



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), including an interactive template and tips to get you started.

This market report was updated by Business Gateway in **August 2021**. 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:

- ◆ Mintel's forecast is for public leisure centre **revenues to grow by 1.3% in 2021 to reach £790 million**, before recovering more rapidly to **£1.3 billion in 2022** on the basis that the market enjoys its first year of normal operation since 2019. However, with funding pressures meaning closures of ageing and/or uneconomic facilities will exceed openings of new ones, market value is likely to remain restricted by a reduction in supply estimated at around 30%. The variety of activities available at public leisure centres is a strong point of appeal for users, **with 69% taking part in more than one activity and 41% doing three or more**. (Mintel, *Leisure Centres and Swimming Pools – UK - 2021*).
- ◆ Over the five years through **2025-26**, revenue is anticipated to **increase** at a compound annual rate of **10%**, reaching **£2 billion**. **Membership fees** account for the **largest share of industry revenue** at an estimated **42.8%**. This has fallen from 75% in 2019-20 due to freezing of memberships during the pandemic. Due to the rise in revenue stemming from **personal training** in comparison to membership fees in the current year, revenue attributable to personal training has grown over the past five years, accounting for an estimated **32.9% of industry revenue**. (IBISWorld, *Gyms & Fitness centres in the UK*, March 2021).
- ◆ Health and fitness continues to be a big priority for consumers, with 88% maintaining activity during the pandemic. However, some will continue to be reluctant to enter gyms and fitness studios, while competition from digital fitness services and other forms of outdoor exercise will intensify. As a result, Mintel expects only **half of the market value lost in 2020 to be recovered in 2021**. When surveyed in June 2020, the majority of people (**70%**) planned to continue with their health and fitness club membership when it reopens. (Mintel, *Health and Fitness Clubs - UK*, September 2020)
- ◆ Personal trainers face a number of challenges, including limitations on public space, competition from other fitness activities and the rising popularity of smartphone apps that replicate many of the industry's services. Personal trainers are expected to focus, therefore, on the motivational aspects of training, developing group-based activities and offering other services like dietary advice, clothing and equipment. IBISWorld expects **industry revenue to grow at a compound annual rate of 5.6%** over the five years through **2025-26 to £703.6 million**. (IBISWorld, *Personal trainers in the UK*, March 2021).
- ◆ The national organisation for this industry is [Sport Scotland](#). Other industry bodies include [UK Active](#), [UK Sports Association](#), the [Sports and Physical Education \(PE\) Association UK](#) and the [Federation of Sports and Play](#).



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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.

- ◆ **Mintel – COVID-19 and Out-of-Home Leisure: A Year On (April 2021).** 33% of consumers surveyed purchased home exercise equipment since the start of the pandemic, while 38% have taken up a new form of exercise. Cycling has been one major benefactor, with around 1 million extra adults taking it up during COVID-19. The proportion of consumers who participate in exercise increased from 81% to 85% between March 2020 and March 2021. Taking part in regular exercise and living a healthy lifestyle have become bigger priorities for consumers, especially for 16-34 year olds, who are most likely to have exercised more at home (41%) or outdoors (30%).
- ◆ **IBISWorld – Pilates & Yoga Studios in the UK (April 2021).** Prevalence of health problems across society is expected to keep issues of health and well-being in the public consciousness and aid industry demand. As a result, over the five years through 2025-26, IBISWorld expects industry revenue to increase at a compound annual rate of 8.6%, reaching £995.8 million.
- ◆ **Mintel – Exercise Trends, UK (May 2021).** Outdoor exercise is set to remain more popular than it was before the pandemic, with 57% of exercisers expecting to take part in outdoor exercise, compared to 52% before COVID-19. Fitness operators have an opportunity to leverage consumer interest in outdoor exercising by running outdoor classes and developing more outdoor facilities. David Lloyd and BXR are among the key fitness brands that have established outdoor fitness classes.
- ◆ **Mintel – Leisure Outlook - UK – Summer 2021.** Participation in non-food and drink related leisure activities has started to recover with an increased number of people going to events including music concerts, live sport and theatre. In a rising trend, 21% of consumers took part in a competitive socialising game, such as crazy golf or tenpin bowling, in the month to July 2021, rising to 53% of 18-24s.

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

- ◆ **Sport Scotland, Coronavirus (COVID-19) Information and resources page,** (tinyurl.com/y4ywko9) has information on: latest sport and activity guidance; resumption of performance sport guidance, getting coaches ready for sport, support for clubs and community sport organisations, and return to competitions and events.
- ◆ **Scottish Government, Physical Activity and Sport,** (tinyurl.com/yae7aasz) - information on the industry in Scotland, including how the government is promoting physical activity, relevant research around the importance of physical activity, and key policy actions. You can also find participation statistics in the latest **Scottish Household Survey 2019** (tinyurl.com/y7yz937v).
- ◆ **UK ACTIVE** publishes a number of relevant reports each year which are available online with email registration. These include **COVID-19 Impact Report: The Fitness and Leisure Sector's Path to Recovery, May 2020** (tinyurl.com/xn3my8xx) and **The opportunity technology presents to the physical activity sector, June 2019** (tinyurl.com/8ydmw7j8).

Disclaimer: This report has been updated in **August 2021** - we have included Post COVID-19 market material where available. Please note that this research may contain copyrighted material. Copyright belongs to the holders credited above and, as such, recipients of this research reproduce and repurpose this information at their own risk.

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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 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 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 [Market and customer research](#) will help you to identify new trends, opportunities, customers and competitors.

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 Accountant](#)" 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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You must not rely on the information in the report as an alternative to advice from an appropriately qualified professional. If you have any specific questions speak to your Business Gateway Advisor or consult an appropriately qualified professional.

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