

STABLE AND CONFIDENT: THE STATE OF OUR INDUSTRY



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➤ The inaugural Australian Fitness Industry Survey (AFIS), developed, conducted and published by direct debit service provider Ezipay, has for the first time provided hard data on the operation of fitness facilities throughout metropolitan and regional Australia.

CEO of Active Management, Justin Tamsett welcomed the survey, saying: 'For years we've relied on US figures and anecdotal information to understand our industry. These findings show solid evidence of the accessibility of health club memberships, employment, growth plans and some key business figures. This data is vital to understanding our industry, and comes at an important time. As the demand for health services continues to grow with an ageing population and childhood obesity issues, the fitness industry needs to know where it stands and the direction it's heading in.'

The survey was compiled from 264 responses from clubs around the country, representing about 8 per cent of the estimated 3,500 health and fitness facilities, excluding personal training studios. Of these, 84 per cent of respondents were either the business owner or the club manager. Analysis of the information has provided an unprecedented insight into the operation of fitness facilities across the country, and has enabled the creation of a profile of a 'typical' health and fitness facility in Australia.

This typical facility is based in a city or metropolitan area and is between 201 and 500 square metres in size. It has been operating for between two and five years and currently has up to 500 members, a similar amount to the same time 12 months ago. In terms of weekly sales, it receives 21 new enquiries, resulting in an 81 per cent enquiry-to-tour rate and a 67 per cent enquiry-to-sale conversion rate.

A privately-owned, single club on a rented site, it uses a 12-month minimum term membership contract, and in the coming year plans to keep membership fees around the same level, or increase them, as it is currently within 100 to 500 members of maximum capacity. Of the 41 per cent of facilities planning to increase their fees, 51 per cent expected the increase to be no more than \$5 per month.

The average Australian fitness club has three full time employees, ten part time or casual employees and two dedicated sales staff. In the coming 12 months this 'typical' club will have a staff member attend an industry conference, purchase new fitness equipment, and invest money in sales and customer service training for staff. As would be expected, the facility provides strength training and cardio equipment as well as personal training, group exercise and circuit classes, Pilates and senior citizen's exercise classes.

The most concerning issues being faced by this club include how to increase membership sales, member retention, finding quality staff and

developing marketing campaigns. From an industry perspective there are a number of pressing issues being faced, including the PPCA licensing threat, the challenge of finding qualified staff and attracting children and ageing Australians to fitness facilities.

The AFIS also makes a number of relevant comparisons to the New Zealand Fitness Industry Survey, published by Fitness New Zealand in 2007. A significant difference, for example, was found between the salaries of facility managers in Australia and New Zealand. While other salary positions were comparable, Australian facility managers are paid an average of AU\$64,063 compared to the New Zealand average AU\$43,895 – a 46 per cent difference.

What are the results telling us? The growth in the smaller clubs is very telling. The market is seeing a set of smaller clubs emerging which are specialising in fitness services to particular populations. The rise of women-only clubs that offer a smaller, more personalised experience is an example of this. When you combine the growth in club numbers, the growth of memberships across all sectors of the club market, and the strong intention to buy new equipment and invest in staff training, the survey paints a picture of a stable industry that has confidence in both its business and its role in the future health of the Australian population. 

For more information on the Australian Fitness Industry Survey, e-mail Celeste@ezypay.com.au