The Shape of the Fitness Industry

The fitness industry is in good shape.

Fitness has been a growth industry during the past couple decades. U.S. health club industry revenue reached $21.4 billion as memberships totaled 51.4 million in 2011, according to the International Health, Racquet & Sportsclub Association (IHRSA). Industry revenue increased from 2010 by 5%, while memberships grew by 2.4%. After growing from 26,830 in 2009 to 29,890 in 2010, the total number of health clubs saw a marginal increase to 29,960 in 2011.

Although there has been growth, fitness centers, health clubs, and gyms are highly cyclical and competitive businesses.

“It is definitely seasonal, especially in areas where weather is determining factors,” says John Byrnes, president of X Shadyside and Butler Health & Fitness, both located in the Pittsburgh area. “January, February, and March are the biggest months for us because of New Year’s resolutions, and the winter weather has people choosing to work out indoors.”

Because of its location near Pittsburgh universities, X Shadyside also gets a membership spike in August when students return. The summer months are slow because people are on vacation or outside participating in outdoor activities.

Growing Gym Membership

According to IBISWorld’s Gym, Health & Fitness Clubs market research report, the demand for gyms and health and fitness clubs will continue to rise over the next five years, as the general public becomes more health-conscious and the aging population places a greater emphasis on staying fit.

The rise in memberships can lead clubs to expand their offerings, suppliers to design and create new equipment, and more professionals to be attracted to careers in fitness.

“If a club has more members, they have more money to reinvest into new equipment and programs and has the ability to hire more trainers,” explains Meredith Poppler, vice president of Industry Growth at the IHRSA. “If a club reinvests into products and programs, the equipment manufacturers have money to invest into research and design.

“Now that consumers are once again joining clubs, it has a very positive effect on the rest of the industry and we are looking forward to seeing the new programs, products and services that come out of this growth.”

Population-specific Programming

Fitness businesses offer individuals supervision, assistance, and motivation for all fitness levels. There are many reasons people choose to join a gym, rather than work out at home. Common reasons are equipment, programs, and socializing.

IHRSA has identified the most significant health club trends for 2012. On the list is population-specific training programming. Health clubs are providing specialized programming and trainers that are specifically trained and certified to work with older adults. There are also more youth programs as health club members younger than 18 grew from 3.8 million in 2007 to 6.1 million in 2010.

The gyms and centers that do best are the ones that know who they are and do not try to be all things to all people.
X Shadyside and Butler Health & Fitness offer a fitness program called SilverSneakers® for older adults who are eligible for Medicare or to group retirees. The program encourages physical activity and offers health education for members.

“It is a good program that is paid for by their insurance,” Byrnes says of SilverSneakers®. “It gives them a social environment and they love it.”

Butler Health & Fitness also offers classes for youth ages 14 to 18.

“With the growing obesity levels among children, the fitness market for children/teen/youth programming will continue to grow,” Poppler says. “Until schools have the ability to put real physical education back into the curriculum, health clubs and fitness professionals are very willing and able to fill the need.”

Gym Technology

Gym-goers are staying motivated with the help of new technology. Interactive workout programs incorporated into gym equipment are helping exercisers track mileage, speed, number of workouts, calorie burn, and more.

Technological advancements have allowed more people to take advantage of exercise options.

“Gym technology has done great things to get more people working out and fit,” Poppler says. “Take the original treadmill that got a lot of people walking or running who couldn’t exercise outside due to time or weather. Now expand that technology to ellipticals that help people who cannot handle the weight bearing of running on a treadmill.”

Staying Strong

Competition in the fitness industry is fierce with large, all-inclusive clubs vying against smaller independent gyms. There is also competition coming from other recreational activities and home fitness programs, such as the popular P90X.

According to Byrnes, competition is good. “It means more people are working out and that motivates us to serve them the best way we can,” he says. Byrnes’ X Shadyside operation was expanded last year to include more space, more equipment, and a Planet Smoothie franchise. “In this business, you have to stay up to date,” he adds. “We also know that along with exercise, people want to eat healthy so we opened a Planet Smoothie.”

To stay strong in a competitive industry, health club operators must focus on what makes their club stand out from the crowd.

“The gyms and centers that do best are the ones that know who they are and do not try to be all things to all people,” Poppler says. “They reinvest in their physical plant, equipment, and their staff; they do not compete on price alone; and most importantly, they truly focus on customer service and making sure they deliver an environment and services that will help their members meet their wellness goals.”