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# How 24 Hour Fitness Leads the E-Commerce Revolution in Fitness

## White Paper: A Digital Transformation Playbook for Scalable CX and ROI

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## Introduction: Igniting a Digital Fitness Revolution

In 2008 and a fast-evolving digital landscape, the fitness industry faced a turning point. With increasing competition, changing consumer behavior, and rising expectations for digital engagement, 24 Hour Fitness needed a transformation strategy that could scale growth while enhancing Customer Experience and increasing brand loyalty. 24 Hour Fitness successfully led a **digital revolution, achieving a 5x ROI and growing revenue from \$500M to \$2.5B** within 5 years.

Before undergoing a digital transformation, 24 Hour Fitness—like many legacy fitness brands—relied heavily on traditional, offline operations that limited growth, efficiency, and scalability. The absence of a digital-first strategy created several major obstacles:

- **Overdependence on Walk-In Traffic** – Brick-and-mortar locations memberships.
- **Inefficient Sales Force-Driven Conversions** – A large, commission-based sales team.
- **Traditional Advertising Spend, Limited ROI** – One-size-fits-all marketing.
- **Fragmented Lead Funnel** – No unified digital platform reducing conversion visibility.
- **Slow Member Onboarding & Retention** – Manual onboarding processes.
- **Limited Scalability** – Growth depended on expanding physical locations.

Recognizing these challenges, **24 Hour Fitness initiated a full-scale digital transformation**—replacing analog systems with AI-powered, data-driven marketing platforms. By integrating automation, real-time targeting, and performance-led digital strategies, the brand shifted from transactional sales to long-term member engagement and scalable, measurable growth.

This white paper explains **HOW 24 Hour Fitness successfully led a digital revolution, achieving a 5x ROI and growing revenue from \$500M to \$2.5B** under the leadership of its Senior Director of Digital Marketing & E-Commerce.

## The Digital Gap: Structural Barriers Blocking Scalable Growth

Despite being one of the largest gym chains with 450 clubs in the U.S., 24 Hour Fitness struggled with the limitations of a **traditional, non-digitized operating model**. Its growth relied heavily on physical locations, in-person sales teams, and mass media advertising, including TV, all of which limited agility and profitability in a rapidly digitizing market.

Key structural barriers included:

- **Heavy Dependence on Physical Foot Traffic** – Membership acquisition was tied to walk-ins, with little investment in digital lead channels.

- **Traditional Media Spend Without ROI Visibility** – TV, radio, and print dominated media budgets but lacked attribution or conversion data.
- **Fragmented Digital Experience** – Inconsistent user journeys across web, mobile, and in-gym interactions created a disconnected brand experience.
- **Lack of Automation & Personalization** – Campaigns were one-size-fits-all, missing opportunities to tailor experiences or act in real-time.
- **Underutilized Digital Tools** – Key technologies like CRM, SEM, and analytics existed but were not fully integrated or leveraged.

24 Hour Fitness recognized that sustainable growth and competitiveness required a shift from manual, location-driven operations to a **scalable, AI-enhanced digital marketing and CX engine**—one that could drive ROI, automate lead flows, and create high-value, personalized member experiences at scale.

## Company's Challenges Facing Legacy Fitness Brands

Despite being one of the largest gym chains in the U.S., 24 Hour Fitness struggled with the limitations of a **traditional, non-digitized operating model**. Its growth relied heavily on physical locations, in-person sales teams, and mass advertising, all of which limited agility and profitability in a rapidly digitizing market.

Before digital transformation, the company encountered these systemic issues:

- **Siloed Lead Management** – Web, mobile, and in-gym leads were not centralized, limiting tracking, nurturing, and conversion optimization.
- **Manual Member Onboarding** – New member experiences were paper-heavy and lacked digital touchpoints, contributing to high churn risk.
- **Inability to Scale Business Without New Physical Locations** – Growth relied on brick-and-mortar expansion, limiting the ability to pivot or grow digital.
- **Labor-Intensive Sales Process** – A large, commission-based sales force drove most new signups, increasing CAC and creating inconsistent sales experiences.
- **Expensive, Sales-Force Driven Conversions** – A large, commission-based sales team was necessary to drive new memberships, inflating customer acquisition costs and creating inconsistent sales experiences.
- **Traditional Advertising with Poor Attribution** – Heavy spend on TV, radio, and print lacked data feedback loops, making it difficult to optimize messaging or measure ROI.
- **Fragmented Lead Funnel** – Web, mobile, and in-gym lead sources were disconnected, preventing accurate tracking and nurturing of prospects.
- **Manual Workflows & Operational Delays** – Campaigns and promotions were slowed by siloed teams, outdated tools, and analog processes.
- **Low Digital Maturity Across the Tech Stack** – Tools for automation, AI, and personalization were either nonexistent or underutilized, keeping customer engagement flat and increasing churn risk.

24 Hour Fitness recognized that **sustainable growth and competitiveness required a shift** from manual, location-driven operations to a **scalable, AI-enhanced digital marketing and CX engine**—one that could drive ROI, automate lead flows, and create high-value, personalized member experiences at scale.

## Lead CX Innovation in Fitness Pioneer digital-first member experiences via mobile

24 Hour Fitness set out to accomplish the following strategic objectives to future-proof its business and scale growth through digital innovation:

### 1. Reimagine Membership Acquisition Through Digital Channels

Launch a full-service fitness e-commerce platform to scale digital lead generation and reduce dependency on in-gym walk-ins and manual sales.

### 2. Unify and Localize Brand Experience at Scale

Deliver personalized, geo-targeted content across web and mobile for 450+ club locations to enhance relevance and improve conversion rates.

### 3. Maximize Marketing ROI Through Media Transformation

Shift from traditional advertising to digital-first channels, leveraging performance marketing and real-time optimization to reduce CAC and increase return on ad spend.

### 4. Modernize Operations and Reduce Cost-to-Serve

Automate lead capture and onboarding, streamline campaign execution, and reduce reliance on large sales teams to significantly lower operating costs.

### 5. Lead Industry Innovation with Digital and Mobile-First Engagement

Pioneer new member experiences through mobile apps, AI-powered personalization, and industry-first digital partnerships that drive loyalty and long-term value.

By aligning around these goals, the company successfully transformed its analog, location-dependent model into a high-performance, e-commerce-driven ecosystem. This enabled scalable lead acquisition, streamlined operations, and consistent brand experiences—ultimately driving profitability, marketing efficiency, and long-term competitive advantage.

## Digital Transformation Blueprint: 5-Step Growth Framework

24 Hour Fitness executed a bold, five-year digital transformation strategy centered around scalable innovation, full-funnel automation, and a shift from analog operations to a performance-led, data-driven model:

## 1. Launch of the Industry's First Fitness E-Commerce Platform

At the heart of the transformation was the development and launch of **the first e-commerce platform in the fitness industry**. This platform supported **dynamic, localized content experiences for over 450 club locations nationwide**, enabling precision targeting by region, demographic, and behavior. It served as the digital engine behind lead capture, conversion, and onboarding—laying the foundation for scalable, personalized digital acquisition.

## 2. Transformation of Advertising Strategy

The company transitioned from high-cost, low-ROI traditional advertising (TV, print, radio) to a **highly targeted, digital-first media mix**. Through programmatic advertising, paid social, SEM, and influencer channels, 24 Hour Fitness significantly increased reach, engagement, and return on ad spend (ROAS), while drastically reducing acquisition costs.

## 3. Automation & Real-Time Optimization

By introducing a **full-funnel marketing tech stack**, including advanced SEM, SEO, affiliate, and social platforms, 24 Hour Fitness enabled **real-time decisioning and AI-driven campaign management**. This shift allowed for continuous optimization of performance across the customer journey—from awareness to membership sign-up.

## 4. Strategic Partnerships & Brand Innovation

To elevate brand equity and extend reach, the company activated strategic partnerships with **major global events** (e.g., Summer and Winter Olympics) and **national retailers** (e.g., Costco). Additionally, it launched **category-first digital initiatives** such as **Facebook Local, Yelp partnerships**, and the **24GO mobile app**, positioning the brand as a leader in fitness tech innovation.

## 5. Efficiency Through Team and Budget Scalability

With a **\$20M marketing budget**, leadership restructured operations by building a lean internal team of 11 FTEs and leveraging agency partnerships to scale execution. Most significantly, the success of the digital platform enabled the company to **reduce reliance on a large in-gym sales force**—cutting operational overhead while **generating 75% of the company's total leads through digital**.

Through a bold, digitally focused transformation, 24 Hour Fitness replaced its legacy, sales-force-heavy model with a scalable, e-commerce-driven strategy that redefined lead generation, member engagement, and operational efficiency.

By launching the industry's first fitness e-commerce platform—with localized content for 450+ clubs—and shifting media spend from traditional channels to performance-led digital advertising, the company not only modernized its marketing infrastructure but also drove 75% of total leads through digital. This transformation reduced operating costs, streamlined the sales process, and positioned 24 Hour Fitness as a digital leader in the fitness industry.

## Digital Transformation Wins: The Measurable Impact at 24 Hour Fitness

By launching the industry's first fitness e-commerce platform, fully digitalizing lead generation, and optimizing cross-channel CX, 24 Hour Fitness achieved transformative, measurable business outcomes that reshaped its operational model and long-term growth trajectory:

-  **5x ROI Growth** – Delivered measurable returns across media and tech investments.
-  **\$2.5B Revenue Growth** – Scaled revenue from \$500M via performance-led e-commerce growth.
-  **75% of Company's Total Leads via E-Commerce** – The newly launched fitness e-commerce platform became the company's #1 lead source, enabling reduced dependency on in-gym sales.
-  **Accelerated Campaign Execution** – Streamlined digital operations drastically cut time-to-market, while mobile-first CX strategies boosted engagement and lead conversion.
-  **Top 5 Mobile App Launch** – 24GO mobile app ranked #4 on Apple, driving CX and conversion..
-  **Market Leadership in Innovation** – 24 Hour Fitness became the first fitness brand to activate **Facebook Local** across **450 clubs**, build a **Yelp presence** for every location, and set a new standard for digitally integrated member acquisition.
-  **Operational Efficiency and Sales Force Optimization** – Reduced sales force needs through automation and lead flow optimization.

By implementing a bold, end-to-end digital transformation strategy, 24 Hour Fitness achieved breakthrough business outcomes—modernizing its marketing infrastructure, scaling e-commerce, and delivering personalized customer experiences at every touchpoint. This shift not only maximized marketing efficiency and accelerated lead generation but also redefined operational agility, positioning the brand as a digital leader in the fitness industry.

## Conclusion: Future-Proofing Fitness Through Digital Transformation

By embracing a bold, data-driven transformation strategy, **24 Hour Fitness redefined what digital excellence looks like in the fitness industry**. Through a five-year reinvention of its marketing and customer engagement model, the company replaced legacy, sales-driven operations with a **scalable, AI-powered digital ecosystem** that delivered measurable business impact:

- **Launched the industry's first fitness e-commerce platform**, generating 75% of total leads and dramatically reducing acquisition costs.

- **Rolled out the 24GO mobile app**, ranked #4 on the Apple App Store, as a core CX and onboarding tool.
- **Digitally activated all 450+ clubs** across Yelp and Facebook Local, driving local discovery and conversion.
- **Scaled revenue from \$500M to \$2.5B** in five years through performance-led, full-funnel marketing strategies.
- **Streamlined operations**, reducing reliance on in-gym sales teams while increasing lead flow and conversion speed.

By integrating **automation, data intelligence, and omnichannel personalization**, 24 Hour Fitness future-proofed its customer experience strategy—unlocking exponential growth, operational agility, and long-term brand loyalty.

**Digital Transformation is no longer enough**—CX is the key to sustainable business growth.

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