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## Optimizing Commercial Fitness Club Management in China: A Multidimensional Approach to Capacity, Collaboration, and Commercialization

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### Abstract

**Introduction:** This study examines the operational strategies and success factors of commercial fitness clubs in China, focusing on the role of internal management and external partnerships in value creation. It explores how corporate social responsibility (CSR) and community engagement influence the long-term sustainability of fitness clubs.

**Methodology:** A qualitative research approach was employed, combining case studies, interviews, and surveys of fitness clubs in major cities across China. Data were analyzed to identify key operational practices, marketing strategies, and collaboration models with external stakeholders such as government and corporate partners.

**Results and discussion:** The findings reveal that successful fitness clubs rely on a combination of strong internal operations and strategic external collaborations. CSR initiatives, particularly community engagement, are critical for building brand loyalty. Additionally, partnerships with government bodies and corporations contribute significantly to reducing operational costs and expanding market reach. Clubs with personalized services and innovative offerings, such as online fitness classes, gain a competitive edge in the market.

**Conclusion:** This study highlights the importance of strategic external collaborations and CSR in enhancing the long-term viability of fitness clubs. It provides insights into effective management practices and suggests further research into the impact of government-corporate partnerships and consumer behavior on membership loyalty. The findings contribute to understanding the evolving fitness industry in China and offer practical guidance for both established and emerging clubs.

**Keywords:** Commercial fitness clubs, Corporate social responsibility, Strategic partnerships, Fitness industry.

## 1. Introduction

Over the past five years, China's commercial fitness club industry has experienced rapid growth, driven by increasing public awareness of health, accelerated urbanization, and government policies promoting nationwide fitness initiatives (Liu, Zhang, & Desbordes, 2017). Particularly in recent years, the demand for fitness among the general population has surged, leading to an exponential increase in the number of commercial fitness clubs. Key industry milestones include the expansion of digital fitness platforms, increased investment from international fitness brands, and the widespread adoption of smart technology in gym operations (Qiao, Guo, & Wen, 2022). Furthermore, in the post-pandemic era, the demand for personalized training services and hybrid fitness models that integrate online and offline experiences has risen sharply, accelerating industry transformation and upgrading (Yang, Lu, Cai, & Zhang, 2024).

Introduction Despite the rapid expansion of the industry, the sustainable development of commercial fitness clubs in China continues to face numerous challenges. Due to regional economic disparities, variations in population quality, and differences in demographic distribution, Chinese commercial fitness clubs—particularly large-scale chain clubs—encounter significant operational issues. Additionally, compared to commercial fitness clubs in developed countries, those in China face considerable developmental gaps and disadvantages. First, management capabilities remain a critical bottleneck, especially in terms of talent retention and financial sustainability (Doherty, Misener, & Cuskelly, 2014). Second, there is insufficient collaboration between fitness clubs and external stakeholders such as local governments and health institutions, which limits the potential for industry-wide synergies (Ibsen & Levinsen, 2019). Third, many fitness clubs continue to rely on traditional membership-based revenue models, intensifying market competition while lacking innovative commercialization strategies (Da Silva & Las Casas, 2017). While existing literature has explored the management of sports clubs, research on the multidimensional operational framework of commercial fitness clubs in China remains relatively scarce. Addressing these challenges is of both theoretical and practical significance. Theoretically, although prior studies have examined the management of sports clubs (Bulovic & Seric, 2021; Skille, 2008), few have investigated the operational management of Chinese commercial fitness clubs from a multidimensional perspective. Practically, this study aims to provide fitness club operators with actionable strategies to enhance management capabilities, strengthen strategic collaborations, and optimize business models for sustainable development.

Given the urgent need to establish and refine a sustainable operational model for commercial fitness clubs, this study employs a multidimensional framework to explore the management practices of commercial fitness clubs in China. Specifically, it focuses on three core aspects: management capacity, collaborative strategies, and commercialization models. The study first reviews the literature on sports club management and fitness club operations. It then presents the research methodology, incorporating qualitative and case study approaches. The

findings and discussions provide insights into current challenges and best practices, followed by a conclusion that offers practical recommendations and suggests future research directions. By addressing existing research gaps, this study seeks to contribute valuable theoretical insights and practical guidance for the sustainable development of commercial fitness clubs in China.

## **2. Literature review**

Starting from the multidimensional perspective of sports club operation and management, this section focuses on the research progress of related studies in the three areas of organizational capacity building, collaborative governance, and commercial strategies with social responsibility, and focuses on the comparative analysis of methodology and conclusions of the representative core literature, exploring the deeper impact of methodological differences on the research findings.

### **2.1 Organizational Capacity in Sports Clubs**

Organizational capacity has long been recognized as a foundational element for the sustainable development of sports clubs. As the global sports industry becomes increasingly professionalized and complex, scholars have paid greater attention to how clubs—especially at the community and professional levels—build capacity across human, financial, and infrastructural domains. However, much of the existing literature remains fragmented, lacking a unified framework that captures the multidimensional nature of club operations.

Doherty, Misener, and Cuskelly (2014) proposed a multidimensional framework for assessing capacity within community sports clubs, identifying five key domains: human resources, relationships and networks, infrastructure, planning and development, and financial resources. Their model extends beyond traditional financial metrics, emphasizing the strategic role of social capital in enhancing club performance. In contrast, Yan (2015) concentrated on the operational mechanisms of youth sports clubs, advocating for a service-oriented management model that integrates school resources to address the systemic challenges faced by grassroots organizations. Meng, Ariffin, and Tham (n.d.) adopted a sustainable development perspective, suggesting that capacity building should align with long-term environmental, economic, and social goals, rather than being driven by short-term performance metrics.

The methodological divergence among these studies significantly shapes their respective contributions. Doherty et al.'s empirical rigor provides strong practical relevance and transferability, while Meng et al.'s theoretical modeling offers normative guidance for future sustainability research. Yan's work, though contextually rich, lacks empirical robustness and generalizability. Taken together, these studies suggest that integrating empirical inquiry with theoretical development may be a productive pathway for advancing research on capacity in sports club management.

## **2.2 Collaborative Models in Sports Club Governance**

Collaboration between sports clubs and external stakeholders—such as governmental bodies, schools, and private enterprises—has become an essential mechanism for enhancing club resilience, legitimacy, and social impact. Recent scholarship has shifted from focusing solely on internal governance to exploring how clubs engage with broader policy systems and institutional environments.

Ibsen and Levinsen (2019) examined the collaborative relationships between community sports clubs and public institutions in Denmark, emphasizing that the success of such collaborations is highly contingent on local governance structures, policy alignment, and organizational culture. Skille (2008) approached the topic from a sport policy implementation perspective, conceptualizing sports clubs as policy executors at the local level. His work highlights the tensions between national policy objectives and the autonomy of local voluntary sports organizations. Tan, Huang, Bairner, and Chen (2019) analyzed the intersection of sport and politics in China, demonstrating how national ambitions—such as hosting the FIFA World Cup—shape the development strategies of professional sports clubs. Their research positions sports clubs as instruments of state-led sports diplomacy.

These studies demonstrate how methodological choices affect both the scale and scope of insights. Ibsen and Levinsen (2019) provide grounded, actionable findings, but their analysis is limited to a single national context. Skille's (2008) theoretical approach offers structural clarity but lacks empirical substantiation. Tan et al.'s (2019) macro-political lens expands the discussion beyond organizational boundaries. Collectively, they underscore the need for research that bridges top-down policy logics with bottom-up operational realities, especially in transitioning or state-driven sport systems.

## **2.3 Commercialization Strategies and Social Responsibility**

As sports clubs increasingly engage in commercial activities, they face mounting pressure to balance profitability with brand integrity and societal impact. Emerging research examines how clubs navigate the challenges of marketing, sponsorship, identity construction, and corporate social responsibility (CSR) in a highly competitive landscape.

Bulovic and Seric (2021) argued that effective brand strategies must be anchored in the authentic identity and cultural roots of a sports club. They proposed a framework that emphasizes emotional affiliation and community recognition as key branding assets. Da Silva and Las Casas (2017) developed a comprehensive sports marketing planning model, which includes market research, segmentation, product positioning, promotional tools, and performance evaluation. Their framework is particularly relevant for small- to medium-sized

clubs seeking to establish a professional market presence. Yang, Lu, Cai, and Zhang (2024) constructed an empirical model linking CSR dimensions—such as environmental protection, youth training, public engagement, and fan involvement—with consumer loyalty and brand equity in Chinese professional clubs.

The methodological diversity in these studies leads to varying levels of generalizability and depth. Bulovic and Seric (2021) offer strategic insight but lack empirical grounding, while Da Silva and Las Casas (2017) present a practice-oriented model that can inform day-to-day decision-making. Yang et al.'s (2024) data-driven approach contributes statistical rigor and market relevance. These distinctions highlight the importance of aligning research methods with intended outcomes—whether conceptual advancement, managerial application, or policy influence.

## **2.4 Synthesis and Implications**

In summary, the literature on sports club operation and management is evolving toward a more integrated and multidimensional perspective. Across the domains of capacity building, collaborative governance, and commercialization, methodological diversity directly shapes theoretical contributions and practical relevance. This review suggests that future research should prioritize mixed-method designs that combine grounded empirical inquiry with robust theoretical modeling, in order to capture the complex realities facing modern sports clubs in both Western and non-Western contexts.

## **3. Methodology**

This study employs a multiple case study approach combined with qualitative content analysis to explore the operational management models of commercial fitness clubs in China. The case study method is particularly suitable for investigating complex social phenomena and has been widely applied in business management and organizational behavior research (Yin, 2018). Furthermore, integrating content analysis enables a systematic identification of key themes and strategic patterns in fitness club operations, providing a more structured and in-depth understanding of industry dynamics.

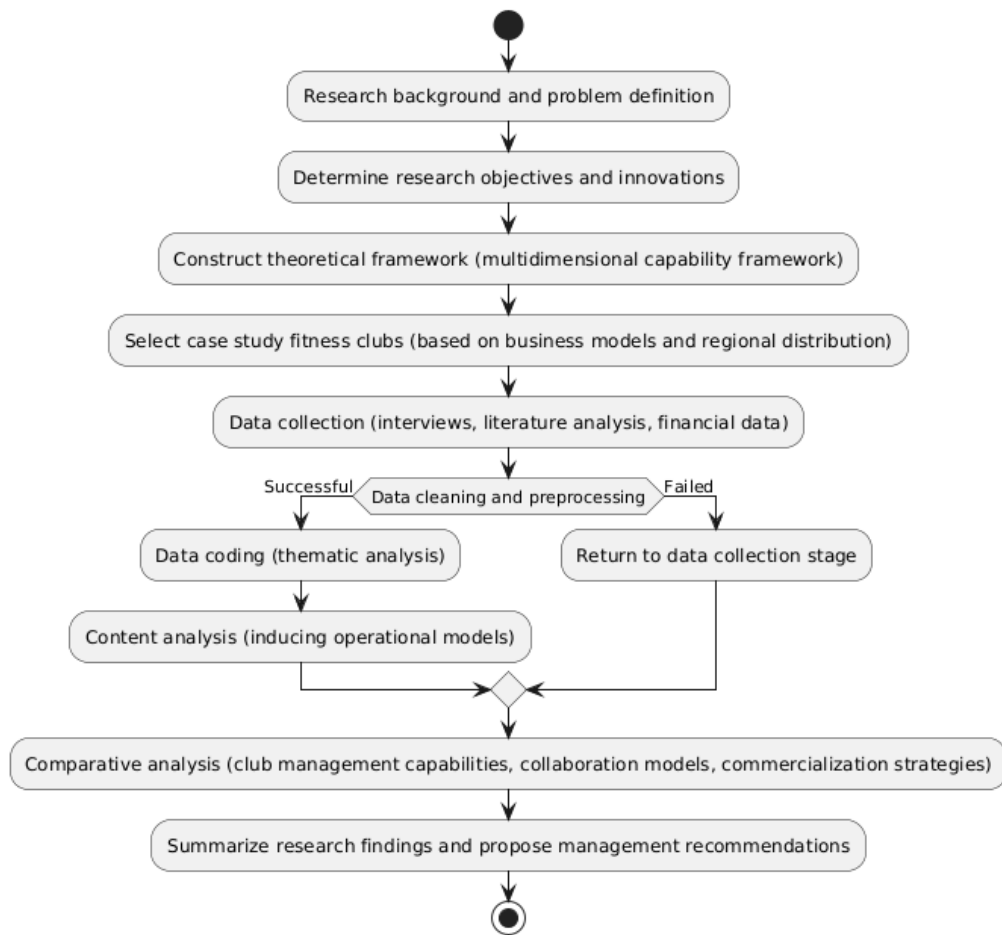


Fig1. Technology Roadmap

### 3.1 Data Collection

This study selects five commercial fitness clubs as research subjects, covering various business models, such as the nationwide chain Wanto Sports, boutique private fitness studios, the hybrid unmanned fitness representative LeKe Sports, corporate gyms, and community sports centers. The data sources include both primary data (interviews, corporate reports) and secondary data (market databases, policy documents) to enhance the comprehensiveness and reliability of the research. Examples of interview questions include: What are the club's main sources of revenue currently? What are the primary challenges faced in operations? Does the club consider collaborating with the government or businesses? How would such collaborations work?

**Table 1: Summary chart of sources of interview data**

<b>Data Category</b>	<b>Specific Source</b>	<b>Description</b>
Interview Data	Club managers, investors, policy experts	Semi-structured interviews
Corporate Documents	Business plans, financial reports	Obtaining insights into club business models and revenue structures
Industry Database	iResearch	Providing market trends and user data
Policy Documents	General Administration of Sport of China, local governments	Analyzing government support policies for commercial fitness clubs

### **3.2 Data Analysis Methods**

This study employs thematic analysis to code the interview data, with the following process: reading the transcribed interview texts and identifying key concepts; assigning initial labels to text segments (e.g., "commercialization strategies," "collaboration models"); clustering similar codes to form key research themes; comparing operational strategies across different clubs to identify industry commonalities; and finally, based on the analysis results, proposing an operational framework for commercial fitness clubs.

Although our research employs a multiple case study approach, combining interviews and data analysis, there are still certain limitations due to subjective bias and sample representativeness.

## **4. Results and discussion**

### **4.1 History of Commercial Fitness Clubs in China**

As early as the 1930s, bodybuilding was introduced to Shanghai. At that time, China was weak and impoverished, with Western powers referring to the Chinese as the "Sick Man of East Asia." The fathers of Chinese bodybuilding—Zhao Zhuguang, Zeng Weiqi, and Lou Zhuoyu—dedicated their lives to improving the health of the Chinese people, striving to remove this shameful label. They established the earliest fitness clubs and organized the first bodybuilding competitions. After the founding of the People's Republic of China, the government emphasized "the development of sports and the enhancement of the physical fitness of the people." The number of fitness clubs gradually increased. In the early 1980s, the demand for diversified consumer services emerged, and commercial fitness clubs began

appearing in urban communities in China. The fitness market entered a period of relatively rapid development in the early 1990s, after the state-run venues were opened to the public for a fee. Today, following the 2008 Summer Olympics and the 2022 Winter Olympics, and with the rapid development of the economy and an increasing awareness of health among the people, the development of commercial fitness clubs has entered a new phase.

The service scope of commercial fitness clubs is regional, with their development highly dependent on the local economy. The consumption level of nearby residents often determines the market positioning of a fitness club. As a result, fitness clubs in China are mainly concentrated in the bustling areas of economically developed and moderately developed cities. As the most economically advanced regions, Beijing, Shanghai, and Guangzhou are naturally hotspots for fitness clubs. Cities such as Zhengzhou, Chengdu, and Dalian also have a high number of fitness clubs. These cities typically have a strong entertainment and leisure atmosphere, with a relatively high proportion of residents' income spent on recreational consumption.

## **4.2 Operation of Commercial Fitness Clubs**

In terms of the regular course offerings at fitness clubs, 100% of the clubs surveyed include five key programs: strength training equipment, aerobic fitness, yoga, dance, and spinning classes. Due to the large space requirements for ball sports and swimming, most fitness clubs do not offer these as regular activities. Sports such as billiards, soccer, and low-oxygen training are typically provided at an additional cost or as part of premium membership packages with high added value. Establishing specialty programs is a common strategy for fitness clubs to differentiate themselves in the market. Among the fitness clubs surveyed, in addition to the three main services—personal training, body assessments, and product sales—24.53% of the clubs also offered specialized programs, such as dance training, children's programs, dance performances, equipment distribution, beauty services, and educational training camps. While these unique services help increase revenue, they also require more sophisticated management systems, as well as the necessary facilities and staff to support these offerings.

The survey revealed that China has a rich variety of traditional fitness programs with deep cultural roots, such as Tai Chi, Tai Chi sword, soft power ball, and the Five Animal Frolics. Although many people practice these activities informally in parks and communities, they rarely enter the commercial fitness market. Today, the fitness market is primarily driven by younger consumers, and compared to traditional programs like Tai Chi, which is typically practiced by older individuals, more mature fitness programs like yoga have been segmented into different variations to cater to the needs of diverse fitness groups. This creates a stark contrast between the demographic of yoga participants and that of traditional health-oriented activities like Tai Chi, which is more commonly associated with seniors.

### **4.3 Commercial Fitness Clubs Marketing Efforts**

With the increasing number of information channels available to modern individuals, market promotion activities face growing challenges in attracting widespread attention. To effectively promote a fitness club, it is essential to understand why members choose to join and what factors they prioritize when selecting a club. Survey results indicate that when choosing a fitness club, Americans primarily consider four factors: location, staff, price, and equipment. Additionally, people also pay attention to how they learn about the club and the club's brand. Before entering the Chinese market, Powerhouse International Fitness conducted a small-scale survey in major cities across China, revealing that consumers prioritize the same factors: location, price, brand, equipment, and staff.

In terms of market strategies, common methods include media advertising, distributing flyers, placing information collection boxes, encouraging members to bring in new clients, setting up promotional booths for exhibitions or consultations, direct mail campaigns, and offering free club events. In comparison, many Chinese fitness clubs are currently focused on large-scale investments in hardware and facilities, with limited concern for ongoing maintenance after the initial investment. These clubs tend to prioritize profits and fail to monitor members' fitness progress, neglecting equipment updates and maintenance, and overlooking the importance of maintaining good relationships with existing members.

Looking at the scale of individual commercial fitness club systems, Powerhouse Fitness, with over 300 locations worldwide, is a prime example. The largest global chain, Gold's Gym, has more than 700 locations worldwide. Other large fitness chains, such as Bally Total Fitness and 24-Hour Fitness, have also made significant marks in the industry. In the UK, Fitness First is one of the most recognized fitness brands. Large international fitness chains have long development histories, with precise market positioning and robust management systems that have allowed them to maintain strong growth and expand steadily worldwide. Bally Fitness emphasizes high-quality service, Gold's Gym is known for its extensive membership system, allowing members to use any Gold's Gym location globally for 14 days free of charge with their membership card. Fitness First, with its European charm, is celebrated for its human-centered and professional member services, comprehensive human resource systems, and advanced information management technology.

### **4.4 Key elements of club management competence**

The operation of in-house corporate gyms, such as those at major internet companies like Alibaba and Tencent, exemplifies an efficient model for employee health management. These companies prioritize employee wellness and operate their gyms through dedicated health management teams. These corporate gyms not only improve employee productivity but also enhance the overall competitiveness of the companies.

On the other hand, private fitness studios like "Lemon Fitness" attract a loyal customer base through their smaller scale and personalized services. These private studios focus on custom training plans and delivering high-quality customer experiences. However, they face significant challenges in market competition, especially regarding limitations in funding, resources, and brand recognition. In this context, collaboration becomes a key strategy for boosting competitiveness. By partnering with brand merchants or engaging in social media marketing, these fitness studios can increase their market share.

#### **4.5 Best Practices for Collaboration Models**

The development of LeKe Sports in China, particularly its collaboration with local governments and businesses, offers new insights for commercial fitness clubs. LeKe Sports, by partnering with local governments, has launched chain gyms across major cities and received government subsidies, which helped reduce operational costs. Additionally, through collaborations with companies, LeKe provides exclusive fitness benefits for employees, not only boosting the number of gym members but also increasing the brand's market penetration.

Furthermore, the collaboration model between corporate gyms and businesses has gradually become a trend in China. By offering convenient fitness facilities to employees, companies not only promote employee health but also enhance their own brand image. For example, gyms that collaborate closely with Alibaba Health use big data analysis to track employees' fitness data and provide personalized health plans, achieving better employee health management outcomes. This model, which combines corporate culture with health management, has become one of the typical examples of collaboration between Chinese commercial fitness clubs and businesses.

LeKe Sports' successful brand-building case demonstrates that modern fitness clubs should not only focus on traditional fitness programs but also incorporate current trends, such as offering online fitness classes and social features. By doing so, they can integrate their brand more closely with users' daily lives. Additionally, LeKe Sports has strengthened brand loyalty by hosting both online and offline fitness competitions and events, successfully creating a fitness ecosystem that blends both virtual and physical experiences.

Corporate social responsibility (CSR) also plays a significant role in the long-term development of fitness clubs. Some large commercial fitness clubs, such as Wanda Fitness, have enhanced their brand's potential for sustained growth by taking on social responsibilities. Wanda Fitness, for instance, has established strong ties with local communities by launching public welfare initiatives under the "Healthy Community" project, providing free fitness courses to low-income residents. This commitment to social responsibility not only boosts the brand's reputation but also attracts more members while deepening the club's cooperation with the government and local communities.

Through the case analysis of WanTuo Sports, LeKe Sports, corporate in-house gyms, and private fitness studios, it is evident that the success of commercial fitness club operations relies not only on professional internal management but also on establishing strong partnerships with external stakeholders, such as governments, corporations, and communities. The fulfillment of social responsibilities and the brand's social influence are also critical factors for achieving sustainable development. By fostering multifaceted collaboration and innovative business models, fitness clubs can stand out in the highly competitive market and gain a long-term competitive edge.

#### **4.6 Discussion**

This study offers important insights into the development and operation of commercial fitness clubs in China, highlighting several key factors that contribute to their success. The findings reveal that fitness clubs in China focus on a broad range of services, such as strength training, aerobic fitness, yoga, and dance, alongside increasingly popular specialized programs like children's classes and beauty services. Moreover, collaborations with local governments and businesses have proven effective in reducing operational costs, increasing membership, and enhancing market presence. The rise of corporate gyms, exemplified by companies like Alibaba and Tencent, demonstrates the growing importance of employee wellness programs. Additionally, private fitness studios like "Lemon Fitness" offer personalized training experiences, although they face challenges like limited resources and brand recognition.

The theoretical contribution of this study lies in the integration of stakeholder theory with the fitness industry, demonstrating that the value creation of fitness clubs depends not only on internal operations but also on strategic collaborations with external partners. The study primarily highlights Corporate Social Responsibility (CSR) as a key factor in the long-term sustainable development of fitness clubs, noting that those with strong community engagement can foster higher brand loyalty. Although valuable insights have been provided, there are still some limitations. The research primarily focuses on fitness clubs in first- and second-tier cities, which may not fully reflect the operations of clubs in smaller or economically underdeveloped areas. Additionally, the impact of government and corporate partnerships on the long-term sustainability of fitness clubs requires further exploration. Future research could expand the sample to include more cities and delve deeper into the challenges and benefits of these collaborative models. Furthermore, a deeper exploration of consumer behavior and preferences would provide a better understanding of the factors influencing membership choices and brand loyalty.

## 5. Conclusion

In conclusion, this study offers a new perspective on understanding the commercial fitness industry in China, emphasizing the impact of external collaborations, CSR, and personalized services on the success of fitness clubs. These findings not only provide practical insights for established fitness clubs but also offer strategic guidance for emerging ones, laying a solid foundation for future research on the global fitness market development.

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