response surpassed our expectations every step of the way."

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