

BUSINESS OF BRANDS

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# HEALTH CLUBS CHECK IN AT MALLS SHOW OF STRENGTH

## FUTURE GROUP, TALWALKARS JOIN THE RUSH AS BRANDED GYMS CATCH UP

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**F**INDICATIONS are anything to go by, the gym business in the country seems to be fighting fit and in good shape. With a growing number of health conscious individuals eager to look good and keep in shape, the business is seeing the entry of an increasing number of branded players. Of late, advent of large MNC players in this segment is also keeping the existing players on their toes.

The Future group and one of the country's oldest gym players the Talwalkars, have chalked out plans to set up gyms in each of the new malls owned by the Future group.

Gold's Gym, a California-based chain seems to have literally struck gold. With 35 centres which will go up to 50 by December end, Gold's it is trotting up growth even in the smaller towns and cities.

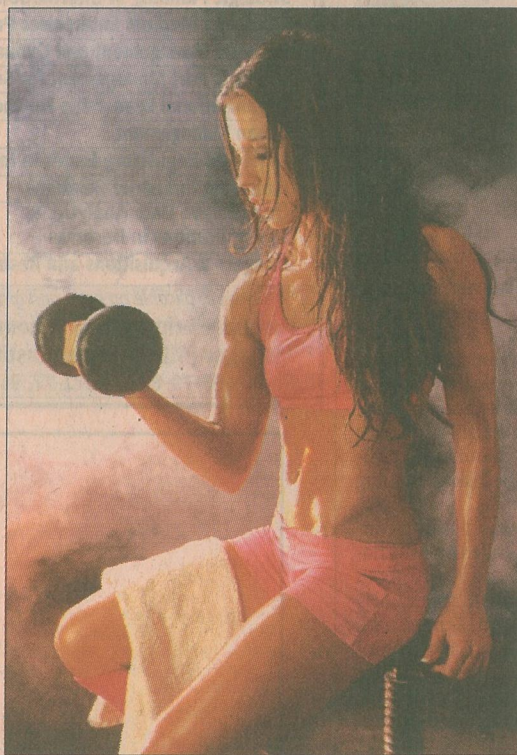
The branded gym chains have emerged as a Rs 3,000 crore business with growth rates anywhere between 20-30%.

"Gym chains have emerged as a specialised business. Branded players are now dominating the market. Since overhead costs are substantial, this business has room only for those players with the funds to sustain it," Vibha Nanabhai, head (corporate sales & marketing) at Talwalkars told ET.

A key growth driver are corporates including the likes of Cadburys', i-flex and PwC, which reimburse employee spend on health & fitness, as part of their HR policy.

Intrestingly, apart from large cities like Mumabi, Delhi, Chennai, Bangalore and Kolkata, it is the smaller towns where branded players seem to be making the fastest inroads. Places like Guntur and Siliguri may seem way off the map but it is here that memberships get exhausted sometimes in three days flat.

"It started out as a lifestyle statement but has now become a necessity. We have seen almost 100% growth year on year. Moreover, smaller towns like Nashik and Kohlapur



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have generated phenomenal business. It took us completely by surprise," Althea Shah, general manager (operations) at Golds Gym said. FitnessFirst, True Fitness and Pune-based World Gym are the other foreign gym chains.

As Dr Nanabhai points out: "In smaller towns it is more of a lifestyle statement for people yearning to climb up the social ladder, be seen and heard. Looking good is a big part of it. In smaller towns, people are more consistent and regular in their fitness approach."

In cities, however, customers can sometimes be irregular in their fitness habits. They also frequently change gyms to try out and experience the different brands. In cities a gym experience is more of a 'social' thing for a group of friends. Hence they often join or leave a gym together.

With a year-on-year growth estimated at a healthy 30%, a number of corporates are also getting into the business. Kaya Life, a Marico Industries arm, which started in Mumbai in March 2008 is spread in Tier I and Tier II cities with plans to grow at least 60 centres in 3 to 5 years. Most chains target customers in the 25-40 age group.

But, its not age alone that is driving the fitness rage. In cities like Mumbai upto three generations of the same family could be attending the same gym. Talwalkars, which has been in the business for nearly 76 years, has for instance seen it at its oldest outlet in Mahim.

"A workout gives confidence especially since we are increasingly stuck in sedantary life with little or no exercise. Above all, it is a lifestyle trend," Raj Dhingra, chairman, Powerhouse Fitness which has 20 national outlets, including 6 outlets in Delhi. Powerhouse has corporate like DHL, SpiceJet, Indigo and BPO and ITes units.

Membership fees have shot up from Rs 1,200 to Rs 3,000 per month in the last one and half years. But no one seems to be complaining, Neeraj Dahiya of Tangent a supplier of gym equipments said.

Hence, gyms are coming up everywhere. Be it inside malls like the Furure group & Talwalkars, or like the one FitnessOne, a Chennai-based chain that has set up at a gym at Cognizant Technologies, Saint Gobain and L&T. FitnessOne sets up custom built corporate gyms depending on the size, requirements and the budget of the organization. It also counts Nokia, Britannia, Biocon among its clients.