

KAIZEN ADVISORY / CASE STUDY / V1.0

Kaizen Pilates, Abu Dhabi.

A premium boutique studio, year one.

YEAR ONE, AT A GLANCE

RECURRING MEMBERS	MONTHLY CHURN	AVERAGE UTILIZATION
150	5%	70%

Plus more than 2,000 customers who bought class packs or drop-in classes during the year, a 4.9 out of 5 rating across 498 Mindbody reviews, and the highest member retention rate among premium Pilates studios in the Abu Dhabi market, at one of the highest price points in the city.

A studio that retains members at premium price is not a function of luck or market. It is a function of which six numbers the owner watches, and which levers they pull when those numbers move.

Why this case study exists

Kaizen Pilates opened on Saadiyat Island in January 2025, co-founded by Humza Idrees and Fariha Idrees. The year covered in this document runs January 2025 through January 2026. The numbers above are the result.

They are also the proof point that the operating discipline behind Kaizen Pilates can be taught. We turned the system that produced them into Kaizen Advisory, the practice that now helps other boutique studio owners do the same.

This document is the long version. It walks through the market we entered, the bet we made, the operating principles that turned out to matter most, and the parts that were harder than they look. If you run a boutique studio and you are trying to decide whether to scale, hold, or rebuild, this is the read.

The market

ABU DHABI BOUTIQUE FITNESS, BEFORE KAIZEN

Abu Dhabi has no shortage of fitness options. Big-box chains, hotel gyms, mid-market studios, and a small number of premium boutique offerings that mostly sit inside five-star hotels. What the market did not have, in the configuration we observed, was a free-standing premium Pilates studio with the operating discipline of a luxury brand.

The discerning Pilates client in Abu Dhabi was buying her movement somewhere. She was buying it in hotel gyms with mediocre instruction, in mid-market studios with reformer rooms that doubled as bootcamp spaces, or in private one-on-one sessions with traveling instructors. The category was real. The premium standalone option was not.

The customer we were building for

Female, 28 to 55, professionally accomplished, living in Saadiyat or central Abu Dhabi, with a clear sense of how she wants to feel and a high tolerance for excellence. She has tried other fitness options. She has reasons they did not stick. Her time is the constraint, not her budget. She will pay premium for a calm, considered experience. She will leave for indifference, not for price.

Designing for this customer meant a thousand small decisions. The kind of music. The towel folding ritual. The Instagram aesthetic. The way the receptionist remembers her water preference. Every one of these decisions either reinforced the bet or quietly undermined it.

The bet

THREE CONTRARIAN DECISIONS

Three decisions were made before the studio opened that turned out to matter more than anything that came after. Each ran against conventional studio operating logic at the time. Each held up.

01. Premium price, no discounting

We launched at the upper end of the Abu Dhabi market and refused to introduce discounting as a sales tool. No flash promotions. No half-price intro months. The intro offer was structured to filter for fit, not to maximize sign-ups. This was uncomfortable for the first two quarters, when the

obvious move was to drop price and fill the room. We did not. The members who joined chose Kaizen for what it represented, not because of a deal. Those members stayed longer.

02. Saadiyat as the catchment

Saadiyat Island was, at launch, a smaller catchment than the conventional choice of central Abu Dhabi. The island had roughly 4,700 residential units in service, mapping to approximately 3,650 occupied households after netting out the 60 percent year-round villa occupancy. The adult catchment was approximately 7,300, a fraction of what a mainland location would have given us.

The decision was deliberate. Saadiyat residents were the customer we wanted, and the island was on a structural growth trajectory. Saadiyat Lagoons, Saadiyat Reserve, and Saadiyat Grove were already in the pipeline, with the residential base set to grow from approximately 4,740 units today to roughly 8,800 by 2028. We were betting on a customer concentration, not a population number.

03. Operating discipline before square footage

The third decision was to open with a smaller footprint than was financially comfortable, and to use the year-one operating discipline to prove we could fill it before adding more. The studio opened with capacity calibrated to a specific weekly schedule rather than to an aspirational square footage figure. This meant constraints, especially around peak hours. It also meant utilization data that was honest from day one. We did not have to pretend a half-full studio was a successful one.

Year one, in numbers

These are the numbers that defined year one. Each tells part of the story. None tells it alone.

Recurring membership growth

By the end of year one, approximately 150 active monthly members were on recurring memberships. This was built from zero in twelve months. The growth was not linear. The first three months were the slowest, as the brand established itself and the first cohort of members became advocates. Months four to nine produced the steepest growth as referrals compounded. Months ten to twelve saw growth taper into a healthier balance, with retention discipline becoming the more important number than acquisition.

The recurring base is the engine of the business. The drop-in base is the future of it.

The drop-in and pack-buyer community

Alongside the 150 recurring members, more than 2,000 individuals bought class packs or single drop-in classes during the year. This is the leading indicator. A drop-in today is a recurring member in three months, six months, twelve months. The 2,000-plus number tells us the studio is reaching people far beyond its current recurring base.

Many of those drop-ins will convert. Others will not, and that is fine. The drop-in revenue subsidises the cost of the funnel, while the conversion-eligible cohort builds the future recurring base. The math works in both directions.

Retention

Monthly churn among recurring members sat at approximately 5 percent. The industry benchmark for boutique fitness typically runs 7 to 10 percent monthly. Premium studios sometimes claim better. Few hold below 5 in year one.

This is the number that most owners look at last and most operators look at first. It is the only metric that compounds. A studio losing ten percent of its members each month is running uphill regardless of how good its marketing is. A studio at five is building a moat.

Retention at this level, at one of the highest price points in the city, is the read that matters. Members did not stay because we were cheap. They stayed because the experience held up.

Utilization

Average class utilization across the schedule landed at 70 percent. Peak slots, the early morning and late afternoon classes, routinely hit above 95 percent. The spread between average and peak tells us two things at once. Demand is healthy. And there is still room in the existing footprint to add recurring revenue before adding square footage.

The 70 percent average is also a sign that the schedule is honest. Studios that report higher averages often do so because they have cut all the off-peak slots. We deliberately kept some off-peak classes running through year one, to learn which time blocks could be activated. That data is now an input into the year-two scheduling.

Brand signal

Reviews are not vanity. They are the leading indicator of word-of-mouth, which is the strongest acquisition channel a premium studio has. By the end of year one, the studio had accumulated a 4.9 out of 5 rating across 498 Mindbody reviews. That review volume, at that average, is among the strongest in the Abu Dhabi market for premium boutique fitness.

The reviews were not asked for systematically. They were a byproduct of a member experience that members wanted to acknowledge in writing. That is the only kind of review worth having.

The catchment context

YEAR ONE PERFORMANCE AGAINST SAADIYAT RESIDENTIAL

Reading the year-one numbers against the catchment is what turns operational performance into a defensible story for investors, partners, and prospective second-location decisions.

Metric	Year-one read
Saadiyat Island residential units in service	~4,740
Occupied households after occupancy nets	~3,650
Adult catchment (at ~2.0 adults per household)	~7,300
Recurring penetration achieved	~2.1 percent of adult catchment
Total reach (recurring plus drop-in)	~27 percent of adult catchment
Established premium studios in mature markets	Low single-digit recurring penetration

Both penetration figures are high for a year-one premium studio in a market with multiple competing options. Achieving 27 percent reach in year one means more than one in four adults on Saadiyat has tried the studio at least once. This is the leading indicator that most predicts year-two recurring growth and second-location success.

Catchment alone does not predict success. But catchment penetration in year one, against a defined adult base, tells you whether the operating discipline is real or accidental.

What made it work

FIVE OPERATING PRINCIPLES, IN DETAIL

Year one produced more lessons than we can fit in one document. Five rose above the rest. Each is principle-shaped, not tactic-shaped. They translate to most premium boutique studios.

01. Every member touchpoint was designed before the studio opened.

The work that turned out to matter most happened before any member walked in. Every touchpoint in the member journey was mapped, prototyped, and rehearsed. How a first-time visitor is greeted. The sequence of messages she receives after her first class. How she is invited back. What the studio sounds like, looks like, smells like. The way the towels are folded. Where the water bottles sit. None of it was accidental. It was specified, rehearsed, and reviewed weekly.

The reason this works is simple. The premium positioning is a promise. Every touchpoint either reinforces the promise or quietly undermines it. There is no neutral. A studio that gets the music wrong is a studio that has just told its member it does not care about the music. Multiply that across a hundred small decisions and you have either a moat or a leak.

The discipline this requires is not creative. It is operational. The owner has to be willing to obsess over decisions that do not feel like business decisions, because they are the only kind that actually compound.

02. Instructors were hired for retention, not just teaching.

Most studios hire instructors who can teach. Fewer hire for the work that drives retention. The two skill sets are different. A great teacher knows the form. A retention-driving instructor knows the form plus the soft work that holds members: remembering names, noticing change in a body, holding a small standard of warmth that members feel and competitors cannot replicate.

Our hiring filtered for both, with the retention skills explicitly named in the brief. We trained for the soft side, not just the technical side. We also paid attention to which instructors moved the needle on member retention specifically. That data, once we had a few months of it, became the single most important input into instructor decisions for the rest of the year.

The studios that fail at this treat instructors as line items. The studios that succeed treat them as franchise owners of their own time slots, with visibility into the metrics they actually control. Instructor pay structures should reflect this. Ours did, by year-end.

03. Pricing held the brand.

Premium pricing only works if the studio refuses to discount its way out of soft weeks. We held the line on intro pricing through year one. No flash promotions. No half-price months. No groupons. The intro offer was structured to filter for fit, not to maximise volume.

This was uncomfortable for the first six months. The obvious move was to drop price and fill the room. We did not. The reasoning was simple. A discount during launch tells the market the premium price is theoretical. A discount during a soft week tells members the studio is desperate. Neither is the brand we wanted.

By the end of year one, the absence of discounting was an asset. The members who had joined had chosen Kaizen for what it represented. Their tenure was higher than discounted cohorts in our reference set, and their referrals were the most valuable acquisition channel we had. Pricing discipline was a slower path. It was the more defensible one.

04. Community was an operating discipline, not a vibe.

Community is the only true moat in boutique fitness. It is also the most-misunderstood operating concept in the category. Most studios treat community as a marketing word. We treated it as a calendar item.

A monthly cadence of one in-studio event, one piece of long-form content, and a measured referral motion outperformed any paid campaign we ran in the year. Members who attended events stayed longer, referred more, and reviewed more often. The events themselves did not have to be expensive. They had to be specific to the brand.

The studios that get this right do not call it community. They call it the calendar. The calendar runs whether the owner is in the country or not. The events happen. The members notice. Compound over twelve months and you have something that no competitor can buy.

05. We read the same six numbers every week.

The final principle is the most operational. Every week, without exception, we reviewed the same six metrics. Retention. Utilization. Funnel conversion. Instructor economics. Community

signal. Margin profile. These became the framework that Kaizen Advisory now uses with client studios, but they originated as the operating discipline of running our own.

Reviewing them weekly does two things. First, it prevents the owner from chasing top-line growth at the expense of compounding metrics. Second, it surfaces leaks early, when they are small. A retention number that drifts from 5 to 6 percent is visible in week three when reviewed weekly. The same drift in a monthly review takes six weeks to be obvious, and by then it has produced the first wave of preventable losses.

Weekly is uncomfortable. It is also the cadence at which a boutique studio actually moves. Anything slower turns the owner into a reporter rather than an operator.

The honest part

WHAT WAS HARD, WHAT WE GOT WRONG, WHAT WE CHANGED

Most case studies skip this section. We will not. Year one was not linear. The principles above held up, but they held up because we course-corrected at three specific moments. Each correction is now an operating principle in the advisory practice.

The schedule was wrong at launch.

We opened with more off-peak classes than the market wanted. The bias was understandable, we wanted to offer choice, and we wanted to demonstrate we were a serious studio with depth. The market disagreed. For six weeks we ran a schedule that produced an honest-but-unflattering utilization picture, with too many half-full classes.

The correction was to cut the bottom 20 percent of slots and consolidate instructor hours into the time blocks that already had demand. This was uncomfortable, because cutting classes feels like a retreat. It was the right move. Within a month, average utilization moved materially higher, and the schedule began to feel honest.

The lesson, now applied in every Kaizen Advisory engagement: the schedule should follow demand, not create it. Owners overestimate how much off-peak demand they can manufacture and underestimate how much peak demand they leave on the table by running an overbuilt schedule.

The first round of instructors was over-indexed on teaching skill.

Our initial instructor cohort was technically excellent. They knew the form. They could teach a clean class. What they were less consistent at was the soft work: remembering members, noticing change, holding a small standard of warmth between classes. Retention data by instructor surfaced the gap in month three. By month five we had restructured the cohort.

Two instructor replacements changed the retention curve materially. The studios we replaced were not bad teachers. They were the wrong fit for the brand we were building. Acknowledging that took longer than it should have.

The principle, now sharpened: hire instructors for the soft work first and train the technical work second. The reverse is much harder.

Holding the premium price was harder than it sounds.

Three months in, the obvious move was to discount. Soft weeks were softer than projected. Some members of the team were arguing for a one-month half-price intro. The case was real. The risk of holding price was real. We held.

The reasoning we used: a discount during the first year defines the brand as discountable. It also creates a different kind of member, one who responded to price rather than to positioning. That member churns faster and refers less. The math, three quarters later, vindicated the decision. But it was a hard call in the moment.

Now we tell client studios the same thing. Pricing discipline is the most leveraged decision in a premium studio's first year, and the easiest to walk away from when the going gets uncomfortable.

The system, written down

HOW THE SIX VITALS OPERATE WEEK TO WEEK

By the end of year one, the operating cadence had been formalised into a system. The same cadence now runs in every Kaizen Advisory engagement. Documenting it here for the record.

The weekly meeting

One hour, every Monday morning. Six numbers, one per vital. Each one reviewed against the trailing-four-week trend and against the studio's defined target. Anything moving more than ten percent in either direction triggers a deeper review. Anything moving in line with target is acknowledged and the next vital is reviewed.

The six vitals, as reviewed

Vital	Metric tracked	Healthy range at Kaizen
Retention	Monthly churn rate, recurring members only	Below 5 percent
Utilization	Average class occupancy across the week	Above 65 percent
Lead funnel	Trial-to-recurring conversion rate	Above 35 percent
Instructor economics	Cost per class as percentage of class revenue	Under 35 percent
Community	Reviews monthly, referral share of new members	30 percent referral share
Margin profile	Contribution margin per recurring member	Above 55 percent

The decision rules

Three decision rules attached to the weekly review. None requires the owner to be a decision-making genius. They require the owner to be disciplined about what they pay attention to.

1. If a vital moves outside its healthy range, it gets a specific lever assigned to it that week, with a person responsible. The lever is reviewed at the next weekly meeting. This is non-negotiable.
2. If two vitals are outside their healthy range simultaneously, the studio is in a focus week. No new initiatives launched. No marketing experiments. All energy on the two leaks until at least one is back in range.

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3. If a vital stays in the healthy range for six consecutive weeks, the review for that vital becomes biweekly rather than weekly. This is how the owner reclaims time as the studio matures.

What this means for your studio

TRANSFERABLE LESSONS

The Kaizen Pilates year-one story is not a template to copy. The market was specific, the catchment was particular, and the team was the one we built. But three things are true for any boutique studio reading this:

Your retention is the most leveraged number in your business.

Most owners underestimate this. Top-line revenue numbers are easy to celebrate. Retention numbers compound quietly. A studio that reduces its monthly churn from 8 percent to 5 percent grows the average lifetime revenue per member by roughly 60 percent, because the average member lifetime moves from 12.5 months to 20 months. Each dollar of acquisition spend now produces 60 percent more lifetime revenue, and the effect continues to compound for as long as the lower churn rate holds. The math is one-way.

Your utilization tells you more about your schedule than your demand.

If your average class occupancy is below 60 percent, the issue is almost certainly your schedule, not your market. Cutting the bottom 20 percent of slots is uncomfortable and almost always correct. The studios that grow fastest are the ones willing to make the cuts that look like retreats.

Your community is either an asset on your balance sheet or a quiet leak.

It is rarely neutral. Reviews, referrals, member tenure, event participation, social engagement, all are leading indicators of whether members are talking about your studio outside its walls. A deliberate operating cadence of one event per month, one piece of long-form content per month, and a measured referral motion will outperform any paid campaign for the kind of member who actually stays.

Where Kaizen Advisory begins is the diagnostic. It is the structured read of which of these three is leaking, and which of the six vitals is the lever that moves it.

About Kaizen Advisory

Kaizen Advisory is the operator-led advisory practice for boutique fitness studios that intend to scale. It was founded by Humza Idrees, who co-founded Kaizen Pilates with Fariha Idrees and is also the founder of KaizenWell. The methodology, the framework, and the offers are built from the year-one work documented in this case study.

Three engagement shapes serve studio owners at different stages: the Studio Vitals Diagnostic (\$1,500, one-time, two weeks) for owners who need clarity before any larger commitment; the 90-Day Growth Sprint (\$4,500, 90 days) for studios with a clear bottleneck to remove; and the Operator Retainer (\$3,500 per month, three-month minimum) for studios in active scaling mode, with a 90-day ROI guarantee.

The first ten Retainer clients also receive a year of KaizenWell platform access at no additional cost, as Founding Partners in shaping the platform's operator-side intelligence.

WHAT'S NEXT

Two ways to apply this to your studio.

- 1. Studio Vitals Self-Assessment.** Free, ten minutes. Score your studio across the six vitals. See where your leverage lives before any paid engagement.
- 2. Studio Vitals Diagnostic.** Two weeks, \$1,500. A structured read with your real operating data. A 12 to 15 page written diagnostic, a one-page scorecard, and a 90-minute readout call.

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