



PILATES: NOW GENERATING REVENUE AT A CLUB NEAR YOU!

By KEN ENDELMAN

Most fitness professionals are aware of Pilates. It is hard not to be — its meteoric rise has been well chronicled. The Sporting Goods Manufacturers Association reports that the number of North Americans participating in Pilates has grown from 2.4 million people in 2001 to 10.5 million people in 2004 — an increase of over 500 percent.

Based on techniques developed by Joseph Pilates in the 1920s, the exercise system focuses on proper breathing techniques and creating a strong “core,” or centre of the body. The core consists of the deep abdominal muscles along with the muscles closest to the spine. Pilates develops core control by integrating the trunk, pelvis and shoulder girdle and then moves outward toward the extremities.

Clubs are implementing equipment-based Pilates programming (exercises on a Reformer), because it generates non-dues revenue, and because members have

seen that it dramatically transforms the way their bodies look, feel and perform.

In addition to its health benefits, fitness facilities across Canada are finding that Pilates generates a healthy profit.

Bally Total Fitness, which owns 17 clubs throughout Ontario, noticed that Pilates was rapidly growing in the late 1990s. Norris Tomlinson, senior director of group exercise, was a Pilates advocate and understood the merits of adding it to the Bally program. “We wanted to bring

the Pilates experience to our members. At that time, it was primarily seen only in high-end studios and was fairly expensive,” says Tomlinson. “We wanted to be the industry leader in offering something to our members that was previously viewed as exclusive.”

Tomlinson was also aware there was substantial revenue opportunity in Pilates: “We were looking for ways to bring in additional fitness program revenue without having to “nickel and dime” our custom-



ers while at the same time allowing the club to offer additional services. Pilates was a perfect fit because our members view it as an elite service made affordable, and they're willing to pay for it."

In order to create awareness for the program, Bally developed various marketing campaigns with posters, flyers and more, aimed at different demographics at each club. It turned out to be a hit almost right off the bat. "Our initial equipment investment (at all 17 clubs) was paid off in six months and Pilates has been a profit centre for us ever since," says Tomlinson.

The group reformer classes (usually five to seven members per class) now bring in around \$6,000 of profit a month (per club). In addition, each club averages over \$55,000 of revenue per month from its personal training sessions. The personal Pilates sessions are included in this group and account for nearly 10 percent of the monthly average. Members pay approximately \$80.00 per private session.

"In terms of profitability for fitness clubs in Canada, I can't think of a better program than Pilates," says Tomlinson. "Our Canadian clubs turned profitable faster than our U. S. clubs — once they saw it, they were ready to go."

It's not just large fitness chains that are seeing major revenue. Many individually-owned clubs are profiting as well.

Chaos is a Pilates studio located at Canadian BodyWorks Fitness in Brampton, Ontario. Peter Laville and partner Carolyn Austin lease club space and started a Pilates program in May 2004. In just over a year, the studio went from conducting group classes with a few people in each session to classes at full or near capacity. They also saw a tremendous increase in private sessions. Overall, the Pilates program revenue at Chaos more than quintupled during this timeframe.

Unlike Bally — which primarily marketed internally to its members — Laville and Austin learned that in order to grow they had to pound the pavement. "We grew primarily from word-of-mouth, and community outreach was a huge part of that," says Laville.

Austin concurs: "Networking externally was huge, huge, huge for us."

The two conducted demos for any external group that was interested. "We did demos and conducted on-site classes for a lot of corporate clients, and many have since joined our studio," says Austin. The pair also presented demos for martial arts stu-

dios, office buildings and track and rugby clubs.

For Canadian BodyWorks Fitness, Chaos has not only provided leasing revenue but also helped increase and retain the club's membership. "Many of our Pilates participants ended up joining the club. And some of the club members were excited that the club now offered a Pilates program. It's been a boon for both parties," says Laville.

Divergent business models caused Bally Total Fitness and Chaos Pilates to take different routes to achieve success. However, both realized that marketing — whether internally or externally — was crucial. "A lot of it is just education," says Laville. "Many people still think that Pilates is only done on the mat. But once they see it and get a taste of what it really is, they're hooked." FBC

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