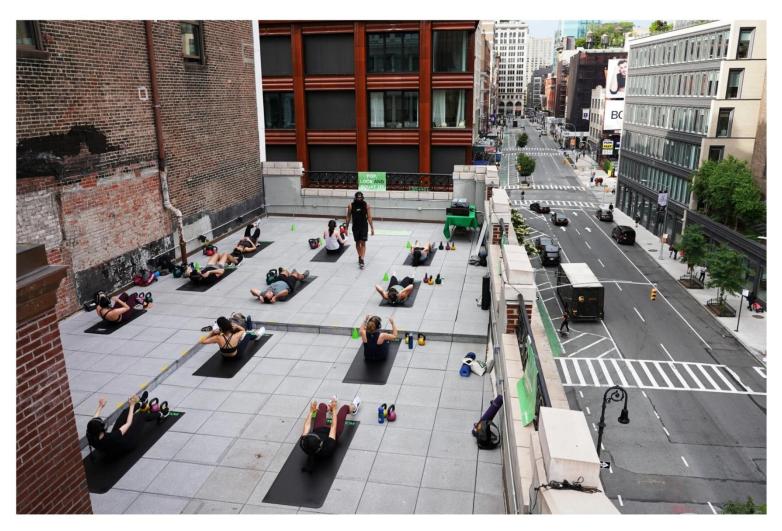
## The New York Times

**OWNING THE FUTURE** 

## For Small Gyms, Handling the Pandemic Meant Expanding

From on-demand video libraries to rooftop classes, boutique workout spots broadened beyond their tight spaces.



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This article is part of <u>Owning the Future</u>, a series on how small businesses across the country have been affected by the pandemic.

On the evening of March 14, 2020, Kari Saitowitz, owner of the Fhitting Room, a small or "boutique" fitness studio with three locations in Manhattan, returned from a dinner out, to find a disturbing message. A college friend who was a pulmonologist at NewYork-Presbyterian Brooklyn Methodist Hospital had sent a text about the alarming number of cases of the new, contagious respiratory disease they were seeing.

"The message said, 'Please take this seriously,'" Ms. Saitowitz recalled. "And he specifically said, 'Kari, you will probably have to close the gym for a while.'"

The next morning, she received emails from two of her senior trainers, who had taught classes the previous day. They, too, were concerned, not only about their own safety, but also about their clients, some of whom were older.



During the pandemic, Kari Saitowitz, the owner of the Fhitting Room, created a video library of workouts, moved live classes online and held in-person classes outdoors. Michelle V. Agins/The New York Times

"That was the tipping point," she said. After convening a group of full- and part-time employees, including trainers and members of the cleaning staff, she decided to close the studio. That afternoon, she sent an email blast to the membership, saying that "for the health of our community," she was temporarily closing the Fhitting Room.

The following day, March 16, Gov. Andrew M. Cuomo <u>announced</u> the closure of all gyms, restaurants, bars, theaters and casinos.

Now Ms. Saitowitz, like so many other small-business owners, faced another urgent decision: "'How do I keep my business alive?'"

The key, she decided, was to figure out ways to continue delivering what her customers wanted — what they *really* wanted. "It's more than just a workout," she said. "People come here because of the conversation, the socialization, for the fun and motivation of a class."

How could she replicate that when the gym was closed?

The answer, for Ms. Saitowitz and other boutique fitness gyms — a broad designation that includes Pilates and yoga studios, and facilities that focus on indoor cycling or, as is the case with the Fhitting Room (the name is a play on H.I.T., the acronym for high-intensity training), group fitness classes — was to quickly expand the way that their services could be provided; an approach that some in the industry are now calling "omnichannel."



Ms. Saitowitz said, "People come here because of the conversation, the socialization, for the fun and motivation of a class." Outdoor group workouts fill that need. Michelle V. Agins/The New York Times

For Ms. Saitowitz, it meant ramping up the creation of an ondemand video library of workouts, switching live classes to Zoom and, in September, striking a partnership with the retailer Showfields to use a rooftop event space on its Bond Street building to hold socially distanced outdoor classes.

All of that has had an effect on its members. "Before the pandemic I was going maybe three times a week," said Suzanne Bruderman of Manhattan, a Fhitting Room member since it opened six years ago. "Once the pandemic hit, all of my behaviors shifted and it basically became a five-day-a-week habit."

But all of these changes required more than a tutorial in Zoom; they necessitated a radical change in thinking in an industry that has been providing its product in essentially the same way since <u>Vic Tanny's first "health clubs"</u> opened in the 1930s.

"Prior to the pandemic, clients had to visit a brick-and-mortar business to consume the product," said Julian Barnes, chief executive of <u>Boutique Fitness Solutions</u>, an advisory firm to small gyms and fitness studios. The new multiple-channel approach "means meeting your client wherever he or she is," he said. "If she wants to work out live, give her that ability to take a class live. If she wants to work out at 2 a.m., and pull up a video of her favorite class, give her the ability to do that. If she wants to work out outdoors, give her the ability for that."

Mr. Barnes estimated that, before the pandemic, the United States had about 70,000 of these small gym and studios. "A lot of them were uprooted from their original business model," said Tricia Murphy Madden, who is based in Seattle and is national education director for <u>Savvier Fitness</u>, a fitness product and education company. "What I'm seeing now is that if you're still operating the way you did 16 months ago, you're not going to survive."

When gyms in Texas were ordered closed, Jess Hughes, founder and president of <u>Citizen Pilates</u>, was determined to keep her three Houston studios open. Using little more than an iPhone and a ring light, Ms. Hughes and some of her instructors began producing video workouts in the studio. The on-demand Citizen Virtual catalog now has over 100 at-home workouts accessible from any device with a paid subscription (\$19 per month). She later expanded the offerings through a partnership with <u>JetSweat</u>, a fitness on-demand library with 28,000 monthly subscribers.

Going online allowed them to expand beyond individual customers. "We also started doing virtual private corporate classes through Zoom," Ms. Hughes said. These once-a-week classes allowed employees of a number of midsize Houston companies to stay in shape — and have shared experiences — while they worked remotely.

She also began offering branded apparel with slogans like "Citizen Strong," which proved particularly popular when the studio reopened, with restrictions, in May. Moving all equipment six feet apart reduced her total capacity by 30 percent. ("We received zero rent relief from any of our landlords," she added.) Yet Ms. Hughes has managed to increase her membership by 22 percent, mostly locally. "What I like to say is that we were brand consistent but socially distant," she said.



Social distancing wasn't enough for Matt Espeut, who was twice forced to close down his Fit Body Boot Camp gym in Providence when Rhode Island's Covid cases surged. Like Ms. Saitowitz and Ms. Hughes, Mr. Espeut was determined to stay in business, and he felt offering new services was the way to do it. Because weight loss is a major part of his gym's mission, he invested his Small Business Administration loan into the cost of a medical-grade body scan machine that measures body composition. "Now we can home in on people losing fat, and gaining muscle," he said.

The \$6,000 machine, the addition of nutritional counseling — including supplements sold in the gym and online — and offering many new, socially distanced classes enabled Mr. Espeut to achieve something he wouldn't have thought possible a year ago: He has increased his gym membership by 15 percent, to 196 from 170.

He added one more thing after reopening in January: a new décor, including a fresh coat of paint and new floor mats. "I think people would like to forget 2020," he said. "I wanted people to see right away that things are different."

For many small gyms, they are — although the expansion into different channels is still a means to an end: Getting everyone back in the spaces that workout enthusiasts love to share.



"We didn't panic at first," recalled Lisa O'Rourke, an owner of <u>Spin</u> <u>City</u>, an indoor cycling studio in Massapequa Park, N.Y. "We had a healthy business going, and we thought it was going to be temporary." As the lockdown extended into April, though, "the panic set in." Ms. O'Rourke began offering members-only YouTube workouts featuring her instructors. Over the summer, that expanded to include outdoor classes in the parking lot.

Early in the lockdown, another thought occurred to Ms. O'Rourke as she surveyed her empty studio. "We had all these bikes sitting there doing nothing," she said. "So, we decided to loan them to our members." While some studios leased out their equipment — bikes, kettlebells and other equipment — Spin City offered the loaners for free.

"I had members offer us money," she said. "But we turned them down. You know, they helped create our success, and during the pandemic, you felt bad for everybody. They didn't need another expense."

A year after the pandemic began, Spin City has gained a total of 50 members, on top of 275 to 300 members prepandemic. All the bikes are now back in the studio — albeit six feet farther apart. Ms. O'Rourke has speculated on what would have happened if she hadn't opened these new channels.

"They would have all bought Pelotons," she said with a laugh.