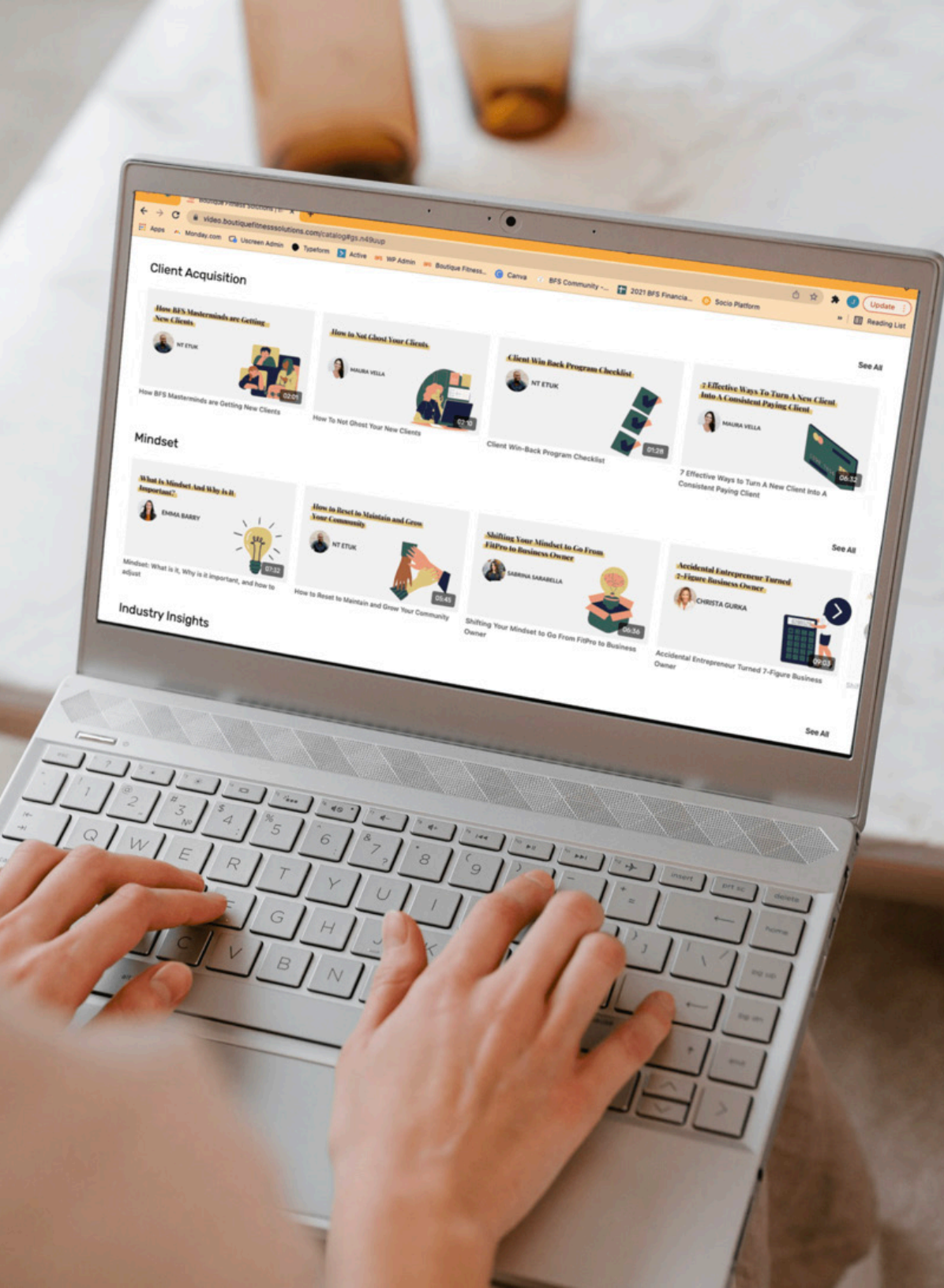


# The BFS Fall 2022 Studio Owner Report





# Educating, connecting, and empowering the boutique fitness industry.

As independent aggregators of the industry, BFS is uniquely positioned to conduct surveys across a broad representation of studios throughout North America, all of whom utilize varying software providers and modalities. We believe it is our responsibility to compile and analyze this data in an effort to empower business owners with a deeper understanding of the current state of the industry. Through data, research, and conversation we can begin to identify the best strategies to support our studios on the ground and help our industry continue to recover.

It's essential that the boutique fitness industry band together to learn from the past and innovate for the future with data driven, connected conversations and a collective mission: to spread health, fitness, and wellness.



## **Nt Etuk**

*Co-Founder and Chairman of BFS  
Founder and CEO of FitGrid*



## **Julian Barnes**

*Co-Founder and CEO of BFS*



## **Jessica LaChance**

*Head of Operations at BFS*

# The theme of recovery continues...

“This report clearly demonstrates that the industry is on the path to recovery and we remain optimistic about the long term prospect for growth for the boutique fitness industry. As has always been the case, growth doesn’t come without challenges but together these can be solved for and overcome as a community”

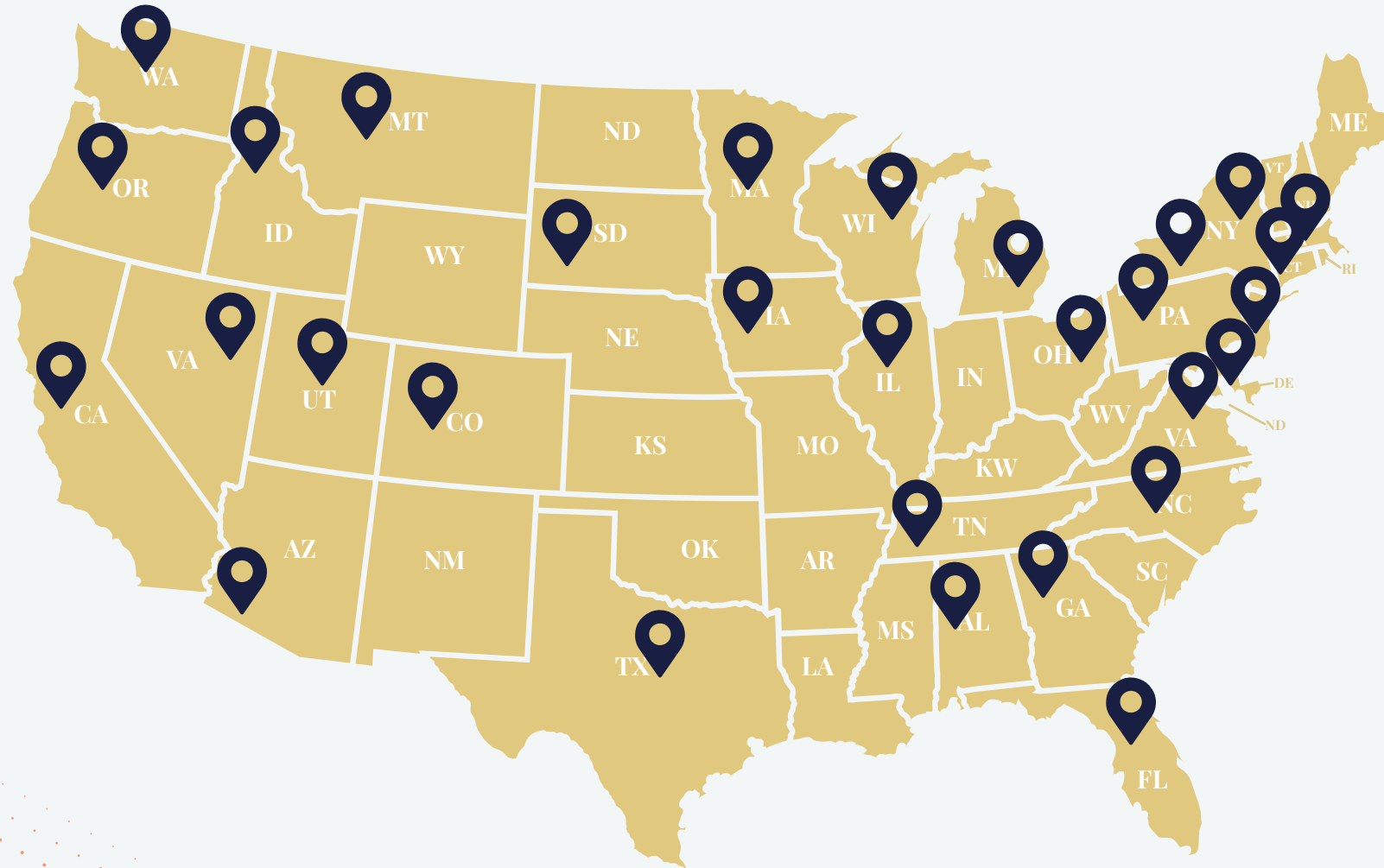
– Julian Barnes  
*Co-Founder and CEO of BFS*



# Survey Respondent Profile

Results compiled from over 250 Studios in October 2022

# Representing 31 States and 6 countries...

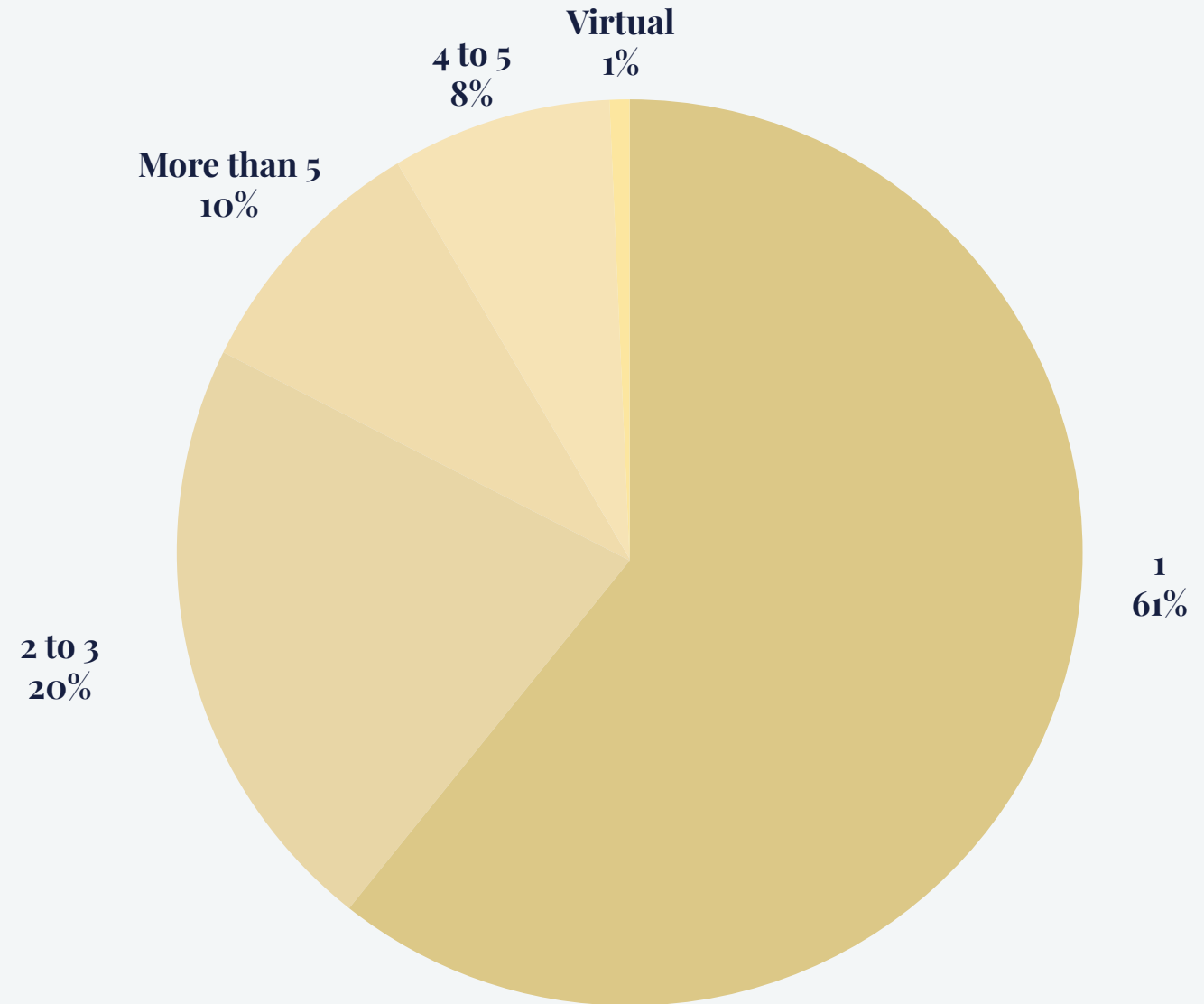


\*The UK, Canada, Hong Kong, Australia and New Zealand were also represented



The majority  
of respondents  
represent  
1 location yoga  
studio owners

# Location breakdown...





# Modality Breakdown...

Based on the studio's core modality.

*Majority of studios now offer complimentary modalities to core offering.*

01 Stretch/Recovery

02 Bootcamp

03 Kickboxing

04 Meditation

05 Treadmill Classes

06 Boxing

07 Dance

08 Megaformer

09 Cardio

10 Strength Training

11 Indoor Cycling

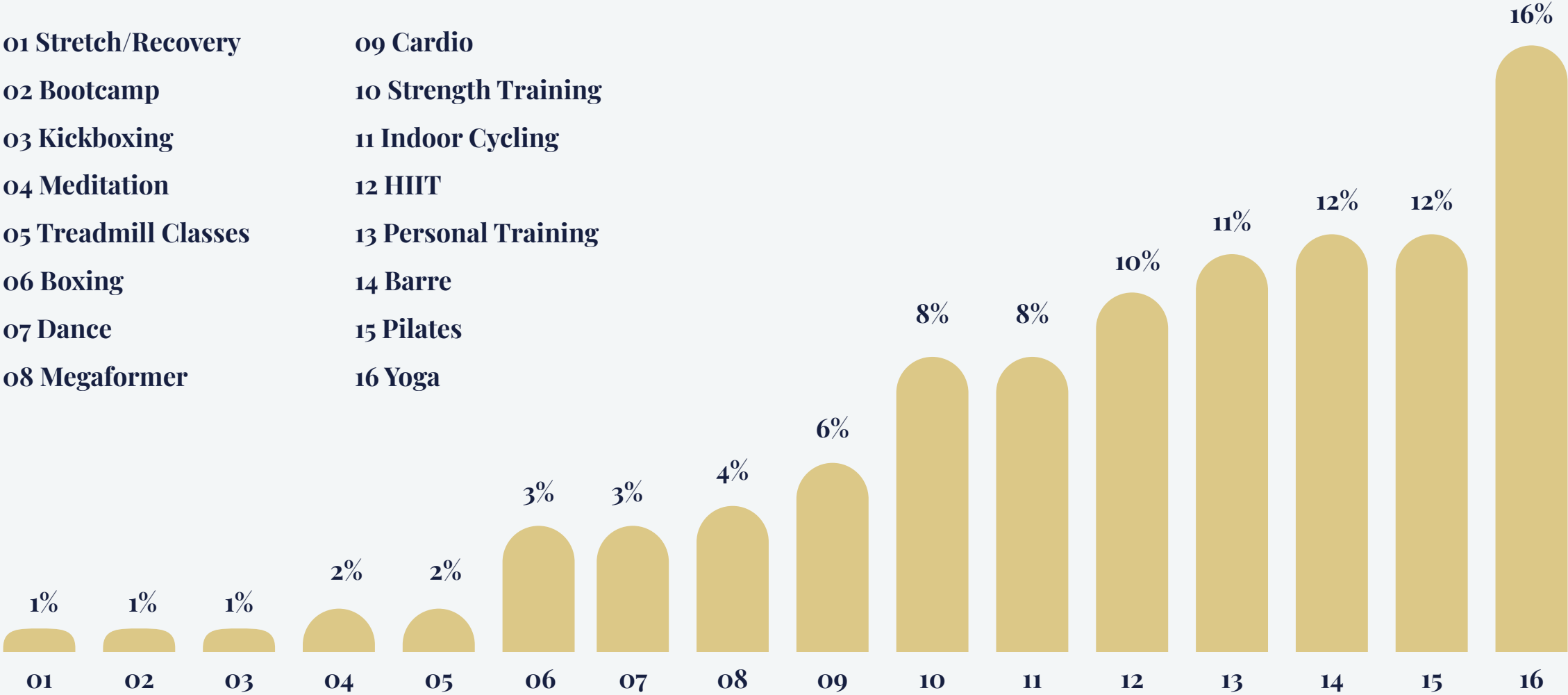
12 HIIT

13 Personal Training

14 Barre

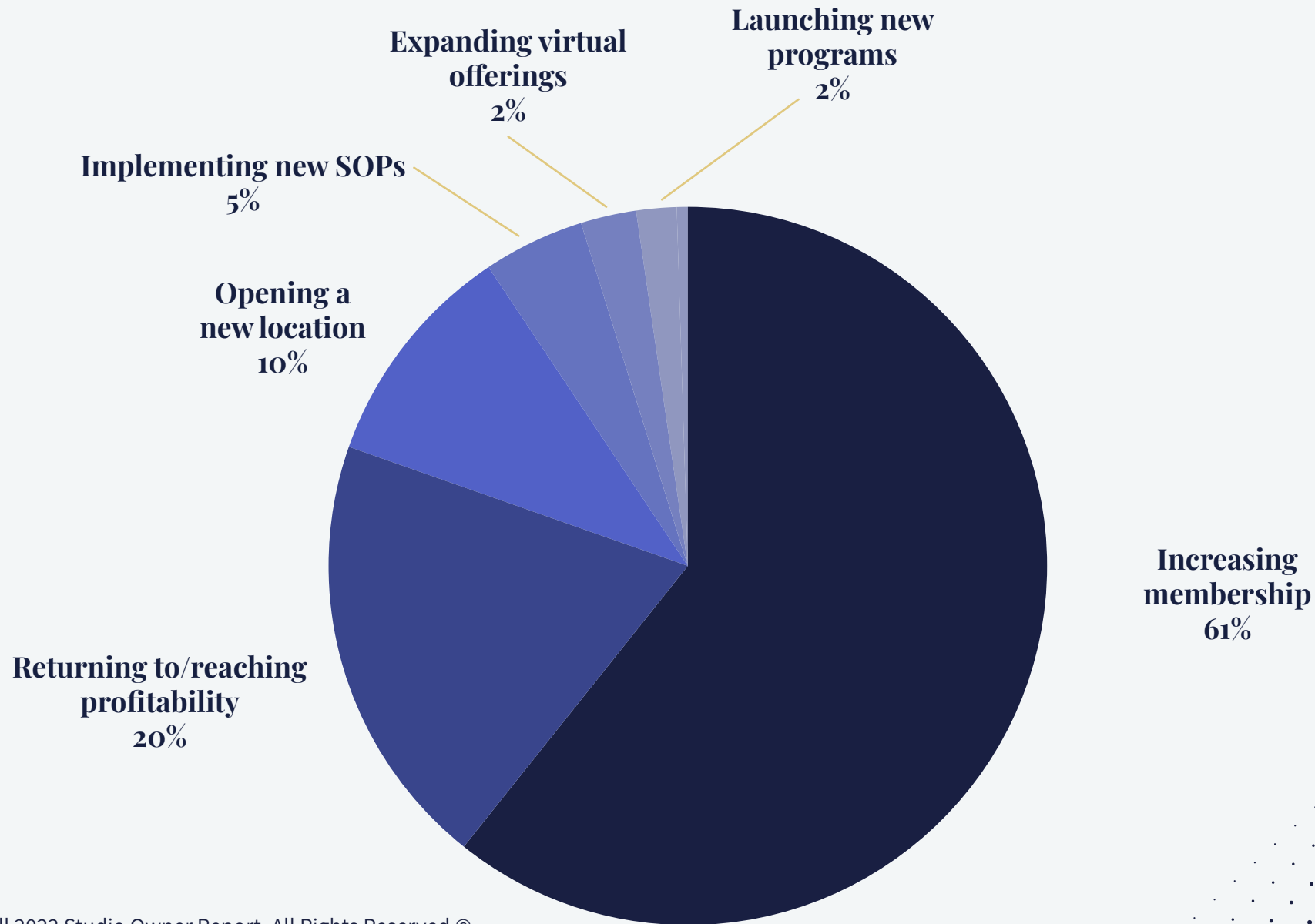
15 Pilates

16 Yoga

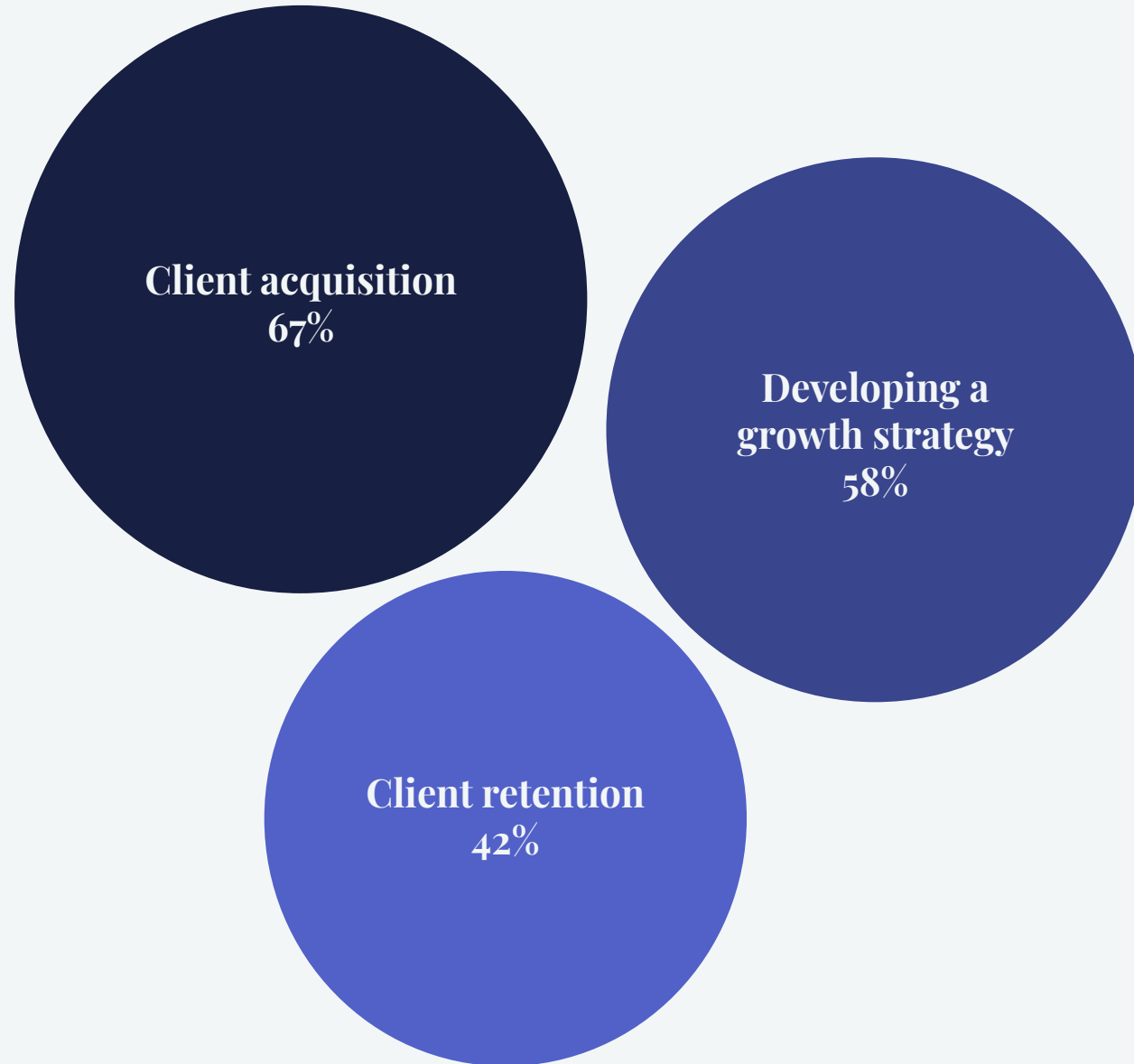


# The Responses

# #1 business objective for the rest of 2022



# Top 3 business challenges today

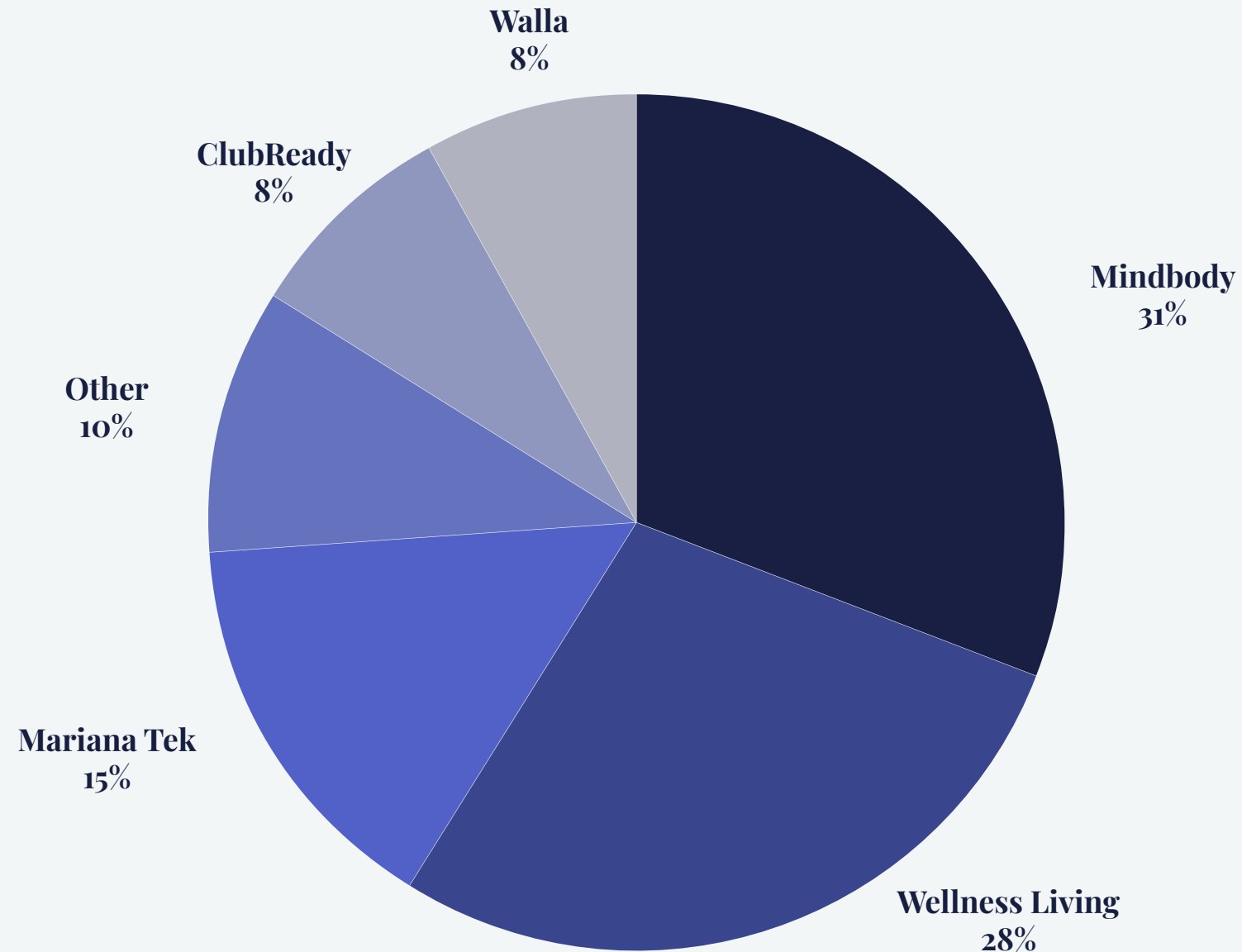


Hiring Instructors - 33%  
Burnout for yourself and/or your team - 28%  
Studio Operations - 24%  
Time Management - 15%  
Hiring Front Desk - 13%  
Hiring Managers - 12%  
Adjusting to  
the new work-from-home environment - 8%

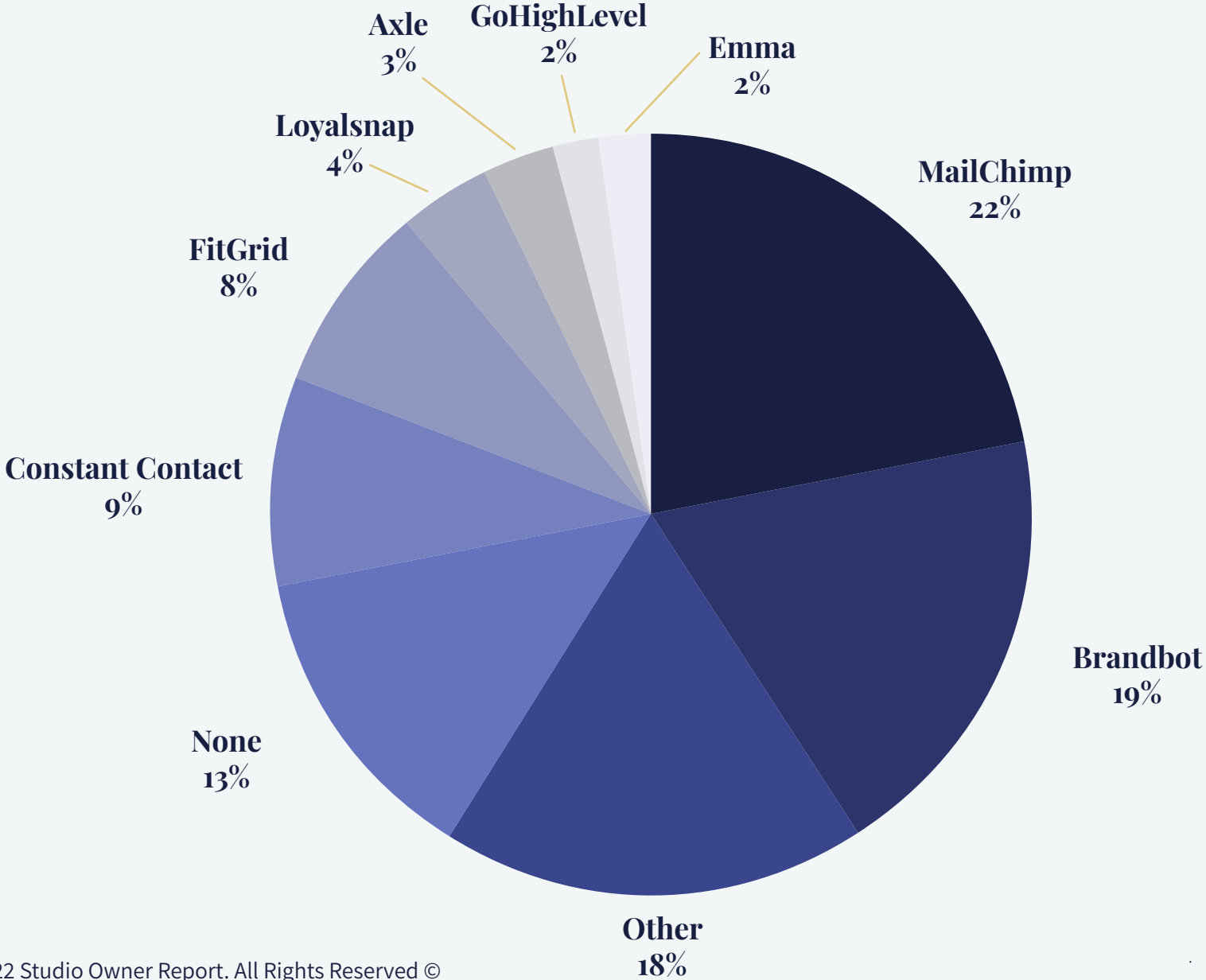
Every studio owner selected their top 3 challenges and this slide shows the aggregate of those responses.



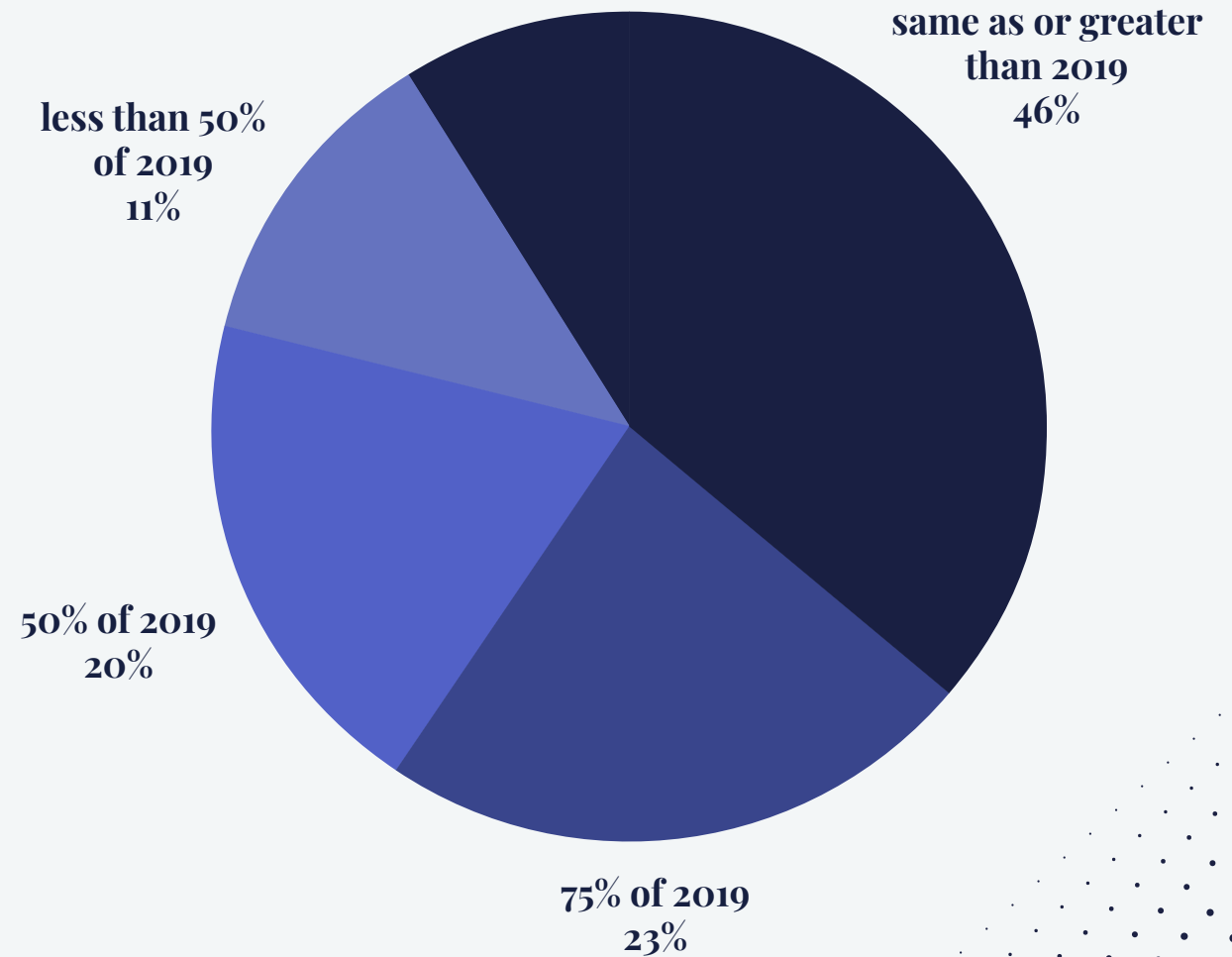
# Scheduling Platform utilized



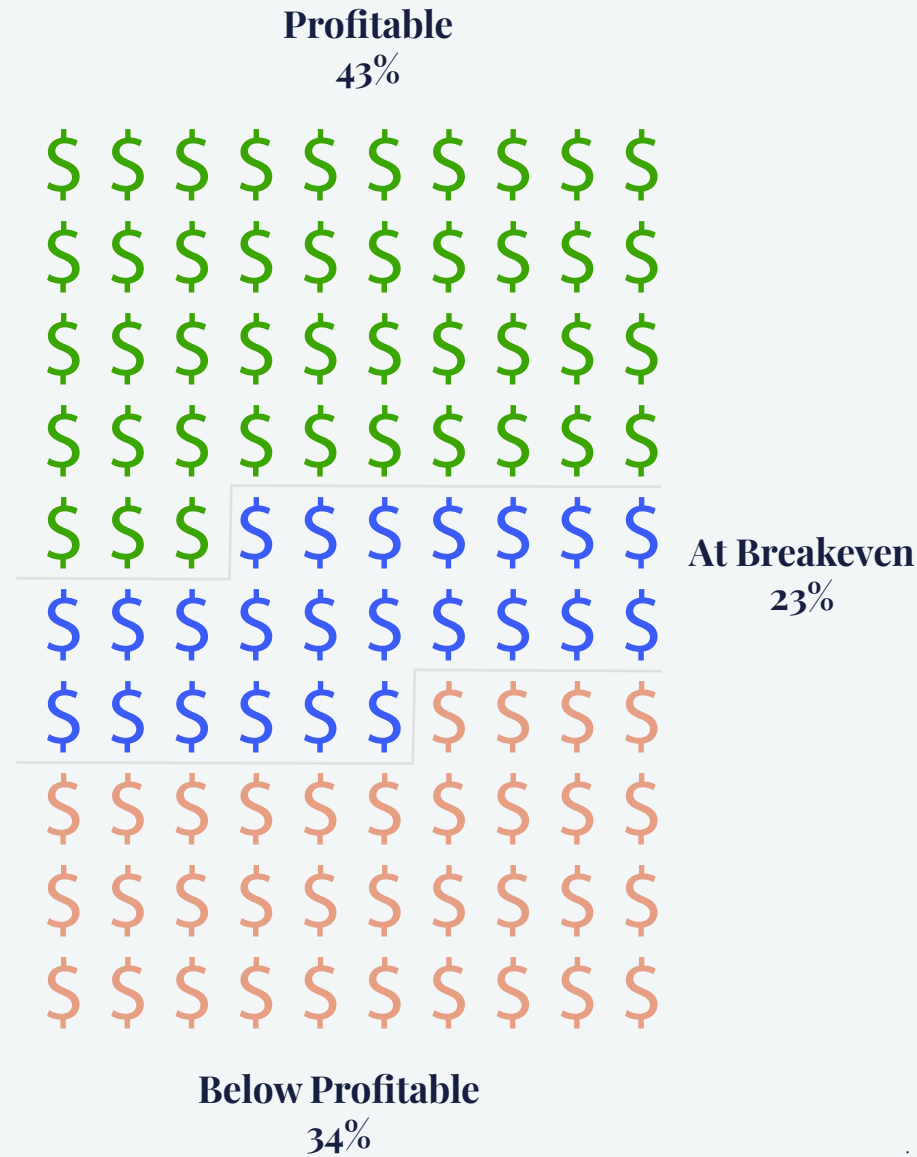
# Marketing automation platforms utilized



69% of studios  
are earning at  
least 75% of their  
2019 revenues  
*(based on average monthly  
gross revenue)*

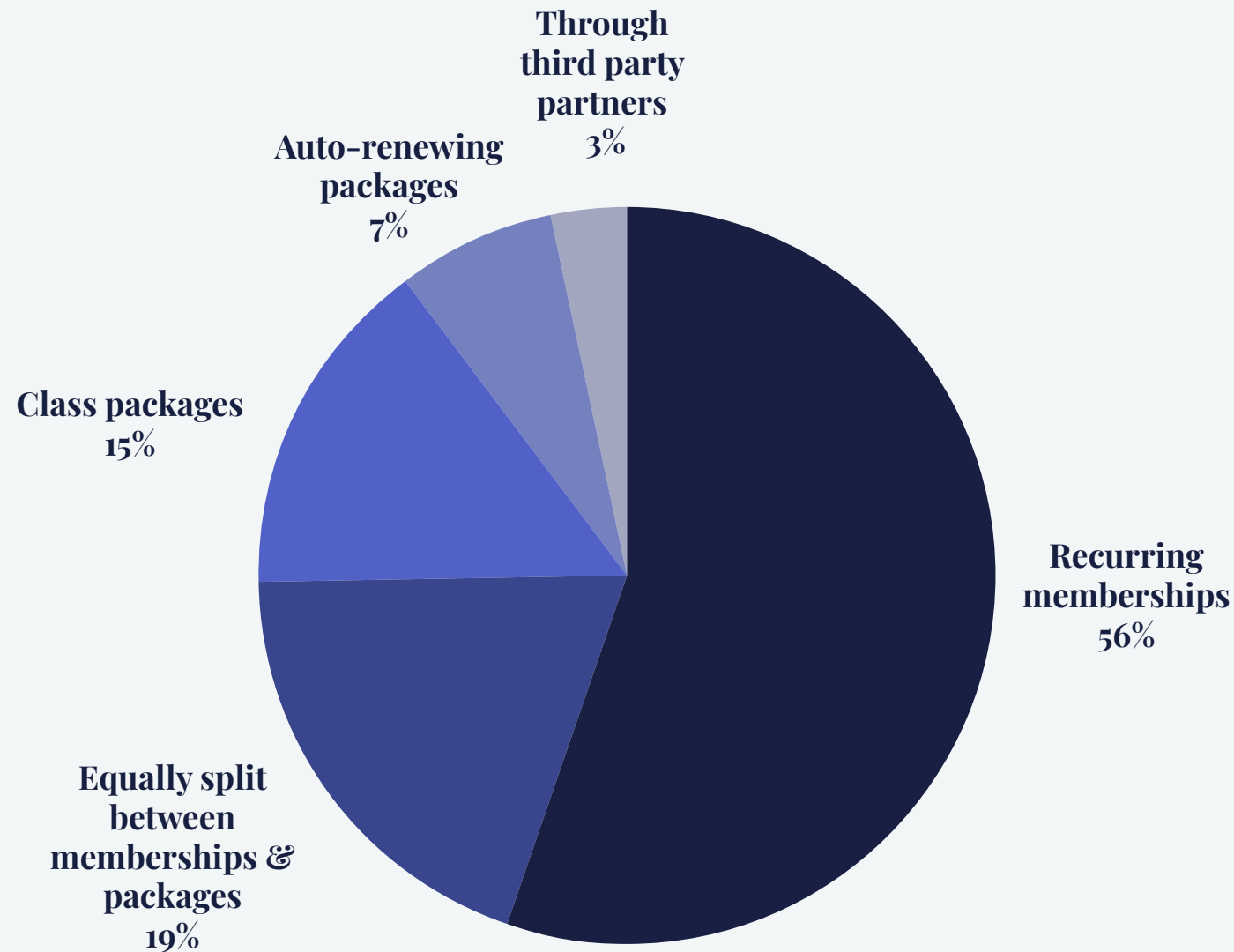


# 43% of studios are profitable in 2022 YTD

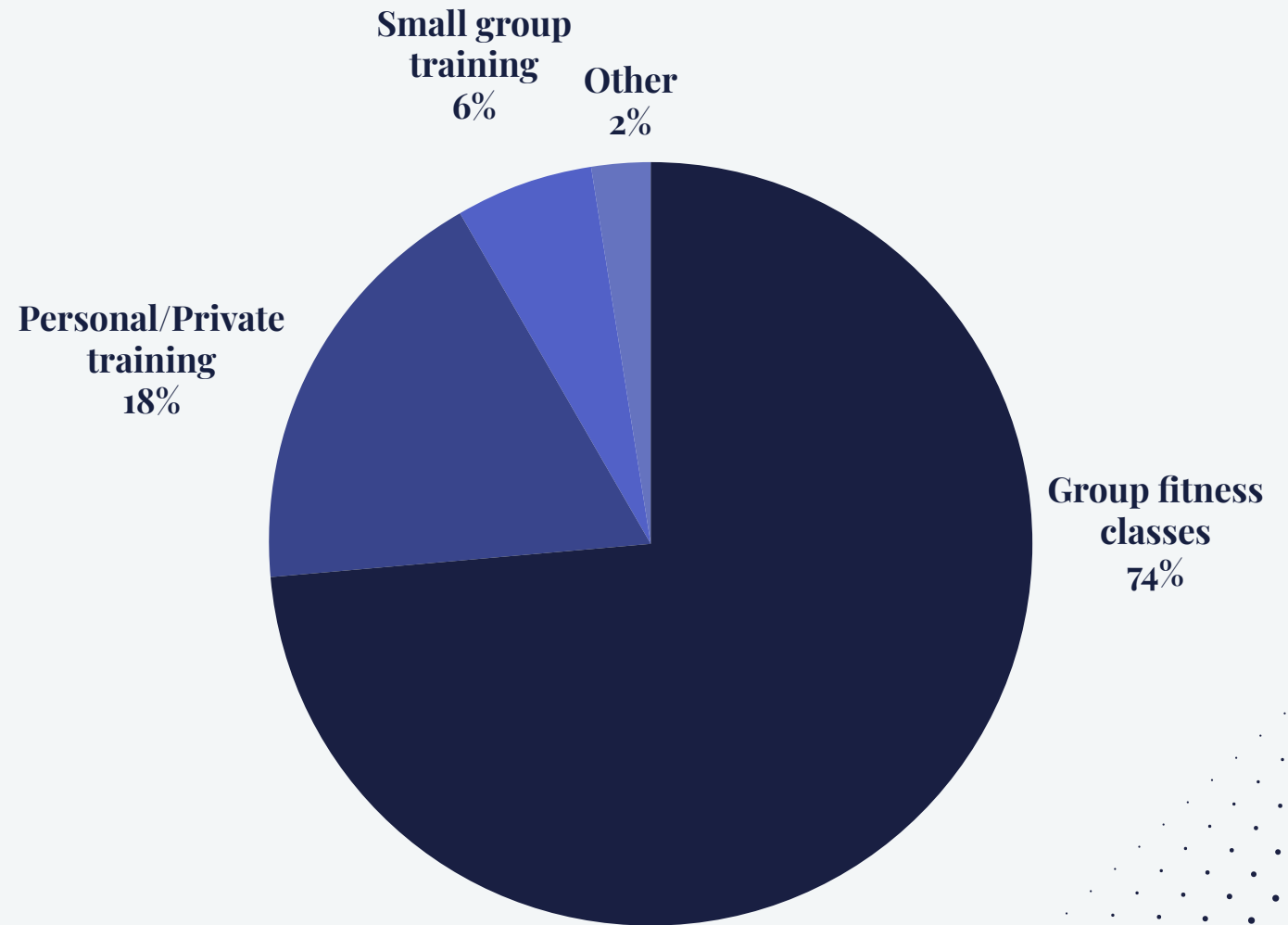




The most prevalent business model among studios is recurring memberships

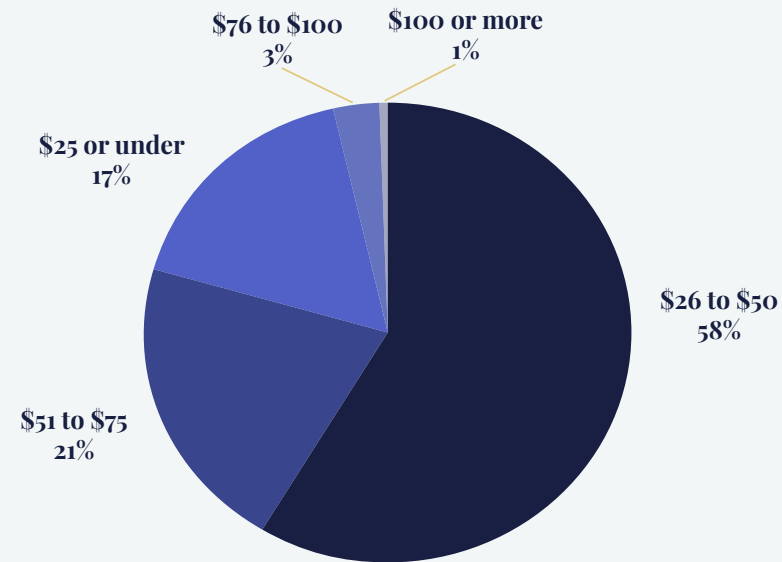


The most popular service offered by studios is group classes

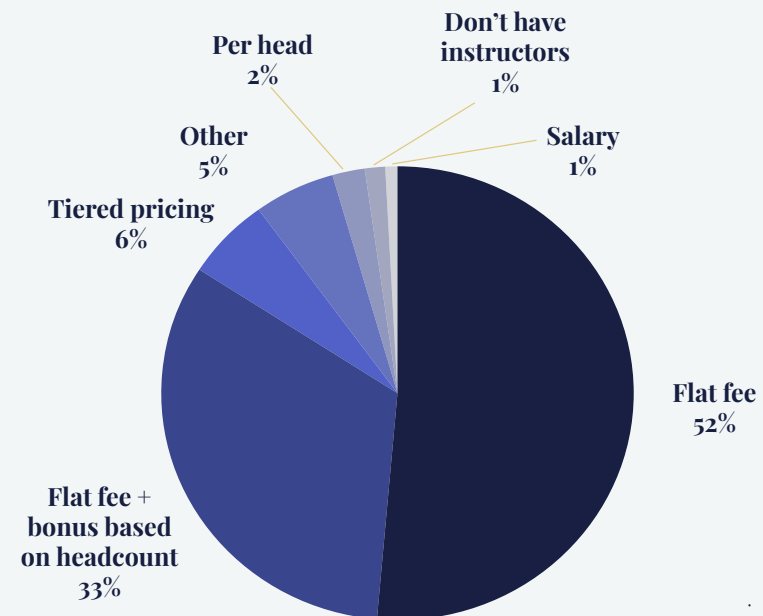


Most studio owners are paying instructors a flat fee averaging \$26 to \$50 / hour

Avg pay for instructors



Instructor Pay Method



# Common characteristics among the profitable studios

# Profitable studio responses closely mirror those of the overall responses

#1 business objective for the rest of 2022

- Opening a new location 14%
- Implementing new SOPs 9%
- Launching new programs 5%
- Expanding virtual offerings 2%



Instructor Pay Method

- Flat fee + bonus based on headcount 35%
- Tiered pricing 10%
- Other 5%



- Per head 2%
- Don't have instructors 2%
- Salary 2%

Payment method for majority of clients

- Class packages 16%
- Equally split between memberships & packages 16%
- Auto-renewing packages 7%
- Through third party partners 3%



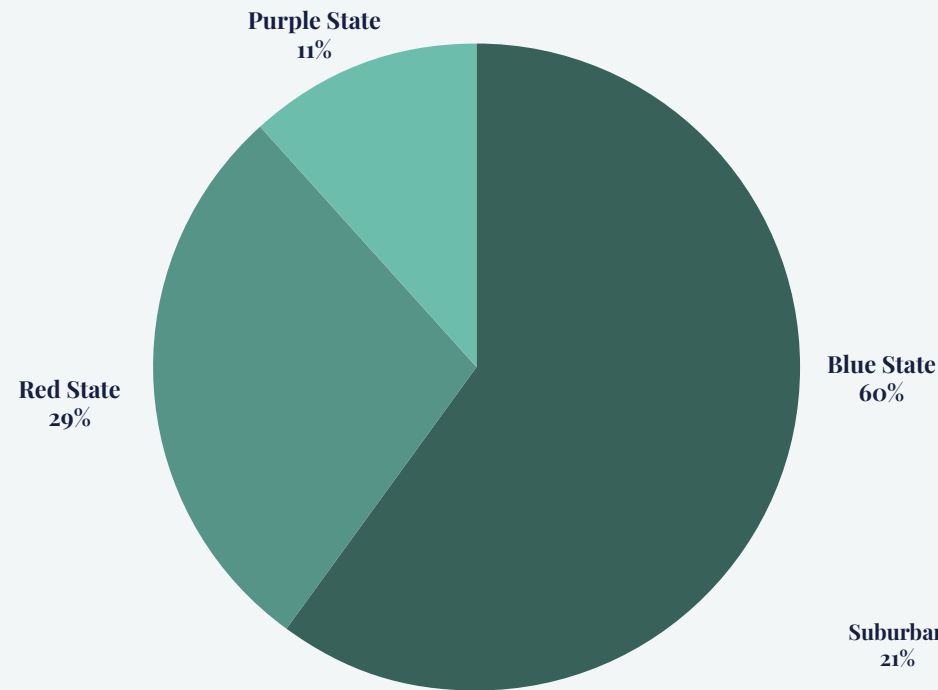
Avg pay for instructors

- \$51 to \$75 26%
- \$25 or under 16%
- \$76 to \$100 4%

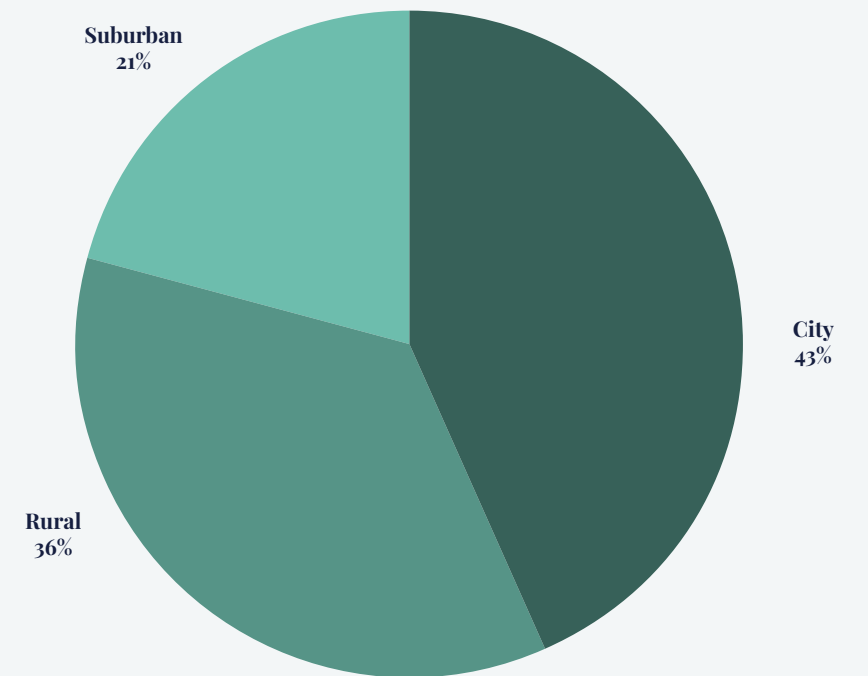


Most profitable studios are located in cities in blue states

State breakdown



Market Breakdown



# Our Analysis

What does it all mean?



**69%**

of studios are earning  
at least 75% of their  
2019 revenues

The industry is recovering based on the fact that 69% of studios are earning at least 75% of their 2019 revenues and that 43% are profitable year to date. Broad data findings support this based on the recent 11.2% rise of wages in the leisure and hospitality sector, which includes fitness.



With profitable studio responses closely mirroring the overall survey responses, hypotheses can be made that the main drivers of studio profitability are



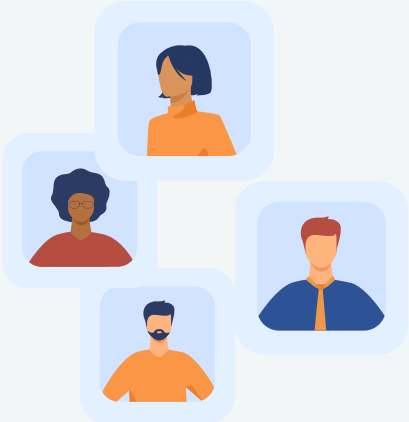
**Affordable  
rent**



**Profit-focused  
pricing**



**Realistic  
payroll costs**



**High  
client visits**

**“Visits are the currency by which you gauge how well your business is doing”**

Dr. Paul Bedford  
*The Retention Guru*

There is still a large segment of studio owners who have a growth mindset and are looking for growth strategies.

**10%**

of studio owners are focusing on opening a new location THIS year

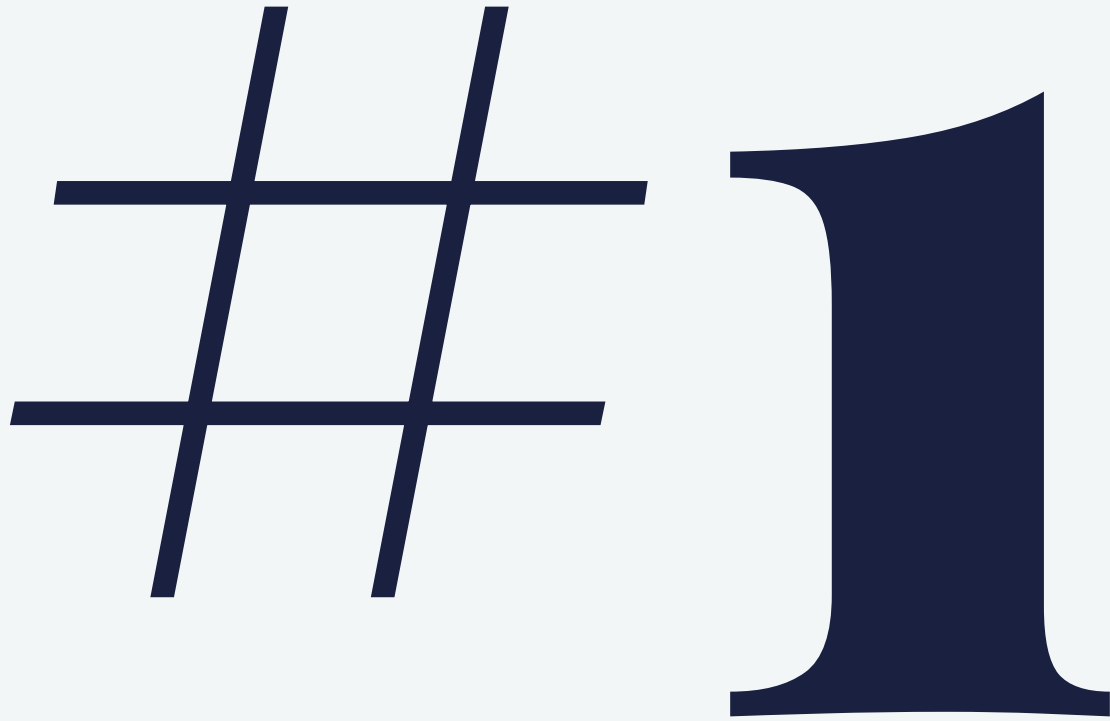
**19%**

of studio owners are working to develop a growth strategy

**61%**

of studio owners are focused on growing membership

# Our Recommendations



# Return to client building basics

As we stated in our Spring 2022 State of the Industry Report, returning to client building basics is a must. This is supported today by the fact that the majority of studios remain focused on increasing memberships and client acquisition.

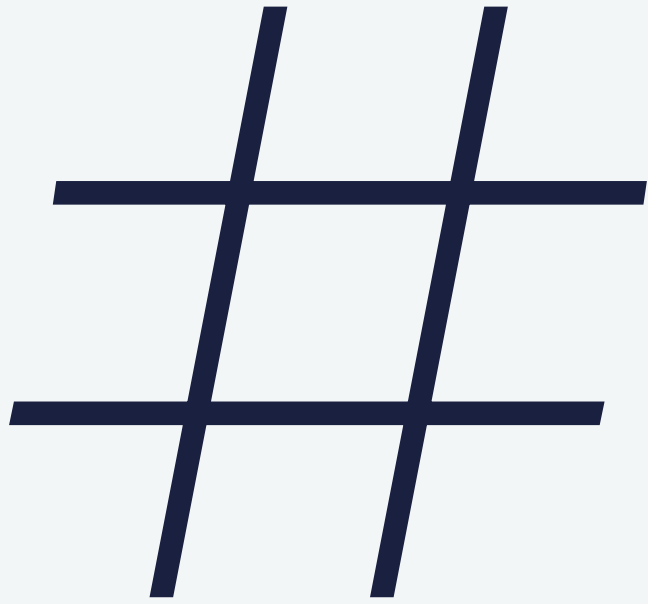
What do we mean by client building basics? Leaning into, defining, and emphasizing the sales processes, new client processes, nurture sequences, and retention strategies that you know to have major impact.

# #2

## Focus on recurring revenue

The most successful studios have recurring memberships and the experts continue to support a business model focused on recurring revenue. If you do not offer recurring memberships, we strongly encourage you to include them in your 2023 strategy.

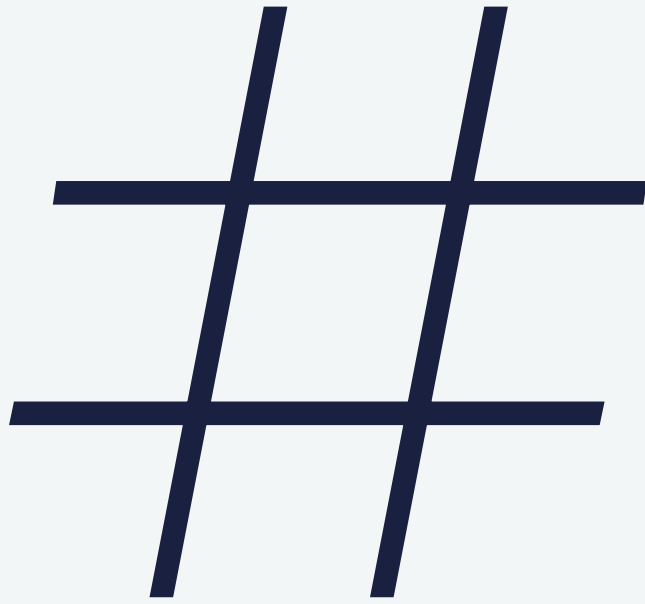




# Introduce high dollar services

Include a special high dollar offer with a high profit margin in your ongoing service portfolio or in your Holiday offers. This could mean private sessions or customized programs, whatever you can offer your most exclusive and affluent clients.

What's the rationale? Selling three or four high dollar packages can be the difference between breakeven and profitability for the business and, as with any recession, your affluent clients are likely to be the ones still spending.



# Lean into retention as a driver for growth

With client acquisition and marketing being an ongoing challenge, look to grow your revenue by increasing existing client retention and frequency. Focus on getting all clients on at least a 1x/week membership and be ready to watch your revenue and retention consistently trend up.

“We are here as a resource to help the industry navigate these headwinds, tailwinds, opportunities and recommendations for your business, today, tomorrow and for the future”

– Julian Barnes  
*Co-Founder and CEO of BFS*

“Continue being adaptable and flexible. It is not the strongest that survive, it’s the one that is most adaptable to change. Stay comfortable with being uncomfortable”

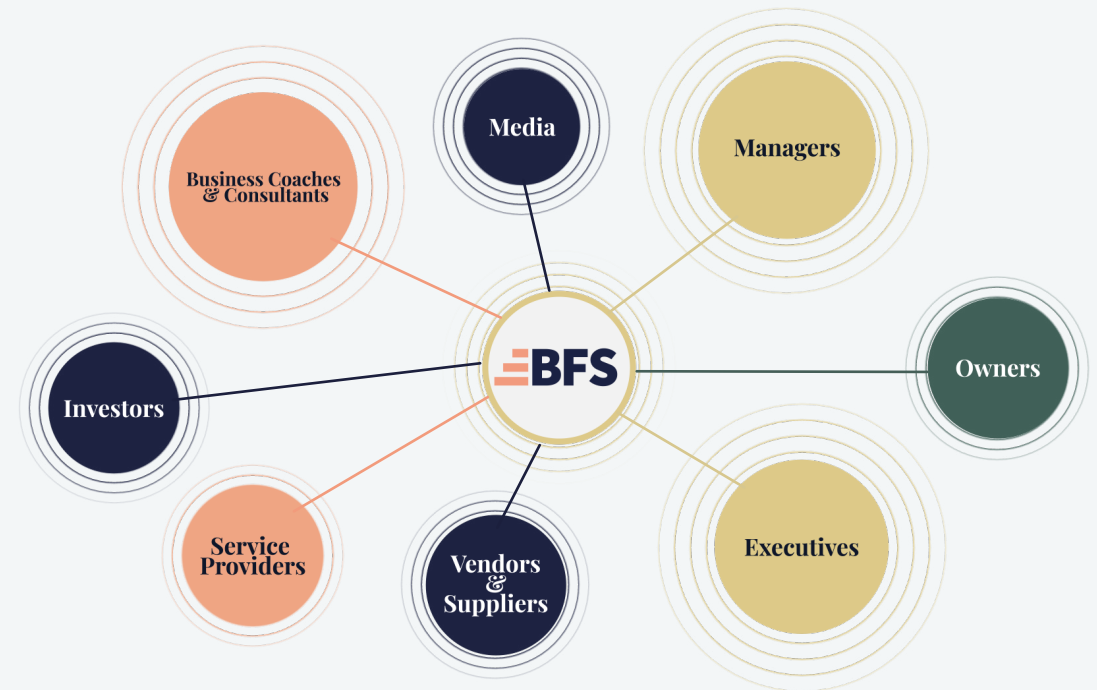
– Nt Etuk  
*Co-Founder and Chairman of BFS*

# About BFS

BFS is a membership based peer-to-peer network & business education provider.

We're on a mission to educate, connect and empower boutique fitness businesses to help them launch, manage and scale their businesses.

*To inquire how to join the BFS Network, contact the Executive team at [execteam@boutiquefitnesssolutions.com](mailto:execteam@boutiquefitnesssolutions.com)*



# Thank you to our Strategic Partners

