

SURVIVAL OF THE FITTEST

The rise of no-frills gyms like Zone Fitness is changing the shape of the South African fitness club industry. How? By transforming gym membership from elitist accessory to affordable necessity

In a world of widening waistlines and climbing numbers of chronic conditions, most of us simply can't afford not to exercise. But this essential preventative health measure has historically been out-of-reach for the very people who need it most. Why? Because far too many gyms are large and luxurious establishments – with membership fees to match.

In a 2006 investigation into the South African fitness industry¹, researchers from the UCT/MRC Research Unit for Exercise Science and Sports Medicine and Sports Science Institute of South Africa (SSISA) assessed 442 local fitness facilities and found that their membership came to 813 012 – only 1.73% of the estimated South African population for 2005.

“One area of opportunity is in the informal sector of the fitness industry, and this relates to the affordability of joining a fitness facility,” the report states. “The fitness industry needs to work on developing services that are suitable for certain areas where people are not able to afford gym fees but need to exercise.”

The situation is not unique to South Africa. In fact, it's a global fitness-club conundrum. But the times are certainly changing, and gyms are being forced to change with them.

Putting affordability first

“Since launching Zone Fitness in January 2002, our aim has been to shake up the stereotype that fitness clubs are pricey, plush and inaccessible to a large majority of lower-to-middle income markets,” says Herman Blackie, Director of Zone Fitness (Pty) Ltd. “Gym membership shouldn't be a status symbol, but a health necessity. So we're challenging the big players by limiting non-core extras like swimming pools, squash courts, saunas, cafes and wellness-based services in favour of essential fitness facilities at highly competitive rates.”

Research shows that no-frills clubs like Zone Fitness are both on-time and on-trend. A recent report by Koncept Analytics on the global fitness-club industry has identified a key trend in the rise of low-cost gyms that eliminate luxurious extras and focus on exercise essentials.

Just one such success story is 24HourFitness, the largest privately owned fitness centre chain in the world. Since starting with one club in 1983, the company's aim has been to make fitness a way of life by offering multi-sport fitness centres that are affordable and accessible to all. And now, with 385+ clubs across America, nothing has changed.

The South African health-club industry might be dominated by the "Big Two" (Virgin Active and Planet Fitness), but according to the investigation by the UCT/MRC Research Unit and SSISA, "the fitness industry is broader than traditional gym and health clubs". According to this report, 68% of local facilities are actually independent – a similar figure to that seen the US where gym chains comprise only 17% of the market.

The Koncept Analytics report also states that, globally, this market is quite fragmented, which presents significant growth opportunities for both market veterans and new clubs on the block. Add to this the public-health focus on preventative measures and the fact that the worldwide health market is expected to become a trillion dollar industry by 2010, and it's clear that there's more than enough room for gyms that target the mass market by making value-for-money a priority.

The business of fitness

For most fitness clubs, membership fees (and hence client retention) constitute both a primary source of income and a measure of the club's operational success. That's why South African players are shifting from acquisition- to retention-focused strategies, *such as financial incentives and "tie-ins"*.

"This is thought to result in 'continuous commitment' as opposed to 'affective commitment' – which is based on emotional attachment to the club or brand," says Blackie.

Factors that are thought to contribute to affective commitment include satisfaction, service quality, commitment, involvement and identification.

"Zone Fitness is focusing on these factors by giving members smaller, more intimate clubs, great service and facilities they really want – without tying them into expensive additions or complex membership plans," Blackie continues. "And this healthy business model is the driving force behind our brand's steady and consistent growth."

ENDS

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More about Zone Fitness

- **Vital stats**
45 000 members and nine clubs – eight across the greater Cape Town metropolitan area and one in Johannesburg’s CBD district.
- **Fitness facilities**
Equipped gymnasium (including free weight equipment), spinning and aerobic studios in selected clubs, a super-circuit, electronic cardiovascular equipment, as well as a team of qualified personal trainers and instructors who service each club.
- **Locations**
Western Cape – Parow, Brackenfell, Milnerton and Willowbridge, Tygervally, Wynberg, Rondebosch, Fish Hoek, Kloof Street and Johannesburg CBD. A new club is set to open in the Cape Quarter, De Waterkant on 1 October, 2009.

REFERENCE:

¹ An inventory of the South African fitness industry. *South African Journal of Sports Medicine*, 2006. Volume 18, number 3.

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