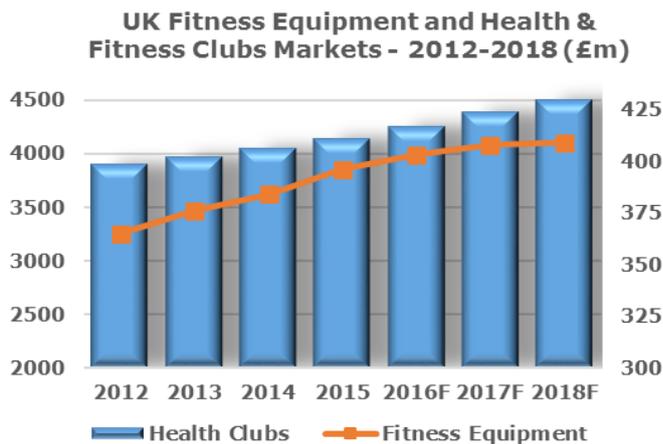




PRESS RELEASE

Budget sector to drive growth in the UK Health & Fitness Market

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The health and fitness industry in general has performed well over the past 5 years, experiencing steady growth of around 2-3% per annum, and benefiting from an increased awareness of fitness as an essential component of a healthy lifestyle. AMA's new report focuses on developments in **health clubs and fitness equipment** to assess the sector from both viewpoints.

The UK health and fitness club market continued its steady expansion throughout 2015 with a

significant increase in the number of fitness facilities - performance was primarily driven by the low cost sector with the key operators progressing with significant development programmes. As competition in the low cost sector has increased, larger operators have often taken multiple gyms in urban areas to secure their customer base, and fee structures among many health club chains have been adapted to align with budget club operators. Additional services that most gyms are now providing for their members include specific exercise classes, as well as personalised advice on nutrition and diet. The higher end of the market, which incorporates country club and spa facilities, has also proven to be resilient.

The UK fitness equipment sector is expected to reach a value of over £400m by the end of 2016. Sales of fitness and exercise equipment have risen in line with the improving state of the UK economy, which has led to higher spending by both consumers and operators of commercial gyms, such as hotels and leisure management contractors. Recent growth has also been driven by the booming low-cost/budget gym sector, and the corresponding increase in demand for fitness equipment. This trend is expected to continue in the short-term, and should support increased demand over the next few years.

Innovation is key to growth within both the home and commercial fitness equipment markets, and demand is highly susceptible to new trends and 'fitness crazes'. Recent examples of trends driving the market include HIIT (High Intensity Interval Training), Zumba classes and use of Vibration Plate equipment. More recently, there have been moves towards equipment that can replicate the feeling and sensation of exercising outdoors, as well as products geared towards training in groups. New digital-based equipment offering tracking and analytics features, that may in some cases be synchronized with consumers' own devices such as smartphones, tablets and sport wearables via apps, are also growing.

The fitness equipment sector is relatively mature, with many well-established leading suppliers. As a result, the market features a number of well-known brands, although in recent years the growth of lower-cost imports has eroded their position.

"The outlook for both of these markets is good, with modest growth forecast in the medium term, driven by ongoing refurbishment programmes and expansion in the budget sector" said Andrew Hartley, Director of AMA Research. "The health club market is expected to remain in a state of flux as low-cost health clubs continue to gain market share from established medium segment health clubs, leading to lower revenue fees across the industry, while the outlook for the commercial fitness equipment market in the short to medium term is for growth of 1-2% per annum."

Although the current expansion and investment programmes pursued by many leading health and fitness club operators suggests demand for equipment will rise, a number of towns and cities are saturated in terms of health and fitness establishments and significant growth is unlikely. The future direction of the commercial fitness equipment market is also likely to depend upon how well low-cost and budget gyms continue to develop their presence. At present, this sector accounts for just 5% of the UK's total number of gyms and health clubs, so there is scope for growth - especially if the economic situation deteriorates as a result of the Brexit vote and consumers reign in spending on non-essentials.

The outlook for the home fitness equipment is also for moderate growth over the next couple of years, although demand may experience a decrease towards the end of the decade. Reasons for this are likely to include continued growth in the low-cost/budget gyms sector, as well as the fact that a significant proportion of the population are unlikely to have the space to fit larger equipment such as treadmills into their properties. Market prospects may also be hindered by the fact that more people appear to favour exercise as part of a social gathering and the popularity of outdoor forms of exercise and the growth of running and cycling clubs. By 2020, the market value is expected to reach £420m, representing an increase of around 6% from 2015 levels, and equates to around 1.2% growth per annum on average.

The '**Health & Fitness Market Report – Focus on Clubs and Equipment - UK 2016-2020 Analysis**' report is published by AMA Research, a leading provider of market research and consultancy services within the construction and home improvement markets. The report is available now and can be ordered online at www.amaresearch.co.uk or by calling 01242 235724.

Editor's Note:

If you would like to receive further information or wish to speak to an author of this report, please contact Anna Eriksson or Andrew Hartley on (01242) 235724.

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