Sarah Luna 0:03
Yeah, I think what's exciting is just building the brand and building the company from the ground up. I know, you know, where we want to go and what this looks like at a thousand-unit operation. So it's really fun getting to know all of my early franchisees, and I refer to them as my pioneers and helping them, you know, launch their very first locations. And many are not previous franchisees. They're definitely not Pilates instructors. And so it's helping new and first-time franchisees and business owners realize their dreams and take a leap of faith and you know bet on themselves. That for me is really fun, and that's what gets me up and going every day.

Brian Sheehan 0:42
Welcome back to Retail Intel, the podcast where we uncover the stories behind the most innovative and fastest-growing brands shaping the retail landscape. I'm Brian Cheehan, and today we're diving into the world of fitness and wellness with someone who's redefining what a Pilates experience can be. Joining me is Sarah Luna, CEO of Pilates Addiction, a brand that's still early in its journey, but already making waves in the boutique fitness space. Sarah's background uniquely positions her to lead this concept into rapid expansion. And today we'll explore what it takes to build a brand from the ground up, the challenges of scaling, and the trends shaping experiential retail and boutique fitness. Yeah, thanks for

Sarah Luna's Path Through Fitness

Brian Sheehan 1:33
joining us. And before we talk about Pilates addiction, which I'm very excited to learn more about, I was hoping we could start with your background and kind of your journey. You've had a really impressive career in the fitness industry, and so just hoping to hear more about the experiences that shape your approach to leading a brand like this.

Sarah Luna 1:51
Oh, thank you. Um, I've worn all the different hats that are related to any any role within Boutique Fitness, um, from instructor to master trainer to studio manager, and then of course on the franchise or side, running sales as a national sales director for Club Pilates in the early days, and then jumping to a brand president for Pierbar, and then jumping to a public company president for Exponential Fitness. Um, and now I'm back in what I would say is my favorite role, which is CEO of Pilates Addiction. Ultimately, it just keeps showing up and getting more responsibility and different responsibility. And I've

loved kind of this, you know, meandering journey that I've taken in learning all the different roles and positions of the industry.

Defining A High-Intensity Pilates Class

Brian Sheehan 2:34
For anybody that's not familiar with Pilates or Pilates addiction, how do you explain it? How do you explain the workout kind of briefly?

Sarah Luna 2:42
The workout is a high-intensity Pilates experience. And what we do is we really focus on full-body experience where the instructor or the educator choreographs the class and they pick out their own music, and then there's lighting, you know, schemes and themes that go with each of the individual class formats. But we've got a core class, so that's kind of our bread and butter class. Um, and then we have a stretch class called our RX class or mobility RX. And then we have a max class, and that's gonna be like an amped up, you know, a higher, higher intensity, more cardiovascular sort of experience. And we're working on um an even harder class that'll launch, you know, in a little in a couple of weeks as well. Um but really the experience is about incorporating full-body moves across each of the apparatus that are provided on the machine and doing it in a way that is uplifting and energizing and you know, doesn't bring a person kind of down or depress them, um, and is definitely not in an environment where we're saying, no, or you can't or don't do that, but rather, you know, challenging people and teaching to the highest level of student in the class and then giving people modifications or alternative moves so that they can, you know, level up their own game, but show up every day and do the best that they can with their body and and how they're feeling.

Why Gen Z Is Driving Demand

Brian Sheehan 4:03
What inspired you to take on the CEO role at Pilates Addiction?

Sarah Luna 4:08
Yeah, I think um, you know, we found a really great concept and had uh an idea for a concept, um, which was really to target an emerging demographic of Pilates consumers. Um, what we're seeing is that the younger, younger consumers are looking

for a place where they can consolidate entertainment, community, fitness, wellness dollars, and shifting their wallet share in those different areas into uh certain experiences. So uh we're seeing, you know, alcohol sales are down, fitness and wellness um sales and and dollars are up. And so there was an opportunity to come in and you know capture the market and be one of the early and first movers to help this younger generation, you know, be introduced to Pilates and have a really great experience in studio uh for new Pilates concept.

Brian Sheehan 4:58
And it sounds like Pilates Addiction is still in its early growth stages, I guess, but you guys are building this to scale, correct?

Sarah Luna 5:06
Yes. Yeah.

Franchising Priorities For Rapid Growth

Brian Sheehan 5:07
And what are some of the most important things you're focusing on now to set it up so that it it can grow quickly?

Sarah Luna 5:14
Yeah, I mean, we're franchise concept at the end of the day. So really it's about selecting the best franchisees in each individual market as we go out and scale. Um so we have a very robust process on selecting those operators and making sure that they're going to be good, you know, stewards of the brand and at the end of the day, good, you know, executors of all the standard operating procedures and providing the best customer experience. And then we look at you know implementing communication and technology platforms so that as we have operators teaching their employees and their staff, that each of the staff members, again, is able to embody the politics method in ways and bring the best experience at the local level. So right now we're hyper-focused on finding the best real estate, building out those locations, um, securing our supply chain and all the inventory and equipment that we'll need, and making sure that we're prepared to launch between 100 and 150 locations this year in 2026.

Real Estate Strategy And Grocery Anchors

Brian Sheehan 6:11
That's really exciting. And you mentioned real estate. Let's talk about that for a second. What site criteria do you prioritize? What kind of spaces are you looking for? Who do you want to be near?

Sarah Luna 6:23
Yeah, I mean, really, we're looking for um, you know, 1,500 to 1,700 square feet. That would be our ideal footprint in a grocery anchored location with great cotenancy with, you know, walk by traffic. At the end of the day, we want to make sure that we're along the commute or in the commute of um of our members so that they are you know able to work out on a very regular basis and that they're not going out of their way to come and enjoy our experience. So we look for areas with great walk by traffic and cotenancy like nail salons, even mailboxes, grocery stores, as I mentioned, um, but other you know, mixed use tenants that will help drive you know walk by traffic.

Brian Sheehan 7:04
What is it specifically about a grocer that works well with fitness concept?

Sarah Luna 7:11
Yeah, um, you know, I think with fitness where people are coming into the center two to three times a week, um, it makes it most efficient for for them and they become you know more regular when they're able to couple it with you know different errands that they're doing and hit one center and you know get two or three of their errands completed and done. So we like that and we like the visibility that we get by being in high traffic centers as well. Um so there's a lot of kind of upside um by being in those types of you know commercial centers at the end of the day.

The Aurum Machine And Efficiency

Brian Sheehan 7:42
Pilates addiction is setting a new you call a gold standard in Pilates, and I'm curious what you mean by that. But then also, how did you think about this when you were thinking about creating the brand?

Sarah Luna 7:58
Well, the slogan came from the machine, the Wonder Former that we've now renamed the Aurum. Um and Aurum is Latin for gold. And uh we've re-we've dipped our machine into gold, which has never been done before. Um, and really, you know, this is kind of like

a Swiss Army knife of machines in that it includes a jump board, a chair, a reformer, and a ballet bar. Um and so I like to think of it as almost like the Rolls-Royce of machines that you've you've maybe done Pilates before or even mega former Pilates before, but um haven't tried you know, Wonderformer in the machine until you've come to a Pilates addiction. It's exclusive to our brand and experience, and and really um what a consumer gets is an efficient, highly efficient workout at the end of the day. So there's very little downtime as they um work out on the machine because the machine is all-encompassing. So they can move from the reformer to the chair to the ballet bar and the jump board, you know, very easily, and they're not spending their workout time configuring or setting up, you know, the machine at the end of the day. And then the footprint that we're able to go out and find, you know, from a real estate standpoint is highly efficient and economical because we don't have anything affixed to the floors or the walls. Um, so we're able to go into spaces with, you know, two or three different layouts that allow for, you know, optimal member experience and workout, but we're able to be very flexible in terms of how we lay out the spaces.

Designing A Nightclub-Style Studio Vibe

Brian Sheehan 9:27
You talked a little bit at the start about the type of person that, you know, like your core customer. And I guess I'm curious what trends in health and wellness influenced the strategy behind the creation of Pilates addiction.

Sarah Luna 9:44
I mean, boutique fitness continues to grow at you know, double-digit kegers over the next couple of years. And within that, Pilates is expected to be one of the fastest growing fitness concepts. And we've seen great tailwinds from um COVID with Pilates, and there's no slowing down with the demand in the Pilates space. But the fastest growing cohort of consumers within um Pilates is you know, your millennials and Gen Z ultimately. And they're really first on the scene, or new on the scene rather, for Pilates. Um, and they maybe became familiar with Pilates with you know an older, older sibling or even a mom or dad that went to Club Pilates and some of the you know uh original and older kind of studio Pilates concepts. And now we're seeing that the demographic, you know, want want to go to a place that's Instagrammable, it's cool, it's got a vibe, and feels like a nightclub, but is a fitness experience at the end of the day. So a lot of our design is influenced by European aesthetics, and we found kind of up and coming aesthetics that would be appealing to both men and female consumers, and something that would feel very modern, timeless, and just cutting edge at the end of the day. So

everything from the lighting to the gold machines to the wood paneling and the metallic paneling that we've designed, um, just make the entire experience feel you know high-end for the Pilates consumers coming in.

Where Experiential Boutique Fitness Heads Next

Brian Sheehan 11:10
Oh, that sounds exciting. Given your background and how much experience you have, I'm curious about sort of where you see experiential retail boutique fitness heading in the future, three to five years out, maybe even 10 years out. How does it change? How does it continue to evolve?

Sarah Luna 11:28
Yeah, I think um, you know, people are just going to continue to crave um experiences and community and efficiency at the end of the day. You know, I think life is just gonna continue to get busy and busier, you know, um, and people are going to look for a place where they can still have human connection, but be efficient with their workout, be efficient with how they get to their workout. You know, we talked about the placement of um Boutique Fitness and the sites. Um they're gonna be looking for something that, you know, kind of checks a lot of different boxes, and then of course is efficient with their resources at the end of the day. So, you know, with our concept, we offer four different class formats. We're launching a fifth um, you know, coming soon this year, and we're we look to, you know, really be that one-stop shop provider in the Pilates space for anybody who's looking for, you know, a relevant uh, you know, Pilates experience at the end of the day. So we touched on it being the gold standard and really um, you know, our thought process is taking kind of the best of studio Pilates and the best of, you know, call it Legree or Megaformer um experiences and coming with this new and third pillar of a reinvented way of experiencing Pilates with a higher intensity. So, you know, we're excited about what we've developed and we've had really great feedback from our customers so far.

Operator Advice And Hiring Reality

Brian Sheehan 13:02

What's some advice that you give to uh your franchisees and others who are interested in boutique fitness?

Sarah Luna 13:09
I mean, I think it's just general to um running a business is making sure that you've got the right people tasked for the right jobs. Um, you know, sometimes we'll have franchisees come in and say, I'm going to get certified to teach and I'm gonna be the general manager, and you know, they want to buy it off more that they can chew. And really, you know, we want the business owners to be just that, the business owners and the strategists and those that are kind of pushing on the business and they're working on the business and not in the business, and that they're hiring the appropriate staff member for the different roles that are within the business. So, you know, whether they're buying a plies addiction or they're, you know, setting up their own mom and pop plies experience or an alternative business, it's really about hiring the best talent that you can for the different roles within the business and leveraging, you know, people and resources, you know, appropriately.

Brian Sheehan 13:59
And then thinking about how you envision growing the brand moving forward, what's maybe a big misconception about how you go about scaling, you know, any kind of experiential retail brand, but specifically a boutique fitness business?

Sarah Luna 14:17
Yeah, I think there's um a concern on the labor, you know, that that people think that, you know, finding Pilates instructors or finding highly trained fitness um instructors are is something that's very hard. Um but at the end of the day, I think labor is just always going to be the most challenging piece of of any business, right? And then it's about finding and training and grooming that labor so that they are a great fit, you know, within the four walls. And any good business leader is able to retain their labor uh for years and years, right? So it's it's really about being a good business leader at the end of the day and being able to retain not only your customers, but also your staff members. And if there's a good, you know, work culture and environment, then really it's about you know retaining people for three, five, even ten years, you know, within their within their given communities at the end of the day. So um for us, it's important that we have our own, you know, training program and university. So we really control our labor pool at the end of the day. And we go out and we select really great talent and then we put them through the training program and help franchisees open their doors. And they're not looking for, you know, tens upon tens of um of you know instructors, but they're really looking for anywhere between three and five instructors to get them up and going. So

it's a small handful of people that can help launch, you know, a studio at the end of the day.

Picking Franchisees And The Dinner Test

Brian Sheehan 15:39
You mentioned, you know, selecting the best franchisees kind of a couple of times. And I'm curious if you could talk about the criteria or some of the things that jump out at you in someone's background or personality or combination of those that, you know, sort of jump off the page at you as like, hey, this person really has a great chance to be successful with you know operating and running and growing this business.

Sarah Luna 16:05
Yeah, and there's a handful of different characteristics and traits that we look at. You know, obviously financial you know, wherewithal is very important. We want to make sure that they can actually secure financing if they need to do that, um, assign leases if they need to do that. So, you know, we look for minimum requirements in terms of assets and cash on hand. But um, more importantly, I would say is that they've got you know good leadership qualities. Maybe they've learned they've led a team before or they've managed a team before. Um, and there's someone that you know we feel will will be successful in the space and you know, running their own business and approaching kind of the people side of the business in an appropriate manner. And we go through a lot of different evaluation points, and one of the last ones is going to dinner with all of the candidates. Um, and that's really, you know, do we like to, you know, share chips in guacabole with them and have a drink? And, you know, what is the conversation like? And what are the questions that they're asking? And kind of where's their headspace and how are they thinking about the business? We can learn a lot about the candidates and um and sometimes we part ways after that dinner because we feel like if we if we don't want to do business with them, then it's going to be challenging for them to do business, you know, with others, um, and and maybe they won't be a good reflection of the business at the end of the day. So um so it's really everything under the sun from you know, how do they represent themselves um over two-day, you know, interaction? Um, how do they follow the process as they're going through due diligence, which is a you know, several month process, to, you know, dinner and then financials at the end of the day.

Brian Sheehan 17:38

It's such a simple thing, you know, breaking bread with someone, but what a great I mean, you're the first person I've heard talk about that as part of the matchmaking or evaluation process. And it just seems like such a great uh way to find a fit, you know, as part of your process.

Sarah Luna 17:55
Yeah, we enjoy it. And it is informal, you know. So it's um that it's fun just to take everyone out for dinner and get to know, you know, their hobbies, their likes, their families. Last night, in fact, we had dinner um with a group that's here today, and we got into a heavy discussion about AI and you know, all things technology. So, you know, you never really know where the conversation's going to take you, but you can learn a lot about, you know, um, a person through various conversations like that.

Brian Sheehan 18:24
Boy, I'd love to come back to that if we have time to talk about AI. I'm curious if you see it impacting your business in any

What Surprises People About The Studio

Brian Sheehan 18:31
way. But I I did want to ask you, what's what's something that surprises people about Pilates addiction?

Sarah Luna 18:37
Yeah, I think um there's a couple of things, but uh the first one is just how um economical the space is and how efficient the space is. Um it looks bigger and it feels bigger than than it actually is. And our first um demo site was in West Hollywood in a 1,500 square foot box. Um, and because of the aesthetics and the design, it feels like a much bigger space. Um and then I think just how challenging the workout actually is. Uh we get people who have done Pilates before or they're fitness enthusiasts and they they come to a class and you know really start to feel new muscles or think about their Pilates workout in a very different way. Um, and that's because of the way that the equipment you know lends itself to various choreography and moves and um and just class flow at the end of the day.

The Joy Of Building With Pioneers

Brian Sheehan 19:28
Sarah, maybe the last question for you what's your favorite part of leading Pilates addiction at this stage?

Sarah Luna 19:34
Yeah, I think what's exciting is just building the brand and building the company from this from the ground up. Um, I know you know where we want to go and what this looks like at a thousand-unit operation. So it's really fun getting to know all of my early franchisees, and I refer to them as my pioneers and helping helping them launch their very first locations. And many are not previous franchisees, they're definitely not Pilates instructors. And so it's it's helping new and first-time franchisees and business owners realize their dreams and take a take a leap of faith and you know, bet on themselves. And I love the journey of you know new business owners and all the learnings that they go through and the growth that they go through and and seeing and witnessing the aha moments. So that for me is really fun, and and that's what gets me up and going every day.

Where To Follow And Closing

Brian Sheehan 20:26
That's incredible. Sarah, thank you so much for sharing your journey and insights. For anyone who wants to learn more about Pilates Addiction, where should they go?

Sarah Luna 20:35
Um, they can visit my Pilates Addiction um on Instagram, and then of course Pilatesaddiction.com.

Brian Sheehan 20:41
Thanks again, Sarah.

Sarah Luna 20:42
Thank you. Have a great day.

Brian Sheehan 20:46
If you enjoyed this episode of Retail Intel and want to learn more about innovative and fast growing brands like Pilates Addiction, be sure to subscribe, share it with someone who's passionate about retail innovation, and follow us for more conversations with the

leaders shaping the future of retail. Until next time, I'm Brian Sheehan, and this is Retail Intel.