

KoKo gyms to flood Austin

Premium content from Austin Business Journal by Cody Lyon , ABJ Staff

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Nick Simonite

Robert Reisch is part of the team awarded franchise rights in the North Austin area for KoKo FitClub. Another group is bringing KoKo to the South Austin area.

An advertisement for the bizjournals iPhone app. On the left is a black iPhone displaying the app's interface, which includes the bizjournals logo, a search bar, and a list of business journals. To the right of the phone, the text reads "Success to Go" in large black letters, followed by "Download our iPhone app today!" in a smaller font. Below this text is a prominent orange "Download" button. At the bottom right, it says "sponsored by" followed by the Frost logo, which consists of a stylized sunburst icon and the word "Frost" in a bold, sans-serif font.

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A pair of franchisees are bringing Austin a new way to work out that they hope will appeal to those who seek a personal approach and are open to a technology-driven regimen.

The city's first KoKo FitClub opened Aug. 15 at 9231 W. Parmer Lane, and the franchisees plan to open at least 12 more in just the next year.

The concept behind KoKo blends two areas that Austin is known to have an affinity for: fitness and high tech. At roughly 2,000 square feet, the gyms are smaller than most and are designed to provide computer-driven personalized instructions.

The franchisor is Massachusetts-based KoKo FitClub LLC, which requires an investment of \$143,000 to \$258,000 per location, including a \$30,000 franchise fee.

The Parmer Lane KoKo FitClub, a 2,300-square-foot gym in a small shopping center, has five machines that are the heart of what KoKo calls its Smartraining System. At a glance, they resemble Soloflex machines, but are more podlike. Each comes with an 8-by-5-inch liquid-crystal display screen. The Parmer Lane KoKo has five treadmills, also equipped with LCD screens and audio outlets for instructions.

Husband-and-wife franchise team Robert and **Jennifer Reisch** opened the location with plans to open five more stores in the area's northern territory by February 2012. The search for locations is being led by **Cole Brodhead** at Retail Solutions.

Meanwhile, **Josh Godwin** and another husband and wife, John and **Alexa Rabb**, have been assigned the South Austin territory by KoKo and are opening two locations — at Onion Creek and Lakeway — in the coming months. Plans call for a third spot at the new Parkside development soon. The franchisees, who were being represented by broker **Russel Louis**, plan to open seven locations in the coming year, Godwin said.

Each KoKo club requires at least 1,800 square feet to accommodate five Smartrainers and five cardio machines, **Jennifer Reisch** said.

"Smaller, personalized gyms are on the rise in markets like Austin due mainly to the baby boomers merging with Gen Xers," said **Bert Martinez**, CEO at **Bert Martinez** Communications LLC.

Many people want a place to work out where they don't feel intimidated, while many baby boomers enjoy a fitness club with smaller memberships, said Martinez, a sales and marketing expert.

The plan at KoKo is to cap each location's membership at 360 people, **Robert Reisch** said.

In selecting a site, KoKo considers an eight- to 12-minute drive time to establish the area of its potential client base, with an eye toward neighborhoods with 200,000 houses and locations that front busy streets to help build name recognition, **Jennifer Reisch** said.

"It seems that all the clubs are ending up in newer buildings in active locations, right outside of neighborhoods," she said.

Meanwhile, the franchise doesn't worry about proximity to big gyms because it doesn't consider them, but rather personal trainers, to be their competition, she said.

The gym offers a range of workout plans to achieve fitness goals such as muscle definition and losing weight. Also, the Smartrainers work to accelerate recoveries from challenges such as breast cancer and back pain.

Each member's plan is stored digitally, and each receives a computer fob that enables them to log onto the gym's system, which tells the member what he or she will be doing each day.

For the first two weeks, the system tests the member's strength and endurance to customize the chosen program, much like a personal trainer. Each session, which takes place without music or other activity around the member, lasts 30 minutes, and is scored numerically and stored.

The novelty of KoKo's technology and approach could catch on, but not by itself, Martinez said. There's a lot of competition with established names in Austin.

"The most critical ingredient that a new specialized health club needs is not equipment, technology or even location," he said. "It's having a marketing plan."