

January/February 2015

Fitness Business **CANADA**

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**THE YEAR
AHEAD**

**OUTSIDE
INPUT:**
MEMBER
ADVISORY
COMMITTEES

**TOP 10
FITNESS
TRENDS**

PLANET FITNESS

EXPANDS ITS ORBIT
INTO CANADA

**FITNESS
MARKETING**
ACROSS THE
GENERATIONS

the judgement free zone®

CLUB MANAGEMENT SOFTWARE

The YEAR AHEAD

Advice and ideas from fellow fitness professionals facing similar business issues and opportunities can be critical to business success. While every *FBC* issue is a portal to this sharing, our first issue each new year makes a special effort to feature the expertise of industry veterans. On the following pages, our experts offer their insights on 2015.

Technology, Programming and Business Models Continue to Evolve

BY ANNICK-ISABELLE MARCOUX

We believe there will be continued rapid growth in high-intensity interval training, body weight training, small group personal training and functional training.

With the significant use of fitness tracking software and hardware options currently available to members, we expect to see improved tracking interfaces and software platforms. This will allow us to focus more intently on increasing member retention and making joining a club and accessing group exercise classes a simpler and friendlier process.

We feel that the growth of stand-alone specialized facilities dedicated to spinning, yoga, etc., will slow.

We expect the rapid growth of



low-cost no-frills fitness centres to continue, particularly with GoodLife entering this market category with its Fit4Less brand.

We will see more clubs bundling nutritional counselling with their personal training packages to offer a more comprehensive member solution.

Finally, we hope that the Conservative Party moves forward

with the Adult Fitness Tax Credit to improve the health of Canadians and to reduce government funded medical costs.

Annick-Isabelle Marcoux is president and CEO of Mansfield Athletic Clubs, which includes Club Athletic Mansfield, Club Atwater and Hard Candy Fitness. She has just completed her first 70.3 Ironman.



A point to consider at this crossroads for the industry is the fact that our very success may well lie in the hands of those who have made so many of us successful in the first place. Here's why. Today, one of every two Canadian adults is 50 years of age or older. If you haven't felt the Boomers' impact yet, you will. The numbers are indisputable, although the industry seems to struggle with them having yet to fully embrace the opportunity that sits before it.

Boomers are continuing to change industries, as they have their entire lives. They now spend more on products to help them age well than they do on drugs for chronic disease. Of course the fitness industry has the optimal solution. But will we change the industry to deliver it? After all, we started as the "health" club industry.

So, in 2015, will we finally become an industry that embraces everyone, builds facilities for everyone, develops programs that are inclusive, hires staff that meets the needs of all generations, buy products that are accessible for everyone, and market our services with an all-inclusive focus? If we follow the numbers we will.

Colin Milner is founder and chief executive officer of the International Council on Active Aging. For the past five years, the World Economic Forum has invited Milner to serve on its Network of Global Agenda Councils recognizing him as one of "the most innovative and influential minds" in the world on aging-related topics. An award-winning writer, he has authored more than 250 articles.

Our Future is Grey

BY COLIN MILNER

Baby Boomer. The name conjures up images of youth, doesn't it? Yet the last of the Boomers crossed society's threshold for old age in 2014 moving lock-stock-and-barrel into their 50s.

How will this impact the fitness industry?

For the past three or four decades the Boomers have been the lifeblood of the industry. The simple question now is, "Will we follow them into old age?"

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Back to Basics

BY ISABELLE AUBE

As the saying goes, the best predictor of the future is the past. Humans are prone to patterns and, although the details change, the pattern remains the same. Especially in the fitness industry.

In 2014 we saw a rise in participation in events such as Tough Mudder, The Spartan Race, Warrior Dash and Zombie runs.

Coincidentally, the Paleo diet has gained notoriety along with Animal Flow and CrossFit gyms. It seems that the human race is looking to move back to basics. The further we advance in the technological age, the more we are shifting back to simpler times where we relied on primal movement patterns and behaviours.

Another popular saying is "What goes up must come down." My feeling is that we are not yet done with this trend and will actually see more races and programs develop in 2015 before we move onto the next phase, possibly in 2016-2017.

To stay on top of the game and remain relevant in clients' minds it will be wise to ride the wave and even create your own similar event with a specific race training program to ensure proper physical preparation. Tie it in with charitable fundraising and you will connect with socially responsible individuals as well as the thrill seekers.

President and founder of Native Way Training Services, Isabelle is committed to promoting health in Aboriginal communities through sport and recreation. Formerly the manager of sport/coaching for the National Equestrian Federation, she has worked with athletes from the recreation level to Olympic level for over 10 years. Currently Isabelle is collaborating on the Canadian Sport for Life 1.0 Aboriginal Long-Term Athlete Development resource.



These are my suggestion to help more Canadians transform their lives in 2015.

Hire inspired fitness professionals

Great personal trainers and group exercise instructors will continue to be pillars of the fitness industry in 2015. Having an experienced and educated fitness professional provide guidance, inspiration and expertise will help more Canadians than ever achieve their health and fitness goals.

Fitness classes taught by outstanding certified instructors allow participants to have consistent and effective workouts in a welcoming and energetic atmosphere. Exercising in a non-judgmental group setting helps inspire members and alleviates intimidation.

I also believe that supporting continuing education should continue to be one of the highest priorities for club owners/operators.

Offer shorter moderate-intensity workouts

Another development that will affect both the personal training and group exercise areas will be the growing demand for shorter workouts that are moderate in intensity. Currently, there is a focus on incredibly intense and long workouts. This is happening at the same time as the majority of the population is very inactive and only five percent of Canadians are achieving the recommended 150 minutes of physical activity per week. It's time to reverse this trend. We need to help

Canadians understand that frequency and longevity are keys to success.

Open new locations

I predict that we will see clubs flourish in smaller towns and cities across the country. Small urban centres will provide a great opportunity for the fitness industry to help Canadians in diverse regions lead fit and active lives.

David "Patch" Patchell-Evans is the founder and CEO of GoodLife Fitness, a past chairman of the board for IHRSA, a bestselling author, award-winning entrepreneur and philanthropist.

Exercise for All

BY DAVID PATCHELL-EVANS

The past year was another incredible year for the fitness industry as more people than ever embraced exercise and physical activity.



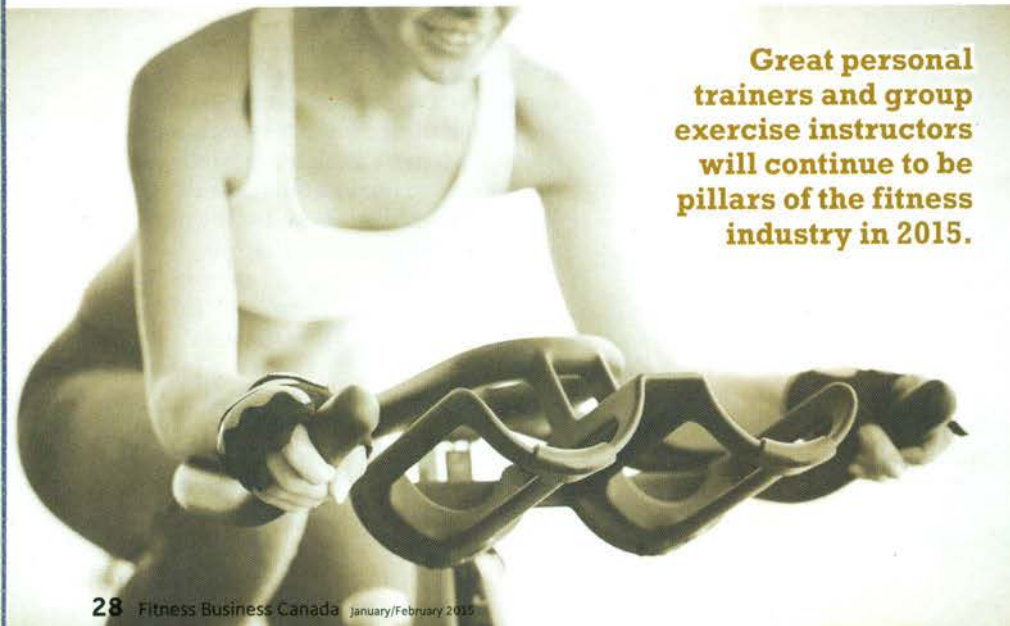
Beware the Middle Road

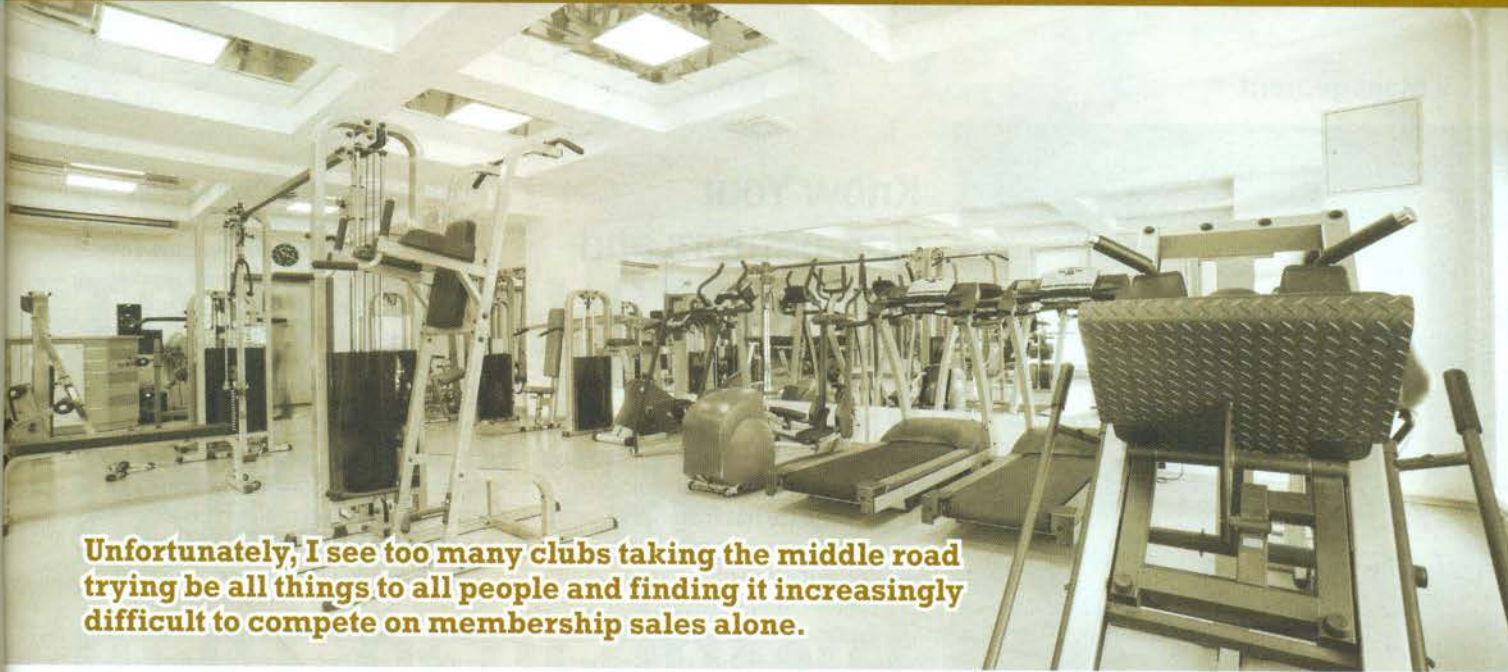
BY JEFF RUSSO

In my consulting travels throughout Canada and the United States, I've been hearing the phrase "medical fitness model" more and more. I've also been working with Dr. James Manson of the Cleveland Clinic in Toronto who is experiencing a large increase in the number of clients willing to pay for thorough assessments and a complete health prescription and solution.

With growing numbers of older adults with disposable income and who are looking for health solutions (not just gym memberships), I believe we will see an increasing demand for educational and solution based programs. As more medical practitioners come to

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the conclusion that fitness is medicine, there will be increasing demands on our industry to ensure high standards in terms of qualified fitness professionals and services.

As a result, the gap will continue to widen between organizations that provide a low price point and minimal service and models at the opposite end of the spectrum that are bridging the gap between the medical and fitness worlds.

Unfortunately, I see too many clubs taking the middle road trying to be all things to all people and finding it increasingly difficult to compete on membership sales alone. When one of the major corporate chains enters their market space, they will be faced with the harsh reality of trying to survive without a unique selling proposition.

I highly recommend the book *Blue Ocean Strategies* by W. Chan Kim and Renee Mauborgne. The book focuses on how to create an uncontested market space and how to make the competition irrelevant. It profiles organizations such as Cirque du Soleil, which was created in 1984 by a group of street performers who in less than 20 years created greater revenue than P.T. Barnum and the Ringling Brothers managed to generate in over 100 years.

Jeff Russo is the president and founder of the Pro Fitness Program. Since 1998 he has worked with over 70 independent fitness club organizations in Canada and the U.S.A. helping to improve their bottom line profitability while also championing a results- and education-based business solution. Contact him at www.profitnessprogram.com.

New Technology Will Motivate Members and Support Owners

BY STEVE LYNCH

There are no shortages of fitness industry predications for in 2015. The obvious game changer of the New Year will be technology advancements that will spur changes in how we service our club members and operate our businesses moving forward.

As these technology advancements appear, we can expect to see manufacturers becoming more protective of their patents.

Cardio console technology will far exceed anything we have seen so far. As an example, the user experience will involve memory sticks and social sharing allowing users to create instant posts on social media for all their friends and family to view.

Consoles are steering toward Bluetooth technology making the connection much easier while enabling users to stream their favourite movies and music playlists.

Data-focused advancements will also change the game for facilities as the ability to sync technology with fitness and wellness programs will increase the customer experience.

Personal trainers and coaches will be able to partner with these



technologies and easily integrate them into program design and assessment processes.

These advancements will also affect equipment maintenance. Many manufacturers are already implementing automatic feedback systems that automatically connect machines to a maintenance team. Imagine having a machine repaired before you even knew it was broken! This is what we can look forward to with the help of assert management functions that check for machine errors and auto sync this feedback. The ability to see the total mileage on each piece of equipment will allow clubs to rotate high traffic equipment and low traffic equipment.

Steve Lynch, commercial sales manager at The Treadmill Factory, began selling exercise equipment in 1998 and has sold over \$10 million of equipment in the Canadian market. He feels his best when surrounded by motivated entrepreneurs and aspiring athletes and trainers.





Know Your Competitors and International Trends

BY TASO PAPPAS

It is no secret that the Canadian marketplace has historically been slow to move in a new direction and break the mold. The net result of this is a fitness club landscape that has left the mid market saturated. The vast majority of operators are chasing the same \$40–\$60 customer and is constantly trying to find the next best thing to give themselves some market distinction. This places pressure on owners and operators to spend more money and work harder to distinguish their product from the growing competition that now includes several new and growing U.S. operators.

Even with the close-quarters competitive nature of this market in Canada's largest markets, it continues to amaze me that the vast majority of club owners and operators know very little about their competitors.

Club owners need to know their competitors almost as well as they know themselves. This information closes the loop allowing them to separate themselves from the herd. Change will occur either way. The only question is will you make the changes yourself or will you allow your

competitors to make them for you?

The real white space in the Canadian fitness market is almost everywhere other than the mid market. It is hard to believe that it has not been developed faster or more aggressively. A quick look across the border reveals many telling signs about future growth here in Canada:

Small group training studios and concepts. The incredible success of concepts like Barry's Bootcamp, Soulcycle and Orangetheory all over the U.S. is almost unprecedented and growing. The sustainability of these higher cost alternatives remains to be seen. One thing is certain however: There is lots of attention in this category, and the consumer loves these new options. When done well they manage to combine the best of both group exercise and personal training.

Low cost-high value. This is probably the most disruptive model in almost any fitness market. It has seen exponential growth in the U.S. and for good reason. Developed and defined by Planet Fitness, which has almost 900 U.S. locations and one in Toronto, this business has proven to be the ultimate in sustainability. It offers the few things that attract the widest audience and commits to being the absolute best at them. FBC

Taso Pappas is a Canadian consultant to Planet Fitness and the former COO and president of Extreme Fitness.



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