CONSUMER FITNESS TRENDS STATISTICS & INSIGHTS FOR FITNESS FACILITIES

Executive Summary

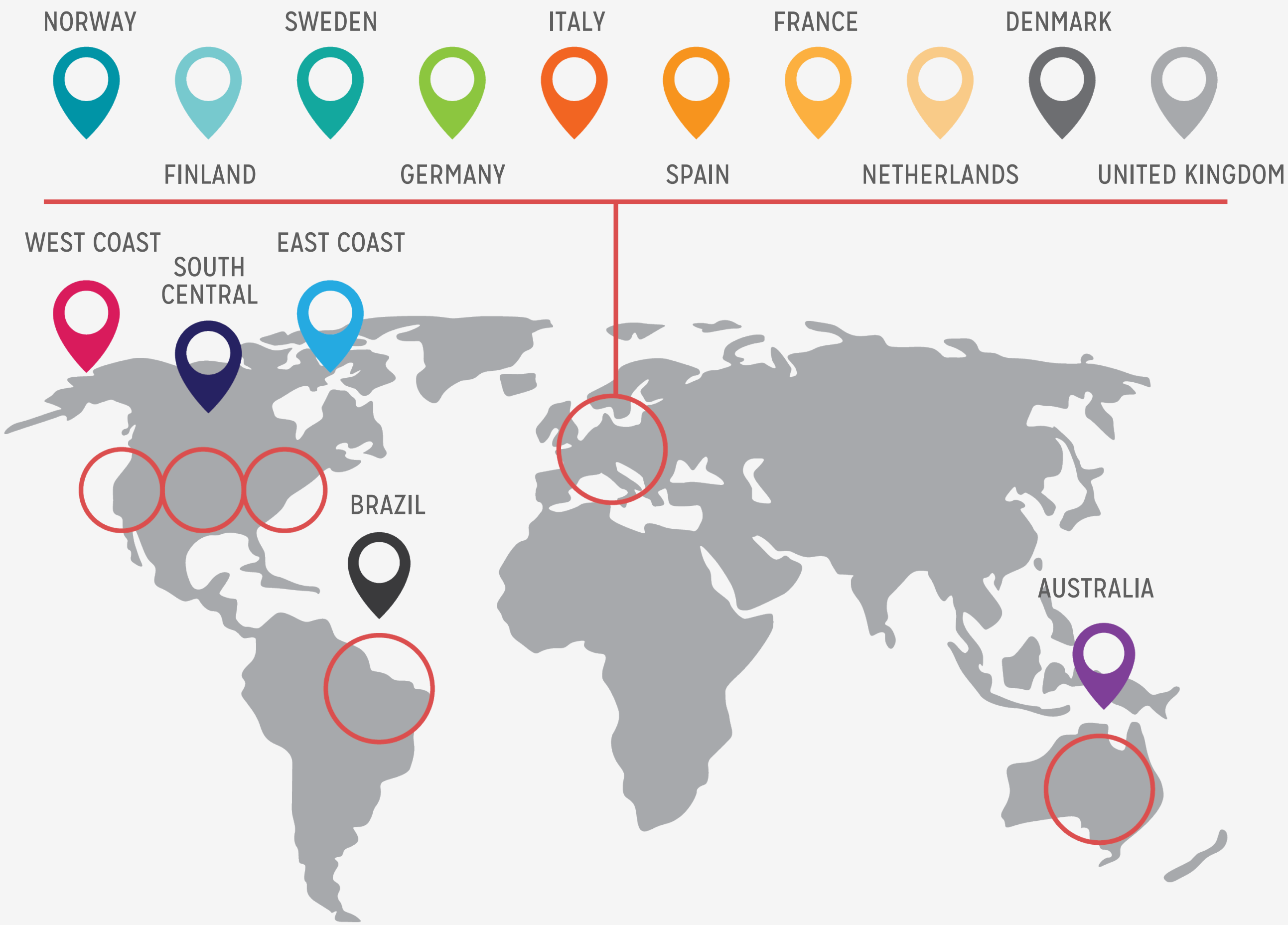
NIELSEN: LES MILLS GLOBAL CONSUMER FITNESS SURVEY (2013)

AUGUST 2014

nielsen

LESMILLS

RESEARCH



SAMPLE:

4,610 across 13 countries

WEIGHTING:

After the survey closed, weighting was used to correct any minor imbalances. Variables used for weighting were based on official population figures for age, gender and region.

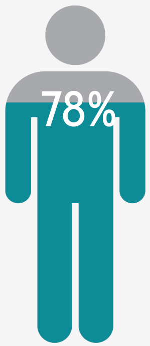
INDEPENDENT:

Online survey, with consumers randomly invited to participate from Survey Sampling International, a leading global panel provider representing 85% of the market demand.

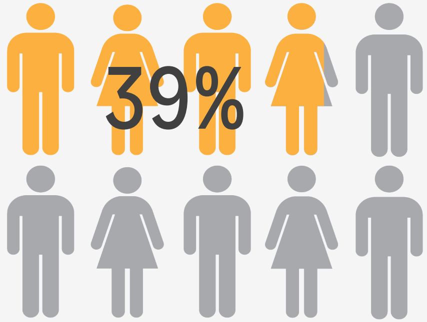
EXECUTIVE SUMMARY

1. WHO EXERCISES?

GLOBAL PARTICIPATION AND INTEREST IN REGULAR EXERCISE IS GROWING.



The vast majority of the total adult population (78%) exercise regularly or would like to exercise.



Market of regular exercisers is significant however the market of people in the exercise contemplation stage is equally important (39% of adult population).

Fitness operators have an enormous opportunity to capture an ever-increasing segment of the population who are exercising or considering doing so.

They have real growth opportunities in specific areas...

REGULAR EXERCISERS NOT CURRENTLY ATTENDING A GYM

MILLENNIALS

LAPSED MEMBERS

...A HUGE OPPORTUNITY IF WE CAN UNDERSTAND THEIR REQUIREMENTS.

EXECUTIVE SUMMARY

2. WHAT ARE EXERCISERS DOING?

FITNESS IS THE WORLD'S BIGGEST 'SPORT' BUT STILL HAS MASSIVE GROWTH OPPORTUNITY.

18 TO 34 YEAR OLDS represent **HALF OF THE EXERCISERS** doing gym-type activities – Millennials are the target market.

THE DOMINANT GROUP FITNESS POPULATION, AHEAD OF GEN X	BOOMERS X2		
AND FOR PERSONAL TRAINING...	GEN X X2	BOOMERS X4	

61% **of regular exercisers** are currently doing gym-type activities (fitness)

69% **of exercisers that aren't doing gym-type** activities would consider.

Fitness class activities are now equal in popularity to equipment type activities and almost **twice as popular for considerers**.

A new insight is the positive correlation that exists between high frequency users of equipment related activities and likelihood to participate in group fitness classes.

OPERATORS WILL BENEFIT BY RE-ENGINEERING THEIR VALUE PROPOSITION AND MARKETING TOWARDS THE MILLENNIALS.

The principle of

'CAVEAT EMPTOR'

applies as the range of offering and investment increases, trying to be all things to all people. **Lower risk investment** exists with the promotion and delivery of fitness class activities for both users and considerers. **Further retention and referral opportunities** exist in the cross promotion of fitness classes to high frequency equipment users.

EXECUTIVE SUMMARY

3. WHERE AND WHY ARE THEY EXERCISING?

PREFERRED EXERCISE SPACES ARE SHIFTING

LARGE MULTI-PURPOSE GYM/FITNESS CENTER/ HEALTH CLUBS ARE LOSING MARKET SHARE QUICKLY TO NEW BUSINESS MODELS, IN PARTICULAR MICRO-GYMS.

SMALL BOUTIQUE GYMS with a single activity are now the 2nd most popular venue for; fitness classes to music indoors, group training indoors and working out with a personal trainer. The data shows similar drivers for; Dance, Pilates, Yoga and PT studios with slightly different rankings.

These smaller venues are hugely popular with the Millennials in their workouts.

DEDICATED TYPE OF SPACES

AUTHENTIC EXPERIENCES

CONNECT WITH LIKE-MINDED PEOPLE

LARGE MULTI-PURPOSE OPERATORS MUST RE-ENGINEER THEIR FACILITY OFFERINGS RELATIVE TO AGE DEMOGRAPHICS OR FACE SERIOUS COMPETITION.

Home exercise complements gym participation rather than competes with it. Home based workouts provide a massive opportunity for operators to retain members (keeping them active outside of the facility) and promoting to considerers as a tactic to move them through the contemplation stage of exercise.

GETTING AND MAINTAINING HEALTH IS THE MAIN REASON PEOPLE EXERCISE.

FOR MILLENNIALS, 'GETTING/ STAYING IN SHAPE' RANKS HIGHER THAN 'GETTING/ MAINTAINING HEALTH.'

'FEELING TOO TIRED' is the most used excuse to not exercise regularly, closely followed by **'BUSY SCHEDULE'** and **'A LACK OF MOTIVATION'**

Operators should focus on offering an effortless and convenient access to exercise and in supporting members in the challenging process of creating an exercise habit.

Motivational messaging to improve attendance should reinforce the ***WHY.***

The key messages to amplify by rank include;

'EXERCISE IS GOOD FOR ME', 'EXERCISE PROVIDES A PICK-ME-UP' and **'EXERCISE ACTS AS A MEANS TO AN END FITNESS GOAL'**

The ideal exercise experience is **fun**, **calm/relaxing** and **convenient**. For Millennials '**challenging**' replaces 'calm/relaxing'.

EXECUTIVE SUMMARY

4. WHAT DRIVES PEOPLE INTO FITNESS FACILITIES?

50%

'LOCATION'
is the number one driver why people attend their current fitness facility (50%)

OTHER KEY DRIVERS INCLUDE

'AFFORDABLE' and they **'OFFER A GOOD DEAL'** only rank as the **6th** and **11th** drivers respectively.

Operators need to shift focus towards value versus price.

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When asked what is the single main reason for why people attend their current fitness facility **'LOCATION'** remained at number one **however** **'GREAT FITNESS CLASSES'** ranked at **NUMBER 2** and **represents the largest controllable factor** for operators to drive more people into facilities.

FOCUS ON THIS TO CREATE SYNERGIES WITH OTHER DRIVERS

i.e.
'GREAT ATMOSPHERE' AND 'MY FRIENDS GO THERE'.

Operators need to remaining diligent in

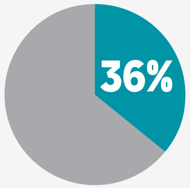
SELECTION AND MAINTENANCE OF EQUIPMENT

This is the **3rd HIGHEST** driver for all ages and is very important to Millennials.

EXECUTIVE SUMMARY

5. GROUP FITNESS EXERCISERS?

GROUP FITNESS MATTERS



A significant number of regular exercisers currently participate in ‘fitness classes to music **(36%)**’.

While **just over half** of regular exercisers who are not currently participating in fitness classes would consider.

MEMBERSHIP TENURE IS LONGER AMONGST GROUP FITNESS PARTICIPANTS

WELL EXECUTED GROUP FITNESS DRIVES MEMBERSHIP GROWTH.

GROUP FITNESS ATTENDEES DRIVE MORE LEADS.

ATTENDANCE IS HIGHER

CANCELLATION RATES ARE LOWER

OPERATORS CAN IMPROVE OVERALL PARTICIPATION BY:

OFFERING PROGRAMS THAT ARE RELEVANT TO WOMEN AND TO MILLENNIALS

BUILDING BIGGER GROUP FITNESS STUDIOS

KEY DRIVERS FOR PARTICIPANTS ARE RANKED BY

1. Large room
2. Energy of a big group
3. Exercise style/structure/method instructor
4. Convenient schedule times

INVESTING IN RECRUITMENT AND TRAINING OF INSTRUCTORS. THE IMPORTANCE OF THE INSTRUCTOR **(RANKED 4th)**

BREAKS DOWN INTO **QUALITY** & AND PREFERENCE FOR **SUBSTANCE OVER STYLE** (COACHING)

PROMOTING DIFFERENT ASPECTS WHETHER YOU ARE TALKING TO USERS OR CONSIDERERS. WITH CONSIDERERS FOCUS ON:

‘Great music, a motivating environment and great programing delivered by a well educated coach’.

They like **big rooms with a small amount of people** in the class which can also be interpreted as ‘not crowded’.

‘Assisted’ vs. ‘group’ - having to workout with other people is what puts non-attendees off.