THE STUDIO GROW PRODUCT STACK WORKSHEET



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As I am writing this, I realize that we are all in different places.
Some of you have reopened, some are waiting for health and reasons reasons and others have no idea when you'll welcome clients back.

But, everyone we talk to is wondering what their profits, paychecks and dividends will look like at the end of this.

That's where this Product and Pricing Blueprint comes in. I built it post-Hurricane Katrina when businesses in New Orleans were shut down for for 6-plus months. Over the last 15 years, it's what's kept us (and our clients) profitable when hurricanes hit, wildfires struck...

And, Covid-19 closed everyone down.

Working with over 1,000 studios at a time gives us a unique perspective on these unique times and one thing is clear. Studios are still thriving, but with a different product and sales structure.

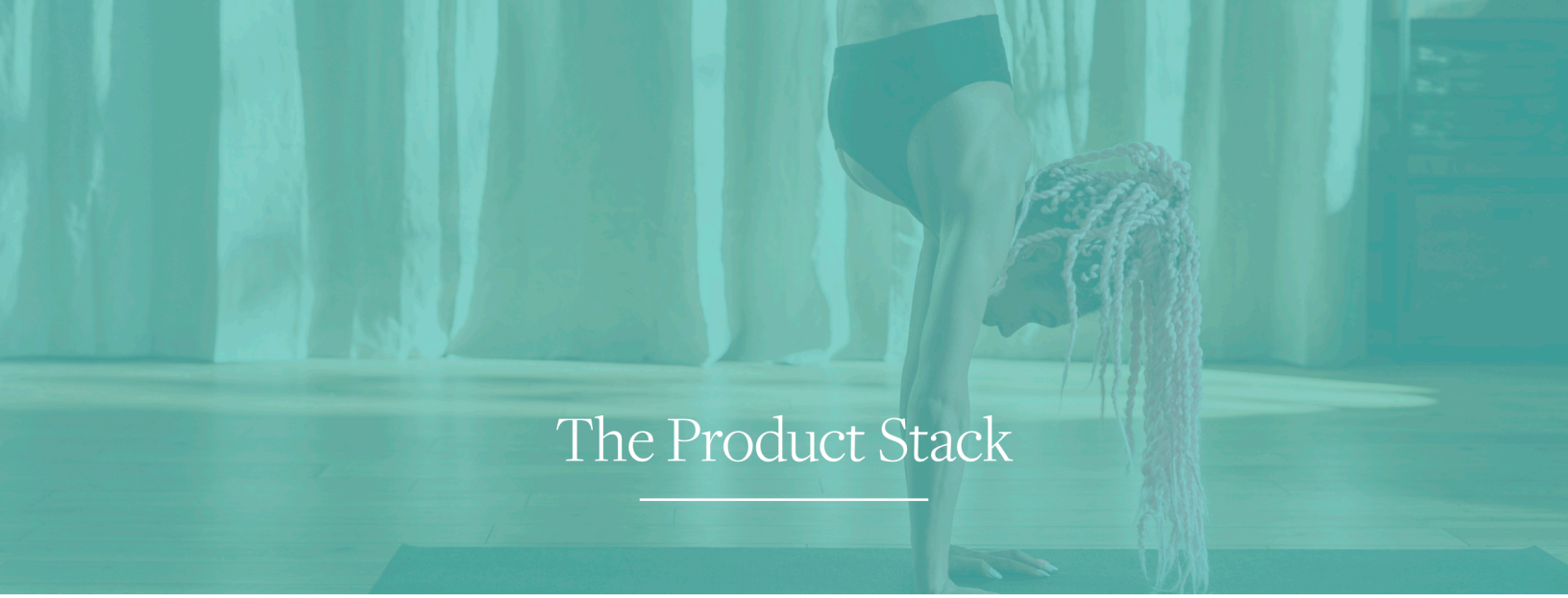
So, let's get clients back in your door, literally or virtually...
Get your profits to a point where you know you're gonna make it through this...
And, get you to a place where freedom is your reality and you can say sayonara to stress.

Book a FREE call with a Studio Grow Strategist and let's chat about how to get new members back into your door or onto your virtual sessions today.

Find a time HERE.

With Grit and Gratitude,





The Product Stack

If you've just been selling 'studio basics' (like just an intro package and month to month membership), you're likely missing out on a 50-100% increase in income.

What's the fastest way to double your business without adding a single client?

Introducing...the Product Stack.

Product Stacks have been around as long as we've been selling things.

Once upon a time, you would

- Wander to the Theater and pay admission (Introductory Offer)...
- Pick up a Program and a Glass of Wine (Upsell and Add-On)...
- And, upgrade your ticket to one of the boxes (High End Offer).

At some point a clever entrepreneur defined this as a Product Stack and companies everywhere took note because the psychology behind a Product Stack is one of the most effective ways to increase your sales.

And, there's no one better than doing this than airlines.

Let's assume I want to fly home to New Orleans:

- I buy a basic ticket (Introductory Offer), but I hate the cramped seats so…
- I add an exit row seat (Upsell). They're not serving food and I'm starving, so…
- I purchase a food box (Add-On). When I arrive at the airport, they offer to…
- Upgrade me to first class (High End Offer) for a bargain price and I say yes.

My $300 plane ticket has become:

Intro Offer Plane Ticket: $300
Upsell Exit Row: $75
Add-On Food Box: $10
High End Offer First Class: $200

Total Product Stack Sales: $585

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And the SAME strategy can be applied to your studio business.

Upsells, add-ons, and bonus products help us take studios from an Average Client Monthly Value of **$86 per month to over $250 per month** or from **$220 per month to over $400 per month** in 30 days for a group studio.

This lets you close the gaps in your current products and provide a truly holistic experience for your clients.

REMEMBER: The only thing 100% of people will buy is your introductory offer, whether it's in studio or virtual.

FAST FORWARD:
Looking for virtual studio info?
Head to page 13.

BOOK A CALL TODAY

For Example

100% of people buy a $80 Introductory Offer

30% of them UPSELL Personal Studio Kit for $100

20% of them ADD-ON Supplements for $120

50% of them buy the HIGHER END 12 month membership for $1800

10% ADD-ON a 12 month massage membership for $720.

This means, that for every 100 people who buy your intro offer, you earn:

Intro Offer

$80 x 100 = ***$8000***

Upsell

$100 x 30 = ***$3000***

Add-On #1:

$120 x 20 = ***$2400***

Higher End Offer

$1800 x 50 = ***$90000***

Higher End Add-On

$720 x 10 = ***$7200***

Total Earned for your initial $8000

$110,600

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And, it all starts with a simple $80 purchase.

So let's take a look at your Intro Package and make sure we've gotten it perfect. This is your foundation and it's price and offer will dramatically affect how many people convert onto the rest of your product stack.

Front End or Introductory Offer:

There's nothing worse than the wrong introductory offer. Your Introductory Offer is likely wrong if:

- Your conversion rate from Intro Package to 12 Month Membership is under 50%.
- You are not selling enough Intro Packages to significantly add to your membership base.
- The "wrong" client is coming through the door focused heavily on pricing and discounts.

The Intro Offer is foundational. If it's incorrect, you won't sell anything after that offer including the memberships you're truly looking for, so it's time to GET IT RIGHT once and for all.



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STEP 1

Figure out what the offer is for

Is the long term goal to:

- Sell someone onto a membership
- Get them involved in teacher training
- Create a brand evangelist
- OR _____.

STEP 2

Your Origin Story

You've built your brand and your product offerings for a very specific reason. Perhaps, you started your boutique fitness practice while you recovered from an injury that ended your career as a dancer, started moving differently when you watched a parent suffering from a disease that was preventable or changed your own life when you woke up one day and didn't like how you felt.

Your Origin Story is the story of why you built your studio, and it should be the foundation of your Introductory Offer.

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Your Origin Story

What is your Origin Story? What was so compelling about boutique fitness that made you step out and create your studio and the products in it?

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STEP 3

Start with the end in mind

Next, let's understand how a typical client uses your studio OR how you'd like to frame your studio to be used.

For example, when I opened my doors, I wanted to sell primarily 2 and 3 times per week personal training. I focused my Intro Offer to ensure that it attracted people who would want to purchase this.

Fast forward 6 years after opening and I primarily sold Small Group Training. My Intro Offer shifted to attract a client who would be most interested in that.

For many studios their Intro Offer will shift as they fill one program and focus on growing the next.

What is the ideal product a client will purchase? Be specific. Is it a 1 x per week Group with a 12 month commitment or a 3 x per week Private with a 4 month commitment.

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Putting it all together: The Intro Package Framework

The right intro package gets a client in for an ideal number of sessions or classes in an ideal time frame.

This can look wildly different based on studios. For example:

- 2 Week Unlimited Offer
- 3 Privates Used Over 1 Month
- 4 Classes Used in 2 Weeks
- Virtual for First Offer: 2 Week Unlimited Virtual Offer

How many classes or sessions do you or a client truly need to make a decision about long-term work together?

Studio Grow Tip:

After working with studios for years, most clients need 3-4 classes or 3 privates. The average highest converting time frame is 7-14 days for these sessions to be used in. Keep in mind these are averages, but a good place to start.

1. What is the ideal number of classes or sessions for your client? _____

2. What is the ideal length of time your client will have to use these sessions? _____

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The Pricing

YOUR INTRODUCTORY OFFER SHOULD BE PRICED AT 60-80% OF THE IDEAL HIGH TICKET OFFER, WHICH WOULD LOOK LIKE:

Ideal Membership:

Unlimited Classes, 12 Month Commitment at ***$100/Month***

Intro Offer:

6 Classes in ***2*** Weeks

PRICING FOR INTRO OFFER:

1 Divide the High Ticket Offer by the Intro Package time frame to create an Adjusted Pricing.

Adjusted Pricing = (Price of high ticket offer) / (Duration of intro offer)

For example, our Intro Offer is 2 weeks and our membership is 1 month long.

$100 / 2 = $50

2 Multiply the Adjusted Pricing by the Intro Package Discount of 60-80%.

Adjusted pricing x 80% (Remember 80% = 0.80, and 60% = 0.60)

$50 x 0.80 = $40

3 Create your Intro Package Pricing:
$40 for 2 weeks of Unlimited Classes

THIS IS THE FOUNDATION OF YOUR PRODUCT STACK. LET'S BUILD FROM HERE.

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Upsells and Add-Ons

There is no such thing as a guaranteed Upsell or Add-On.The ONLY way to know if you have the right one is to test, test, test.

If you offer an upsell and 10% of people take it, it's time to go back to the drawing board.
If you offer an upsell and 20% of people take, it's time to improve your offer.
If you offer an upsell and 30% of people take it, you've got a winner.

This is a quick purchase as your client is checking out. Make sure that this is something that aligns with what your client is already purchasing!

WHAT ARE SOME OF THE BEST OPTIONS FOR UPSELLS:

Studio Startup Kit: Your clients are working out and WANT to make sure they're working out safely. The simplest way to do it? Provide a Retail Studio Startup Kit that includes all the equipment they'll need such as a mat, blocks, socks, gloves, flexband, mini-magic circle, etc…

Supplements: Don't be afraid of supplements! They're one of the most important things clients can add to their time with your studio. Consider a Supplement Bundle with a Probiotic/Prebiotic and great protein powder.

Secondary Introductory Offers: Do you have a massage therapist? How about spa services? A dietician you partner with? Now is the time to make an exceptional discounted offer for them to add one of these services when they're the most motivated.

VIP Upgrades: Early access a big deal in your studio? Create a VIP upgrade that allows you to book in classes 3 days early!

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Brainstorming Session

What are upsells for:

Retail Products:

Nutritional Products:

Secondary Services:

VIP Options:

High Ticket Add-Ons To Be Sold With a Membership:

Now that we have our options, let's solidify 3 upsells to test and their price points:

Upsell #1	Upsell #2	Upsell #3

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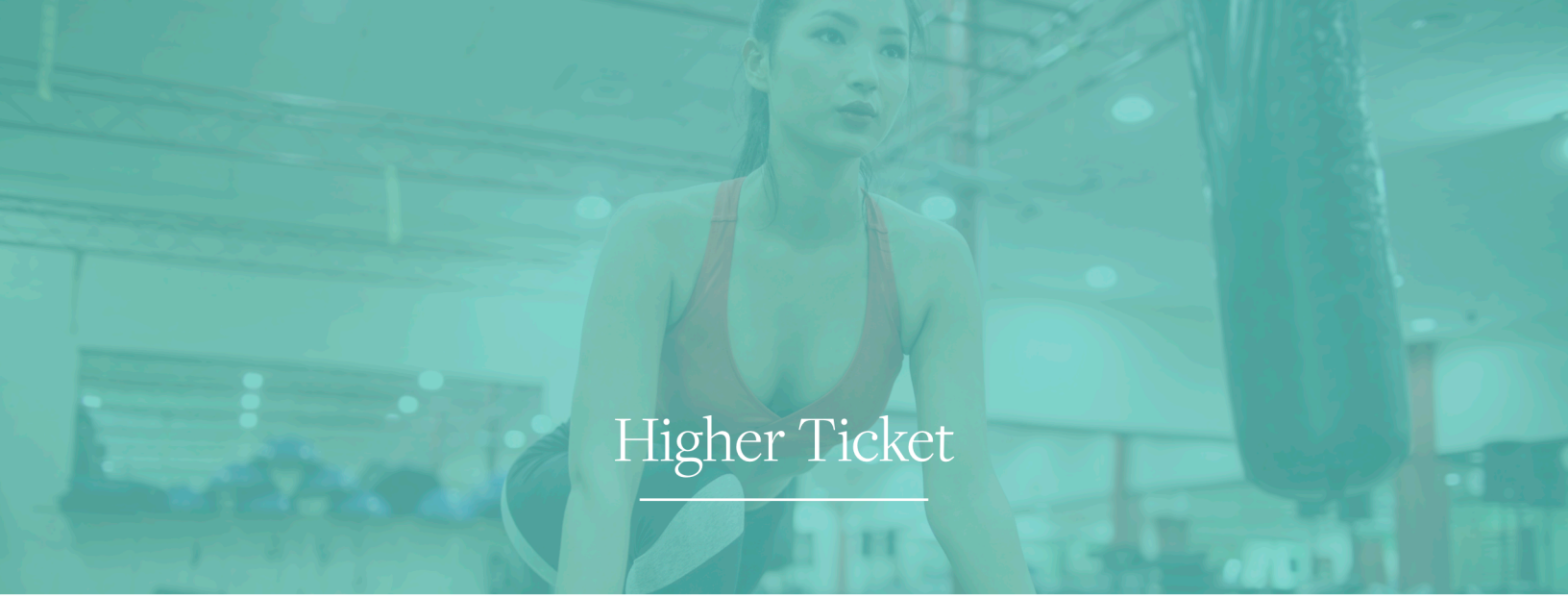

Higher Ticket

Now, it's time to sell the BIG ticket items, which is most likely the primary offer you currently have: privates, small groups or classes.

Traditionally, studios have sold these in "packs" of 5, 10, 20 or 50 because the goal is to build recurring revenue and to ensure their clients get the best results.

For most studios, these are memberships, but if you have Teacher Training Programs or Higher Ticket Workshops, these may be your High Ticket Item.

Clients need to understand why they're purchasing this membership. For some, it's obvious and they need to say yes. For others, they're grappling with guilt on spending money on themselves or fear on not using the membership. Part of our job is to be able to understand why this matters to them as individuals.

This is especially important in most studios that don't customize memberships. A 62 year old client with back pain wonders why they should purchase the same unlimited membership as a 38 year old marathoner. Let's take a moment to understand why these high ticket offers matter and how they fit into the product stack to the individual.

- ***If I were to ask your client, what is the #1 single biggest non-superficial desire a client has that brings them through the doors of your studio, what would it be?***
- ***If I were to ask your client, how not achieving this desire has caused them pain, what would they say?***
- ***How will this transform your client's life if they purchase it?***

When your clients will see

- ***Short Term Results***
- ***Long Term Results***

Studio Grow Tip:

You should have a good idea of what a typical client will experience 1 month, 6 months and 12 months into working with you. This IS a generality based on an average client, but this will support what your the length of time included into your Higher Ticket Offer and why you suggest most clients purchase that.

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Why is it urgent your client purchase now?

STUDIO GROW TIP:
Your urgency often comes down to a strong time based lever. What do I mean by time based lever?

Time Based:	You must take action within a short period of time, typically not more than 72 hours.
Lever:	A strong financial or benefit based reason for clients to say yes immediately.
Financial Lever example::	If you enroll today in our 12 month membership, you'll receive 50% off your first month.
Benefit Based example:	If you enroll today in our 12 month membership, you'll receive 2 free massages from us.

What are time based levers you should include in your product stack?

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The Virtual Studio

Post-Covid 19 most studios have not just a physical location, but a virtual studio. This is an incredible lower cost secondary offer or upsell.

There are two typical levels for your virtual studio:

Level 1

Virtual Studio Generates Less than $5,000 per month and is targeted primarily to a local audience and current/former students.

For this level you'll provide:

- Live Streaming or filming of your most popular classes
- An On Demand Library and/or Monthly Programs (which can reuse prior filmed workouts)
- No more than 8 new workouts a month and a foundational on demand library of 20+ workouts.
- Feedback and support that's personal for them. You'll likely know their name, their story, their body and why they're working with you. And, you'll want to help.

For this level you'll provide:

- Up to $5,000 for proper camera, lighting and mic's
- Up to $3,000 for software

You'll limit your post-production and production assistance and focus on getting a solid product into the hands of people who know and love you.

With this level, our clients are charging between $39-119 per month as a stand alone product and between $20-40 as an Upsell to a membership. You'll likely cap at 50-100 clients, but will bring a steady stream of profit to the studio if you keep your expenses low.

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Level 2

Virtual Studio Generates More than $5000 per month and targets a national or international audience.

For this level you'll provide:

- Professional Production of 8-20 classes or workouts per month
- An On Demand Library, plus professionally curated workout programs
- An online community with limited support
- Nutritional Plans are typical at this level.

For this level you'll provide:

- Up to $15,000 per year for production
- Up to $3,500 for software
- (Optional) Up to $100,000 per year for Funnel Agency
- Up to $120,000 per year for ads *(Studio Grow Note: We have friends and clients spending upwards of a million dollars a year on ads for major online funnels. We've kept it low.)*

At this level, most clients are charging $14-47 per month. They're relying on large volume and low cancellation for long term profits and yes, this can be very profitable.

Considering these two options, what level of virtual studio upsell are you interested in offering? How many videos will be in your On Demand Library when you open?

Studio Grow Tip:

You don't need more than 20 videos in your library when you open. Instead drip out your videos over the next 12 months and add in new videos from batched filmings.

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Brainstorming Session

How many videos will you release each month? Will you pre-film, livestream or both?

What will a monthly program consist of your:

Workouts:

Optional Accountability:

Optional Nutrition:

What will you charge?

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Other Services

Some studios have added these services as an integral part of the studio, transforming it into a wellness center. Other studios have leased space to practitioners or developed products to create an opportunity for affiliate relationships.

HERE ARE SOME SERVICES YOU CAN CONSIDER ADDING:

Spa Services:

- Facials
- Scrubs
- Treatments

Bodywork:

- Massage
- Reiki

Health Services:

- Holistic Mental Health
- Chiropractic
- Physical Therapy
- Osteopathy
- Functional Medicine

While this is not a necessary part of any studio business, it's a potential part of the Product Stack many studios fail to even consider.

TO CONSIDER:

Out of the above services, what services do you already regularly refer out to practitioners? Have you created or considered creating an affiliate relationship with any of these practitioners?

Studio Grow Tip:

An affiliate relationship is simply compensation for referring someone to another business. Typical affiliate levels for services range from 5-15%.

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Brainstorming Session

Out of all the above services, which do you feel are a missing piece that would truly change your client's experience?

Is this offering best served to be internal to the studio or to be an affiliate relationship?

How would you like to use these services long term in your studio? At what price points would you like them to be at? Would you like these services to be embedded in your studio? Do you have any additional spaces that can be leased or used by practitioners for this service?

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Product Stack Pyramid

LET'S CREATE YOUR PRODUCT STACK

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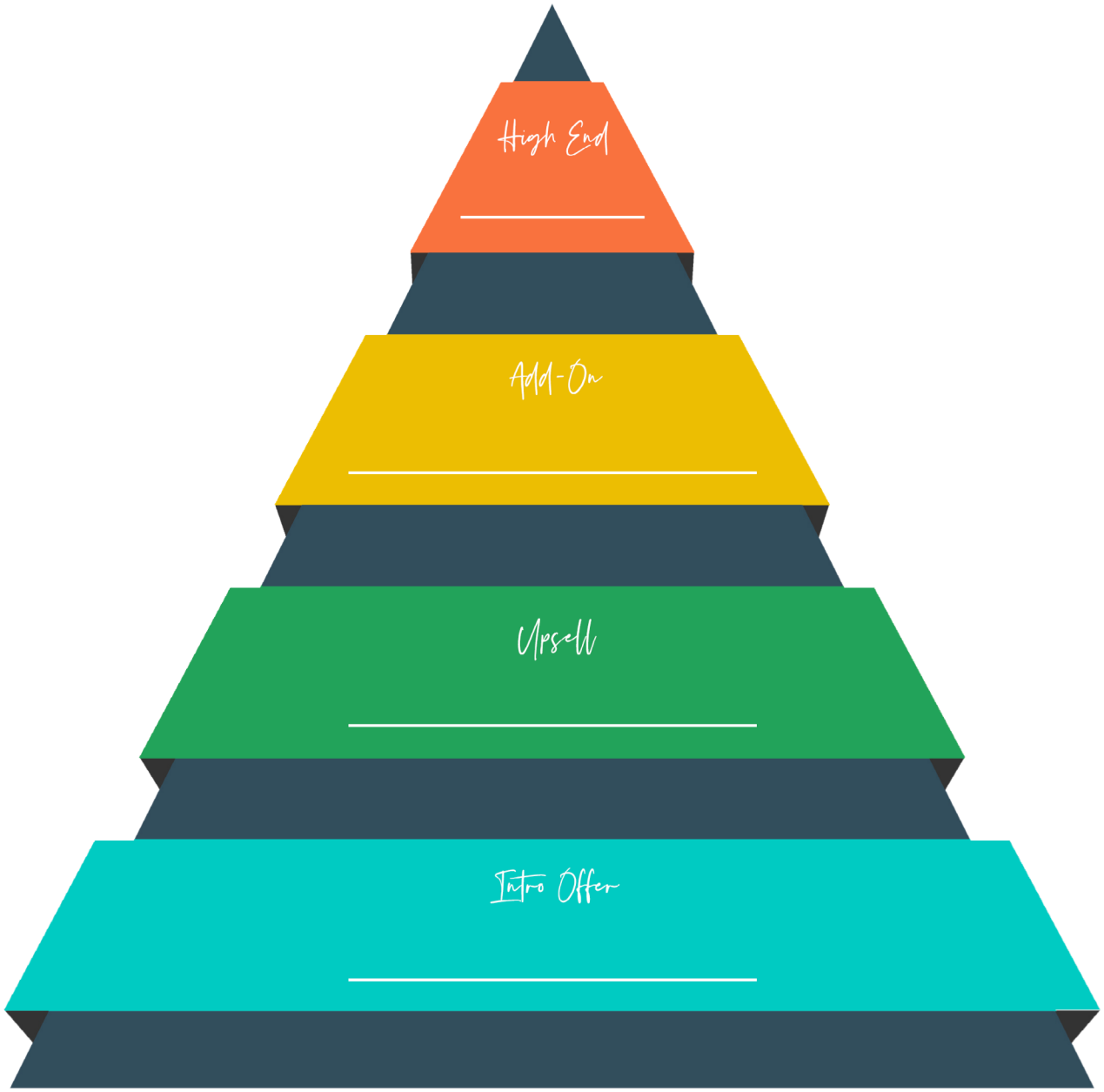

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