

Research and Analysis on the Current Development of Fitness Clubs in Dandong City

YunPeng Jia

Sports Department, Eastern Liaoning University, Dandong, Liaoning, China

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Abstract: A comprehensive review to majority of the fitness club which are accessibly available to academic research in Dandong City have been presented and followed by a comparative analysis. The survey was conducted by using questionnaire to not only consumer but also the fitness industry practitioner. Meanwhile, desk research and the interview to the experts were also included to this study. The summary has been given for a map and the business model of the fitness clubs in Dandong City. The study has also analyzed the current development of the fitness clubs and recognize the problems and challenges of this industry. Finally, a list of recommendation has been presented to the industry development and may request a further study.

1. Introduction

As the largest border city in China, Dandong City has a diverse and international element in the city development. The rapid development of the economy has promoted the rapid improvement of the living standards of urban residents. People have begun to pay more and more attention to their own fitness, health and quality of life. The demand for the quantity and quality of the fitness clubs has been increased obviously. The demand has created opportunity for the development of commercial fitness clubs. The success in hosting of the Liaoning Provincial Games in 2014 has had a profound impact on the development of the sports industry in Dandong city. The government has increased budget in sport and fitness section for its community. The general public has expressed their enthusiasm and awareness to sports. Consequently, consumption to the fitness industry will increase. As result the fitness industry will undoubtedly have a new opportunity for a jump development to satisfy the consumer needs.

2. The reasons for fitness consumption and its current situation

The “2014 National Physical Fitness Test Report” issued by the State General Administration of Sports shows that the overall physical fitness of Chinese people has increased [1]. However, the physical fitness level of adult males has decreased the report also mentions physical and health status of students has improved, however, problems remain. From 2000 to 2014, the strength of Chinese adults has gradually declined. The decline in arm strength and physical fitness of adult males is very pronounced. The compliance rate is not as good as that of women, mainly reflected in the decline in strength and obesity rate. The comprehensive index of physical fitness is 99.28, which is lower than the overall level.

The research can be seen intuitively that as people getting older, the circumference of the body increases significantly with higher percentage of fat not mussel. As the body fat increases and the muscle decreases, the basic metabolism decreased, people’s fitness is dropped drastically in consequence. This is one of the reasons why the crowd chose gym for their fitness. People don’t do exercise regularly for such a long period to leave them in the situation with no motivation, not in good form, without proper exercise method. Going to gym and be active in the atmosphere of other gym pal and professional coaches is considering a smart and effective option. The gym has all sort of classes that accommodate the variety of needs. It not only provides a very positive atmosphere for all ages but also provides a professional training environment and method. Nowadays, city people enjoy the fast pace of their life, leisure time is becoming precious. The lack of capability and

encouragement for fitness, not fully understand the use of fitness equipment, and a need for fast and effective result. Personal trainer has become a new and large demand from people. The tailored training plan carried out by the personal trainers means different bespoke plans for different people even at different stage. The price for personal trainer is currently between one thousand and three thousand RMB per plan in Dandong. According to the survey, Personal trainer class accounts for 30% of all fitness industry consumption in the Dandong market.

3. Current development of fitness clubs in Dandong Gym

At present, the fitness clubs are fewer in Dandong than in other similar size cities. There are more than 10 existing commercial gym and more than 10 commercial swimming pools. 45.1% of them have more than 1.5-million-yuan investment and the investment for 40% of them is less than 0.2-million-yuan. The venue, facility and membership management standards are uneven. The venue for most of the clubs are leased and mainly accommodate bodybuilding and ball sports which request small venue. The clubs are either private owned or partnership with state owned business. Anda, Zhuoyue, and Xingzhou clubs are ranking top three for business size in Dandong city. They are all membership only clubs with price ranges from 800 to 1200 yuan. If there is swimming pool included into the club, the price will be increased by 200-300 yuan.

3.1 Venue selection

From a business perspective, site selection is the most important initiative. Study and marketing research of the area, infrastructure, catchment profile. A investment to a gym is a long-term, large-scale financial input. If the venue is not meeting the expectations, it is possibly unfavored by customers and causing revenue losses. Most fitness club are choosing to be homed in city center believe the handier to the consumer the more customers they have. However, Xingzhou Fitness club enjoys their advantages away from downtown. Its large scale makes it very competitive to the surrounding small gyms. Parking is also very convenient [2].

3.2 Management

From the perspective of investors, profit must be the goal. But the fitness industry is not a highly profitable industry. The majority have similar service and programs. The development strategy seems a deterrent for success. This study discovered the development strategy of these three clubs all have their unique selling point with similarity as well. It seems difficult to judge which one is a better strategy as the expected return on investment is either in a long-term or short-term. The inconsistency to the expectation has leave the study an openness and uncertainty [3].

3.3 Gym facility

The facility of the fitness clubs in last decade was very simply, not multi-function. The customer service was worse. Upgrade to a modern and multi-function gym has become a common operation of the new fitness club. Anda fitness club was the pioneer to provide the largest operation scale, top quality gym facility as well as the most professional service among the fitness industry in Dandong. From the interview to the Club manager, the author has learnt that the first development of fitness clubs in Dandong were clearly having only two divisions which was exclusive membership clubs with expensive fee and low-quality clubs with no service, safety concerns and torn facility. The two division have been long-term failure to meet the needs of the middle class of Dandong city residents, who are now the major consumer group. The new development of fitness clubs with good quality equipment and services as well as an affordable fee have satisfied the general public fitness demand. This new development leads the fitness industry to a relatively mature stage in marketing sense.

3.4 Analysis on fitness coaching staff

The coaches are divided into three groups at the current development: coaches for group training, personal trainers and venue coaches. All three types must have the national professional certification for coaching. The group coaches mainly coach group lessons. The personal trainer

conducts one-to-one training based on the physical condition of the member with a tailored exercise plan. The venue coach mainly provides guidance to members who are not familiar with the equipment or needs a bit help in training at the fitness venue. However, the turnover of the coaching staff is relatively high due to the lack of security and confidence of their jobs. From a short-term perspective, the income for fitness coach seems good enough. However, the fitness coaching job has been widely considered to be the job for young people, not a career type of job in general sense. Many clubs are just a flash in the pan, no business strategy. All these have made the coaching staff be insecure about the employment. A lot of clubs only pay their coaching staff a fixed rate per class which leaves unfairness to some coaching staff who has longer and difficult training session with more students. Thus, the coaches are losing their self-motivation and lack of the personal touch to the club. Many coaches are working for different clubs at the same time. Losing job from one club doesn't bother the coach as they can always have job in others. Consequently, the clubs have quality control over their coaching staff which is one of most important elements to success.

4. The advantages and disadvantages of the fitness industry in Dandong

By studying majority of the fitness clubs in Dandong, the author takes the Anda fitness club as a case study as a case and present a comparison analysis of the strengths and weaknesses of the fitness clubs in Dandong [4].

4.1 Advantage

- The fitness industry is still at beginning of the development stage. It has developed rapidly in recent years, and the public's attention to fitness industry has also increased steadily.
- The equipment of the fitness clubs can meet the needs of the consumers.
- People like to spend time in gym which has become a social venue. A good social atmosphere is also its advantage.
- Maintain existing customers by word-of-mouth and develop new customers by good publicity from the existing customers
- Market demand is high. More and more consumers are aware of the importance to get fit.
- The dynamic of the fitness club is another advantage comparing to other fitness activities
- Young professional team and buzzing working environment for staff.

Anda club has been in the business for a long time. The business was set up with sales of fitness equipment and it was very professionally successful. The company has a good reputation for their quality and safety of the equipment. This is very convincing to their current club member and potential customers who would have good trust to the club. Seeking long-term cooperation with universities has provided a broader talent pool for their recruitment. The improvement in their staff selection process, has also make the young teams gaining their cohesion. Anda club has received unanimous support from the government, which plays an invaluable role in their brand trust by consumers.

4.2 Disadvantages

- The fitness clubs in city has been increased in recent years. The competition is huge
- Some clubs are choosing their office and commercial area with middle to high consuming power, their fee must be high to cover the cost as well as to attract high end customers. However, it seems unfavorable in the competition
- Many management regulations are outdated and cannot meet existing development plans
- The studio type of fitness club blooms everywhere, their pricing competition with larger clubs has negative impact to the fitness industry.
- The management team in fitness industry are relatively young and have less management experience, which is not conducive to team building and sustainable development.
- Consumer nowadays has more choice to in terms of the clubs and their sensitivity to prices will reduce the club's profit margins.

The design of gym equipment in Anda club is relatively large which makes its upgrade relatively slow. There has not been any introduction of advanced technology to their equipment for such a long time. The fierce competition from the competitors, new entrants and potential entrants has made business more difficult. The bargaining power from suppliers and consumers also has made margin fewer. In the past few years, Anda's company management has been inefficient, no innovation, and its fee is relatively conservative. All above has made Anda club not in its best position in the market.

5. Conclusion and recommendation

The popularity of the fitness clubs among the general public have leave the industry to consider the good practice foe their development. Recommendation below hopefully will give the industry some guidance:

5.1 Choose a suitable venue

Within three kilometers circle of the club, is your main consumer group. Try to site your club in or close to the shopping malls, office areas, middle to high class estates.

5.2 Venue size

Choose a club venue according to your business plan. 1500-2000 is a medium-sized club, and 2000 is a large club. Conduct a comprehensive marketing research and to learn about your catchment in the early stage in terms of what kind of sports people like to go for. It will give you a better view for your venue design stage.

5.3 Space in the Gym

The view of your club is simply important to attract your customers who like to enjoy the river, mountain or lake view of your club. It might be the reason they are choosing your club over then others. The floor height should be more than 3m which seems to have a better visual effect.

5.4 Design and decoration

It is an indispensable process to carefully select a professional design team who understands the relevant parameters, the property conditions if they are suitable for a fitness club.

- The front desk is the presentation of the club where must be designed to have a visual impact. It is recommended to use white marble as the ring shape.

- A few desktops or laptops can be installed in the rest area to facilitate members to handle some work if they need to or to just internet surfacing to relax.

- A good design for the meeting room or area will provide a suitable space for selling the private classes to the high-end customers who will make large contribution to your profit if they feel be treated exclusively. For instant, to have a tasteful armchair, coffee machine, etc. gives your members and your coach a comfortable and executive space to work out their private training plans.

- There are better two to three machines for each muscle group. This will allow members to exercise more without the feeling of boring.

- To install some cabinets with electronic lock in the changing room. To have some reminder sign for members such as slippery sign, etc. and to place a weight scale to let them feel your safety management as well as taking care of them.

References

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