



India fits the bill for gym franchise's expansion

With consumer demand for flexible, 24-hour gym access continuing unabated in recent times, Plus Fitness has experienced sustained growth within its Australian franchise network over the past seven years. While growth and interest remain strong with Australia, in addition Plus Fitness has now opened its first franchises in India. Plus Fitness Franchisor, Nigel Miller, discussed the franchise's expansion plans.

TFR: Can you share the recent growth and expansion of Plus Fitness both within Australia and internationally?

Nigel Miller, Franchisor, Plus Fitness

(NM): Since 2011, we have opened 180 Plus Fitness franchises across Australia and New Zealand and we continue to open a new club on average, every 21 days. We have another 85 franchise territories sold and in various stages of development and continue to sell a franchise territory a week on average and with no signs of this continued interest slowing down.

From an international perspective, we have recently sold our first International master franchise license in 'India West'

which has seen two franchises already open and a third scheduled to open in May 2018.

TFR: You recently became the first Australian 24-hour gym chain to expand into the Indian market. Why did you select India as an expansion territory, and what are your future plans for growing the brand in India?

NM: We conducted a considerable amount of research on the Indian fitness and franchising sectors. This enabled us to substantiate our belief that there was a great opportunity to enter the market there. Our research gave us confidence that our high-end aesthetic fit outs and equipment offering and great customer service, supported by a mid-range price position would see us experience solid growth at a consumer level. Pleasingly, this is something that we are already experiencing.

In developing the master franchise model, we focused heavily on ensuring that not only were there well-balanced returns at each level but also that our support systems could be replicated to ensure success for the local franchisees. Adding in a master franchise tier required us to plan and prepare a master franchisee training and development program along with ensuring manageable systems were in place to provide the required level of support.



TFR: Have you needed to adjust the business offering to India's market compared with your Australian offering? If so, what changes have you made and why?

NM: India has a mature fitness industry and one that is experiencing aggressive year on year growth. Despite this, we conducted extensive competitor and market research both remotely and on the ground. It was very important for us to have a solid understanding of where the industry has come from, where it sits now and what scope it has for the future.

We discovered that certain changes would be needed in the model for us to enter the market. There were expectations around services such as saunas, an increased focus on group exercise and also consideration that a 24-hour business needs to be staffed 24 hours a day and a reliance on access control systems alone at certain times of day and night would not be possible.

TFR: How did you select your master franchisees for India and what support will your Australian head office be providing to your master franchisees in India?

NM: We have separated India into six master franchise territories and are currently marketing these both in India and domestically. Our first sold master franchise territory is 'India West' with the master franchisees being existing domestic franchisees with two franchises located in Adelaide, South Australia.

This gave us a great advantage in terms of their understanding of our model and operating systems. Added to this is the fact that they originate from the west of India, which has assisted us all in getting this first master franchise operation up and running. In saying this, the whole process has not been without it's challenges. However, with a lot of combined hard work, passion and persistence it is great to see us collectively reach the stage that we have already.

TFR: What's the most important piece of advice you would give to a franchisor looking to expand internationally?

NM: Do your homework, and then do it again! There are so many aspects to consider when conducting due diligence on a foreign market that go way beyond those which are required domestically. Considerations must be given to everything from financial modelling at each level to local legal compliance and tax implications to ensuring your offering fits the market, how you will find franchisee investors to how you to market your product, what changes you will need to make to meet consumer demand to ensuring consistency of product and brand will be achieved and maintained...the list goes on! ■