



Boutiques & Fitness Studios: USA Industry Report

A snapshot of the trends, challenges
and opportunities for fitness studios
in the United States

SEPTEMBER 2024





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Introduction

The COVID-19 pandemic had significant impacts on the fitness industry in the US. As fitness studios were forced to temporarily close their doors and memberships were frozen or cancelled, the industry's revenue took a serious hit. At the same time, many consumers sought out online coaching options, creating more demand for remote workouts but also creating a desire for a more personalized health experience¹. Now, in the context of slow recovery, fitness studios are looking to maintain a strong brand identity in a crowded and competitive market.

With their focus on small classes and individual attention, boutique fitness studios are well placed to respond to these trends.¹ Boutique fitness studios are usually smaller than large

scale gyms, and usually offer just one or two modalities. There are approximately 40,000 boutique fitness studios across the US.

This study, commissioned by Hapana and conducted by McCrindle, seeks to provide a snapshot of the current trends impacting fitness studios across the United States and the opportunities and challenges for fitness studio leaders. In today's dynamic market, the ability to adapt and innovate is crucial for sustained growth and success and knowing the trends can help businesses prepare well for the future. Insights in this report are based on an online survey of 324 fitness studio owners and managers from across the United States.

About Hapana

Hapana is the leading fitness software that unlocks growth and efficiency for gyms, fitness studios and franchises. Using automated lead nurturing, a captivating member experience, multi-layered reporting, and advanced day-to-day operational controls, Hapana's all-in-one platform helps grow your member community, expand your location footprint, and boost your top line revenue.

[Find out more](#)



MEMBERSHIP MANAGEMENT

Lay the foundations for flexible fitness studio with Hapana's gym member management software across sales, scheduling, and more.



REPORTING AND ANALYTICS

Choose Hapana's gym management dashboard for real-time performance updates, one-click customized reports, and advanced business insights.



MEMBER MOBILE APP

Grow your gym or fitness studio with a custom branded app that wraps Hapana's powerful features in your overall gym branding.



MARKETING AUTOMATION

Never lose a lead and keep the customers you have with the all-in-one fitness marketing automation platform across all channels. Get a demo.



DIGITAL CONTENT SUITE

Curate fitness resources with Hapana's digital content suite. Level up member engagement with a one-for-all virtual gym app.



CHALLENGE APP FEATURE

Our industry-first challenge feature is designed to propel your business forward, helping you expand your community, separate you from your competitors, and boost your revenue effortlessly.

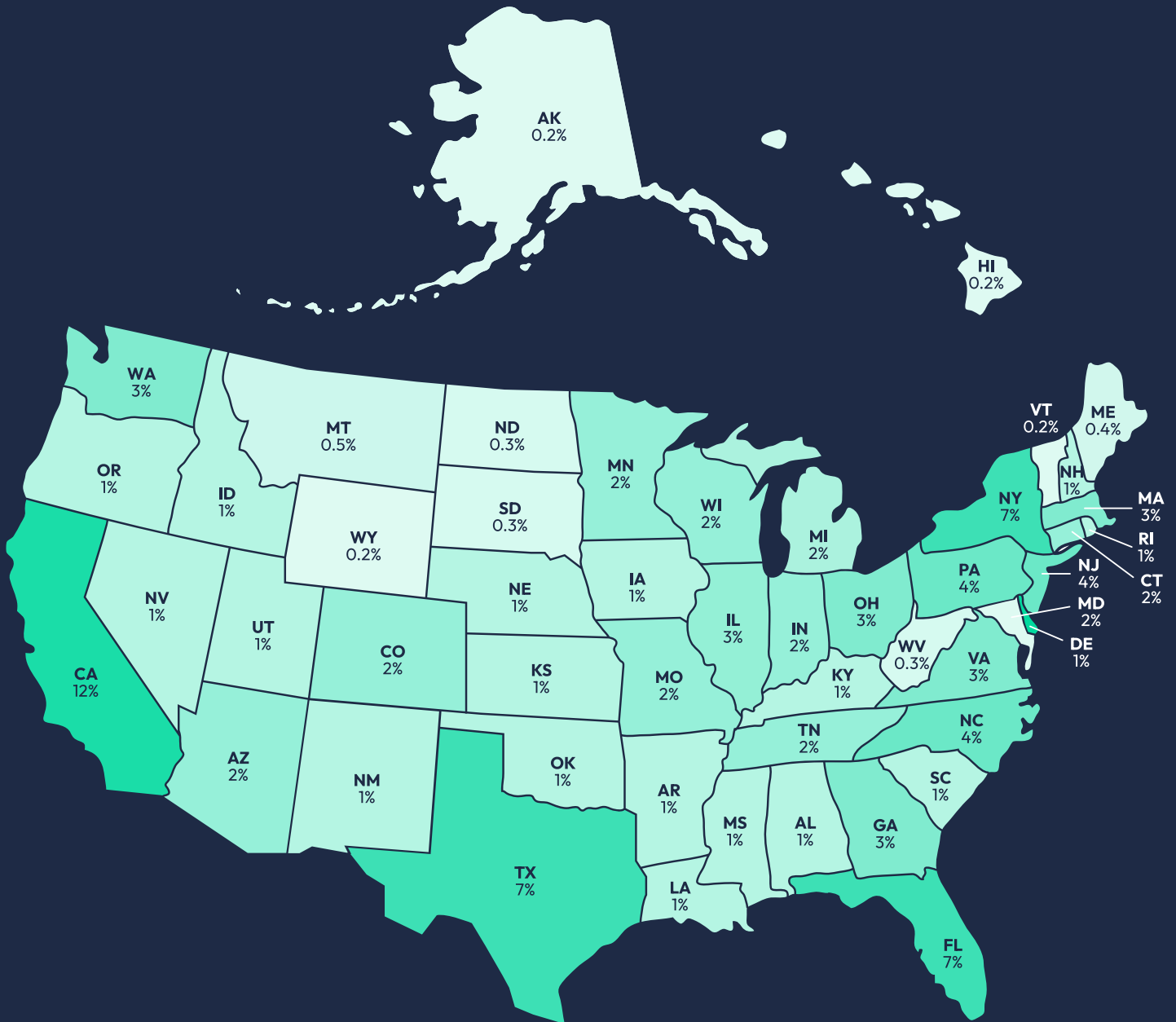


Fitness studios in the US³

There are more than

40,000

boutique fitness studios across the US²





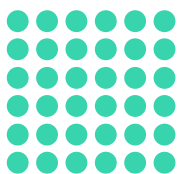
Over 4 in 5 (83%) fitness studios have an annual revenue of at least \$250,000

Most fitness brands (75%) have 1-5 physical locations



Most staff members are working full time equivalent hours

Median number of staff per fitness organization (could be across multiple studios)



36

Full time staff
More than 35 hours per week



14

Part time staff
Less than 35 hours per week



3

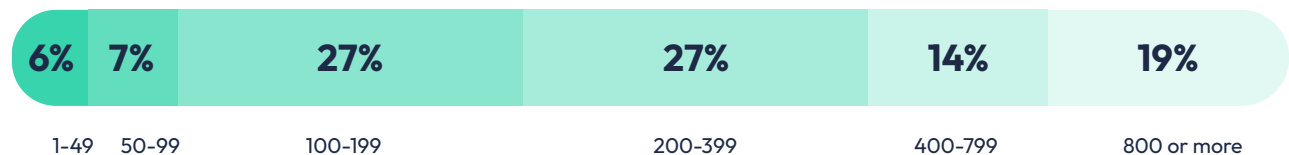
Contract or freelance workers



2

Temporary staff
Hired for short term needs

Over half (54%) of fitness studios maintain between 100-399 active memberships



Fitness brands are anticipating growth in the future



61%

expect significant/moderate growth in no. of studio locations



74%

expect significant/moderate growth in annual revenue



75%

expect significant/moderate growth in no. of members

Key challenges facing fitness studios

“In the next three years, fitness studios will face challenges like meeting changing customer preferences. People now want more personalized and convenient options, like online classes. Studios also need to keep up with safety concerns and handle rising competition from online fitness apps.”

– Fitness studio manager, 38, New York

With numerous changes occurring in the fitness industry, fitness studios must adapt quickly to stay ahead. More than four in five (81%) fitness studio owners and managers strongly/somewhat agree that continuous improvement and adaptation is necessary to stay competitive for their business. The key challenges currently facing fitness studios are recruiting, retaining and managing staff, adapting to fluctuations in membership due to economic pressures and seasonal influences and maintaining a strong brand in a competitive environment.



**Top challenges
faced by fitness
studio owners and
managers**

Strongly/somewhat agree:

63%

Maintaining a strong brand identity in a crowded and competitive market

58%

Adapting to seasonal fluctuations in membership and attendance

61%

As living expenses increase, members are finding memberships less affordable

58%

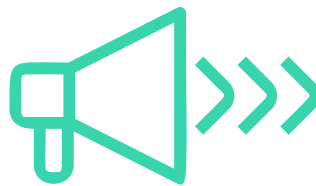
There is growing competition in the area, making it hard to attract and retain members

59%

Recruitment and retention of qualified staff

57%

The costs associated with maintaining facilities, equipment upkeep, and staffing



Fitness studios find it challenging to recruit and retain qualified staff

“(One of the biggest challenges is) identifying and keeping fitness professionals with the necessary training to provide interesting and high-quality in-person and online fitness experiences.”

– Fitness studio owner, 41, California

In a dynamic and evolving fitness industry, maintaining a positive staff culture and addressing personnel issues are instrumental to an organization’s success. However, recruitment and retention of qualified staff is a challenge for three in five fitness studio owners (62% strongly/somewhat agree). A similar proportion of fitness studio owners (61%) also find it challenging to address staff issues and culture.

With many fitness studios offering class fitness and personal training options, retaining quality staff members is crucial for the member experience. As members are looking for a personalized experience, fitness studios are looking to employ more personal coaches¹ and diversify their offerings, increasing the need to hire more coaches with differing skill sets.

Investing in staff retention has significant implications for fitness studios. Since staff wages represent 44% of the total revenue in the fitness studio industry, they are the largest expense along with equipment depreciation and administrative costs¹.

“As prices rise and staff salaries increase, the operating costs of gyms are getting higher. How to control expenses while still providing quality services and facilities makes me need to consider the future outlook”

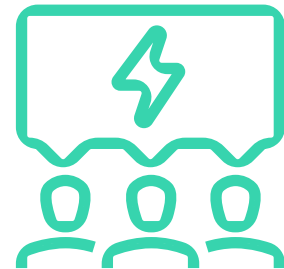
– Fitness studio owner, 30, South Carolina

PROPORTION OF FITNESS STUDIO OWNERS AND MANAGERS WHO STRONGLY/SOMEWHAT AGREE



62%

Recruitment and retention of qualified staff is a challenge for their business (62%)



61%

Addressing staff issues and culture is a challenge (61%)



The economic environment is influencing membership affordability

“People do not have as much disposable income anymore. There are many more at-home fitness options available now. It is a challenge to keep some people interested in fitness after a certain period.”

- Fitness studio manager, 39, Illinois

As inflation continues to strain household budgets, consumers have less purchasing power and are shifting their spending priorities away from discretionary expenses like fitness. This directly impacts on the fitness industry which relies heavily on discretionary spending¹.

Fitness studio owners are feeling the pinch from the cost-of-living pressures, with three in five (63%) strongly or somewhat agreeing that members are finding fitness memberships less affordable as living expenses increase. This is likely one of the main factors impacting membership turnover across the fitness industry, with one in two (50%) fitness studios experiencing membership turnover of 30% or above.

“I believe inflation will play a big role in whether people will actually show up anymore. I feel like over the years people won’t be able to pay attention to their health because they will be too busy trying to survive in the real world.”

- Fitness studio manager, 29, Maryland



WHAT IS THE RATE OF MEMBER TURNOVER AT YOUR FITNESS STUDIO?



Fitness studio owners are also seeing a demand for more pricing flexibility. Membership discounts, promotions, and flexible options are the most requested services, emphasizing that affordability is a major priority for members. Nearly 1 in 2 (47%) fitness studio owners report that members frequently request membership discounts and promotions, and over 2 in 5 (46%) note that members are frequently asking for more membership options, such as pay-as-you-go, easy cancellations, and freeze or pause options.

“My members have been talking to me about how difficult it can be trying to maintain a membership for exercise and fitness and keeping food on the table all at the same time. We’ve tried having sales and discounts, but the economy is definitely in a strange spot.”

- Fitness studio owner, 35, California

Amidst the challenge of member turnover, fitness studios owners are also facing financial pressures. More than one in two (55%) fitness studios owners strongly or somewhat agree that maintaining facilities, equipment upkeep, and staffing has put financial strain on their business. This financial strain can make it even more challenging to retain members, when there are less funds available to invest in improvements and attract new members.

“(One of the biggest issues is) generating revenue and profitability while juggling operating expenses including rent, personnel, equipment upkeep, and marketing in the face of market rivalry and economic uncertainty.”

- Fitness studio owner, 43, California

“Higher costs such as rent, equipment maintenance and staff compensation are squeezing margins.”

- Fitness studio owner, 44, Washington

MEMBERS ARE FREQUENTLY REQUESTING MORE FLEXIBLE PAYMENT OPTIONS



47%

of boutique fitness studio owners offer membership discounts and promotions



46%

of boutique fitness studio owners offer more membership options (e.g. pay as you go, freeze or pause options, easy cancellations)



Maintaining a strong brand identity in a competitive market

“The competition pressure in the same industry is increasing, and it is necessary to adapt to the development trend of the times and transform according to the needs of consumers”

- Fitness studio owner, 46, Florida

Nearly two in three (63%) fitness studios strongly or somewhat agree that maintaining a strong brand identity in a crowded and competitive market is challenging. With more modalities being offered by fitness studios as well as inexpensive and accessible alternatives such as online fitness applications and home fitness programs resulting from COVID-19, this has placed additional pressure on fitness studios to offer greater value to retain their members¹.

“The fitness industry is highly competitive with numerous boutique studios, chains, and online platforms vying for market share. Differentiation through unique offerings, personalized experiences, and brand loyalty will be critical.”

- Fitness studio owner, 35, California

Nearly all (95%) fitness studios have a multi-modality offering, showing a clear desire to offer variety to members. Over three in five (61%) fitness studios believe they need to regularly update their class offerings to keep members engaged. To retain members and drive growth, nearly half of fitness studios are planning to diversify their offerings with new modalities (48%) and boost their marketing and branding efforts (47%) in the coming year.



63%

Find maintaining a strong brand identity in a crowded and competitive market challenging



61%

Believe they need to regularly update their class offerings to keep members engaged

Creating a personalized fitness experience for members



“Consumers are increasingly seeking more personalized and flexible fitness experiences. This trend includes interest in wellness and holistic health approaches, not just physical fitness.”

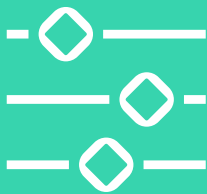
– Fitness studio owner, 35, New Jersey

In the wake of the COVID-19 pandemic, where many people turned to one-on-one online workouts, consumers are increasingly demanding a more localized and personalized fitness experience. In order to remain competitive in this context, almost half of fitness studios (48%) now provide online coaching as an additional service. It is expected that the industry will move away from the traditional big-name gyms towards smaller, boutique fitness studios with an emphasis on individual attention¹.

“Attracting new members and retaining old ones has always been a challenge for gyms... The key is to provide personalized service and a quality customer experience.”

– Fitness studio owner, 31, Georgia

Fitness studios are seeking to respond to these shifts in consumer demand and stand out in a crowded and competitive market by delivering a more personalized member experience. Providing personalized fitness plans and goal-setting sessions (49%) is one of the top three strategies that fitness studios have implemented in the last six months to strengthen member engagement and retention. Despite the importance of providing a personalized experience, seven in ten fitness studio owners and managers (71%) find it difficult to balance competitive pricing with the need to deliver personalized services.



49%

of fitness studios are providing personalized fitness plans and goal-setting sessions to strengthen member engagement and retention





Fitness studios are also looking to personalize the member experience by offering multiple modalities. Most studios (95%) offer more than one modality, with common types of workouts or classes including yoga (63%), strength training (62%), flexibility classes (60%) and cycling (55%). Almost half of fitness studios (48%) are also looking to diversify their modality offerings in the future, showing a trend towards consumer choice and flexibility.

COMMON MODALITIES OFFERED BY FITNESS STUDIOS INCLUDE



63%
Yoga



62%
Strength Training



60%
Flexibility Classes



55%
Cycling



55%
Dance



44%
HIIT



43%
Functional Training



41%
Pilates



34%
Martial Arts



21%
Barre

More than just a workout

“(One of the major challenges is)... to offer fitness programs as part of preventive healthcare strategies and post-rehabilitation services.”

- Fitness studio owner, 42, Massachusetts

Members are also looking for experiences beyond the workout. Many fitness studios are offering additional facilities and services to create an end-to-end health experience, from workout to recovery. A number of fitness studios are offering recovery options such as massage chairs (48%), physiotherapy services (44%) saunas (39%), remedial massage (38%), mind-body studios (37%) and spas (36%). Many fitness studios are also providing consulting and coaching services to help members get the most out of their workouts, including nutrition and diet consulting (62%), health and wellbeing education (52%) and meditation and breathwork coaching (48%).

Beyond the physical benefits of a workout, many members also enjoy social experiences when attending a fitness studio. For this reason, many studios are organizing group challenges (48%), member events and socials (46%) and have cafes or juice bars (49%) as key strategies for member retention.





**PROPORTION OF FITNESS STUDIOS
OFFERING RECOVERY SERVICES**

48%

Massage chairs

38%

Remedial massage

44%

Physiotherapy services

37%

Mind-body studios

39%

Saunas

36%

Spas

Using technology to boost member engagement

Technology solutions allow fitness studios to enhance service delivery and support member engagement

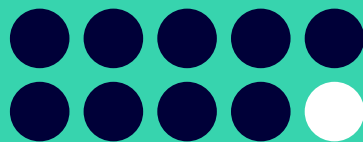
“Consumer preferences in fitness are evolving, with a growing demand for personalized experiences, flexible membership options, and integration of technology in fitness routines.”

– Fitness studio owner, 48, North Carolina

Fitness studio owners are increasingly turning to a range of resources and tools to enhance member engagement and service delivery, with a strong emphasis on personalization. Nearly nine in ten (86%) fitness studio owners use CRMs to streamline their operations and deliver a more tailored experience, with 10% currently using Hapana. By leveraging CRM systems, studio owners can better manage member data, automate routine tasks, and offer personalized communication.

“Technology is moving so fast now that I need to find a way to invest in new digital equipment so that I can provide a better experience for my members.”

– Fitness studio owner, 30, Nevada

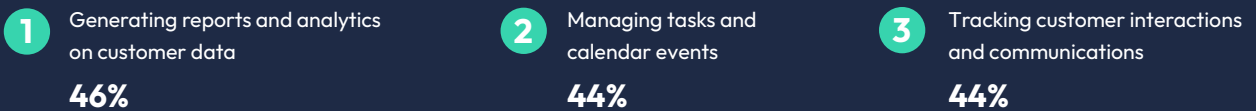


**NEARLY 9 IN 10
(86%) BOUTIQUE
STUDIO OWNERS
USE A CRM**

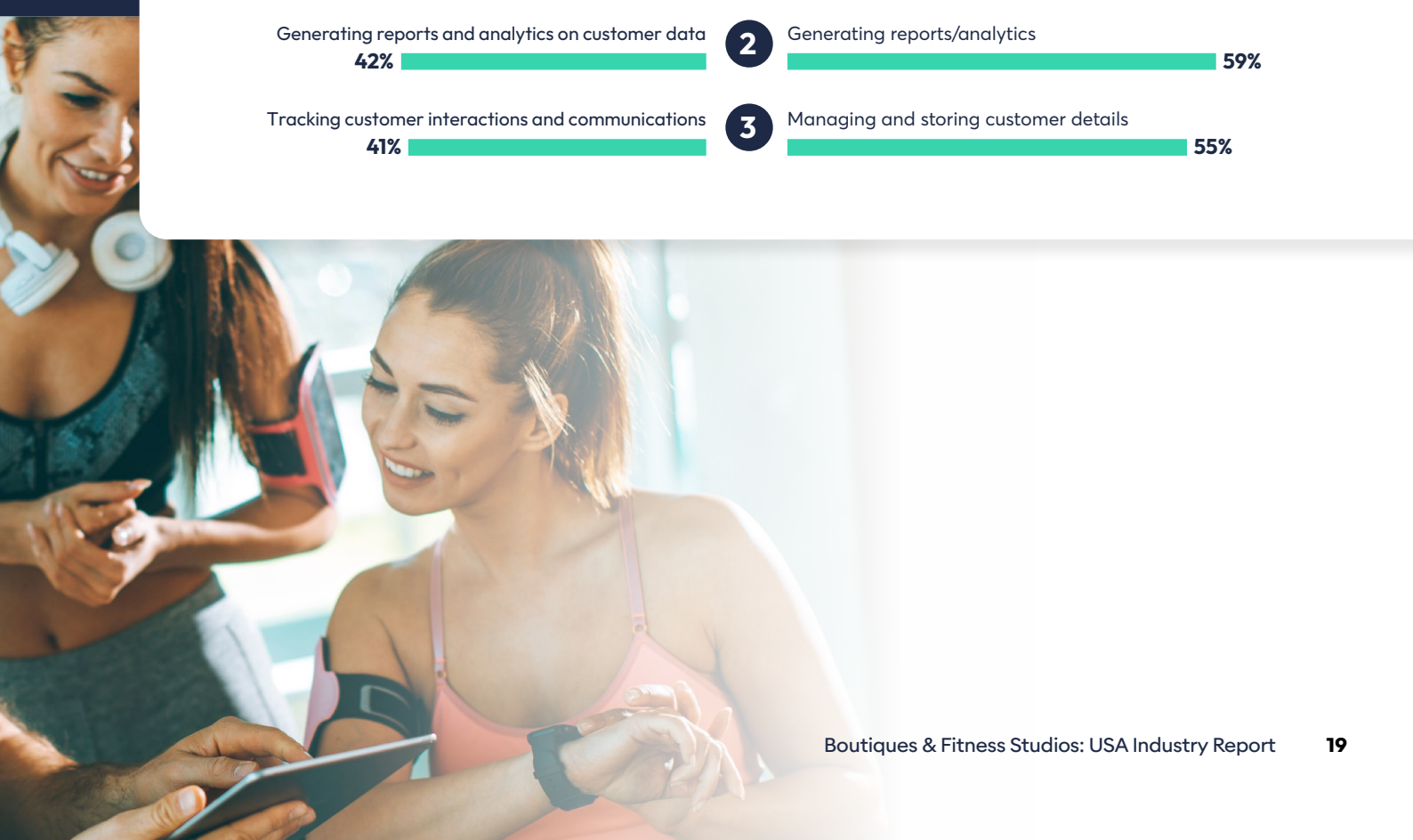
While CRMs are used broadly to manage different business functions, fitness studios are harnessing this technology in unique ways to enhance their operations. Two of the top three most common uses for fitness studios are focused on better understanding members and delivering a more tailored experience. Nearly one in two (46%) fitness studio owners utilize their CRM to generate reports and analytics on customer data and over two in five (44%) utilize their CRM to track customer interactions and communications.

Interestingly, there are distinctions between CRM uses based on the number of physical locations studios have. Studios with less physical locations are reliant on data to understand their customer base and personalize their services. As studio locations grow in number, their focus shifts towards managing complexity with multiple activities and locations.

TOP 3 MOST COMMON USES FOR CRMS



TOP 3 CRM USES FOR STUDIOS WITH:



Fitness studios also use technology to provide personalized experiences and flexible options

“The incorporation of AI and machine learning can enhance personalized fitness experiences by analyzing member data to provide customized workout plans and dietary recommendations.”

- Fitness studio owner, 30, New Jersey

In addition to CRMs, there are other technologies that are also playing a crucial role in providing personalized experiences and enhancing the member experience. Many fitness studios are using technology to track members' preferences and store member data such as the length of their workout, attendance times and personalized goals. More than two in five (44%) have automated check-in and attendance tracking at their studio and 40% use smart equipment with connectivity and tracking capabilities.

Beyond tracking member data, technology is also being used to provide more flexibility to members and a larger audience, with 39% using interactive fitness screens or displays and live streaming fitness classes or events.

“Conventional brick-and-mortar fitness facilities and studios face competition from digital and online workout platforms that provide better cost, convenience, and flexibility.”

- Fitness studio owner, 40, California

Smart equipment with connectivity and tracking capabilities (50%) and live streaming of fitness classes or events (50%) are more commonly used in fitness studios that have six or more physical locations.

“The use of smart solutions are a winner epic way to move around. The more advanced the smart solutions the better the forward thinking technology outcome. Keep the technology running simple and clean.”

- Fitness studio owner, 44, North Carolina



TOP 5 MOST COMMON TECHNOLOGICAL USES IN FITNESS STUDIOS



Investing in technology is the top priority for fitness studios as they look to the future

“Technology is moving so fast now that I need to find a way to invest in new digital equipment so that I can provide a better experience for my members.”

– Fitness studio owner, 30, Nevada

To drive growth and enhance the member experience, nearly half of fitness studios are planning to invest in new equipment and technology (49%). By focusing on this area, fitness studio owners are positioning their studios to attract and retain more members for long-term success.

“The pace of technological advancements is a challenge. Keeping up with new tech requires significant investment and continuous learning.”

– Fitness studio owner, 40, Virginia

Despite the benefits that technology offers, nearly three in five (57%) fitness studio owners strongly/somewhat agree that implementing technology creates operational challenges. These challenges often include the high cost of technology adoption, the need for continuous staff training, and the complexities of integrating new systems with existing ones. While technology can demand significant investment and strain resources, it also has the potential to enhance both member experiences and operational efficiency.



49%

of fitness studio owners are planning to invest in new equipment and technology in the next year



Nearly 3 in 5 (57%) of fitness studio owners strongly/somewhat agree that implementing technology creates operational challenges

While there is a call for fitness studios to invest in equipment and technology, fitness studios with six or more physical locations are the most likely (54%) to be investing, as compared to those with one to five physical locations (47%).



Methodology

Data collection

The Boutiques & Fitness Studios: USA Industry Report is the collation of quantitative data gained through an online survey of 324 fitness studio owners, managers, and head office staff from across the United States. The survey was in field from the 24th of June to the 5th of July 2024. Throughout this report, respondents are referred to as 'fitness studio owners and managers', or more simply 'fitness studio owners'. Where industry data has been gathered from secondary sources this has been referenced throughout the report.

About McCrindle

McCrindle is an independent social research agency that has been studying social and demographic trends for nearly two decades. McCrindle provides a range of research and advisory services to help business leaders understand the latest consumer and workforce trends and communicate insights to equip leaders with confidence to lead in these changing times.

mccrindle

Graphs and rounding

Data labels on the graphs in this report have been rounded for simplicity. Some graphs may therefore sum to 99% or 101%. Any calculations where two data points have been added are based on raw data (not the rounded data labels on the graph) which have been rounded once combined.

References

- ¹ World Bank Group, Open Data, The World Bank.
- ² Gym, Health & Fitness Clubs in the US, IBIS World.
- ³ 2023 National Population Projections Tables: Main Series, United States Census Bureau.



Demographics

Age



11%
Gen Z
(18-29)



80%
Gen Y/ Millennial
(30-44)

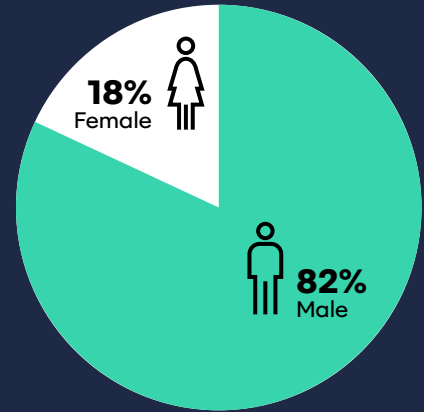


7%
Gen X
(45-59)

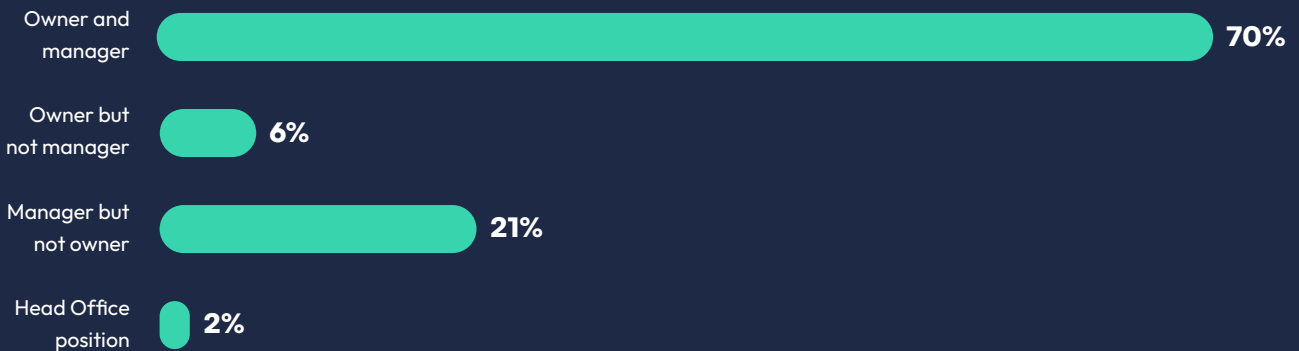


1%
Baby Boomer
(60-78)

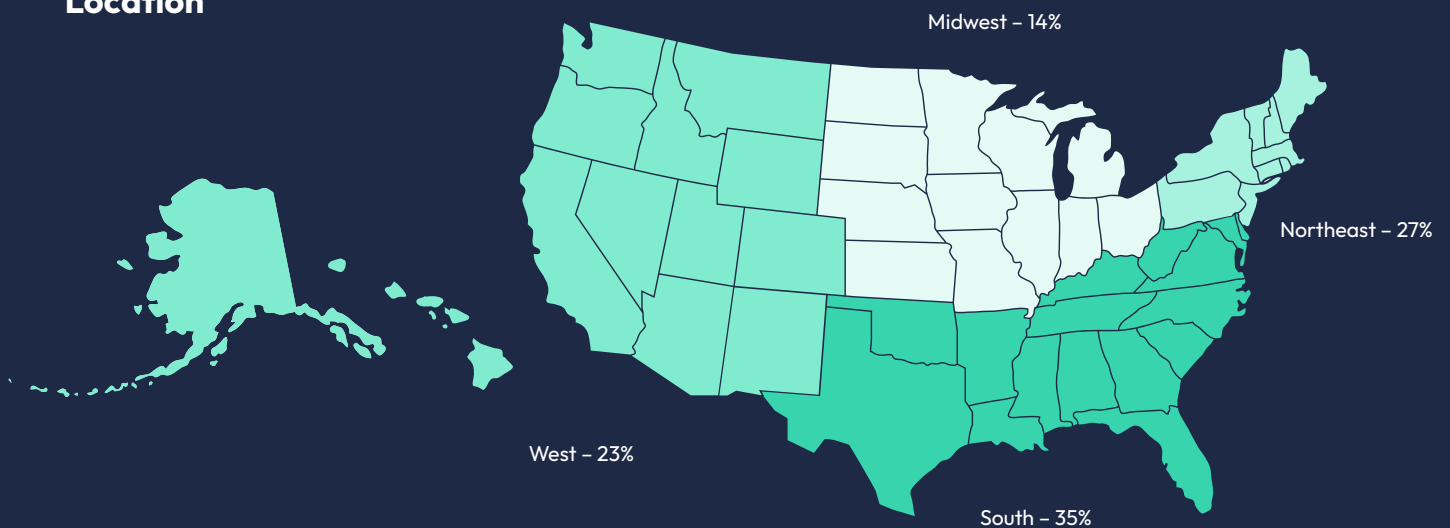
Gender



Role at fitness studio



Location





 hapana