

hapana



FITNESS FORWARD

Trends shaping small and medium sized gyms

Hapana 2025

hapana



FITNESS FORWARD

Trends shaping small and medium sized gyms

Hapana 2025

CONTENTS



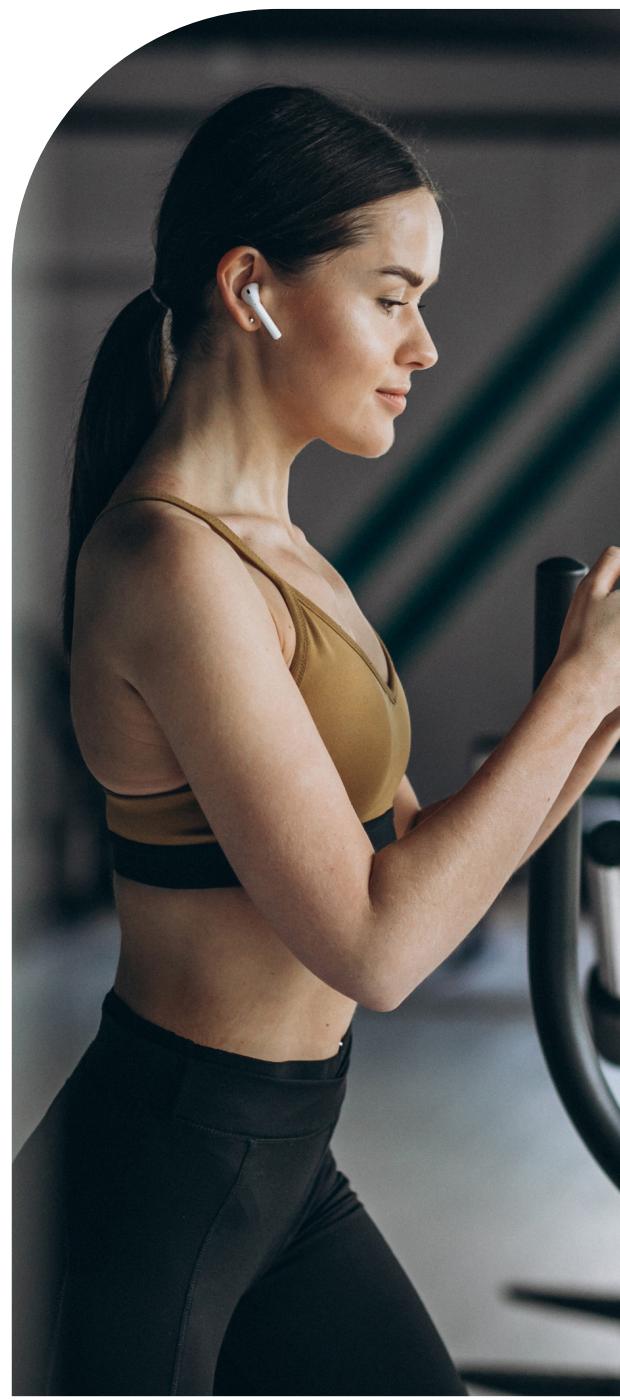
INTRODUCTION	03	CULTIVATING MEMBER LOYALTY	11
FITNESS STUDIO IN THE US	04	LEVERAGING TECHNOLOGY FOR SUCCESS	14
SMALL AND MEDIUM GYM BUSINESS LANDSCAPE	05	BUILDING SOLID FOUNDATIONS BEFORE SCALING	17
KEY CHALLENGES FOR GYM OWNERS	06	RESEARCH METHODOLOGY	19
ATTRACTING AND RETAINING STAFF	09	DEMOGRAPHIC SUMMARY	20

INTRODUCTION

Like many industries, gyms and fitness clubs in the US are facing a number of challenges associated with the economic climate including rising costs, growing competition, member engagement and retention of quality staff. Despite these pressures, leading businesses are strategically leveraging technology and building strong community connections to improve member engagement.

Attracting and retaining quality staff is a critical industry-wide challenge, with many gym owners viewing it as crucial for member retention. This highlights the strategic value of investing in internal culture and competitive remuneration. As demands evolve, technological innovations like mobile booking and personalized digital experiences are becoming standard for operational efficiency and an elevated member journey.

Commissioned by Hapana and conducted by McCrindle, this report provides current insights into industry trends for today's gym and fitness leaders. Insights are drawn from a comprehensive survey of 700 small and medium sized gym owners and managers in the US. This research uniquely captures the perspectives of the next generation of industry leaders, with Gen Z (28%) and Gen Y/Millennial (56%) respondents forming the majority. Their voices offer an unparalleled look into the future of fitness.



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.



Membership management

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



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.



Digital content suite

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



Reporting and analytics

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



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.



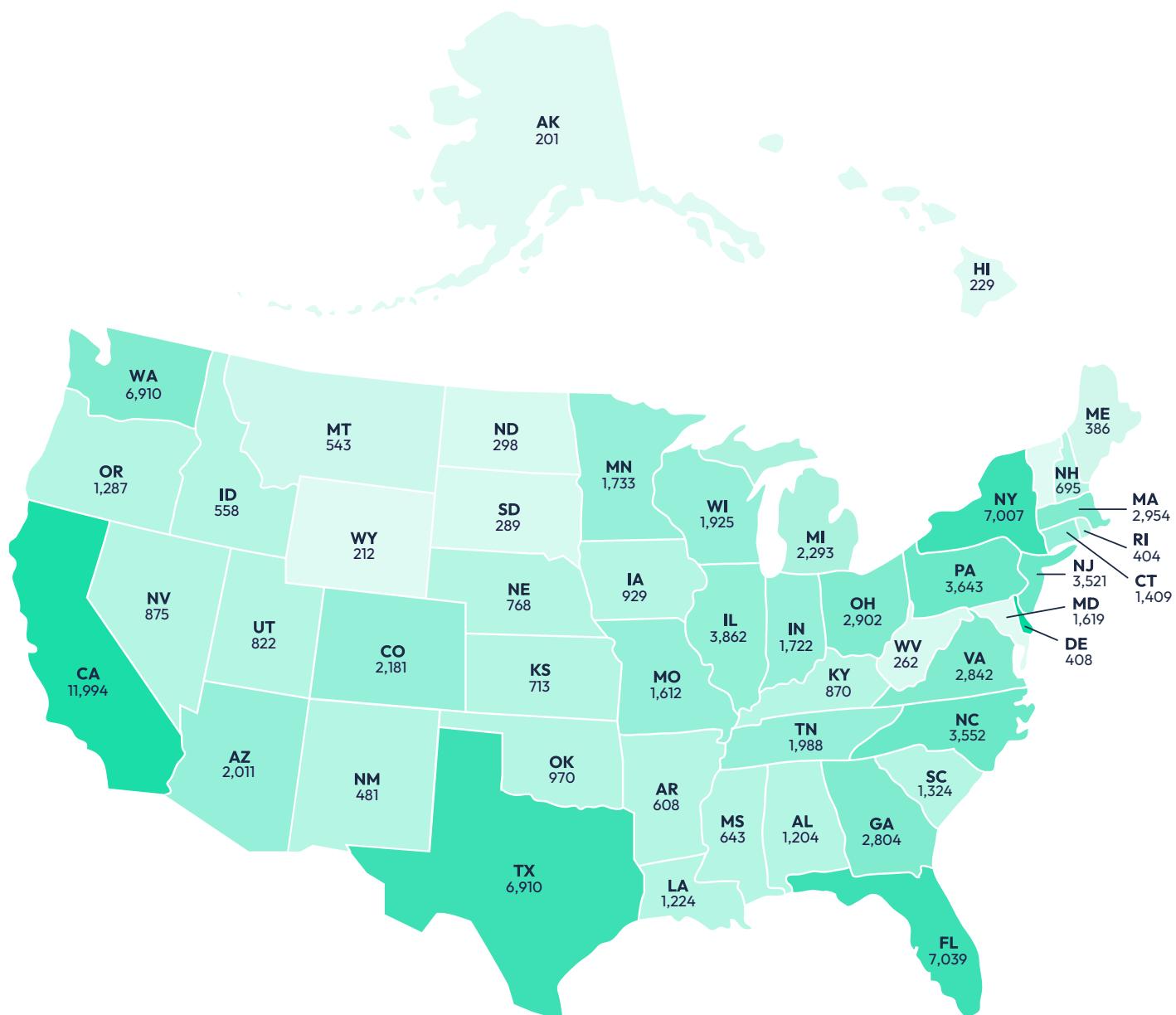
Challenge app feature

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 US



There are more than 97,000 gym and health club businesses across the US¹



¹IBISWorld, Gym, Health & Fitness Clubs in the US, May 2025, accessed: <https://www.ibisworld.com/united-states/industry/gym-health-fitness-clubs/1655/>

Small and medium gym business landscape



Revenue and profit

\$45.7B²

Total revenue for the fitness industry in the US

\$432K/YEAR

\$344,000 for small gyms,
\$522,000 for medium gyms

11.2%²

Profit margin across the industry





Types of membership offered

85%

Monthly memberships are the most common types of memberships offered

45%

Fewer gyms offer drop-in or pay- per-class or

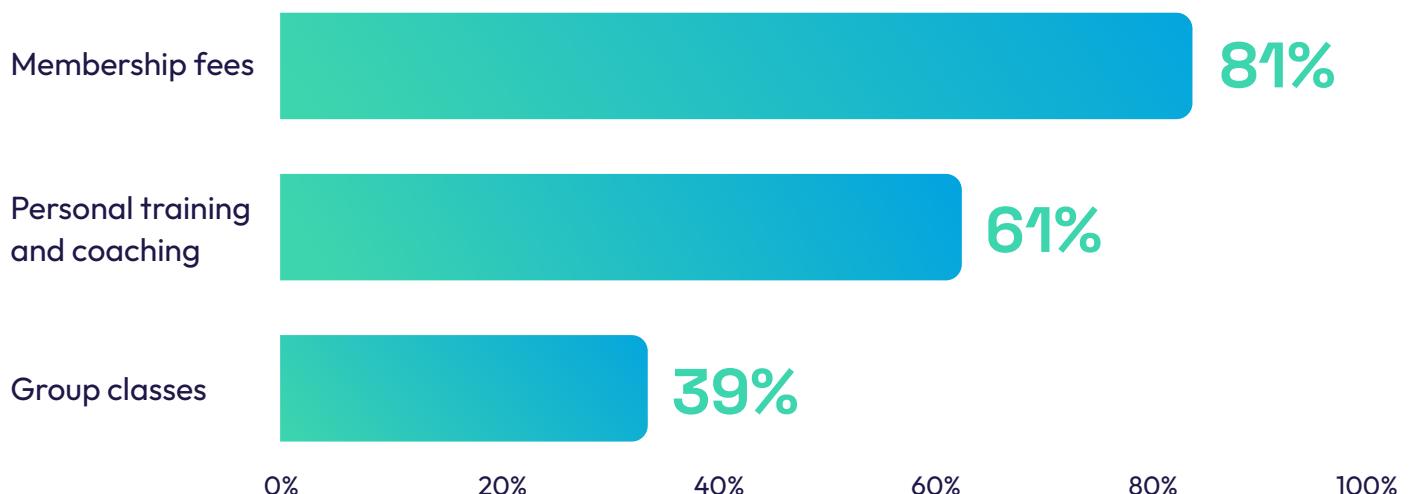
42%

Class picks





Key revenue sources



Staffing

722,000²

Total employees
in the industry

15

Median FTE staff
at each gym location

17%

Average staff
turnover



Staff and facility costs are the main expenses for gyms

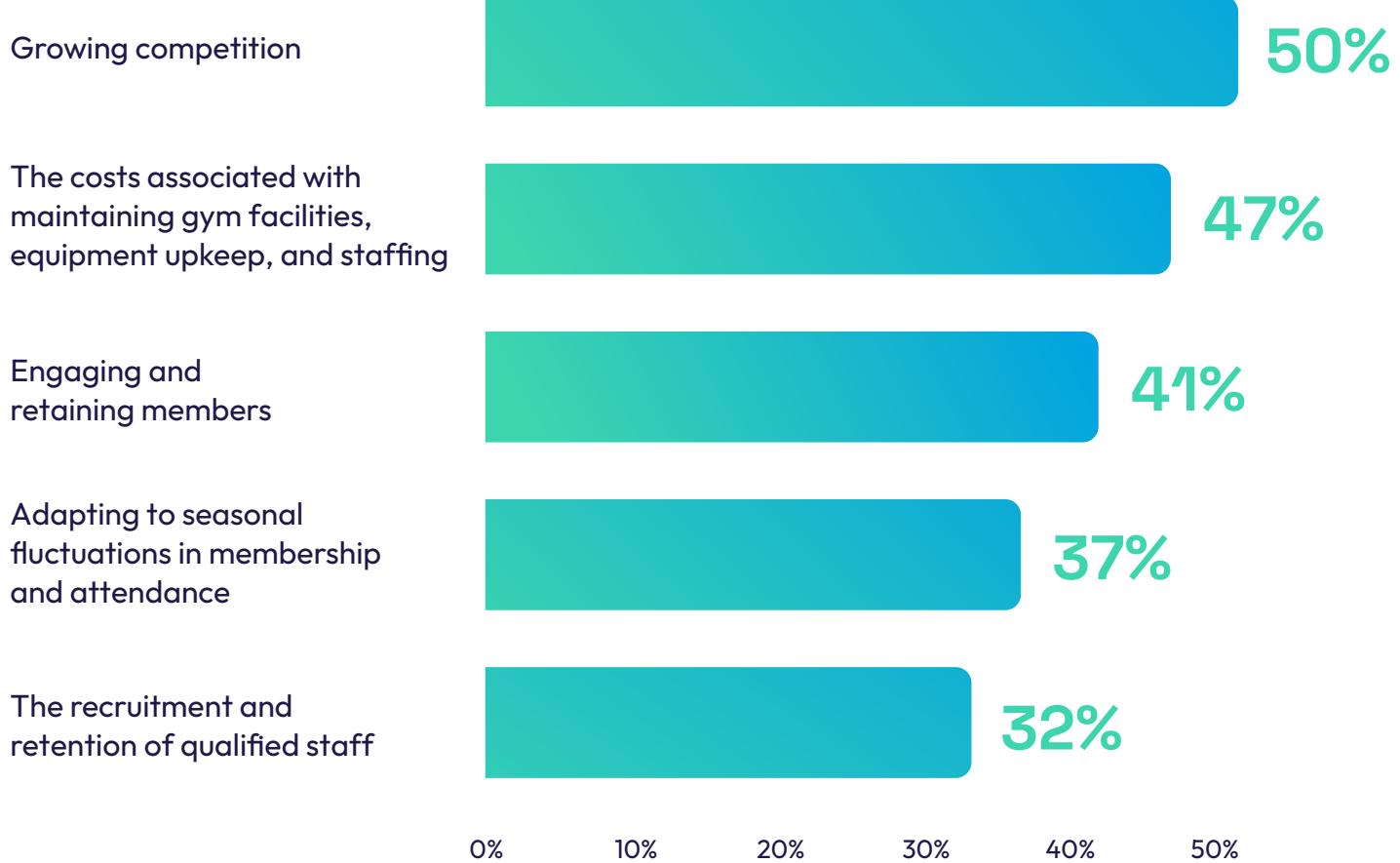
Category	Average allocation of expenses
Staffing	24%
Facility	23%
Equipment	19%
Marketing	13%
Systems and software	12%
Other	9%

Key challenges for gym owners

Gyms provide spaces of community, connection and health. While there is a growing focus on health and wellness in the United States, owning or managing a gym is not without its challenges, particularly in the current economic context. Growing competition (50%) is the top challenge for small and medium sized gyms, followed by the costs associated with maintaining gym facilities, equipment upkeep, and staffing (47%). Engaging and retaining members (41%), adapting to membership and attendance fluctuations (37%), alongside recruiting and retaining qualified staff (32%) are also challenges for gym owners today.

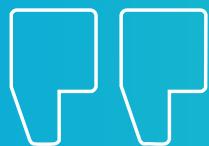


Top 5 challenges for gym owners



Gyms are prioritizing revenue and profit

With growing competition and costs as the top challenges, almost nine in ten gym owners (86%) see increasing revenue and/or profit as a significant or high priority for their business. To help support this growth, more than four in five are prioritizing innovative offerings to keep members engaged (84%). Some gym owners point to challenges in prioritizing member retention or adapting to the changing economic environment. These experiences have underscored the importance of staying abreast of current trends and evolving member interests.



My biggest failure has been not adjusting to the economy right away and losing money. I learned by keeping up on news.

MEDIUM GYM OWNER, 30, IOWA





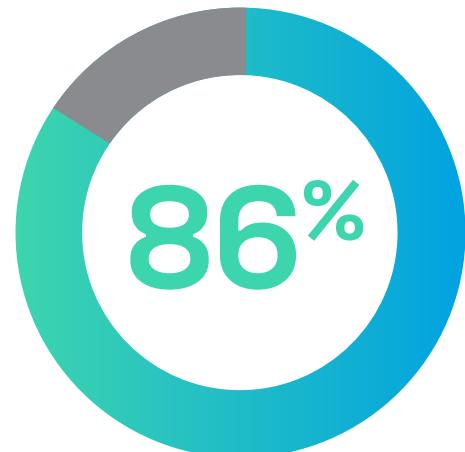
I struggled with keeping members and keeping them engaged with new activities. I had to research to implement new and upcoming trends that would engage our members further.

SMALL GYM OWNER, 37, TEXAS



At first I was very confident we could just stick with a simple business model and product offering, but in order to keep up with demand and the times I learned to adapt to new trends and what people are enjoying now.

MEDIUM GYM OWNER, 38, ILLINOIS



of gym owners see increasing revenue and/or profit as a significant or high priority for their business

The importance of creating a unique brand identity

In the context of growing competition, it is crucial for businesses to define their unique brand identity. This is a key challenge for one in four gym owners (26%) and can be especially hard when a business is just starting out. Gen Z gym owners, who have likely operated their business for a shorter time, are more likely to say defining their unique brand is a challenge than Gen Y/Millennial (24%) or more established gym owners (16% aged 46 and above). Almost four in five small and medium gyms say creating or maintaining a unique brand identity is a significant or high priority. Some gym owners and managers have found it challenging to compete by simply replicating existing successful brands, prompting them to prioritize marketing their distinct offerings. When envisioning how they will expand their business in the future, 40% of gym owners are planning to invest in marketing and branding initiatives.



I believe my biggest failure was trying to keep up with gyms that are already out there like Planet Fitness. I learned that you can't keep up with people who have already established success, you have to market yourself in a different way and hope that people appeal to the things that you're offering.

SMALL GYM OWNER, 25, NEW YORK

2.3X

Gen Z gym owners than established owners (those over 45) to see defining their business' unique brand as a challenge





Gyms are prioritizing revenue and profit

For some gym owners, the early days can feel like a solo journey, often involving wearing multiple hats. However, building support networks is crucial for success, particularly in recruiting and retaining staff, and in leveraging technology.

Seven in ten gym owners (71%) are currently prioritizing improving employee recruitment and/or retention strategies. When reflecting on their biggest failures, many gym owners and managers expressed regret over not delegating tasks earlier or not placing greater trust in their staff.

Implementing new technology is a current priority for 70% of gym owners and is an even higher priority for medium gyms (77% compared to 64% small gyms). Some gym owners and managers believe that being slow to adapt to new technologies in their businesses has been one of their biggest failures. They now prioritize technology adoption to ensure member retention and operational efficiency.



Boutique fitness can both support existing client wants and create new ones. The limit is only the creativity of those in the industry.

MEDIUM GYM MANAGER, 64, ARIZONA



I didn't adapt to new technology as fast as I should have in the past. I didn't realize how much it would impact customer retention. I learned I need to be ahead of the competition on technology advancements at all times.

SMALL GYM OWNER, 37, TEXAS



Current priorities for gym owners

Please select all that apply.



Attracting and retaining staff

One of the biggest challenges facing the gym industry today is attracting and retaining quality staff. Culture plays a pivotal role in the health and success of an organization. When staff culture is strong, so too is retention. Culture encompasses more than just a focus on staff wellbeing, and is created through a compelling vision, trusted and approachable leadership, a focus on training and development, strong team connections and the opportunity to engage in meaningful work. This is a key area of growth for gym owners, with many learning the importance of staff retention through experience.



My biggest failure was neglecting staff retention early on. I focused on growth and equipment, but high staff turnover hurt member satisfaction. I learned that investing in people is key. Supporting and motivating staff improved both retention and overall gym performance.

SMALL GYM OWNER, 36, NEW YORK

Improving employee recruitment and retention through clear communication, recognition and trust.

Seven in ten gym owners (71%) see improving employee recruitment and/ or retention strategies as a significant or high priority. This is more prevalent in younger gym owners with three quarters of Gen Z (74%) and Millennial (75%) gym owners seeing it as a significant or high priority compared to one in two (52%) established gym owners (aged 46 and above).

Many gym owners and managers believe effective staff recruitment and retention is one of the most important factors for business success because of its direct link with member retention. Retaining quality staff is key for creating a community that members want to engage with. Some of the ways gym owners are investing in staff retention include offering adequate remuneration, communicating clear expectations, trusting staff to see out their responsibilities and listening to staff feedback.

 My biggest failure was micro-managing my employees. I should empower them to make decisions on their own.

MEDIUM GYM OWNER, 30, IOWA

 My biggest failure as a manager was underestimating the importance of staff onboarding and training early in my business. When I first started, I assumed that hiring skilled professionals meant they would automatically adapt to our systems, culture, and customer expectations. I was focused on operations and growth and didn't prioritize a formal onboarding process. As a result, we experienced inconsistent service quality, communication breakdowns, and staff frustration. This ultimately affected member satisfaction and led to higher turnover than expected.

MEDIUM GYM OWNER, 30, IOWA

 My biggest failure was not addressing poor team communication early on. It led to missed deadlines and low morale. I learned the importance of clear expectations, regular check-ins, and creating a safe space for feedback. Since then, I've prioritized transparency and collaboration, which has significantly improved team performance and trust.

MEDIUM GYM OWNER, 43, OREGON

 My biggest failure was not making sure to keep good staff members. I wasn't paying enough and wasn't flexible enough. It taught me to always listen to the rumblings and outright statements from employees.

MEDIUM GYM OWNER, 30, IOWA



Staff turnover is higher for larger gyms

Scaling a gym brings greater challenges in retaining staff. The median number of full time equivalent (FTE) staff at each gym location is 15 and the average staff turnover is 17%. This is the equivalent of one in six staff members per gym leaving each year. Medium gyms are more likely than small gyms to struggle with recruiting and retaining qualified staff (42% compared to 24%). As a result, turnover is higher for medium gyms (23%) than small gyms (14%). Turnover is also higher for gyms with more locations. This highlights a potential challenge for gyms in keeping a positive staff culture as they grow and expand.

Median number of FTE staff at each location: 15 FTE staff members

10

Small gyms

20

Medium gyms

14%

Turnover is higher for
bigger gyms & small gyms

23%

Medium gyms

Turnover is higher for gyms with more locations:

14%

1 location

19%

2-5 locations

22%

6+ locations



Generational preferences influencing staff retention and attraction

To improve attraction and retention, it is helpful to understand the key factors influencing job decisions. These differ across the generations, with Gen Z early in their career prioritizing accessible and approachable leadership and growth opportunities, while Millennials, often in their family forming years, appreciate flexibility and convenience. Gen X are looking to be remunerated for their expertise, while Baby Boomers appreciate convenience and recognition³. Tailoring recruitment and retention strategies to the needs of each generation can help position a gym for success.

How important are these factors when considering taking a job?

Gen Z

1 Accessible and approachable leadership

2 Learning and development opportunities

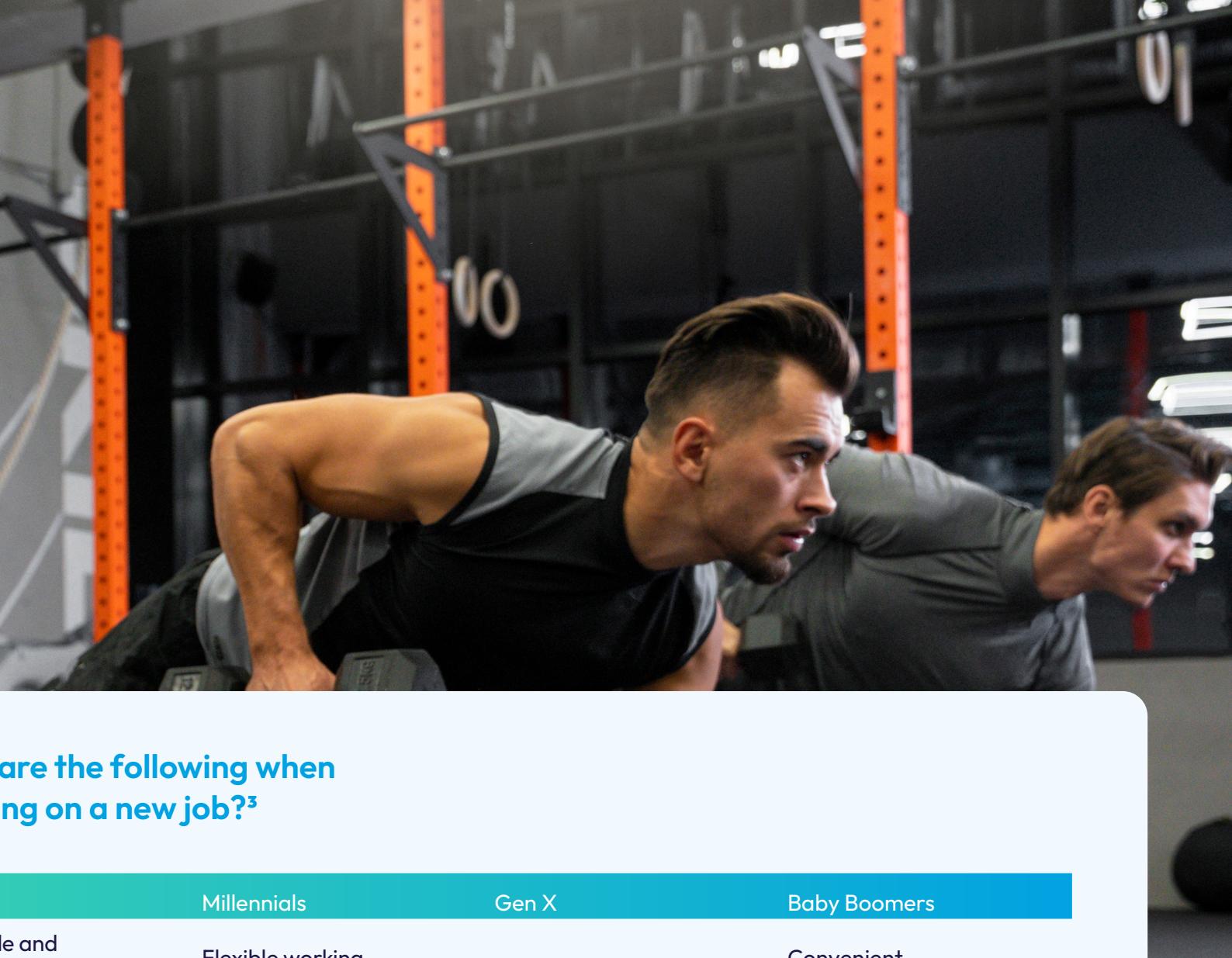
3 Career progression opportunities

4 Flexible working hours (65%)

5 Inspiring mission (65%)

Strategies for gym owners Implement clear leadership and mentorship





What are the following when looking on a new job?³

	Millennials	Gen X	Baby Boomers
Flexible and enable work (75%)	Flexible working hours (73%)	Remuneration (71%)	Convenient location (74%)
and ment tunities (69%)	Convenient location (73%)	Accessible and approachable leadership (70%)	Remuneration (73%)
Career progression tunities (67%)	Accessible and approachable leadership (72%)	Convenient location (69%)	Accessible and approachable leadership (69%)
Authentic working values (64%)	Career progression opportunities (71%)	Flexible working hours (63%)	Authentic organisational values (64%)
Learning and development opportunities (64%)	Learning and development opportunities (70%)	Learning and development opportunities (57%)	Flexible working hours (54%)
ment leadership g programs	Offer flexible work arrangements	Recognise employees' contribution through remuneration	Build strong and deep local community connections

Cultivating member loyalty

Gyms provide spaces of community, connection and health. While there is a growing focus on health and wellness in the United States, owning or managing a gym is not without its challenges, particularly in the current economic context. Growing competition (50%) is the top challenge for small and medium sized gyms, followed by the costs associated with maintaining gym facilities, equipment upkeep, and staffing (47%). Engaging and retaining members (41%), adapting to membership and attendance fluctuations (37%), alongside recruiting and retaining qualified staff (32%) are also challenges for gym owners today.



Boutique fitness can both support existing client wants and create new ones. The limit is only the creativity of those in the industry.

MEDIUM GYM MANAGER, 64, ARIZONA

Managing member turnover as gyms scale

In a larger gym, connection and community can be harder to maintain. What may happen organically in smaller gyms often requires greater intention and investment in larger gyms. The average rate of member turnover for small and medium sized gyms is 23%, which is the equivalent of more than one in five members per gym leaving each year. This is 26% for medium sized gyms and 21% for small gyms.

Turnover is also higher for gyms with more locations, with a rate of 28% for gyms with six or more locations compared to 20% for gyms with one location.

Average rate of member turnover

Member turnover is higher for larger gyms:

21%

Small gyms

26%

Medium gyms





Member turnover for small and medium-sized gyms is 23%

Member turnover is higher
for gyms with more locations:

20%

1 location

23%

6+ locations

28%

2-5 locations



Boutique fitness can both support existing client wants and create new ones. The limit is only the creativity of those in the industry.

MEDIUM GYM MANAGER, 64, ARIZONA

Tailoring experiences to member preferences is key to retention

Many gym owners and managers believe that actively listening to members and responsively acting on their feedback is key to member retention. This approach not only helps members feel heard but also enables gym owners to tailor services and classes to align with evolving member preferences.



Our biggest failure was creating classes and hiring instructors for activities that had very little interest. We carefully monitor the interests of our customers now.

SMALL GYM OWNER, 36, VIRGINIA



I underestimated the power of community and focused too much on equipment upgrades, until half of my members left. That made me understand that people don't just pay for equipment or machines, they pay to feel seen.

SMALL GYM OWNER, 59, FLORIDA



The top services or products that members are frequently requesting include membership discounts and promotions (38%), personalized workout plans (35%) and additional services such as nutrition and wellness programs, supplements and retail boutiques (34%). They are looking to maximize their return on investment by engaging with what matters to them.



Top services or products members are requesting

Membership discounts and promotions

38%

Personalized workout plans

35%

Additional services (e.g. nutrition and wellness programs, supplements, retail boutique)

34%

Expanded class schedules (e.g. availabilities for morning, afternoon and evening)

33%

More membership options (e.g. class packs, pay as you go, freeze or pause options, easy cancellation, etc.)

32%

0% 5% 10% 15% 20% 25% 30% 35% 40%

Perceived value for members can also include access to the types of workouts they enjoy most. Three in ten gym owners (29%) say their members are frequently requesting more forms of modalities. Some of the top types of workouts and classes currently offered by small and medium gyms include strength training (84%), yoga (66%) and cycling (65%).

Engagement and connection can fuel retention

Recognizing that engagement and connection fuel retention, gym owners have implemented various strategies to enhance member engagement and foster loyalty. Gym owners have therefore implemented several strategies to increase member engagement and retention. The most common strategies include offering special promotions or discounts for membership renewals (51%), enhancing interaction with members through regular social media posts (45%) and introducing new and innovative fitness classes or workout formats (43%).

Gym size can influence the strategies for engagement with medium sized gyms (47%) more likely than small gyms (33%) to implement technology or innovation based solutions to engage members (e.g. mobile apps or virtual challenges). Possibly due to the resources available, medium gyms are also more likely to introduce new and innovative fitness classes or workout formats (50% medium compared to 39% small).

To grow member engagement some gym owners are implementing a community focused strategy. Almost two in five gyms (39%) have implemented group challenges to boost member engagement and foster sense of community. This is a more popular approach in the West (47%) than in other regions (38% Northeast, 33% South, 23% Midwest).





What strategies have you implemented in the past year to strengthen member engagement and retention?

Please select all that apply.



0% 10% 20% 30% 40% 50% 60%

Leveraging technology for success

Implementing the best new technology is no longer optional; it's essential for success in today's gym environment. From smart equipment and mobile apps to data insights and personalized communication, technology helps fitness businesses streamline operations and improve the member experience. Whether it's automated bookings, wearable integrations or personalized workouts, tech solutions support gyms to stay competitive and meet changing member expectations. Ultimately, innovation fosters a seamless and connected member journey that boosts engagement and supports the achievement of results.

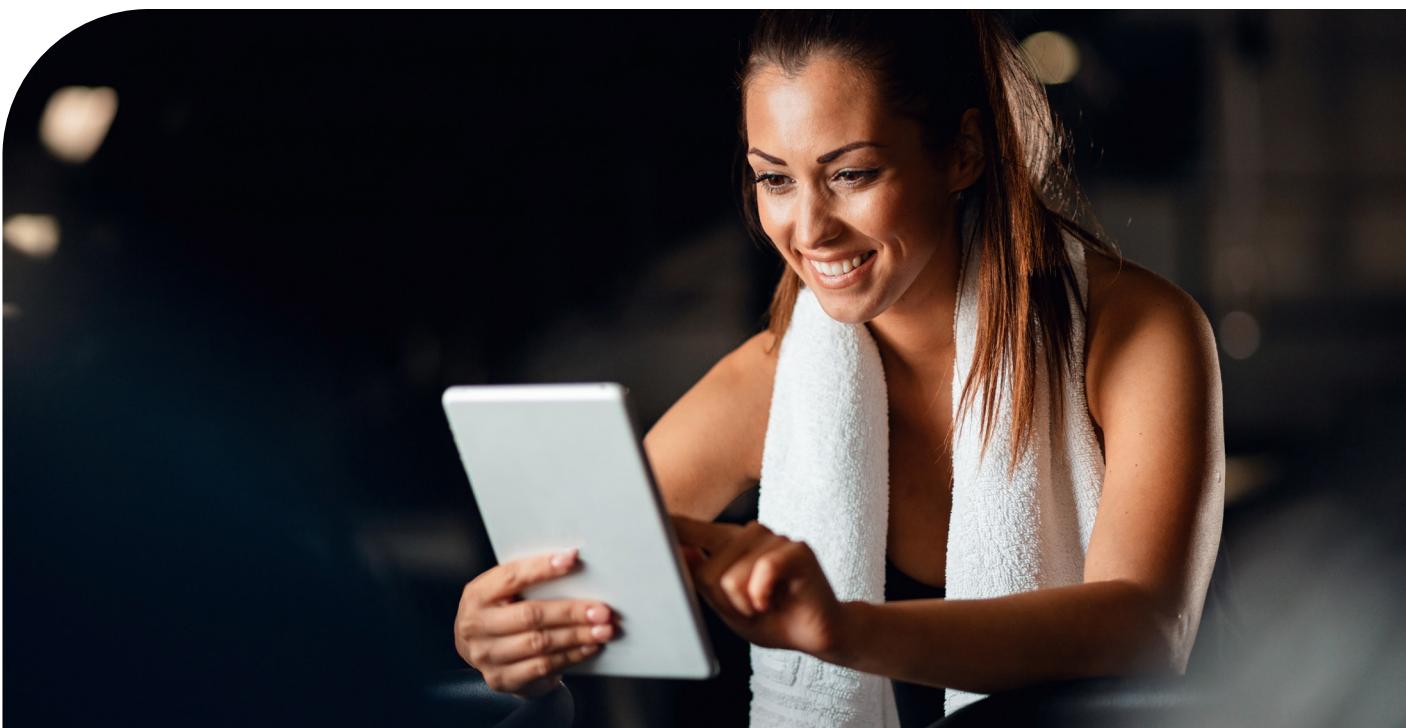
Enhancing the customer journey with technology

Technology's widespread adoption in gyms is enhancing both the workout experience and customer engagement, extending beyond traditional equipment to smart connectivity and seamless tracking. Almost all gyms are using some form of technology within their business, with the most common examples being smart equipment with connectivity and tracking capabilities (42%), heart rate monitors (42%) and automated check-in and attendance tracking (39%).



AI & personalization is a key trend influencing the future of the fitness industry. Smart tech and wearables are enabling hyper-personalized workouts and coaching. Hybrid & Virtual Fitness blending in-person and online workouts is now the norm, with growth in apps, livestreams, and VR fitness.

MEDIUM GYM OWNER, 42, TEXAS



CASE STUDY — Using technology to increase member engagement

In February 2024, Hapana launched a fitness challenge app feature for their client, STRONG Pilates. The app increased member engagement and revenue, with measurable positive impacts both in the short and long term.

6 months after the launch:

4%

Increase of gross revenue per studio

17%

Decrease of suspended members

Turnover is higher for gyms with more locations:

7%

Growth in revenue per studio

5%

Increase in active members per studio

16%

Increase in packages sold per studio

Additionally, STRONG Pilates has expanded their network of studios by 23% since February 2024.



Which of the following technologies does your gym use?

Please select all that apply.



Gym software, the hardest working team member

Gym management software has become an indispensable tool. Four in five gyms (82%) are currently using gym management software to enhance service delivery and manage member engagement. Medium gyms (88%) are more likely than small gyms (77%) to be using gym management software. Interestingly, gym owners in the Midwest are least likely to be using gym management software (71%), with owners in the Northeast the most likely (85% compared to 82% West, 84% South). Established gym owners are more likely than their younger counterparts to not be using any gym management software (33% compared to 13% Gen Z, 16% Millennials).

While gym software has a range of capabilities, it is most likely to be used to manage customer contacts (49%), manage and store customer details (45%), streamline billing and invoicing for the business (44%) and generate reports and analytics on customer data (43%).

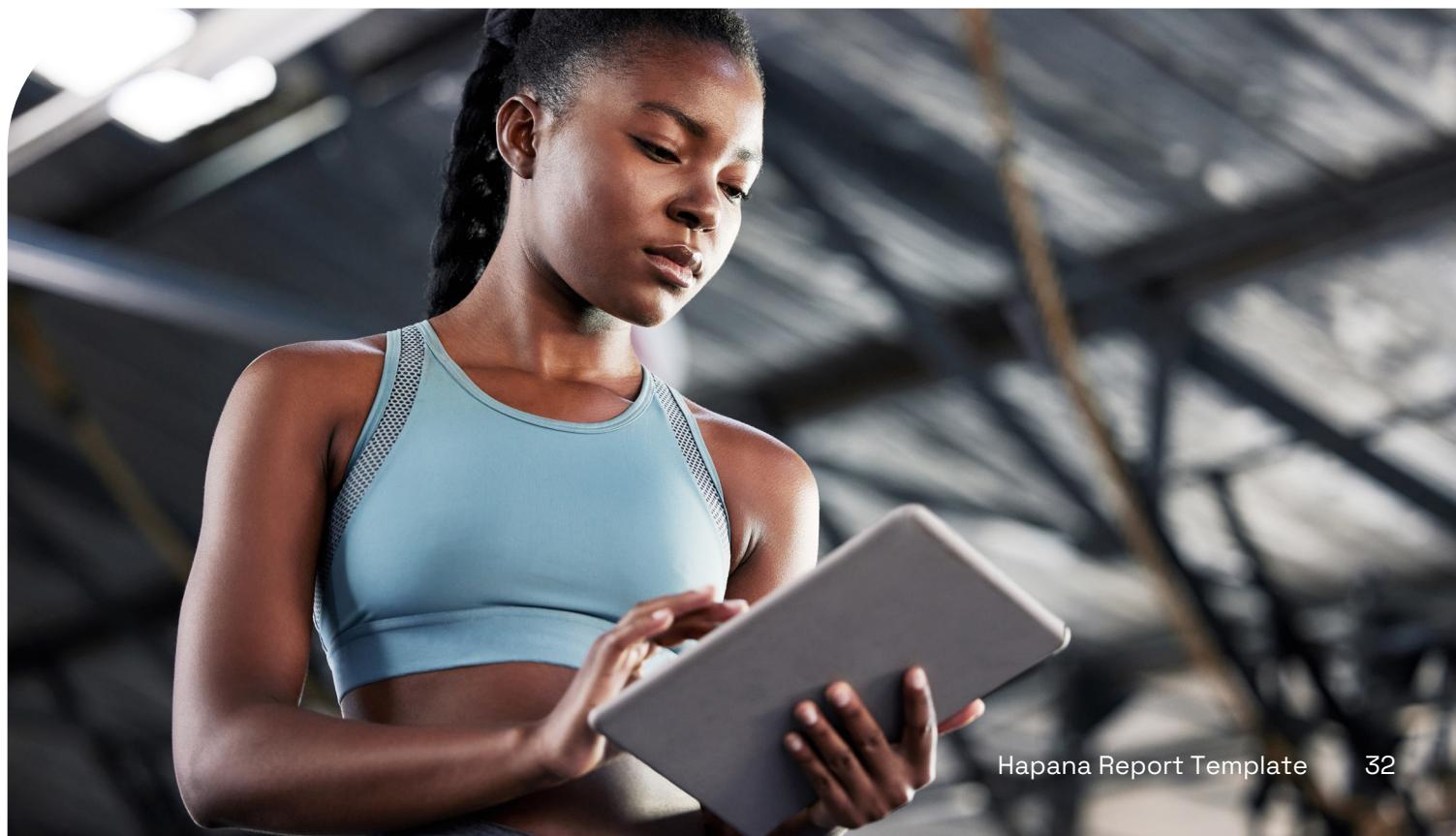
Younger gym owners are leaning into the technology advantage

Understanding member behavior can help unlock new growth. Currently, the use of gym software to generate reports and analytics on customer data is much higher among Millennial business owners and managers (49%) than Gen Z (31%) and established owners and managers (30%). Millennial gym owners are also more likely to use their gym management tool to forecast sales and revenue than their older counterparts (37% compared to 33% Gen Z, 16% established gym owners).



My biggest failure has been the integration of outdated software into the operating systems which I was able to deal with by acquiring the latest sophisticated tools.

MEDIUM GYM MANAGER, 41, VIRGINIA

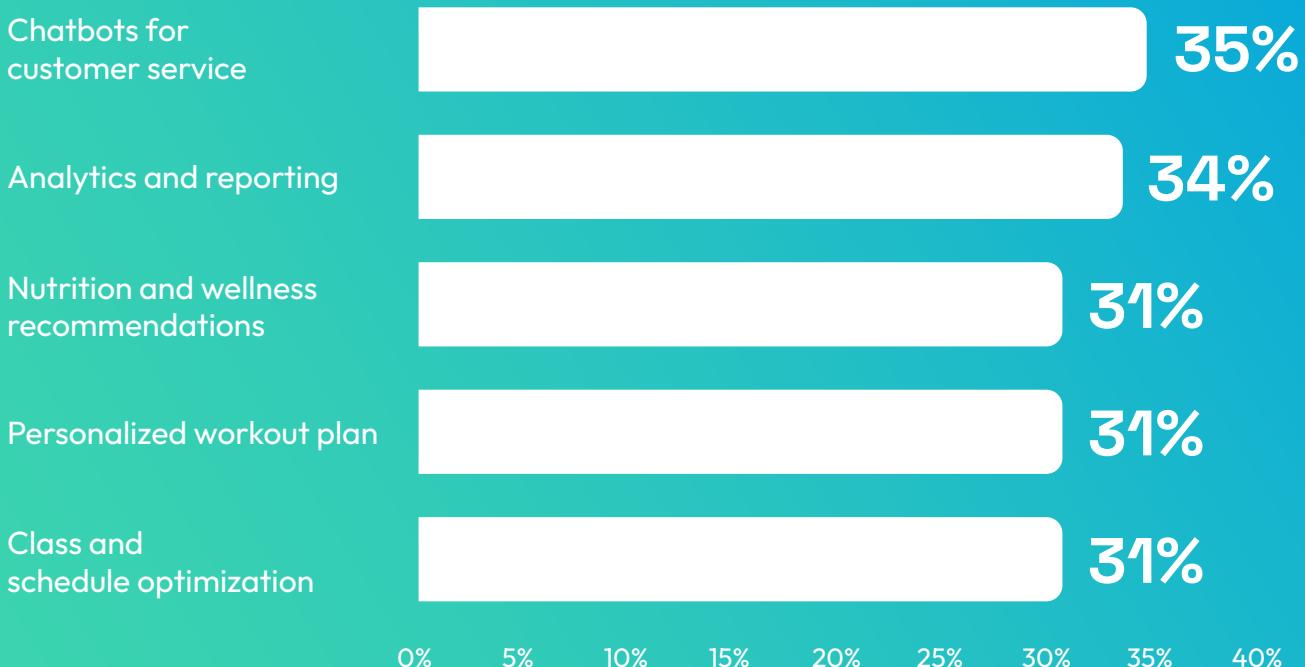


AI is powering personalized gym experiences

Gym owners and managers believe Artificial Intelligence (AI) is one of the key trends shaping the future of the fitness industry. To futureproof, 83% of gyms are using AI in their business in some way. This is more prevalent in medium-sized gyms (90%) than small gyms (77%). Younger owners are also more likely to be utilizing the benefits of AI, with established gym owners twice as likely to not be using AI (29% compared to 12% Gen Z, 16% Millennial).

Currently, the top uses for AI among small and medium-sized gyms include chatbots for customer service (35%) and analytics and reporting (34%). However, many are also using AI to enhance customer engagement and productivity. Three in ten gym owners are using AI for nutrition and wellness recommendations (31%), personalized workout plans (31%) and class and schedule optimization (31%). When thinking about the future of the fitness industry, gym owners expect AI to significantly enhance the ability to personalize the gym experience for members.

Top uses of AI in gyms small and medium gyms





Expect wider adoption of AI-powered training apps and smart equipment offering real- time coaching, tailored plans, and performance feedback.

**SMALL GYM MANAGER, 21,
OHIO**



I think many businesses will start using AI to help with personalized workouts.

**MEDIUM GYM MANAGER, 27,
FLORIDA**

Building solid foundations before scaling

In the current landscape, gym owners are prioritizing sustainable business growth, focusing on growing their membership size and revenue without increasing their risk profile. Scaling too quickly without a thorough understanding of the market can have a negative impact on business growth.

Prioritizing core business over new locations

Over the next 12 months, gym owners are strategically prioritizing internal growth, with a majority expecting significant to moderate increases in their membership numbers (66%) and annual revenue (63%). This emphasis on core business growth reflects a cautious approach to scaling operations, as fewer plan to expand their number of staff (43%) or gym locations (35%).

Medium-sized gyms are anticipating greater growth in member numbers (72% medium compared to 61% small) and annual revenue than small gyms (71% compared to 58% small). This may be a result of the current economic climate and the need for businesses to focus on sustainable growth. Medium-sized gyms have a greater appetite for expansion, being more likely than small gyms to expect significant or moderate growth in the number of locations (47% compared to 26%).



My biggest failure was expanding too quickly without fully understanding the market. We opened a second location too soon, and it struggled. I learned the importance of thorough research, realistic planning, and building a strong foundation before scaling any business.

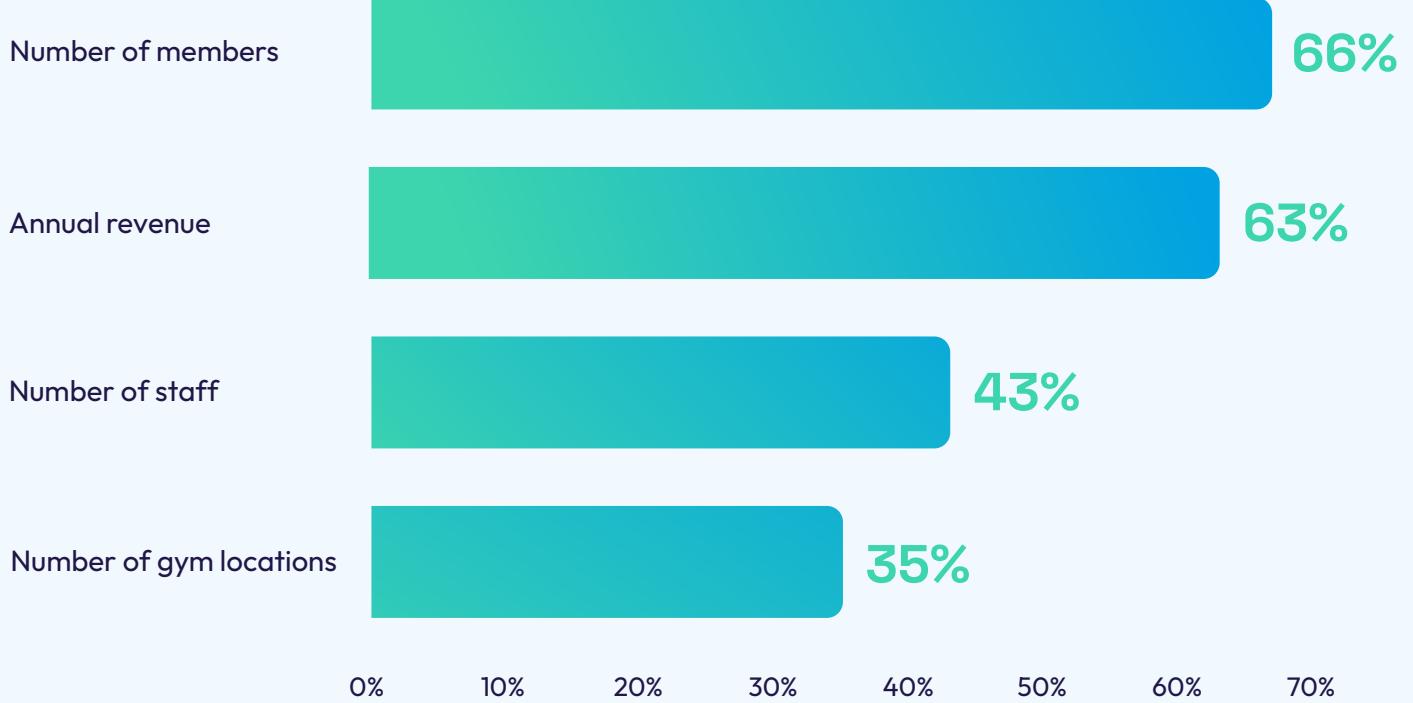
**MEDIUM GYM OWNER, 47,
KENTUCKY**





Expectations for growth over the next 12 months

Significant/moderate growth



Investing in technology is the key focus for gym owners as they look to the future

To set up their businesses for sustainable success, 98% of gym owners are looking to expand and diversify in the future. The areas of greatest focus are investing in new equipment and technology (53%), enhancing gym amenities and facilities (52%), and increasing the number of classes on offer (45%).

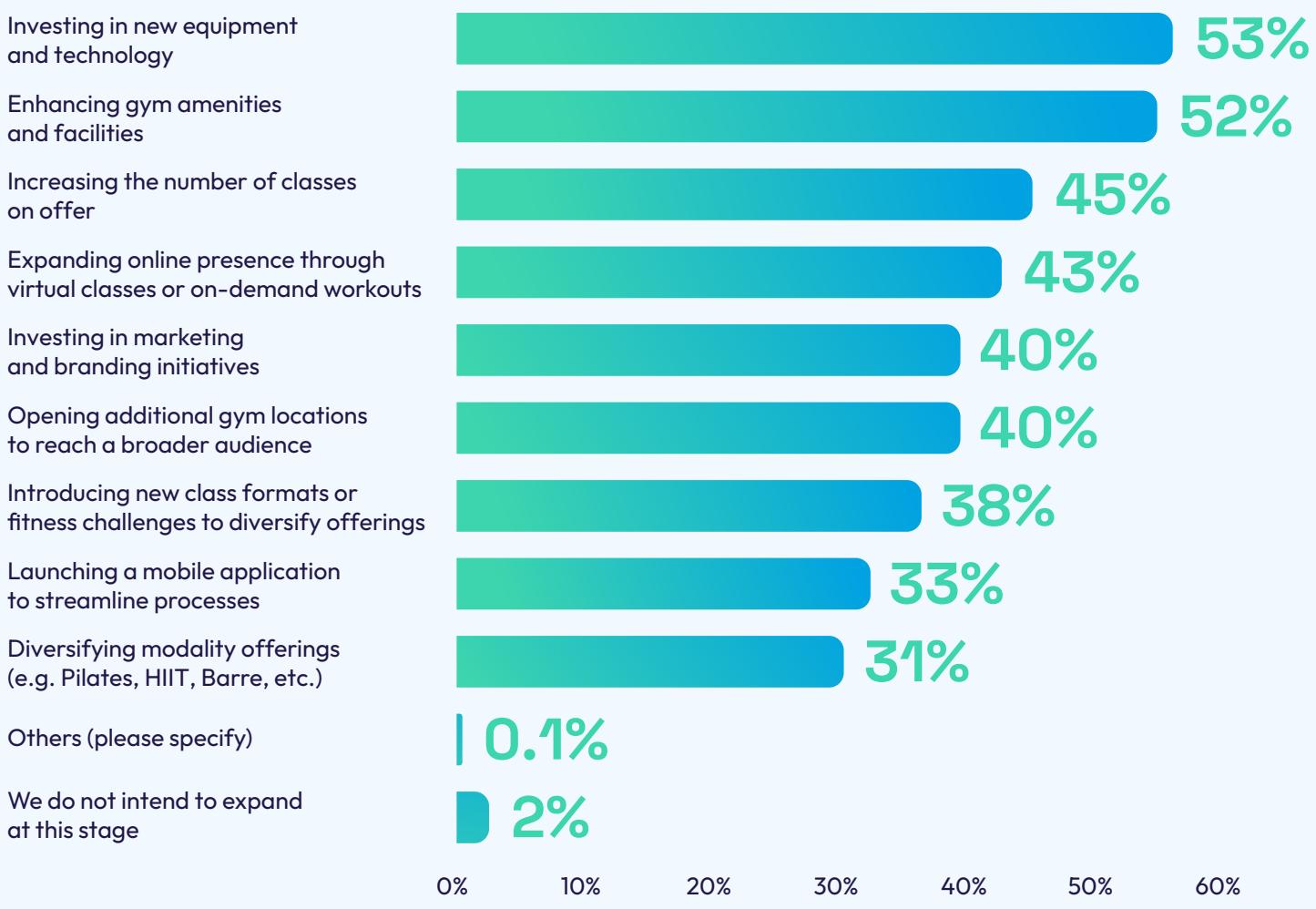


An oversight for me has been not adapting to new technology as fast as I should have in the past. I didn't realize how much it would impact customer retention. I learned I need to be ahead of the competition on technology advancements at all times.

MEDIUM GYM OWNER, 48, NEBRASKA

How do you envision expanding your business in the future?

Please select all that apply.



Research methodology

The Fitness Forward Report is the collation of quantitative data gained through an online survey of 700 small and medium sized gym owners, managers, and head office staff from across the United States. Survey respondents were included in the sample if they identified their gym as small or medium according to the following criteria:

Small gym:

typically 500-1000 members, mix of cardio/strength equipment and limited group classes

Medium gym:

typically 1000-5000 members, mix of cardio/strength equipment and limited group classes



The survey was in field from the 12th to the 20th of June 2025. Throughout this report, respondents are referred to as 'gym owners and managers', or more simply 'gym owners'. Where industry data has been gathered from secondary sources this has been referenced throughout the report.

Throughout this report results are segmented by a number of demographic factors including age group. The generations refer to the following age groups:

Generation Z
(born 1995-2009)

Generation Y/Millennials
(born 1980-1994)

Generation X
(born 1965-1979)

Baby Boomers
(born 1946-1964)

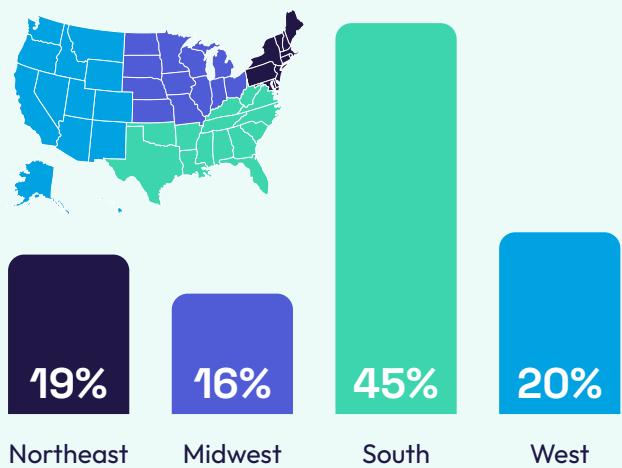
Due to sample size, Generation X and Baby Boomers have been combined and are referred to as 'established gym owners' throughout the report.

Demographic summary

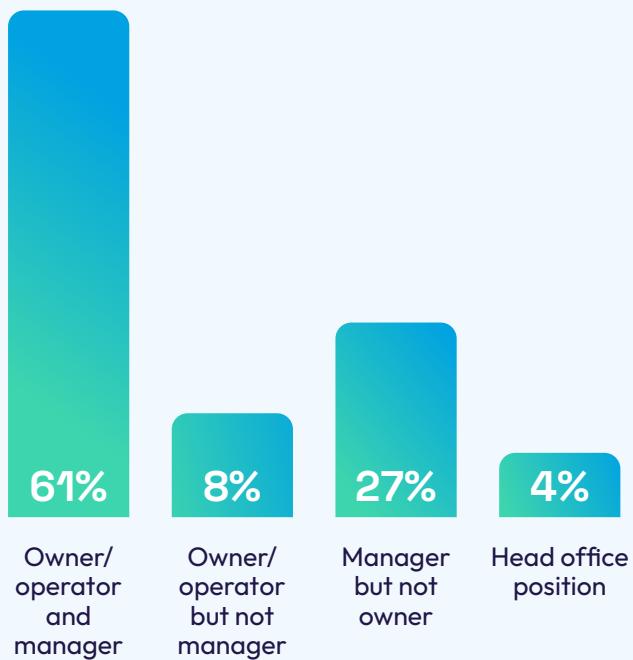
Are you male or female?



Where do you usually live?

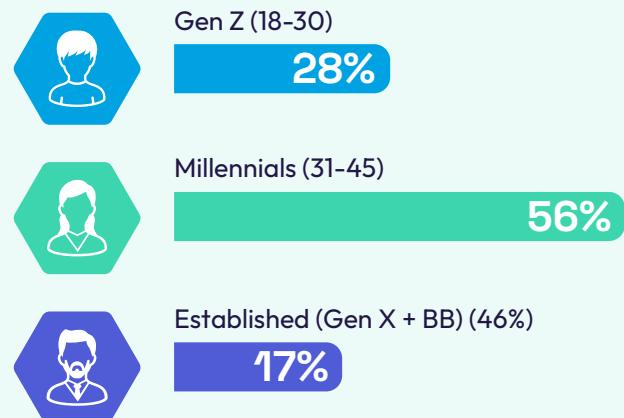


Where do you usually live?

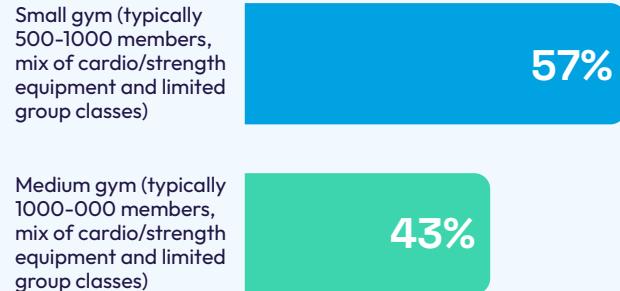




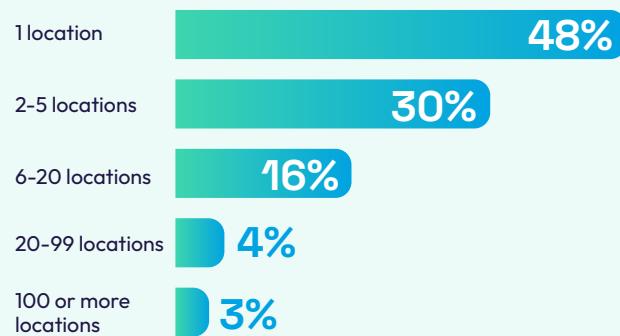
What age will you be in 2025?



Which of the following best describes your gym or fitness studio?



Which of the following best describes your gym or fitness studio?



GET IN TOUCH



Email info@mccrindle.com



Website mccrindle.com



Email sales@hapana.com



Website www.hapana.com



hapana



www.hapana.com
sales@hapana.com