The U.S. Member Journey in the Era of Covid-19

A Study of the Member Experience Prior to, During, and Post Covid-19 Club and Fitness Studio Closures

A Special Report by ClubIntel
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Finding the Beauty within the Chaos and Learning to Dance in the Rain

"It's a cruel and random world, but the chaos is all so beautiful."
Hiromu Arakawa, Manga Artist

In the year 2020, the fitness industry found itself in unchartered waters, what Hiromu Arakawa refers to as a cruel and random world of chaos. Since it first appeared on the world stage, the Covid-19 pandemic has thrust upon fitness operators, its employees and members, a challenge of profound proportion. Despite the chaos and subsequent devastation experienced by the fitness industry as a result of Covid-19, and the seemingly random nature of its inherent chaos, there is beauty to be spread.

Since March of 2020, fitness operators have seen their businesses shuttered then re-opened under restrictions. Now with the pandemic entering a new phase of explosive expansion, fitness operators are being asked by local governments to close or scale-back. Concurrently, members have seen their fitness routines altered as never before. You could say that Covid-19 has thrown the ultimate "monkey wrench" at members and fitness operators. Initially, this randomness and chaos was received by fitness operators and members with grit and hope as normalcy was right around the corner. According to the matriarch of the Adams family, Morticia Adams, "Normalcy is an illusion. What is normal for the spider is chaos for the fly." Well, what was normal for fitness operators and their members pre-Covid-19, has become chaos as the virus spread. Over the summer and early fall of 2020, most fitness operators and portions of their membership had the opportunity to get a taste of their pre-Covid-19 normalcy. Unfortunately, rather than seeing normalcy return, or chaos and randomness subside and give way to order and stability, randomness and chaos re-emerged. It is now, more than ever, that fitness operators must discover and find the beauty in the chaos.

The purpose of this study was to explore the behaviors, experiences, and sentiments of U.S. members as they moved from the normalcy of their pre-Covid-19 in-club fitness routines, to the fitness routines adopted while their fitness facilities were closed, and finally, the fickleness of pursuing fitness as facilities re-opened. Not only does the study explore this member journey in general, but it also views the journey from a generational and gender perspective.

Prologue continued

Finding the Beauty within the Chaos and Learning to Dance in the Rain

The core of this report starts with a profile of the study respondents. Next, are three sections that detail the member story, starting with their experience during facility reopening, then their perceptions around safety at re-opening, and finally, a comparison of their behavior and sentiments prior to closure, during closure and at re-opening. The report concludes with a look at the behavioral and experiential differences of members over the course of this journey based on gender and generation. Each section starts with key insights followed by detailed graphs and data.

A German proverb exclaims, "Life isn't about waiting for the storm to pass, but about learning to dance in the rain." We believe that by understanding the journey of the members participating in this study, fitness operators can learn to dance in the rain. This will require charting out a strategy that allows their respective businesses to navigate the chaos and randomness inherent in the Covid-19 era. Whatever strategy operators arrive at will require a willingness to change - a change in how the business is viewed and a change in how the business is operated. W. Edward Deming, engineer and management consultant said, "Change is optional, because survival is not mandatory." Said another way, if survival is your preference, then change isn't an option, it is mandatory.

We hope the insights shared in this report inspire readers to change, and thus successfully dance in the rain.

"Life isn't about waiting for the storm to pass, but about learning to dance in the rain."

German Proverb`

Acknowledgements

ClubIntel wants to acknowledge and recognize our two study sponsors, Myzone and Vedere Ventures. Their shared belief in the value of this follow-up study of the original respondents from our June 2020 study entitled What Members Say Matters and their willingness to commit funds to ensure this report was made available to fitness operators around the globe is greatly appreciated. We also want to thank the sponsors of our original study, as their support of our earlier study set the stage for conducting this recurring study of member behavior during the era of Covid-19.

Recurring Study Sponsors

Myzone is bringing fun, fair fitness to clubs and gyms around the world. We reward effort, not image with an immersive fitness experience that gives members results they can see. Effort is different for everyone. When members work out, they should be rewarded for how hard they're trying. So, we invented MEPs – Myzone Effort Points tailored to how hard a person's heart is working, not their fitness level. Whenever they wear the Myzone belt, users' MEPs are uploaded to their account so they and their coaches can see how well they're doing. We've levelled the playing field and millions of users are already playing. With Myzone, it's never been easier to stay connected, organize challenges and create a fitness community, no matter where members work out.

Bryan O'Rourke, his partners, and their firm Vedere Ventures, along with their service affiliates Moon Mission Media and Integerus Advisors, deliver customized services to the health and fitness industry. From M&A to strategy, and marketing, to technology, Bryan and his experienced partners are relied on by leaders large and small in the global fitness industry space.

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Initial Study Sponsors

Methodology & Disclaimer

Methodology

In June 2020, ClubIntel released a report entitled *What Members Say Matters* that provided insights into the behaviors, experiences and sentiments of U.S. members pre-COVID-19 mandated facility closures and during COVID-19 facility closures. The initial study involved an online survey of 2,000 health/fitness facility members over the age of 18 from 20 major U.S. MSAs and balanced by U.S. Census regions and divisions. The study was done in collaboration with Dynata, an international research panel firm.

On November 16, 2020 we launched an online recurring survey of the original 2,000 members, what is referred to as a longitudinal study (see sidebar). The survey was left open for a period of two weeks, closing on Sunday, November 29, 2020. 46% of the original respondents completed the follow-up survey. The data was scrubbed for inconsistencies then subjected to analysis using IBM's SPSS software. Data was segmented by gender and generation.

Disclaimer

The statistical information contained in this report is representative of the individuals responding to this survey and its predecessor survey. All reasonable efforts were taken by ClubIntel to assure data comparability within the scope and limitations of the reporting process. However, the data contained in this report is not necessarily based on third-party audited data. The statistical validity of any given number varies depending upon sample sizes and the amount of consistency among responses for any data point. The data in this recurring survey is representative of the attitudinal and behavioral changes experienced by the respondents between the first and second survey.

ClubIntel therefore, makes no representations or warranties with respect to the results of this study and shall not be liable to clients or anyone else for any information inaccuracies, or errors or omissions in content, regardless of the cause of such inaccuracy, error or omission. In no event shall ClubIntel be liable for any consequential damages.

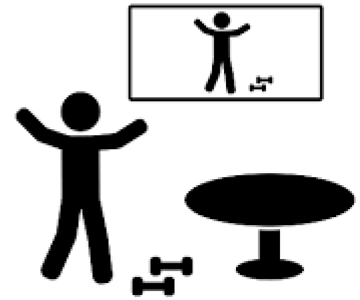
What is a Longitudinal Study?

The purpose of a longitudinal study is to identify changes or developments in the characteristics of a target population over time. A longitudinal study looks at a target population over time to detect possible changes in attitudes and behaviors. This type of study enables researchers to identify and describe patterns of change within a given population and provide direction with respect to its characteristics. These studies help to eliminate the recall bias that can occur when dissimilar audiences are surveyed at different points in time. Longitudinal studies are frequently used in economic, medical and social research.

The typical methodology used in conducting a longitudinal study is a recurring survey, whether in-person, over the phone or online. Recurring surveys see a decline in participation over time, with each recurring survey experiencing a decline in respondents from the preceding survey. These declines in participation are attributed to numerous factors, including changes in respondent lifestyle and survey fatigue. Recurring surveys have proven to be the most reliable and valid approach for understanding changes in a targeted audience's attitudes and behaviors over time.

A Glimpse of The Member Journey During Covid-19

32% of facilities remain closed
18% permanently closed

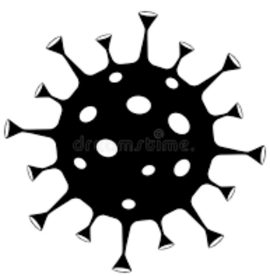


58% of members say their facility offers VOD
44% use VOD at least once a week

34% of members returned to a facility
26% of members returned to former facility

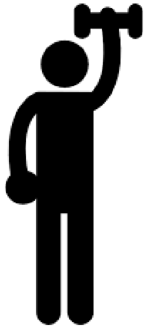
70% of members agree their facility has addressed Covid-19 safety concerns

20% of members never returned and stopped exercising



18% of staff/members tested positive
82% of members aware of
➢ 1 positive test
57% say Covid-19 being out of control is why they haven’t come back

A Glimpse of the Member Journey During Covid-19



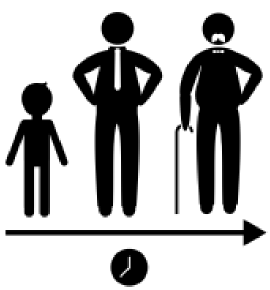
Percent Returning Members
↑ 57% exercise on own
20% take GX classes
10% SGT
12% PT ↓

Women
Less likely to have returned to former facility than men
2x more likely to be aware of positive Covid-19 test
Nearly 2x more likely than men to use VOD

26% members returned to former facility
4% returned to another facility
4% joined digital middleman

Men
More likely to return
More likely to return faster
More likely to remain
Greater confidence facility is addressing safety concerns

Percent Returning Members
44% in 1st week
33% between week one and four
32% after one month



Millennials least likely to have returned
Gen Z is 2x more likely to say facility closed permanently
Gen Z & Millennials are fans of VOD
Boomers least confident in safety steps taken by facility

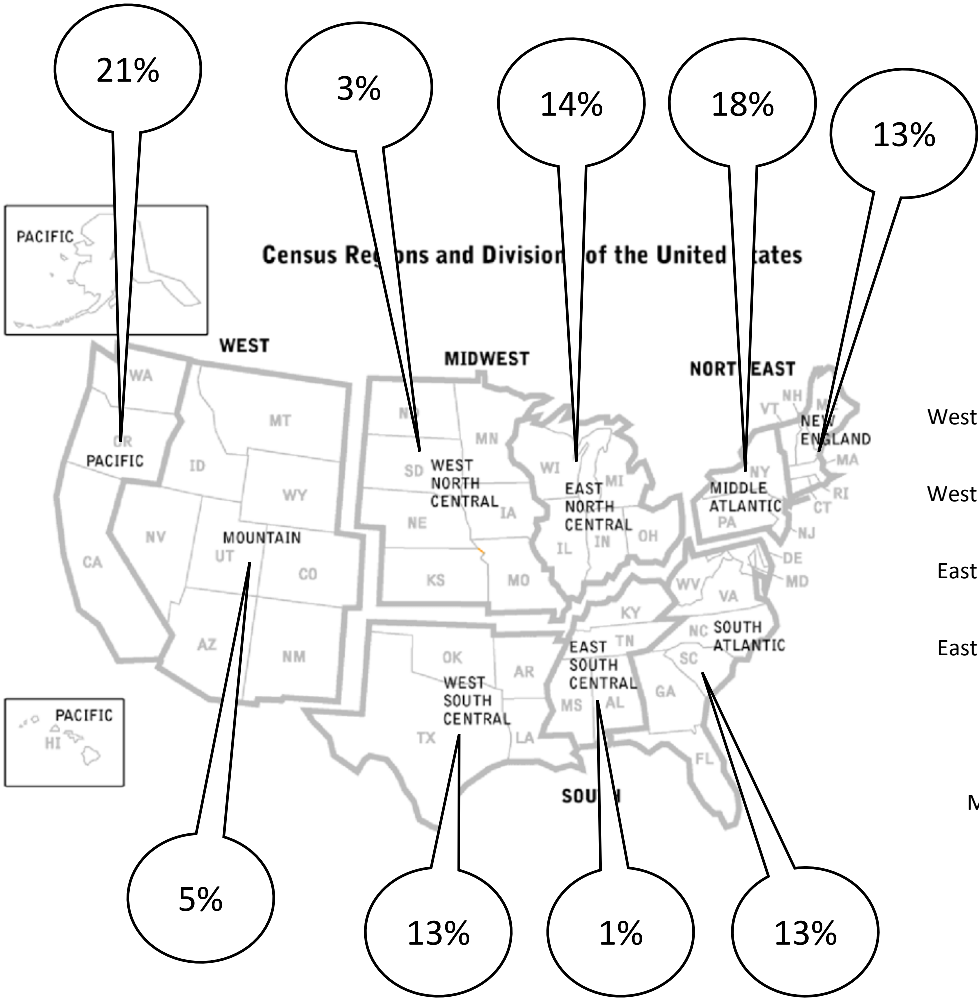


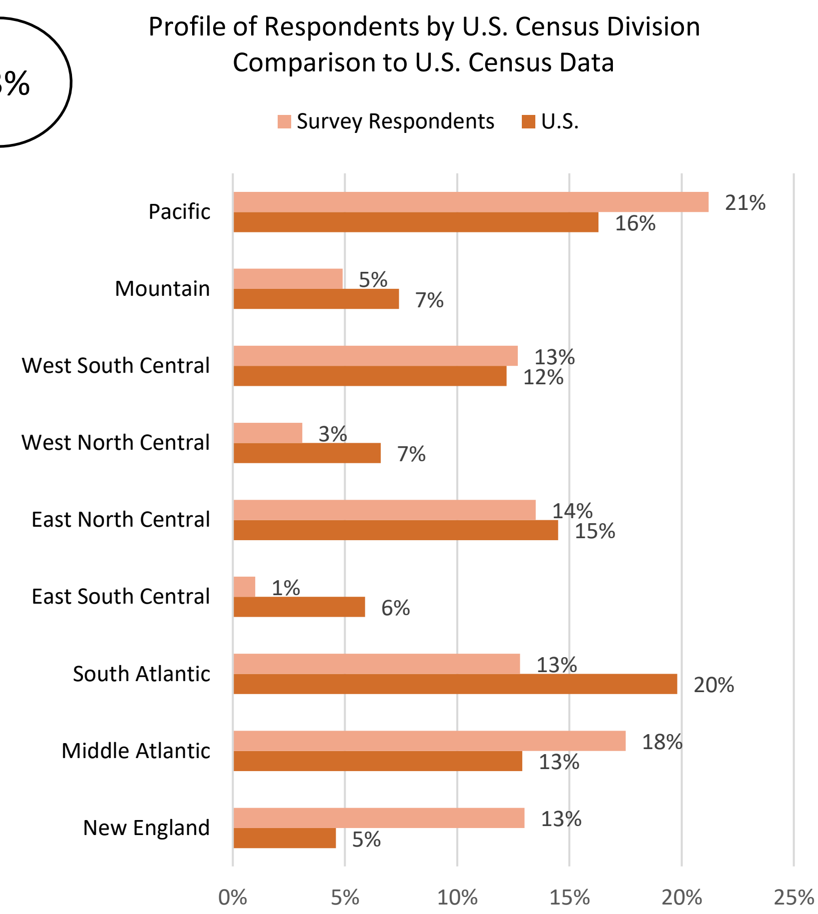
Respondent Profile

How Survey Respondents Stack Up Against U.S. Census and U.S. Health Club Industry Demographics

Respondents Mirror U.S. Population Geography

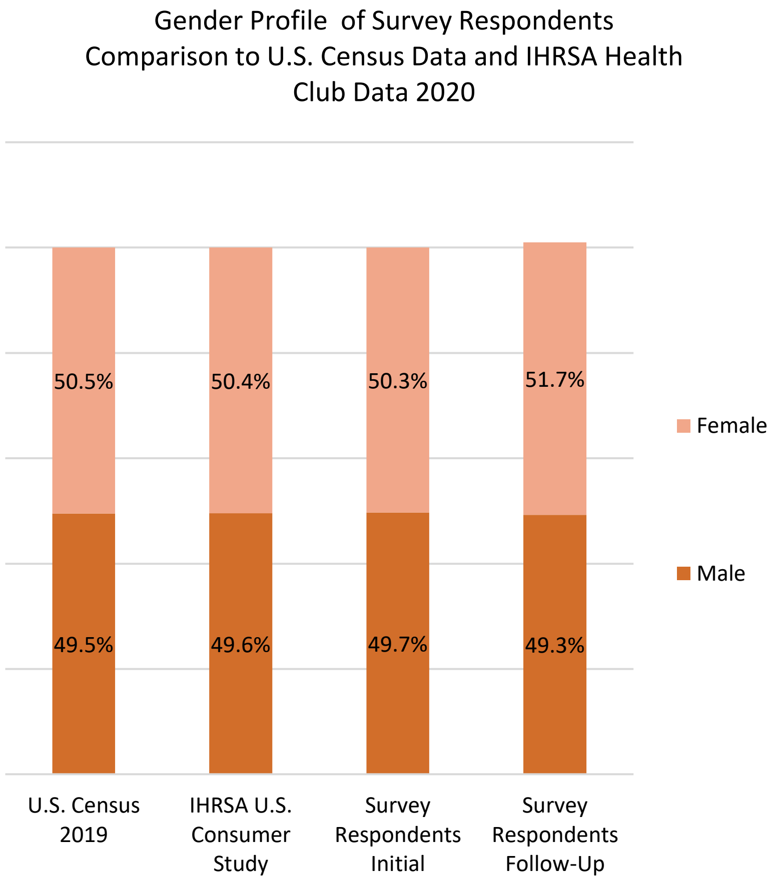
Respondent geographic distribution mirrored U.S. population, the exception being the North East & West which were over-represented and the South which was slightly under-represented.





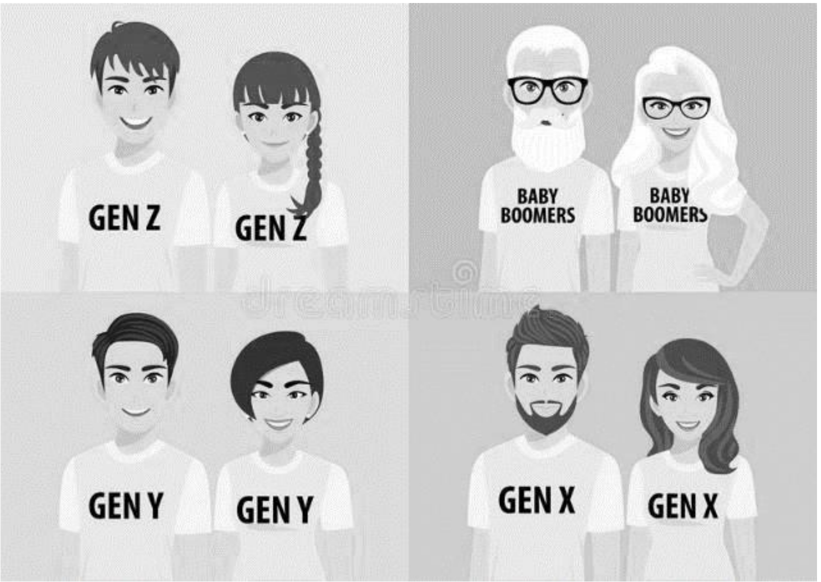
Respondent Gender Profile Nearly Identical to U.S. Population & Health Club Population

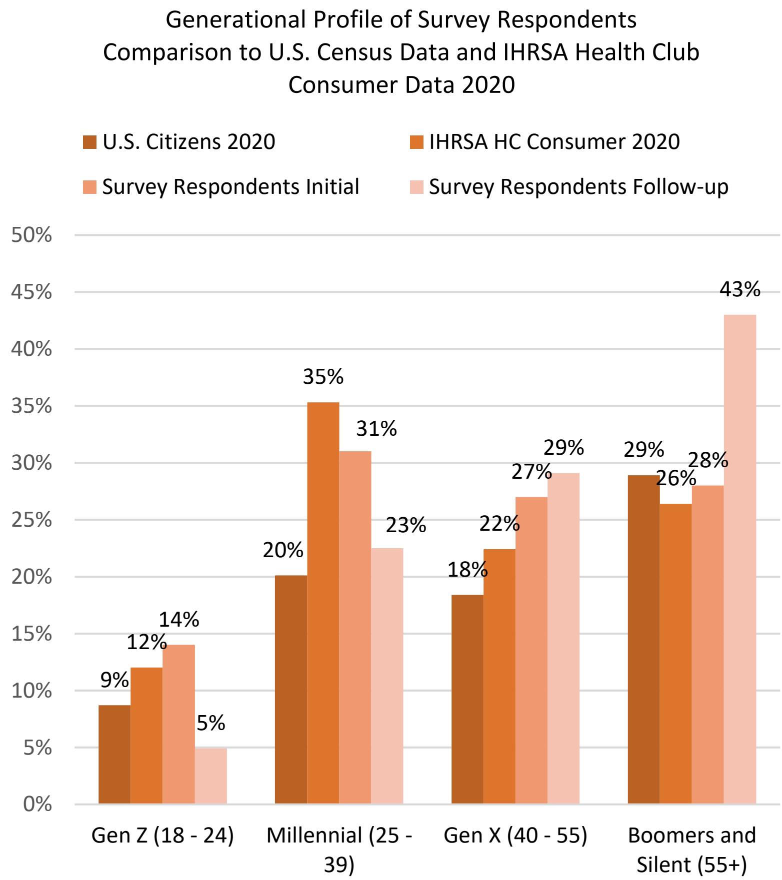
The gender profile of survey respondents was nearly identical to the U.S. population and the U.S. health club member population.



Respondent Generational Profile Similar to U.S. Generational Profile

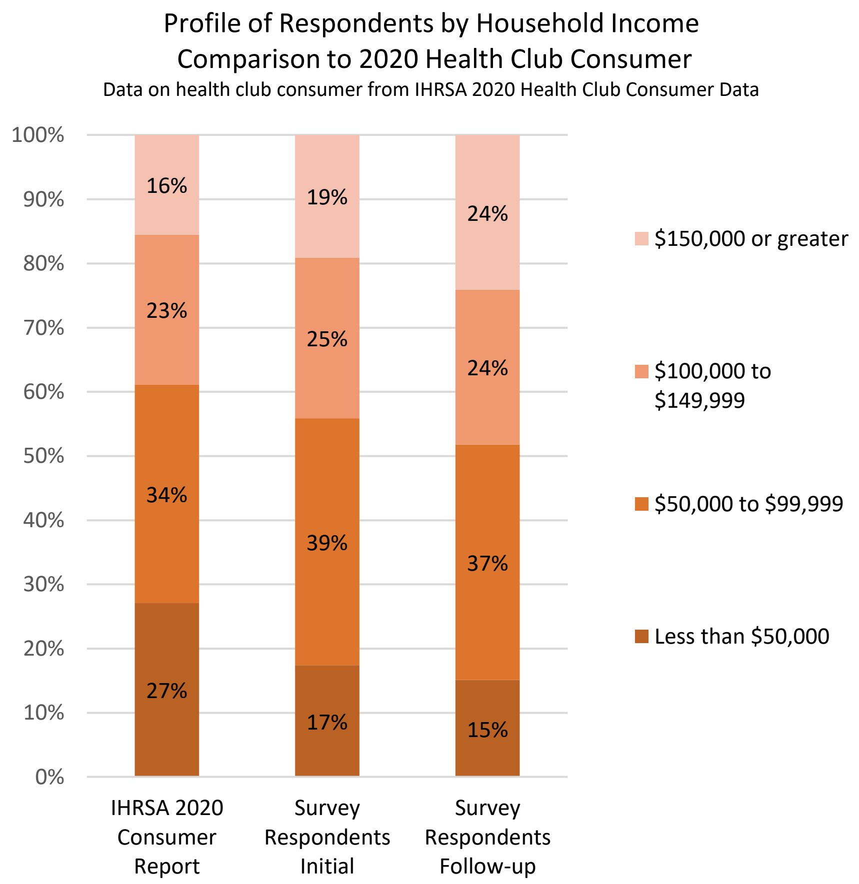
From a generational perspective respondents mirrored the profile of the U.S. and U.S. health club members. The exception were those responding to the follow-up survey where Boomers were over-represented, and Gen Z was slightly under-represented.

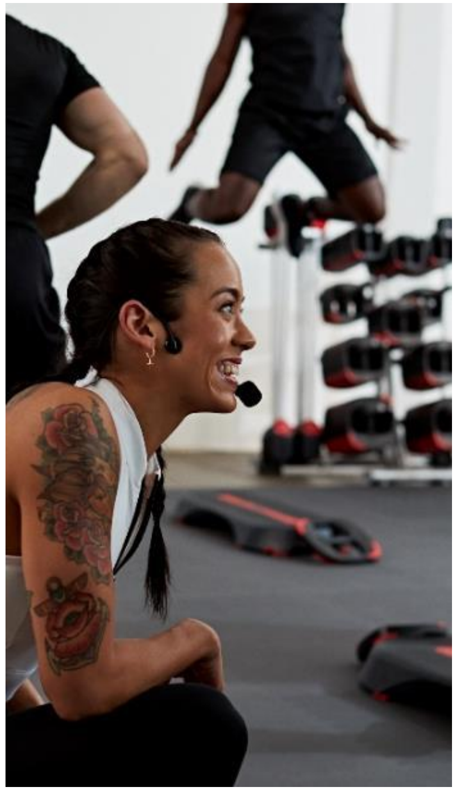
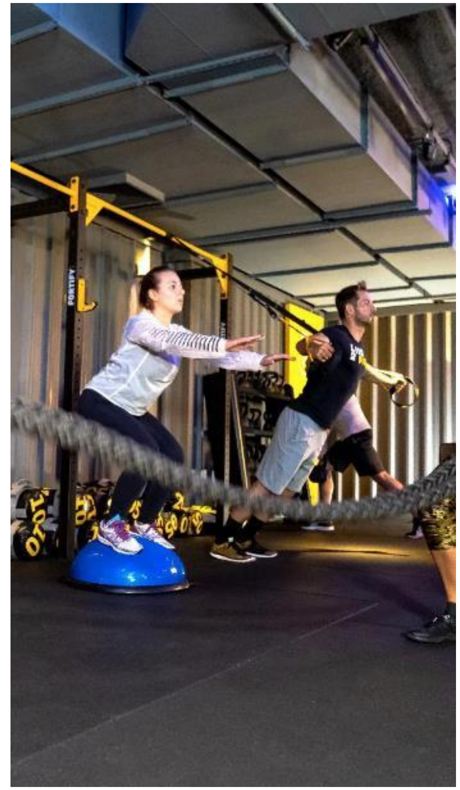




Respondent Profile Skewed More Affluent than U.S. Population

Respondents represented a smaller proportion of U.S. households with annual income under $50,000 and a larger proportion of households with annual income over $150,000 annually. For households with annual income between $50,000 and $150,000 the respondent composition mirrors the profile of the U.S. health club consumer.





The Member Story at Reopening

“The customer’s perception is your reality.”
Kate Zabriskie

Key Insights

Nearly a third of members report their facility is still closed with one in five saying their health/fitness facility has permanently closed.
32% of members reported their fitness facility remained closed as of November 30, 2020. For this group of members, a major deterrent to returning is due to continued temporary closure mandates or the health/fitness facility going out of business (18% of members reported their facility was permanently closed).

Six out of ten members had not returned to a health/fitness facility.
60% of members had not returned to a health/fitness facility as of November 30, 2020 with two-thirds of those not returning choosing to pursue a fitness routine on their own. This percentage is less than what members indicated when asked earlier. While this percentage is only reflective of this member sample, it does sound an alarm for health/fitness facilities seeking to return to normalcy.

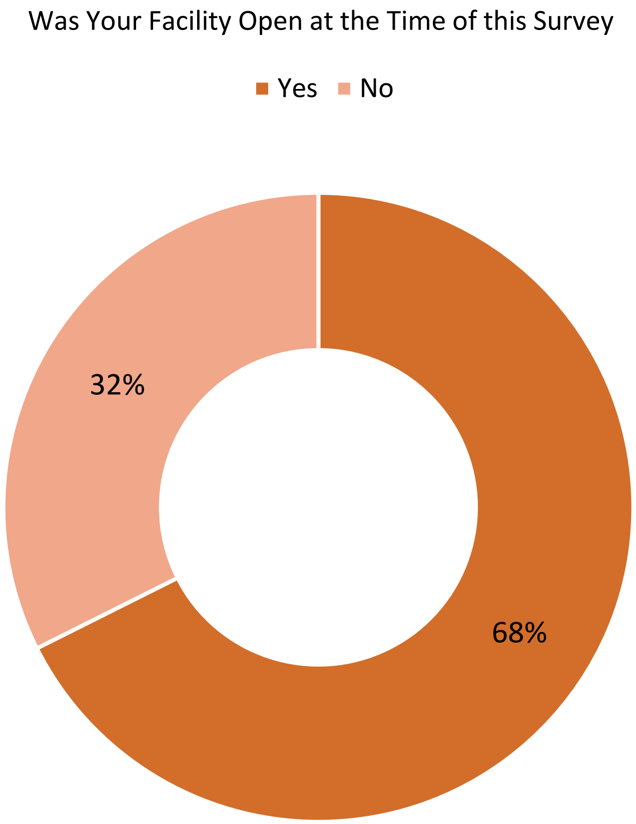
One in five members have stopped exercising.
20% of members reported they had stopped exercising all together. This was a shocker. The Covid-19 pandemic and mandated health/fitness facility closures has resulted in 20% of members no longer pursuing a fitness routine.

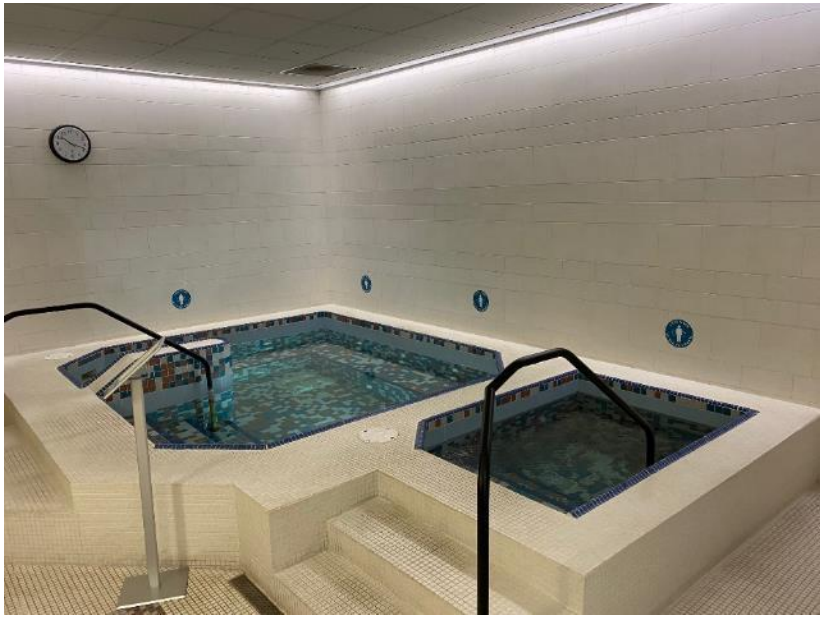
Less than one-third of members allowed to remain on freeze without limitation.
30% of members indicated their health/fitness facility was allowing them to remain on freeze with no set limitations. 40% of members indicated their health/fitness facility immediately started billing them when it re-opened regardless if they had chosen to return. These two practices have the potential to lead to cancellations in the future.

Six in ten members indicated that their current health/fitness facility offers digital content.
58% of members who returned to a health/fitness facility reported their facility offered digital fitness content. 44% of members who indicated digital fitness content was available, report using it at least once a week in addition to visiting the club.

70% of Respondents Reported their Fitness Facility was Open

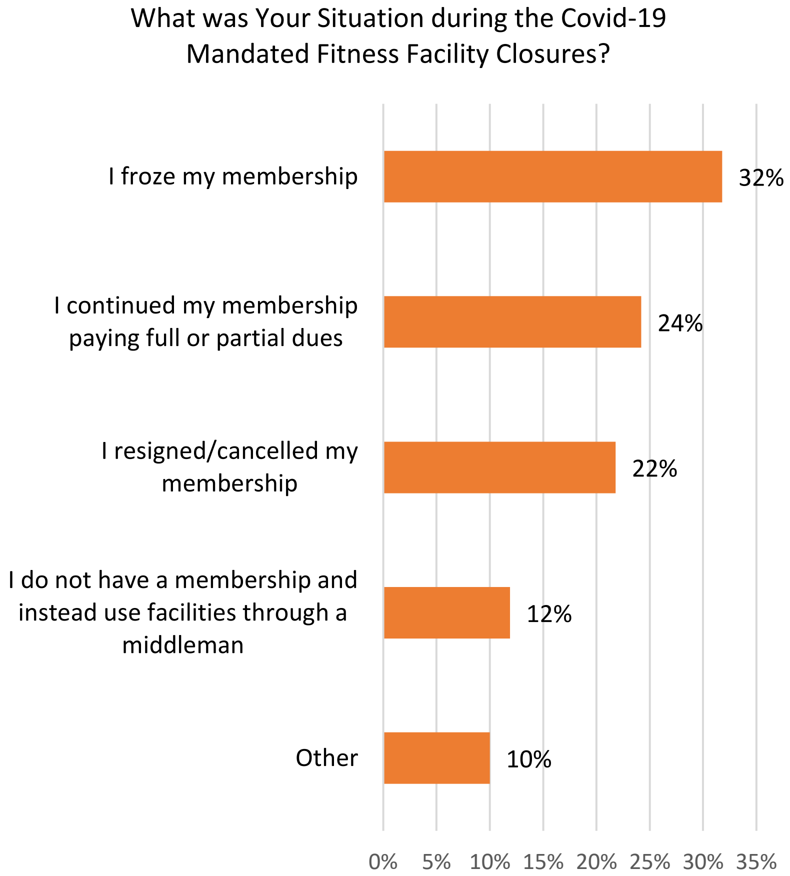
Despite it being 8 months into the Covid-19 disruption, 32% of respondents reported their former fitness facility was closed at the time of this study (November 2020).

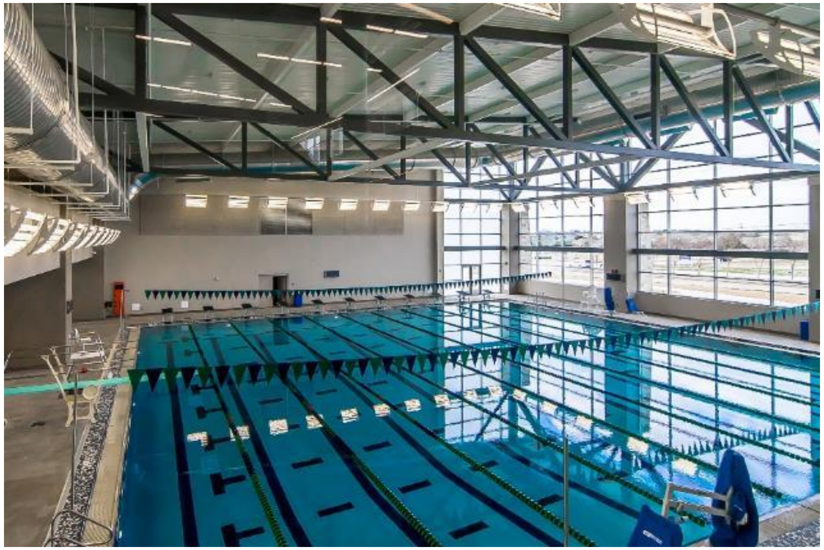




A Quarter of Respondents Paid Dues During Closure

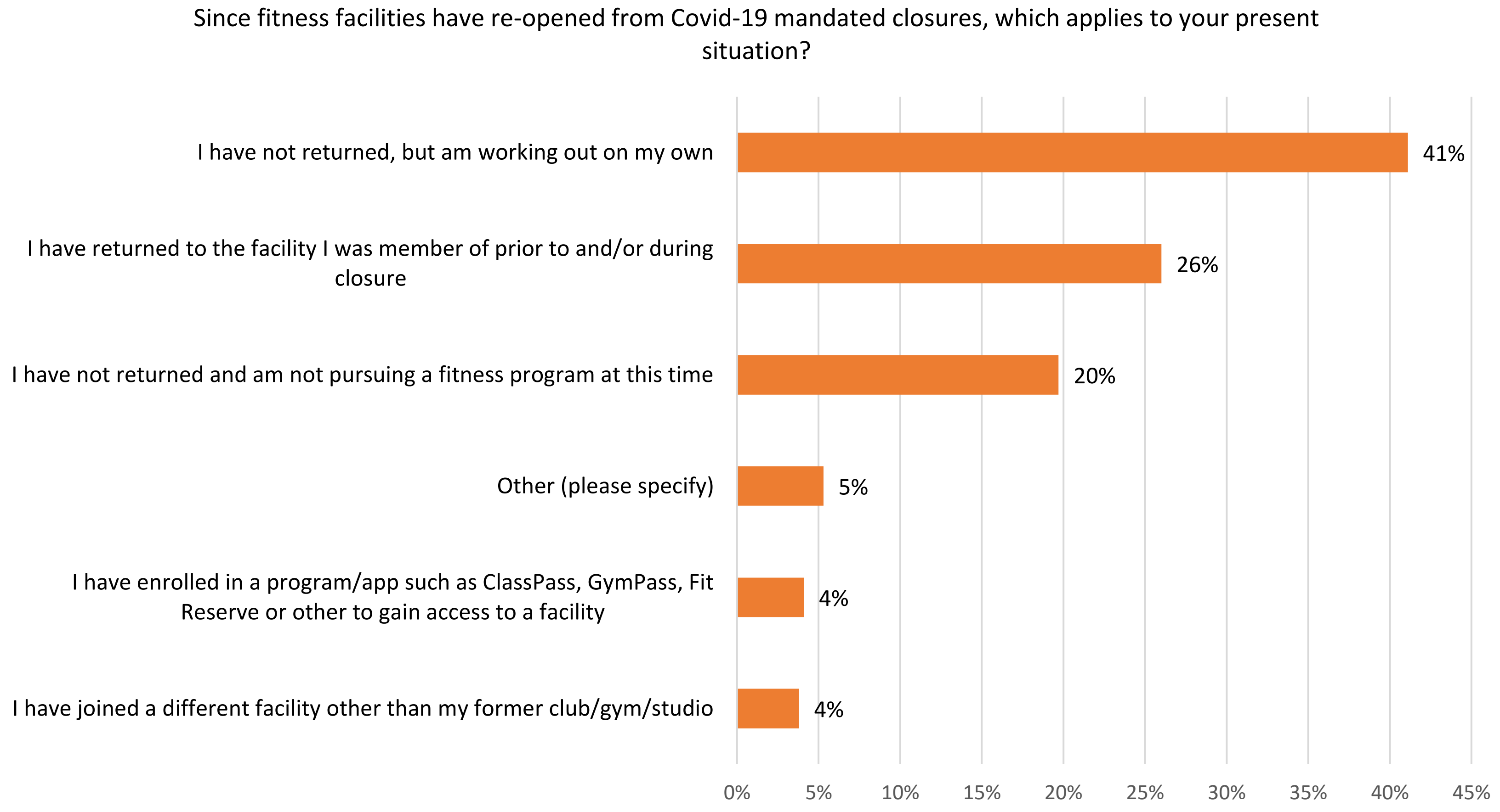
While 24% of members continued to pay full or partial dues during closure, 54% of members either froze or cancelled their memberships.





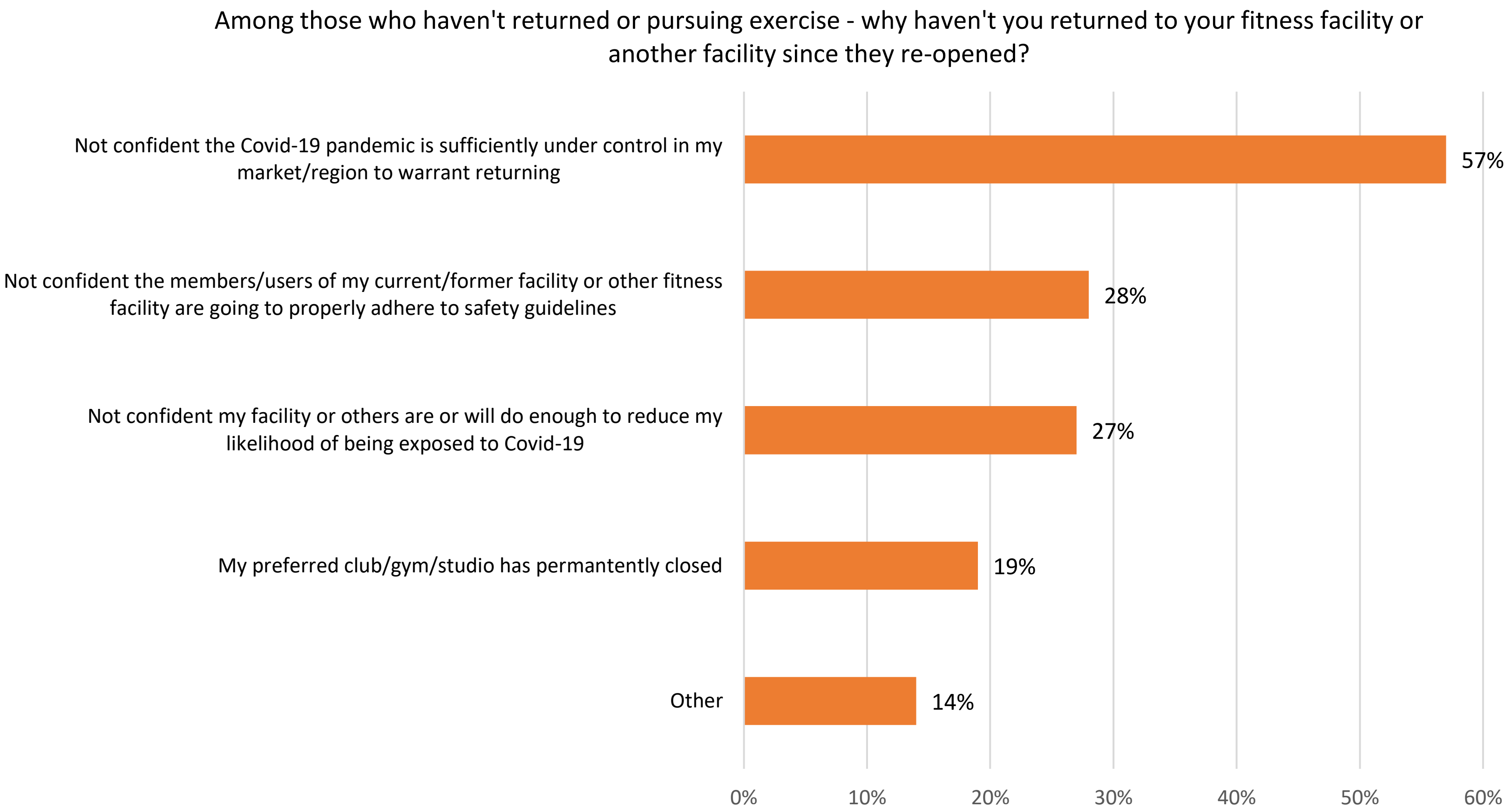
60% of Respondents Have Not Returned to a Fitness Facility

41% of respondents had not returned to a fitness facility and instead were working out on their own. 20% of respondents indicated they not only had not returned, but they had also stopped exercising all together. For many respondents exercising at home worked for them, but for 20% exercise became obsolete, even when the opportunity to return was available.



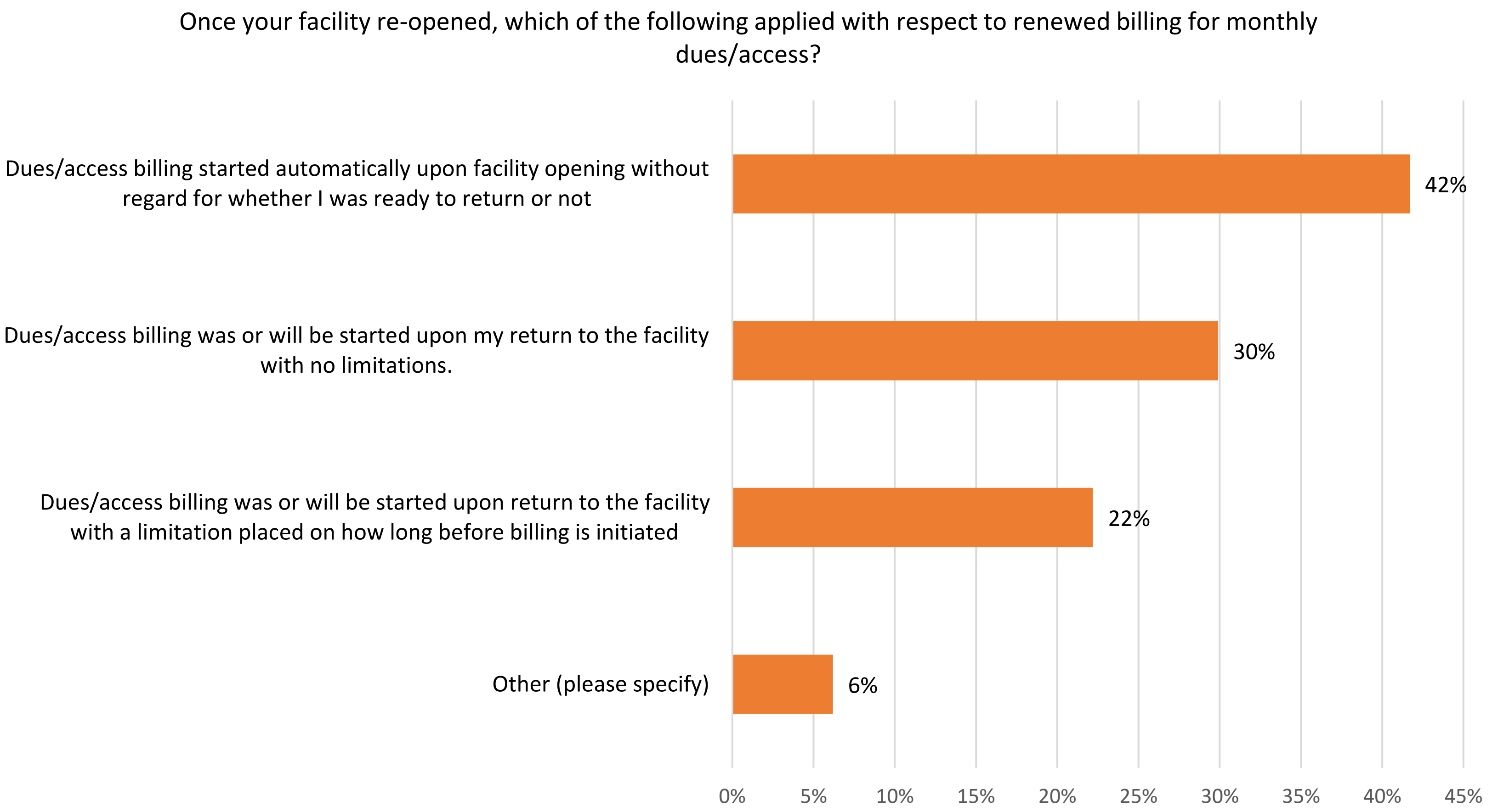
Not Confident Covid-19 Under Control is Significant Deterrent

Respondents who have not returned, indicated that the leading reason for not returning once fitness facilities re-opened was because of their perceptions of the Covid-19 virus being out of control. A lack of confidence in fitness operators or their fellow members adhering to proper safety guidelines were also are significant deterrents to returning.



Over 40% of Respondents Reported their Facility Started Billing at Re-opening Regardless of Whether they Came Back

In addition to the 42% of members who said their facility billed them immediately upon re-opening, another 22% indicated their facility had placed limitations on how long they could remain on freeze before returning.



Respondents Indicate their Facility's Preferred Compensation Approach for Lost Time was to Extend their Membership Privileges

40% of members reported their facility extended their access privileges at re-opening for a period equivalent to the time the facility was closed. Only 18% report receiving a membership refund for the time they were unable to use their fitness facility.
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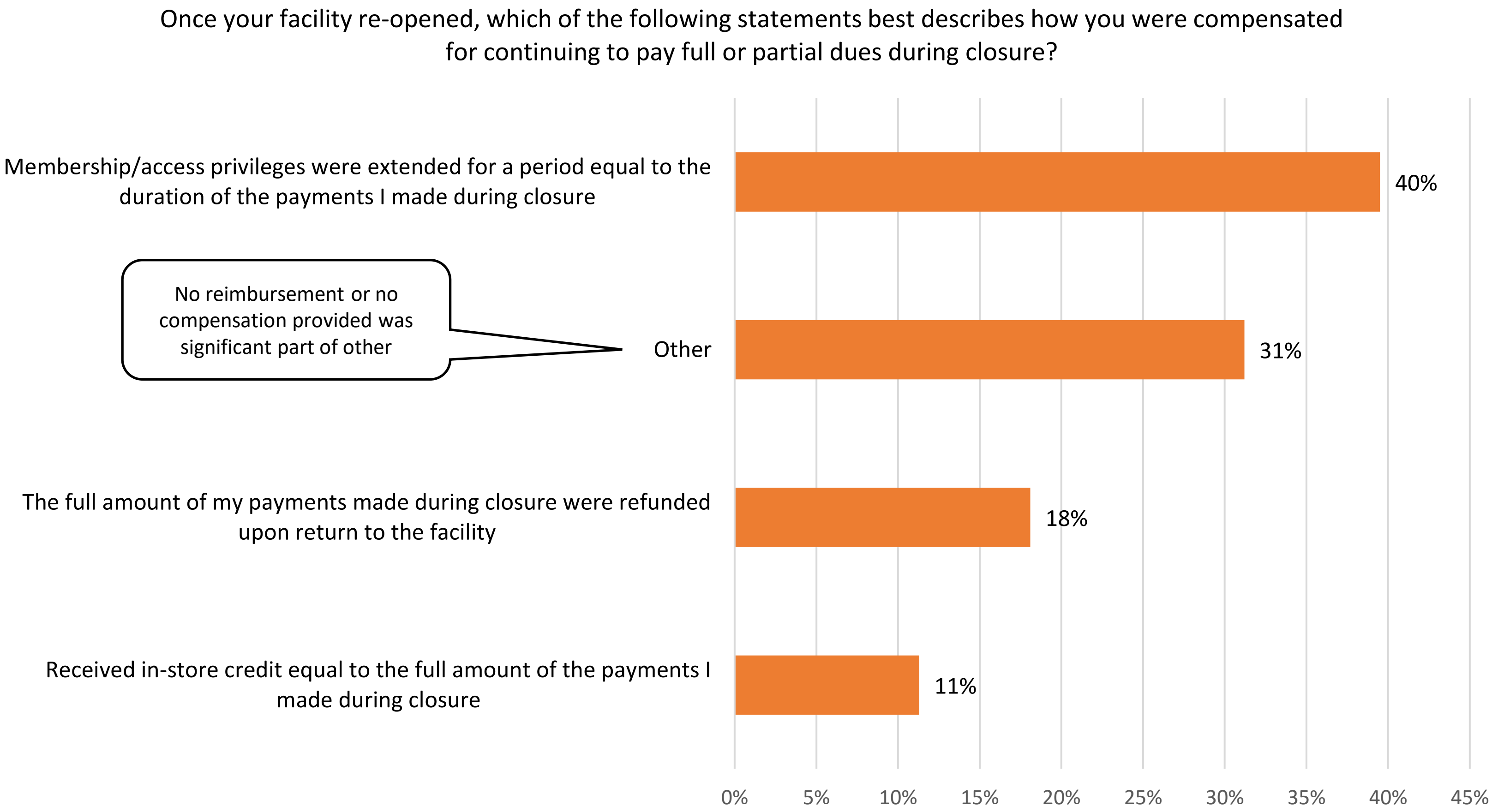
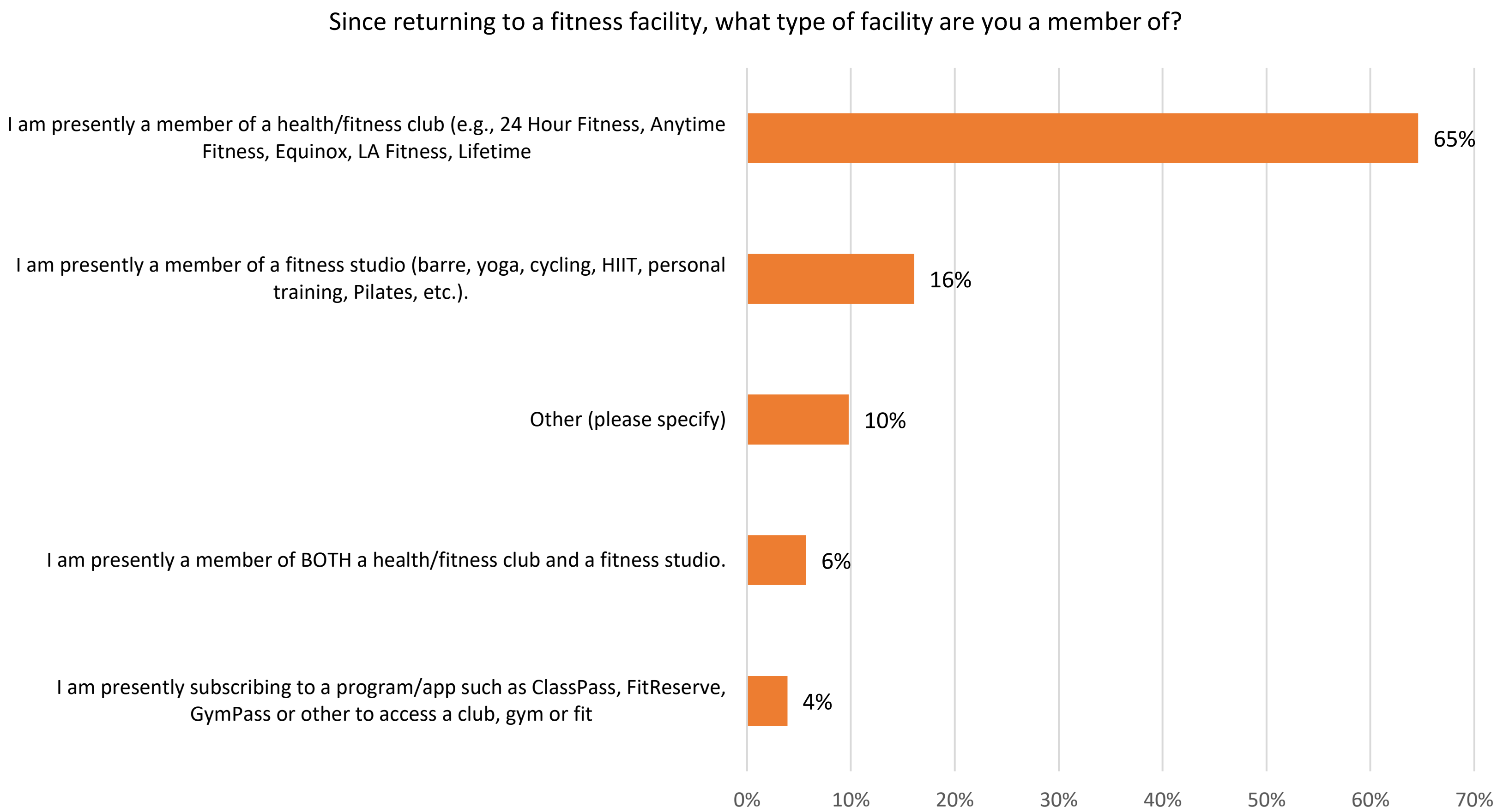


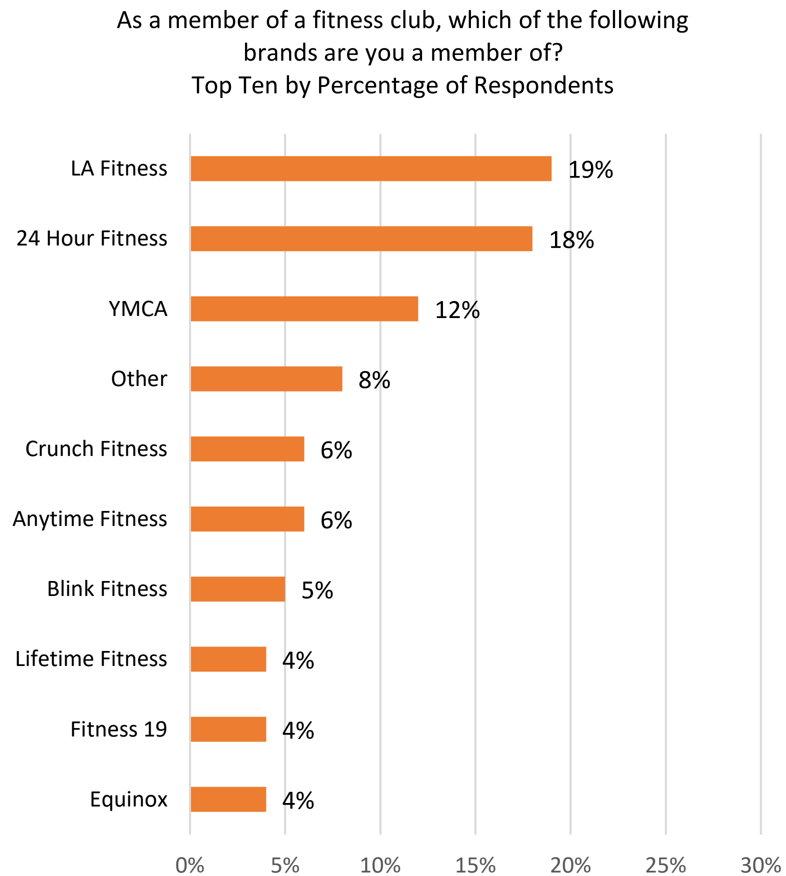
Two-thirds of Returning Respondents Visit a Traditional Health/Fitness Club

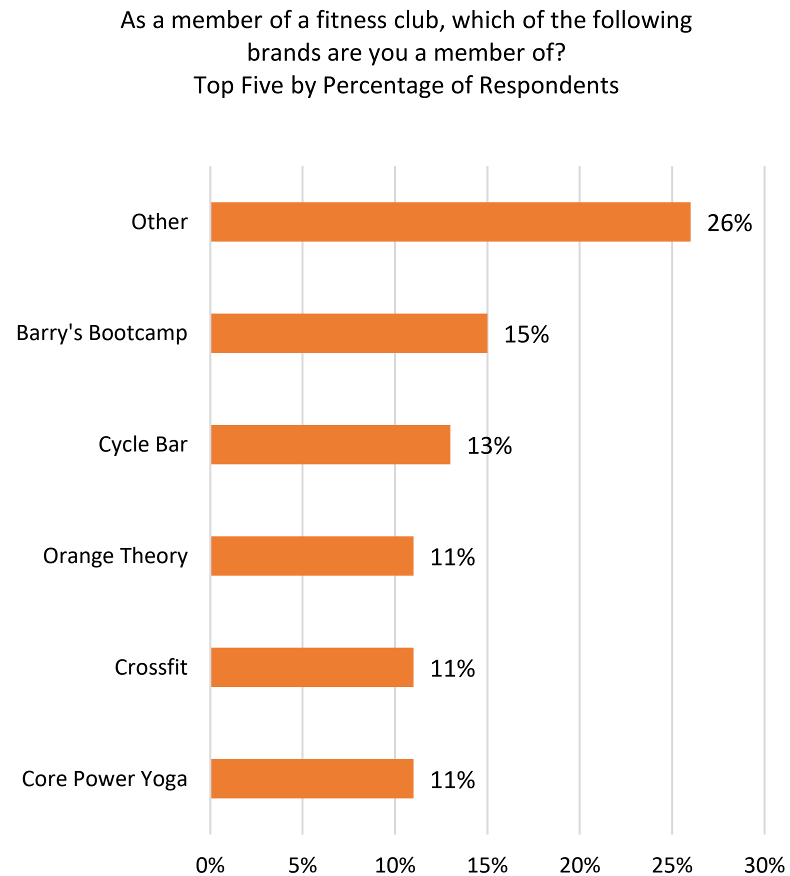
65% of members report that their preferred choice at return was a health/fitness club, while 22% returned to a fitness studio, and 4% chose to leverage a digital middleman platform to access a fitness facility.



Health/Fitness Chains Preferred in the Club Sector and Independents in the Fitness Studio Sector

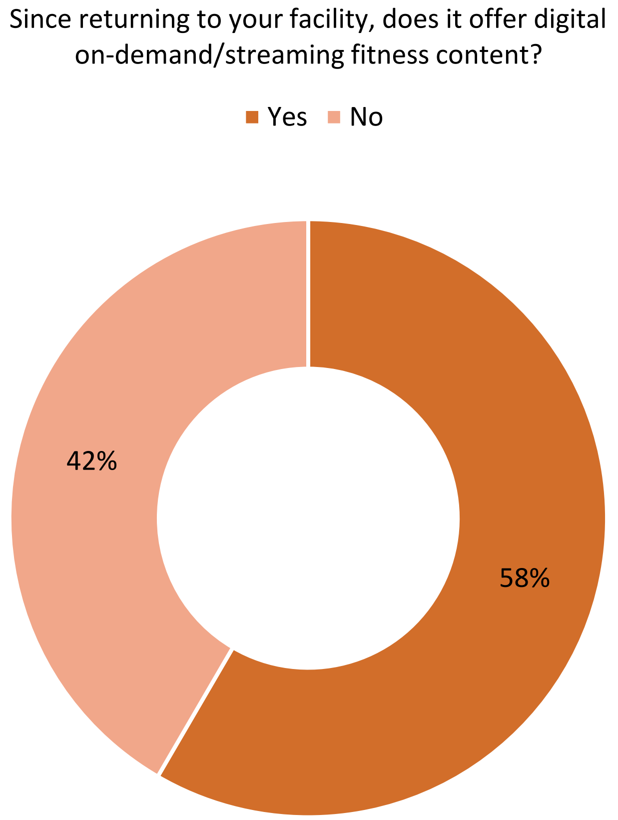
Among respondents, the leading health/fitness clubs they belonged to where LA Fitness, 24 Hour Fitness and the YMCA. Among those returning to studios, independent studios lead the way.

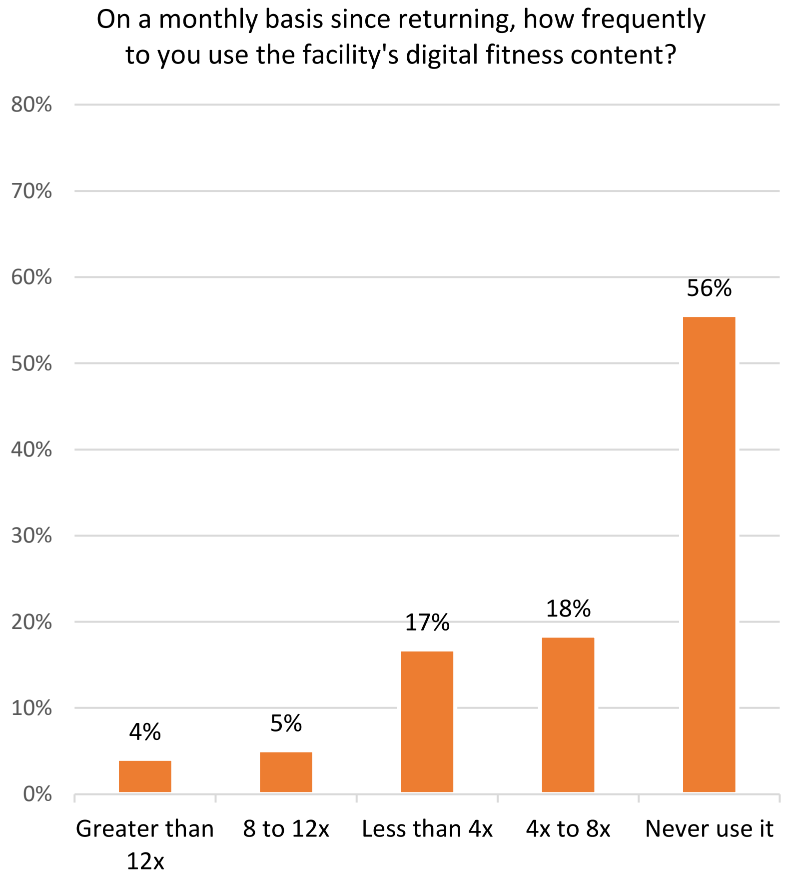




Almost 60% of Respondents Report their Fitness Facility Now Offers Digital Fitness Content

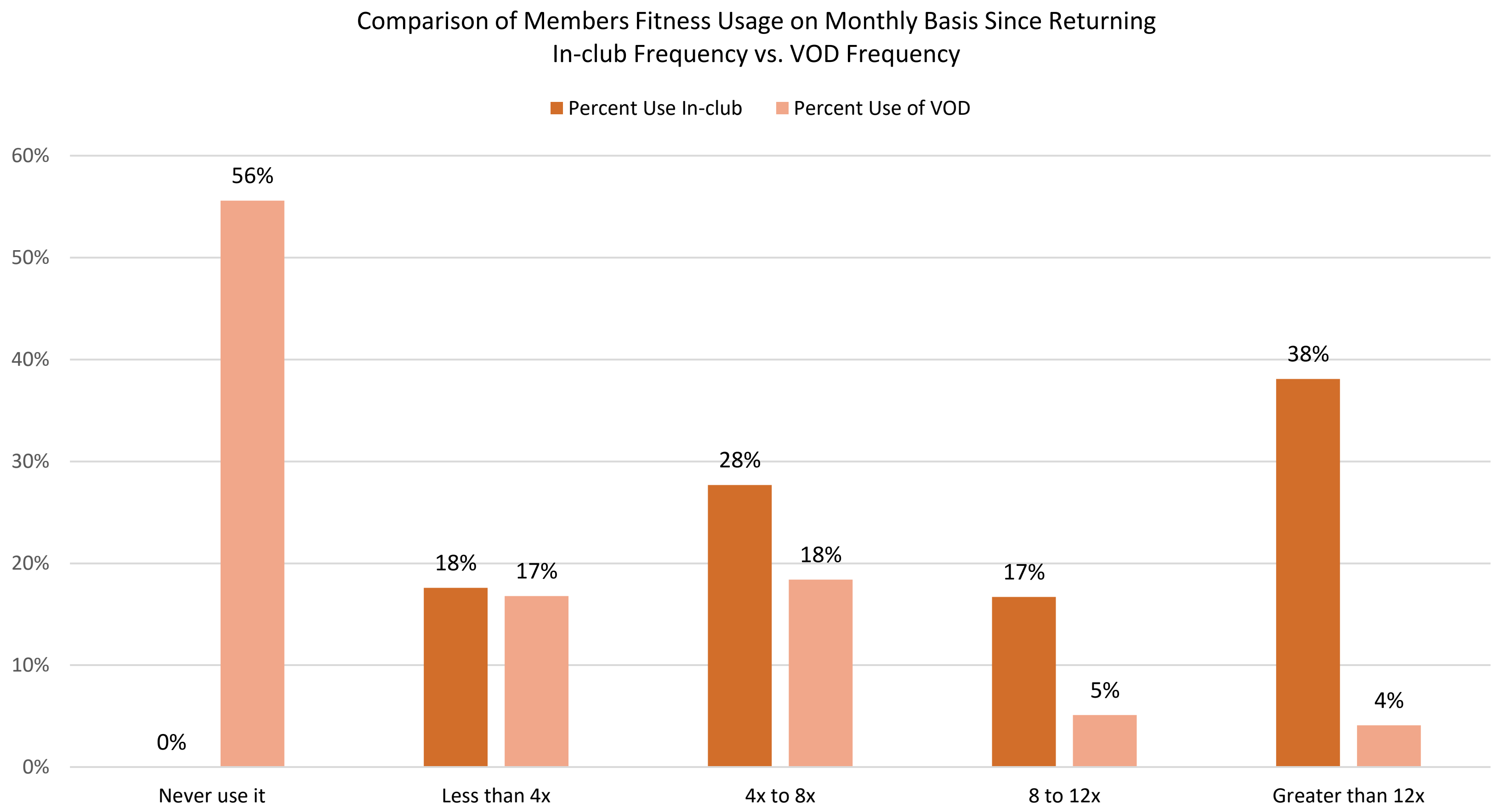
Digital fitness content (on-demand and streaming) emerged as part of the value proposition of respondent clubs. 56% of respondents don't use the digital content, but 44% do and are moderate users.





Digital Fitness Usage Not as Frequent as In-Club Usage, but Gaining Ground

55% of respondents report visiting their clubs at least eight times a month since re-opening and 80% at least four times a month. Concurrently, 44% of members report using digital fitness content at least once per month.



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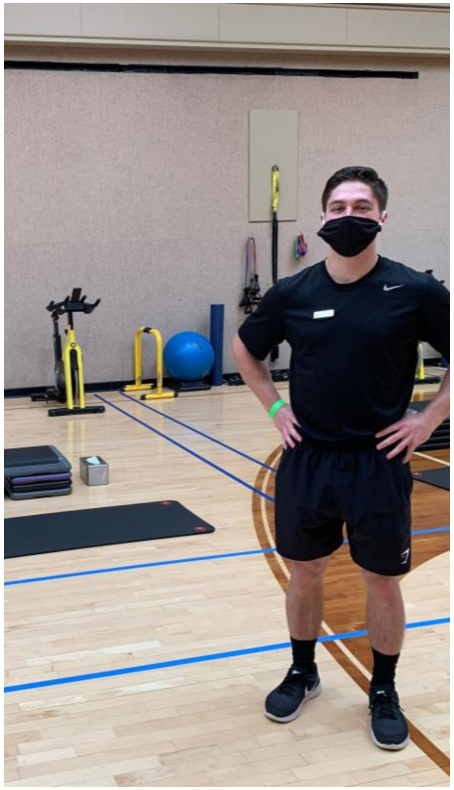
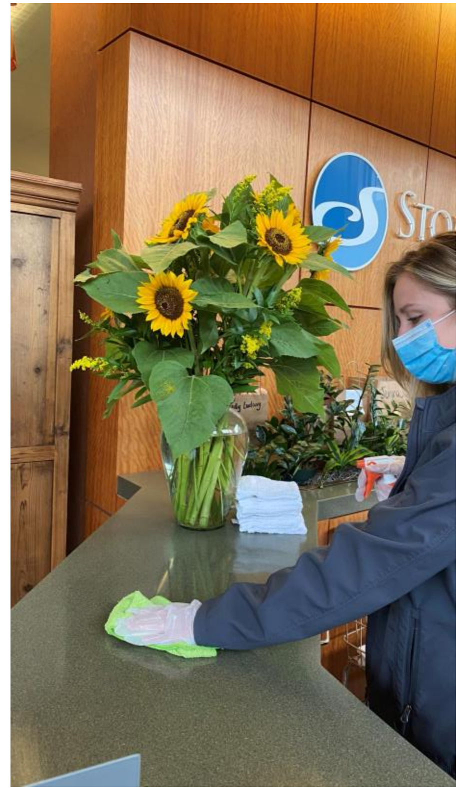




Member Attitudes and Perceptions of Safety Since Re-opening

"Perception precedes reality."
Andy Warhol

Key Insights

Seven out of ten returning members agreed their health/fitness facility had addressed their safety concerns with respect to Covid-19.
70% of returning members agree or strongly agree that their fitness facility has addressed their safety concerns. Concurrently, 30% don't agree. This represents an opportunity for operators to pursue additional measures to generate greater confidence among members that they are doing all they can to provide a Covid-19 safe environment.

Seven out of ten members agree or strongly agree their fitness facility has met their expectations on five of the top ten most important Covid-19 safety practices expressed by them earlier.
70% of members agree or strongly agree the fitness facility has met their expectations on five of Covid-19 safety practices they had earlier indicated were influential to bringing them back into the facility. As an industry, unless this percentage reaches 100%, members will remain hesitant to return.

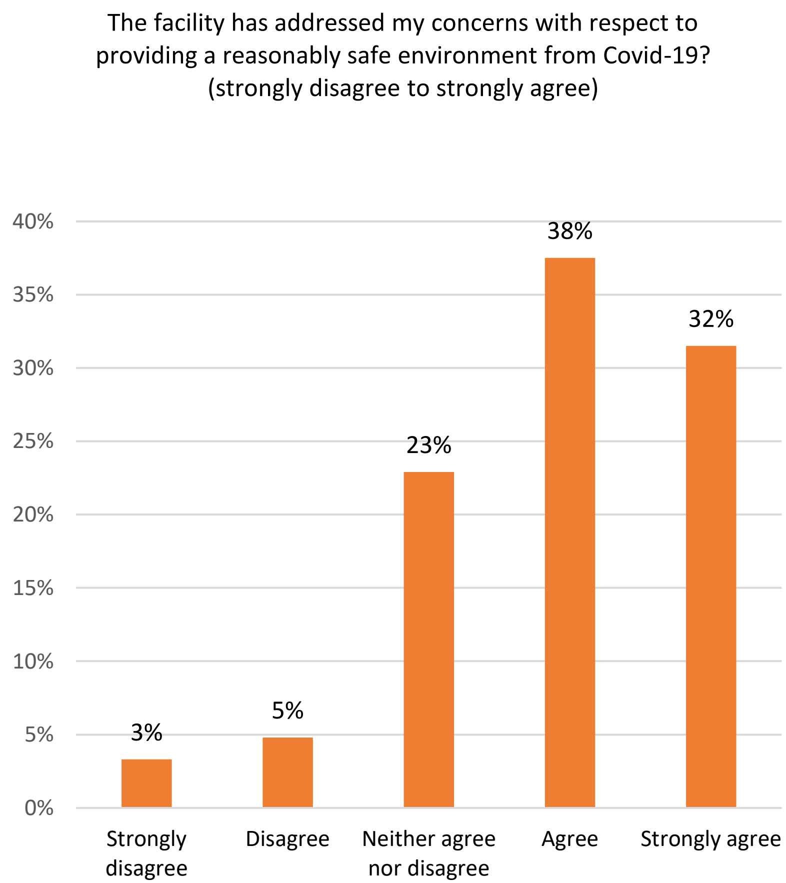
Four out of ten members disagree or are ambivalent when it comes to their facility meeting their expectations on four of the top ten most important Covid-19 safety practices expressed by them earlier.
40% or fewer members indicate that their facility has not met their expectations with respect to these Covid-19 safety practices they had indicated earlier were influential to their return: staff wearing protective gloves, staff disinfecting equipment after each use, management being transparent in communicating if a staff person or member had tested positive for Covid-19, and whether management confronts and removes members who fail to comply with safety procedures.

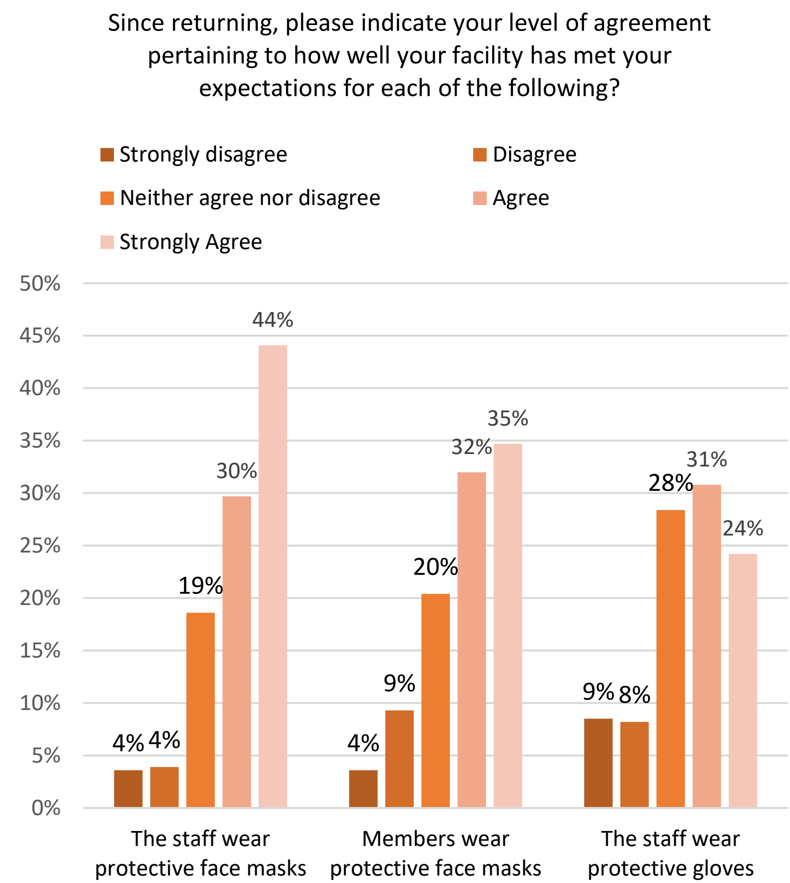
Slightly more than a third of members indicated that if their health/fitness facility had a "Covid-19 Safe" designation from a reputable organization it would be highly influential in impacting their desire to return.
35% of members indicated that if their facility earned a designation saying the facility's safety protocols had received a "Covid-19 Safe" designation it would be highly influential in their desire to return while 42% said it would be somewhat influential. Members would be most confident if the designation came from a professional medical organization such as the American Medical Association, American College of Sports Medicine or American Heart Association. Members expressed less confidence in a designation if it came from the local health department or industry trade association. It appears that what members observe, and experience, is more important than a seal of approval in influencing their return.

Nearly one in five returning members are aware of someone from their health/fitness facility testing positive for Covid-19.
18% of members who returned are aware of either staff or members testing positive for Covid-19. Among this group of members, it appears the existence of staff and/or employees testing positive for Covid-19 is more prevalent than current industry data indicates.

Over Two-Thirds of Respondents Indicate their Facility has Addressed their Safety Concerns

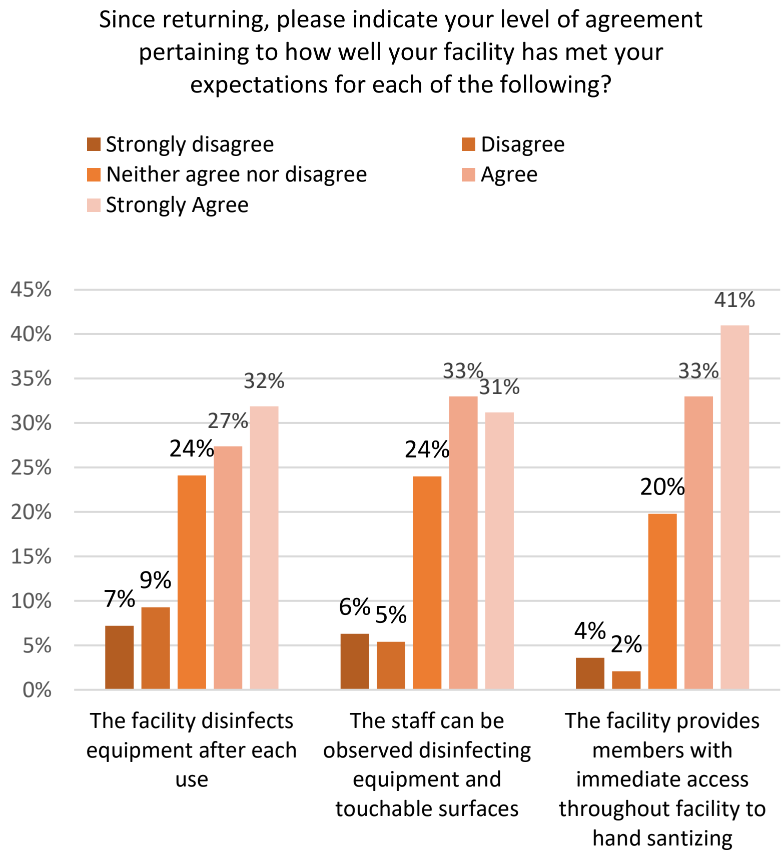
70% of members agree or strongly agree with the statement that their fitness facility is addressing their safety concerns around Covid-19. With respect to PPE, 74% are satisfied with the use of protective face masks by staff and 67% with the use of face masks by other members. Only 55% are satisfied with the level of protective gloves used by staff.

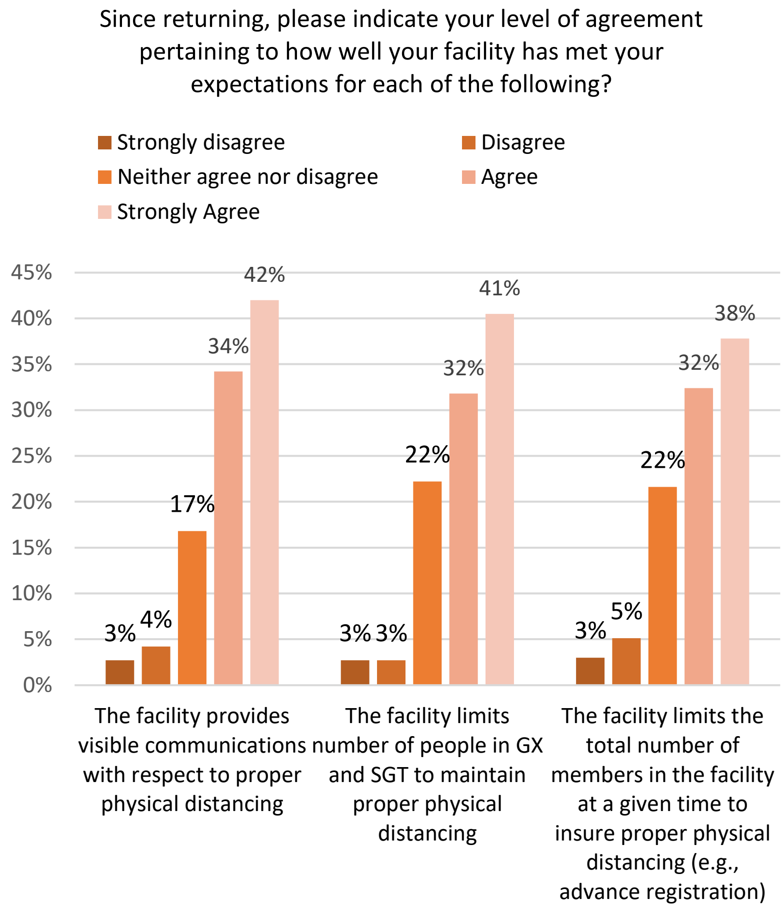




A Significant Majority of Respondents are Satisfied with Steps Taken to Maintain Proper Physical Distancing

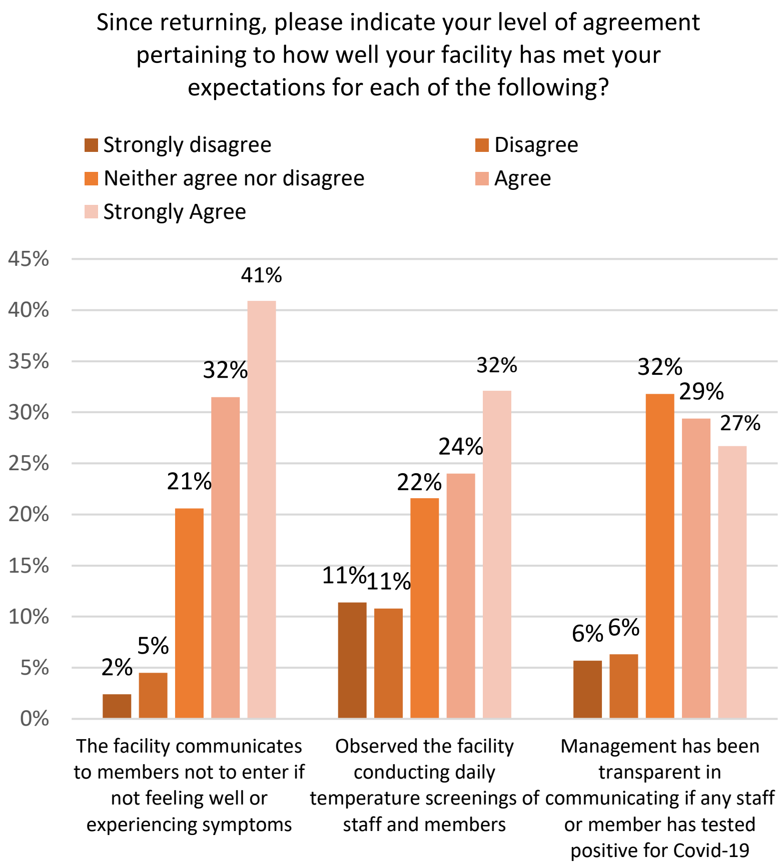
Over 70% of members report their expectations around systems designed to help maintain the proper physical distancing in their facility has been met. Where respondents found operators less diligent was in respect to the disinfecting of equipment after each use by a member, where just under 60% agreed their facility was performing to their expectations.

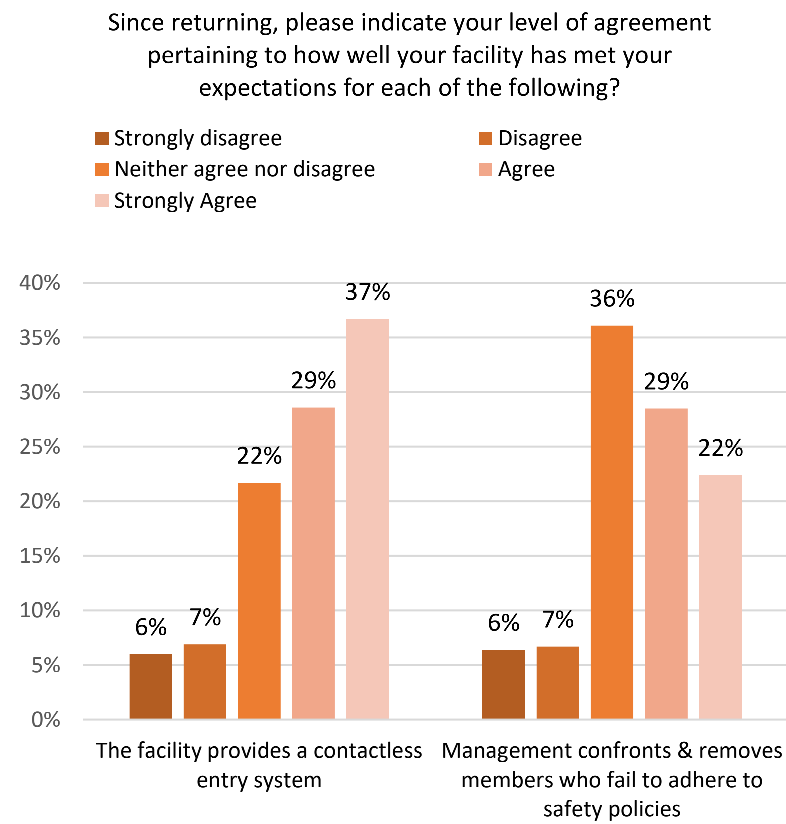




Over 40% of Respondents Feel Their Facility Isn't Meeting Their Expectations with Respect to Certain Safety Practices

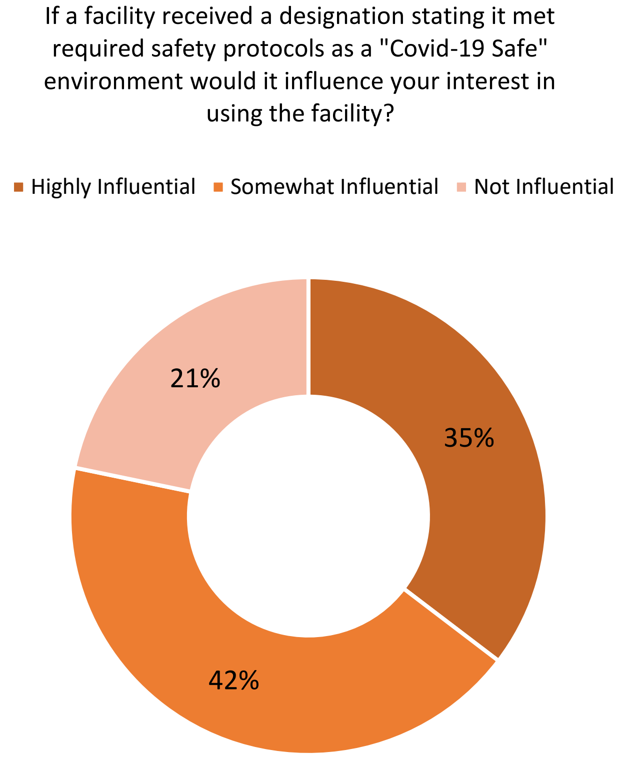
Between 50% and 56% of members indicate that when it comes to their facility conducting daily temperature screenings, confronting safety violators, and reporting potential positive test results, that their expectations are being met.

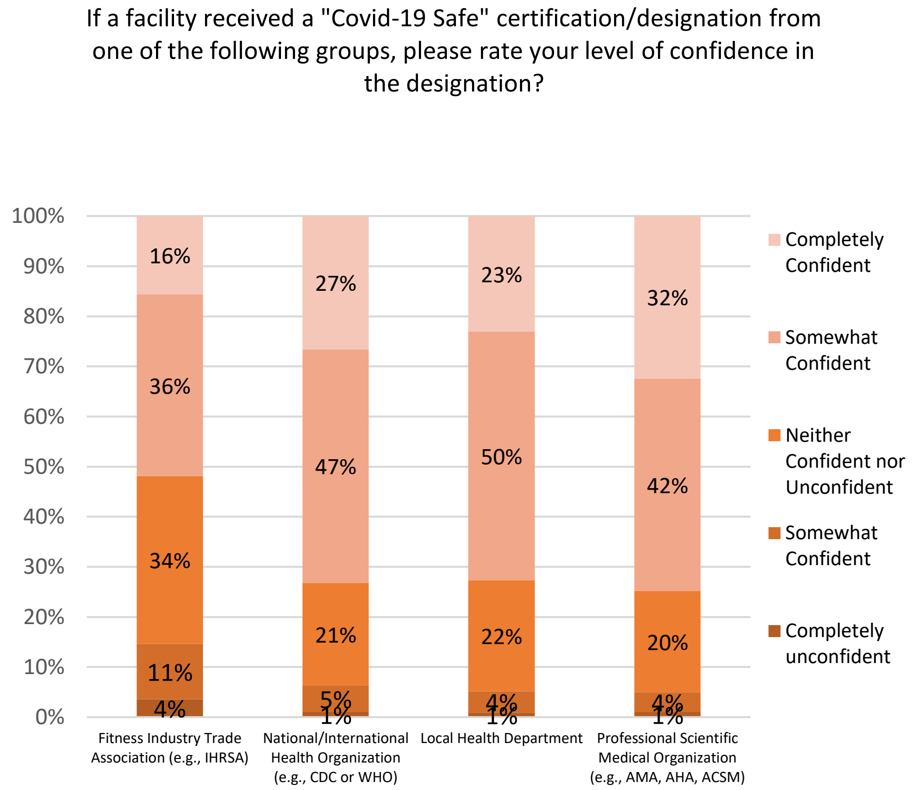




Slightly More than a Third of Respondents Feel a "Covid-19 Safe" Designation for their Facility Would Influence their Desire to Join

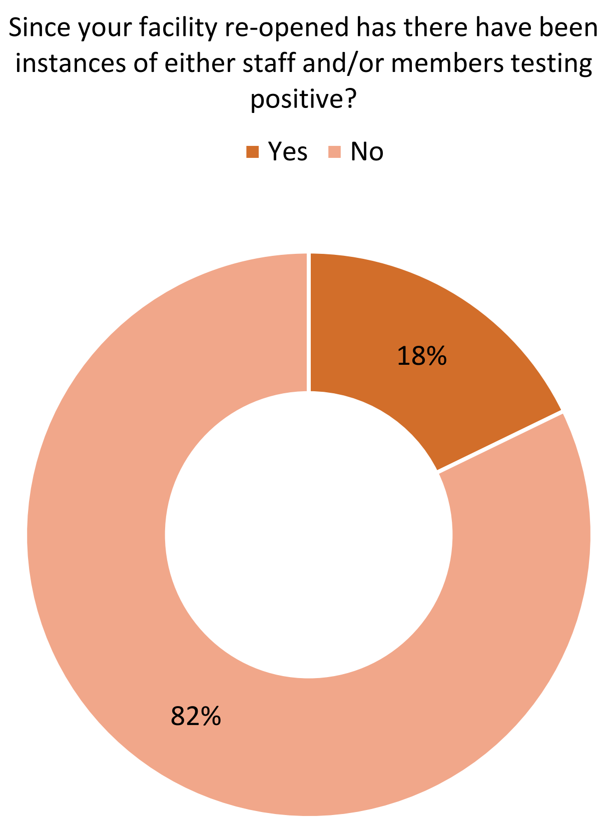
35% of members indicated a "Covid-19 Safety" designation would be highly influential, while 42% indicate it would be slightly influential in bringing them into a fitness facility. Among those who report it would be highly or somewhat influential, the group that would lend the greatest credibility to such a designation would be a professional scientific organization (e.g., AHA, AMA, ACSM). Members had less confidence in groups such as the local health department, international/national health organizations, or fitness industry trade association.

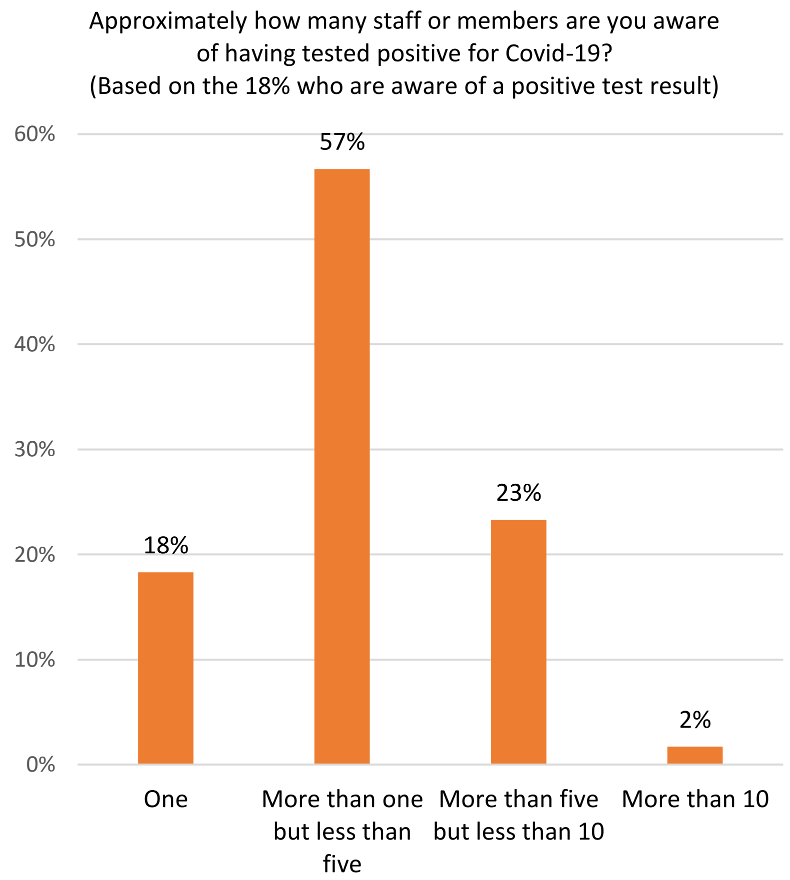


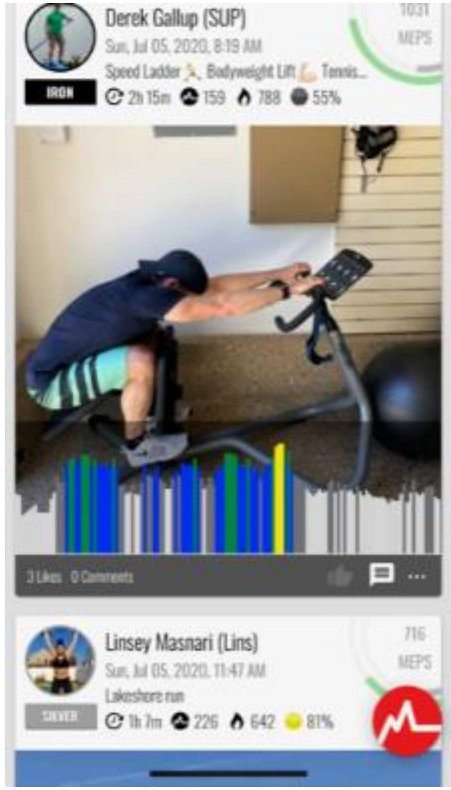


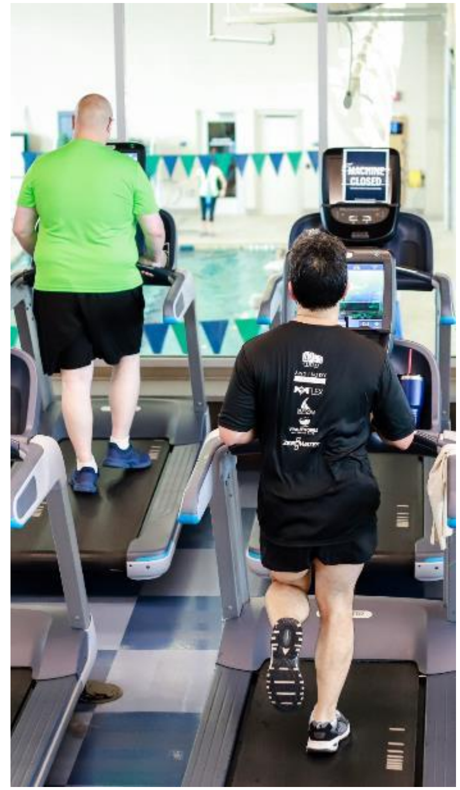
Nearly One in Five Respondents are Aware of a Member or Staff Person Testing Positive

18% of returning members indicated they were aware of a staff member or member testing positive for Covid-19, with 57% of these members reporting they understood there to be between one and five individuals testing positive and another 23% reporting there had been between five and ten positive tests among staff and users of their facility.









The Member Journey – Pre-Closure, During Closure, and After Re-opening

"I've learned that people will forget what you said, people will forget what you did, but people will never forget how you made them feel."
Maya Angelou

Key Insights

Members who returned to their health/fitness facility are more likely to be working out on their own and less likely to be engaged in PT, SGT and GX than they were prior to closure.
57% of returning members report pursuing fitness on their own compared to 52% prior to closing. The percentage of returning members who indicate they are taking group exercise classes, small group training sessions, or personal training is slightly lower than prior to closure. While not significant, this trend, especially with fewer members returning, will require operators to rethink their value proposition going forward.

Member delight, member likelihood to return and member likelihood to recommend are nearly the same as they were prior to closure.
The percent of members who scored in the top two box for delight, likelihood to remain, and likelihood to refer during reopening was down marginally from the scores prior to closure. It appears those members who have returned feel the same about their experience. While scores were significantly lower during closure, it appears once members were able to get back in their health/fitness facility their sentiments about the experience rose to pre-closure levels.

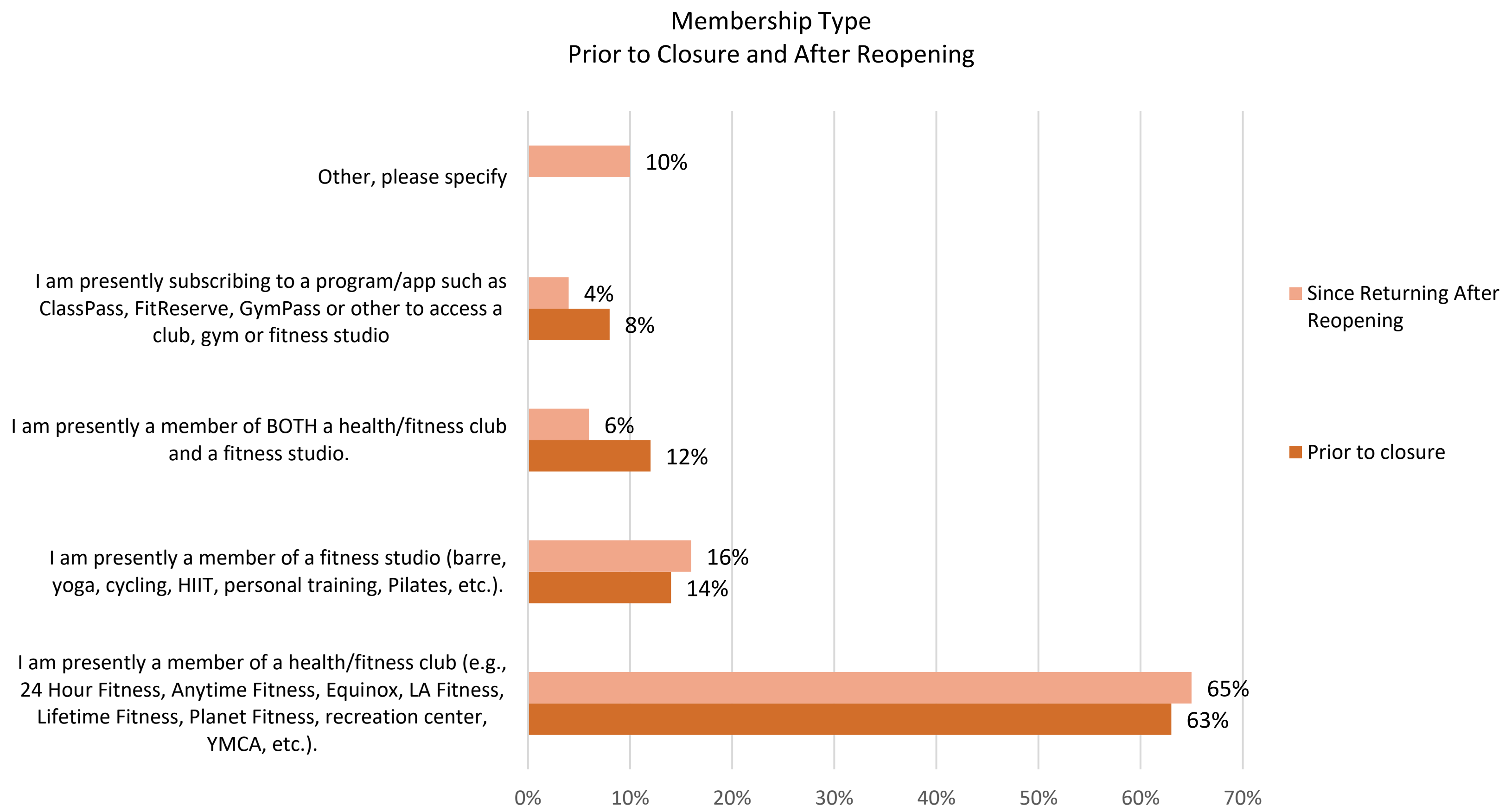
The percentage of members who returned to a health/fitness facility were considerably lower than members previously indicated their response would be when facilities reopened.
26% of the members returned to their former facility, which was eight points lower than the percent of members who said they were very likely to return and nearly 40 percentage points lower than the percentage of members who said they would be fairly/very likely to return once health/fitness facilities re-opened. It appears that the best predictor for member return lay in those who said they were very likely to return. A fairly-likely sentiment does not appear to be a reliable predictor of member behavior with respect to return behavior.

Of the members who did return, the percentage going back the first week of re-opening was higher than indicated when asked earlier.
The percent of members who returned in the first week (44%) was 10 percentage points higher than the percent of members who reported they would be fairly likely/very likely to return the first week. The percentages for those returning between one week and four weeks after re-opening and one month to three months after re-opening were close to the percent of members who expressed they would be fairly/very likely to return during those time frames.

Members who didn’t return to a fitness facility are more likely to work out on own without digital guidance and inspiration.
Most members who chose not to return to a health/fitness facility but continue with fitness predominately chose to do so unaided by digital content. Among those who selected to pursue fitness on their own using digital fitness content, the large majority used a third-party provider rather than the content provided by their former facility.

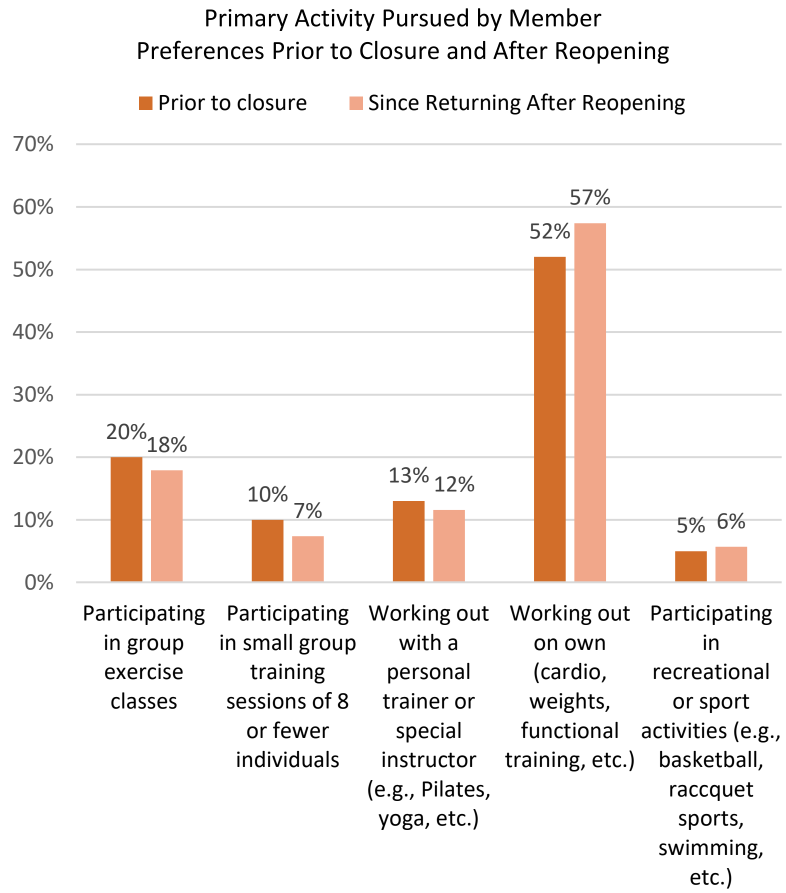
Past and Current Membership Type Haven't Really Changed

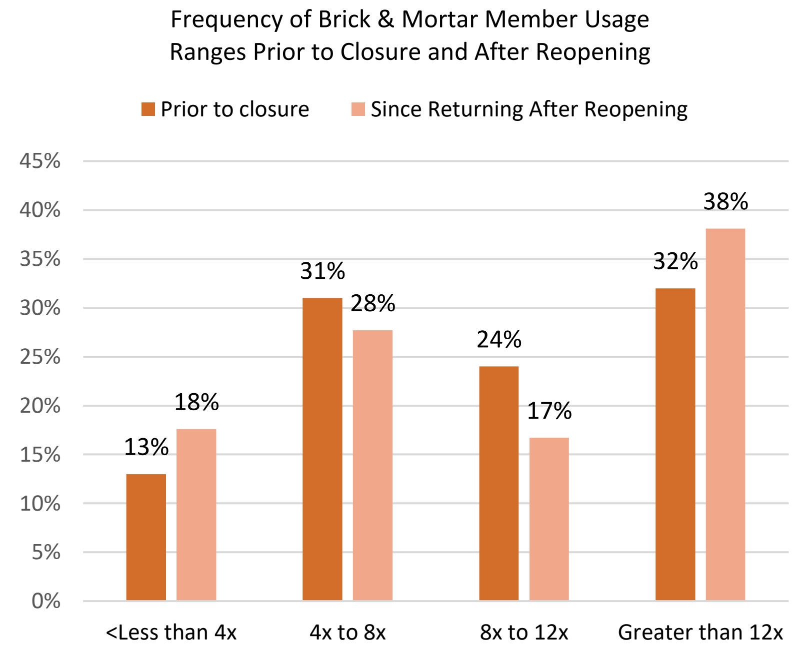
A nearly identical percentage of respondents were members of the same type of facility at closure as they were at re-opening with the only shift being a 6-point reduction in the percentage of members who reported belonging to both a club and a fitness studio.



Members Continue to Pursue What They did Prior to Closure with Some Subtle Shifts in Usage Frequency

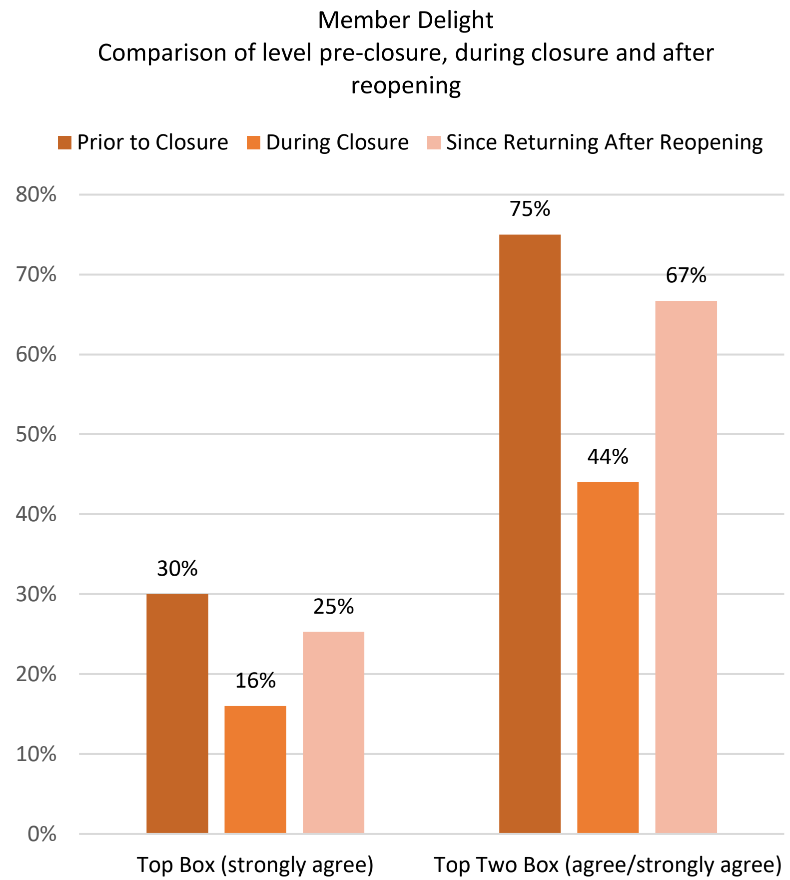
In general, members are pursuing the same activities now as they did prior to closure with those working out on their own showing a 5-point jump. When it comes to frequency of usage, the percentage of members using their facility more than 12x a month has risen six points while those using fewer than four times a month has dropped by five points. This may point to a facility's most active and loyal members returning and its more casual members holding back.

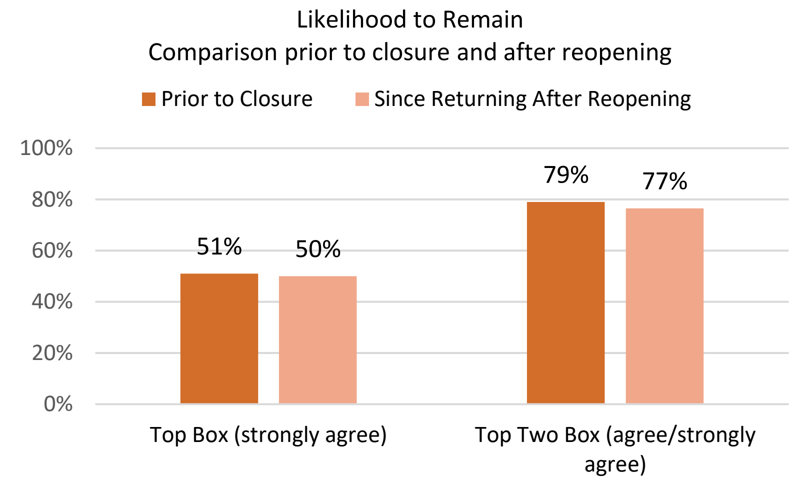


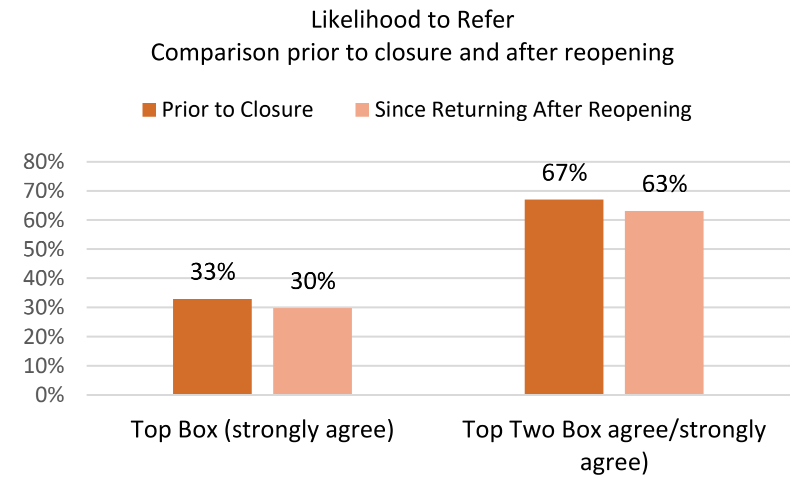


Measures of Member Delight and Loyalty at Reopening Mirror Levels Prior to Facility Closure

When it comes to measures of member loyalty, the scores at re-opening mirror those from pre-closure with only minor declines. What is evident is the declines in these loyalty metrics witnessed during closure have rebounded upon re-opening and are approaching pre-closure levels.

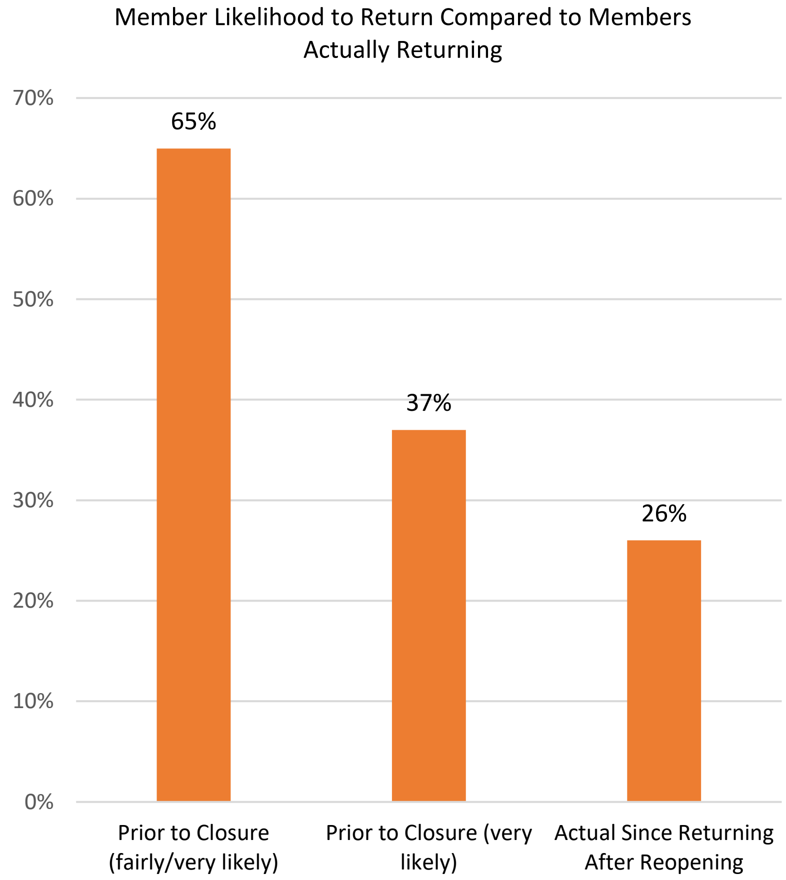


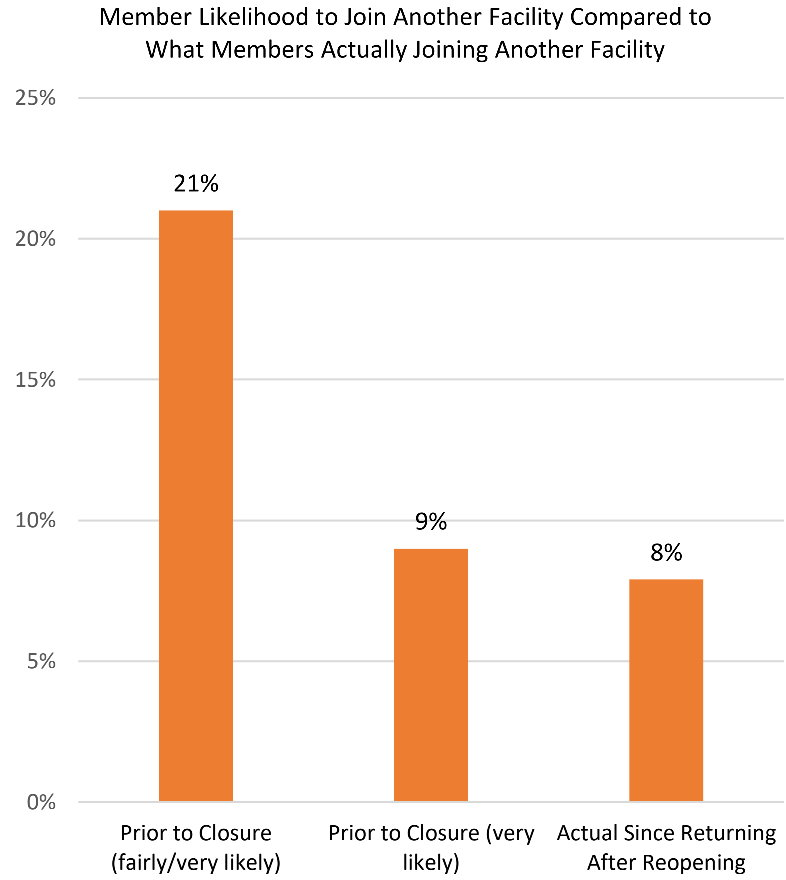




Member Return Behavior Significantly Lower than What Members Said it Would Be

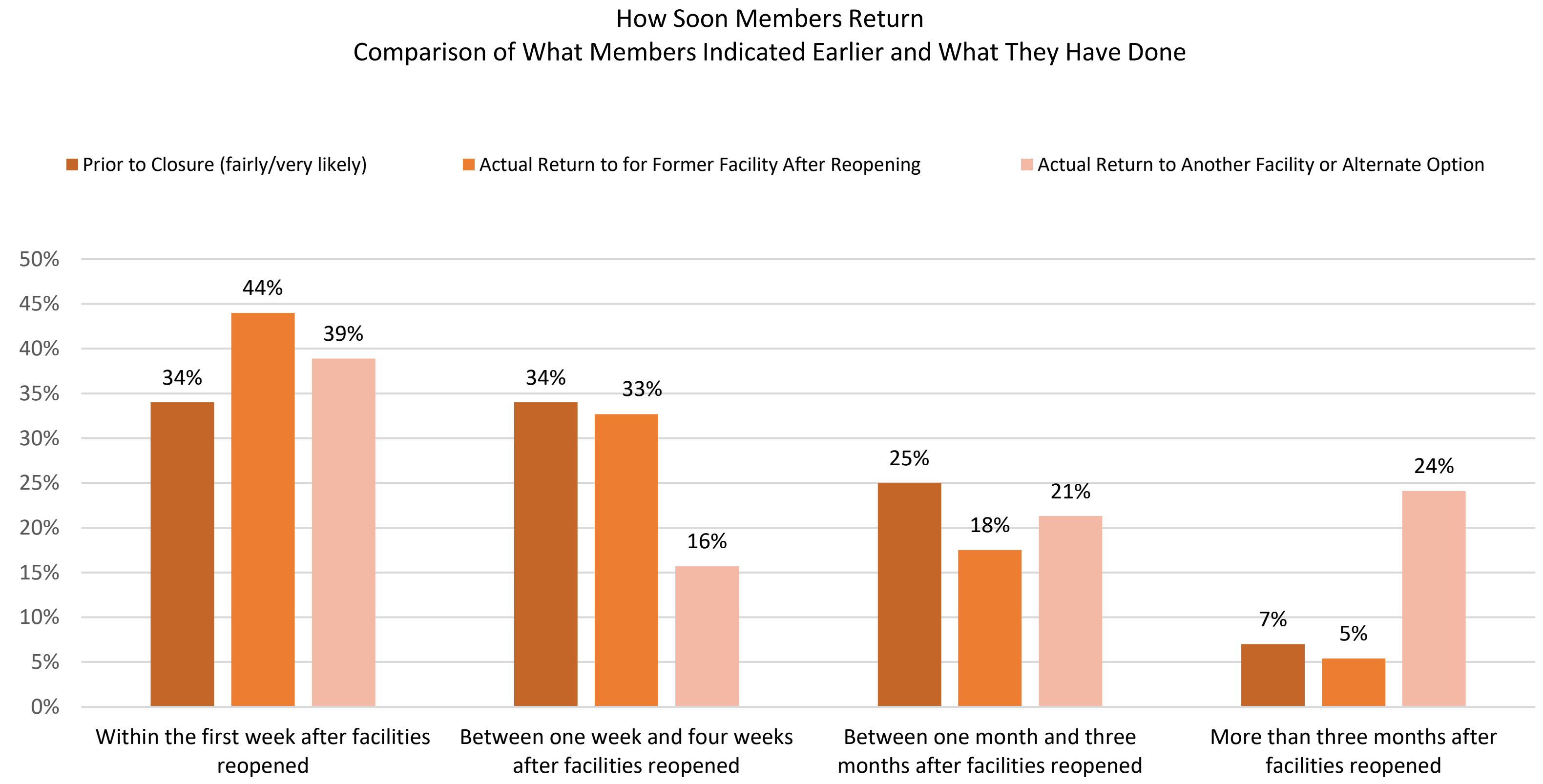
Only 26% of members returned to their former facility, 11 points below the 37% that said they were very likely to return and 40 points lower than the 65% who said they were fairly or very likely to return to their former facility. When it comes to returning, but to another club, the percentage of members who joined another facility was statistically the same as the percentage who said they were very likely to return to another facility (8% vs. 9%). It appears predicting return is closely related to a member's strong desire to say they would return.





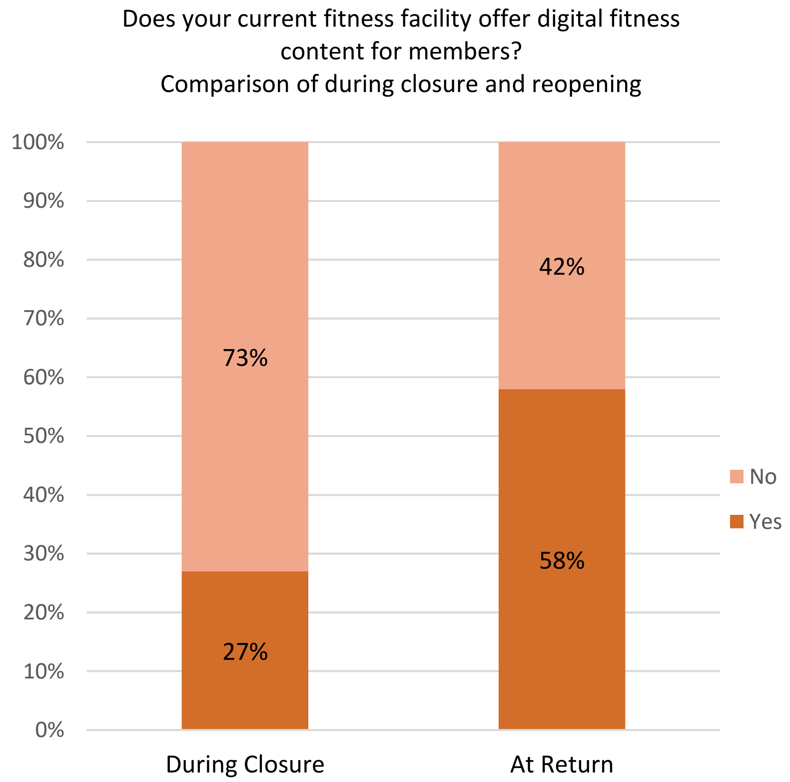
Members Returned Slightly Sooner than They Said They Would

44% of respondents who had returned did so in the first week, 10 points higher than those reporting they would be very likely to return in the first week. The percentage who returned between one and four weeks and one month and three months was also higher percentage wise than the percentage who reported during closure they would be very likely to return within one of the designated time frames.



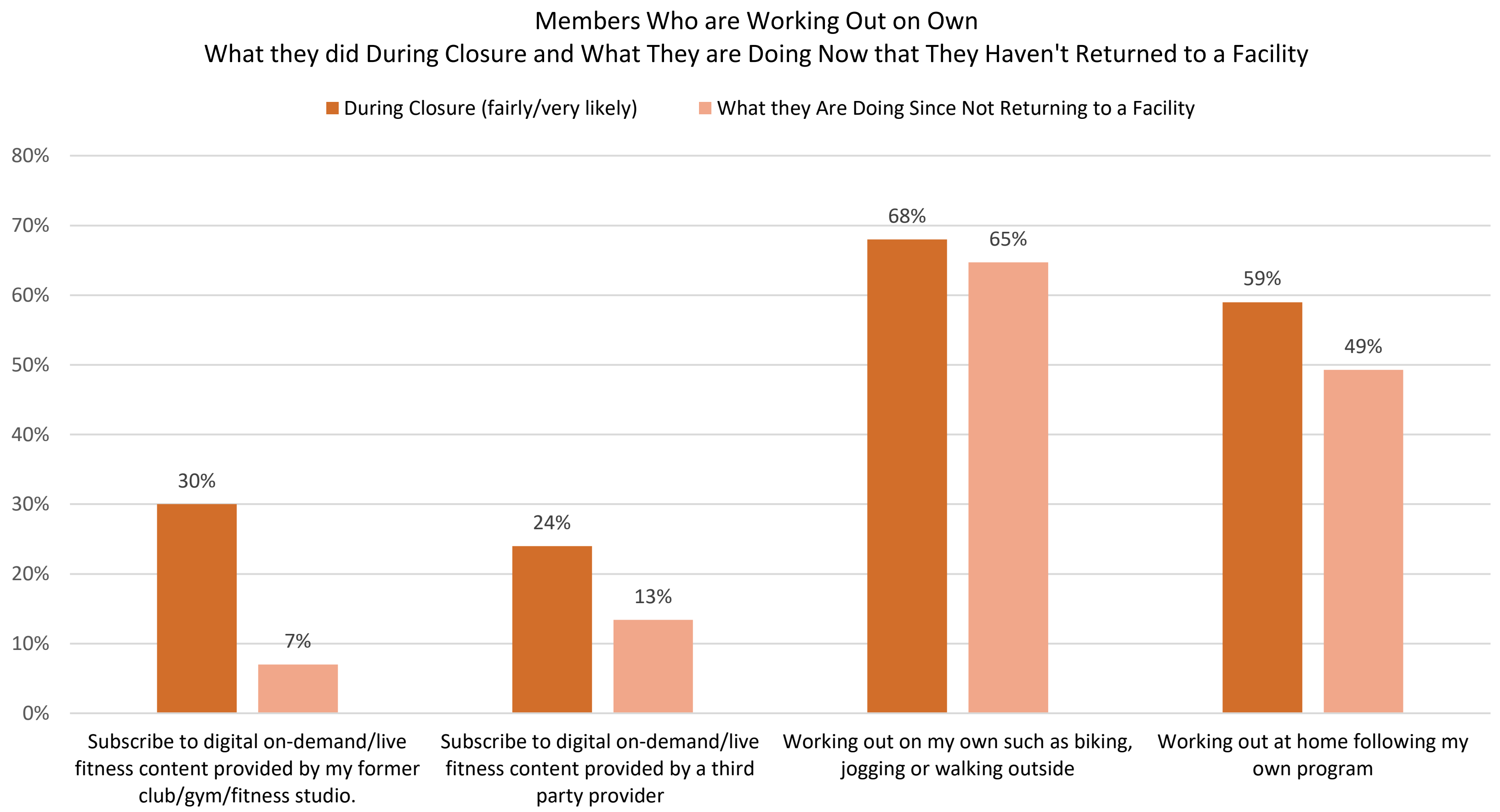
The Percentage of Respondent's Facilities Offering Digital Fitness Content Doubled

During closure only 27% of respondents reported their facility offered digital fitness content, but upon re-opening, 58% report that their fitness facility now offers digital fitness content for members.



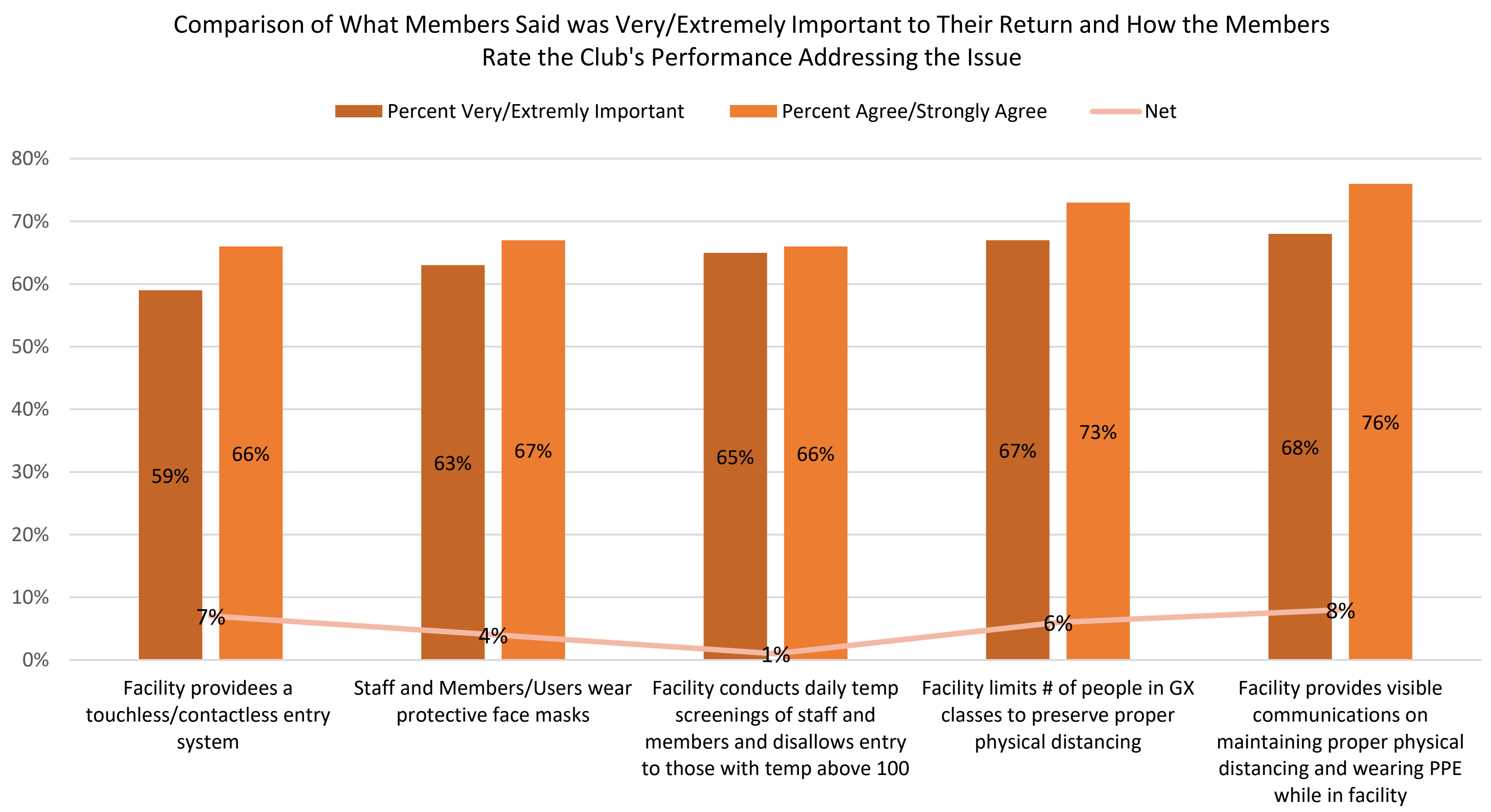
Respondents Who didn't Return to a Club are More Likely to Work Out on their Own without Digital Content

Among those members who did not return to a facility at re-opening, but continue to pursue working out, have migrated away from the digital content they accessed during closure and shifted more toward working out independently on their own.



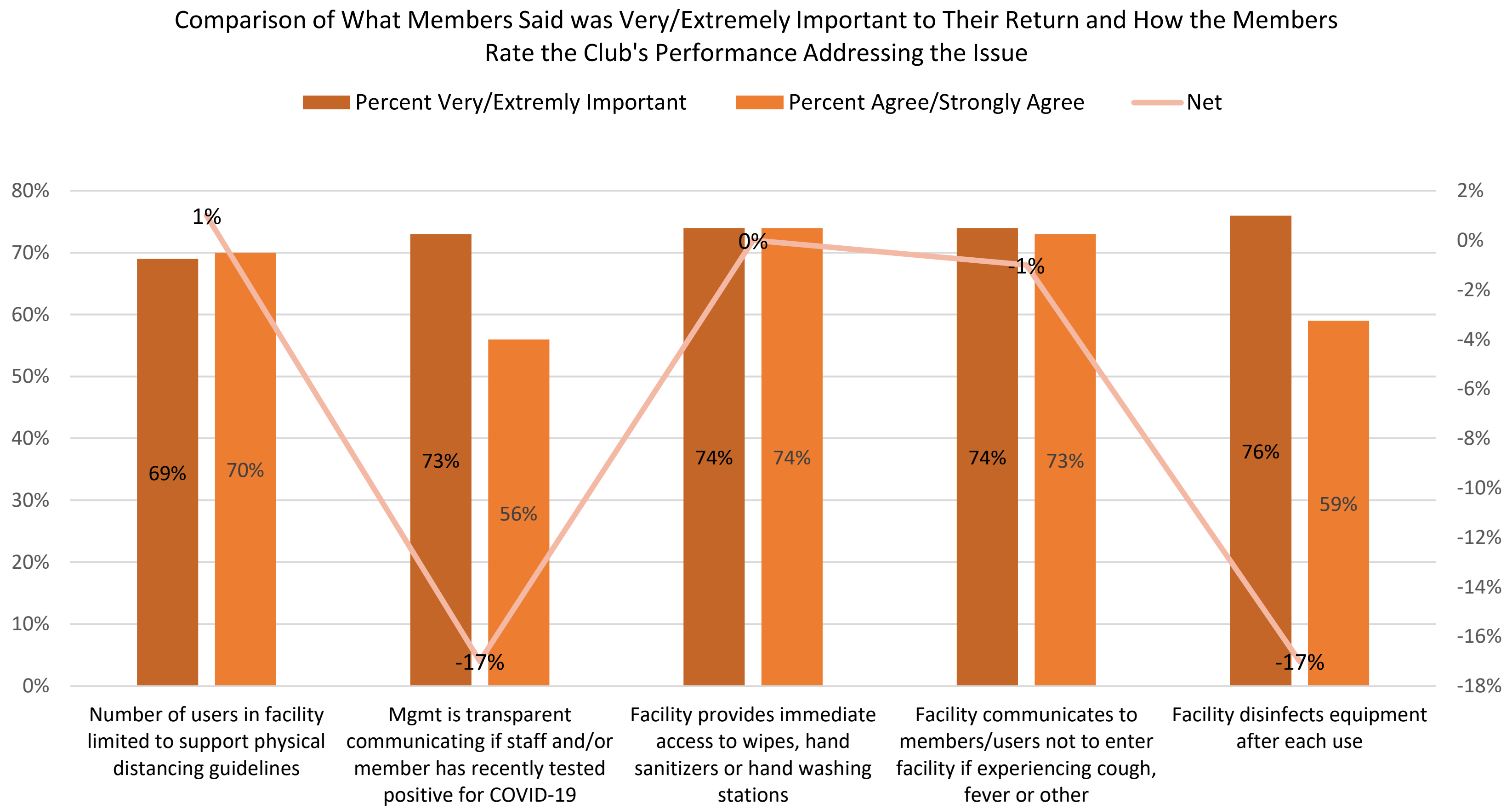
What Members Said was Important to Influencing Their Return and How Well those Expectations are Being Met Closely Mirror Each Other

With respect to the safety practices members reported as very or extremely important to bringing them back, the percentage who reported these as important mirrors the percentage of returning members who agree the facility has met their expectation.

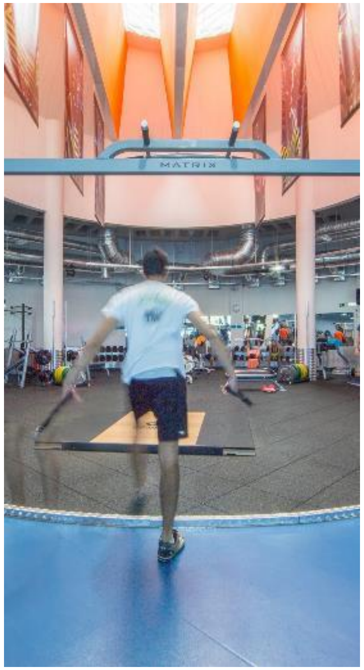
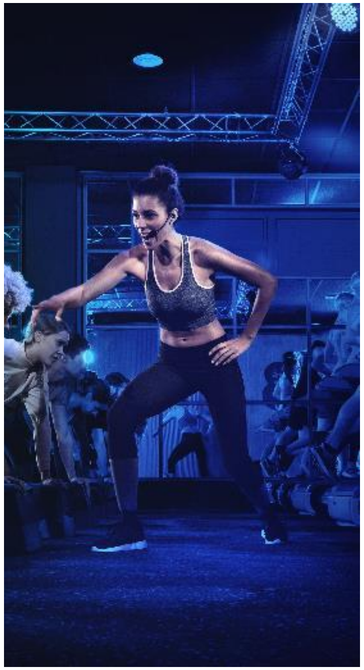


Perceived Transparency in Communicating Positive Covid-19 Test Results a Definite Concern of Members

Among the top ten safety practices (this page and previous page) that members earlier said where influential to their return, the two practices where outcomes did not meet earlier expectations are transparency in communicating the existence of any positive tests among members and staff, and the disinfecting of equipment after each use.





The Gender Paradigm

"Not only do men and women communicate differently but they think, feel, perceive, react, respond, love, need, and appreciate differently."
John Grey, author Men are from Mars, Women are from Venus

Key Insights

Women were more likely than men to have canceled their membership during closure.
24% of women compared to 20% of men chose to cancel their membership during the closure period. This dynamic aligns with the sentiments men and women expressed in the first survey where women indicated they were more likely to have canceled.

Women were significantly less likely than men to indicate their facility froze dues during closure and significantly less likely to say the facility would allow them to return when ready.
27% of women and 33% of men reported the health/fitness facility froze their membership payments during closure. In addition, 43% of women compared to 40% of men report the facility automatically started billing once the doors were open, regardless of whether they returned.

Women were significantly less likely to have returned to former facility than men.
23% of women returned to their former facility compared to 29% of men. Furthermore, a larger percent of women chose to join another health/fitness facility or enroll with a digital middleman such as ClassPass.

Women are significantly less confident than men with respect to the conditions needed for return to a fitness facility.
Women were significantly less confident than men with respect to Covid-19 being brought under control and trustful of management and members following the proper safety steps to prevent the spread of Covid-19 within the facility.

Men were significantly more likely to be a member of health/fitness club and women significantly more likely to be a member of a fitness studio.
73% of men and only 56% of women reported returning to a traditional health/fitness facility. 21% of women compared to 11% of men reported returning to a fitness studio, and nearly twice as many women as men (7% vs. 4%) reported belonging to both a traditional health/fitness facility and fitness studio.

Key Insights

Women Significantly More Likely than Men to Be Using Group Exercise and Personal Coaching.

30% of women compared to only 6% of men reported returning to group exercise in the facility and 17% of women compared to only 6% of men indicated they were taking personal training now that they were back in the club. Men in turn are significantly more likely to be doing their own thing in the club (72% men and 42% women).

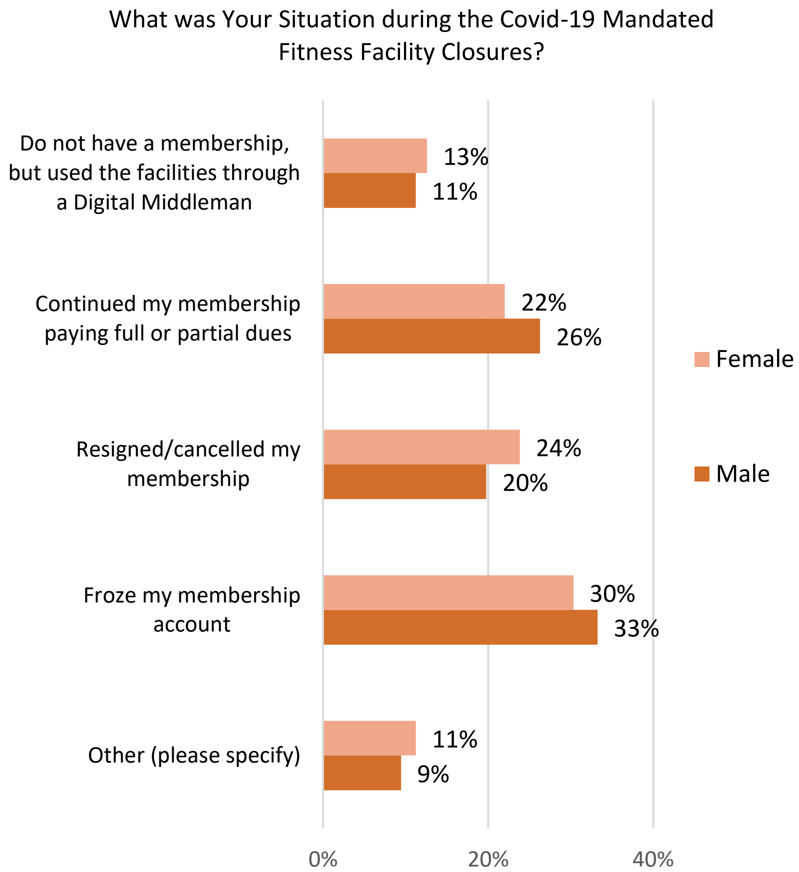
Women more likely to say their facility has a digital offering.

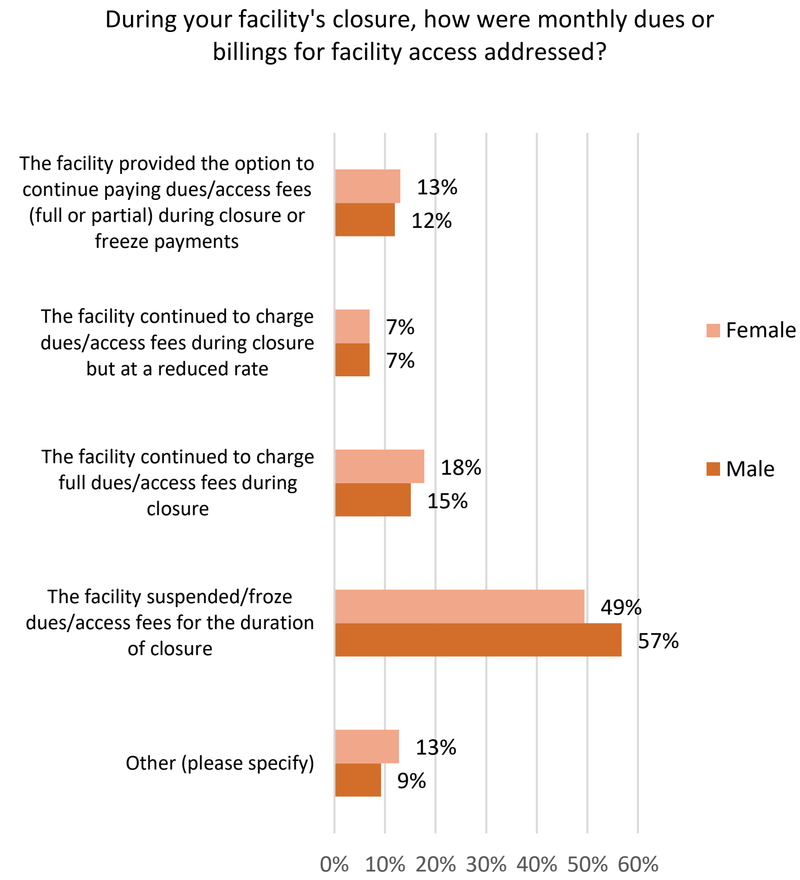
62% of women reported their health/fitness facility had a digital fitness offering compared to 55% of men. Women are significantly more likely to be using the digital fitness content their club is offering, with 57% of women using their health/fitness facilities digital offering at least once a month compared to 31% of men.

Women twice as likely as men to be aware of a staff person or member testing positive for Covid-19.

24% of women reported they were aware of a staff person and/or member testing positive for Covid-19 compared to only 12% of men.

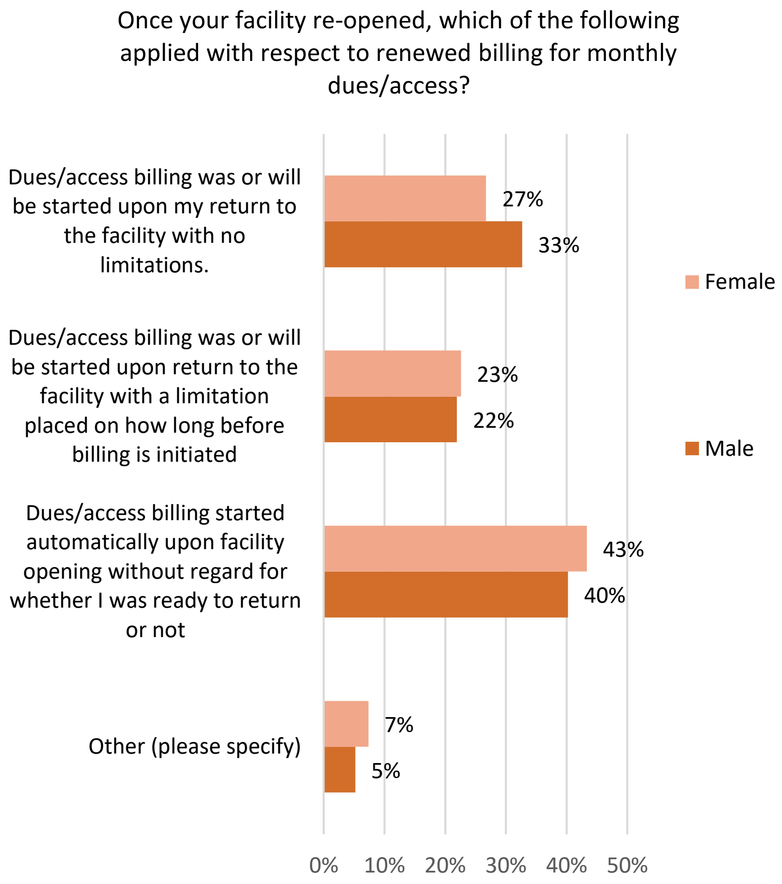
Women More Likely to Have Cancelled During Closure and Less Likely to Say their Facility Froze Membership During Closure

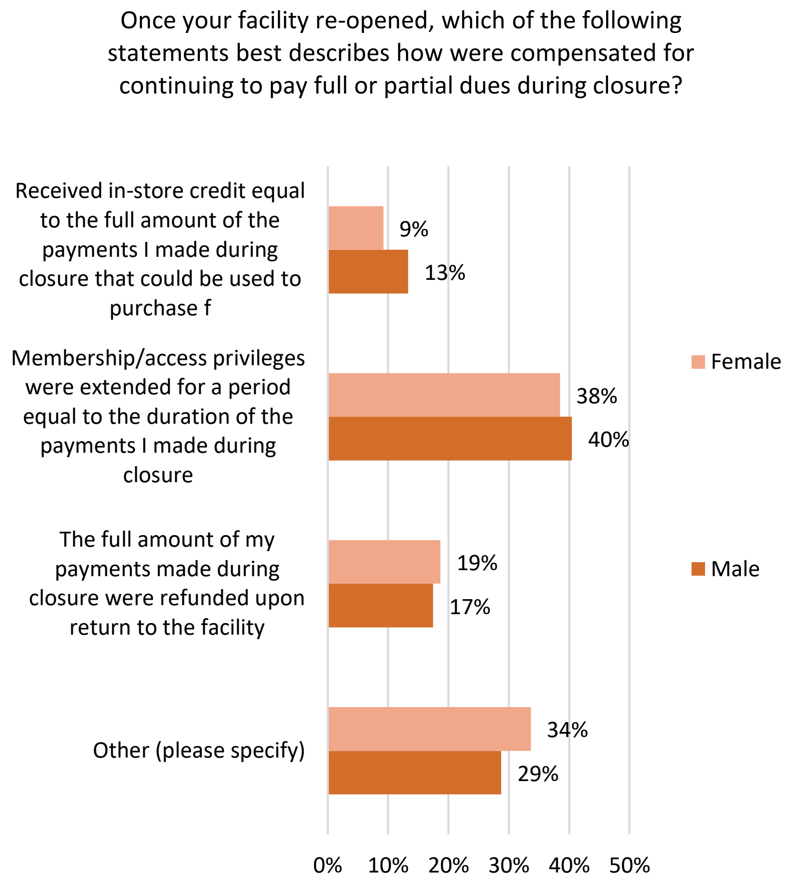




Women More Likely to Say Facilities Not as Flexible About Billing at Re-opening

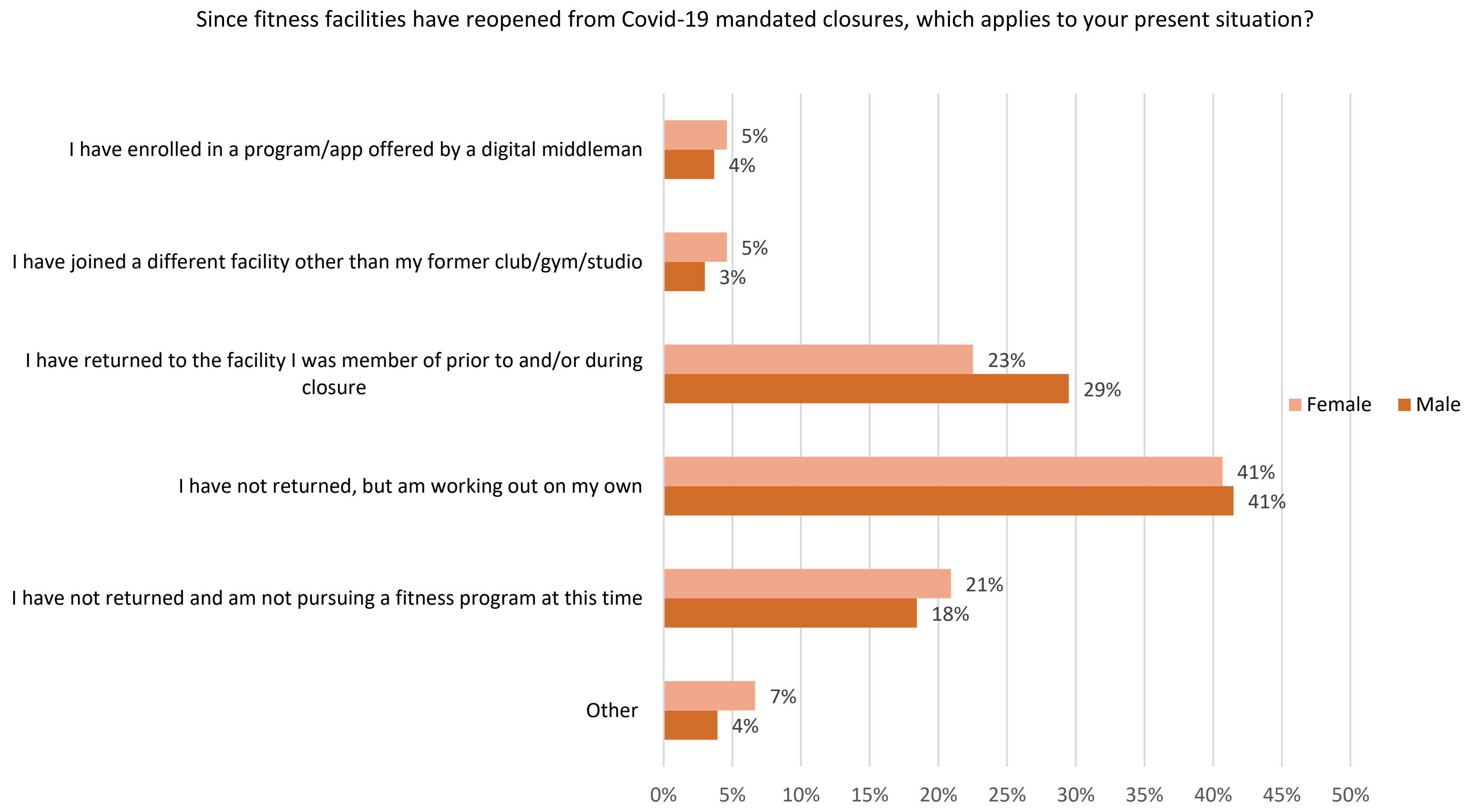
A significantly smaller percentage of women indicated their facility had no limitations placed on when billing would begin and similarly, a larger percentage indicated their facility automatically started billing them at re-opening whether they returned or not.





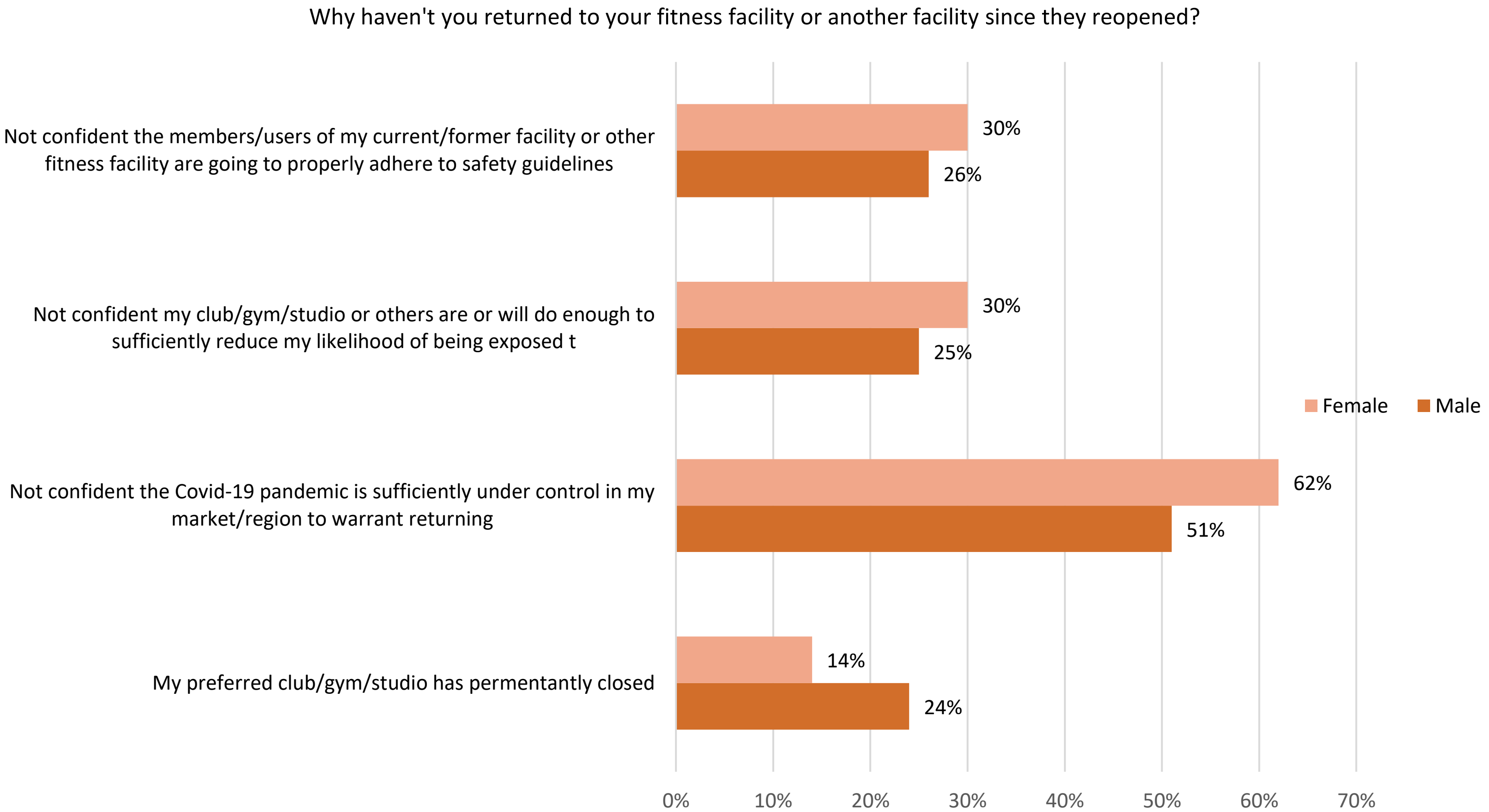
Fewer Women then Men have Returned to their Former Facility

Only 23% of women reported returning to their former facility, six points below the precent of men who reported they had returned to their former facility. Concurrently, women were more likely than men to either enroll with a digital middleman for their fitness option or stop exercising all together.



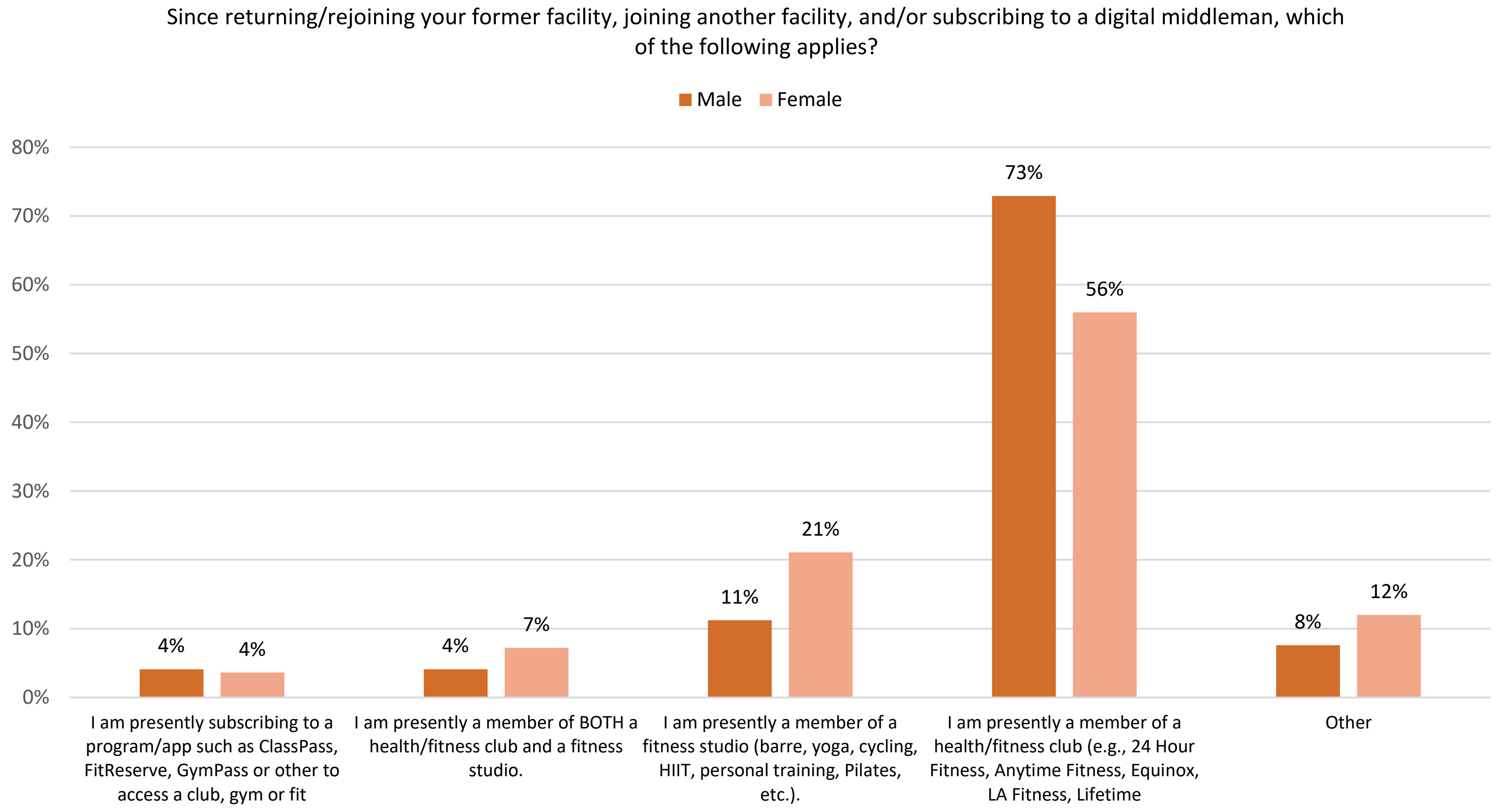
Women Demonstrate Significantly Less Confidence than Men on Factors Influential to Return

When it comes to the factors influential to driving return to their fitness facility, whether its related to their facility adhering to safety guidelines, other members abiding by those safety guidelines, or the ability of local governments to get the virus under control, a significantly lower percentage of women have confidence it will occur than men.



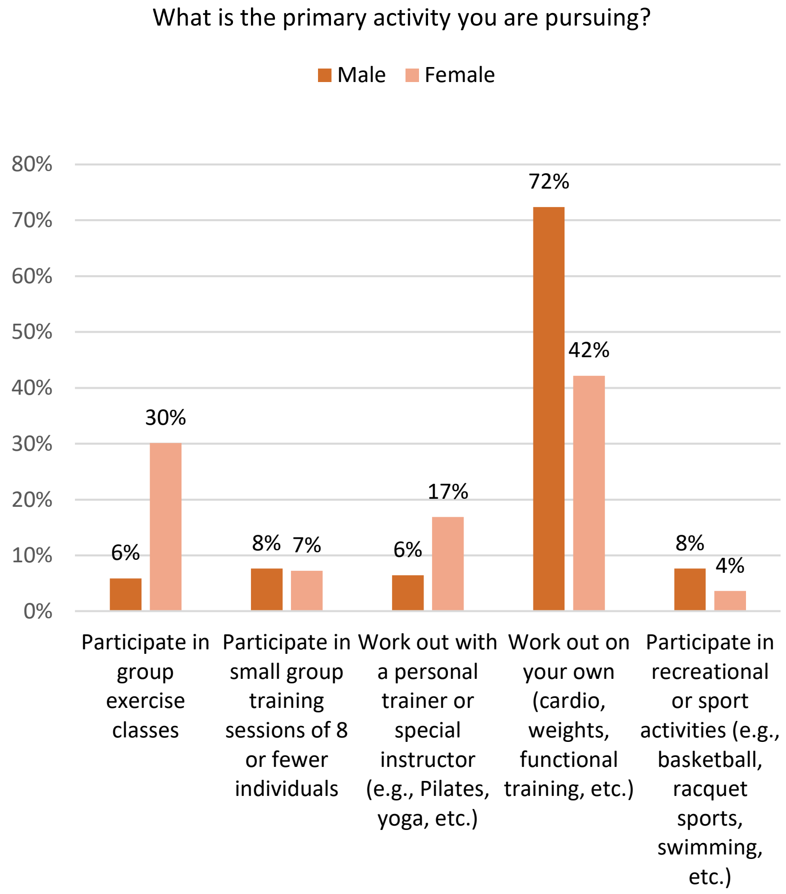
A Significantly Higher Percentage of Men Return to a Club While a Significantly Higher Percentage of Women Return to a Fitness Studio

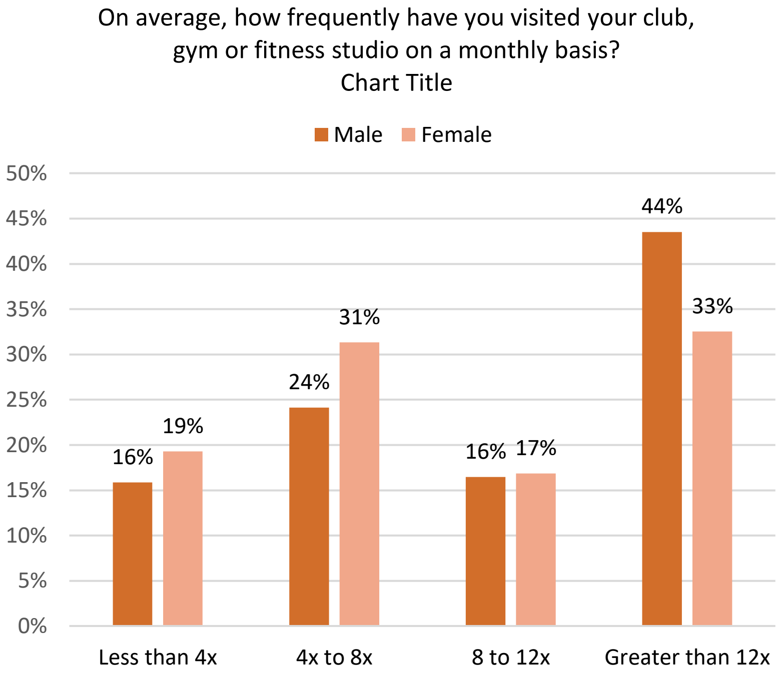
73% of men report returning to a fitness club, 14 points greater than the percentage of women who report belonging to a club. Concurrently, women are twice as likely as men to be a member of a fitness studio.



Women Significantly More Likely than Men to Be Using Group Exercise and Personal Coaching Upon Return

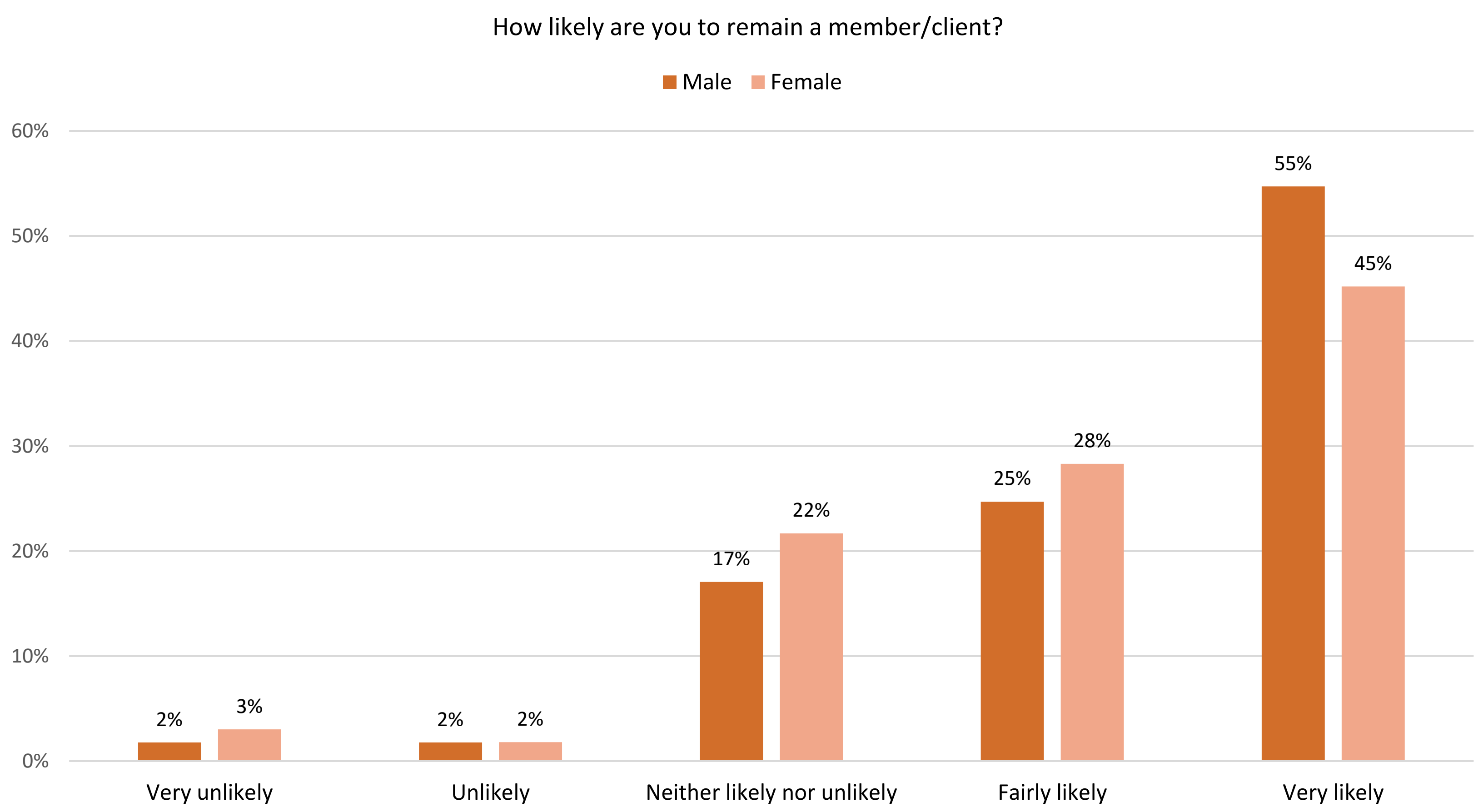
72% of men compared to 42% of women are working out independently while women are five times more likely to be engaged in group exercise and three times more likely to be engaged with a personal coach. Furthermore, 43% of men are working out more than 12 times a month compared to only 33% of women.





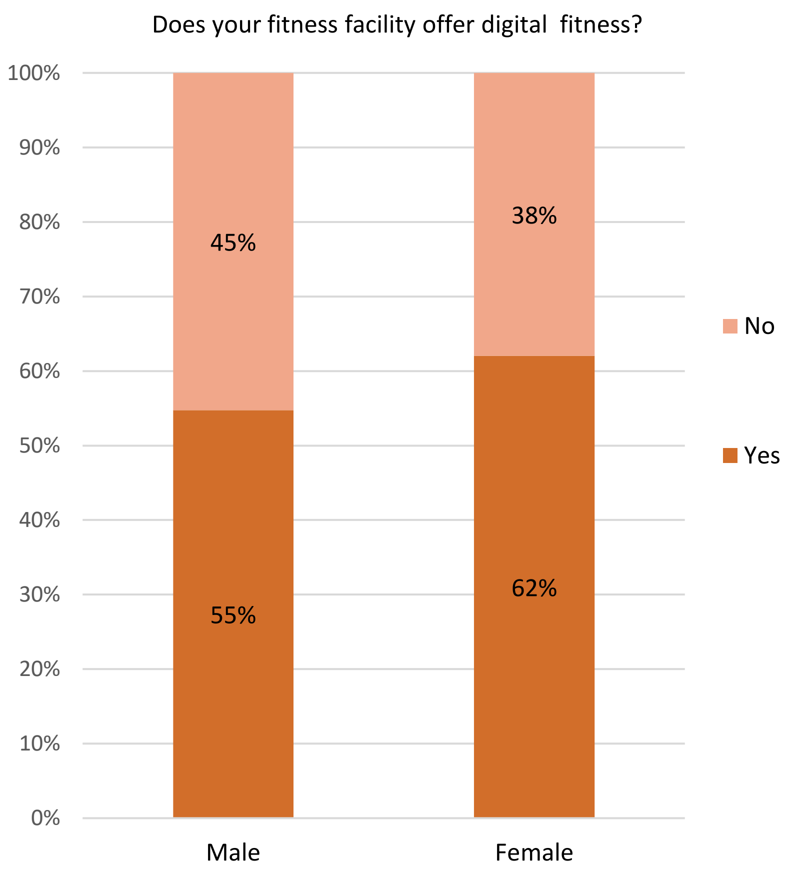
Men are Significantly More Likely to Indicate they are Very Likely to Remain

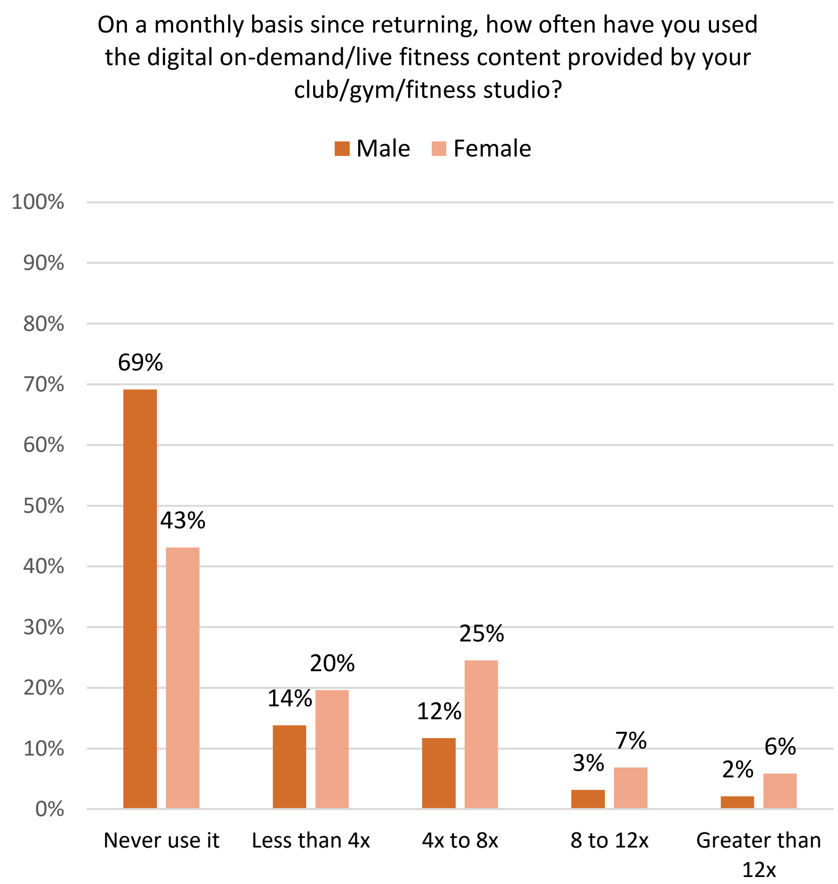
55% of men compared to only 45% of women indicate they are very likely to remain a member going forward. Women, by five percentage points, are more likely to say they are neither likely nor unlikely to remain.



Women More Likely to Say their Facility Offers Digital Fitness Content and Far More Inclined to Use It

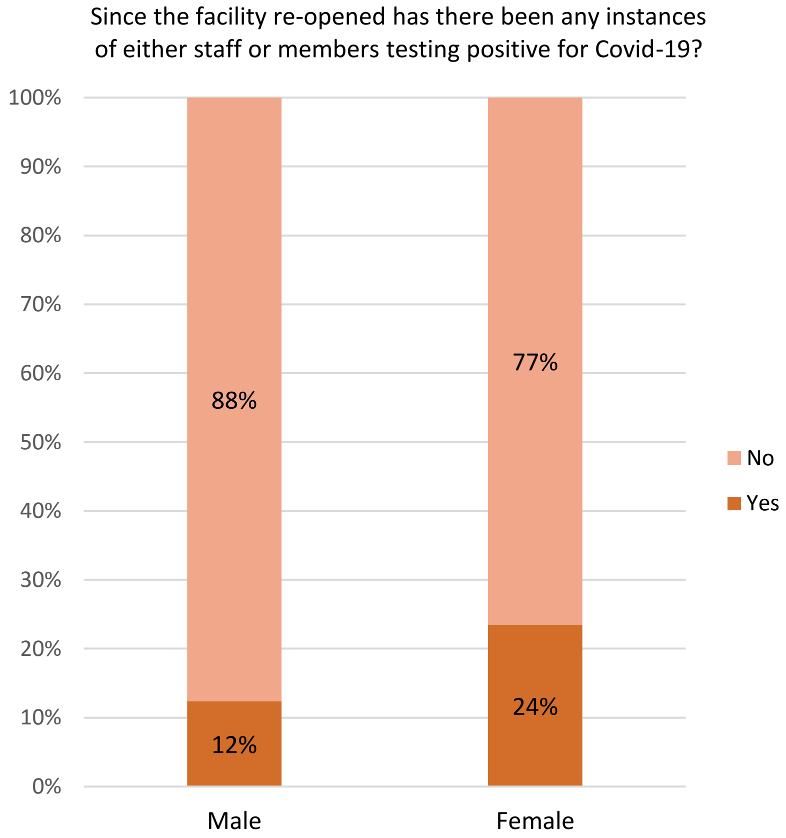
62% of women report that their fitness facility offers digital fitness content, seven points more than men. More importantly, Women are nearly twice as likely as men to be using the digital fitness content their facility provides (57% vs. 31%).

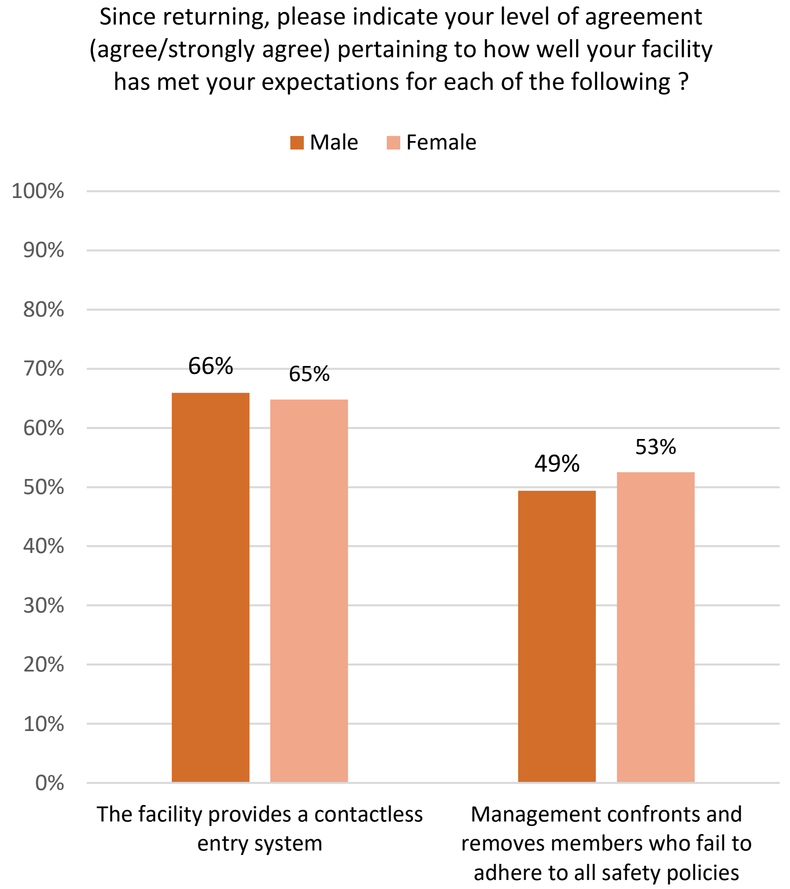




Women are Twice as Likely to Have Heard of Someone from Their Facility Testing Positive for Covid-19

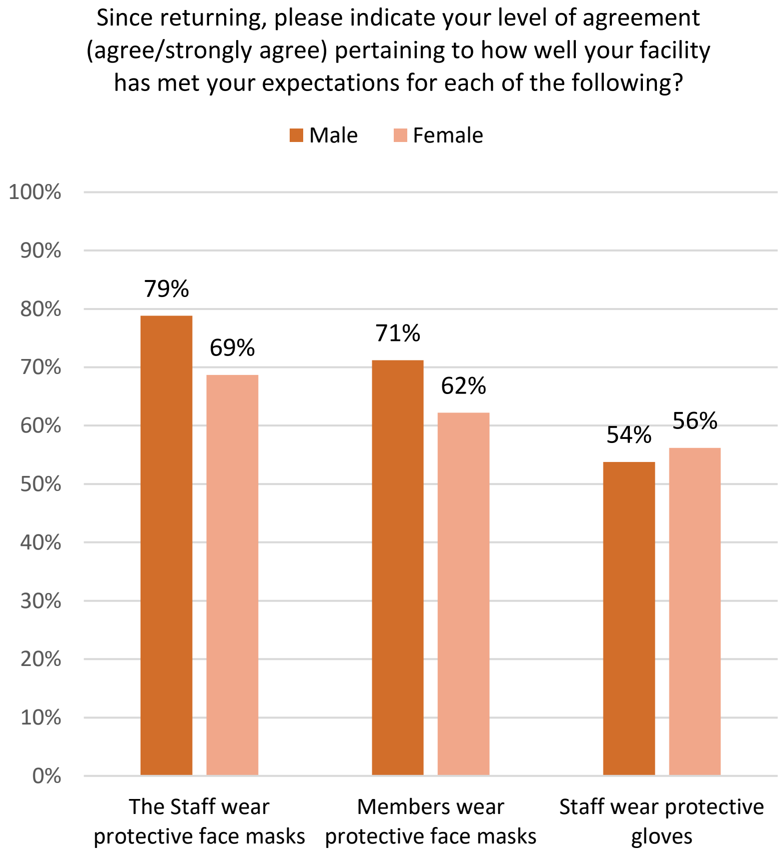
Almost one-fourth of women say that they have heard of either staff and/or a member at their fitness facility testing positive for Covid-19, twice the percentage as men who report hearing of a positive test.

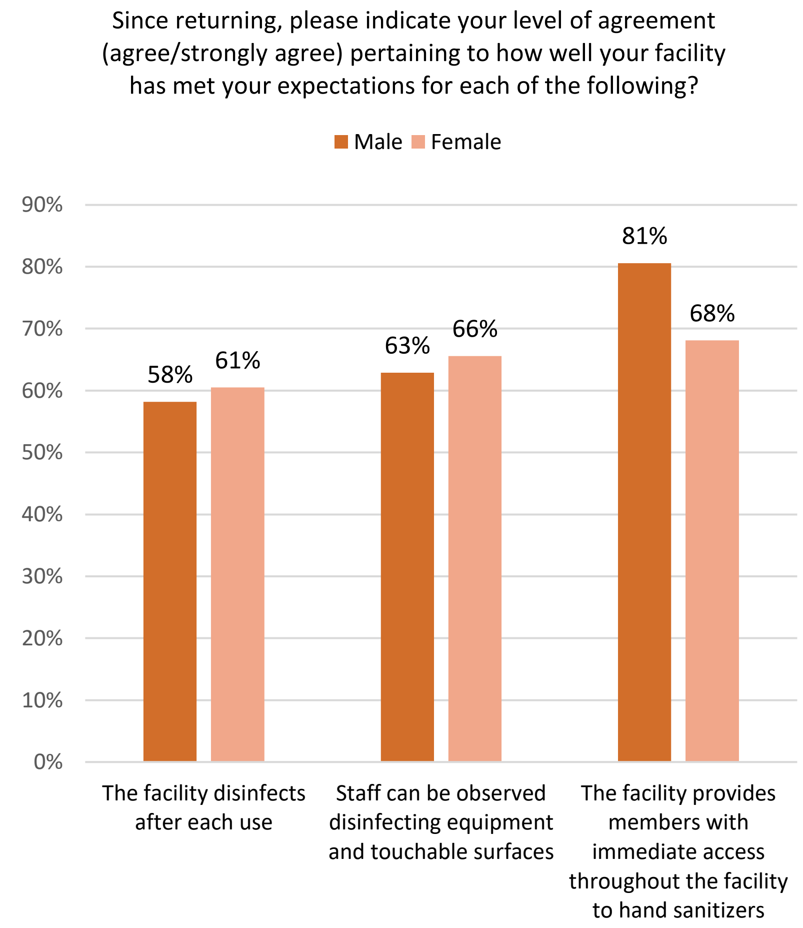




Fewer Women than Men Report Mask Wearing and Immediate Availability of Hand Sanitizer at Their Facility

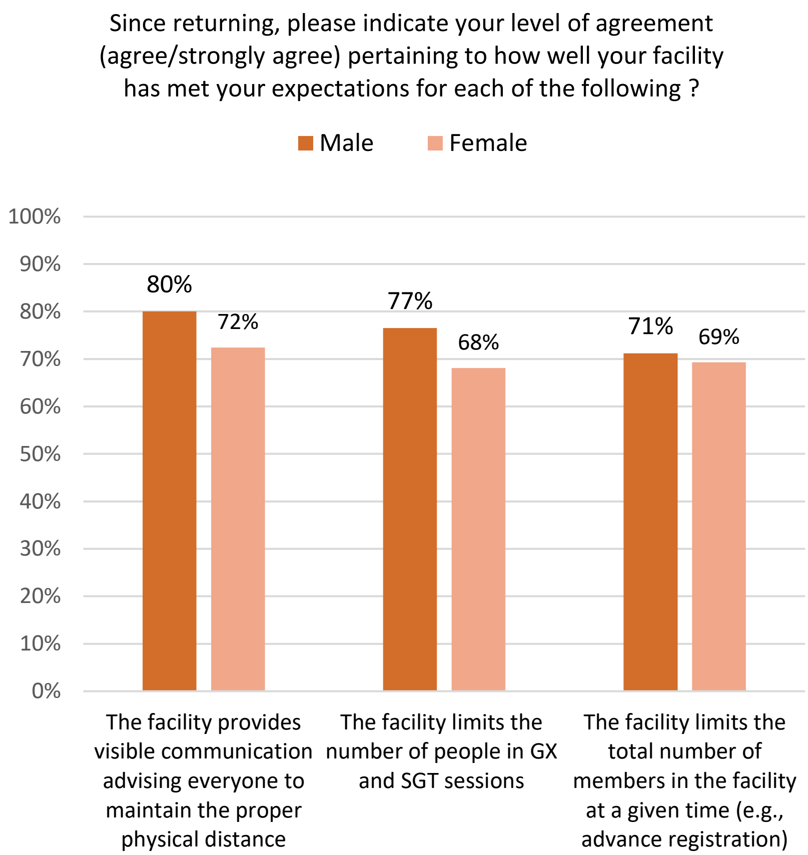
Women are less likely than men, by approximately 10 percentage points, to report mask wearing by either staff or members, and 13 points less likely to report their facility makes hand sanitizing stations immediately available.

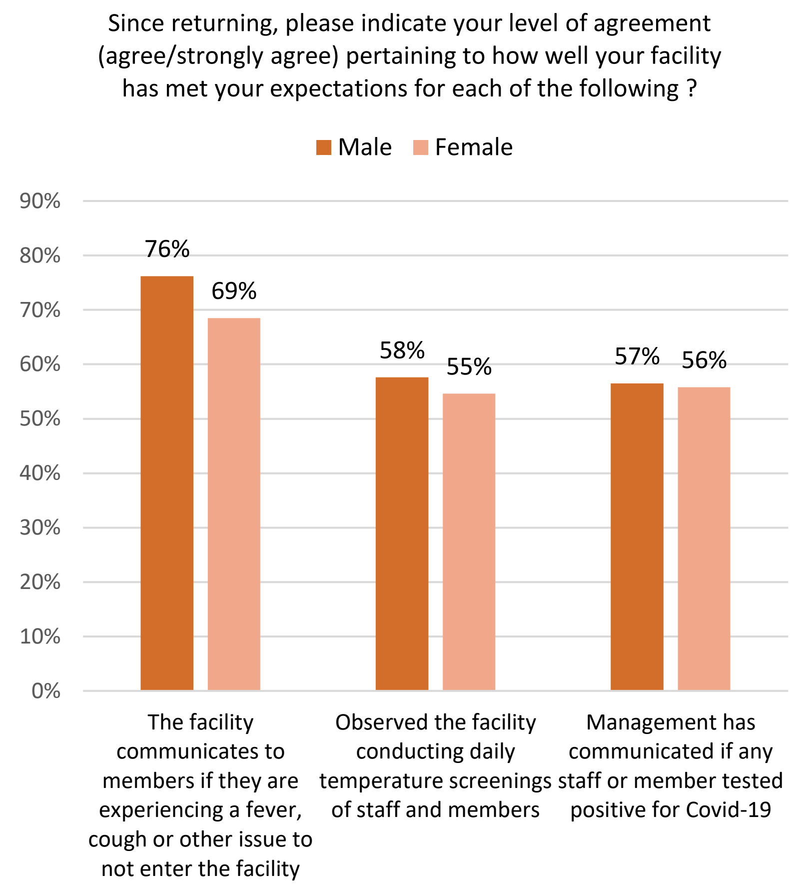


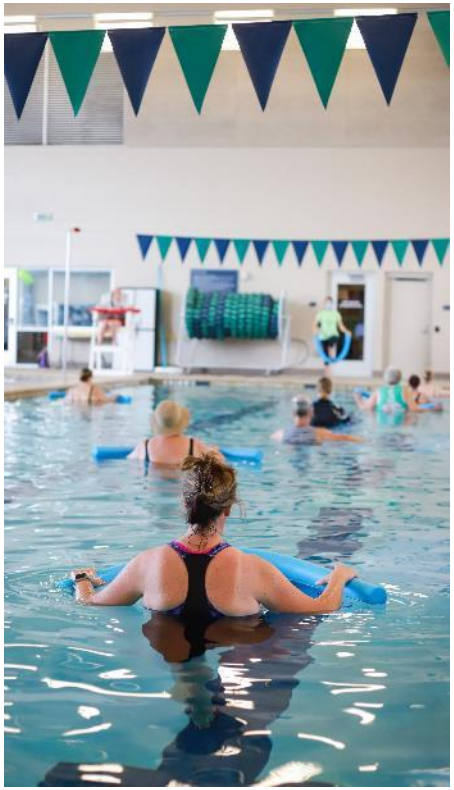


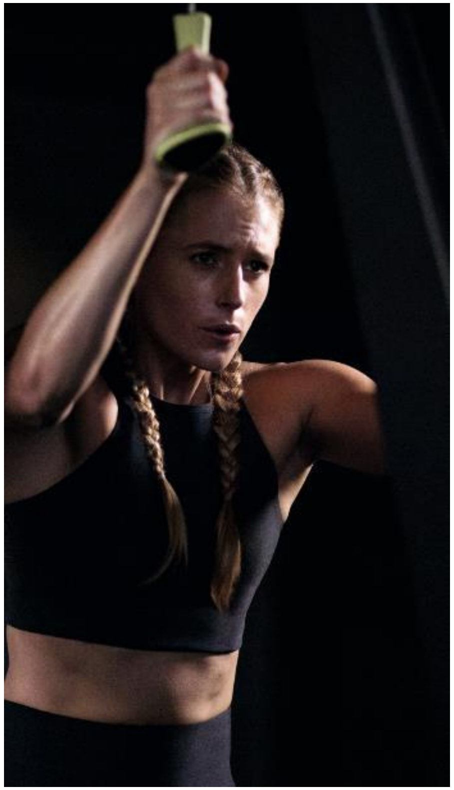
Men More Likely than Women to Report their Facility is Addressing Physical Distancing Properly and Communicating Precautions to Members About Who Can Use the Facility

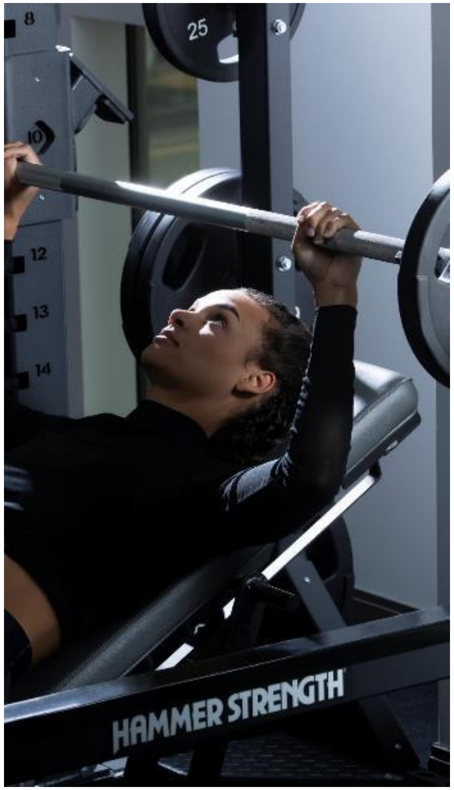
By a margin of eight to ten percentage points, men are more likely to report their facility is executing on practices designed to ensure proper physical distancing. Men, by a margin of 11 percentage points report their facility properly communicates to those entering the facility should not enter if experiencing certain Covid-19 related symptoms.











The Generational Paradigm

"Each generation has something different at which they are looking."
Gertrude Stein

Key Insights

Baby Boomers more likely to be male than Gen Z and Millennials.

62% of Boomers are male compared to only 38% female. Among Gen Z and Millennials, women are twice as likely percentage wise to be a member. Among this cohort of members, the younger generations lean toward women, while the oldest generation leans heavily toward men.

Gen Z and Millennials most likely to have cancelled during closure.

27% of Gen Z and 30% of Millennials reported cancelling their membership compared to only 16% of Boomers.

Gen Z and Millennials were the most likely not to have returned to a health/fitness facility.

Among Millennials who did not return, 44% chose to continue exercising on their own. Millennials also relied heavily on digital fitness content from B2C providers such as Daily Burn for their inspiration. Among Gen Z who didn't return, 23% report having ceased exercising. Furthermore, twice as many Gen Z members reported they had not returned due to their preferred health/fitness facility closing.

Among those members not returning, Boomers were the most likely to indicate their confidence was low with respect to the virus being under sufficient control to warrant return.

Approximately 20% of Boomers indicate the reason they have not returned is due to a lack of confidence in the virus being sufficiently under control, three to seven percentage points higher than the other three generations.

Gen X and Boomers are the most likely to indicate a facility confronts members who fail to adhere to safety policies and practices.

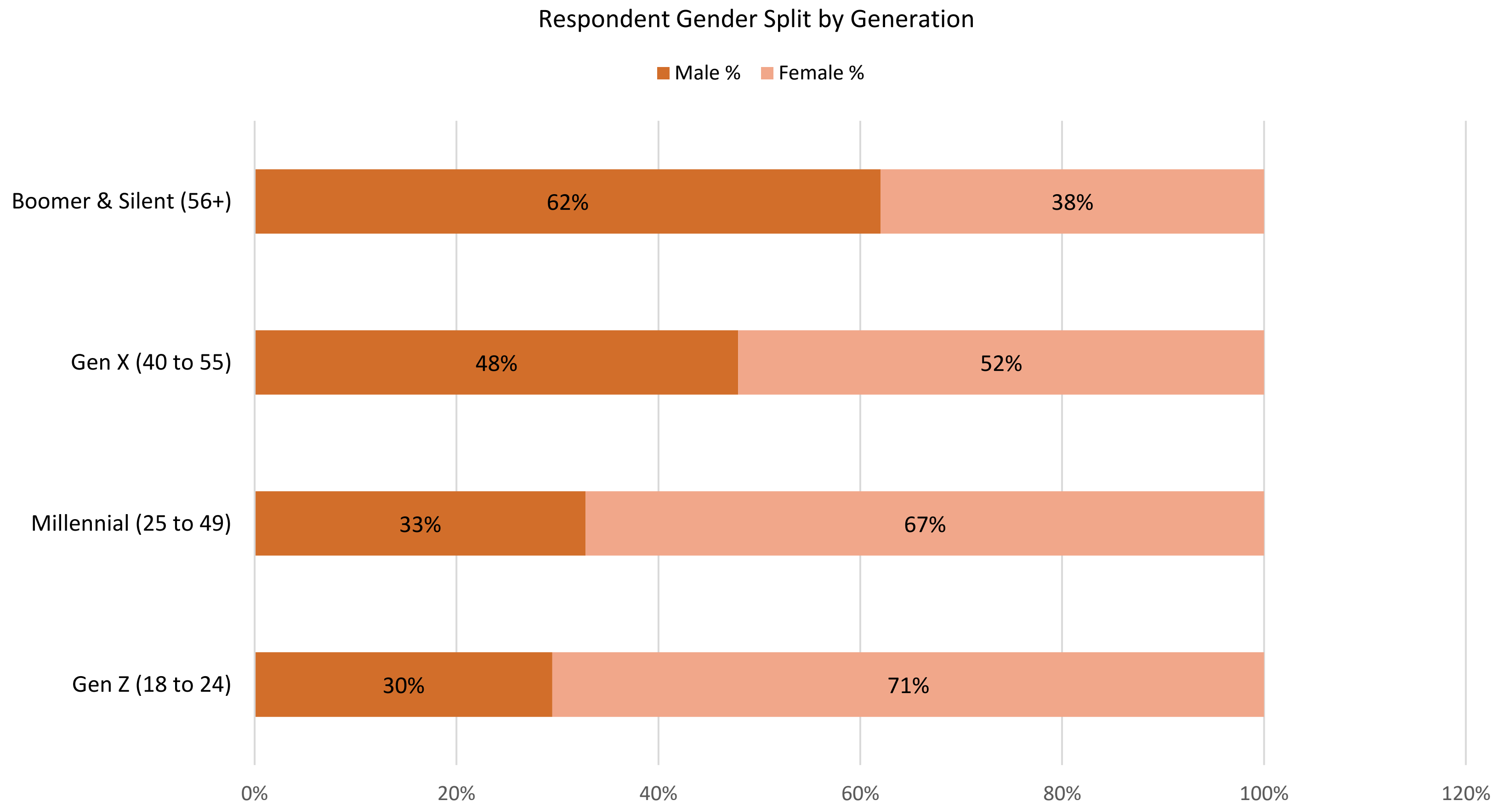
50% of Gen Xers and 44% of Boomers say they agree/strongly agree with the statement facility management confronts members who fail to adhere to the facility's Covid-19 safety practices and removes them if needed. For Boomers who place higher importance than other generations on adherence to these safety practices this is an alarmingly low percentage of agreement.

Gen Z and Millennials more likely than Gen X and Boomers to have heard of people testing positive for Covid-19

47% of Gen Z and 30% of Millennials who have returned to a health/fitness facility report being aware of a staff person and/or member testing positive for Covid-19. This is anywhere from two to three times the percentage expressed by Gen X and Boomers. Could social media play a role in this disparity?

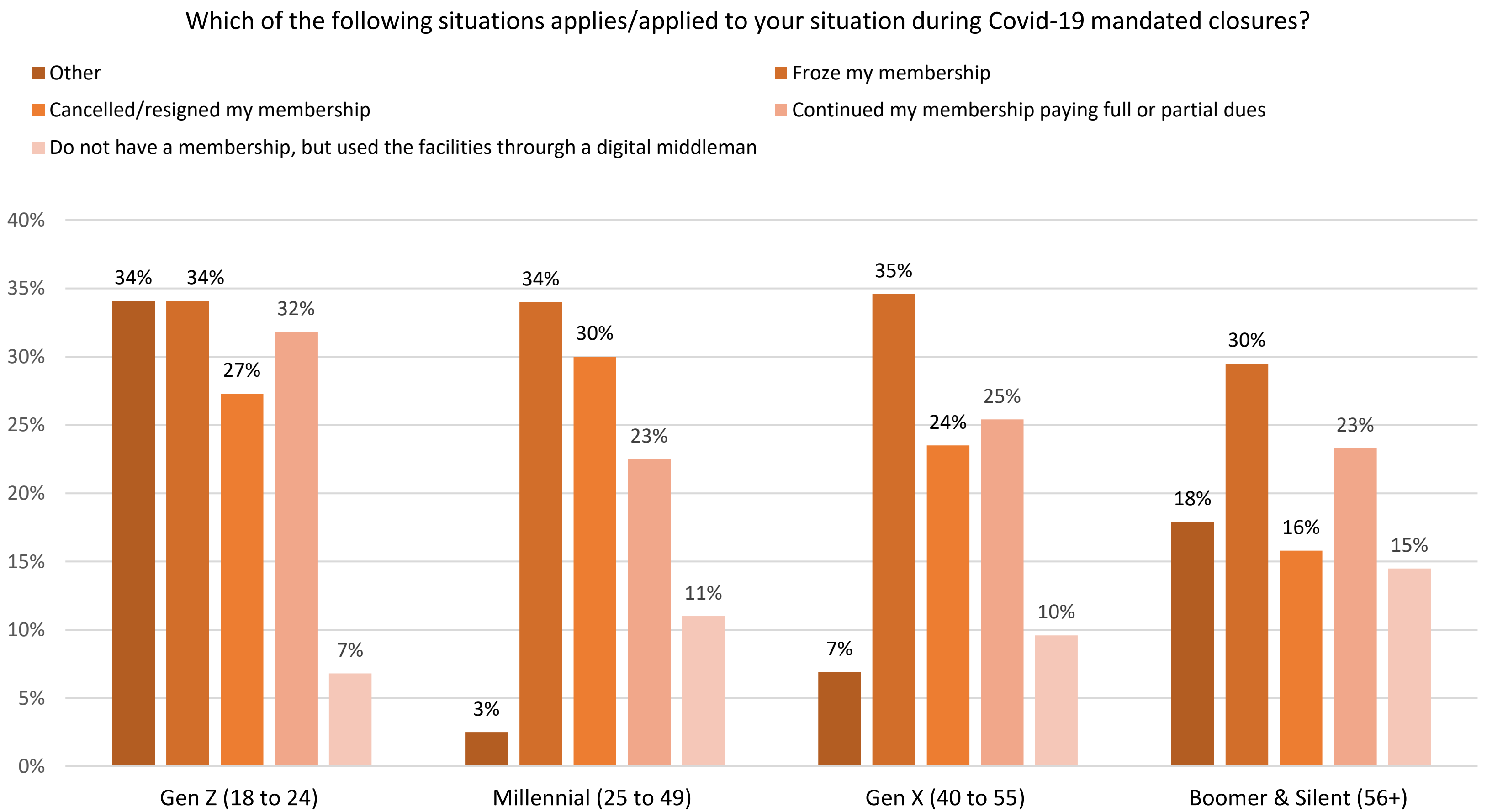
Boomers More Likely to be Men, Millennials and Gen Z Women

Approximately 70% of Gen Z and Millennial respondents were women, while 62% of Boomers were men. The only generation where respondents were split near equal were Gen Z.



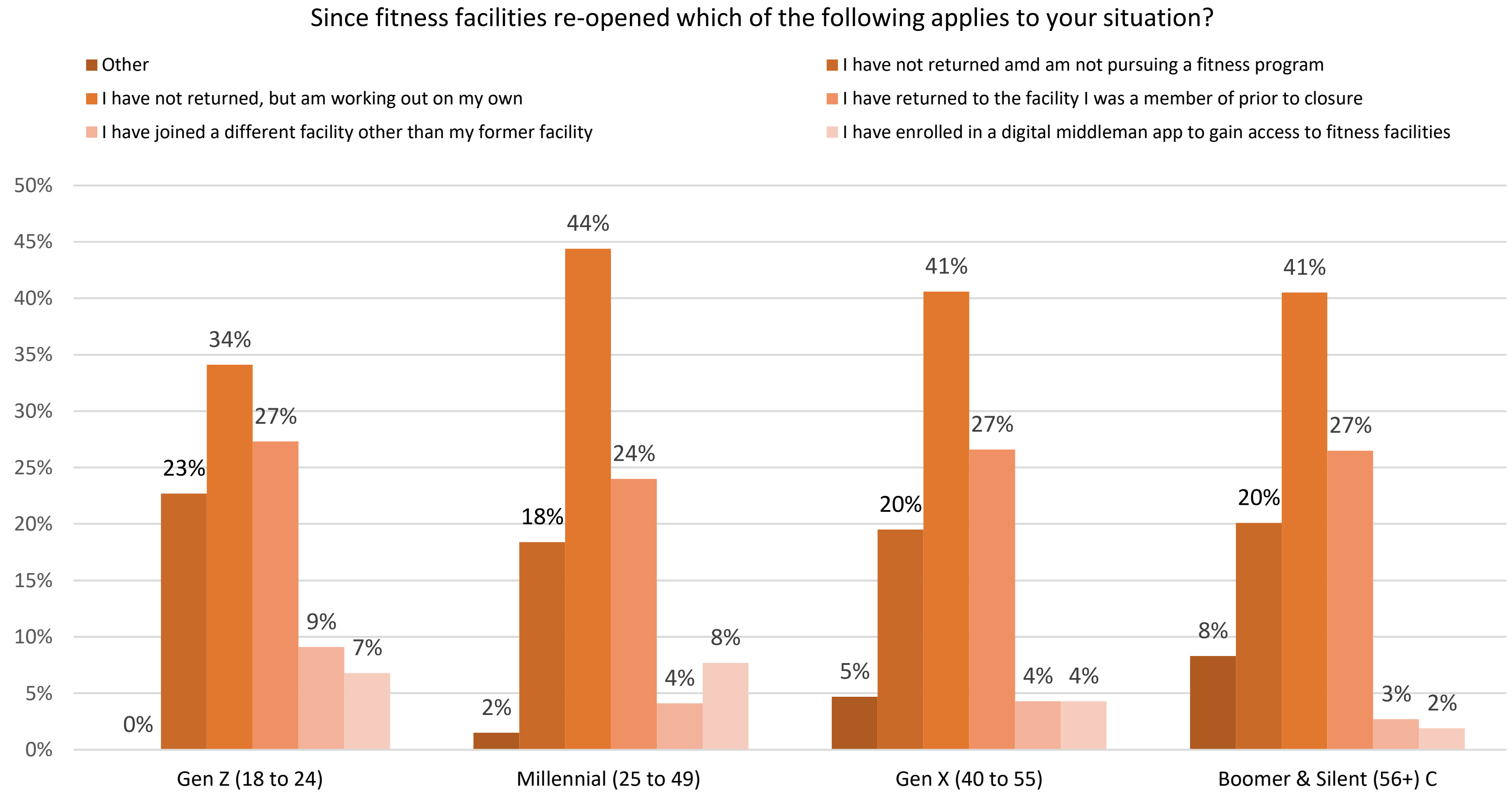
Millennials and Gen Z Most Likely to Have Cancelled Membership and Boomers Least Likely

30% of Millennials and 27% of Gen Z reported cancelling their membership compared to only 16% of Boomers. Boomers were also the least likely to freeze their membership during closure.



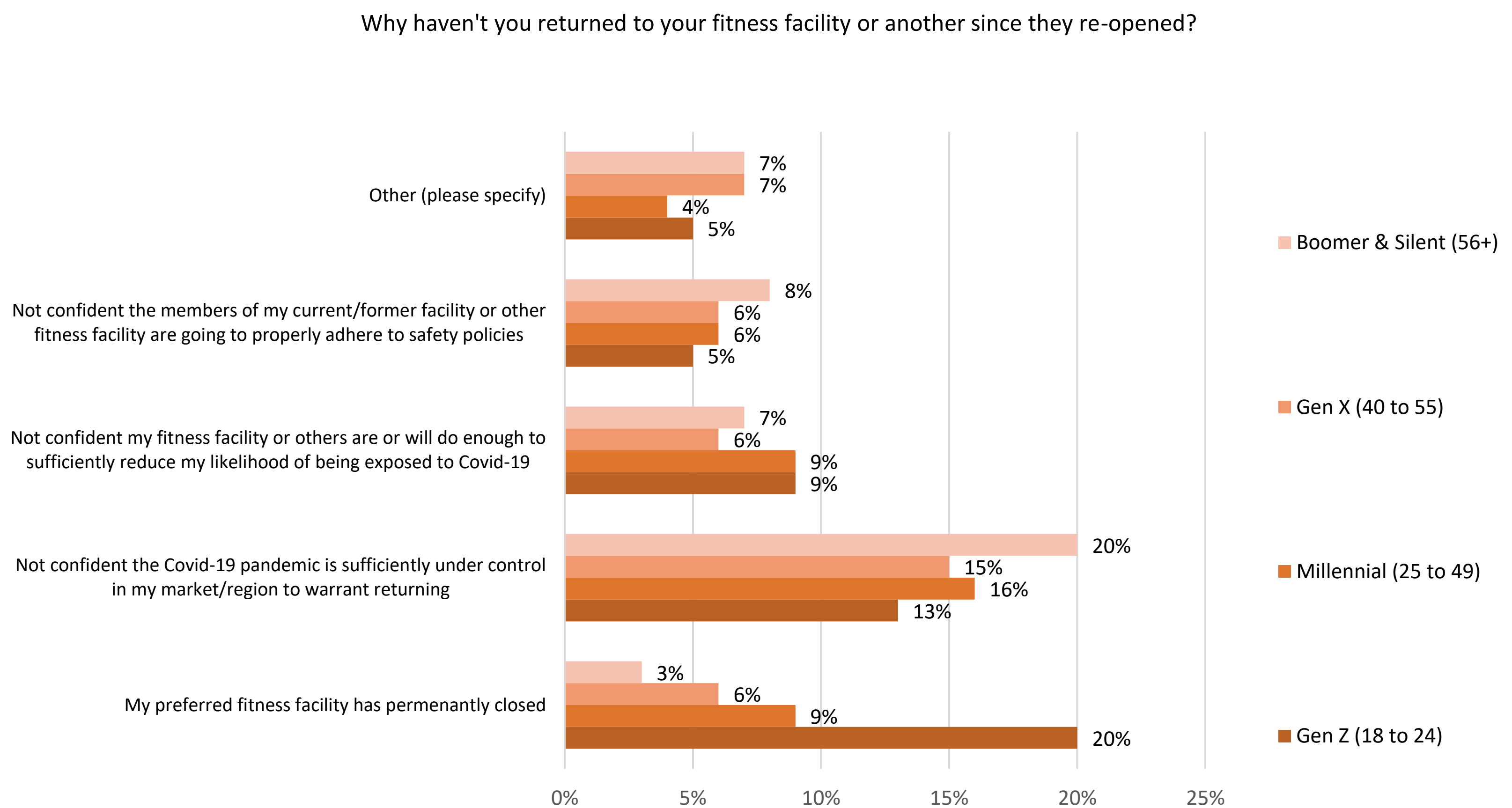
Millennials Most Likely to Have Not Returned and Switched to Exercising on Own and Gen Z Most Likely to Have Stopped Exercising

44% of Millennials reported they have not returned to their facility and instead are working out on their own, a few percentage points higher than respondents from other generations. 23% of Gen Z reported not returning while also forgoing exercise all together.



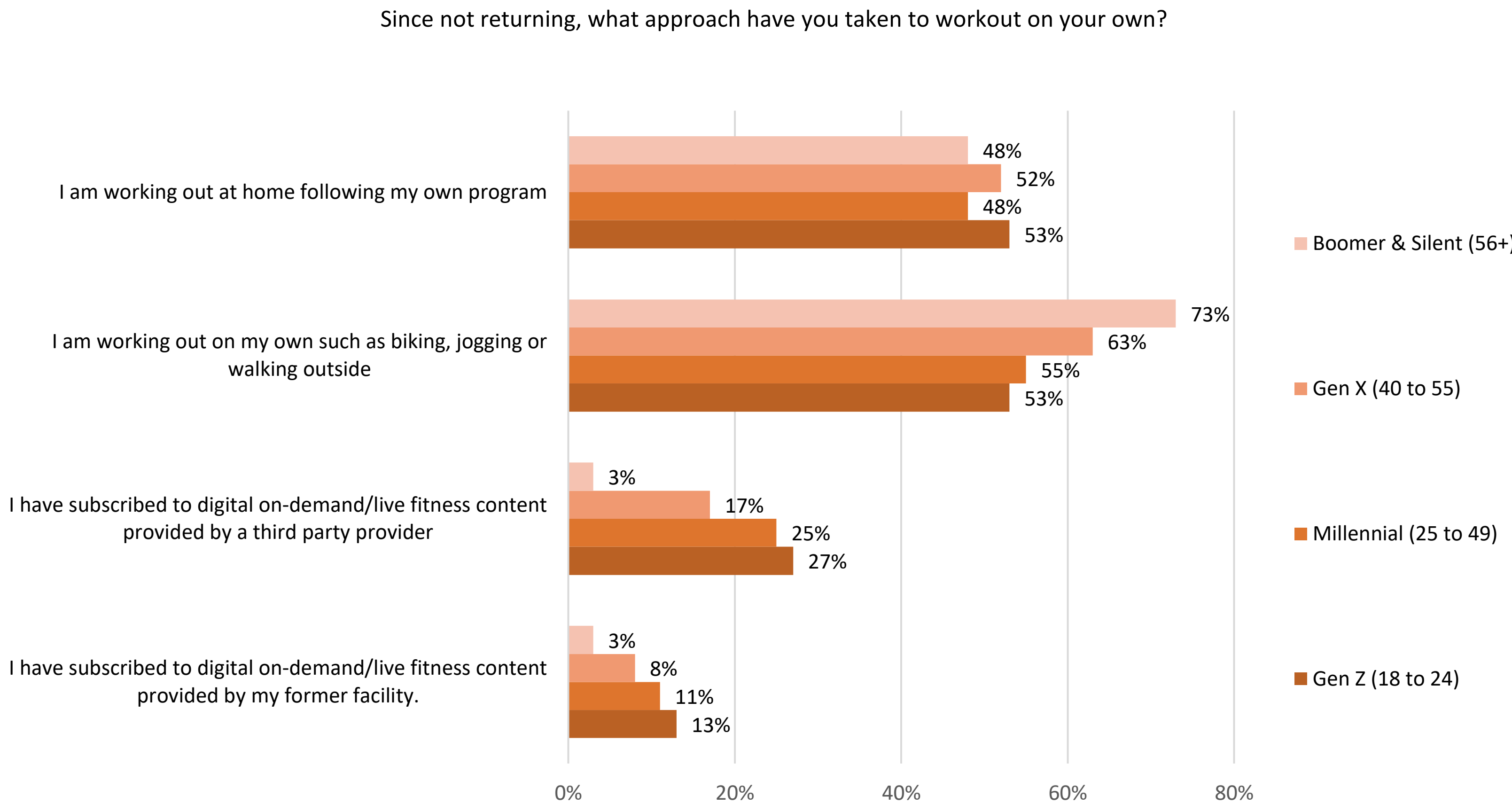
Boomers Most Likely to Report Lack of Confidence in the Pandemic being Sufficiently Under Control as the Reason for Not Returning while for Gen Z its their Facility has Permanently Closed

20% of Boomers say the reason they haven't returned is due to their lack of confidence in the pandemic being under control, four to seven points greater than the other generations. Concurrently, 20% of Gen Z report the reason they haven't returned as being due to their facility being permanently closed.



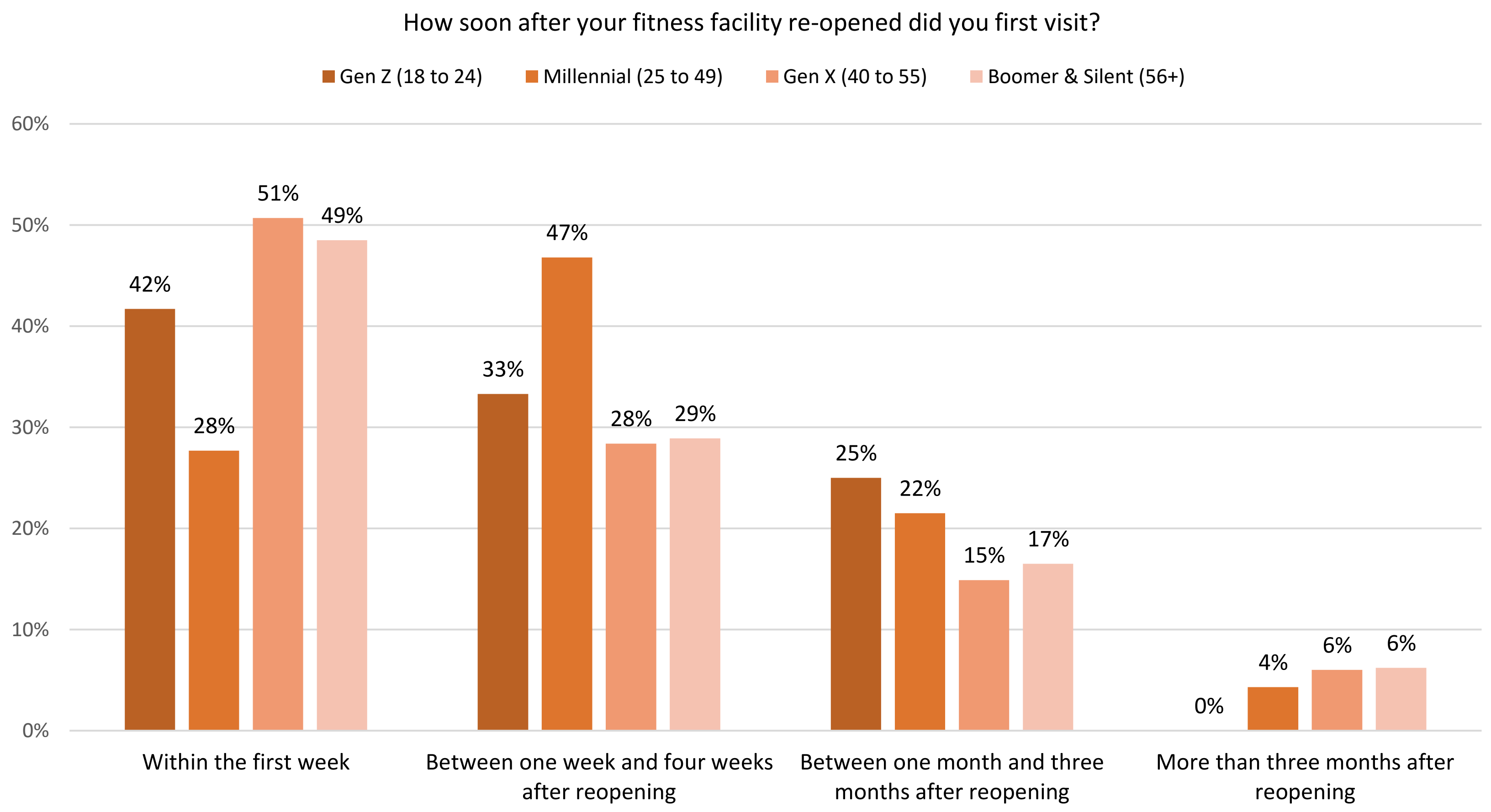
Among Members Not Returning, Boomers Most Likely to Be Pursuing Outdoor Activities on Own While Gen Z and Millennials are the Most Likely to be Relying on Digital Fitness Content

73% of those Boomers who did not return to a fitness facility are pursuing biking, jogging and walking to replace their former fitness routine. Gen Z and Millennials who did not return to their club and are continuing to exercise, are relying on digital fitness content to guide them (36% and 40% respectively). Alarming is the fact that Millennials and Gen Z have turned to third party digital content providers rather than what is offered by their former facility.



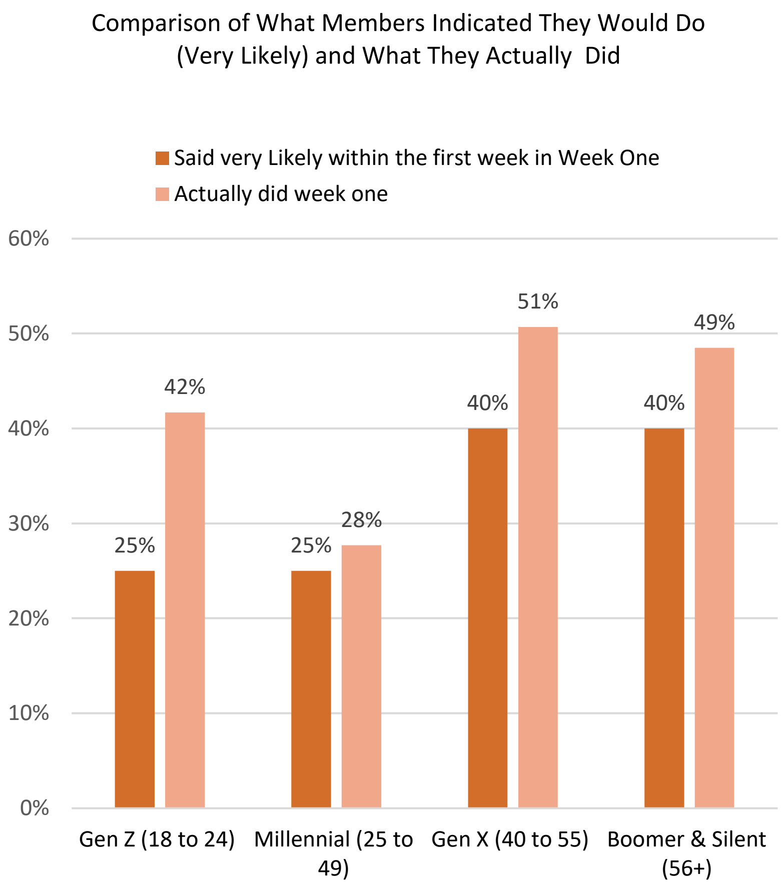
Gen X and Boomers Most Likely to Have Come Back in Week One, Gen Z and Millennials Most Likely to Have Returned after the First Week

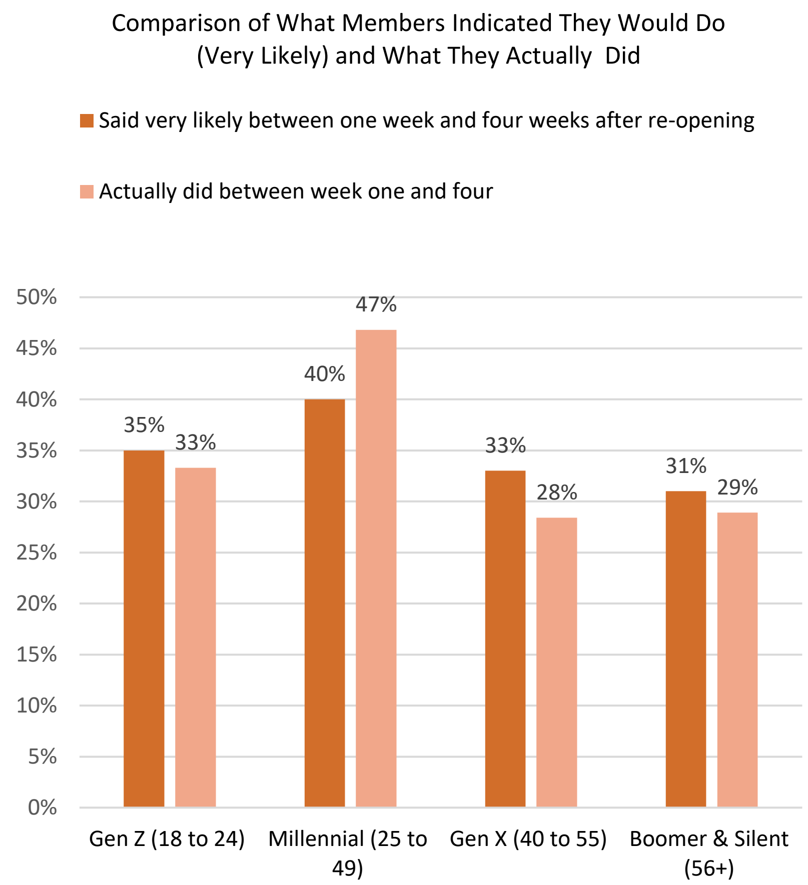
Approximately 50% of respondents from Gen X and the Boomer segment who returned, returned the first week and 80% in the first month after their facility was open. 47% of the Millennials and 33% of Gen Z who returned, did so between week one and week four. Approximately one fourth of Gen Z's and Millennial's returned between month one and month three.



All Generations Returned Faster in the First Week than They Said They Would

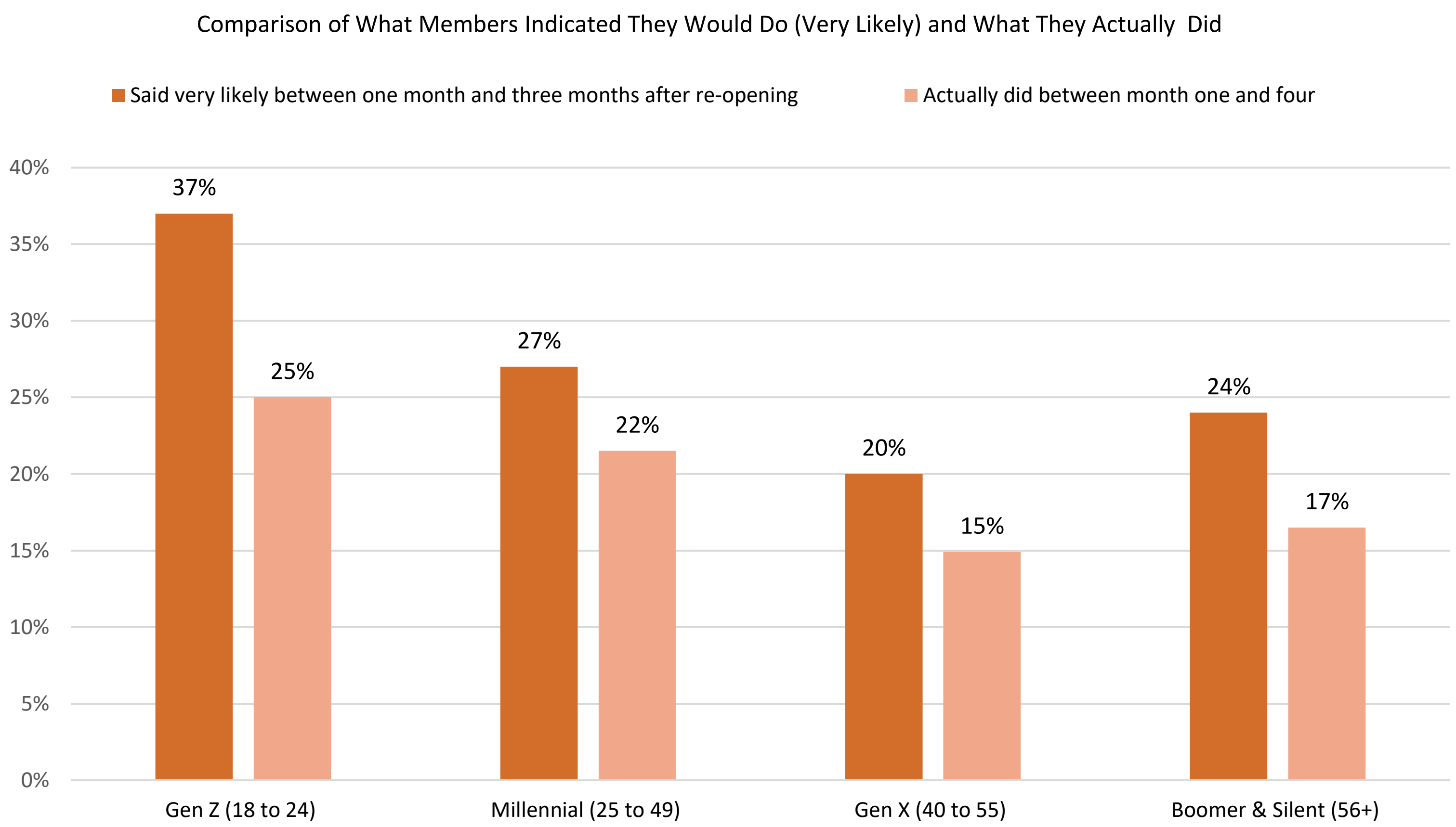
Across generations, a greater percentage of members returned the first week than what they said they were very likely to do. Actions aligned more closely to what they indicated with respect to the percentage who returned between weeks one and four.





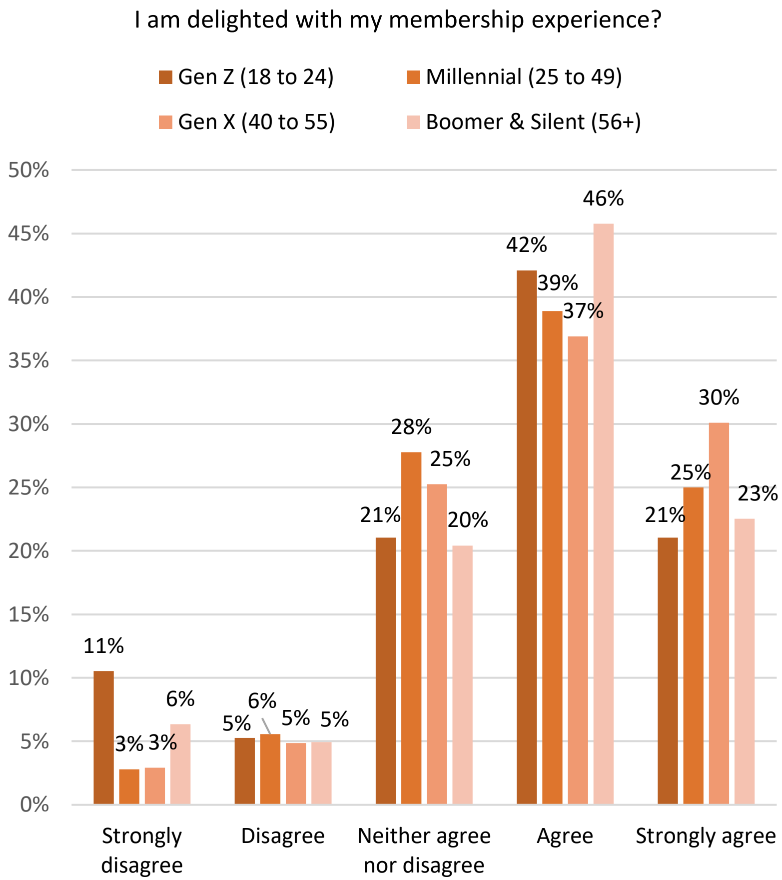
Across Generations, Members Were More Likely to Say they would Return between One and Three Months than Actually Did

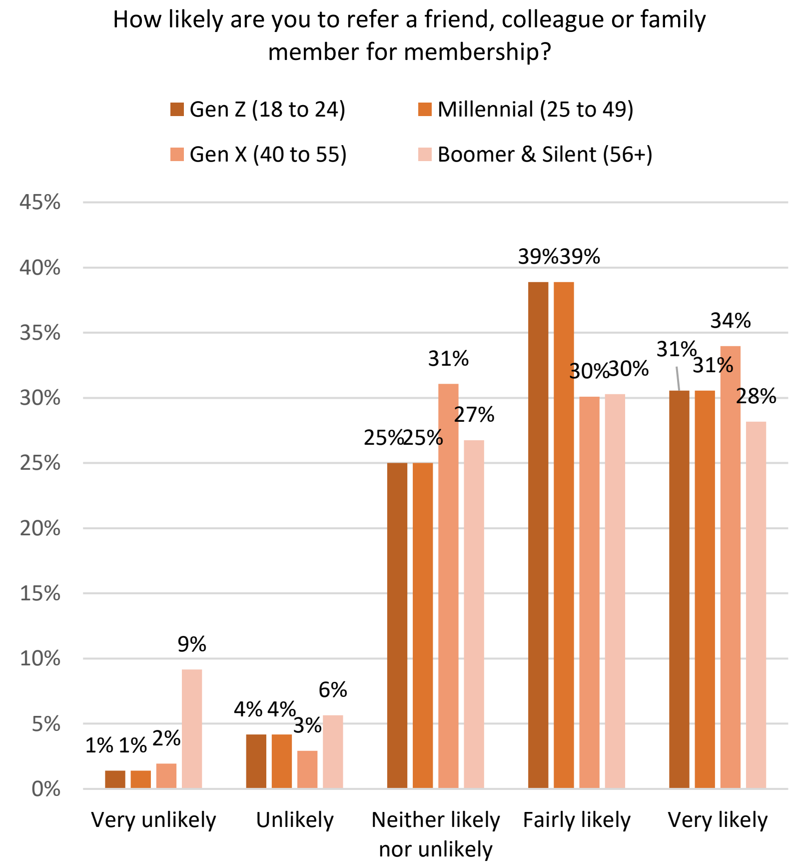
The percentage of each generation who reported returning between one and three months after re-opening was considerably higher than what occurred. This is likely due to the higher percentage of returns during the first week and month.



Among Members that Returned, Measures of Loyalty and Delight Similar Across Generations

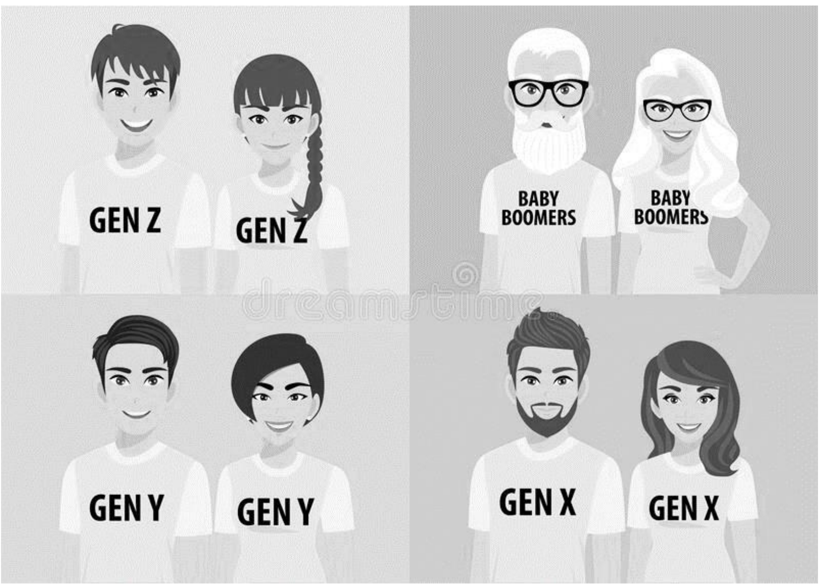
On average, the percentage of members, irrespective of generation, who reported top two box for delight or likelihood to refer was around 60% to 70%. Gen Z was the generation to report the greatest displeasure and the least desire to refer.

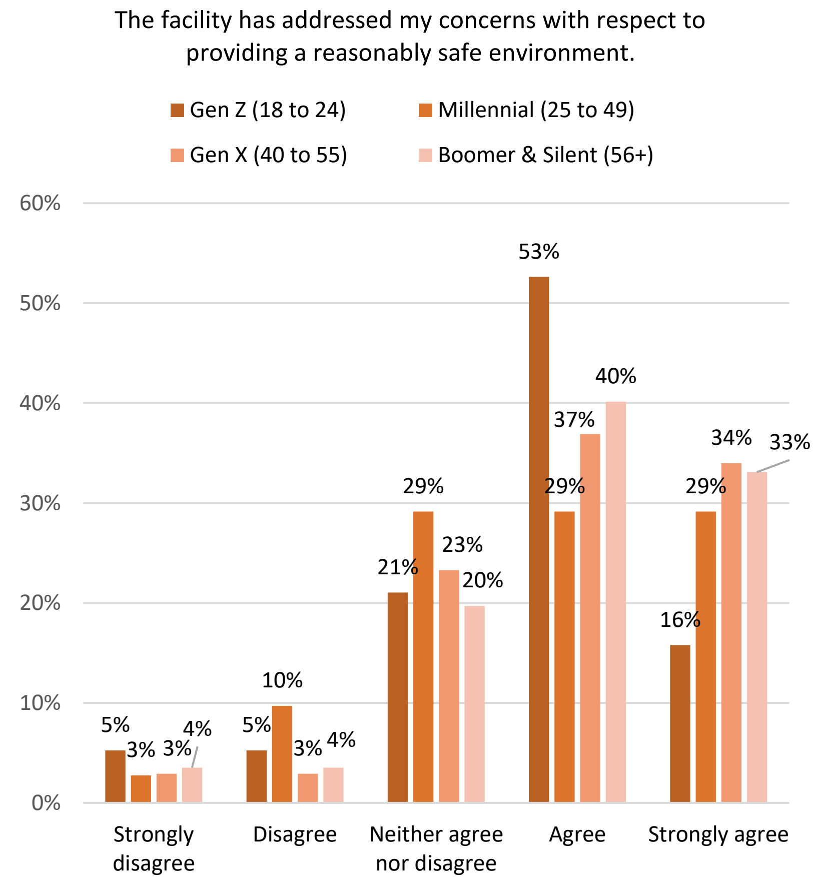




Millennials Most Likely to Indicate Their Facility Had Not Addressed their Safety Concerns or Were Indifferent as to Whether their Facility Had Addressed their Safety Concerns

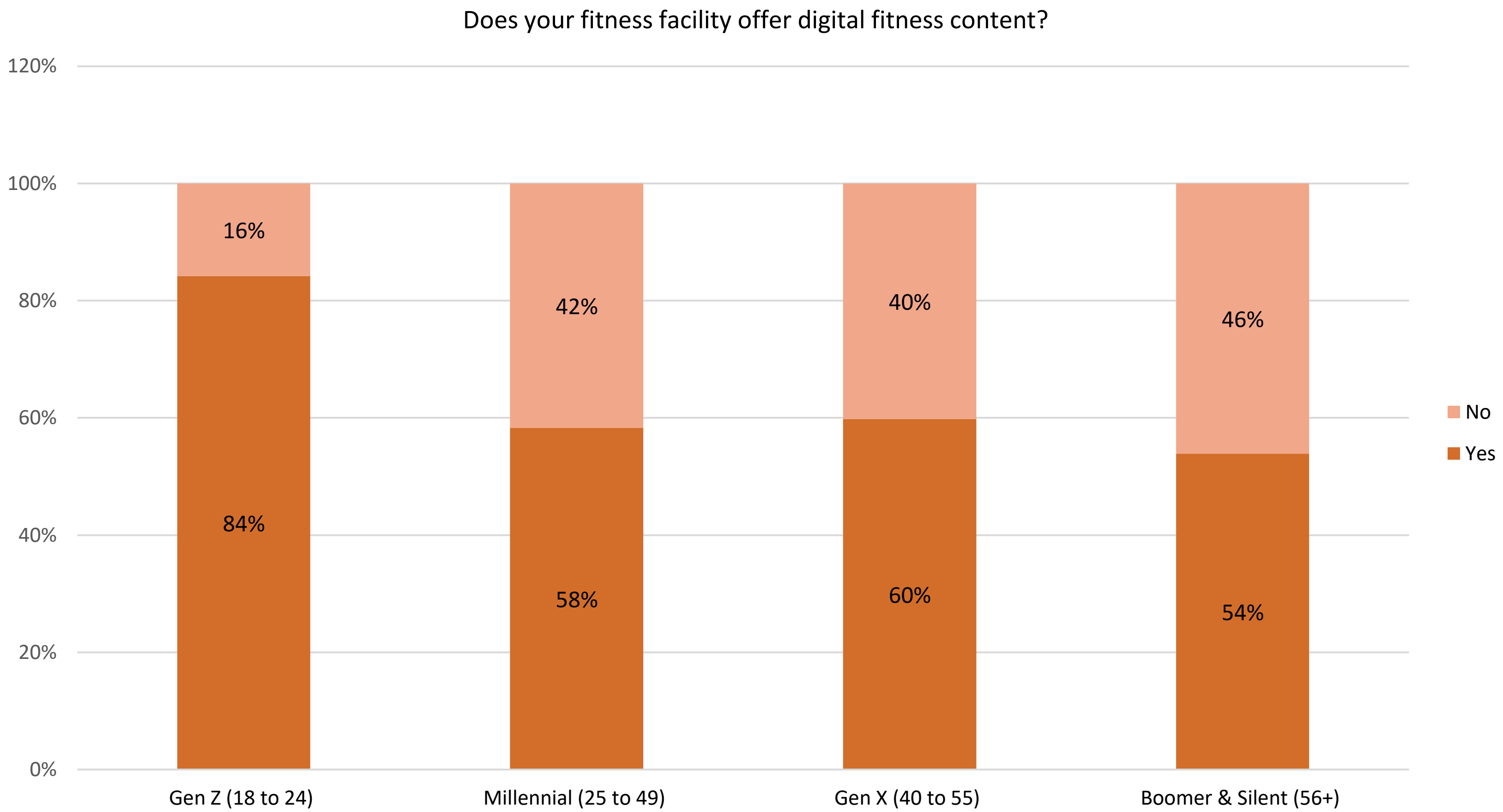
15% of Gen Z either disagreed or strongly disagreed with the statement regarding their facility addressing their safety concerns while 16% had strong agreement with the statement.





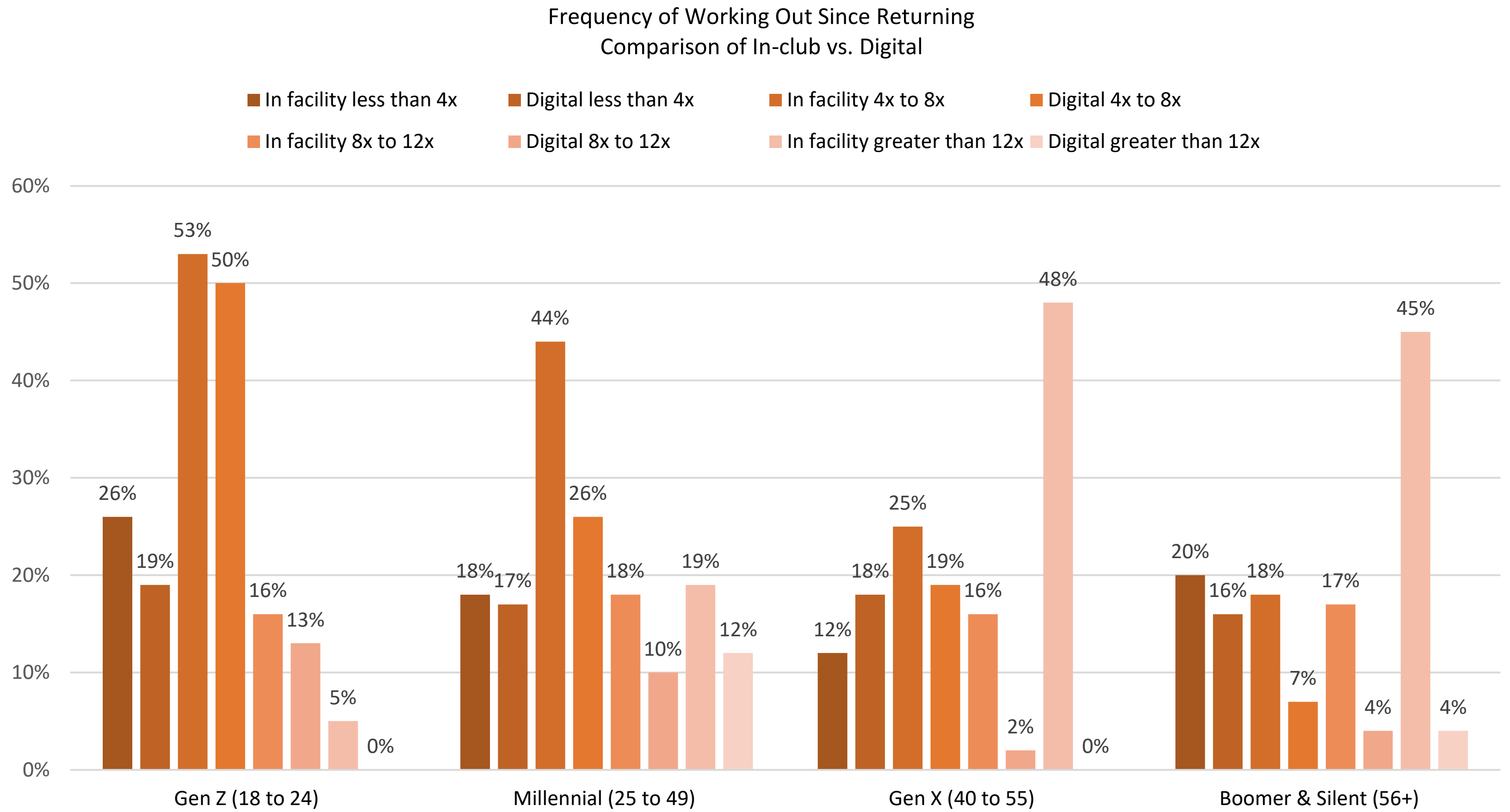
Gen Z significantly More Likely than Other Generations to Report their Facility Offered Digital Fitness Content

84% of Gen Z reported their facility offered digital fitness content, 25 to 30 percentage points higher than the other generations.



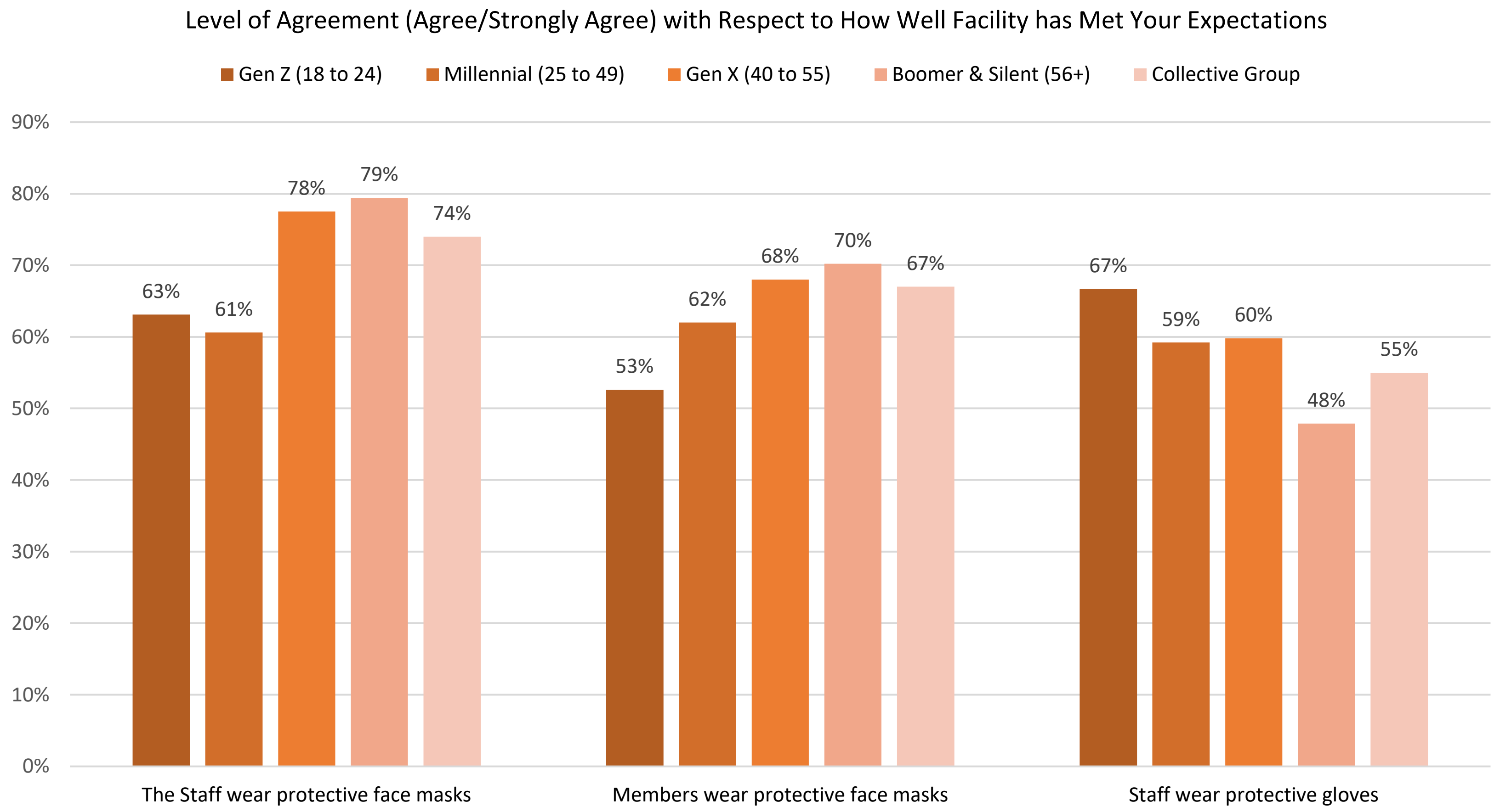
Boomers and Gen X the Most Active Inside the Facility, Millennials Most Active with VOD

45% of Boomers and 48% of Gen X visited their facility at least 12 times a month after reopening compared to 19% of Millennials and 13% of Gen Z. Millennials in turn were the most likely (22%) to use digital content at least eight times a month. The younger generations seem to be adopting the digital experience while the older generations are hanging on to in-club workouts.



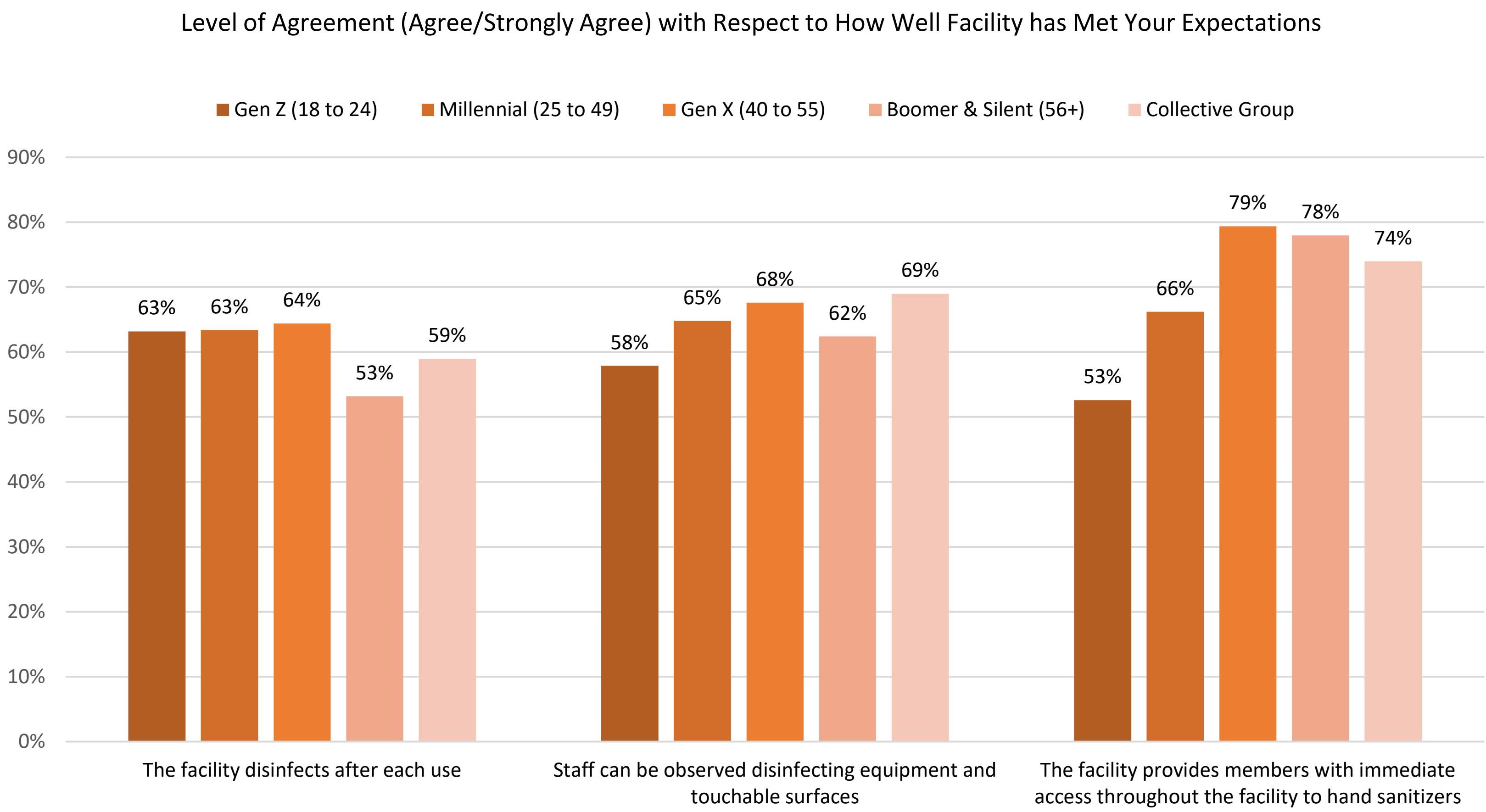
Gen X and Boomers More Likely to Indicate Staff and Members are Wearing Masks

Nearly 80% of Gen X and Boomers say the facility meets their expectations with respect to employees wearing masks, and approximately 70% report the same for members in masks, anywhere from six to 20 points higher than Gen Z and Millennials. Interestingly, a greater percentage of Gen Z and Millennials indicate staff wear protective gloves.



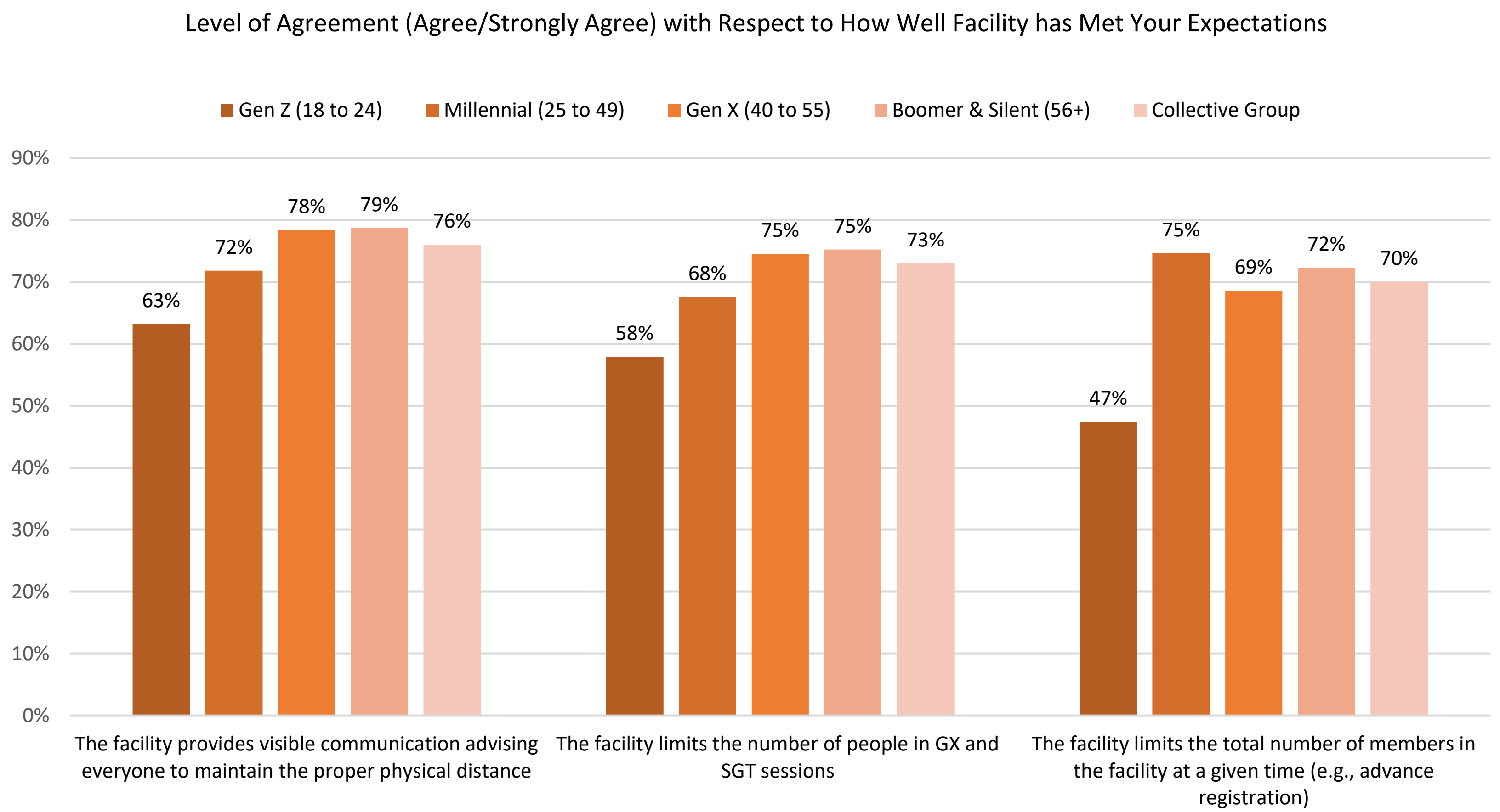
Gen Z and Millennials Less Inclined to be Satisfied with Level of Access to Hand Sanitizing Units

When it comes to disinfecting equipment generational perspectives of expectations being met are similar. The only area where a difference exists is with respect to immediate availability of hand sanitizing units where Gen Z and Millennials are 15 to 20 points less likely to say that expectation has been met.



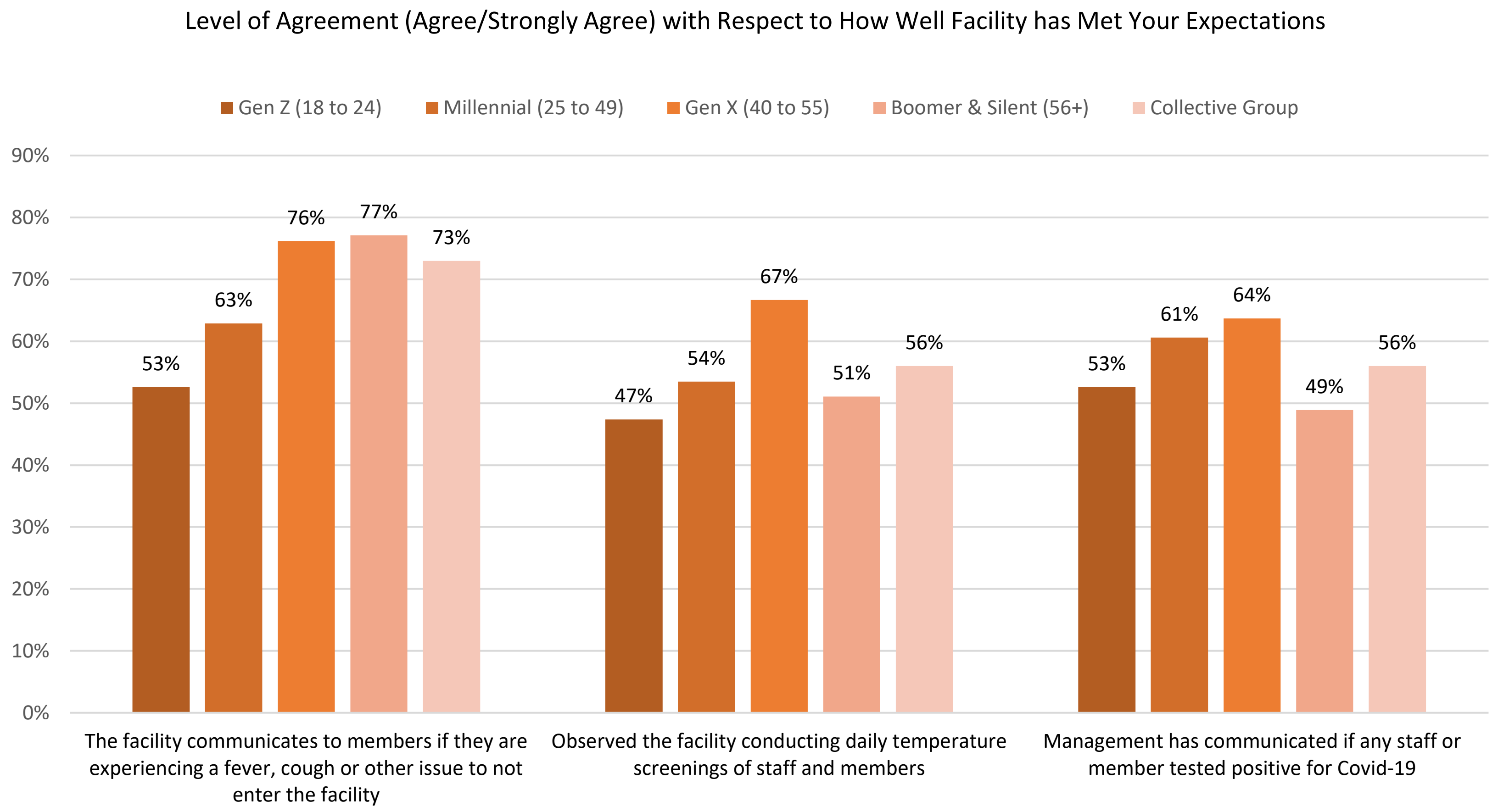
Fewer Gen Z and Millennials Feel Physical Distancing Expectations Have Been Met

Gen Z respondents reported the lowest percentage across the board with respect to the physical distancing policies and practices of their facility meeting their expectations, while Boomers and Gen X had the highest percentage of respondents say their expectations had been met.



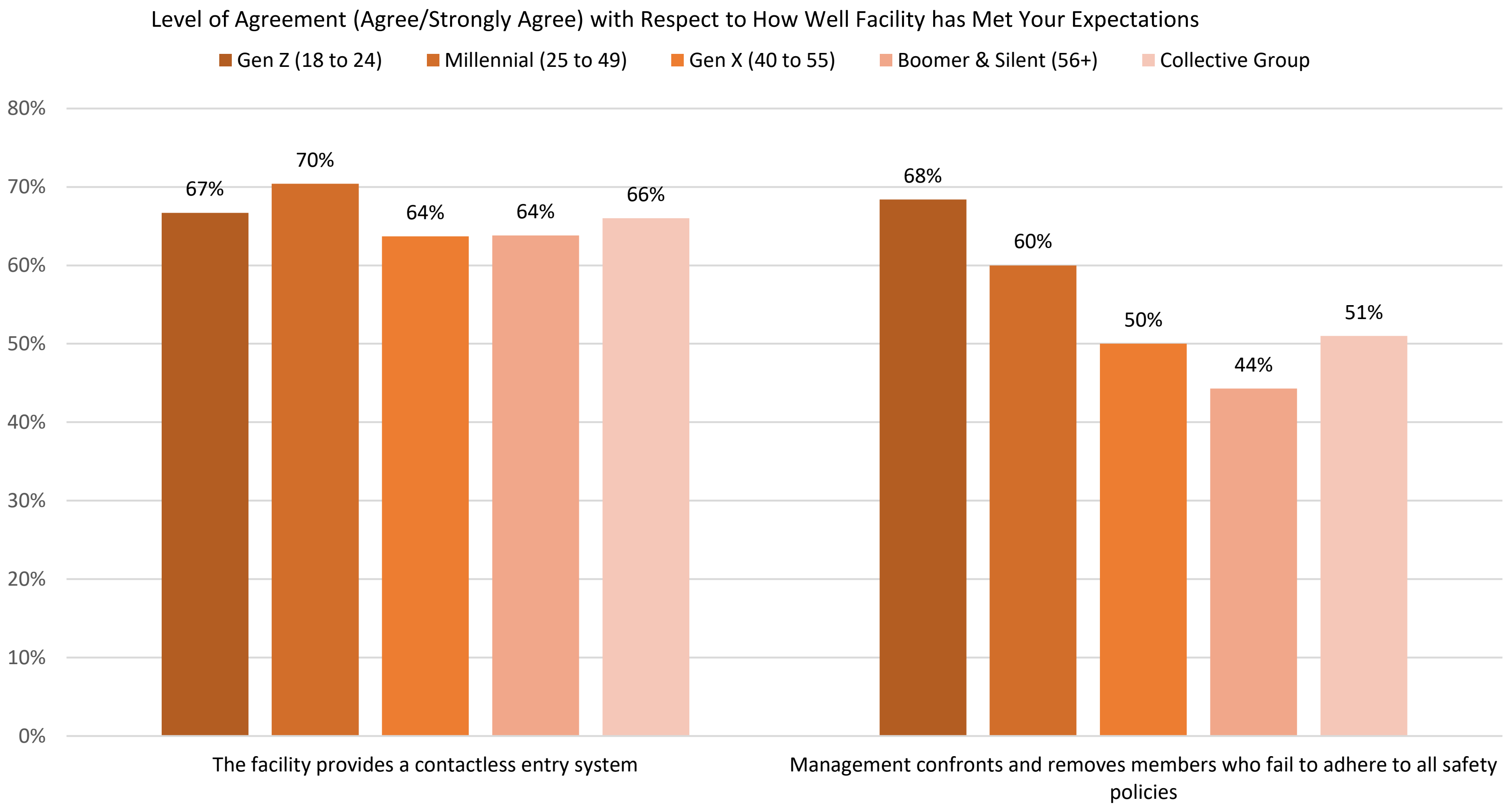
Gen X was the Most Likely to Report their Facility had Met Their Expectations for Reporting Positive Covid-19 Tests and Conducting Daily Screenings

For the three safety practices on this page (all among the top ten with respect to importance to members), Gen X had the highest reported percentage of respondents who indicated their expectations had been met. The percentage of any generation satisfied with their expectations being met for daily screenings and reporting of positive tests was below two-thirds.



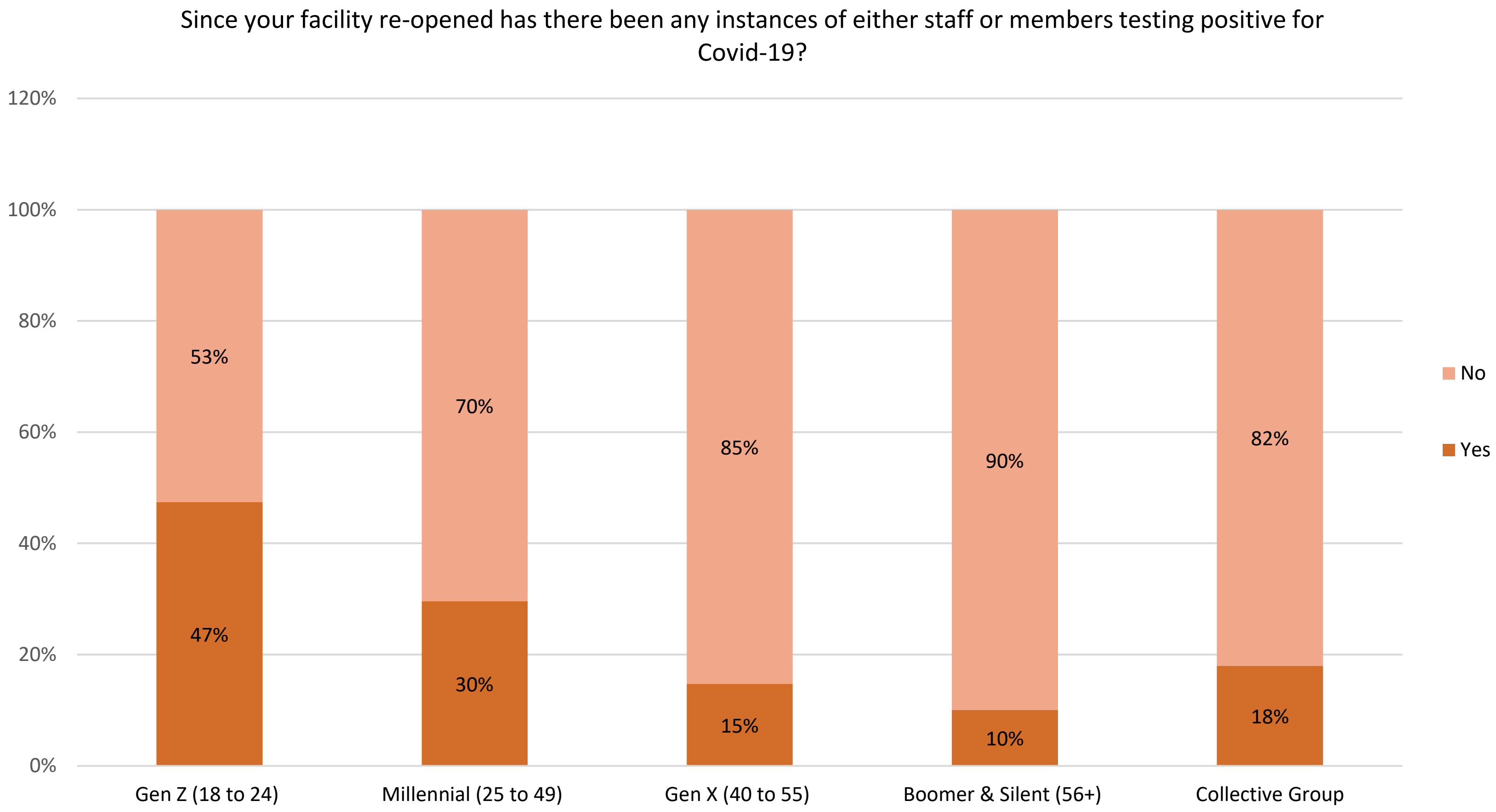
Gen X and Boomers Least Likely to be Satisfied with A Facility's Ability to Hold Members Accountable to Safety Practices

50% or fewer respondents from Gen X and the Boomer Generation felt that management at clubs held members accountable to their safety practices, compared to 60% or higher for Gen Z and Millennials.



Gen Z and Millennials Significantly More Likely to Say They Have Heard of Staff and/or Members Testing Positive for Covid-19

47% of Gen Z respondents and 30% of Millennial respondents said they were aware of staff and/or member testing positive for Covid-19, anywhere from two to three times the percentage reported by Gen X and Boomers.



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Section Slide page 9. Left to right. Life Fitness, U.S.; Les Mills, New Zealand; Aquafit, Australia; and Houstonian, Texas.

Page 11. Smartfit, Brazil

Section Slide page 14. Left to right. Life Fitness, U.S.; Smartfit, Brazil; Myzone, U.S.; and Les Mills, New Zealand

Page 16. Stonecreek Club & Spa, Louisiana

Page 17. Apex Centre, McKinney, Texas

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Section Slide page 33. Left to right. Les Mills, New Zealand; Myzone, U.S.; Apex Centre, McKinney, Texas; Serious Results, Texas.

Page 40. Les Mills, New Zealand

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