

A photograph of two martial artists in a sparring position. One person is on the ground, looking up, while the other is leaning over them, looking down. They are wearing traditional martial arts uniforms (gi) with floral patterns on the sleeves. The background is a blurred indoor setting, likely a dojo. A large red diagonal shape is on the left side of the image, partially covering the text.

ANNUAL

MARTIAL ARTS

BENCHMARK REPORT

3RD EDITION - RELEASED 2019

 **zen**planner

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ANNUAL MARTIAL ARTS BENCHMARK REPORT *3RD EDITION - RELEASED 2019*

The third Annual Martial Arts Benchmark Report is the most comprehensive collection and analysis of business data in the industry. From finance to facility, we are committed to addressing every aspect of your martial arts business.

This year's report depicts 465 survey responses, over 100 more than last year, and is segmented by number of active students into three primary classifications: **Small**, **Medium** and **Large** schools. The fourth classification, nicknamed "**Champions**," highlights the most profitable martial arts businesses from our survey. These Champions earn at least \$7,000 in profits month-over-month.

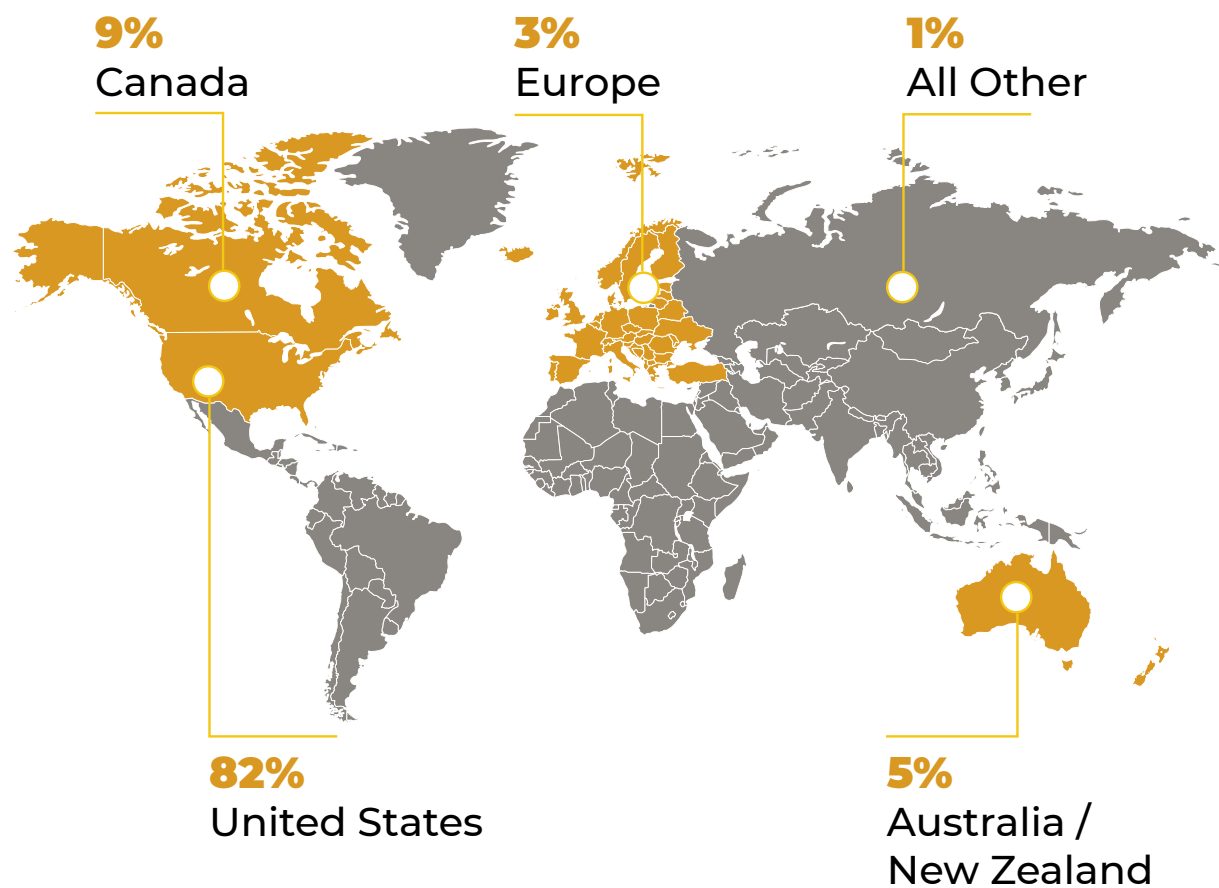
We are fueled by our passion to help every school owner master their business, grow their community and delight their students, and we want this report to help more schools achieve the Champions rank.



DEMOGRAPHICS

Demographics

REGION



BUSINESS SIZE

Number of Students



Small
0-75 | Median: 36



Medium
76-200 | Median: 125



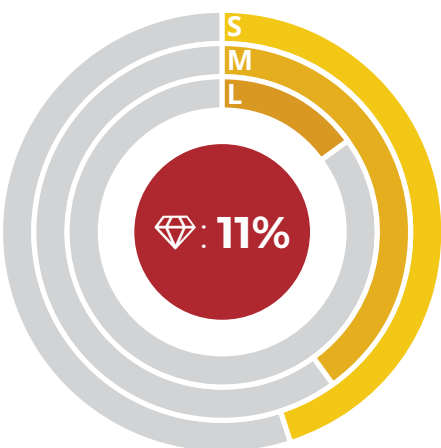
Large
201+ | Median: 300



Champions
Median: 208
Smallest: 65 | Largest: 700
\$7000+ in monthly profits

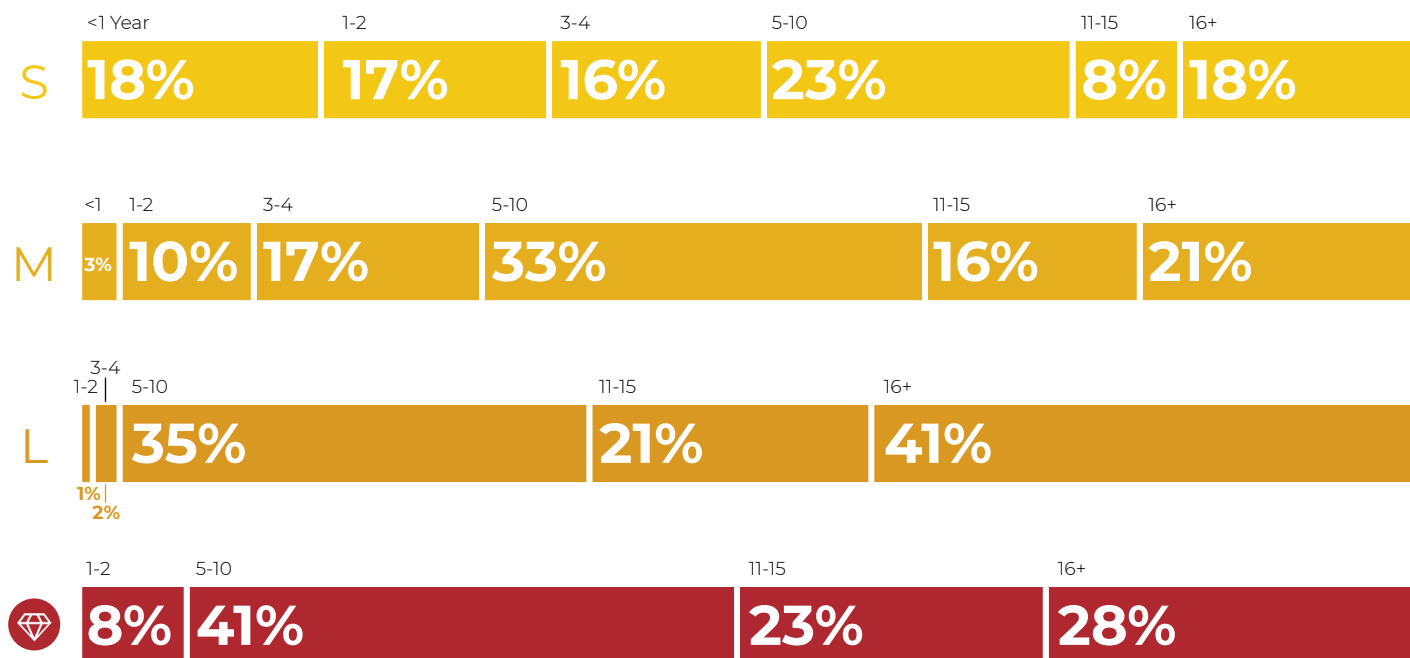
Percentage of Surveyed Schools

S: 45%
M: 40%
L: 15%



Demographics

YEARS IN BUSINESS



Key Takeaway

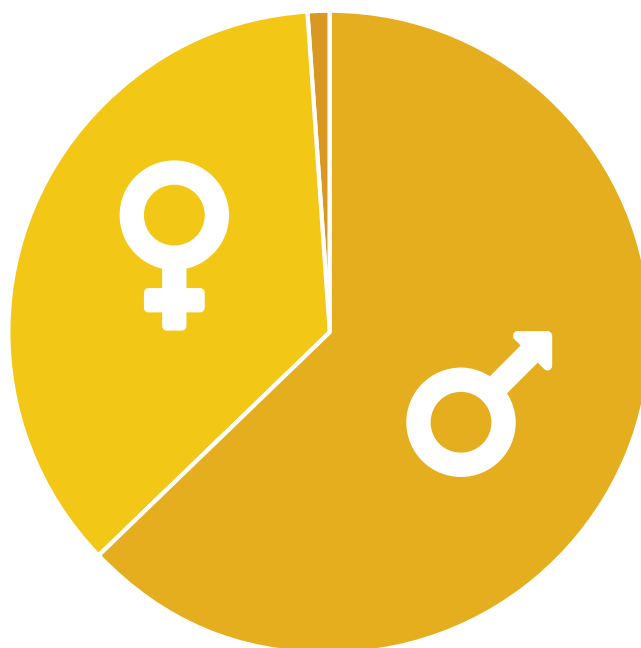
Champions are in it for the long haul.

If martial arts business owners have superpowers, they are patience and discipline. These traits clearly matter as most of our Champions have been in business for at least five years. Data would suggest they use each year in business to learn and grow.

Demographics

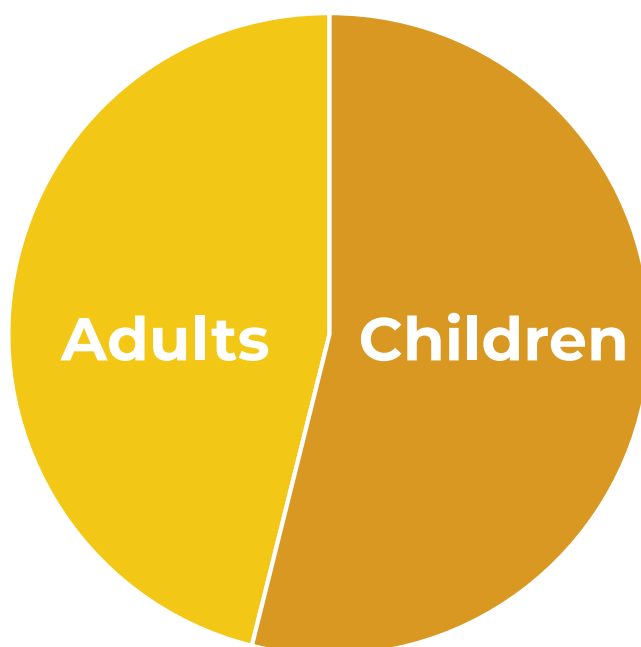
STUDENT GENDER

Male: **63%**
Female: **36%**
Unspecified: **1%**



STUDENT AGE

Children: **54%**
Adults: **46%**

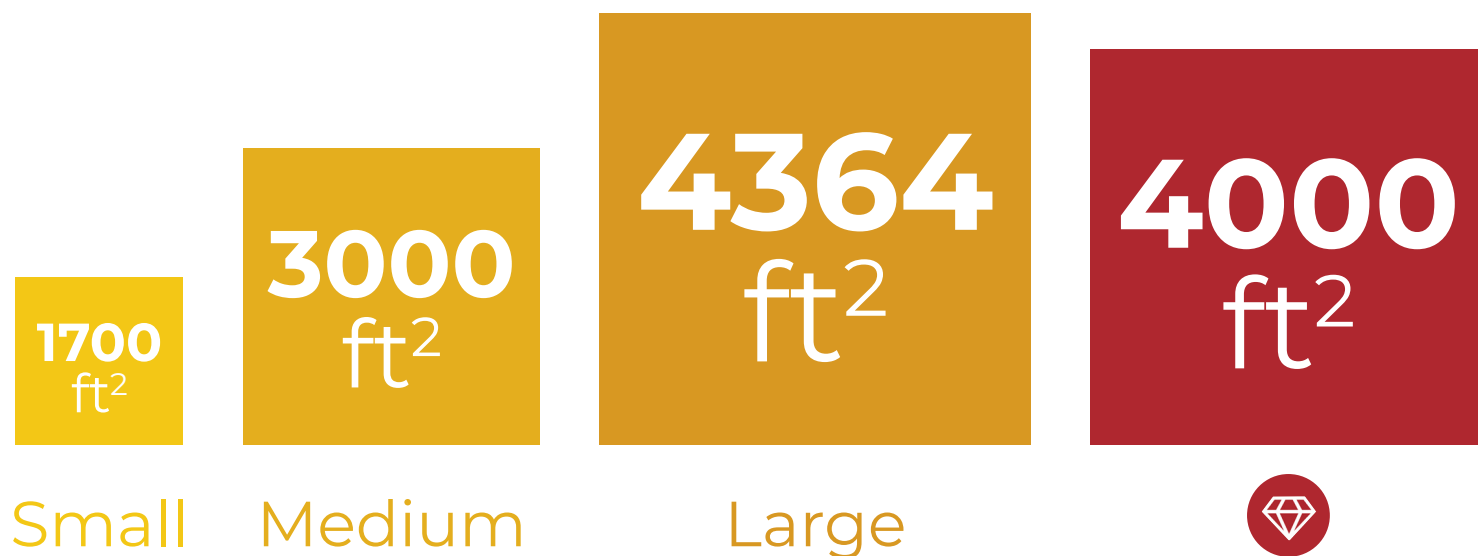




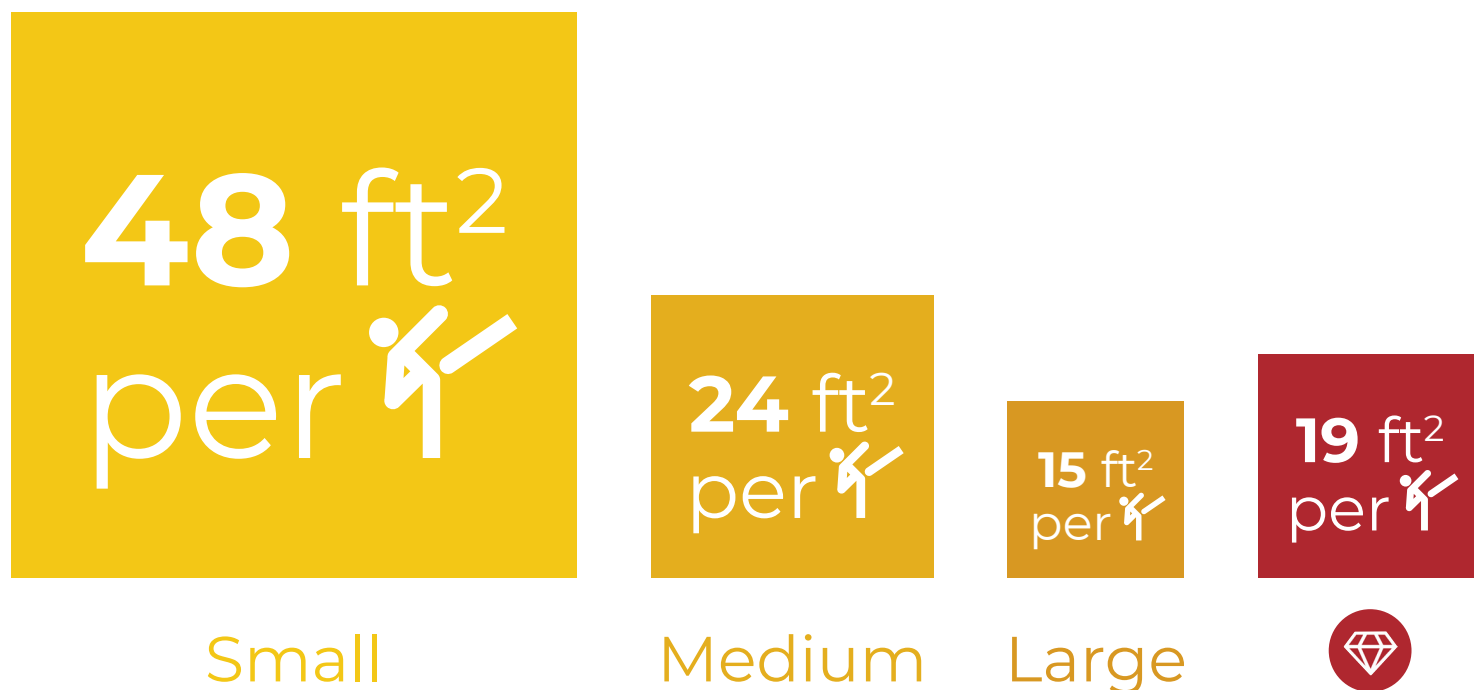
FACILITY SIZE

Facility Size

MEDIAN FACILITY SIZE



MEDIAN SQUARE FOOT PER STUDENT

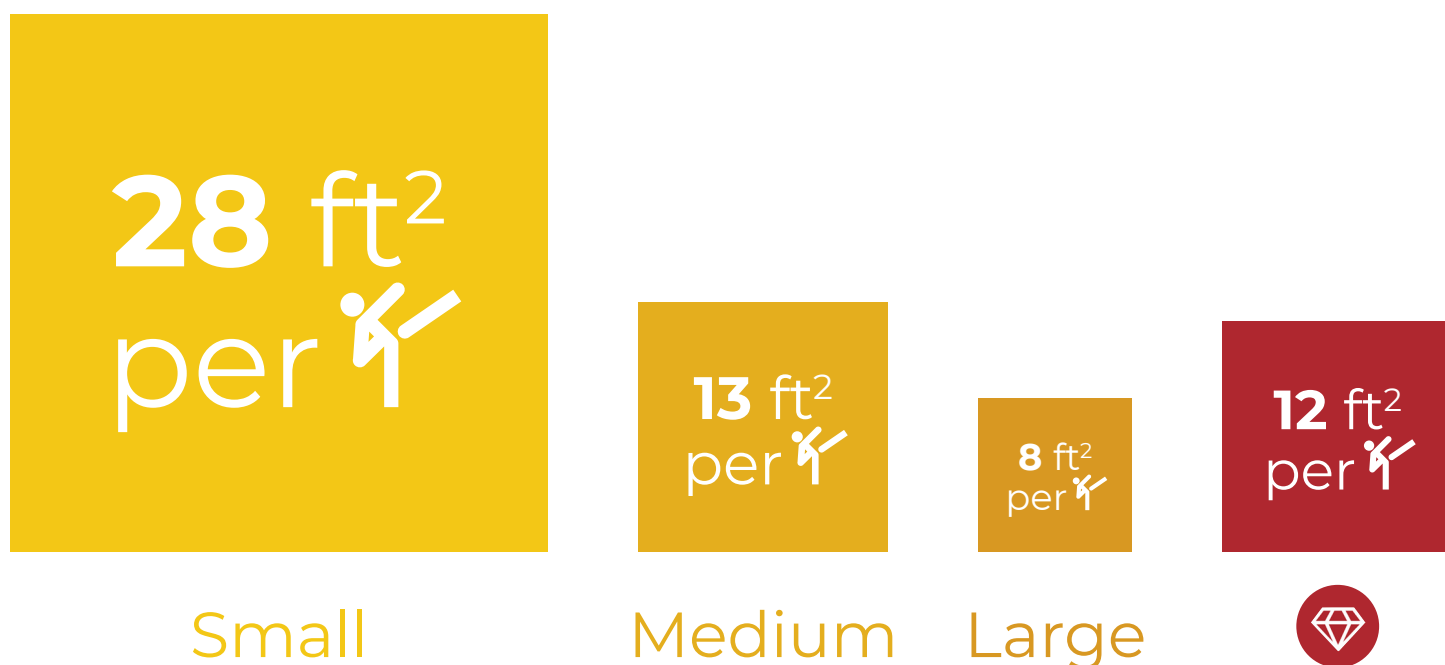


Facility Size

MEDIAN MAT & TRAINING AREA



MEDIAN MAT & TRAINING AREA PER STUDENT



Facility Size

AVERAGE RENT PER SQUARE FOOT BY REGION

Values converted to USD

Canada

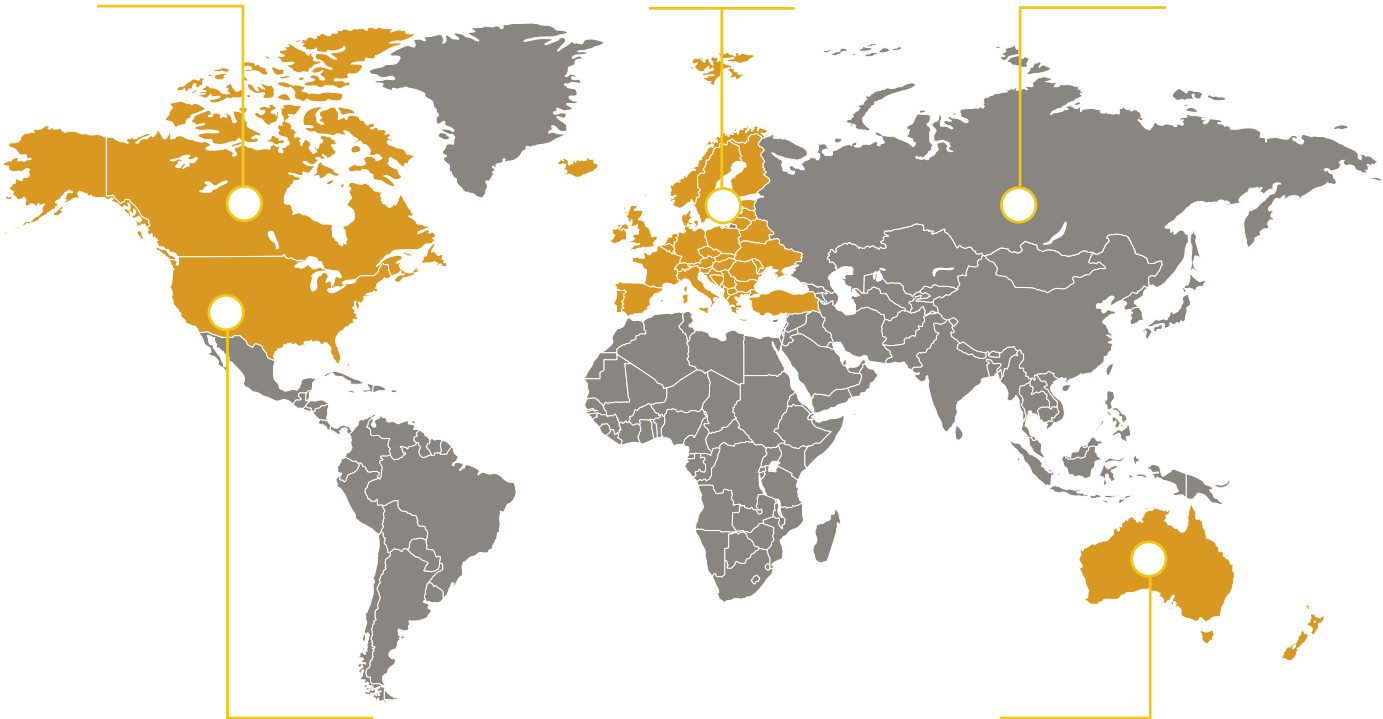
S: \$11.23
M: \$22.23
L: \$19.54
💎: \$36.21

Europe

S: \$3.49
M: \$20.77
L: \$11.01
💎: \$5.46

All Other

S: \$13.07
M: \$7.71
L: \$51.37
💎: \$N/A



United States

S: \$19.70
M: \$26.06
L: \$20.08
💎: \$24.75


Australia / New Zealand


S: \$8.86
M: \$13.21
L: \$13.97
💎: \$14.27




FINANCIALS

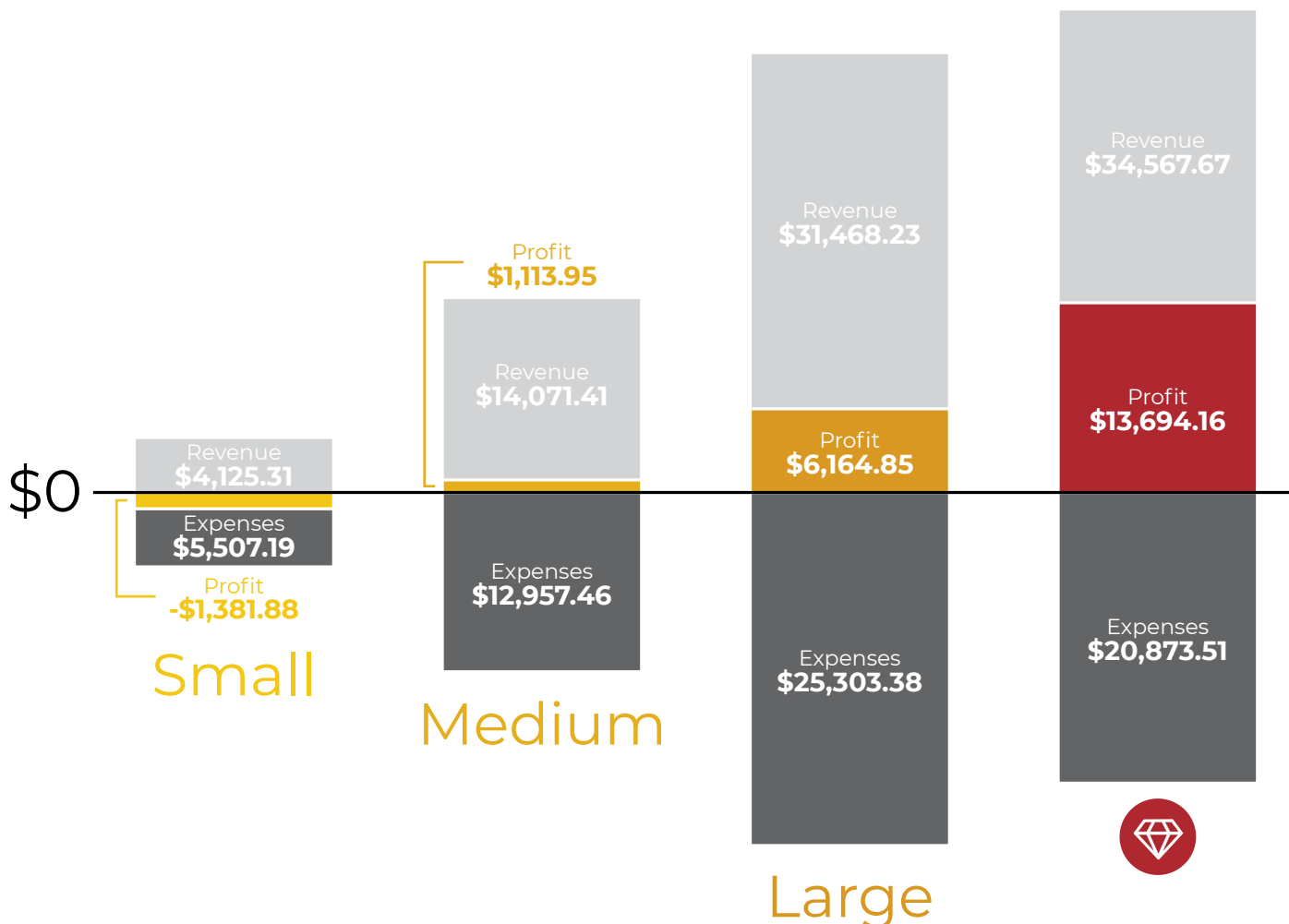
AVERAGE MONTHLY FINANCIALS

Revenue	Small	Medium	Large	
Student Agreements	\$2,332.00	\$9,244.22	\$24,535.19	\$24,913.25
Events	\$348.67	\$1,885.92	\$1,514.21	\$3,488.07
Testing & Promotions	\$266.29	\$1,146.41	\$2,146.18	\$2,563.33
Merchandise	\$589.82	\$986.44	\$1,805.69	\$2,121.88
Other	\$588.53	\$808.42	\$1,466.96	\$1,481.14
Total Monthly Revenue	\$4,125.31	\$14,071.41	\$31,468.23	\$34,567.67

Expenses	Small	Medium	Large	
Payroll	\$1,372.71	\$3,901.22	\$12,209.76	\$8,110.83
Rent / Mortgage	\$1,582.22	\$3,148.47	\$4,544.75	\$4,016.06
Commissions	\$900.00	\$873.90	\$1,275.49	\$1,264.17
Other Personnel	\$314.38	\$927.94	\$1,035.39	\$926.62
Uniforms & Gear	\$185.72	\$592.19	\$1,023.85	\$1,022.02
Utilities & Expenses	\$226.35	\$689.70	\$882.62	\$849.66
Marketing	\$217.29	\$457.68	\$828.71	\$704.85
Processing Fees	\$120.20	\$261.40	\$956.26	\$620.00
Coaching Fees	\$205.00	\$397.66	\$572.99	\$664.92
Insurance	\$110.14	\$226.03	\$606.54	\$397.90
Other Expenses	\$273.18	\$1,481.27	\$1,367.02	\$2,296.48
Total Monthly Expenses	\$5,507.19	\$12,957.46	\$25,303.38	\$20,873.51

Profit	Small	Medium	Large	
Monthly Average	-\$1,381.88	\$1,113.95	\$6,164.85	\$13,694.16

AVERAGE MONTHLY FINANCIALS



Key Takeaway

Champions achieve profitability by building multiple revenue streams.

Champions lay their foundation with student agreements and supplement with events and retail. From seminars to tournaments, events are an opportunity to generate supplemental revenue. As an added bonus, they also offer an educational and fun experience for your community. Retail merchandise is also an effective way to increase revenue and strengthen your community by offering items like branded gi's and apparel.

AVERAGE REVENUE & EXPENSE PER STUDENT

S

Revenue	\$74.56
Expense	\$82.03

M

Revenue	\$85.78
Expense	\$75.37

L

Revenue	\$84.13
Expense	\$63.29



Revenue	\$134.98
Expense	\$68.96



Key Takeaway

Champions make almost double what they spend per student.

The Champions' recipe for success is a balance between revenue and expenses, both overall and per student. To strike a profitable balance between revenue and expense per student, you must first know how much revenue per student you're actually making. This isn't just what your agreement list price is, but the actual revenue after discounts and any additional revenue streams are taken into consideration. From there, take a hard look at the ratio between expenses and revenue per student. Don't miss other key data in this report like average square foot per member to identify opportunities to improve that ratio.

EXPENSES AS PERCENTAGE OF REVENUE

Payroll

S: 33%

M: 28%

L: 39%

💎: 23%



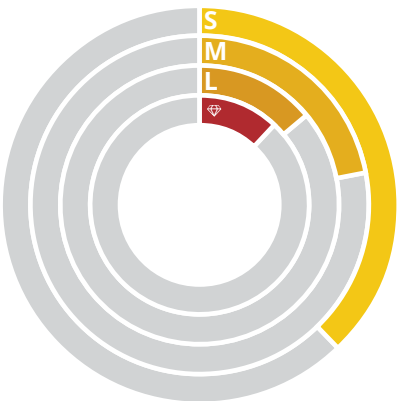
Rent / Mortgage

S: 38%

M: 22%

L: 14%

💎: 12%



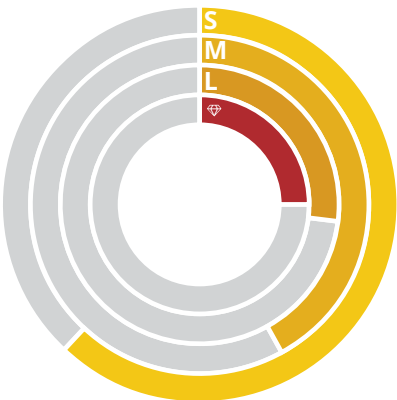
Other Expenses

S: 62%

M: 42%

L: 27%

💎: 25%



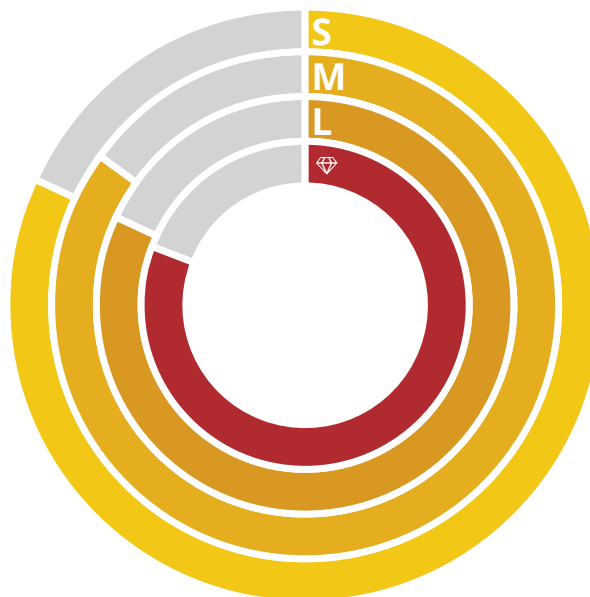
SCHOOLS THAT OFFER DISCOUNTS

S: **82%**

M: **85%**

L: **82%**

💎 : **81%**



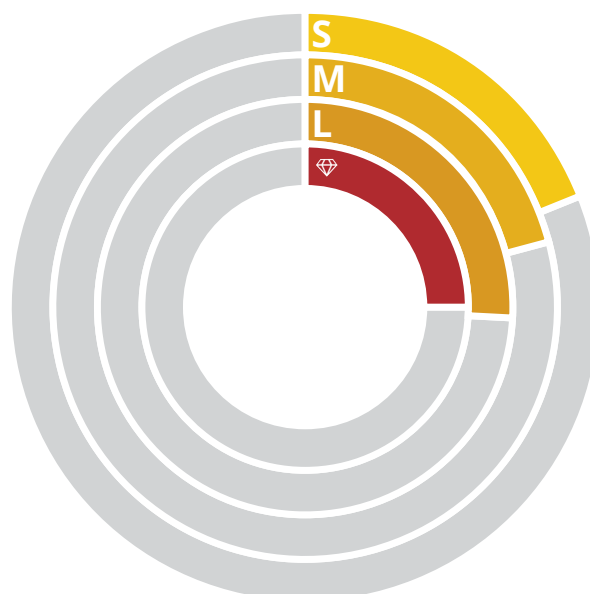
PERCENTAGE OF STUDENT BASE RECEIVING DISCOUNTS

S: **19%**

M: **21%**

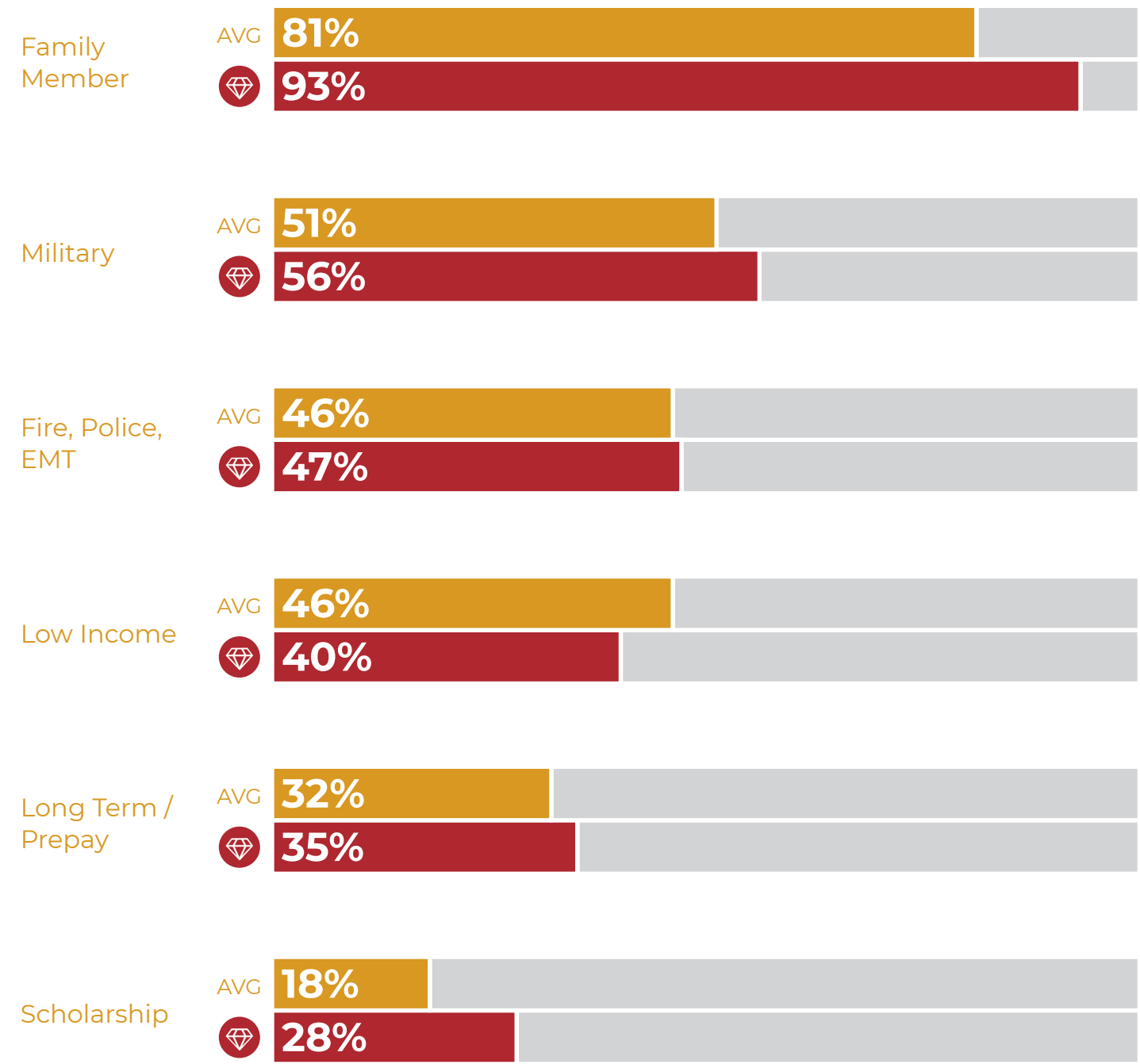
L: **26%**

💎 : **25%**



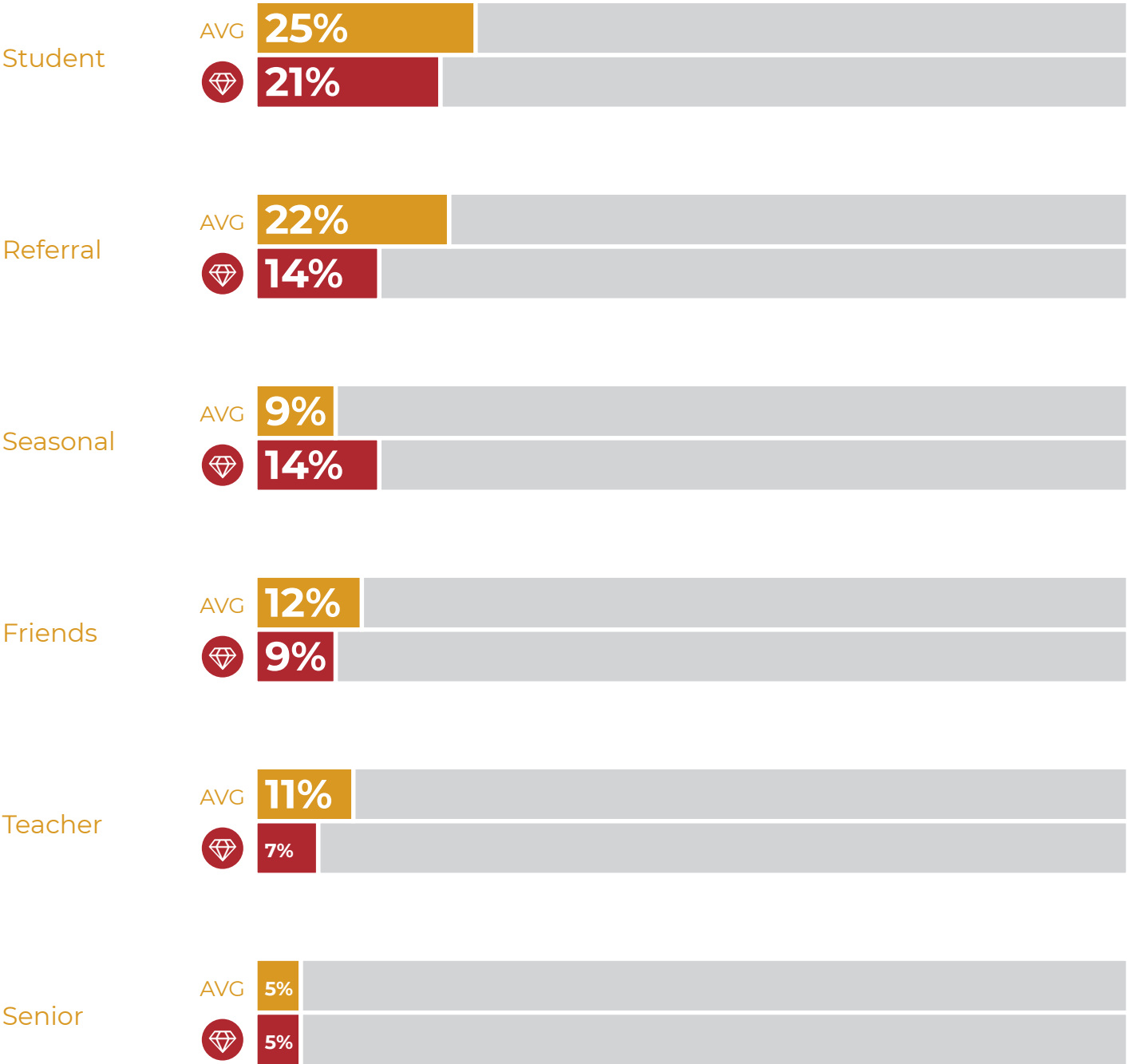
MOST POPULAR DISCOUNTS

Shown by percentage of schools that offer each type



MOST POPULAR DISCOUNTS

Shown by percentage of schools that offer each type



AVERAGE PERCENT OFF BY DISCOUNT TYPE

Scholarship



Low Income



Long Term / Prepay



Fire / Police / EMT



Family Member



Seasonal



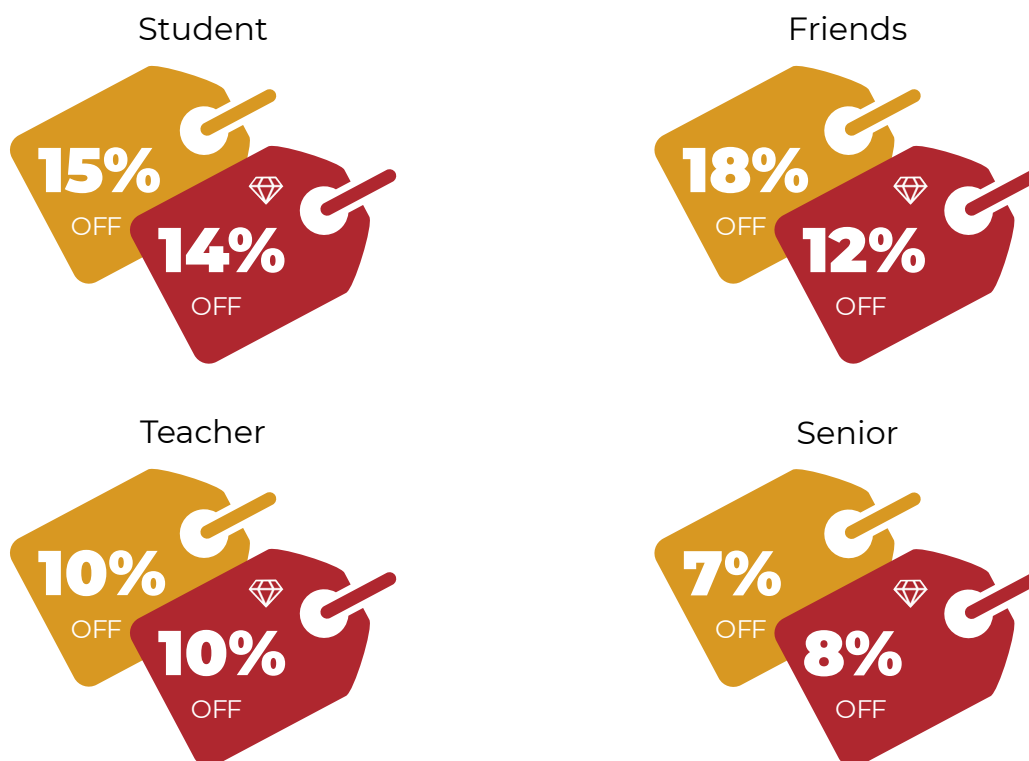
Military



Referral



AVERAGE PERCENT OFF BY DISCOUNT TYPE



Key Takeaway

Champions are intentional about discounting.

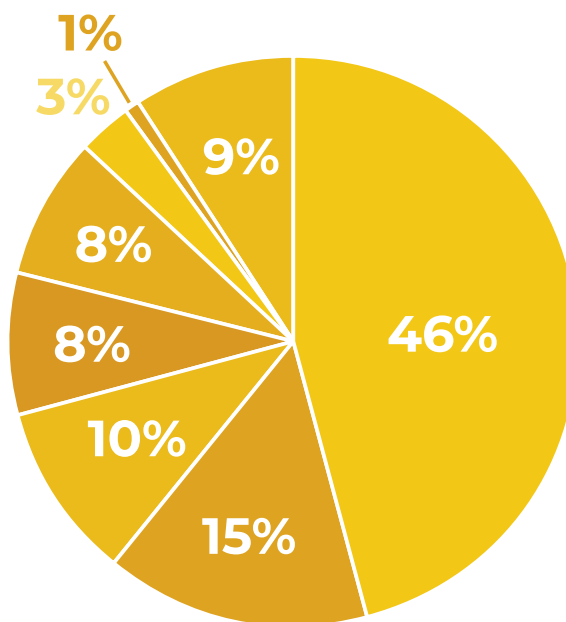
While price discounting doesn't generally align with profitability, there are scenarios where it may make sense. In some cases, price discounting has the ability to encourage a desired behavior from prospects. Most notably, 93% of Champions offer a family member discount, which is a great strategy for acquiring new students. Acquiring students through family-driven referrals is both inexpensive and highly efficient. Whether it's a parent or guardian encouraging siblings to join, or an older sibling inspiring their younger siblings; making it easy for families to share the same passion can fuel both acquisition and retention goals.

ESTIMATED STARTUP CAPITAL

\$30,490

STARTUP CAPITAL SOURCE

Savings:	46%
Friends & Family:	15%
Credit Cards:	10%
Bank Loan:	8%
Private Investors:	8%
Finance Company:	3%
Crowdfunding:	1%
Other:	9%



SAVINGS SET ASIDE TO SUPPORT SCHOOL OPERATIONS

Shown by months of expenses in savings

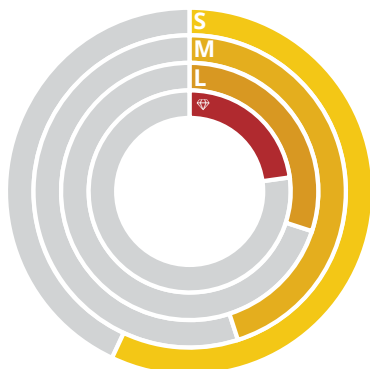
0-1 Month

S: **57%**

M: **45%**

L: **30%**

💎: **23%**



2-4 Months

S: **26%**

M: **37%**

L: **41%**

💎: **46%**



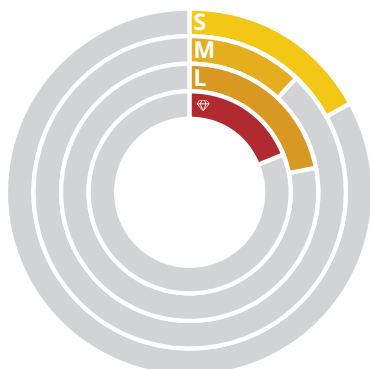
5-9 Months

S: **10%**

M: **12%**

L: **22%**

💎: **19%**



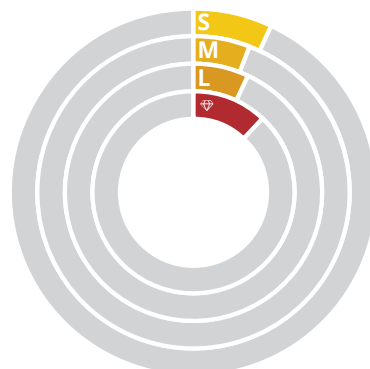
10+ Months

S: **7%**

M: **6%**

L: **7%**

💎: **12%**



Key Takeaway

Champions save money and typically have at least 2-4 months of operating expenses.

Savings is an often-overlooked aspect of small business, overshadowed by revenue and profitability, but it's equally as important. Having at least 2-4 months of operating expenses in the bank lessens the potential impact of unexpected expenses.

HOW OWNERS PAY THEMSELVES

Fixed Salary

S: 16%

M: 29%

L: 41%

💎: 28%



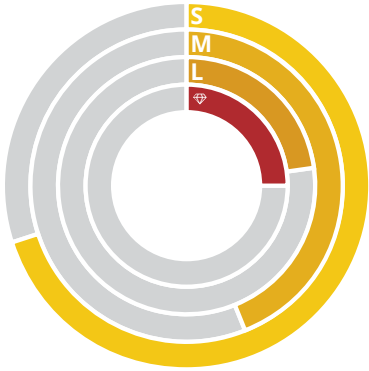
Profits

S: 70%

M: 44%

L: 23%

💎: 25%



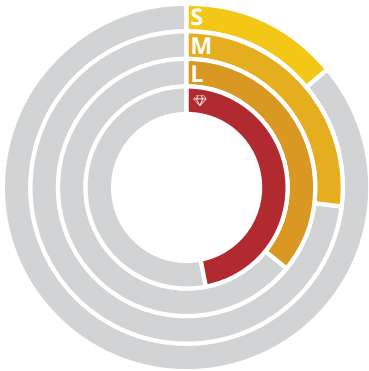
Both

S: 14%

M: 27%

L: 36%

💎: 47%



PERCENTAGE OF SCHOOLS INVESTING IN BUSINESS SERVICES

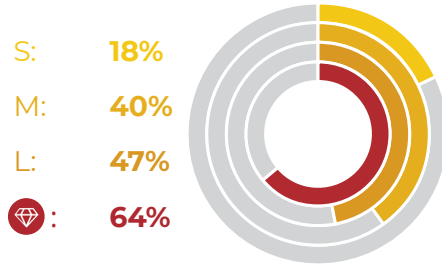
Student Mgmt. Software

S: 29%
M: 50%
L: 54%
💎: 66%



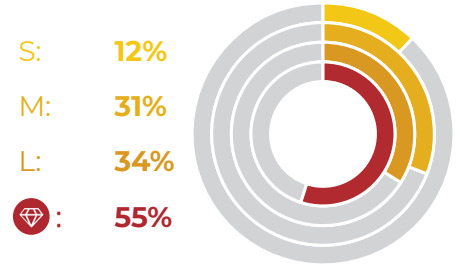
CPA / Tax Service / Accountant

S: 18%
M: 40%
L: 47%
💎: 64%



Accounting Software

S: 12%
M: 31%
L: 34%
💎: 55%



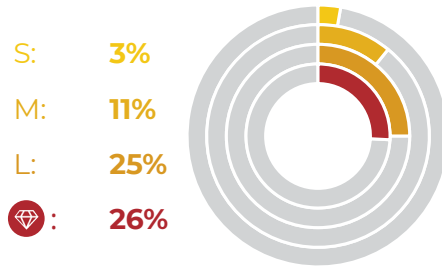
Website Development

S: 10%
M: 24%
L: 24%
💎: 28%



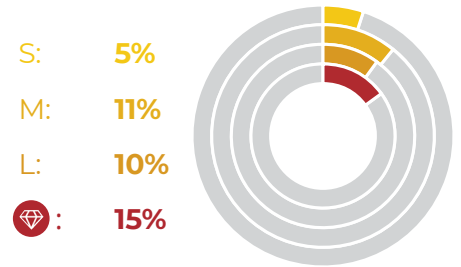
Business Consultant

S: 3%
M: 11%
L: 25%
💎: 26%



Marketing Agency

S: 5%
M: 11%
L: 10%
💎: 15%



Marketing Software

S: 1%
M: 4%
L: 3%
💎: 2%



Key Takeaway

Champions use business tools like student management software.

Student management software enhances both the student and owner experience. Tasks normally completed by you or a staff member can be completed by software so you can focus on the business and sharing your passion with students. Integrated marketing tools allow you to attract and nurture leads. Automated communication improves student attendance and retention. Autopay and detailed reporting help you generate reliable revenue and manage your school finances. Before investing in additional personnel resources, consider adding tools for a fraction of the cost.



AGREEMENTS

MOST POPULAR AGREEMENT OPTIONS

Shown by percentage of students

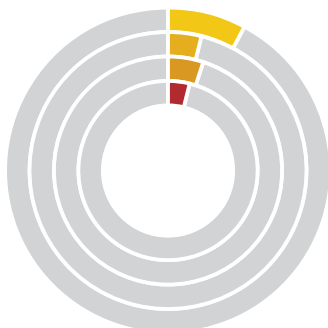
Intro Program

S: 8%

M: 4%

L: 5%

💎: 4%



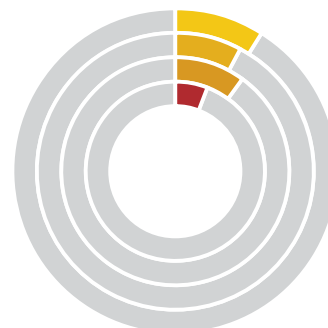
1x Week

S: 9%

M: 8%

L: 10%

💎: 6%



2x Week

S: 30%

M: 22%

L: 23%

💎: 28%



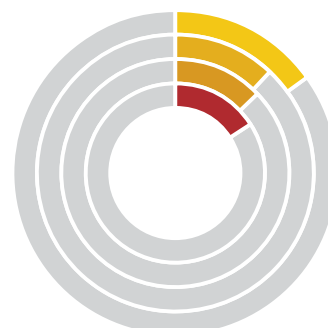
3x Week

S: 15%

M: 12%

L: 13%

💎: 16%



Unlimited

S: 33%

M: 49%

L: 48%

💎: 44%



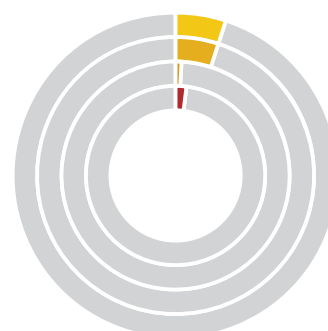
Other Agreements

S: 5%

M: 5%


L: 1%

💎: 2%




MEDIAN AGREEMENT PRICING


Intro Program

S:	\$59.58
M:	\$66.10
L:	\$84.93
 :	\$86.46


1x Week

S:	\$66.03
M:	\$71.31
L:	\$74.05
 :	\$88.99


2x Week

S:	\$92.03
M:	\$104.08
L:	\$108.40
 :	\$120.80


3x Week

S:	\$102.15
M:	\$134.40
L:	\$122.73
 :	\$138.11

Unlimited

S:	\$118.93
M:	\$133.68
L:	\$144.02
 :	\$147.90

Other Agreements

S:	\$136.39
M:	\$130.22
L:	\$95.33
 :	\$80.19



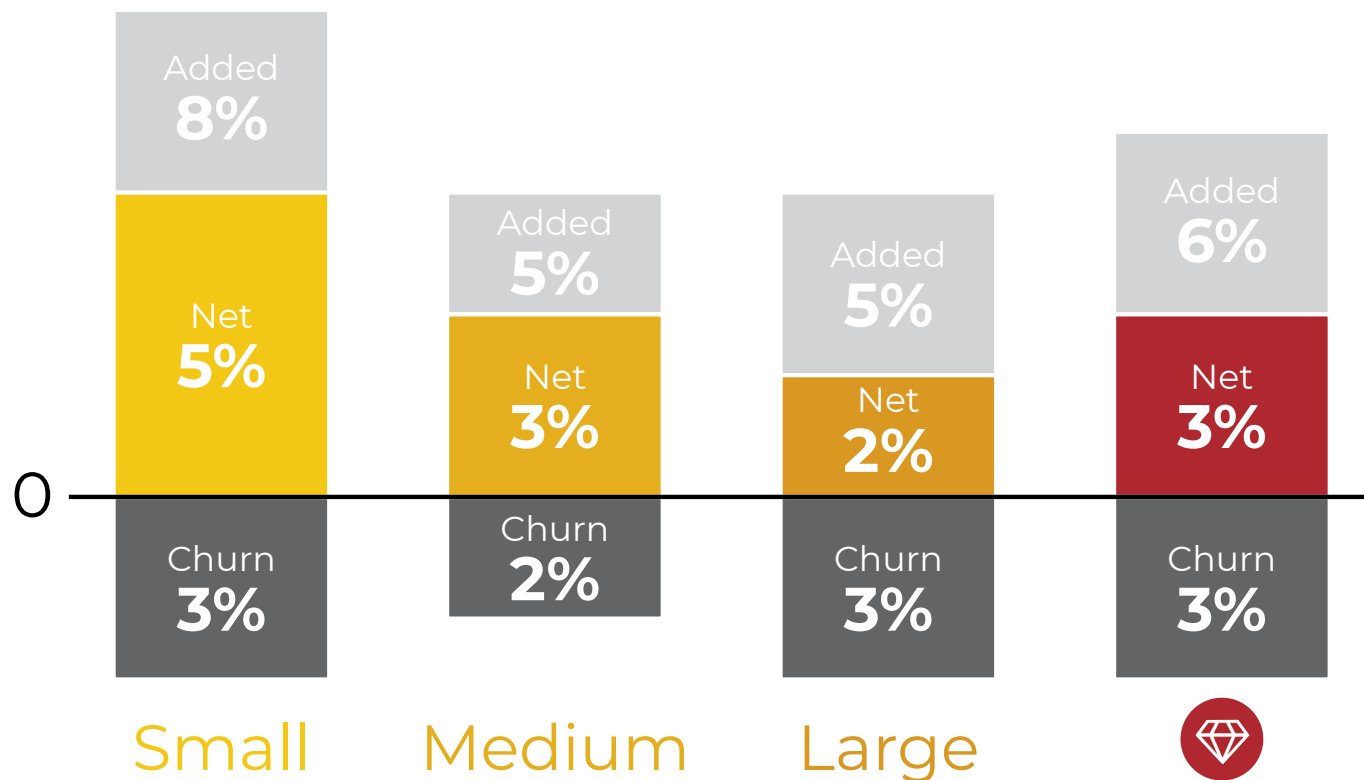
Key Takeaway

Champions charge what they are worth and sell based on value, not price.

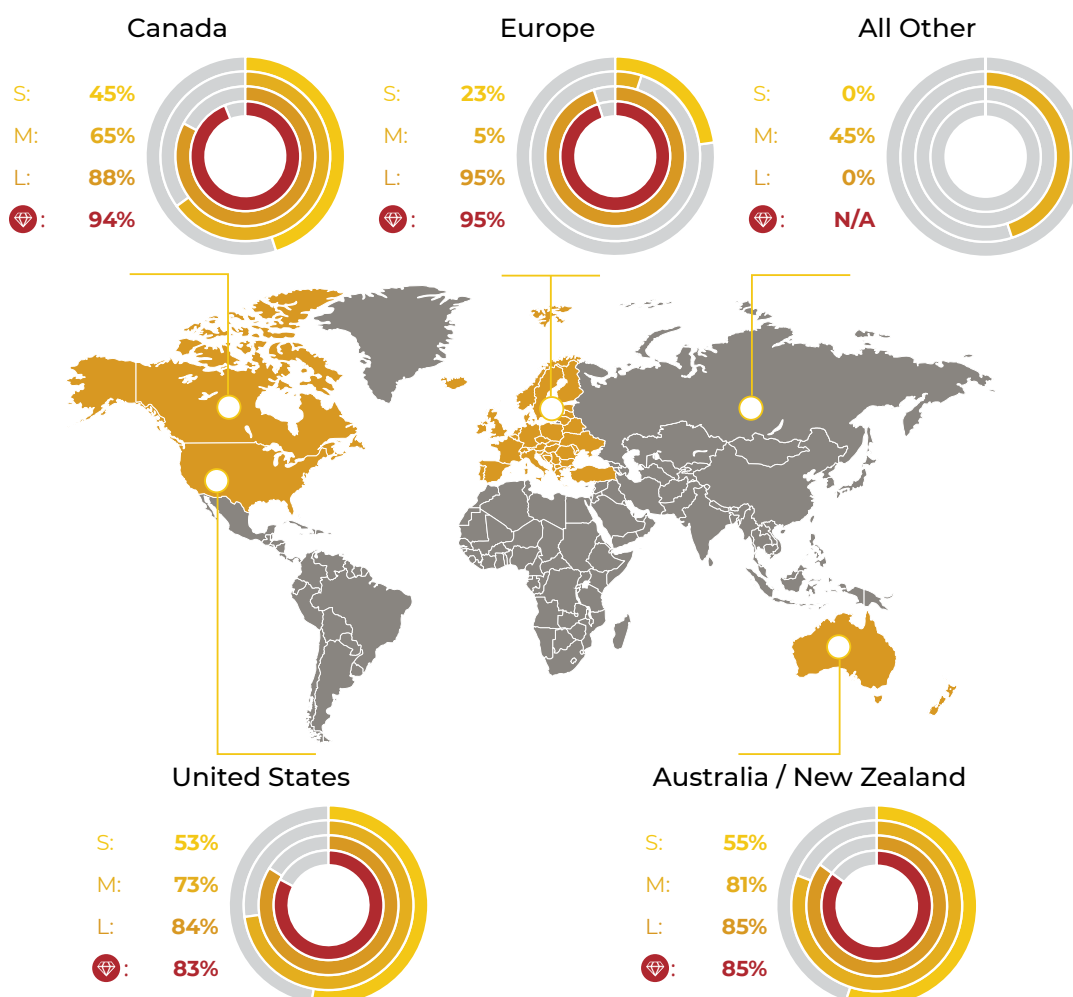
Champions charge more for every type of student agreement. Don't let the size of your school determine how you price your agreements. There is more to the student experience than school size or even amenities. Focus on your unique experience, the quality of your instruction and your audience's unique needs.

YEARLY STUDENT RETENTION

Churn is the percentage of total students lost each month, while Net is the percentage of students added each month minus the percentage of students lost each month.



PERCENTAGE OF STUDENTS ON AUTOPAY BY REGION



Key Takeaway

Champions use autopay to enable reliable revenue and save time.

With 89% of their students on autopay globally, it's safe to say this is a preferred, if not required, standard for Champions. In order to make this a standard practice, you need the right tools in place and a good payment processor. Student management software makes it easy to process automatic payments each month and has the added benefit of proactive student communication to overcome obstacles like expired cards. Depending on your school's needs, adding full service billing to your business management software may also be necessary. Full service billing prevents the business owner from becoming a bill collector, while also making sure all your students' billing needs are taken care of promptly.

PAYMENT COLLECTION METHODS BY REGION

Canada

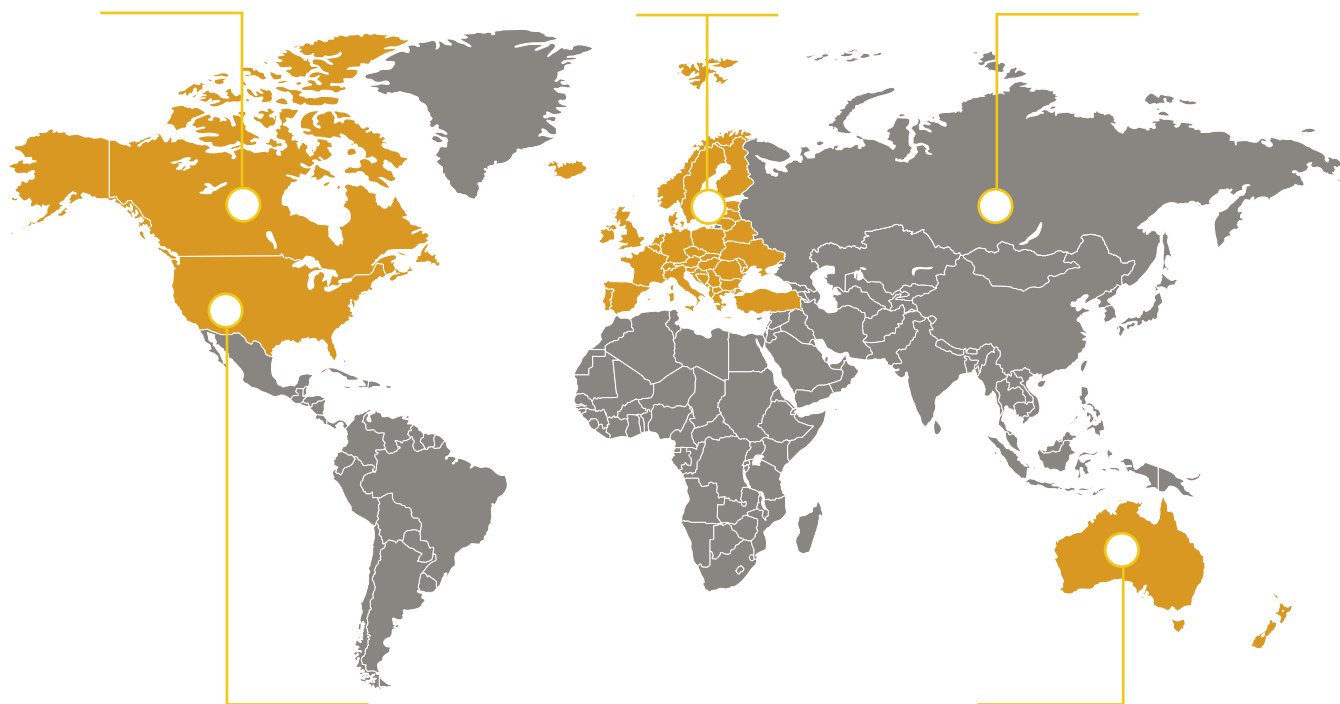
Credit Card:	47%
ACH/EFT/ Direct Debit:	35%
Cash:	14%
Paper Checks:	2%
Other:	2%

Europe

Credit Card:	12%
ACH/EFT/ Direct Debit:	33%
Cash:	48%
Paper Checks:	7%
Other:	0%

All Other

Credit Card:	17%
ACH/EFT/ Direct Debit:	53%
Cash:	25%
Paper Checks:	5%
Other:	0%



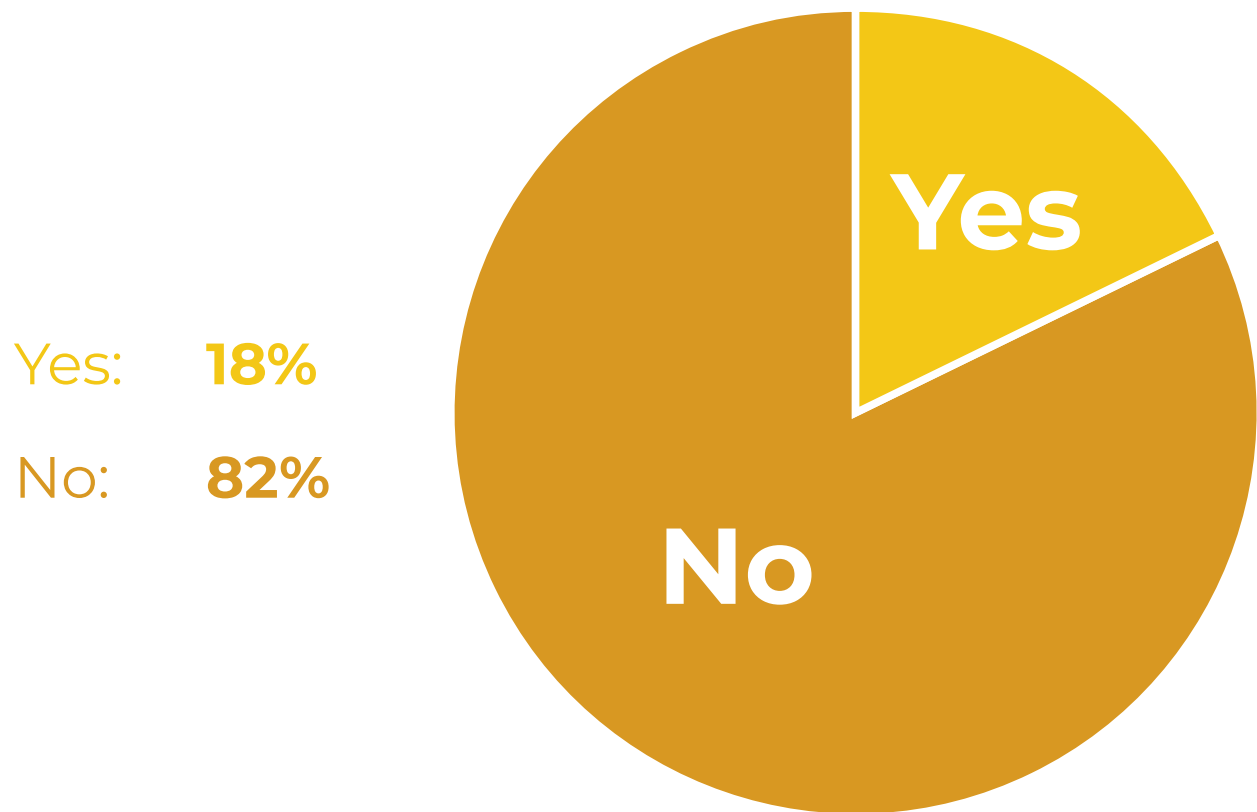
United States

Credit Card:	62%
ACH/EFT/ Direct Debit:	16%
Cash:	12%
Paper Checks:	9%
Other:	1%

Australia / New Zealand

Credit Card:	29%
ACH/EFT/ Direct Debit:	56%
Cash:	6%
Paper Checks:	0%
Other:	9%

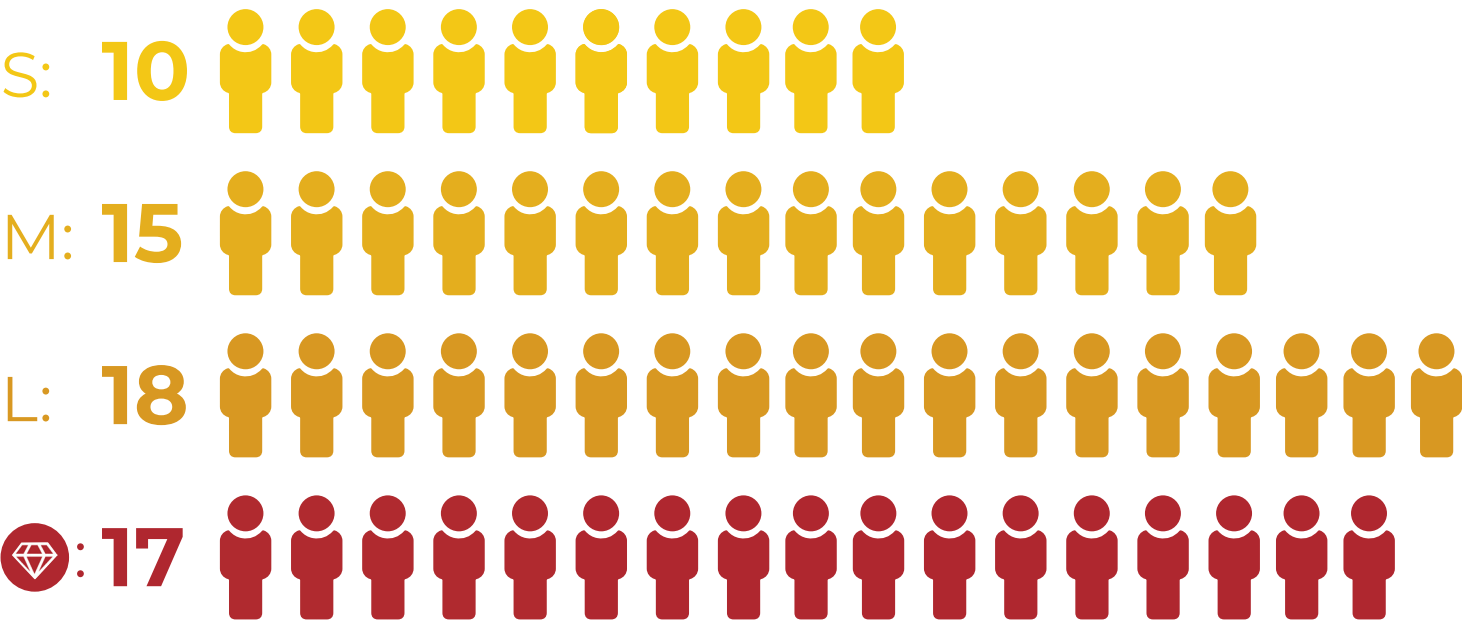
ACCESS TO MULTIPLE LOCATIONS WITH ONE MEMBERSHIP




A woman in a martial arts class is practicing a kick on a heavy bag. She is wearing a white tank top and black leggings. The bag is black and has the word "Knuckle" on it. Other people are visible in the background, also practicing. The scene is lit with a warm, yellowish light.

CLASSES

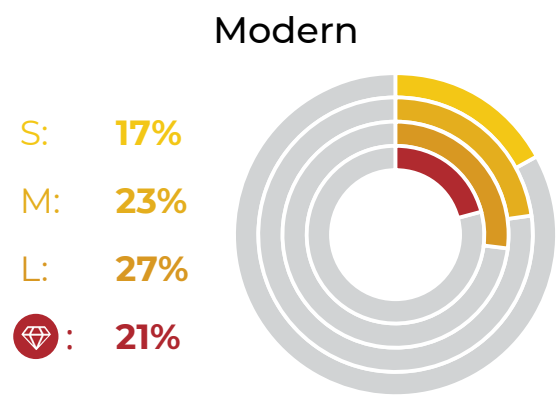
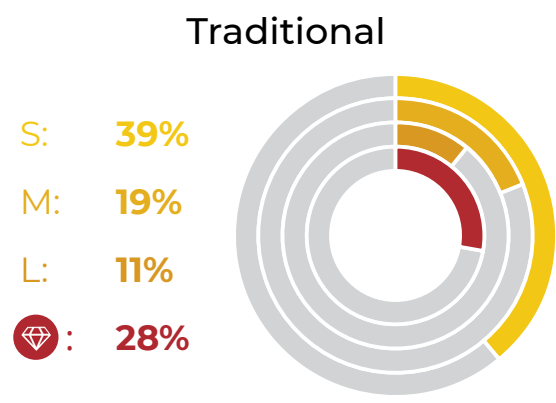
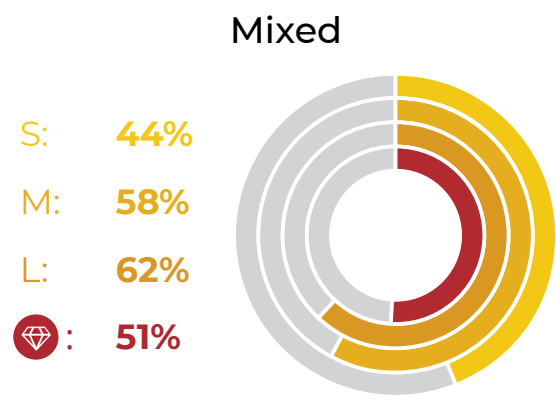
AVERAGE CLASS SIZE



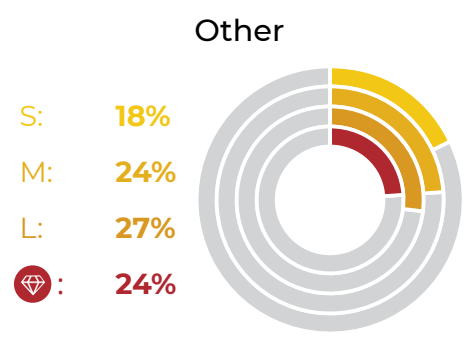
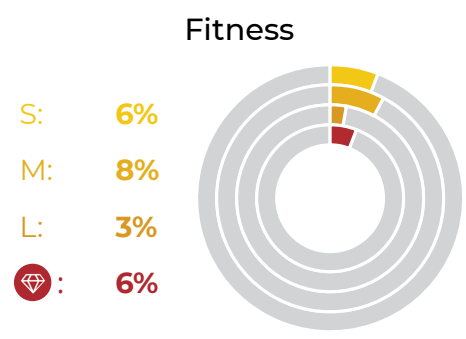
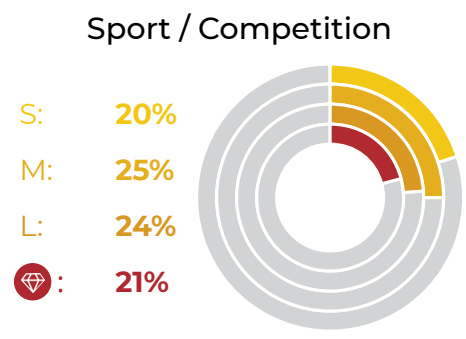
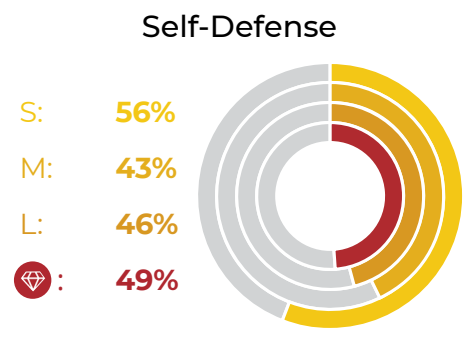
AVERAGE CLASSES PER DAY

Day of the Week	Small	Medium	Large	
Monday	2	5	6	6
Tuesday	2	5	6	6
Wednesday	2	5	6	6
Thursday	3	5	6	6
Friday	1	3	4	3
Saturday	2	3	4	4
Sunday	0	1	1	0
Total Weekly Classes	12	27	33	31

CLASSIFICATION

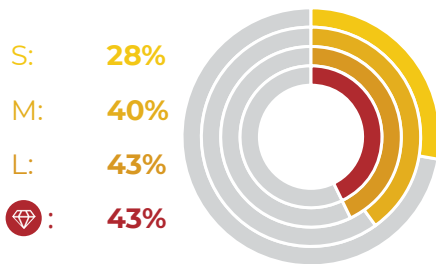


CURRICULUM FOCUS

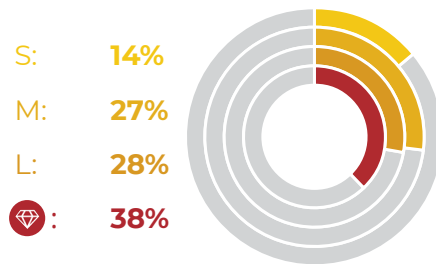


STRIKING DISCIPLINES OFFERED

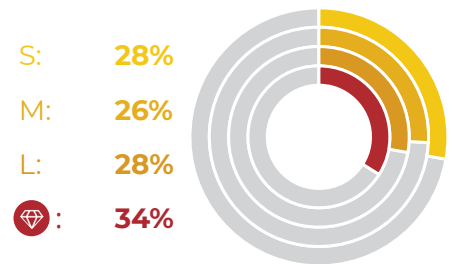
Kickboxing



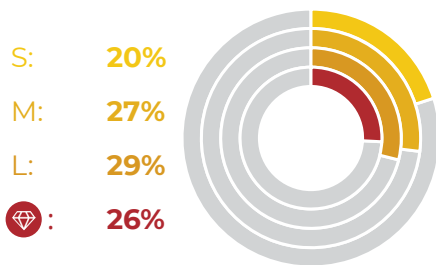
Taekwondo



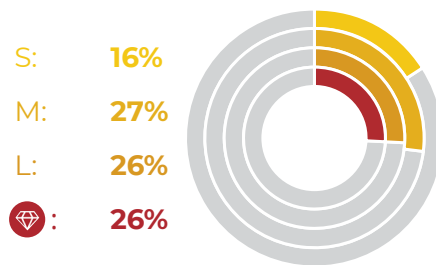
Karate



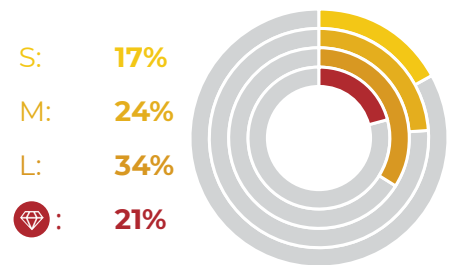
Boxing



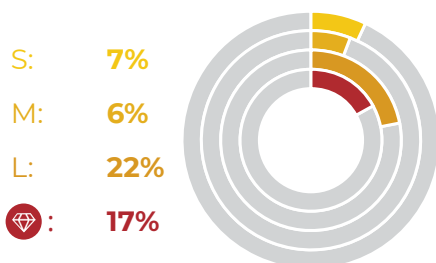
Muay Thai



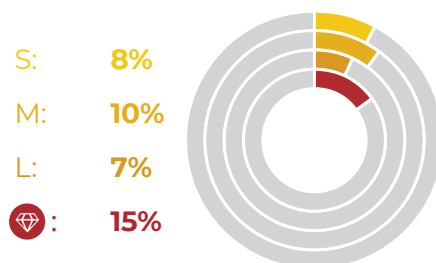
MMA



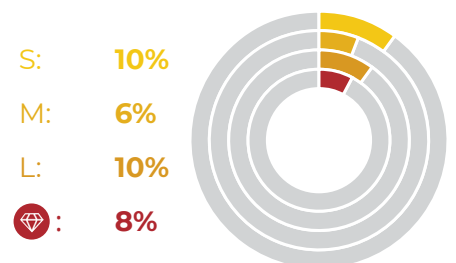
Krav Maga



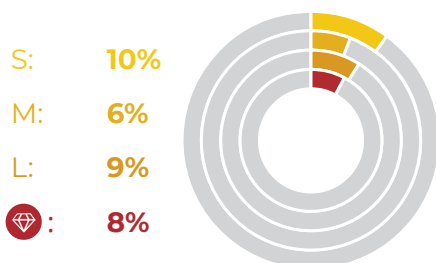
Kenpo



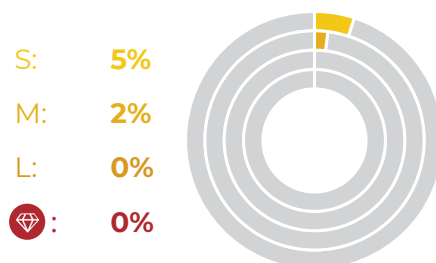
Tai Chi / Tai Chi Chaun



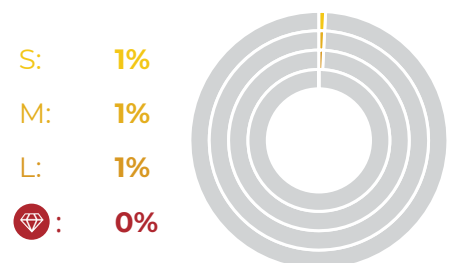
Kung Fu



Jeet Kune Do

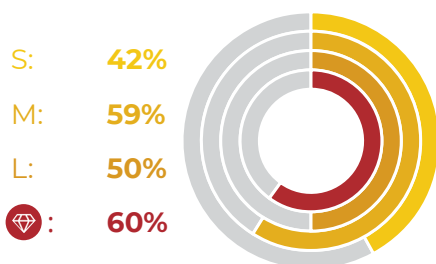


Capoeria

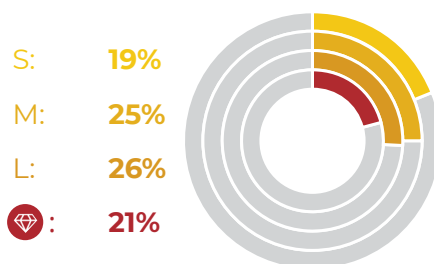


GRAPPLING ARTS OFFERED

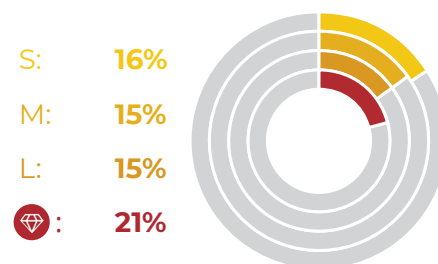
Jiu Jitsu / BJJ



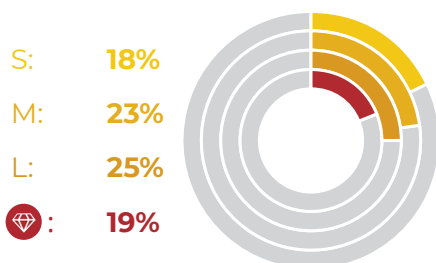
No Gi Grappling



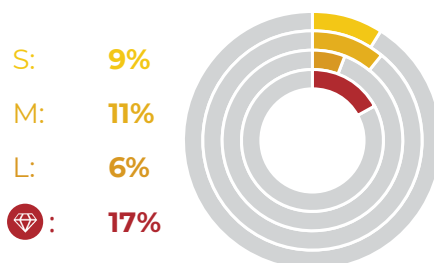
Judo



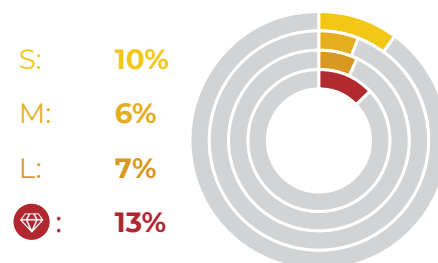
MMA Grappling (with Strikes)



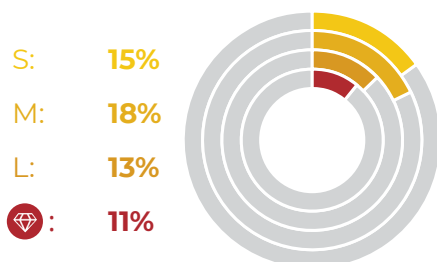
Hapkido



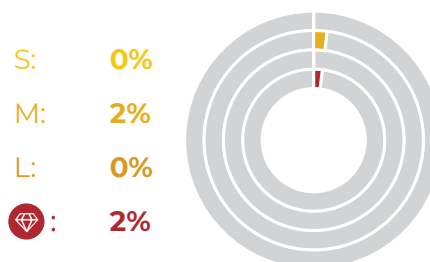
Aikido



Wrestling



Sambo





BELT TRACKING

Belt Tracking

TESTING FREQUENCY

1-2 Months

S: 13%
M: 30%
L: 33%
💎: 36%



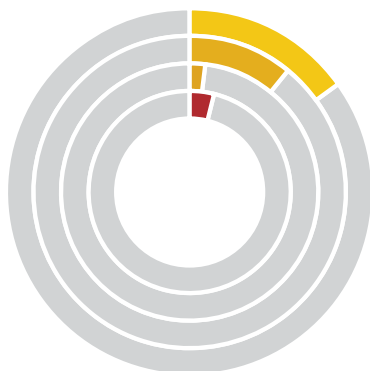
3-4 Months

S: 38%
M: 33%
L: 41%
💎: 47%



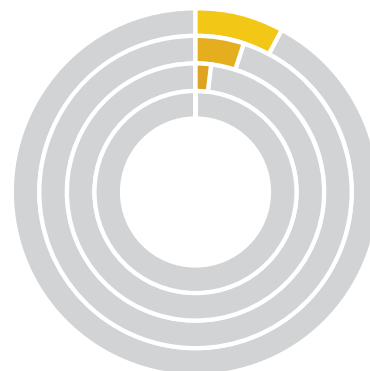
5-6 Months

S: 15%
M: 11%
L: 2%
💎: 4%



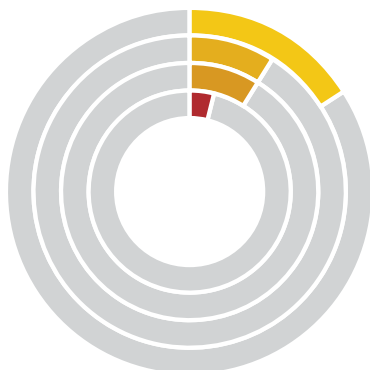
7-12 Months

S: 8%
M: 5%
L: 2%
💎: 0%



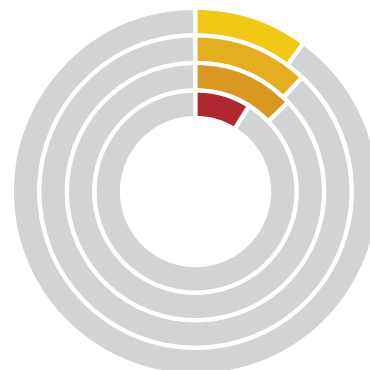
Merit-Based (No Test) Belt Promotions

S: 16%
M: 9%
L: 9%
💎: 4%



Other

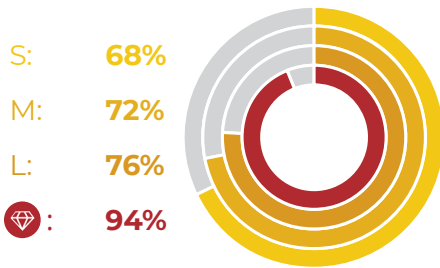
S: 10%
M: 12%
L: 13%
💎: 9%



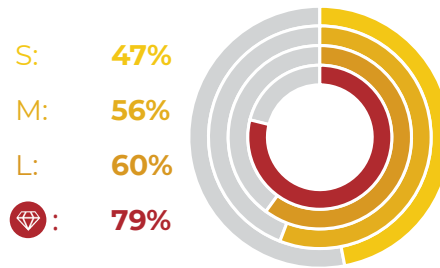
Belt Tracking

TESTING CRITERIA

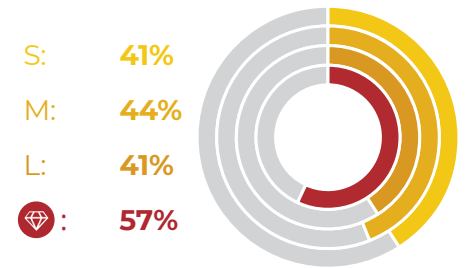
Skill Based



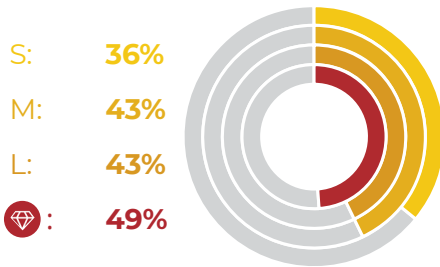
Attendance Based



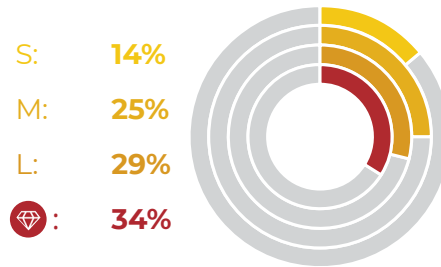
Time Based



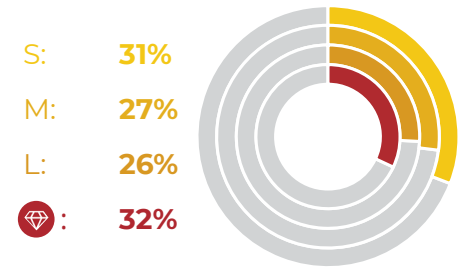
Character



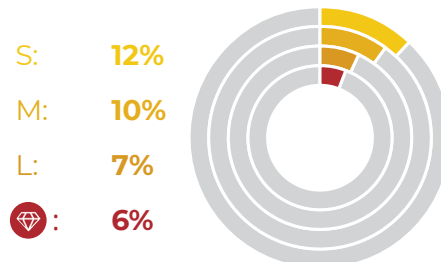
Fitness



Academic / Knowledge



Ability to Teach
the Curriculum



A man with a beard, wearing a black martial arts gi, stands in the center of a dojo, gesturing with his hands as if speaking. He is wearing a black belt with "KOVAR'S SATORI ACADEMY" and "SULLER KING SUEETIAN" written on it. In the background, a banner reads "PRINCIPLES OF A BLACK BELT" and "I WILL TEACH YOU THE PRINCIPLES OF MARTIAL ARTS". Other students in gis and helmets are visible in the background.

STAFF

AVERAGE NUMBER OF STAFF

 Equals 1 staff member

Part-Time Instructors

S: 

M:   

L:    

:   

Full-Time Instructors

S: 


M: 

L:  



:  

Admin / Front Desk

S:


M: 


L: 



: 

School Managers


S:

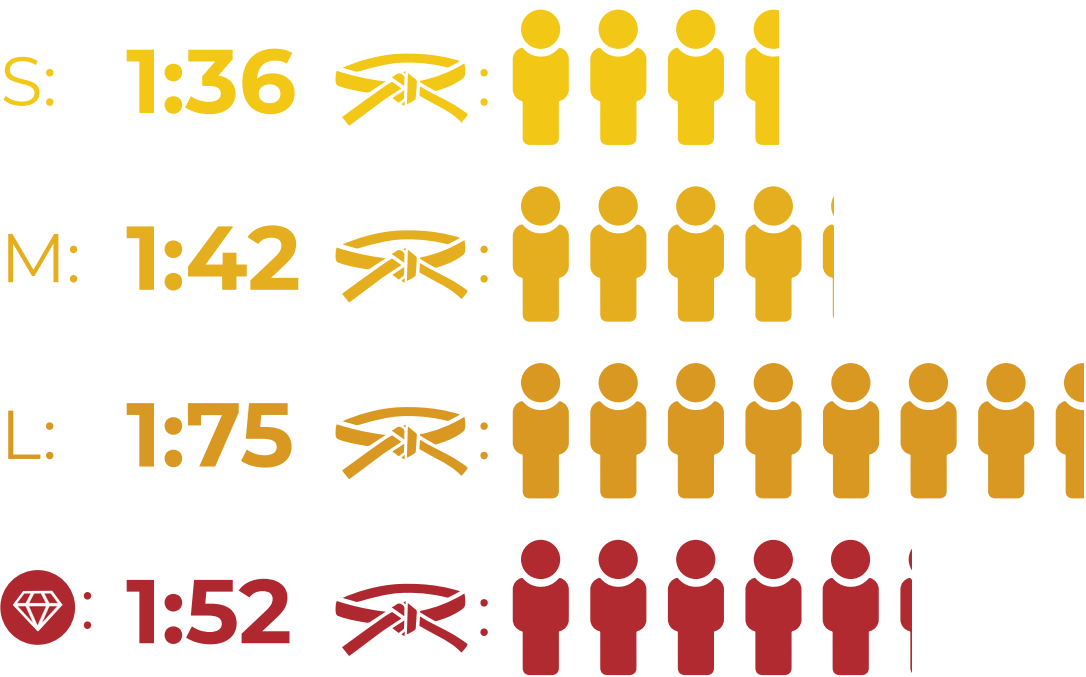
M: 

L: 

: 

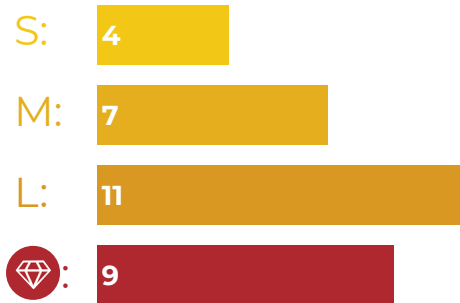
INSTRUCTOR-TO-MEMBER RATIO

 Equals 10 members



AVERAGE HOURS PER WEEK

Part-Time Instructors



Full-Time Instructors



Admin / Front Desk



School Managers



AVERAGE HOURLY PAY

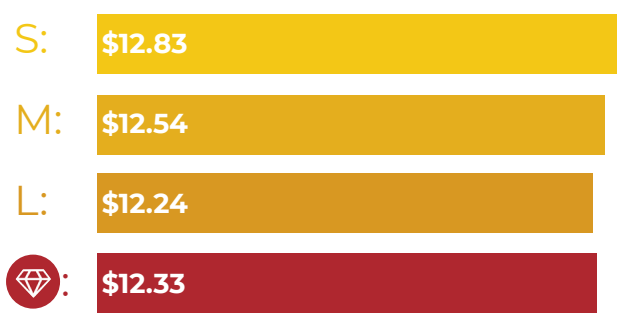
Part-Time Instructors



Full-Time Instructors



Admin / Front Desk



School Managers



A woman with blonde hair tied back, wearing a black tank top and yellow leggings, is looking down at a smartphone in her hands. She is wearing black fingerless gloves. The background is a gym with various equipment like punching bags and tires. The image has a yellowish tint.

MARKETING


YEARLY MARKETING SPEND

S: **\$3,000.40**

M: **\$7,240.08**

L: **\$10,389.38**

: **\$10,739.96**

Platform	Small	Medium	Large	
Facebook	\$699.24	\$1,520.30	\$2,498.83	\$2,413.73
Google Ads	\$633.61	\$1,090.46	\$2,473.25	\$2,725.02
Local Advertising (Ex: Newspapers)	\$273.82	\$1,869.66	\$1,843.68	\$1,646.29
Events	\$365.45	\$699.63	\$1,262.29	\$1,132.31
Other Social Media	\$229.71	\$910.28	\$654.38	\$1,226.64
Marketing Materials (Ex: Flyers)	\$248.71	\$570.95	\$1,120.80	\$879.29
Referrals	\$199.86	\$478.80	\$536.15	\$716.68
Bing	\$350.00	\$100.00	\$0	\$0
Total Yearly Marketing Spend*	\$3,000.40	\$7,240.08	\$10,389.38	\$10,739.96

*Due to reporting variations, yearly average marketing spend will vary from aggregated monthly marketing spend (p.9).

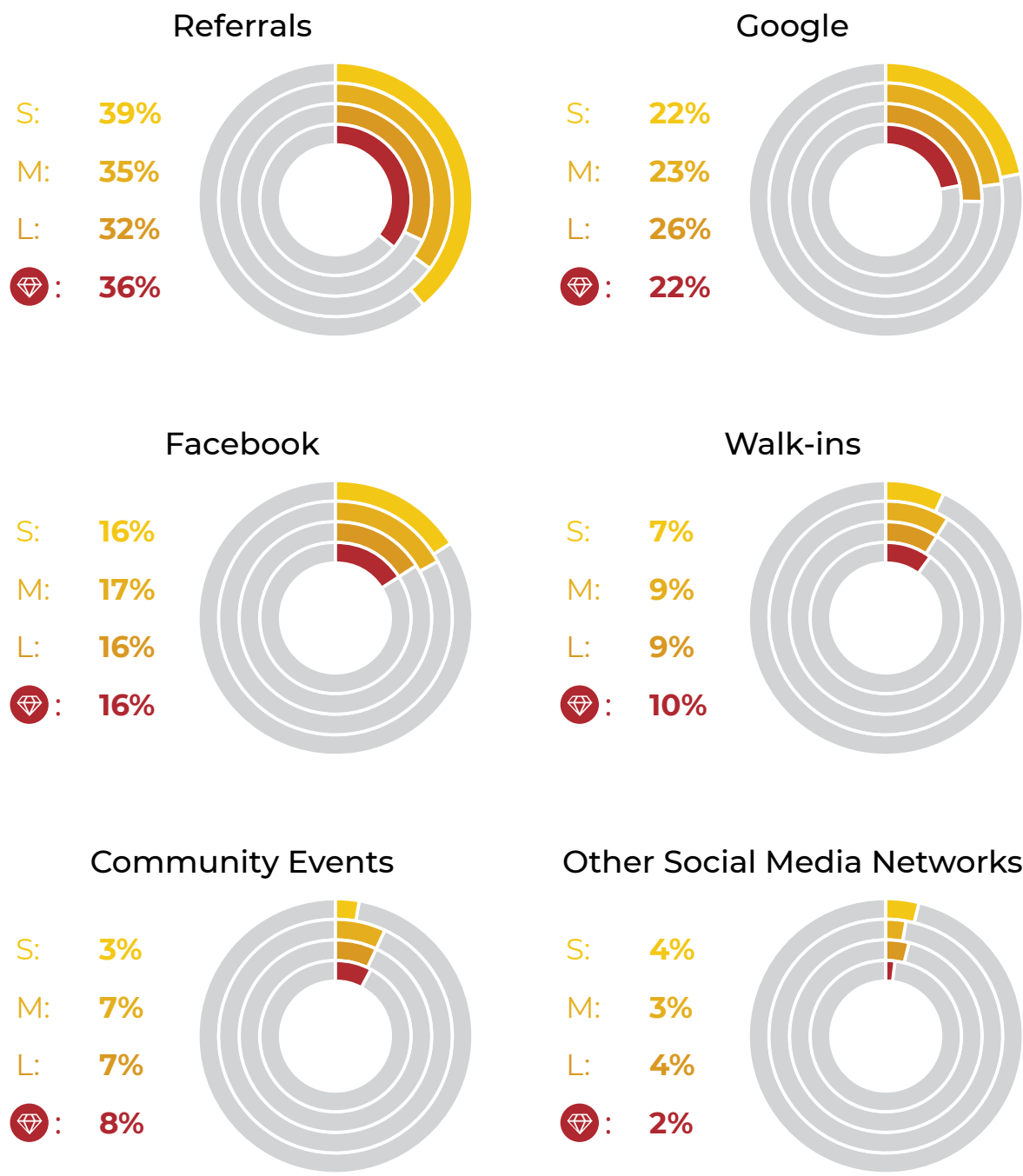


Key Takeaway

Champions see the value of investing in marketing.

Champions see value in marketing platforms like Facebook and Google Ads, and these two channels account for nearly half of their total marketing spend. Facebook and Google Ads can help any school attract prospects outside their event and referral marketing strategies. They also allow you to create highly targeted advertisements based on the ideal audience you want to reach. Before you invest in digital marketing, make sure your website is up to the challenge and optimized to convert the influx of visitors into prospects.

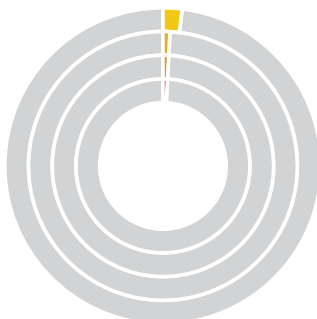
HOW PROSPECTIVE STUDENTS FIND SCHOOLS



HOW PROSPECTIVE STUDENTS FIND SCHOOLS

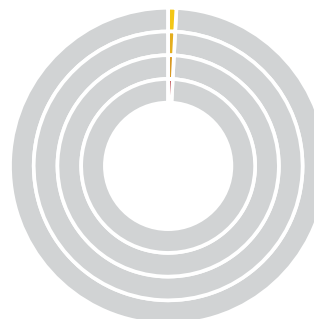
Promotional Discount Sites

S: 2%
M: 1%
L: 1%
💎: 1%



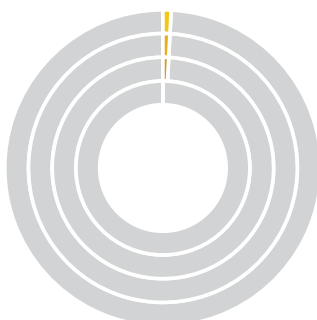
Email

S: 1%
M: 1%
L: 1%
💎: 1%



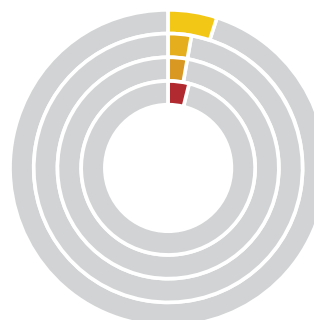
Mailers

S: 1%
M: 1%
L: 1%
💎: 0%



Other

S: 5%
M: 3%
L: 3%
💎: 4%

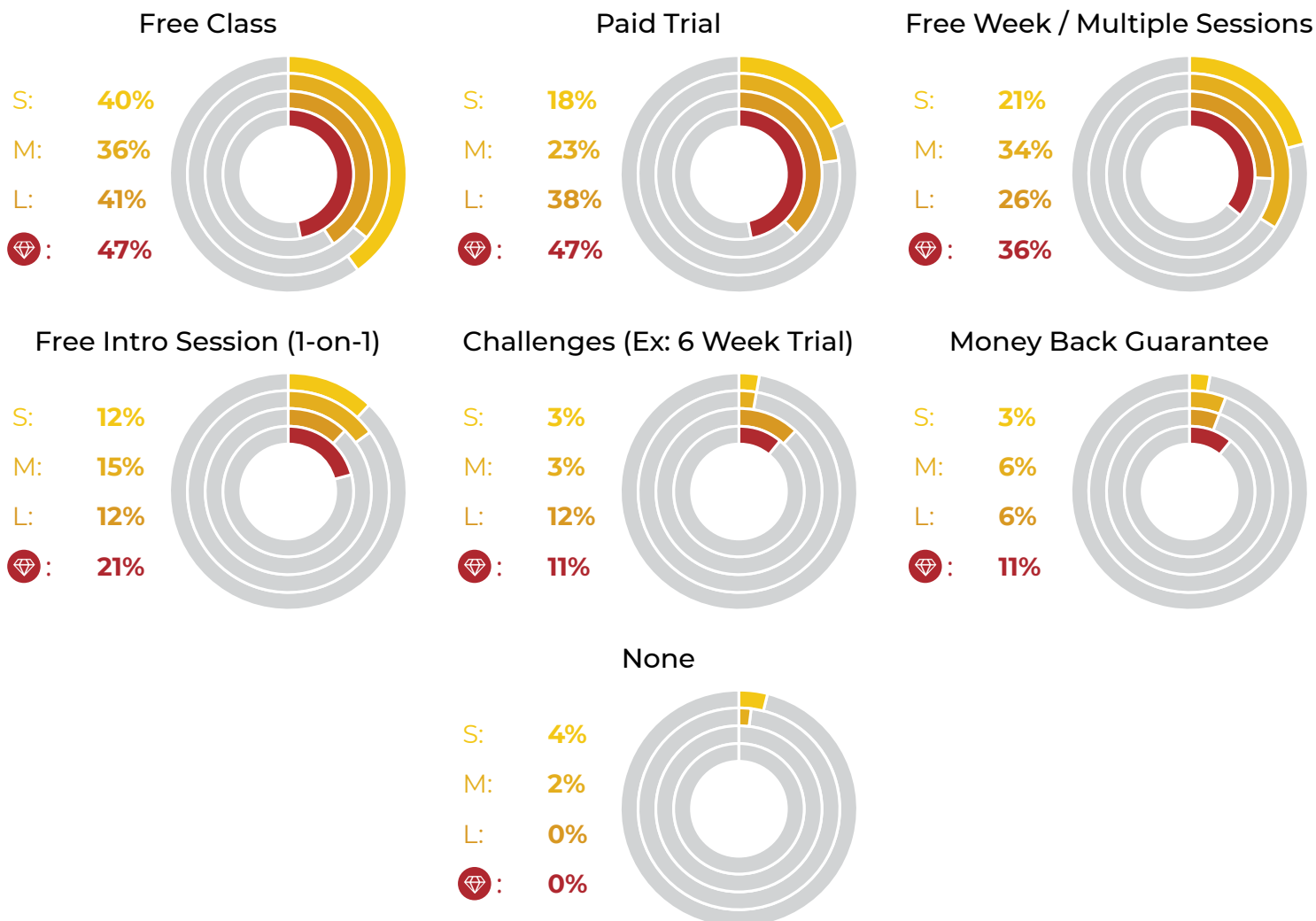


Key Takeaway

Referrals are the most common way prospects find schools.

Champions invest in referral marketing and it works. Referrals generate highly qualified leads because the prospect learns about the school from someone they know and trust. Furthermore, referral marketing doesn't require significant expertise like other marketing tactics. There is virtually no barrier to entry for starting a referral program and it costs less than other strategies like digital advertising or events.

TYPES OF PROMOTIONS OFFERED



Key Takeaway

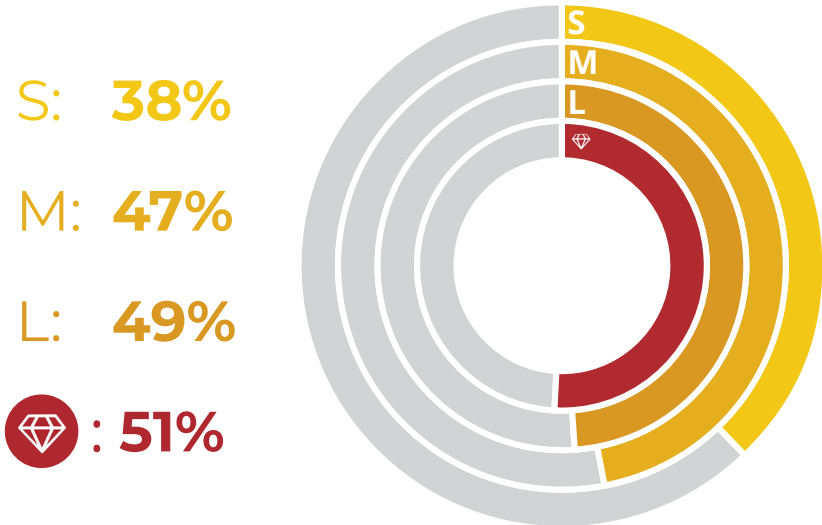
Champions know their service speaks for itself, so they strive to get prospects on the mat and allow the experience to convert them into students.

Champions most commonly offer free classes and paid trials to prospective students. The free class serves as a noncommittal way to experience the school. The paid trial offers a low barrier to entry offer to transition prospects from a free class to the full experience. Experiment with using both free classes and paid trials to get more prospective students in the door. This will help them experience your undeniable value and ultimately, convert them to loyal students.

AVERAGE LEADS / PROSPECTS PER MONTH



PERCENTAGE OF LEADS THAT SIGN UP FOR AN AGREEMENT





Become a Champion with Zen Planner

Zen Planner makes martial arts schools wildly successful. Our comprehensive, customizable school management solutions provide you with the necessary tools to take your business to the next level, enabling you to spend less time behind the desk and more time with your valued students.

To learn more about what Zen Planner can do for your business, schedule your demo today.

SCHEDULE YOUR DEMO