MultiFit Fitness Clubs: Using Data and AI to Fix Member Retention

A Business Immersion Project that turned a leading functional-fitness brand's transaction, survey and operational data into a retention strategy, a prototype AI platform concept and a phased action plan.

About MultiFit Fitness Clubs

MultiFit Fitness Clubs is a premium functional-fitness and wellness brand, headquartered in Pune. It was founded in 2015 with origins in the United Kingdom, incorporated in India in July 2015, and became part of the Lexicon Group in March 2022. Today it operates more than 30 centres across 11 cities in India, the UK and the UAE, with 100,000+ members and around 90 employees. It positions itself as "India's Happiest Fitness Community".

MultiFit competes on community and lifestyle rather than conventional bodybuilding. Its offering spans functional training, strength and HIIT, group classes (dance fitness, yoga, boxing, MMA, mobility and calisthenics), personal training, transformation programmes and corporate wellness, supported by the IAmMultiFit app. Revenue comes mainly from memberships, personal training, corporate partnerships, events and franchise expansion.

The project focused on the five MultiFit branches in Pune: Kalyani Nagar, Baner, Kharadi, Magarpatta and Dhanori. Pune is one of India's fastest-growing fitness markets, driven by a large IT workforce, students and young professionals, and MultiFit competes there with national digital-first chains, equipment-led legacy gyms and low-cost local gyms.

Challenges Faced

MultiFit has strong brand equity, experienced trainers and a loyal community, but the study found that the brand promise was not yet turning into sustained membership. The main challenges were:

- **Member churn and weak renewals:** the renewal rate was well below the 50–60% industry benchmark, and there was no systematic, data-driven way to identify members at risk of lapsing before they left.
- **Reactive retention:** at the time of analysis, 231 memberships were lapsing within 31 days, and 452 members were set to expire between April and June 2026 without any proactive outreach.
- **Inconsistent customer experience:** onboarding, communication, equipment maintenance and infrastructure varied from branch to branch, which weakened the premium positioning.
- **Poor data quality:** more than half of the transactions (52.7%) had no sales-staff attribution, and at one branch returning members were being logged as new, which hid its real retention performance.
- **Manual, fragmented operations:** duplicate data entry, manual follow-ups, limited real-time business intelligence and little measurement of marketing return.
- **Revenue leakage:** Lakhs in unpaid dues sat across partially paid transactions.

The stated problem was: how can transaction, survey and operational data be used to predict which members are likely to churn, and which retention actions should be prioritised for them?

Research Method (Problem-Solving Approach)

The team used a descriptive and exploratory design that combined hard numbers with first-hand observation. The quantitative base was Q1 2026 transaction data from all five Pune branches, covering 1,000+ transactions and ₹1.5+ crore in revenue. It was cleaned and aggregated branch by branch to measure renewals, revenue and unpaid dues, and to flag data-quality problems.

This was combined with several other sources of evidence:

- **Field work:** visits to all five branches to observe infrastructure, onboarding and service delivery, plus discussions with management and internal project teams.
- **A six-part stakeholder questionnaire** with 15 questions per section, answered by members, trainers, club and operations managers, board and management, performance marketers and social media marketers. Covering the whole delivery chain let findings be checked across roles rather than relying on member feedback alone.
- **Secondary research:** company and HyperBuild AI Lab reports, HRMS documentation, the Business Requirements Document, customer reviews, the company website and social media, and industry benchmark reports.

The analysis used SWOT, competitor benchmarking, customer-experience mapping, brand-positioning analysis, HRMS analysis, dashboard and KPI analysis, business-process mapping and technology-gap analysis. Together these moved the work from diagnosis (where and why members leave) to design (what to build and in what order).

Solutions Delivered

The team delivered a set of tools and recommendations that MultiFit's own teams can act on:

- **Multifit Pulse AI:** a retention and growth intelligence platform concept built around eight AI modules and a five-step data pipeline: ingest data from branch systems, validate it for quality problems, enrich it with behavioural features such as visit trend, payment status and tenure, score each member's churn risk, and trigger the right retention action for the right owner. The modules cover a churn prediction engine, a smart CRM, a WhatsApp engagement bot, a dynamic pricing engine, trainer performance, corporate wellness CRM, lead scoring and branch health scoring.
- **Multi-branch KPI dashboard:** a single view of lead generation, churn risk, funnel conversion and branch health scores, so management can compare branches rather than review each in isolation.
- **Marketing and funnel trackers:** KPI formulas, dashboard designs and phased implementation plans for a Marketing ROI & Lead Conversion Tracker and a Lead-to-Membership Funnel Tracker, two of the 14 AI tools and dashboards in the HyperBuild AI Lab implementation roadmap.
- **UAT report:** end-to-end user acceptance testing of MultiFit's gym-management platform across 22 modules, delivered as a standalone branded report.
- **Phased retention action plan:** the first phase is data hygiene and immediate outreach, meaning a CRM data audit, mandatory sales-staff attribution on every transaction, personal renewal calls and payment recovery. The second phase adds a mid-membership check-in with a personal-training offer, standardised package names in the CRM, a renewal-rate KPI for every staff

member and a network-wide payment-collection standard. The third phase brings automated SMS and WhatsApp alerts at 28, 14 and 7 days before expiry, a free personal-training trial for new members and a monthly cross-branch retention dashboard.
- **Wider recommendations:** standardised onboarding, branch-level experience dashboards, AI-driven trainer performance evaluation, predictive attrition analytics for HR, and expansion of corporate wellness partnerships.

Business Impact

The project's value so far is a clear, data-backed diagnosis and a ready-to-execute roadmap. The recommendations and the Pulse AI platform are proposals and concept prototypes, and their effect on retention will only show once MultiFit puts them into practice.

The analysis produced several insights for MultiFit's leadership:

- Members are not leaving mainly because of trainer or product quality. Strong renewals at a branch with facility complaints point to relationships and trainer engagement as strengths. The bigger gap is early, personalised outreach.
- Personal-training members renew at 44–66%, against 25–32% for gym-only members, which makes moving gym-only members to personal training a clear retention lever.
- Unpaid dues is recoverable revenue, and one branch's payment-collection process is a ready internal benchmark for the network.
- The analysis also found missing staff attribution and mis-logged renewals in the CRM data, which would undermine any AI model built on top of the data. Fixing data quality is the first step of the roadmap.

The proposed targets for Q3 2026 are a network renewal rate of 45%, a partial-payment rate below 8%, 100% staff attribution on CRM transactions and a minimum 40% renewal KPI for every staff member. These are targets set in the action plan, to be tracked as the plan is executed.

AI Tech Stack Used

The engagement combined data analytics, predictive modelling concepts and automation design:

Layer	Approach used	How it was applied
Data processing	Transaction and CRM data cleaning and branch-wise aggregation	Q1 2026 analysis of 1,229 transactions across five branches
Predictive analytics	Churn-risk scoring on visit trend, payment status and tenure	Churn Prediction Engine in Multifit Pulse AI
Engagement automation	WhatsApp, SMS and email automation	Renewal reminders and re-engagement outreach
Dashboards and BI	Interactive multi-branch KPI dashboards and architecture diagrams	Branch health scores, funnel conversion, retention and revenue views
AI-powered CRM (proposed)	Unified member lifecycle platform with an AI Copilot	Single member view, predictive churn alerts, renewal recommendations
Survey and reporting	Six-part stakeholder questionnaire and branded Word deliverables	Primary data collection, UAT report, strategy documents

Students Involved

A team of eight PGDM Batch 2025–27 students from HyperBuild AI Lab, Lexicon MILE, Pune worked on the project. They delivered the applied artefacts through the lab's Lead & Digital Analysis team (Team M1):

- Shruti Smita Naik
- Komal Kumari
- Rohit Singh Keshawat
- Sarvesh Shelke
- Aryan Kumar
- Mukesh Prajapati
- Shivansh Pathak
- Abdul Malik

Mentors

- Prof. Deepak Gupta, Head – AI & Analytics, HyperBuild AI Lab (Faculty Mentor)
- Dr. Raju Varghese, Director, Global Programs & International Campus (Faculty Mentor)
- Dr. Poulami Banerjee, BIP Coordinator (Faculty Mentor)
- Mr. Neeraj Sharma, Director, MultiFit (Industry Mentor)