



Positive Results

Simon Hall outlines findings from the 2009 Australian Fitness Industry survey

Australians are very happy with their gym memberships, with the just released 2009 Australian Fitness Industry Survey (AFIS) showing that 60% of members are either satisfied or very satisfied with their gym.

AFIS tells a good news story for the Australian fitness industry with the survey data showing that membership numbers are up, new members continue to join and many existing members are staying.

Our findings concur with the 2009 Mastercard Consumer Resilience report which found that in New Zealand and Australia consumer spending on exercise and fitness is in the top five categories in the family budget. This trend is reflected internationally with David Minton, Director of the UK-based The Leisure Database Company reporting that “the industry is showing remarkable resilience.”

Now in its second year, AFIS has been developed, conducted and published by direct debit service provider Ezipay, and provides accurate data on the fitness club industry not only from the owners and managers of clubs but also from their members. This year Ezipay introduced the club members’ survey which provides us with additional data and establishes the real thoughts, feelings and perceptions of fitness club members.

Six hundred and twenty owners and managers of health and fitness clubs across Australia completed the 2009 AFIS, up 135% on last year. The large increase in this year’s response, which was about 16% of the estimated 3,800 fitness facilities in Australia, confirms the continuing need for accurate information, especially at a time when there is so much uncertainty in the market.

60% of members are happy with their club!

This year the club members had their say in the survey and they did so in their thousands. The response was huge with 7,000 members completing the survey and over 2,000 members taking the time to make individual comments.

Overall members are satisfied or very satisfied with their club (61%), however, they get annoyed by poor customer service and broken equipment or facilities that don’t work.

74% of members joined a club expecting to stay for 18 months, however, 60% leave within the first 12 months.

Members generally join a club for two reasons - to improve shape and tone (70%) or to lose weight (51%). 46% of members will achieve these goals with the assistance and professional guidance from club staff as opposed to a training partner or paid personal trainer. As the age of the member increases the more likely they are to access a personal trainer to help them achieve their fitness goals. When members visit a club they generally exercise with a combination of cardio and weights (67%).

The main factor that convinces members to join does not vary across age or gender. 45% reported that it was the convenient location to work or home that was the primary decision making factor in joining a club. It was also the biggest factor when deciding to leave (30.6%).

Queensland is the state of independent opportunity!

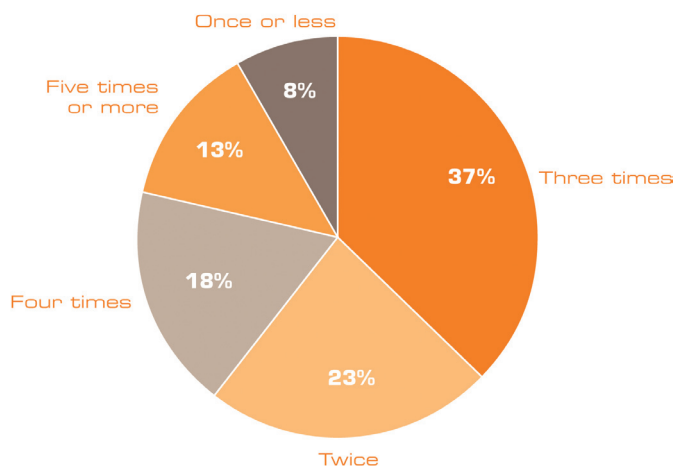
Franchises (30%) and privately owned clubs (27%) continue to dominate Australia’s fitness industry. However, the franchise clubs increased their market share by 19% on last year while single private clubs decreased by 16%. Queensland is the state of independent opportunity with both the number of independently owned private clubs (39%) and personal training studios (17%) being much higher than the national average of 27% and 10% respectively.

The music licensing issue is again the single biggest issue for the industry. This has jumped in prominence from 44% in 2008 to 70% in 2009. The second biggest concern was being recognised as a quality fitness provider (52%). From the individual comments made by the club owners and managers 30% had concerns relating to economic factors and 22% to the quality of staff and the entry level training staff receive.

It’s all about the staff!

Staff pay rates across all positions did not change from last

Frequency of members’ weekly visits



year's survey. The majority of personal trainers are employed (53%) by clubs rather than contracted (24%).

Personal trainers received income in a variety of ways including hourly rates, percentage of revenue or paying a floor rent. Membership income again dominates a club's total revenue (75%) with personal training the next highest contributor at 8%.

As in 2008 the major concerns at club level are membership sales, member retention and finding quality staff. Staffing (45%) and sales (10%) were also two of the top expenditure areas. On the question of investment for the coming 12 months over 55% of clubs intended to invest in staff training or conferences.

Group fitness has seen one of the biggest changes in the whole survey on last year with a move towards clubs offering a wider variety of class styles with boxing, circuits, pump, step, Pilates and spin all having equal popularity in clubs.

Memberships stay steady!

Although membership growth was less than last year, 58% of clubs still experienced growth in 2009. Membership numbers have declined about 2% compared with last year, with an average membership size of 835.

Clubs reported that monthly fees have not changed since last year (\$50 - \$60 per month) and will not change this coming year with 70% intending to keep monthly fees the same. Overall membership fees (joining and lump sum) will not see a change this year either.

This year clubs are providing members with less flexibility when joining. Clubs reported a move away from no-contracted terms (32%) to offering variable terms (15%), 1 month (14%), 2 months (2%) and 3 months (17%) membership options.

Sales and Marketing

Sales activity is significantly down since last year. Clubs reported sales conversion rates down from 67% to 58% and average weekly sales down from 9.4 to 5.4. The clubs also identified membership sales and membership retention as major concerns for the coming year.

With the additional information from the members' survey this year, we now know when members join and leave their clubs. Together with the results from the most successful membership promotions, this provides the clubs with an important sales and marketing annual profile. The critical times are January/February and October/November for both sales and attrition activity, with no joining fees, one week trials and an extra month of membership being the most successful promotions.

Across the Tasman Sea

In New Zealand, independently owned single clubs (51%) continue to be more popular in comparison with Australia (28%). Franchise and multi club chains are more prevalent in Australia (41%) as opposed to New Zealand (20%).

Clubs in New Zealand have seen less change in membership numbers than Australia. 50% of New Zealand clubs reported membership numbers have stayed the same or decreased from last year.

Monthly membership fees are comparatively the same at NZ \$75 and AUS \$50-\$60. However, the majority of New Zealand clubs (62%) intended to increase membership fees compared with Australian clubs (73%) keeping fees the same.

Along with all the members' comments and club owners and managers' feedback the full report includes insightful comments and thoughts from a panel of industry experts.

The AFIS industry panel of experts includes Grant Gamble, club owner and industry consultant; Phillip Hare, Chief Executive of the YMCA of Sydney; Carlos Garcia, General Manager at C2K – Australian Fitness Business of the Year; Nigel Champion Executive Director of Australian Fitness Network and Andrew Wilkinson owner and Group Business Manager of Healthworks.

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For more information visit www.fitnesssurvey.com.au

AUSTRALIAN FITNESS INDUSTRY SURVEY 2009



How well do you know the fitness industry?

Have you ever wanted to know why your members join and why they leave and how you compare with your competitors. Find out the answers and more in the most up-to-date research into the Australian fitness industry.

The 2009 Australian Fitness Industry Survey is now available providing you with analysis and insights into the fitness club industry and its members. There are a few surprises and some very insightful comments from our industry panel of experts and of course the 620 owners and managers and the 7,000 members who took part.

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