



START-UP GUIDE

CHALLENGES OF THE INDUSTRY

There are a number of challenges that face both newcomers to the industry, and the industry itself. One of the biggest challenges is the high rate of new and small business failure, which sits at about 80% within 2 years. There are multiple theories that tackle why this is the case, and a recurring one is the ease of entry into a fitness role, and whether the training is too expedient, too simplified, or both.

The industry is also one that is highly unregulated. This means that businesses have more freedom of movement compared to other professions in regards to the delivery of services. While most industry professionals offer real and honest service, there are unfortunately trainers out there providing worthless solutions to real problems. While it's usually the consumer that ends up with a false or misleading product or service, it's the reputation of the wider fitness industry that ultimately ends up suffering.

The final challenge confronting the industry is the over-supply and over-consumption of fitness-related information. There is an infinite amount of information available, both on and offline, some of which is conflicting in its message, while some is incorrect or misleading. This can leave the consumer confused and overwhelmed, and hence often unable to act or take steps to improve their health and fitness, which doesn't help anybody.

BRAND-NAME GYM OR FREELANCE?

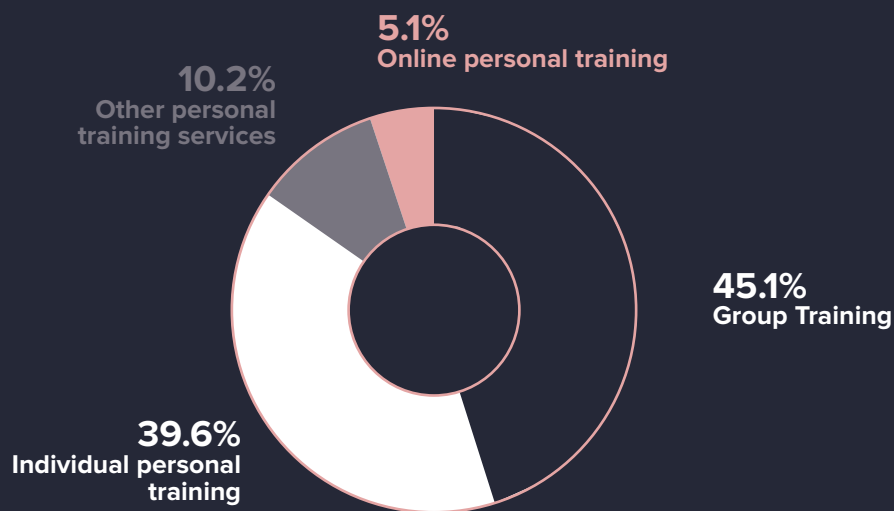
At times it's no easy feat earning revenue from being a PT, either as a freelancer or in a brand-name gym. If you opt for the gym path, you're probably going to end up being more of a multi-tasker when you start out, helping out with gym maintenance, cleaning and "walking the floor". One big difference between the two options is a PT working in a big gym is subcontracted to service a big gym's membership. Yes, they may offer support in regards to your marketing, however many of the overheads, excluding equipment costs, may often be quite similar. Freelancing on the other hand? You have to bear in mind the physical isolation, no third party brand support, capital investment, and in many instances, having to start with nothing.

These are all important factors to consider when making a decision on which path to take. Take some time to read [this blog](#) which offers some helpful tips to consider when making your choice.



A SEGMENTATION OF SERVICES:

Products and services segmentation (2017-18)



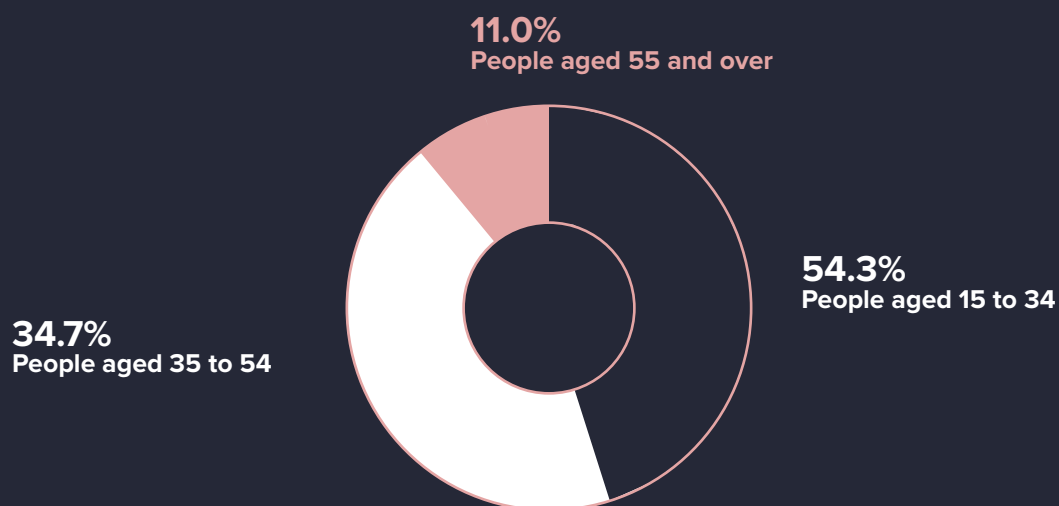
Total \$480.4m

Source: www.ibisworld.com.au

In the past 5 years, individual personal training has declined in revenue share in Australia as consumers cut back on spending due to widespread economic uncertainty. On the other hand, group fitness has increased and is continuing to increase its share of revenue in Australia at the expense of individual personal training. This is because it's a more affordable option for consumers during this tumultuous time economically.

A SEGMENTATION OF SERVICES:

Major market segmentation (2017-18)



Total \$480.4m

Source: www.ibisworld.com.au

TABLE 1.1 FITNESS PROFESSIONALS REGISTERED WITH FITNESS AUSTRALIA

REGISTRANT TYPE	DESCRIPTION	NUMBER REGISTERED WITH FITNESS AUSTRALIA		QUALIFICATIONS
For individuals				
Exercise Professionals (EP)	Fitness instructors and personal trainers	25,521	27,425	Certificate III in Fitness Certificate IV in Fitness
Sole Trading Businesses (STB) Students (S)	Fitness instructors and personal trainers operating as sole traders with an ABN (includes Exercise Professional Registration)	1,904		Diploma in Fitness Other tertiary qualifications e.g.
Students (S)	Those studying to complete a fitness qualification (future fitness professionals)	4,987		Bachelor of Exercise Science
For businesses				
Fitness Businesses (FB)	Gyms, health clubs, fitness centres, fitness franchises, indoor and outdoor personal training businesses and fitness studios	1,511		
Industry Suppliers (IS)	Suppliers of fitness products and services	41		
CEC Providers (CEC)	Providers of Fitness Australia approved continuing education programs and events	83		

Source: Fitness Australia, current as of August 2015

https://bp-fitnessaustralia-production.s3.amazonaws.com/uploads/uploaded_file/file/133393/FAUS749-Industry-Report-2016-Section-1-Digital.pdf

Since 2013, the Australian PT industry has had an annual growth of 5.6%. The 2017-18 financial year saw the PT industry accrue a total revenue of \$480m.

REVENUE GROWTH		
Year	Revenue \$ million	Growth %
2005-06	258.9	0.0
2006-07	277.4	7.1
2007-08	297.6	7.3
2008-09	302.0	1.5
2009-10	315.3	4.4
2010-11	329.3	4.4
2011-12	349.3	6.1
2012-13	366.0	4.8
2013-14	393.3	7.5
2014-15	418.9	6.5
2015-16	442.8	5.7
2016-17	462.2	4.4
2017-18	480.4	3.9