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## The Discount CrossFit?

Emily Beers examines how wildly popular websites like Groupon and Living Social can be used to the advantage—and disadvantage—of CrossFit affiliates.

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By Emily Beers

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All images: Kim Bellavance Photographie

Websites like Groupon and Living Social, which sell coupons for anything from exotic vacations to painting lessons to spa packages, have exploded in the last couple of years.

It seems like a brilliant idea: the buyer saves money, the seller generates awareness and sells a product, and the website hosting the coupon profits from each sale.

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Kim Bellavance owns Kim Bellavance Photographre. Last year, she hosted a Groupon event in Vancouver that generated so much business she could barely keep up with demand. Her Groupon coupon offered a one-hour photo session, as well as five retouched images on a CD and one 8-by-10 enlargement. This Groupon cost the buyer just \$30, one-fifth of the price Bellavance normally charges for a one-hour photo session.

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**“More than that, it brought people to my website. Some of these people hired me and didn’t even buy the Groupon.”**

**—Kim Bellavance**

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The reason Bellavance was able to profit from her Groupon offer was because many of her buyers purchased more than the five pictures included in the package, and they paid full price for these additional shots.

Groupon also brought Bellavance countless referrals, four of which translated into wedding contracts.

“And more than that, it brought people to my website,” Bellavance said. “Some of these people hired me and didn’t even buy the Groupon.”

Perhaps driven by success stories like this, many CrossFit affiliates across North America have eagerly joined this online coupon frenzy, ultimately offering personal training or on-ramp introductory sessions for a fraction of their normal cost.

From Vancouver and Las Vegas to Atlanta and Milwaukee, a dialogue has been forming throughout the CrossFit community about whether Groupon offers are a good idea for the business of CrossFit. In fact, a better way to describe this dialogue might be to call it a lively and polarized debate.

### **“We’re Not the Discount CrossFit” in Vancouver**

Last year, a CrossFit box near my affiliate in Vancouver put out a Groupon coupon offering 10 introductory personal training sessions for CA\$20.

Once it was released, a flurry of confused Grouponites flocked to my affiliate, CrossFit Vancouver, to inquire about whether we would honor the deal the other affiliate was advertising.

At first, I was polite.

“Sorry, all CrossFit affiliates are owned separately and we all do our own thing. I’m afraid that Groupon is not for this location,” I told the hopeful Groupon purchaser.

But that wasn’t the end of it. During the next couple of months, our e-mail inbox at CrossFit Vancouver became flooded with inquires about the Groupon deal.

Every time I read another e-mail, I grew increasingly more impatient. Eventually my internal ramblings were, “Really, you cheap motherfucker? You think I want to work for \$2 an hour?”

Needless to say, I was insulted, offended even.

So pretty soon, my colleagues and I started to be less politically correct in our responses. Our stock email reply eventually turned into, “Sorry, brother, we’re not the discount CrossFit.”



***Many new CrossFit affiliates use discount sites like Living Social to boost their membership and make a quick profit off of unclaimed coupons.***

### Hopeful in Englewood, Colo.

Matt Hathcock, owner of CrossFit Unbroken in Englewood, Colo., is hoping his advertisement will help him push past a current plateau in membership.

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**“Sorry, brother, we’re not the discount CrossFit.”**

**—CrossFit Vancouver’s response to “Grouponites”**

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“We recently put a coupon out on Living Social, but we’re still waiting for our advertisement to get posted,” Hathcock said. “We’re at 125 members right now, and we’re hoping it will get us closer to 200.”

Hathcock, who placed fourth at this year’s South West Regional, is also skeptical about whether the Living Social coupon is going to help business.

What his deal offers is a one-month introductory course for \$50. The usual monthly rate at CrossFit Unbroken is \$200.

The whole coupon idea goes a bit against what he believes in, Hathcock admitted.

“When I first opened up, I started cutting people deals left and right, especially to people who couldn’t afford it,” he said. “But now that we’re established, our pricing structure is more strict.”

Still, Hathcock said he figured it was worth a try. He had heard of affiliates selling a ton of coupons that never got redeemed. Ultimately this allowed them to avoid working for \$2 an hour and even make a profit on Groupon.

“That would be a good-case scenario, actually,” Hathcock said. “But the ultimate goal is still that it will help us get closer to 200 members.”

### Moderate Success in Las Vegas

Joe Marsh, owner of CrossFit Las Vegas, is one man who has had some online coupon success.

He advertised a deal on Living Social that offered his introductory program for \$50—one-fifth of the regular price of \$250.

Marsh sold 172 Living Social certificates. Half the purchases were redeemed, allowing him to profit. That was more than a year ago. Today, about 50 percent of those who came in through Living Social are still training with Marsh.

If nothing else, it gets people through the doors, Marsh explained.

“It’s a good idea for struggling gyms or those in the startup phase,” he said. “They might also be useful in pushing past a plateau in enrollment.”

### Best-Case Scenario in Langley, B.C.

Robert Perovich and Nate Beveridge opened a 7,000-square-foot training facility in the fall of 2011 in Langley.

The problem was they had a gorgeous, brand-new, world-class facility but just a handful of members to make use of the space. So they advertised a Groupon coupon that offered one month of introductory sessions for a little less than \$40.

“We started a business and thought it would be the best way to get people in the door,” Perovich said. “We knew once we got them in the door, they’d be hooked.”

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**“It’s a good idea for struggling gyms or those in the startup phase. They might also be useful in pushing past a plateau in enrollment.”**

**—Joe Marsh**

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What happened next was better than they expected.

“The Groupon brought in more than 70 people,” Perovich said.

Although their Groupon offer initiated an influx of potential CrossFitters, one of the criticisms of highly subsidized CrossFit training is that it attracts the wrong kind of people. This was not the case in Langley.

“Most of the people who came in through Groupon last fall are still here,” Perovich said.

Today, Hybrid Athletics has been up and running for just eight months and it has more than 100 members already. Perovich estimated that half these members came in through Groupon.

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**“Anyone with a sense of fairness will see the value in CrossFit training and realize you don’t get valuable stuff for free.”**

**—Julie Collens**

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Perovich, who will be competing with Beveridge at the 2012 Reebok CrossFit Games as part of the Hybrid Athletics team, recognized that Groupon offers can be a nightmare. However, for his business—a new affiliate looking to generate awareness and get bodies through the door—it was a great business move.

“Groupons can be good if they’re structured properly. At first, everyone who came in through Groupon said they had no intention of sticking around after the first month. But now they’re all hooked and are paying the full price,” he said. “If you have the right coaches, it can work well.”

### **Never Again in Milwaukee**

Julie Collens is co-owner of Brew City CrossFit, which opened its doors in May 2011.

Her business partners thought that putting a coupon in Living Social would be a great way to generate awareness and attract potential members to their Milwaukee affiliate.

Collens, who also works as a financial analyst, said she wasn’t so sure.

“In the end, it was a big mistake,” she said.

Collens said she is fundamentally opposed to the idea of giving valuable things away for next to nothing.

“Anyone with a sense of fairness will see the value in CrossFit training and realize you don’t get valuable stuff for free,” she said. “I’ll never do the Groupon or Living Social thing again. It attracted the wrong kind of people.”

In Collens’ mind, the offers attract those who don’t want to push themselves and, instead, just want to see what CrossFit is all about. On the other hand, those who pay full price are usually into it right away, she said.

“When stuff is free or cheap, people treat it that way,” Collens said. “And it looks terrible in front of people who are there training and paying full price. It takes away from everyone’s experience.”

### **Not the Right Choice in Atlanta**

Dan MacDougald, a former defense lawyer and owner of CrossFit Atlanta, insists that when it comes to service industries like CrossFit, massive deals and giveaways aren’t good for anyone.

“The people who buy these coupons are choosing a gym strictly based on price. That is not what we’re selling. In fact, on our website we tell people that if you’re shopping based on price, read no further. Let the Globo Gyms have those knuckleheads,” he said with a laugh. “It makes no sense to think you can convert more than a small percentage of such people to the monthly rates we charge.”



***Good coaches are a valuable commodity, and many affiliates question the wisdom in devaluing their training services.***



*Before you post a deal on Groupon or Living Social, be sure you have the infrastructure to handle the new customers so your existing members won't be negatively affected.*

Worse yet, MacDougald insisted, you waste time on people who have no intention on sticking around once they have to pay full price.

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**“At the end of the coupon, the vast majority will just buy another coupon for some other low-priced gym.”**

**—Dan MacDougald**

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“At the end of the coupon, the vast majority will just buy another coupon for some other low-priced gym,” he said. “I call them ‘Grouponites.’”

The other concerns for MacDougald are the logistical coaching problems that might arise at the box.

“The coupon will bring a flood of new people into the gym. They all need to be brought up to speed on correct movement technique, so staffing and administration of the Grouponites will present a host of problems,” he said. “You and your staff will be hard-pressed to deal with them and, more importantly, you will be hard-pressed to give the non-coupon newbies the attention they deserve.”

But the biggest issue for MacDougald is that he said Groupon and Living Social offers go against what CrossFit was meant to be.

"Affiliates who resort to these kinds of gimmicks instead of focusing on excellence in coaching will inevitably churn out a lot of folks whose experience will give CrossFit a bad name," he said. "Coach (Greg) Glassman has repeatedly said that if your focus is on the pursuit of money, you will have neither money nor happiness. But, if you pursue excellence, you will have both."

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**"Let me guess? You got  
\$2-an-hour service,  
didn't you?"**

**—Emily Beers**

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### **A Grouponite Speaks Out in Vancouver**

A couple of months after the Groupon offer was released to the masses by an affiliate nearby to my own, a young guy wandered into my box.

"So I've done a bit of CrossFit already, but I wanted to come check you guys out because I was kind of rubbed the wrong way at the gym I went to," he said.

"What happened?" I asked.

"Well, I did this Groupon thing ...," he said.

I smiled and facetiously thought, "Tell me more."

"Well, you were probably paying \$2 an hour to be there, right?" I asked. "Let me guess? You got \$2-an-hour service, didn't you?"

He laughed.

"Pretty much," he said.

That was eight months ago. Today, this defector from the discount CrossFit is one of my most devoted, loyal clients. He says that when it comes to Groupon purchasers, he is an anomaly.



### ***Can a deal-hunting Grouponite turn into a devoted CrossFit athlete?***

"Everyone else who bought the Groupon was a dabbler. They didn't really want to CrossFit. Their intention was to try CrossFit for a month and then do yoga or rock climbing or spinning the next," he said. "Most people who buy Groupons are just looking for the next Groupon, the next flavor of the month."



***Debating the pros and cons of discount training.***

In my client's mind, it was this general lack of both financial and emotional commitment among the Grouponites that led to a lack of care from the coaches at the discount CrossFit.

"At first, they told us we would be able to do unlimited classes, but when we got there, they changed their minds," he said. "And then a couple times, I showed up for a class and the coach didn't even come out. He kept sitting there in the office and never came out to coach the class."

One time, someone even tried to sell my client a year membership as he was working out.

"Mid-workout," he said with a laugh. "It felt very desperate, and I remember thinking, 'This doesn't feel right. This isn't the CrossFit I've seen on YouTube.'"

So after my client's almost-free month was up, he walked away from the discount CrossFit, did some research and found himself at my box, willingly paying CA\$75 an hour for personal training sessions to teach him CrossFit movements. Once he was technically sound, we graduated him to classes, where he continues to pay \$200 dollars a month for unlimited classes.

He said: "I guess you get what you pay for."

*Have you had a good or bad experience with coupons? Would you recommend them or advise against them? Post your responses to the comments section.*



### **About the Author**

*Emily Beers finished a master's degree in journalism at the University of Western Ontario in the spring of 2009. Upon graduation, she worked as a sportswriter at the 2010 Vancouver Winter Olympic Games, where she covered figure skating and short-track speed skating. Currently, she hosts **WOD HOG**, a not-always-PG publication of the CrossFit Vancouver School of Fitness. She ruptured her Achilles tendon in December 2010 and served as the Canada West Regional Media Director while recovering from surgery. Beers also competed in the 2011 Reebok CrossFit Games on CrossFit Vancouver's team. She finished third in the 2012 Canada West Regional.*