

EMD UK Five Year Strategy 2017 – 2022

A healthier nation through exercise



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Introduction

This document is made up of two parts:

1. EMD UK and Group Exercise
2. The EMD UK Five Year Strategy – the strategic aims and activities that will drive the vision

It has been developed to drive and guide the work of EMD UK and to articulate fully the potential of both the organisation and of the group exercise sector as a whole.

Part 1 – EMD UK and Group Exercise

EMD UKs history in brief

EMD UK started out as The Exercise Movement and Dance Partnership (EMDP). EMDP was constituted in 2006 when after consultation and support from Sport England, the three founding organisations; the Medau Society, Fitness League and the Keep Fit Association; came together to form an umbrella body for exercise, movement and dance. Supported by Sport England, the organisation grew into a unique national governing body operating across the sport, physical activity and arts sectors. Solid performance over the following years enabled EMDP to be in the position to reach further into the growing and vibrant sector of exercise, movement and dance.

In 2015, following continued success and a market review, the EMDP Board and Sport England agreed to extend the remit of EMDP to cover the broader category of group exercise. This move was quickly followed by a rebrand to Exercise Move Dance UK (EMD UK) which in turn was accompanied by a new set of vision, mission and values:

Vision

A healthier nation through exercise.

Mission

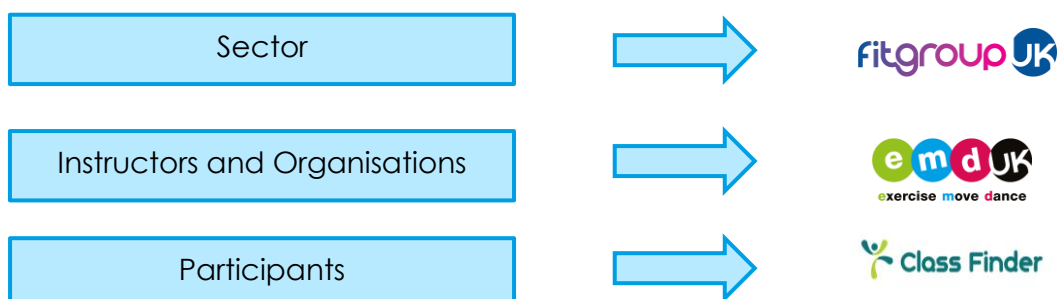
To increase participation in group exercise by supporting teachers and organisations to deliver excellence.

Values

Fun, Dynamism, Inspiration, Vibrancy, Passionate, Support, Integrity, Professionalism.

Now operating as the national governing body for group exercise, EMD UK represent the interests of group exercise participants, teachers and organisations.

EMD UK generally operates via three channels:



What is Group Exercise?

The current working definition is:

'An instructor-led exercise session for two or more people, often involving music and equipment. Well known examples include aerobics, circuits and body conditioning'.

The Group Exercise Market

These statistics are taken from the latest (2016) EMD UK and YouGov survey using a nationally representative sample and covering all Group Exercise activities.

To ensure consistency across sector surveys, Group Ex is categorised as follows: Strength and body conditioning (e.g. BODYPUMP™, body conditioning, core stability), Cardiovascular (e.g. Spinning®, indoor cycling, step aerobics, BODYATTACK™), Holistic (e.g. yoga, Pilates, BODYBALANCE™, tai chi), Dance fitness (e.g. Zumba®, BODYJAM™, street dance, dance aerobics), Water workouts (e.g. Aqua Zumba®, aqua aerobics), Dance (e.g. ballroom, Latin, country and western, folk).

Headline participation numbers and demographics of the core market

11 Million monthly customers

3.86 Million weekly customers - this is the Group Ex core market

3.11 Million are women (80%)

0.752 Million are men (20%)

Age – tracks the general population age spread

Ethnicity – **95%** white British / Irish / other (**BME under represented**)

Geography – tracks the general population spread

Socio Economic – **71%** ABC1 (**C2DE is under represented**)

Disability – **28%** - tracks the total population but only **2%** are 'limited a lot'

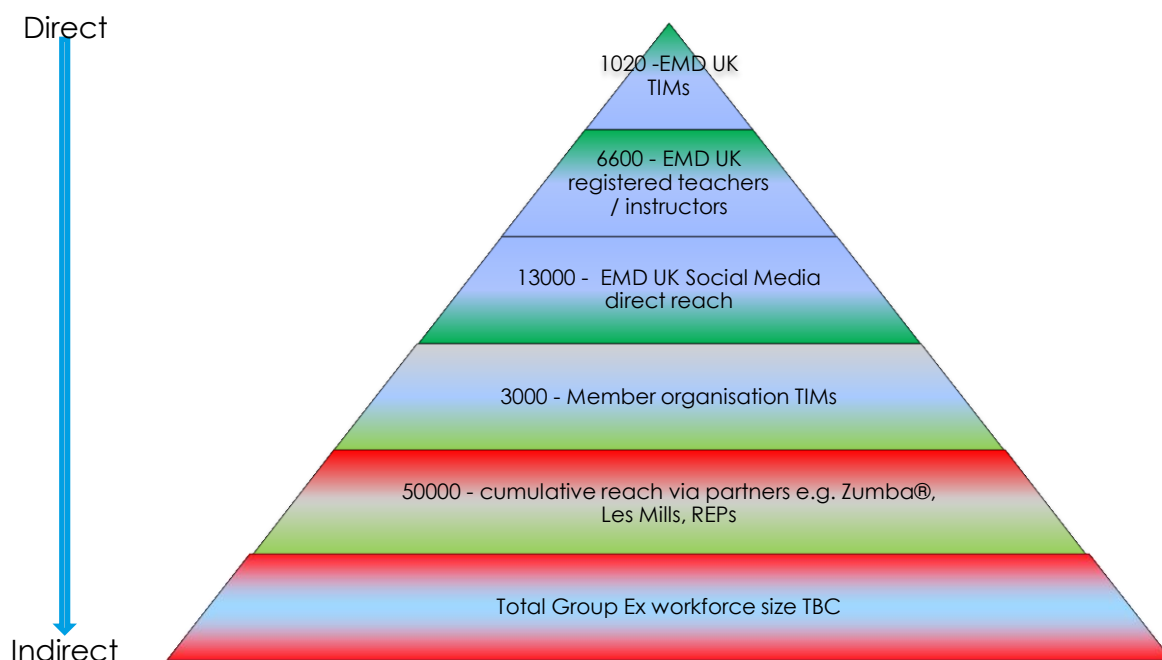
70% of the Core Market take part **3 times a week**

36% meet the **CMO guidelines** of 150 minutes a week

29% were previously inactive.

EMD UK can now directly reach and influence circa **8,000** teachers and instructors via paid members (TIMs) or registered teachers / instructors (those who have signed up to initiatives such as Class Finder). Direct social media reach is **13,000** with an additional **53,000** instructors reachable via member organisations and partners. The pyramid below demonstrates this reach, moving from direct (and most influential) at the top to indirect reach lower down.

EMD UK Teacher & Instructor Market Reach & Influence



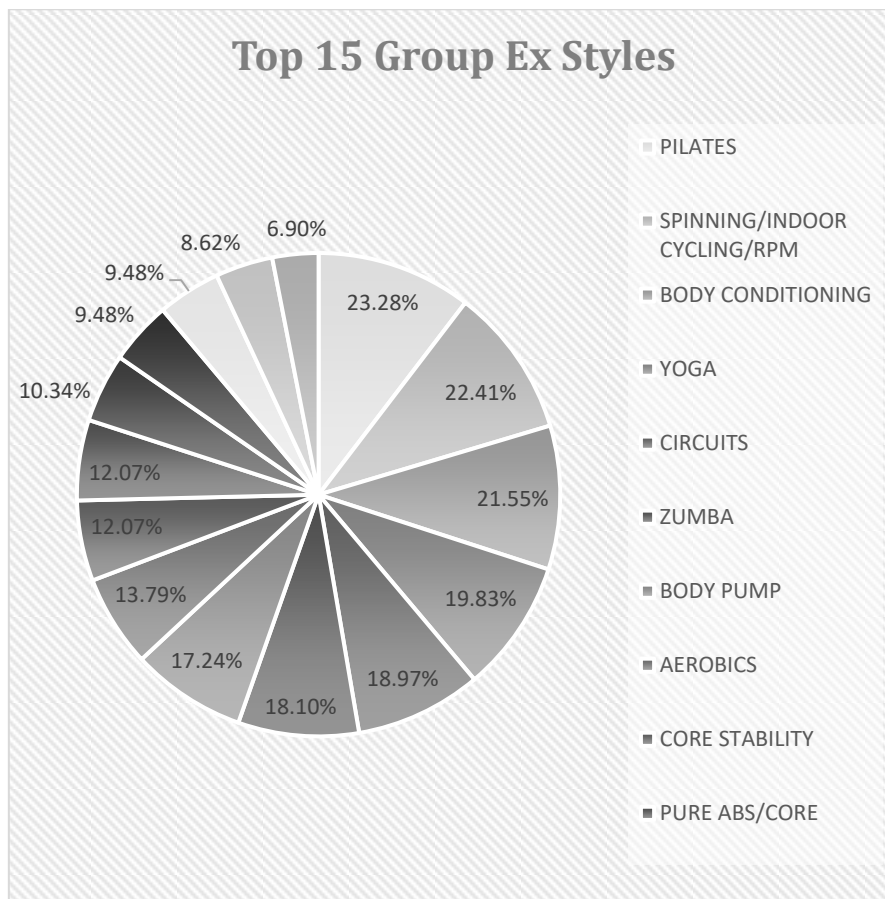
EMD UK's strategy is to reach and influence customers via the Group Ex delivery workforce. This is because teachers and instructors are the one common denominator at all Group Ex sessions – be that in person or virtually. There is no one brand that can reach the majority, no one gym chain. The majority of customers (76%) take part in generic classes (e.g. HIIT, aerobics, body conditioning) at local venues (leisure centres, schools, village halls). The instructors running these classes teach a portfolio of activities across a range of venues. Brands (e.g. Zumba®, Les Mills) and gym chains (e.g. Virgin Active, Nuffield) will form part of these portfolios to a varying degree for some and not all instructors. We know that on average there are 26 customers per instructor so through our 8000, EMD UK can reach at least 208,000 customers.

EMD UK's reach through member organisations has grown significantly throughout 13-17. Our original WSP target was to achieve a baseline reach of 61,794 customers by the end of year 4. We hit 82,600 at the end of year 3 and are currently at 162,000. Add to that the EMD UK direct reach of 43,500 made up of founder members (14000) social media (13000), registered customers via Class Finder (7500), Join the Movement and our Get into Dance programme (9000) and we have a total reach through organisations of 205,500 (43,500 direct reach).

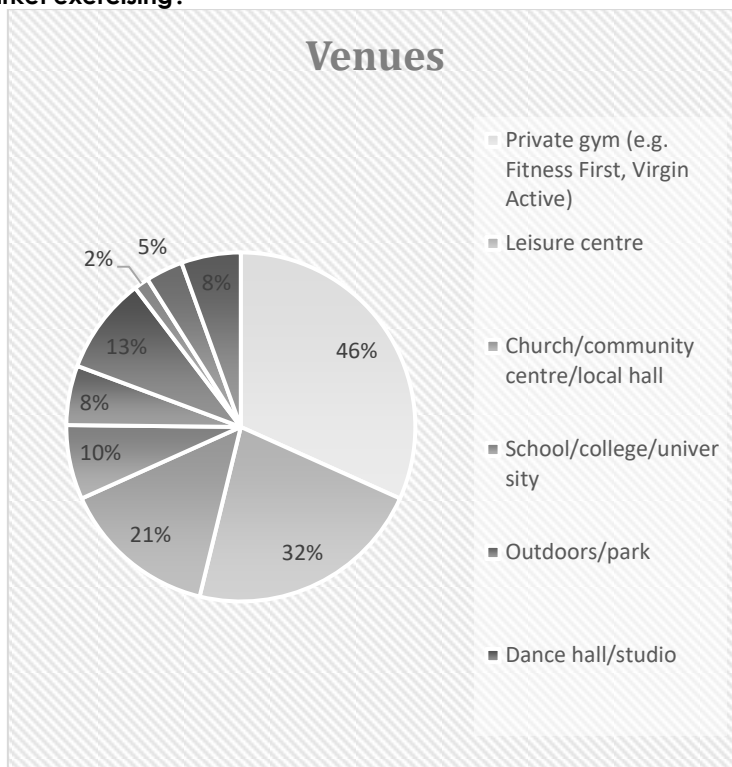
EMD UK current direct reach = 208,000 via instructors plus 43,500 via organisations = 251,500 total direct reach. The demographics of this group mirror that of the Group Ex core market outlined on page 5 with a slight bias towards Dance Fitness due to our history and current instructor profile. All ages are covered by the spectrum of activities and percentages generally map to the national averages (e.g. 17% of the general population are aged 16-25 compared to 16% of the Group Ex core market). There is a slight increase at 65+ with 19% national average

and 22% Group Ex. Another key point about EMDP's current reach and the bias towards Dance Fitness is that these activities are more successful at attracting underrepresented customer groups including BME groups, people with disabilities and those from lower socio-economic groups. EMD UK will use their strength in dance fitness to help address core market inequalities.

Although significant for EMD UK this is obviously still a fraction of the total market of 3.86M weekly Group Ex customers. However, we know that the top 15 styles cater for 75% of our core market (2.9M). Of the top 15 styles, 76% are generic with 24% being covered by brands (primarily Zumba® and Les Mills). EMD UK has established relationships with both these key brands and therefore a reach into a further 24% of the core market. The diagram below shows the split across the top 15.



Where are the core market exercising?



Group Ex patterns and behaviours

EMD UK has further insight into the patterns of behaviour, motivations and attitudes towards Group Ex via comprehensive market segments developed with YouGov from the 2016 National Group Ex Survey. Below are the headlines of these segments.

Groups 1 to 4 are “interested in Group Ex”

Groups 5 to 7 are “uninterested in Group Ex” however some have still taken part and may even make up part of the core market i.e. their attitudes don't necessarily match their behaviours.

Group 1) Casual Fun Seeking

Circa 1 Million people and makes up 26% of the core market.

72% of this group see classes as fun and generally take exercise less seriously. 74% don't believe you need to be very fit to take part. This group don't see Group Ex as a solution for weight loss (only 24% compared to > 80% in the other groups).

Group 2) Serious Fitness Focussed

Circa 1 Million people and makes up 26% of the core market.

93% agree it's a good way to lose weight and tone up. This group aren't looking to socialise with only approx. 4% stating meeting new people as a driver. This group is most strongly dominated by women (81%) and young people (36% 16-25).

Group 3) Social exerciser

Circa 1 Million people and makes up 26% of the core market.

Nearly 85% of this group think it's a good way to meet people (compared to 63% of nearest segment). They have an average level of activity compared to other groups.

Group 4) Interested, can see the health and weight benefits but not sure about it Circa 400,000 people and 11% of the core market.

90% think it's a good way to lose weight, it could relieve stress and it's good for fitness. Many have taken classes on advice of a health professional but they have concerns such as; not sure it's fun, concerned it's not for people like them, might not be affordable, think you need to be fit to do it, might prefer something else or think it's too competitive. This group has the highest proportion of men (46% men / 54% women) and highest disability level of all segments.

Group 5) Rejecting on basis of not knowing enough and being inactive

This group don't know enough about it. Many say 'don't know' to most statements. Many have done nothing in past 12 months and they are likely not to have tried a Group Ex class in the past. More men than women in this group.

Group 6) Active, but prefer other types of exercise

This group is active but prefer other types of exercise and are more likely to play sport. There are more men than women in this group.

Group 7) Tried Group Ex but things put them off

This group is more likely than the groups 5 and 6 to have attended a class in the past (3x as likely to have attended a recent body conditioning class, for example). They have lower satisfaction than all the other groups on previous booking experience, cost, teaching and the number of people in the class. They think that you need good rhythm and experience to do Group Ex. They think that they would be embarrassed, too conscious of their body image and they think the classes would be too difficult.

The Group Exercise Opportunity

EMD UK is unique among NGBs in that it is not responsible for just one activity but a whole range of disciplines with some common characteristics. It is extremely well positioned to unlock the potential of a fragmented market as no other organisation operates as an NGB in this sphere nor is one funded or recognised by Sport England or any other government funded organisation. EMD UK has consistently performed well against Sport England funded outcomes in part because it is a self-aware, nimble organisation that is focussed on and committed to gaining and acting on insight to support growth in participation.

The group exercise sector is vibrant, popular and presents an impressive suite of opportunities for participation growth. Group exercise has an inherent appeal to the inactive population (34% of current participants cited they were previously inactive - 2016 National Group Ex Survey) and provides an accessible alternative to traditional sport for many people looking to increase their activity levels.

Group Exercise at a Glance:

Although not all unique, the activity of group exercise can boast a range of benefits including:

1. Locally and easily available opportunities – local leisure centre, church halls and fitness facilities
2. A vibrant, energetic and upbeat participant experience
3. Accessible to a range of ages, abilities and disabilities
4. Life-long participation
5. Diversity – group exercise offers a wide choice and appeals to different markets
6. Attractive to the female audience and lifestyle
7. Cross-training and cross sport potential
8. Specific group exercise activities offer a realistic entry point into activity for inactive people
9. Inherently social – the shared group experience is a great vehicle for creating relationships

What will success look like for EMD UK and the group exercise sector in 5 years' time?

The strategic direction of EMD UK is set out in the part 2 however it will continue to develop according to what we learn from the gathering and practical application of sector insight. This will enable EMD UK to take meaningful and relevant steps towards increasing participation in group exercise by supporting teachers and organisations to deliver excellence.

For the Group Exercise sector:

- To be recognised as the leading group / team activity in the UK with more than 5 million regular participants and demonstrating sustainable growth.
- Employing 20% more teachers and instructors than in 2017.
- To be recognised and accepted as a vibrant, healthy activity available to all without discrimination and contributing to individual wellbeing and social cohesion.

For EMD UK:

- To be publicly recognised as a principal driver of the sectors growth.
- To be known in the sector as the organisation with the largest reach to instructors.
- To be the go to organisation for participants, teachers, organisations and the media for expert advice about trends and opportunities in the group exercise sector.
- Established and nationally recognised as the body that sets standards and positively influences quality.

- To be recognised as an efficient organisation, run on commercial lines, with reduced dependence on public funding.
 - Leading and informing the sector on trends and participant behaviour.
 - Working and influencing wider into the group fitness and gym sectors.
 - Sustaining and driving participation growth.
 - Providing opportunities and great value services for instructors and organisations to benefit from.
 - Embracing and promoting digital / technological innovation in the sector.
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In addition, EMD UK aspires to demonstrate:

- A 10% rise year on year in teachers that affiliate.
- That 70% of the group exercise sectors delivery organisations are affiliated to or working with EMDP.
- Support of the group exercise product lifecycle i.e. identify and support growing brands to replace disciplines as they follow their natural cycle of growth and decline.
- Accurate prediction and support of the next major industry trend(s).
- A 1% increase in teacher and participant satisfaction year on year.

Part 2 – EMD UK Five Year Strategy (2017-2022)

Introduction

This document should be read in conjunction with the Strategic Marketing Plan, Commercial Strategy, Insight Strategy and EMD Academy Development Strategy. All are underpinned by operational plans which are revised annually and contain all KPIs.

This is a five-year plan but it is important to note that many activities are already underway and success is being achieved on an ongoing basis. EMD UK has historically recorded a strong performance against KPIs with all strategic outcomes being achieved.

Strategic Direction

EMD UK's strategic direction has three key components: insight, services and influence.

EMD UK is an insight-led organisation that understands how to reach, engage, convert and retain customers. Products, programmes and projects will be insight based with campaigns focussed on identified customer groups. Outcomes will be based on behaviour change to sustain and increase participation and are written into the insight strategy. EMD UK continues to grow its insight into the sector and it should be noted that the organisation's overall direction and priorities will evolve over the course of this strategy.

Group exercise is delivered by teachers, instructors and delivery organisations. Many of these need the appropriate resources to comply with legal requirements and/or lack the experience or infrastructure to develop themselves/their brands. EMD UK uses its insight and the experience of the team members to develop products and services for the group exercise workforce and brands that meet their legal requirements and that supports them to be able to focus on delivering excellence.

The group exercise sector contains circa 50,000 instructors and hundreds of delivery brands. Using the insight and services that it has developed EMD UK will reach as many of these instructors and brands as possible and engage with them to build trust and loyalty. Through this relationship EMD UK will be able to influence these same groups and support them to deliver excellence. EMD UK will also use its position to influence the wider sector and ensure that the voice and needs of the instructors and brands is heard in relevant national debates.

Strategic Aims Summary

1. Governance

Provide robust and transparent governance that supports and benefits our stakeholders and that substantiates EMD UK as the sector leader.

2. **Data, Insight & Execution**

Define and acquire the data needed to understand the group exercise sector and influence behaviour change within it. Create insight driven products and services for group exercise instructors and organisations.

3. **Marketing, Communication & Promotion**

Be the voice of the group exercise sector leading on, influencing and responding to the key issues affecting the industry.

4. **Instructors**

Create a relationship with group exercise workforce and work with them to deliver excellence.

5. **Service Delivery**

Provide high quality, great value products and first-class service and support for the participants, instructors and brands.

6. **Capacity**

Grow and align the NGB resource and infrastructure to maximise efficiency and effectively deliver the strategic aims.

7. **Sustainability**

Develop and maximise long term income streams.