

Health and Fitness Clubs - UK - June 2011

Report Price: £1500 / \$2310 / €1793



What is this report about?

For the UK health and fitness clubs industry, it has been a case of 'battening down the hatches' during the past two years. Most operators have seen business decline or at best stay relatively flat as consumers have cut back their spending on discretionary products and services.

As consumer confidence and the UK economy begins its slow path of recovery, clubs are going to be looking towards expansion once more and the signs for future development of the market continue to be rosy, with a sizeable proportion of ex-users interested in using clubs again and a similarly large proportion of people who have never used a club showing interest too. Mintel's research shows that clubs being flexible on joining fees and membership formats is the biggest factor likely to encourage people to join and, with much of the growth in the market coming from the budget sector, where many operators already do this, the industry is well-positioned to capitalise on this.

What have we found out?

- The health and fitness clubs market in the UK is expected to reach a value of £2.66 billion in 2011, an increase of 17.3% compared to 2006. Numbers of members have increased at a slightly slower rate of 15% during this period, to 5.39 million, the stronger value growth reflecting an increase in average yield per member.
- The industry has proved remarkably resilient during the economic recession and the subsequent relatively weak economic conditions which have prevailed. Much of this is due to the expansion of the budget/value segment of the market, where the bulk of new openings have occurred. More than 50 budget clubs have opened since Mintel last reported on this market in October 2009.
- The market continues to be dominated by membership and joining fees, which have increased their share of total revenues from 78% to 80% between 2006 and 2010. This reflects reduced spending by health club users on secondary items such as food and drink, health & beauty treatments and retail due to their disposable incomes being squeezed.
- The 'big three' operators are the David Lloyd group, Virgin Active and Fitness First, who each have in excess of 400,000 members. Other important players include DW Sports Fitness, LA Fitness, Bannatyne Fitness and Nuffield Health. The top seven operators account for 23% of club numbers and 39% of total members.
- Approaching one in five adults use a private health and fitness facility, with one in six being members, the majority of whom visit once a week or more often. Almost a quarter of adults say they would consider using one in the future, split broadly between lapsed users and those who have never used a club before.
- Not having to pay a joining fee is the biggest incentive that would appeal to potential users, cited by 45%. Other factors which appeal to them include being able to sign up for short-term contracts, being able to go with someone they know, attending a free trial day and 24 hour opening.

Your business guide towards growth and profitability

Mintel Oxygen is your one-stop shop for market and consumer analysis. It is designed to help you stay on top of market sizes, shares and forecasts, consumer trends, brand profiles and product innovation.

Use Mintel Oxygen to:

- Access fresh market intelligence every day
- Drive your business forward based on consumer trends
- Support your decision-making
- Benchmark competitive activity
- Stand out in new business pitches

If you have any questions or require further information, send an email to oxygen@mintel.com or call one of our regional offices:

EMEA: +44 (0)20 7778 7151
Americas: +1 (312) 932 0600
APAC: +61 (0)2 8284 8100