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Has Boutique Fitness/Wellness  
Peaked in Asia-Pacific, Or, Is  
This Only Just Beginning? What  
New Developments/Trends/  
Investments Will We See in 2020?

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**Ross Campbell**, Founder and CEO, **FIT Summit**

2018 and 2019 saw the explosion of the boutique sector in Asia with a vast array of concepts and experiences being made readily available to consumers. We will not see the same number of new concepts being launched in 2020 but there will be several new key players coming to market – especially international brands and franchises offering similar (and at times more refined) concepts to what already exist today. What we will see is the repositioning and recategorizing of ‘best-in-class’ as standards and benchmarks improve. Enhancements can (and will) still be made in customer acquisition, engagement and experience – the best can become even better, the best can also be replaced. Some of these launches into Asia will be delayed given the ongoing COVID-19 situation and the outbreak will also see the reduction and consolidation of boutiques and independents in Asia due to financial strains. Resultantly, at the end of 2020 we will see the emergence of true boutique leaders across Asia – those who have evolved beyond concept to (i) executing and optimising end-to-end experience, (ii) delivering hospitality-driven customer service, (iii) leveraging technology in and out of class, (iv) improving their trainer capabilities and class programming, (v) successfully building a meaningful community, and (vi) investing in upgraded facilities (design, equipment, product). To become best in class, investment and reinvestment is essential and so capital will play a major role in defining boutique success, especially through and beyond COVID-19. Each operator must retain a marathon mindset, efficiently and successfully deploying capital to enhance their business and become best-in-class, whilst keeping it sustainable and economical.

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**Victoria Martin**, Co-Founder, **boOm**

There is some level of localized saturation, but until boutique fitness becomes accessible (financially and geographically) to a larger majority of the community, there is still more growth to be seen. If you look at more developed fitness markets (option-wise), like Singapore and Hong Kong, still a majority of outlets are crammed into a small geographical area, like the CBD in Singapore, and Central in Hong Kong. In other markets in Asia, you'll find that there are many genres of boutique fitness that are not yet offered. For those that are offered, there are only one or a few players. Compare that to the millions or billions of people who have yet to take their first boutique fitness experience, and you know there is still growth potential. It's a sustained development that will continue for the next decade. I always think of the fitness industry like the F&B industry, there should be something for everyone, in terms of cuisine, price point, experience. If you look at fitness along the same vein, as a region, we're not quite there yet. I think in 2020, what's been happening will continue, in that there will be growth both in community-based workout experiences as well as more and stronger offerings in the decentralized / at-home workout space. This is also the decade that large global brands will start expanding into the APAC market.

[www.boomsingapore.com](http://www.boomsingapore.com)



**Jack Thomas**, Founder and CEO, **BASE** Host, **Fitness Business Asia Podcast**

The emergence of boutique fitness, first in the US and then into Asia, has set in motion what I consider to be the industry's most exciting period of growth, innovation and variety. As the big boxes have raised their game and adapted, the whole industry and all consumers have benefited from this seismic shift. When I first started training 20 years ago, fitness for most people was a chore and not something that they talked very openly about. Now, fitness is a huge part of people's lives – they look forward to it, they tell their friends about it and they consider their gym or studio a 'third space' after home and work. Boutiques have brought the focus to personalization and community in a way that big boxes always found hard. Their 'pay as you go' model, as opposed to the old 'contract you cannot break' model of the 90s has forced boutiques to constantly be raising their standards and doubling down on their concept, values and offering. I believe that the future of boutiques is in our hands. As long as fitness in Asia is seen as fun, aspirational and exciting, then the popularity of boutique fitness in the region will continue to rise. To achieve this trajectory, each and every boutique needs to strive to create an experience that's truly special for every person that walks through the door

[www.basebangkok.com](http://www.basebangkok.com)  
[www.fitnessbusinessasia.com](http://www.fitnessbusinessasia.com)



**Her Royal Highness Princess Azemah Ni'matul Bolkihah and Yang Amat Mulia Pengiran Muda Bahar**, Founders, **Shine Cycle / Shine X**

Opening the first indoor cycling and HIIT studios in Brunei was an incredible experience, and both Shine Cycle and Shine X are thriving and inspiring positive change. We predict this global fitness phenomenon is just the beginning for Asia-Pacific and wish other studios great success. To introduce the boutique concept, it was important to launch a brand on par with popular studios in New York City and London. We also wanted functional, high drama architecture and theater lighting to provide an environment where inhibition is replaced by confidence. Networking with top instructors across the globe was important for long-term success, and our talented team practiced for months before opening. While anyone can get on the boutique fitness train, the only ones who stay on the train are the ones who train. To avoid costly mistakes, we hired Barbara Chancey Design Group, an international boutique fitness specialty firm to help launch Shine Cycle and Shine X. Chancey's team orchestrated both projects from concept to grand opening, and today we enjoy a close relationship with many owners and instructors in the USA and UK. This network of like-minded individuals helps us feel supported and we're never alone in Southeast Asia. Predictions for the future? We think commercial developers will use fitness studios to fill empty retail spaces and revitalize neighborhoods. We also think hangout space is just as important as workout space. People are drawn to the community aspect of boutiques and desire a happy place to actively socialize, unplug from data, support charities, and celebrate special events.

[www.shine-cycle.com](http://www.shine-cycle.com)







**Anabel Chew, Co-Founder, WeBarre**

I hardly think boutique fitness has peaked in Asia-Pacific – I think we are just starting to see an explosion of boutique fitness and wellness offerings! Fitness isn't a standalone anymore; fitness and wellness now goes hand in hand. In more mature markets like Australia, where boutique fitness has been a staple for years now, there is still room to innovate and improve current offerings now that we are getting more educated consumers. There is room to grow in terms of the studio experience, the aesthetics, the 360 experience... beyond just a neighborhood studio. In emerging markets like Singapore, Bangkok, Hong Kong, China, Jakarta and Manila, there have been a lot of traction in the boutique wellness space. Despite this, there is so much more room to grow because the untapped potential market is much larger, as there is shift in how people view fitness. It is now part and parcel of a modern lifestyle. While there is room to grow, as consumers become more educated, it also means that it's a survival of the fittest (no pun intended). Brands and companies that don't innovate or constantly at the forefront of their business might stagnate, and eventually, shut. Studios that try to create short-term solutions through price wars and flash sales will find themselves struggling in a matter of time. ClassPass will continue to grow in Asia, not only in the boutique fitness space, but also wellness experiences. There is an emerging trend in the rise of independent, homegrown athleisure/activewear brands to fuel the billion-dollar athleisure-wearing industry. Wellness tourism was slated to see an increase in demand (before news of COVID-19 hit. We will now have to wait and see how and if the COVID-19 affects the tourism industry). We are also seeing Wearable Tech move away from just being able to track your workouts, step count and heart rate... and move onto being a health care companion, whether it's helping the individual improve sleep, tracking fertility, noise levels in big cities and biometric data - it's moving away from just presenting the numbers to you, to giving recommendations and helping us live better. The concept of Mindfulness and Meditation has been in developed markets for a while now, but it is just starting to gain popularity and becoming more mainstream in Asia. Coupled with the modern city dweller's cry of "I don't have time", we will also see a demand where meditation becomes part of our studio workouts - moving with intention, conscious movement, integrating mindful meditation in classes.

[www.webarre.com](http://www.webarre.com)



**Siri Nordheim Jensen, Co-Owner/Co-Founder, Z&B Fitness**

I think what the current situation is teaching us is there will always need to be new ways in the fitness and wellness industry to get creative and stay on top of the trend. With the coronavirus being declared worldwide right now, we've had to find new ways to stay engaged with our members, and the only way we've been able to do that is through 'live classes'. The feedback and response we received was phenomenal and it's really opened our eyes to the fact that people really just want to stay connected and stay fit no matter the situation. It's a grown business that will continue to grow, but new ideas will always continue to emerge and as long as it's something sustainable that is fun with proven results, the community will really just appreciate and respond to that. The goal at the end of the day is to just feel good after a workout whatever that may mean to the person. We can only try to stay on top of the game and keep our members on their toes. It's also a lot of fun for us to watch and try new things.

[www.znbfitness.com](http://www.znbfitness.com)



**Vikram Aditya Bhatia**, Fitness Consultant and Former Managing Director,  
**Fitness First (India)**

The complacency of the big box fitness operator, their focus on scale and price not skill or experience, and the explosion of franchises created the boiling pot in which high calibre talent was looking for an out and so was the discerning customer. As the manufacturers caught up with cheaper kit, fitness concepts became less equipment dependent and well supported by technology, this made many superstars create their own boutique business. Analogy – With the growth of the burger chains, coffee shops, came the premium gourmet burger restaurants and artisan coffee cafes. Aggregators which invested in price and social media also made it easy for the superstars to get traction, leads, revenue, recognition and approx. 10,000 followers. Boutiques also provided convenient proximity with high street and neighbourhood locations. Fast forward to now, post the 1st capital & lease cycle, many boutiques are struggling. Most boutique owners' ambition of value creation or scale has been met by hyper proliferation. The boutique ecosystem has also become unsustainable with the predatory approach of aggregators and now the biggest threat - the big box has woken up - Unlocking in-club real estate by reducing equipment volume, using growth capital to target the better of the rest boutiques by acquiring them to grow, or absorbing them to bring their concepts inhouse. I feel boutique fitness for the independents has peaked in Asia-Pacific and under threat. I will qualify that the boutique fitness which is owned or backed by PE or Big Box will ride the waves, but the independent and one studio owner will struggle, and many perish. The high touch coaching, the community effect and theatre of fitness is now a big focus of every big box multisite operator. The headwinds of lack of growth capital, leasing opportunities and the competition from corporate owned boutique fitness makes it difficult to survive for existing players, daunting for recent entrants and discouraging for aspiring superstars. In the now, most big box operators are pivoting on boutique experiences within their box and some becoming multi brand and format operators by acquiring boutique formats. Multiple boutique format owners with scale will further churn the marketplace of the independent boutique owners.



**Emma Masters**, Boutique Experience Consultant

My consultancy business is based on creating experience within boutique fitness. I believe this is only going to become more prevalent over the next few years. With a rise in awareness of the issues we have in mental health and stress, and the understanding that wellbeing is a 360-degree approach using lifestyle as medicine (sleep, work environment, social circles, nature, relationships as well as food and exercise) experience will grow into more of a multifaceted approach. Facilities will need to provide more than just an excellent fitness experience and a juice bar. Services will need to be giving holistic advice and options to fulfil more of our members total environmental needs. This will be done in collaboration with other modalities, and the use of emerging VR/AR and AI technology. Secondly, we must talk personalization. We only have to scroll through Facebook to notice that ad which was once generic is now personalized to our own interests and shopping behavior. As this AI technology advances within the business world, so must we. Working closely with a company called ph360 we can personalize our approach so that we are speaking directly to our members values, wants and needs. Not through guess work or subjective questionnaire but through understanding, non-invasively, their unique biology. This means we can not only give accurate unique advice for our members through AI technology, but also ensure we are marketing, advertising and providing a service that directly speaks to the individual.

[www.experienceageconsultancy.com](http://www.experienceageconsultancy.com)



**Noël Nocciolo, Founder, Boutique Fitness**

As long as there are outside-the-box thoughts and ideas from Founders, and most importantly, great execution of said visions, now will only be the beginning. No industry is immune to pivot, however sharp or subtle. With COVID-19 acting as a spark, precluding many from feeling comfortable, with regards to community spread, venturing outside their home to workout at a big box gym or boutique studio, the digital space will be one to watch to see if it's fire will take hold. Will APAC attempt to tap into and localize the USA's clutter of boutique-level professional audio and video options, from all modalities of fitness, be it meditation or HIIT or all points in between? Regardless of virus, in thinking of client-pattern, I wondered if APAC boutiques will successfully execute class content from their unique brick-and-mortar experiences to a home setting. It should shock no-one that I mention, COVID-19 notwithstanding, we have been due for a global recession for some time. While strong well-capitalized hotel brands are moving into wellness and fitness, I'll be interested to see if APAC will dedicate funds to bankrolling a new wellness/fitness studio to share in their real estate and drive traffic to their existing property, or if they will continue to invest into and develop strategic partnerships with strong already-existing brands. Of course, some new projects may be dreams deferred, due to financial market uncertainty, but tough times do not last.

[www.boutiquefitnessstalks.com](http://www.boutiquefitnessstalks.com)



**Gita Sjahrir, Co-Founder, R Fitness**

Boutique fitness has definitely not peaked as a sector, as the market is still highly fragmented and mainly focused on one or two specific customer demographics only. Further, lack of consolidation and deals show that the boutique fitness industry is still at a nascent stage. Therefore, what you're seeing now is the rise of brands with similar value propositions, e.g.: premium and aspirational fitness experience for the young professionals market, vying to dominate market share, rather than pursuing another kind of consumer, or white space. I am still looking forward to how technology, including Artificial Intelligence (AI) and virtual coaching, will contribute further to the industry. In terms of investments, until brands begin to challenge their own business models, reconsider their target demographic and experiment with how to improve upon their unit economics, namely through optimizing their cost and/or revenue levers, then private markets may not find such businesses to be compelling enough to invest into. There needs to be successful exits in the industry, but we won't get there until we find alternative ways to bring value to a much larger range of consumers whilst sticking to solid unit economics at the same time.

[www.ridejkt.com](http://www.ridejkt.com)

## A big thank you to this month's contributors



To be involved in future question's of the month please contact:

**Ross Campbell**

Founder and CEO

[ross@thefitsummit.com](mailto:ross@thefitsummit.com)

+65 8268 9834

**Daylin Limonte**

Head, Marketing &  
Communications

[day@thefitsummit.com](mailto:day@thefitsummit.com)

+65 8132 7534

[www.thefitsummit.com](http://www.thefitsummit.com)

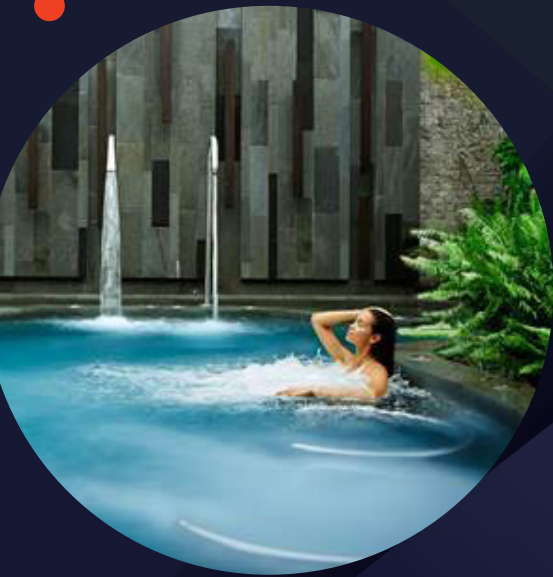




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