



# Market Report

A Snapshot of your Market Sector

## Fitness & Leisure

This pack has been designed to provide information on setting up a business in the Fitness & Leisure industry in Scotland, as well as helping to inform the market research section of your business plan. You can find more information on how to write a business plan from the Business Gateway website ([www.bgateway.com/businessplan](http://www.bgateway.com/businessplan)), including an interactive template and tips to get you started.

This market report was updated by Business Gateway in January 2018. If you find the information contained in this document useful, tell us about it! Send us feedback [here](#); we will use your comments to help improve our service.

## What do I need to know about the Fitness & Leisure market?

The following summary statistics have been taken from market research reports and reliable resources that the Information Service uses to compile industry information. They should give you an indication of how your industry is faring at present and whether there is demand for your type of business:

- ◆ The growth in the private health and fitness club market is strong and steady and estimated to be worth **£3.1 billion in 2017 and to reach £3.9 billion by 2022**. It is estimated that **5.7 million Brits hold a gym membership in 2017** and by 2022 this will reach 7 million (Mintel, *Health and Fitness Clubs – UK*, July 2017).
- ◆ The Gym and Fitness Centres industry is expected to continue growing strongly over the next five years. An estimated **14.9% of UK consumers had a gym membership in 2016**. Over the five years through 2022-23, revenue is anticipated to increase at a compound annual rate of **2.9%, reaching £2.1 billion** (IBISWorld, *Gym and Fitness Centres in the UK*, October 2017).
- ◆ The sports market appears to have recovered from a sudden dip in participation rates seen between 2014 and 2016 as levels of past-year activity returned to around two thirds of the adult population, **with the rebound especially strong within the 25-34-year-old** demographic (Mintel, *Sports Participation*, September 2017).
- ◆ There are now over **9.7 million fitness members in the UK** which has boosted the penetration rate to an all-time high of 14.9%. **1 in every 7 people in the UK is a member of a gym**. The industry has experienced another year of impressive growth over the twelve month period to the end of March 2017, with increases of 4.6% in the number of fitness facilities, 5.1% in the number of members and 6.3% in market value (Leisure DB, *2017 State of the UK Fitness Industry Report*, May 2017) ([tinyurl.com/y93eoz2y](http://tinyurl.com/y93eoz2y)).
- ◆ The national organisation for this industry is [Sport Scotland](#). Other industry associations are [UK Active](#), [UK Sports Association](#), the [Federation of Sports and Play](#) and [Sports and Physical Education \(PE\) Association UK](#).



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## Where can I find more information on my market?

The Information Service has access to a number of databases which can offer more detail on this industry. Some of these reports are listed below - if you would like to be sent extracts from any of these reports, please contact us on **0300 013 4753** or email [info@bgateway.com](mailto:info@bgateway.com).

- ◆ **Mintel – Health and Fitness Clubs (July 2017).** The value of the private health and fitness club market will reach £3.9 billion by 2022. More focus is being put on health and fitness in general, so the industry is benefitting.
- ◆ **MarketLine – Gyms, Health & Fitness Clubs (January 2017).** The UK is producing moderate growth currently and is expected to continue this trend through to the end of the forecast period in 2021. Despite being fairly mature and already having a good gym culture, the UK market has been particularly susceptible to the global trend of budget gyms and a number of big franchise brands have arisen to compete with the traditional players.

There are also a number of online resources you may find helpful:

- ◆ **Scottish Government – Physical Activity and Sport ([tinyurl.com/yabjn6q8](https://tinyurl.com/yabjn6q8)).** The Scottish Health Survey published in 2016 indicated that 63% of adults and 73% of children in Scotland met the guidelines for Moderate or Vigorous Physical Activity (MVPA) in 2015. A lack of physical activity contributes to nearly 2,500 deaths in Scotland and costs the NHS around £91 million per year, so it's vital that we tackle the issue.
- ◆ **British Library, Health and Fitness Industry Guide (July 2017) ([tinyurl.com/hsfxqbm](https://tinyurl.com/hsfxqbm)).**
- ◆ **The Telegraph, The seven big fitness trends of 2017 so far (August 2017) ([tinyurl.com/y7533giz](https://tinyurl.com/y7533giz)).** In 2017, there are more fitness choices than ever before. The answer, of course, is completely personal. This article explains the current most popular industry trends, covering pricing at both ends of the market, group fitness classes, wearable technology, marketing, the increased focus on health, online coaching and interval training.

We also have access to the following reports:

- ◆ Mintel, Leisure Centres and Swimming Pools, September 2017
- ◆ IBISWorld, Sports Facilities in the UK, August 2017
- ◆ IBISWorld, Sports Clubs in the UK, June 2017
- ◆ IBISWorld, Sporting Goods Manufacturing, June 2017
- ◆ IBISWorld, Sporting and Outdoor Equipment Retailers in the UK, November 2017

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## How can I find out about my competitors?

Business Gateway's online guide to [Competitor Analysis](#) explains how to find your competitors, how to research what they're doing and how to act on what you learn about them.

Immediate competition will be from other businesses in your local area. There are several online directories which can be used to find company information and generate lists easily and at no expense. Many Local Authorities also publish local business directories on the web. Below are some key web resources:

- ◆ General business directories such as Yell, Thomson Local or Google Maps
- ◆ Trade specialists like EuroPages (European directory), The Wholesaler or Free Index
- ◆ Business to business (B2B) specialists such as Kompass

Likewise, your local Chamber of Commerce may publish a members' directory; find your local Chamber on the [Scottish Chambers](#) website.

Once you've identified who your competitors are, the next step is to gather information on the way they do business. Which services do they provide? How do they market themselves? How much do they charge?

To learn about your competitors:

- ◆ Look for articles or adverts in local newspapers, trade press and directories.
- ◆ Try to read their marketing material; if the company has an online presence, visit the company's website as a first port of call. Not only does it give you a better understanding of the company's activities, it can also offer a wealth of information such as a company history or staff biographies, as well as the company's partners or suppliers
- ◆ Search for information on limited UK companies via the Companies House website
- ◆ Gain an insight into your competitor's performance using credit checks and the accounts that limited companies are required to submit to Companies House each year.

We can provide credit checks free of charge; if you are interested in using this resource, or looking for us to help you find relevant publications, please contact us by emailing [info@bgateway.com](mailto:info@bgateway.com) or by calling **0300 013 4753**



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## What about suppliers?

[Choosing and Managing Suppliers](#) can help you decide what you need from a supplier, how to identify one and how to choose one to deal with.

Trade associations or industry specific organisations may also be able to recommend suppliers or contacts. You can also use the aforementioned resources for finding competitors to find suppliers.

Once you have decided on a supplier, we can run a credit check on the company to help assess their financial stability. We provide credit checks free of charge; if you are interested in using the resource please [info@bgateway.com](mailto:info@bgateway.com) or by calling **0300 013 4753**.

## Who are my customers?

Your business plan should include information about the customers you would expect. Business Gateway's guides on [Retaining and Grow Your Customer Base](https://tinyurl.com/c2fw4o4) (tinyurl.com/c2fw4o4) will help you to identify who your customers are, how to use this information to sell more effectively and how to actively compete in your marketplace.

It can be useful to group your customers by geographical location, age or lifestyle. The websites listed below are freely available and can provide most of this information. If you can't find what you're looking for from these website, please contact us and one of the team will be happy to help:

- ◆ Access the latest population estimates from the National Records of Scotland (NRS). NRS also offers demographic factsheets for each council area in Scotland, which can provide summary statistics for the area you will be based in.
- ◆ Information from the most recent census in 2011 is released via the official website. See in particular the Census Area Profiles. Clicking on your area of interest will give the latest population figures, including estimates by age.
- ◆ Understanding Scottish Places has interactive profiles of towns and cities across Scotland. It can be useful for understanding the interrelationships and flows between towns, and also gives comparisons between two or more places.
- ◆ Scottish Government Statistics provide accurate and up-to-date statistics on Scotland, covering population, health, education and housing.
- ◆ The Scottish Household Survey provides information on the structure, characteristics, attitudes and behaviour of Scottish households, both at a national and local level.
- ◆ Office for National Statistics (ONS) is the recognised national statistical body for the UK. ONS covers a wide range of demographic, economic and social issues at a UK level.

## How can you help me with other aspects of starting my business?

The Business Gateway website has guides, videos, online tutorials and tips on all aspects of starting up a business in Scotland. Follow the links below to explore each resource:

### Accountancy

Institute of Chartered Accountants of Scotland's (ICAS) "[Find a Chartered Account](#)" tool

### Funding

[Practical information](#) on finance and funding for starting and growing your business

### Insurance

[Business insurance guide](#)

### Legal Help

Gov.uk "[Licence Finder](#)" tool

Law Society of Scotland's "[Find a Solicitor](#)" tool

### Pricing

Business Companion [Pricing & payment guide](#).

**Please note:** the most effective way to research pricing is to conduct your own research – visit wholesalers or suppliers to obtain price lists, find quotes from similar companies and work out what other businesses in your area are charging

### Promotion

[BG guides to Marketing](#)

### Training

[Skills Development Scotland's My World of Work](#)

[Funding for training](#)

[Small Business Bonus Scheme \(Scotland\)](#)

Your local Business Gateway can offer events, workshops and 1:2:1 support on all aspects of starting and developing your business. Call the helpline on **0300 013 4753** to find out what is available in your area.

We hope you find this Market Report useful and we'd love to hear your feedback [here](#).

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**Updated by:** Caroline Campbell

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