



Market Report

A Snapshot of your Market Sector

Fitness & Leisure

Cost of Doing Business Support

For information on **reducing the cost of running your business**, the [Find Business Support](#) website has links to advice, funding and regional support.

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 2023** 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 Private Health and Fitness** club market is expected to continue to grow over the next five years to **pre-pandemic levels by 2024**. However, the market will feel the effects of economic pressures in society. **32% of members** would consider cancelling their membership to save money, with a further **42% interested in switching** to a cheaper membership option or operator. (Mintel, *Health and Fitness Clubs – UK September 2022*).
- ◆ **Mintel's** consumer research indicates that in **February 2023**, the percentage of adults exercising at home was 11 percentage points higher than the weeks ahead of the pandemic in 2020 (**56% vs 45%**). Exercising outdoors was 10 points higher at **62% vs 52%**. (Mintel, *Exercise Trends – UK 2022*, April 2023).
- ◆ Industry revenue is increasing but could be constrained by the cost of living crisis in 2022-23. The continued prevalence of health and well-being, exacerbated by the pandemic is expected to support demand for industry services. **Industry revenue is anticipated to grow at a compound annual rate of 2.8% to £993 million through 2027-28**. (IBISWorld, *Pilates and Yoga Studios in the UK*, September 2022).
- ◆ **The next five years** should see the industry continue to reap the benefits of consumer awareness of the health benefits of regular exercise. Government initiatives aimed at tackling inactivity and obesity will increase gym's potential customer base. Over the five years through 2028-29, industry revenue is anticipated to **increase at a compound annual rate of 5.2% to reach £2.5 billion** (IBISWorld, *Gyms & Fitness Centres in the UK*, July 2023).
- ◆ Following an estimated 25.5% decline in revenue in 2020-21 during the COVID-19 pandemic, **revenue is expected to rebound by 18% in 2021-22** due to the lifting of lockdown restrictions in April 2021. However, rises in the cost of living in the second half of 2021-22 will likely incentivise individuals to find cheaper alternatives to personal trainers, limiting revenue growth. Industry revenue to **grow at a compound annual rate of 3.7% over the five years through 2026-27 to reach £763.1 million** as concerns about health and appearance continue to rise. (IBISWorld, *Personal Trainers in the UK*, September 2022)
- ◆ 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 – Leisure Outlook – UK Spring 2022 (May 2023):** 18-24s are now as likely to take part in competitive socialising activities as they are to go to the pub for drinks, highlighting their desire for new and varied activities that provide a sense of adrenaline but don't necessarily involve consuming alcohol.
- ◆ **Mintel – Health & Fitness Clubs – UK 2021 (September 2022):** Around 89% of gym members visit their health and fitness club weekly, with 59% visiting at least three times a week. The figures are similar to those recorded in 2019, indicating that the private health and fitness club market is back on track for a full recovery.
- ◆ **IBISWorld – Personal Trainers in the UK (September 2022):** The industry is highly fragmented, with an estimated 65.4% of operators working as self-employed trainers; the other 34.6% are employed by a gym or fitness centre. As a result, there are no major players in the industry. As the majority of operators are self-employed, they do not generate profit, instead taking all earnings as wages, and profit margins are therefore negligible in the industry. Low barriers to entry have encouraged growth in employment and enterprise numbers over the past five years.
- ◆ **IBISWorld – Gyms & Fitness Centres in the UK (July 2023):** Membership fees are estimated to account for 69.6% of industry revenue (£1.34bn). Group fitness classes have become increasingly popular over the past five years. Consumers that are less familiar with the gym are increasingly seeking group activities in order to achieve their goals. In addition, those attending fitness classes also do so for motivational purposes, as well as the more social aspect.

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

- ◆ **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.
- ◆ **Scottish Government, Scottish Household Survey** (tinyurl.com/mruhkp49) provides information on sport and leisure participation statistics.
- ◆ **Sport Scotland's vision for sport in Scotland – Sport For Life** (tinyurl.com/2p8uuzwt) – is the national strategy which aims to ensure that sport plays a part alongside other agencies to deliver an active Scotland where more people are more active more often.

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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.
- ◆ [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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