

Building a

**BADASS
BOUTIQUE**



**YOUR 10-TOUCH JOURNEY TO DESIGNING
A FITNESS STUDIO THAT ROCKS**

EMMA BARRY

GLOBAL FITNESS AUTHORITY

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To Lee—my King, my rock, my love.

To our kids—Jas, Zoe and Max—who are the best of us.

*To Mom and Dad—about that English paper I never
finished, I hope this will suffice.*

*To my global fitness whanau, for the fun and frivolities
in the best industry in the world—*

Kia ora!

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FOREWORD

DAVID MINTON

Director, The Leisure Database Company Ltd

For those of you who haven't heard Emma speak, this book is a must. She writes like she speaks: a machine gun of ideas, passion and wisdom. On stage and on the page, Emma has only one speed and that's super-fast. So, this book is a godsend for those who need more time to absorb this creative badass genius.

The book is a timely reminder of how the boutique sector developed, its growth and innovation, along with its healthy disruptive influence on the legacy fitness sector. Emma points out how boutiques are taking advantage of the experience economy, the hyper-personalization and the social media that have all become part of our daily lives.

Sectors like retail, accommodation, food and drink have all established small, hip boutique offerings, and class-based studios have joined that value-added movement. Studios quickly discovered that people are prepared to pay a premium to have more choice, convenience and a compelling experience. Major cities like LA, NYC and London are all enjoying a 'fitainment' moment like never before, and all examples in this book are right up to date.

How refreshing to have snippets of the sector history from someone who was living it at the time. Emma knows many of the personalities who have created the original concepts and she has experienced what makes the 'yearn to return' work week after week. She has also been involved

in developing brands and concepts that have grown into some of the best international names.

Building a Badass Boutique distills all of this into a 10-touch journey, where Emma sums up each chapter with hot tips, case studies, from the experts, exercises, resources and the now famous badass bullets. To this, she also adds a very useful 'Boutique Barometer', which all current and new operators need to answer, honestly.

In amongst the OMFG, and at times what feels like hyper-ventilation, Emma takes a deep breath, slows down and reminds us that fitness is an investment - and that, in an aging society, the older we become the more we will want to invest in our health. The sector, after all, contributes to health and happiness in a 'world that has gone slightly mad', which sounds like an English understatement from this resident of California, home to so many of the boutique studio concepts.

Pointing out that 'good will scale, bad will fail', Emma's 10-touch journey comes from the heart, experience and in-depth knowledge. For those already operating boutique studios or fitness sites, *Building a Badass Boutique* is a must-read, with insights and insider knowledge jumping out from every page. For those planning or dreaming of opening a studio, it's the essential benchmark.

INTRODUCTION

There I was in NYC, plonked at the end of another concrete bench, staring at another nature wall in another coiffured locker room. I'd just experienced another average class with another wannabe Kayla. Unfaithful customers were jostling for showers and discussing tomorrow's opening at the new boxing boutique across the street. Mint-scented towels overflowed in the corner, hair dryers were a-hum and the vanity units served as a graveyard for Sephora product.

The socioeconomic set was clear: thin, white, well-heeled, Millennial females with discretionary income and/or daddy's credit card. The sense of entitlement was palpable. Health benefits aside, fitness was clearly perceived as just another way of breaking up all the hair and nail appointments.

And it struck me. We were trapped in this loop of instant gratification and manicured experiences; harder, better, faster, stronger. But we were hurtling towards a deadly corner, for beneath the thin veneer of magnificent packaging, style was most definitely outshining substance.

Any kind of financial downturn would reveal this business model as a non-survivor. Frequency would drop, purses would close and businesses would follow. As spectacularly as they came onto the scene in the mid 2000s, studios such as this would disappear, gently discarded alongside the pile of cashmere and entrepreneurial passion projects whose moment in the sun had come to an end.

THE OPPORTUNITY

We had already witnessed the rise and fall of retail stores making their pilgrimage from big department store to uber-cool fashion boutique and back to Neiman Marcus. The irony was that boutique fitness was now moving into the very basements and malls that retail and food had previously occupied, before the long product and delivery arm of Amazon, Uber Eats and all their lookalikes had usurped ‘location, location, location’ and replaced it with ‘convenience, convenience, convenience’.

WAS OUR FUTURE GOING TO BE SO DIFFERENT?

Let’s first take a step back and acknowledge that we are in the most exciting times the fitness industry has ever known. There has never been more variety of exercise to choose from, more money being invested, more technology enabling the experience.

Nor has there been more explosive growth in the boutique fitness market; it is a great time to be in this sector. However, like all high-growth opportunities, it comes with its caveats. Competition is fierce, customer expectations are ever-changing, and operators exist in the financial reality of a pay-as-you-go model. Whether you’re an existing operator in a studio, boutique, micro-club or big-box club, or a budding entrepreneur or investor, to capitalize on this exciting and lucrative sector, key steps for success must be in place.

Today’s experience economy demands you be best-in-class. As with all business models, there is an underlying fitness formula for success. The end game for boutiques is to cultivate what I coin the ‘yearn to return’ - a feeling so good you are physiologically drawn to come back.

GOOD WILL SCALE, BAD WILL FAIL

My own ‘aha’ moment centered on two simple but powerful insights. One, the whole fitness industry needed to get better at providing intoxicating experiences that more people could become positively addicted to; the secret to fitness is, after all, turning up in the first place. And two, we needed to make experiences stickier, so people wanted to consistently turn up. We needed to keep the people we had.

That’s when I realized I wanted to focus on this sector, so for the last decade I’ve devoted myself to watching and working with the best in the industry to pave an explosively bold trail to a world of sustainable fitness experiences. A place where we can all pursue a happy and healthy life.

Yet in that time, I’ve sadly seen it all. Most studios are ok. Some are good. A few are great. Yet I’ve also witnessed owners acting on the wrong insights, getting the business basics wrong, hiring on hype, blindly following what’s happening across the street and competing purely on price.

In the end, boutique fitness is like any business: the good ones will scale and the bad ones will fail.

In this book—created in response to challenges and scenarios I’ve witnessed across the sector and around the world - I will share with you a 10-touch journey to building a successful boutique studio.

Building a Badass Boutique is designed to light a fire under you and your business—something that’s entirely consistent with the Emma Barry Brand: ‘I Exist to Inspire Every Body to be Explosively Bold (special thanks to Why Guy—Gerry Visca).’

We have a lot to do. Are you ready?

CHAPTER ONE

Building a

BADASS
BOUTIQUE

YOUR 10-TOUCH JOURNEY TO DESIGNING A FITNESS STUDIO THAT ROCKS

.....

Building a Badass Boutique—your 10-touch journey to designing a fitness studio that rocks—takes operators through the key areas of Purpose, Pain, Positioning, People, Programming, Place, Processes, Plan, Pace, and Polish.

It unpacks each of these 10 touchpoints clearly and comprehensively, offering a series of new lenses through which to look and allowing you, the business owner, to establish authentic foundations that will set you up to scale.

It illustrates how to brand with more potency and a clearly articulated set of values and behaviors. It takes fundamental elements such as people practices, programming and the physical setting and makes them more compelling. It maps out more engaging staff and member journeys that instill a fierce people culture. It enables iterative innovation, so the business remains relevant.



The first three Ps—Purpose, Pain and Positioning—speak to the brand. They cover why the business exists, the solution it offers the community, how to play against competitors and how to differentiate to advantage.

People, Programming and Place address the core pillars of a bricks-and-mortar fitness business—the product. We’re talking the talent that makes it happen, the programming that delivers the result and the staging against which it is set. Each must be deeply considered and immaculately executed to be considered credible and powerful in a discerning and competitive marketplace.

The last 3 Ps—Processes, Plan and Pace—address the systems required to deliver the experience consistently and comprehensively. Aided by technology, the experience must be seamless. Without nailing this down 100 per cent, your business won't be optimized and successful scaling won't be possible.

Polish is the final check in the journey that ensures all Ps are in tune.

At the end of each chapter, you may also find:

- ▶  **Hot Tips**
.....
Tips and tricks from industry greats.
- ▶  **Case Studies**
.....
Lessons from successful boutique brands.
- ▶  **From the Experts**
.....
Short interviews offering expert advice.
- ▶  **Exercises**
.....
These will help you directly apply learning.
- ▶  **Badass Bullets**
.....
Chapter take-outs.
- ▶  **Resources**
.....
Suggested fitspo from contributors.

The end result is the Building a Badass Boutique Blueprint: your comprehensive plan, and the tools to put it into action in a way that best sets you up for success.

GET LIT

Building a passion business should be fun and fulfilling. This book has been created for you to reach in and take what you need. Whether you're an existing studio, boutique or big-box owner or operator, an investor or a budding entrepreneur wanting to take the brave step into the fantasyland of fitness, this book is for you, with good doses of education and formula to apply.

As you shift through the process and develop your story, just remember there are always two sides. You must use your head and you must engage your heart. Collectively, you must deliver to the needs of both function and feeling.

- ▶ **Head**—Does the concept you are developing function optimally? Is it slick, intuitive and seamless? Apply the litmus test: does it stack up to Amazon Prime's one-click process to have anything you want on your doorstep tomorrow?
- ▶ **Heart**—And how does it feel? At every staff- or customer-facing touchpoint, ask yourself if you have created the appropriate emotional charge. Are your administration processes easy and logical? Are more human moments loaded with the right passion, entertainment factor and camaraderie?

LIVE YOUR DREAM

You operate in the most exciting industry in the world. You get to contribute health and happiness in a world that has gone slightly mad—one where people are fatter than ever, more stressed-out than ever, where many sit down and

forget to stand up. It's appalling, but thankfully we have you to help reverse these tendencies.

The world belongs to action-takers—those with a dream who unapologetically go about making it happen. This book is just a conversation unless you take the concepts and do something with them. Don't sit back and watch someone else execute your dream. Get your community off the couch. Raise their hands in the air to hold each other up. Demand friendship and accountability. Offer love and acceptance. Be the change. We need you now more than ever.

CHAPTER TWO

A Toe in the

BOUTIQUE
WATER

WHAT ARE BOUTIQUES AND WHY DO THEY MATTER?

.....

A strict definition by service, size or system is challenging, as business and pricing models continue to proliferate in the boutique fitness industry. However, a good rule-of-thumb definition is:

Boutique fitness delivers a specialized offering to a like-minded community within an intimate, high-touch experience and with a pay-as-you-go model. These smaller, curated experiences are enticing more people to move as they enjoy the luxury touches and hyper-personalization demanded by the Millennial mindset today.

Boutique fitness is, for many, the self-helpery of today: like-minded packs seeking daily affirmation from modern-day preachers, moving meditations, word-wall rhetoric and personal change stories that propel you along the road of progress. Turning up will change you, if you let it.

A typical boutique only needs 200-300 active members to thrive. A big-box club, by comparison, needs thousands. This immediately illuminates the different selling and revenue propositions of each. The larger boxes must offer more variety and services. A boutique, with less resource, has the remit to hyper-focus and narrowly control the customer journey.

Indeed, successful boutique owners insist running a boutique requires guarding specialization with your life.

THE RISE OF BOUTIQUE FITNESS

Most boutiques are born from a gap in the market and a fire in the soul.

Founder stories are brimming with ‘aha’ moments like Julie Rice, co-founder of SoulCycle, being unable to find a class that socially excited her; Ellen Latham, co-founder of Orangetheory Fitness, seeking a fat-burning solution for her Pilates clients; and F45 taking the tenets of CrossFit and adding technology to provide a turnkey solution.

Entrepreneurial curiosity is often piqued when they see something missing in the market: a service level gap or a combination that previously did not exist. Whatever the ignition point, these individuals are able to identify, understand and tap a desire, creating a tangible experience that delivers to the needs of someone just like them.

And the birth of the boutique fitness sector as a whole? Let’s step-touch back in time...

- ▶ Jazzercise in the 80s delivered a single class in a pay-per-class model.
- ▶ Spinning in the 90s had us wheeling our bikes into the center of the aerobics studio, until popularity demanded mass conversions of squash and racquet courts, forming some of the highest revenue-generating fitness real estate of today.
- ▶ Over 10,000 Curves franchises existed in 2006, proving just how many women of all shapes and sizes were inspired to circuit train when locations were convenient and big-box intimidation was removed.

- ▶ King of category is Barry's Bootcamp. In 1998, Barry Jay opened his doors for HIIT training in a group setting—one part strength, one part cardio. Famed for his hard-core bootcamp antics, his spirit has carried through two decades and is now enshrined in the famous Red Room of pain, popularized by celebrities addicted to the no-holds-barred HIIT workout.
- ▶ CrossFit taught us the power of community. I don't know about you, but my I can't shut my CrossFit friends up: WODs (workouts of the day), Paleo eating regimes, the life-threatening need to locate the nearest 'box' when they travel... and the camaraderie 'til death they do part.
- ▶ Queen of category SoulCycle, while not first, was certainly the most quotable moment in the history of boutique fitness when, in 2006, it squarely placed a new value on group fitness. One ride in its Upper West Side studio in Manhattan would cost you roughly the same as two cocktails; if you've ever been out drinking in NYC, you know what that means. How did it justify this? By transforming exercise into an experience. Today its per-class price in NYC is US\$36—or you can upgrade to US\$3,500 for 50 rides and VIP extras with SuperSoul.

It's important not to gloss over the fresh perspective and levers the SoulCycle founders pulled in maneuvering this hefty fiscal adjustment. As co-founder Julie Rice reminisces in a podcast with Tim Ferriss, in the beginning, as they grew in popularity, they started packing in more

and more bikes until everyone was shoulder-to-shoulder—an intimate set-up that channeled the communal high.

SoulCycle broke the rule book in the following ways:

- ▶ Placing on the class a pay-as-you-go, pay-per-ride price tag.
- ▶ Reversing the instructor hiring model by selecting talent with charisma and the ability to inspire—cue actors, models and stand-up comics being brought on-board and taught how to ride a bike, rather than starting with certified cyclists and teaching them how to be cool.
- ▶ Creating evangelists, not customers.
- ▶ Up-leveling the production values of sound, staging and performance.
- ▶ Adopting a cycling cadence faster than the industry was comfortable with at the time, but that put you in the vibe of a dance party.
- ▶ Dancing on the bike with its infamous tap-backs, tri-dips and sways—much to the disgust of outdoor cycling purists.
- ▶ Adding small hand-weights for upper body conditioning—surely something so small couldn't bring the burn?!
- ▶ Developing a coaching language to connect with your inner magnificence.
- ▶ Focusing on shifting your soul rather than smoking calories or generating power output.
- ▶ Curating playlists to lead you to that special place.

- ▶ Switching off the lights and lighting the candles to make your experience spiritual as well as physical.

GLOBAL GROWTH

Fast-forward to today and this formula has seen SoulCycle grow to 90+ studios across the US, as well as entering the UK market in 2019 and launching a digital platform.

Meanwhile Orangetheory Fitness, F45, the franchising house of Xponential—comprising Club Pilates, CycleBar, StretchLab, Row House, AKT, YogaSix, Pure Barre and Stride—and a line-up of barre brands are the franchising fiefdoms currently ruling the global field. In their wake, many other brands are beginning to cross international borders too. Cue: Equinox and 1Rebel announcing their respective expansion into the Middle East bolstered by local partners.

Career succession planning is also fueling franchising, extending careers for aging sports stars from fighters to football players. What better than Gloveworx, 12x3 and Manor putting former pro fighters to work, and F45 finding a home for former athletes to continue to share their sporting prowess?

All this is set against a backdrop in which the fitness trends are clear. Martial arts and boxing are enjoying a renaissance, riding the coat-tails of a growing love for televised UFC, boxing comeback movies and the rise of female stars like Ronda Rousey, who not only put fighting back on the map but who brought with them a perfectly timed ‘one, two’ of female empowerment. Cue a multitude of boutique boxing brands hitting the market, including

the likes of KOBOX, Rumble, Prevail, Shadowbox, Box Union, ILoveKickboxing, Flykick and 9Round—plus of course those named above.

And this is just one of a number of skill-based disciplines—alongside the likes of ballet and other dance styles—where more traditional fitness studios, set up to develop those skills, have traversed into the boutique category, adding the pay-as-you-go model to their memberships, incorporating more high-touch service elements and elevating the studio aesthetic.

Other trending fitness formats today include treadmill and barre workouts, alongside the groundswell of existing traditions: cycling, yoga and Pilates.

Yet as Stephen Tharrett of ClubIntel explains: *“Global trends are a misnomer, with more local influences driving different regions: Europe is more invested in technology, Brazil has lived with fitness aggregators for a long time, Australia has more prowess in HIIT programming.”*

For those looking to cross international boundaries, this insight is important. Adriana Tantau (aka Fudge), turnaround consultant to the boutique sector, explains: *“Market research is paramount to understand your potential member base. For example, a particular franchise in Australia may have a membership base that’s 60-70 per cent female, but in India that same franchise might initially attract 70-80 per cent males. This changes the launch strategy significantly.”*

BEYOND THE BOUNDARIES

And even within each market, the boutique business model is on the move, heading beyond the big cities and into the communities, congregating in malls and grocery stores, and meeting up in the digital marketplace of aggregators (like ClassPass) and digital platforms (like NEOU).

Boutiques are also part of newly formed micro-clubs (several unique boutique experiences under one roof) and are entering traditional clubs too, which are responding to intense competition to delight members with club-in-a-club, boutique-style spaces.

Meanwhile, the marketing of the whole boutique category is being accelerated by aggregators—the so-called *‘clubs in the sky’*. Whether B2C like Hussle (formerly PayAsUGym), B2B like GymPass, or ClassPass which offers both, these aggregators are fueling growth, offering discounted memberships by promoting studio classes to their networks at a negotiated rate or credit system for agreed class slots.

ClassPass, the self-proclaimed *‘place you go to book time in your life’*, facilitates in excess of one million reservations every month. Its dynamic pricing model, expressed in a credits currency, also enables a spread of services like massage, facials and cryotherapy.

Having just entered its 27th country, Brazil, ClassPass is of course privy to a wealth of data. In addition to the AfterClass reports it shares with its studio partners, it has also started publishing industry reports to share data and insights more broadly. The *ClassPass Fitness Trends 2019*—based on 100 million reservations across 30,000 boutique

fitness studios—concluded that strength training is the most popular exercise genre, Tuesday the most popular workout day, boxing and rowing the leading bring-a-friend workouts, Megaformers are on the rise in the US, and meditation, massage, sauna, cryotherapy and facials are growing month-on-month.

CASH IN ON BOUTIQUE HYSTERIA

So how does all this activity and interest translate into numbers? A few key stats for you...

- ▶ Fitness continues to grow, as confirmed by the Les Mills Global Consumer Fitness Survey (2019), which puts participation at 32 per cent of the global population—up from 24 per cent in the 2014 Nielson study.
- ▶ “Four [boutique] studio brands are now in the top 15 fitness brands based on units, when in 2009 there were none”—Piper Jaffray (2018)
- ▶ The top 10 listing of global fitness trends for 2020, released by ACSM (American College of Sports Medicine), features wearable tech, HIIT, group training and training with free weights as the top four trends. We need only look at boutique brands like F45 and Orangetheory Fitness, which lean heavily into these trends, to begin to understand their success—as well as the part they have to play in socializing these trends.

- ▶ F45 works on an 80- to 150-member model; this is when it goes cashflow positive, with payback time generally dependent on the cost of real estate. At around US\$175 in revenue per member per month, most facilities take 18-24 months to pay back debt against an approximate US\$300k outlay. Orangetheory Fitness, with its more expensive equipment and technology package, is more like four years against a capital outlay of US\$600-750k.
- ▶ Done well, boutique fitness can return twice the revenue of a mid-market fitness club. The formula: a smaller real estate footprint; a higher price per experience; and ancillary income from hiring or buying necessary items—wraps and gloves for boxing, socks and cycling shoes, water and post-class shakes—as well as training sessions, challenges, retreats and apparel. In *The Fitness Business Podcast* (episode 189), Joey Gonzalez, CEO of Barry’s Bootcamp, explains that 15 per cent of its revenue comes from ancillary sales—Fuel Bar and apparel—while CJ Martin, from his standalone CrossFit box Invictus Fitness, hits US\$750k in annual revenue from Invictus’ physical and online stores combined (source: *The Fitness Business Podcast*, episode 251).
- ▶ However, while there were estimated to be 100,000 fitness studios in America at the time of publishing this book (Association of Fitness Studios 2018)—and while ongoing debate around the definition of a boutique will inevitably impact this figure—Club

Industry (May, 2019) confirms that only “40 per cent of boutique studios are profitable.”

- ▶ 2018 research by Piper Jaffray confirms the number one reason for boutique member attrition is price, while length of stay is approximately half that of a traditional club.
- ▶ Pricing and business models are proliferating. The average price of a boutique fitness class varies by area and is more expensive in first-tier cities. In London, 75 per cent of boutiques offer a monthly membership with an average price of US\$182; 10-class packs range from US\$235-325.
- ▶ Piper Jaffray reports 49 per cent of boutique members are first-time fitness members.
- ▶ As reported in the Les Mills Consumer Fitness Survey 2019, 68 per cent of Millennials and Gen Z (otherwise known as Generation Active) exercise regularly; they represent 80 per cent of those paying for gym-type experiences today. This is the primary group driving boutique fitness today.

CHAPTER THREE

The Boutique

EXPERIENCE

RETAIL FITNESS

Retail is the model on which boutique fitness is fashioned. The big old department stores crammed with racks took a ‘quantity over quality’ approach.

These then gave way to more upmarket, standalone stores which celebrated brands by staging the product in more meaningful and potent ways. Shopping became a delight—Apple Store, Niketown and Supreme as exemplars.

Then the big retail stores came back, but this time incorporating many of the experiential touches: specialized staff offering expert advice, DJs and product demonstrations, influencer activations, celebrity involvement. We have Neiman Marcus, Nordstrom and Bloomingdales serving the upper set, Macy’s in the middle, Target and JC Penney the lower.

Such models from adjacent industries are showing us the way, but there are also bigger forces at play...

THE MACRO-TRENDS FUELING BOUTIQUE FITNESS

Chasing Experiences

Pine and Gilmore’s *The Experience Economy* clearly lays out our evolution over the past 100 years from a commodities economy, to a goods economy, to a service economy, to now an experience economy, laying out compelling ways to curate this experience.

They urge us to design memorable experiences, theme the experiences, engage all senses and harmonize impressions with positive cues: *“An experience occurs when a company intentionally uses services as the stage, and goods*

as props, to engage individual customers in a way that creates a memorable event.”

Marking this new era, *New York Magazine* dubbed SoulCycle *“an experience: part dance party, part therapy, part communal high”*.

Hyper-personalization

Our social feeds, Netflix suggestions, beauty routines and digital meditations are becoming predictive. Pretty soon, as part of industrial customization and 3D imaging, my shoe size will be called *“Emma”*, will reflect any discrepancies I may have in leg length and foot-strike pattern, and will be specifically designed for my fitness use.

Fitness is no different. We can select our favorite celebrity trainer, choice of workout, duration and intensity to consume fitness exactly how we like it.

Pine and Gilmore go on to bluntly point out that *“fundamentally, customers do not want choice; they just want exactly what they want”*.

And we’ll know if we’ve got it right: customers tell us directly by voting with their feet and their wallet.

Community

Human beings are social. We crave connection. As we go through a digital revolution, we still seek others like us—those who are living like us and wanting to engage in experiences like us. Sweating accelerates friendships: as you break through barriers of unfamiliarity, intensity and effort, and blow through the frustrations of the day, you do it together. Many a friendship (and marriage) was forged

in the fires of fitness and the naked truth remains in post-class, locker-room euphoria.

The enablement of technology

Software is disrupting every industry. Devices have been listening, watching and learning for a while now, and this data is directing what happens next. The future is predictive.

In boutique fitness, it is specifically enhancing the experience in four main ways:

1. Social media dominating sales and marketing promotion.
2. Frictionless booking and payment gateways.
3. Biometrics like heart rate, gamification and leaderboards. Uber-production values taking sound, light, temperature and even scent to new levels. VR advancement such as that seen at leading boutique Black Box, the virtual reality gym now open in San Francisco and Boise, *where 'Ready Player One' meets resistance*.
4. Putting workouts in your pocket. No bricks. No mortar. Just content and a connection will have your favorite movement experiences with you at home, at work or on vacation. Many boutiques are now investing in a digital expression of their brand.

If tech freaks you out, it's important to remember that software is just a service, and technology advancement the way to exponential growth.

Here are two great books to demystify digital disruption: *Make Disruption Work: A CEO Handbook for Digital*

Transformation, by Alexandra Jankovich and Tom Voskes, which unpacks insights with kids' storybook simplicity; and *The Third Wave: An Entrepreneur's Vision of the Future* by Steve Case, the co-founder of AOL—part memoir, part manifesto, part playbook—which offers advice on how we can rethink our relationship with customers, competitors and the marketplace of the future.

High-touch service

Peppermint-scented towels, bottled water, concierge service, equipment set-up, juices and shakes and recovery add-ons... No longer reserved exclusively for the spa service at a high-end hotel, these are now mainstream in boutiques, peppering our experience for the ultimate delight.

Pay-per-class experience

Today, we expect to lead lives untethered from commitment. We can change our entertainment packages, telecommunication services, workplace locations and digital friendships at will. We expect the same from fitness, and the pay-as-you-go pricing model (PAYG) delivers this, allowing the member to enjoy an open relationship with fitness away from the norm of minimum contracts. Exercise experiences, including gym work or classes, can be purchased on a per-use basis. Alternatively, exercisers can turn to the aggregators, who charge a monthly fee in exchange for access to numerous facilities and clubs.

Stretching into a lifestyle brand

Because of the luxury positioning and extreme focus possible in a smaller offering, boutiques have successfully

partnered with complementary luxe brands to offer their customers more, from apparel and nutrition to ecotourism and other add-on services.

As reported by *ForbesLife*, SoulCycle is now providing sanctuary experiences in partnership with luxury tour operator Black Tomato—specially curated experiences centered around community bonding, movement and nourishment of the soul. Similarly, BLOK London will start by taking its fraternity for six days in rural France.

Fitness snacking is rampant

The *2019 IHRSA Health Club Consumer Report* shows 42 per cent of traditional club-goers also attend at least one boutique studio, while 65 per cent of boutique goers attend two or more boutiques and 22 per cent attend at least three.

Meanwhile, Piper Jaffray states the third biggest reason for boutique attrition—after cost and lack of convenience—is the desire for another type of exercise. Brands are beginning to collaborate to address this in a variety of different models, while ClassPass—observing that 90 per cent of its members are trying a new genre of exercise—is evolving its business model towards variety-seekers rather than bargain-hunters.

Word-walls, mantras and ‘The Gram’

Everyone has a platform, which means we are all billboards for the brands we love. Attitudinal tees, daily mantras, hashtags and Memojis define our digital imprint on the world. Instructors are the new influencers, taking their raving fans with them across an array of health and wellness offerings.

Little surprise, then, that often the first design feature to make the boutique drawing board is the spot in the studio that will inspire millions of impressions over time: the neon sign and the flawless lighting that makes you look 28 in your selfies, even if you are not.

DIAL UP THE EMOTION

Set against all of this, an overarching observation: Emotion moves us. People remember how you make them feel.

‘Did you just shimmy?’ my hairstylist enquired, elbow deep into a scalp massage. OMG—I did. Unaware. Uninhibited. Free to be. There I was getting my hair done at Drybar, the SoulCycle of blowouts, where you are served refreshments—‘champagne please’. They play girly movies; cue Zack Efron. And they pump out girly tunes; in this moment, Enrique Iglesias was climbing into the chorus and I was right beside him. That shimmy was proof of a whole lot going right with a brand—spontaneous, unadulterated, chick delight. All-in-ness.

Without a doubt, boutique fitness has similarly dialed up the levels of emotion and personalized service in a fitness experience—and attendees have duly put down their credit cards, proving they will pay if you light the way.

- ▶ Daybreaker took the concept of dance parties, hosted them in the early morning before work, traded yoga for pre-parties, alcohol for juice and talked the DJs into the sunrise set.
- ▶ The Red Room at Barry’s is the perfect backdrop to house your pain as you run alongside hard-bodied local celebrities.

- ▶ Candlelit-inspired reflection time at SoulCycle takes you deep within.
- ▶ The sound bowl acoustics at Unplug wash away the troubles of your day.
- ▶ Row (water rowers) and glow (that orange hue when you hit tempo) at LIT (Low Impact Training) in Los Angeles sets the room on fire and ignites the collective cardio vibe.
- ▶ Fresh from foam-rolling, the smell of testosterone draws you in to line up alongside topless black-American ex-footballers for the “hardest warm-up in NYC” at ToneHouse.

CREATE THE YEARN TO RETURN

Good is not good enough in boutique fitness. You have to be effing awesome. You have to create FOMO (Fear Of Missing Out). This is an especially tall order given we need to convince people to do something a little bit hard: exercise.

We’re surrounded by examples from the broader tapestry of our life. Places that draw us back.

Peggy Porschen Cakes in London, with its wisteria billowing over the balcony, beckons us into a dreamlike world where cake becomes a living art. Or hopping off the ferry at Catalina Island—a yesteryear playground for Marilyn Monroe and the Hollywood set—and checking in to The Pavilion, famed not for its three-star accommodation but for its 4.00pm wine and cheese evenings in the garden area, overlooking Avalon Harbor to watch the sun go down as the evening’s plans take shape.

Then there's Restoration Hardware in West Hollywood, which graciously rolls aside its doors to reveal three levels of classic opulence and breezy space as you meander through the immaculate bedroom and living ensemble. The middle floor is devoted to creative royalty, where you perch nonchalantly on stools alongside architects and interior designers who draft your dreams into reality. The roof offers an outdoor space where you can sit and chill, looking out over the Hollywood Hills and enjoying a gentle LA breeze, if you're lucky. The feeling as you sit there is undeniable. You're in heaven. You just inherited your long-lost uncle's mansion in Aix en Provence. Champagne?

Now here's the point. Not only do each of these goods and services deliver to the functional needs you seek, but they over-deliver to your emotional needs as well. They offer you a glimpse of a more magnificent you. A more powerful you. A more stylish you. The best of you.

That is the power of brand.

In simple terms, a successful boutique gets you hooked on a feeling. This feeling can come in many forms, but it must check a big box that you hold close to your heart. Motivation is an inside job, so it needs to be intrinsically sparked. You need to want to be there.

It might be about enveloping camaraderie: how in love with the world you feel afterwards, or the vibe of the class.

It might be about a unique physical feeling:

- ▶ The tightening and toning makeover of a La-gree workout...
- ▶ Flossing your mind at ReCOVER NYC...
- ▶ Improving your PR at Equinox's Precision Run...

- ▶ Feeling 6'2" at StretchLab...
- ▶ Switching stations, exercises, DJ tracks with the floor coaches at Switch NYC...

When you're creating your boutique studio, identify what feeling you want members to crave as a result of spending time in your experience, then base all your touchpoints around delivering that.

Of course, we are human. We get bored—and we have options. Just as we don't eat at the same restaurant all the time, so we seek variety in our boutique workouts. Yet eventually, we become fatigued running around town wondering if there's a car park and a shower waiting for us and we settle into our two or three sure things.

If you focus single-mindedly on what it is you want your members to crave—and if you make that feeling so poignant, so powerful, so provocative that people will be drawn back to experience it—you can become one of their sure things.

IMMERSE IN THE PRESENCE OF GREATNESS

“We didn't reinvent the circus. We repackaged it in a much more modern way”

—**GUY LALIBERTÉ**, Cirque Du Soleil

Remember your first Cirque du Soleil show? I mean, where had you been? Elegance and exquisite mastery redefined. The gravity-defying human feats, the grandeur of each set. Whimsical. Infinite. Your forgotten emotions now awoken. Dreaming like a child again. And you never once left the dream. Captivated by every performer. Never dropping their mask. Not once.

From an experiential point of view, nothing was the same for me after witnessing that first performance. Excellence had new meaning. Possibility had new wings. Something bellowed deep in my soul: “We are capable of so much more. How can we do this in fitness?”

Speaking of awesome and coming back to fitness, 1Rebel Victoria is a pretty hard act to follow: 86 bikes, three levels, a multi-media extravaganza and hydraulic stage to perform to every level. So much for the ‘small and intimate promise’ of a boutique experience. Things just got interesting.

The fitness industry is, however, a limited source of inspiration. Being a relatively young and hobbyist sector—and while ‘Physical Activity’ is a substantial contributor to the US\$4.5trn wellness ecosystem reported by the Global Wellness Institute (2019)—decades of experience do not trump the data and billions being spent in adjacent industries.

Uber has reset our service expectations. Airbnb has reset how we curate travel experiences. Netflix has piqued our desire for preferences to be seamlessly served to us. The future is predictive. Geography is borderless. We can Google anything. We can reach anybody. We hold the power of choice. We seek ease, but we still need a shot of adrenaline. We want to feel alive, but the playing field is changing and it takes a lot to impress us: we may get just two hours’ entertainment at a movie that took US\$150m and a slew of stars to make.

Great entrepreneurs see problems and solutions. Innovation often exists at the intersection of two concepts not previously combined. Burning Man has long been held as a creative furnace for bleeding-edge CEOs

chasing inspiration; the drug-induced week in the desert has inspired many scorching start-ups, pivot points and brand extensions.

Sometimes greatness is a place. Sometimes greatness is a people. Sometimes greatness is just sitting in the pure gratitude of the moments that make up your life.

- ▶ The cry of a first born...
- ▶ The winning goal...
- ▶ That moment you realize you're falling in love...
- ▶ Coming up for air in the moshpit at Coachella with Kendrick Lamar rocking the crowd...

My last OMFG, welling-up, pinch-me-is-this-real kinda moment was sitting on the balcony at Sunset Ashram Ibiza surrounded by family and friends who had traveled halfway around the world to celebrate my birthday. Several cocktails in and devouring the most extraordinary dessert buffet—when I could get a fork past my Italian brother-in-law—with the DJ pumping that perfect spiritual electronic dance music mix, watching the blood-red-orange sun plunge into the Balearic Sea. The perfect day. Periodt, as my 15-year-old daughter would say. Look it up. It's a thing. Boom. Time stopped. The richness of life poured in. Amen.

So, what do all of these life experiences have to do with boutique fitness? Well, everything.



RESOURCES

The Experience Economy—Joseph Pine & James Gilmore

Make Disruption Work: A CEO Handbook for Digital Transformation—Alexandra Jankovich & Tom Voskes

The Third Wave: An Entrepreneur's Vision of the Future—Steve Case

CHAPTER FOUR

Take Your

**10-TOUCH
JOURNEY**

TOUCH BY TOUCH

Let's break down each Touch. Here they are at a glance, along with some questions to establish where you are at now.

BRAND

- ▶ **Touch 1–Purpose**
- ▶ **Touch 2–Pain**
- ▶ **Touch 3–Positioning**

The first three Ps establish your branding. Why you exist? How you position for the market and against competitors? And what solution you are bringing to your community?

PRODUCT

- ▶ **Touch 4–People**
- ▶ **Touch 5–Programming**
- ▶ **Touch 6–Place**

This set of Ps speak to your tangible product. The parts of your business your customers see and value. Your exercise formats, your talent, your facility.

SYSTEMS

- ▶ **Touch 7—Processes**
- ▶ **Touch 8—Plan**
- ▶ **Touch 9—Pace**

The final three Ps address your systems—the processes you need in place to make your business hum.

AND FINALLY...

Touch 10—Polish

Everything comes together in a symphony at the end as you assemble your Badass Boutique Blueprint.

EXERCISE

Boutique Barometer

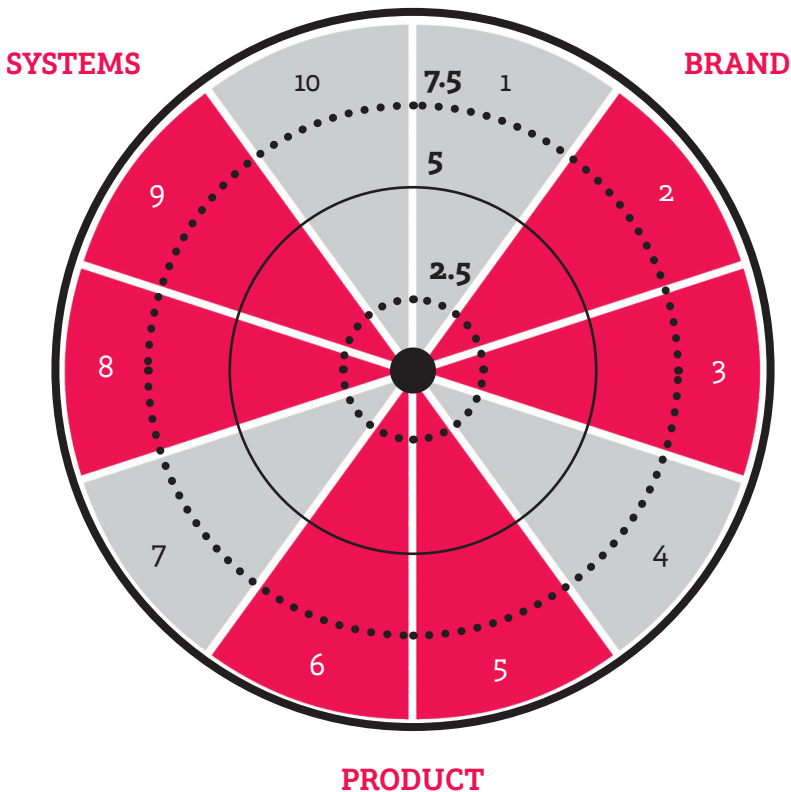
Honestly answer the 10 questions below to establish a temperature check on your boutique business. Give yourself a score out of 10 for each question and plot it on the Boutique Barometer Wheel. This will give you a visual guide for where you need work. We'll then go into each topic in more detail in the chapters that follow.

- 1. How deeply embedded is your ‘why’?** *First of all, do you know your why? Really? Does it sit beneath every key decision? Has it been socialized within your team and do they live and breathe it like you do?*

2. **How elegant and comprehensive is your solution for members?** *Are you crystal clear on the pain you solve for members? Do you have a full and satisfying solution for that?*
3. **How powerful is your brand?** *Does the local community know who you are and what you do? Do you have a strong identity? And a good reputation? Does the press call you for insightful quotes and represent you with generous write-ups?*
4. **How much do your staff and members adore you?** *Do you have an energetic, loyal tribe of people who uphold the company values and do their best when you aren't in the room?*
5. **How impressive is your programming?** *Is your programming philosophy sound, sitting on science, refreshed regularly, thrilling to do and delivering the results your members crave?*
6. **How inspiring is your studio?** *Does it provide the backdrop for physical, mental and emotional transformation? Are you inspiring the best work from staff and members?*
7. **How slick, intuitive and seamless are your processes?** *From booking and paying to cleaning and maintenance, training and communication to sales and promotion, do your processes make things simple?*
8. **How robust is your plan?** *Do you have all business aspects covered? Do you have some contingency? Are you set up to be agile?*

9. **How well-paced are you?** *Tempo is critical in an organization. You want to maintain an energetic momentum that keeps people excited, but without burning them out. You want to innovate and remain fresh but still execute with excellence. It's all about balance.*
10. **How well does your overall blueprint deliver your dream?** *Are all the pieces in place? Is your plan balanced? Sustainable? Inspiring?*

Boutique Barometer Wheel



CHAPTER FIVE

PRINCIPLES

GET SET FOR SUCCESS

Before we launch into the 10 Ps, let's check we have our mindset set for success. There are four principles that are helpful to apply...

#1—EXPLODE YOUR MINDSET

You cannot fathom what the mind has not yet imagined. Travel, in my opinion, is the greatest university. Being in the presence of different environments, cultures, diets, belief systems and climates is the fastest way to take on a radically different perspective.

Travel outside your industry and bring back ways to enhance your hopes and dreams. Look to hospitality for customer service inspiration, interior design for studio layout, top sporting coaches for winning language. Feed yourself with a stream of information-rich inputs. Go deep. Take courses. Study philosophy. Partner with people who are annoyingly different from you, and stick with it: they have something to teach you. Go on creative dates: I recently visited the very first Amazon bookstore in Seattle and got lost in a world of words—an afternoon's reading well outside my interests, supported by learning from in-store specialists.

From here, you can start to galvanize potential new ideas and sources of delight.

#2—SLOW DOWN

When Howard Schultz re-inserted himself into the Starbucks brand after a hiatus in leadership, he did a handful of very significant things. He admitted mistakes. He reinstated two-week staff training, taking employees deep into soft-skills development. He took staff back to human values, supporting them to put in 50,000 hours rebuilding New Orleans after Hurricane Katrina. He slowed right down. He listened. He watched customers in numerous stores. And then he turned the brand around in ways that were meaningful to its people.

It's called ethnography and it's a science of observing people. People-watching reveals people's responses to certain situations. When we slow down, a world of clarity comes to us. We are mindful. We can snapshot thought. Bottle them up, for later. Notice how much you see of a new city when you travel by car, by bus or by bike; the way to truly see a city is to walk it.

Start by sitting in a corner and stopping to watch the world go by. This is one of the first things I do when I work with a new client. Getting inches of data is one thing, but actually watching the business in slow-mo is another lens entirely. What happens in what order? The flow of the people. The emotional charge attached to each part. I particularly look for confusion, meh, delight. Lapses in delight. The sticking points. The social points. The problems. The glitches. The conversations.

Want to know how good a class is? Take part. I was recently in a cycle boutique in Vancouver. Business was pumping and the vibe was great. As usual, being a first timer at this studio, anxiety was higher than usual. I was

on the waitlist, but friends who were regulars had assured me I'd get a bike. I was number three. I watched all the other waitlisted people arrive and witnessed exactly the same behavior. We all:

- ▶ Approached the front desk...
- ▶ Were not helped...
- ▶ Eventually found the manual waitlist sheet...
- ▶ Added our name...
- ▶ Looked around for where to wait to dodge the flurry of regulars clawing and cleating their way to the lockers, all water bottles and hairbands...
- ▶ Were visibly anxious with three minutes to go, as the instructor was barking the countdown from the studio...
- ▶ As the collective cadence started to rise in the room...
- ▶ The lights were dimmed...
- ▶ At which point we were allocated our bike—or not...
- ▶ And then directed to the back corner, in the dark, with everyone at full pace now, to find our bike with the illegible number...
- ▶ And on finally reaching the right place and cleating in, which took several attempts...
- ▶ Reminded to collect hand weights from the front of the room.

I mean, really....

Two simple adjustments would have made a big difference to that journey:

1. Having a separate waitlist line, and publishing the process.
2. Adjusting the readiness routine to factor in no-shows and waitlist replacements before dimming the lights and lifting the pace.

#3—SPEED UP

Take a leaf from Stanford d. School (design thinking) and learn to *“fail fast”*.

Sharpen your services in the market. We’re living in data-led, customer-led times. You have to be able to pivot in real time. The market votes with its feet and its wallet. Set yourself up to change elements from one day to the next, one class to the next, based on the feedback you’re given.

- ▶ **A/B test all the time**
- ▶ **Pilot all the time**
- ▶ **Ask for feedback all the time**

#4—BE SINGLE MINDED

If I were to choose one word to encapsulate what makes boutique fitness so powerful, it is focus—having a single, pure idea that provides the filter for all touchpoints.

Take a Porsche 911 as an example. It is a status symbol. A connoisseur’s dream. By definition, it is the epitome of fine driving. And this complete product is made possible by no fewer than 2,000 suppliers, each playing their part in the delivery of this experience.

It is with this elegance that you must deliver your concept, seamlessly bringing together all the moving parts under your hood.

- ▶ **Be single-minded in your branding.**
- ▶ **Be single-minded in what your programming offers.**
- ▶ **Be single-minded in how your talent delivers the product.**

The art is working through the complexity to get to the single, unifying thread that makes perfect sense to the customer. No ifs or buts—just clean, undiluted delivery.