Recession Proof Your Fitness Business:

Get Your Members SWEATISFIED

club intel
Insight Inspiration Impact

2023

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Introduction

As economies continue to struggle with uncertainty, it is important for businesses to adapt to shifting consumer behaviors and preferences. In the fitness industry, our recent research shows that Active Consumers are now prioritizing gym memberships and fitness activities over other expenses such as take-out or leisure travel.

This shift in priorities presents a unique opportunity for fitness providers to differentiate themselves by offering a well-rounded and enjoyable fitness experience that not only attracts new customers but also retains existing ones. Our concept of being "sweatisfied" - complete satisfaction with one's wellness value - is an essential part of creating such an experience.

This eBook aims to provide fitness providers with a comprehensive understanding of the Active Consumer profile, including the values that drive their decision-making and their price sensitivities toward wellness experiences. By taking a data-driven approach, providers can create a recession-proof business model that can withstand economic headwinds and retain a loyal customer base.

So, are you ready to get "sweatisfied" and take your fitness business to the next level?

Methodology and Disclaimer

An Online Survey among Health and Fitness Club Members/Users within the top 40 MSAs across the U.S.

- ✓ Audience identification. Respondents were recruited using an online panel and identified based on screening questions to profile individuals who meet specific target audience criteria (Interest in living an active lifestyle and health club/gym/studio membership status).
- ✓ Survey distribution and collection. Working with ClubIntel's panel partner, an email invitation was sent to approximately 6,700 targeted consumers with a link to the survey. Geographically, the top 40 MSAs across the U.S. were sourced.
- ✓ Survey responses. In all, 2028 consumers met the screener qualifications to participate in the study. These responses were carefully monitored to elicit a nationally representative sample and significant data points for analyzing and creating consumer segment profiles.

DISCLAIMER

The statistical information contained in this report is representative of the individuals responding to this 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 survey is representative of the sentiments reported by the targeted respondents.

ClubIntel and ABC Fitness Solutions, therefore, make 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 or ABC Fitness Solutions be liable for any consequential damages.

Part I

The Active Consumer

By having a deeper understanding of your market, you can effectively utilize data to make informed decisions in order to cater to your market's needs.

Our definition of an Active Consumer is one who is "currently exercising, working out or staying active". This is the primary qualifier to participate in our study.

Our 2023 Market Research delved into identifying not only the Active Consumer, but also the subset of club and studio members. The following information provides insights into what we discovered about both groups.

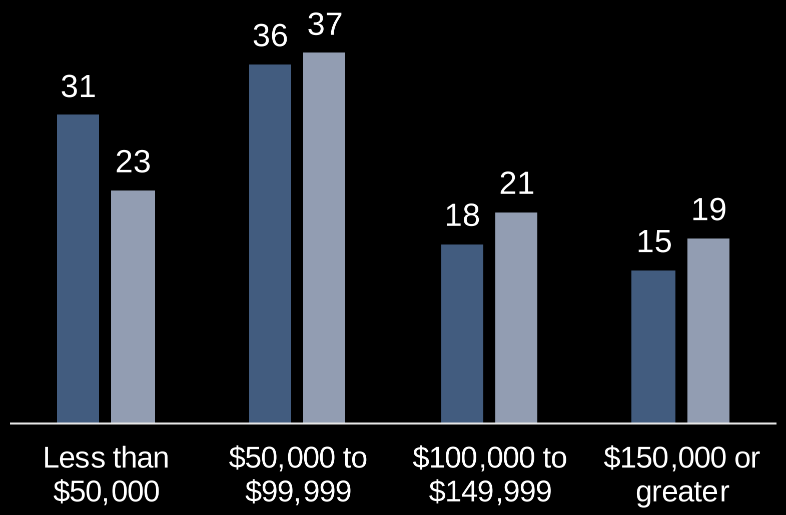
To provide the most comprehensive view, we also gathered ABC Fitness portfolio data, which includes information on 10 million North American members across 2,000 locations.

The 2023 Active Consumer vs Club/Studio User

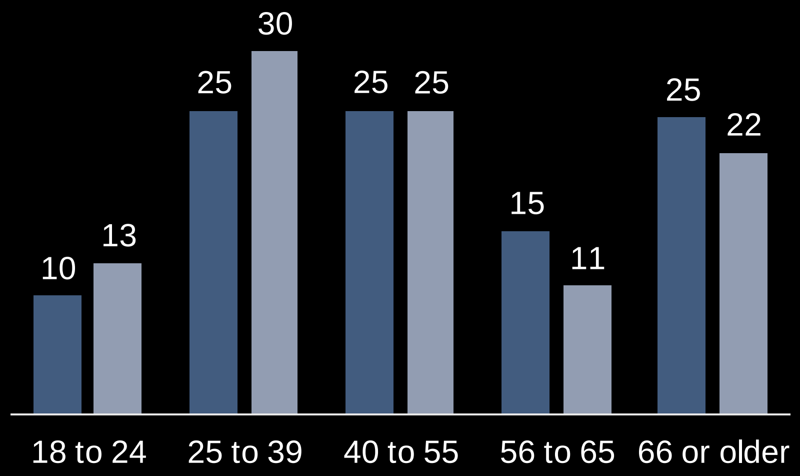
We are first looking at some demographics and then will turn to the basic fitness behaviors of the Active Consumer and the Club/Studio User.

Club/Studio Users skew more affluent than the Active Consumer with 40% making in excess of $100,000 annually. Club/Studio Users skew slightly female at 55%, and also skew younger.

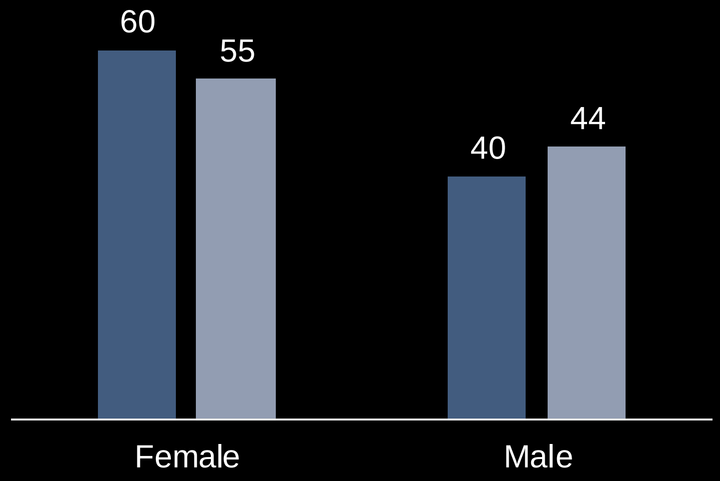
INCOME



AGE RANGE



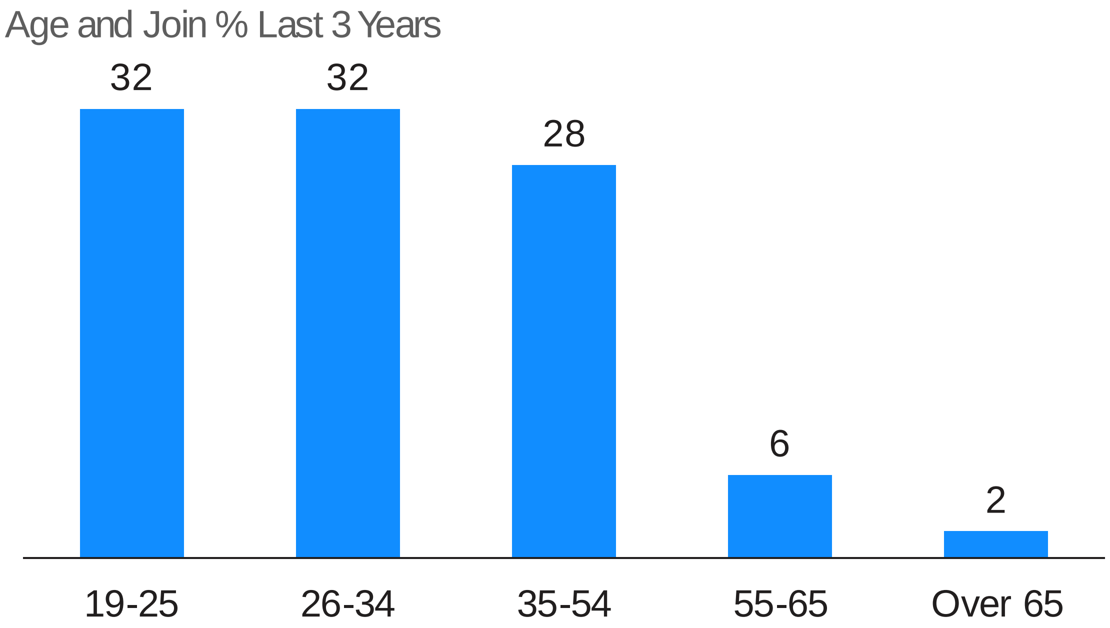
GENDER



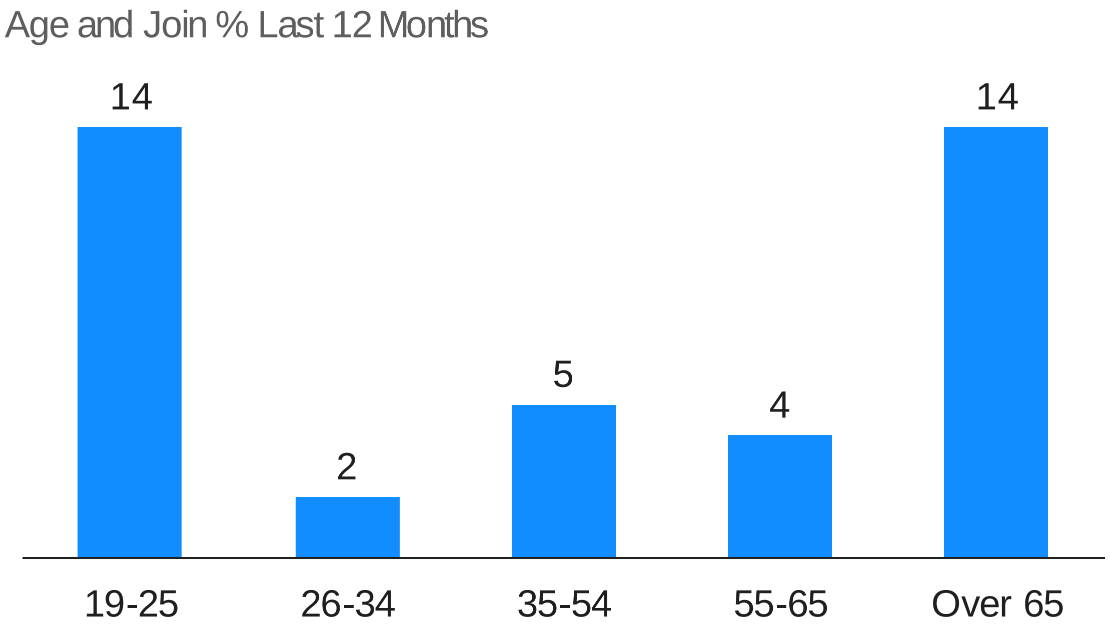
ABC Fitness Portfolio Data: 10M North American Members at 2,000 Locations

NEW JOINS

JOINS IN THE LAST 3 YEARS ARE IN THE YOUNGER AGE CATEGORY



OLDER MEMBERS STARTING TO COME BACK IN THE LAST YEAR

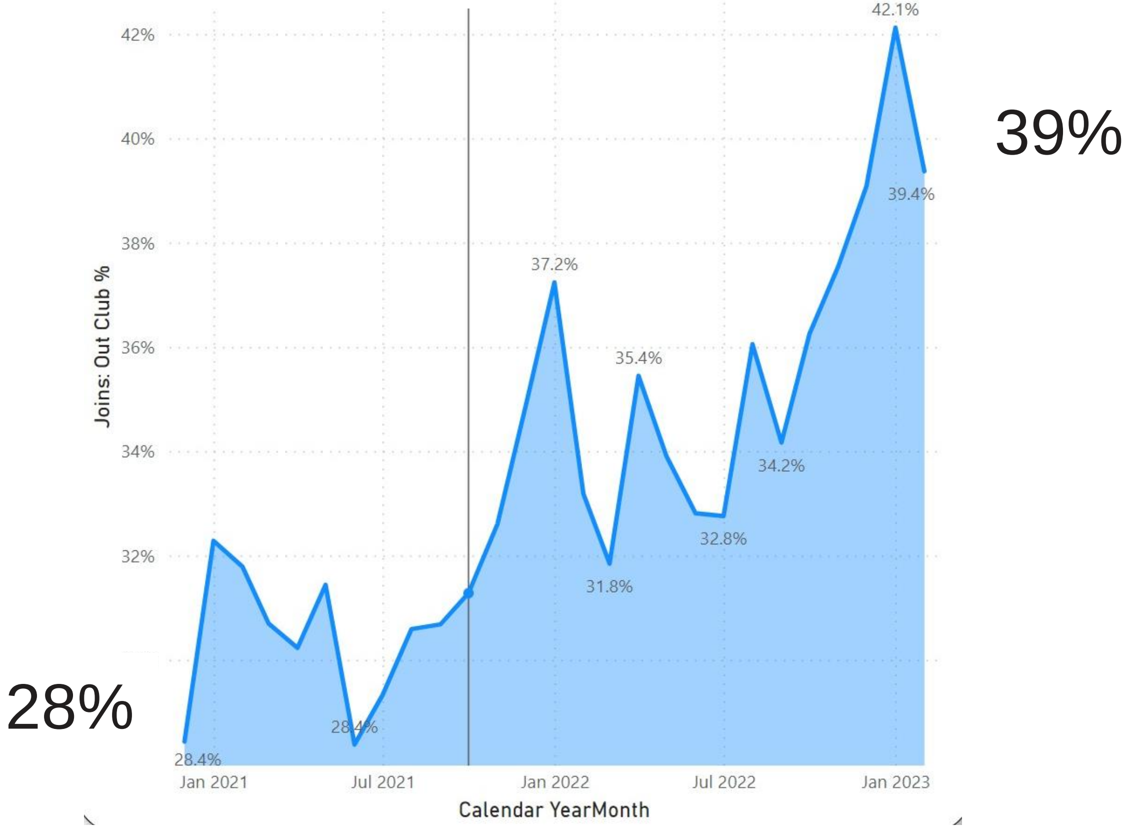


ABC Fitness Portfolio Data: 10M North American Members at 2,000 Locations

ONLINE JOINS

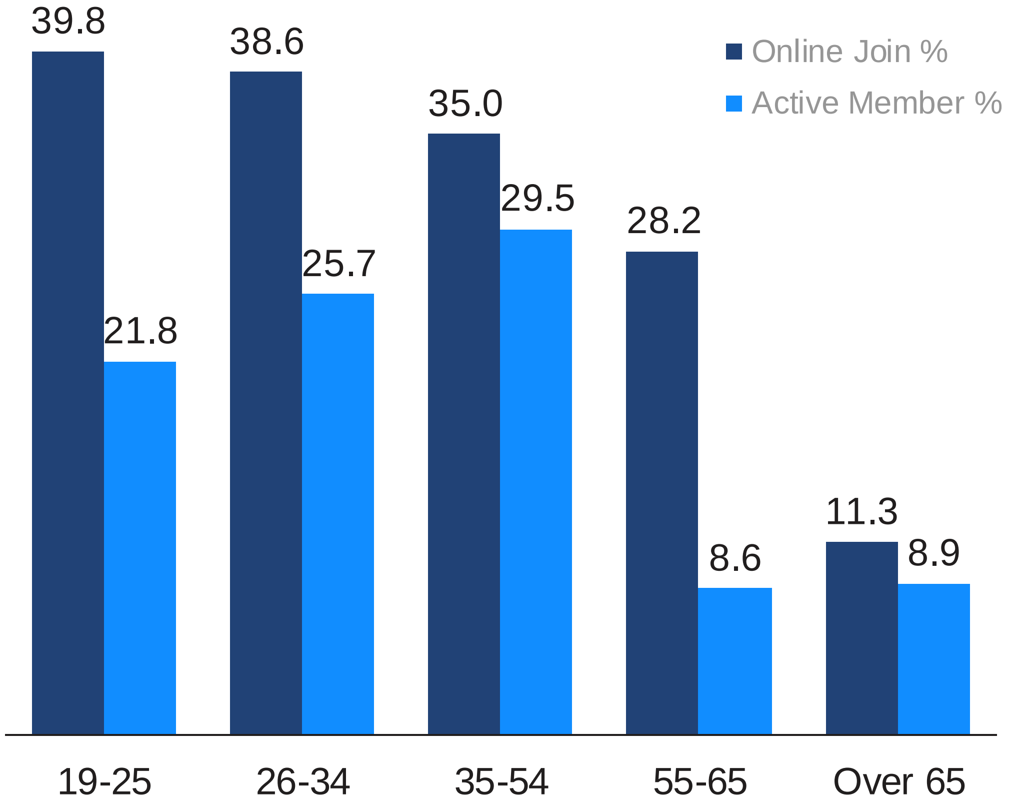
PEOPLE WHO JOIN ONLINE IS ON THE RISE SINCE COVID

Online Join % Last 30 Months



AGES 19-34 JOIN ONLINE MORE FREQUENTLY THAN ANYONE ELSE AND IS LARGEST % OF ACTIVE MEMBERSHIP BASE

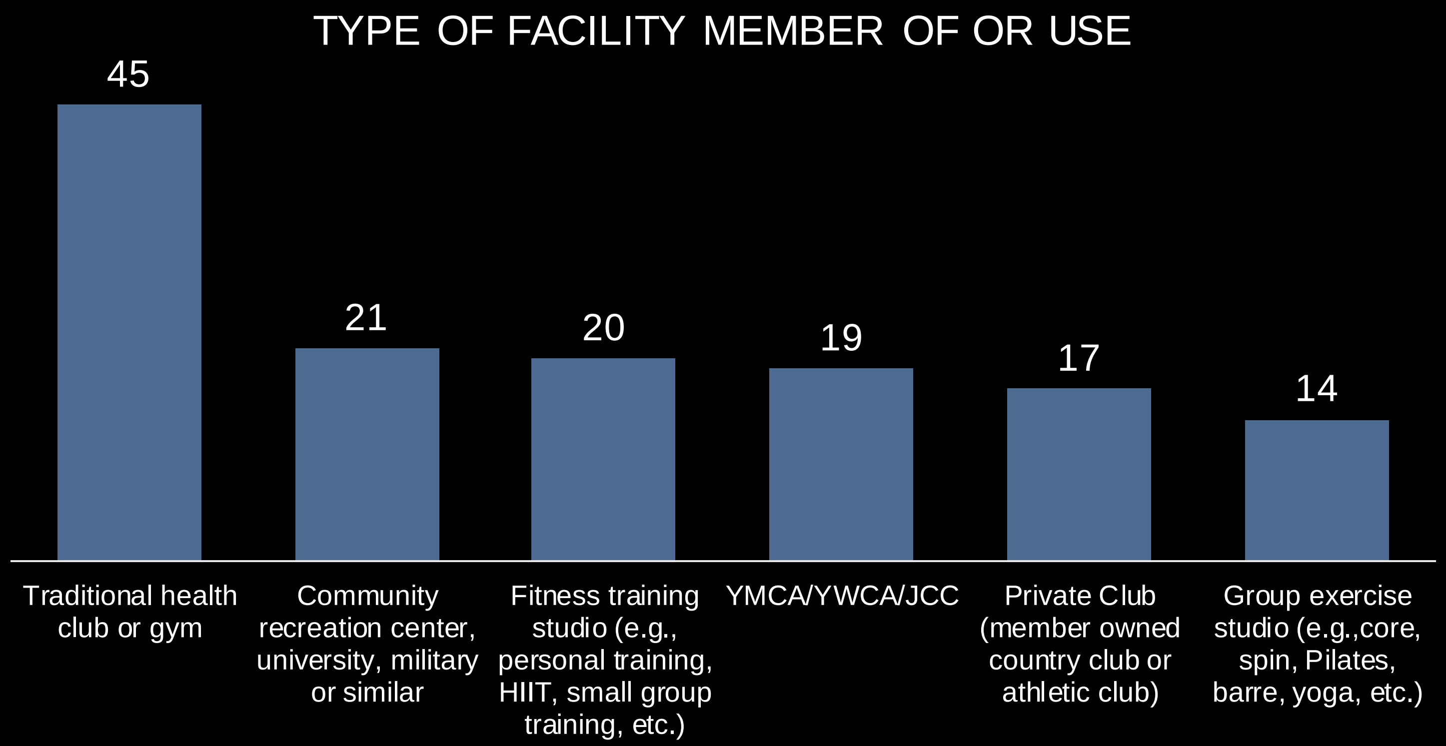
Online Join % Last 3 Years



Member Usage and Dues

We wanted to see where our Club/Studio Users were working out. It turns out that traditional health clubs make up primary use of all users by a wide margin.

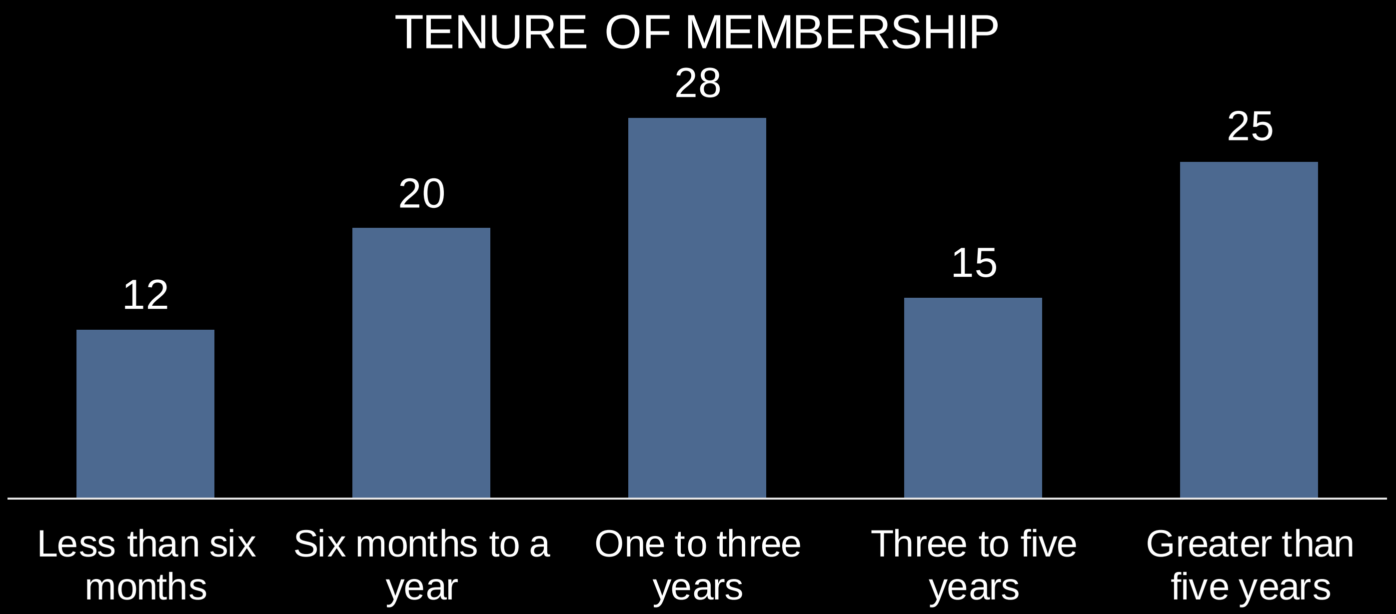
Later in this eBook we will look a price sensitivities but let us first look at current price points. It is interesting to note that currently monthly dues paid are primarily below $70.

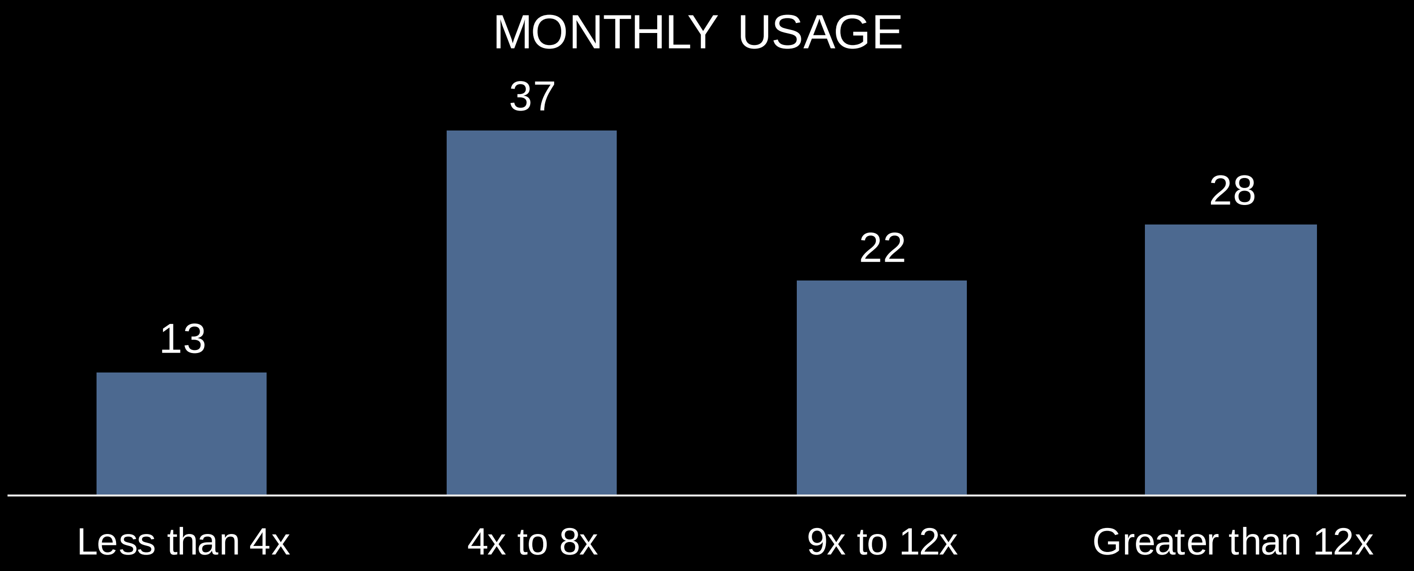


Memberships

Around 32% of the memberships have been acquired in the past year, whereas 25% of the memberships have been active for more than five years.

Interestingly, regardless of the duration or location of their workouts, slightly more than 40% of the members are frequent users who exercise more than nine times a month.



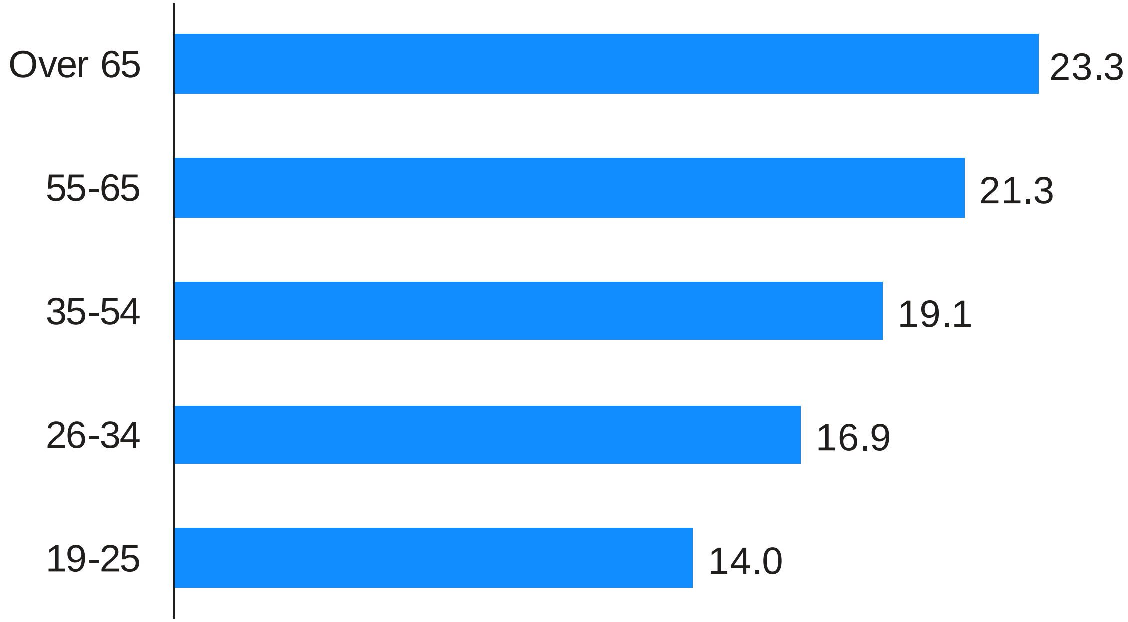


ABC Fitness Portfolio Data: 10M North American Members at 2,000 Locations

TENURE AND CHECK-INS

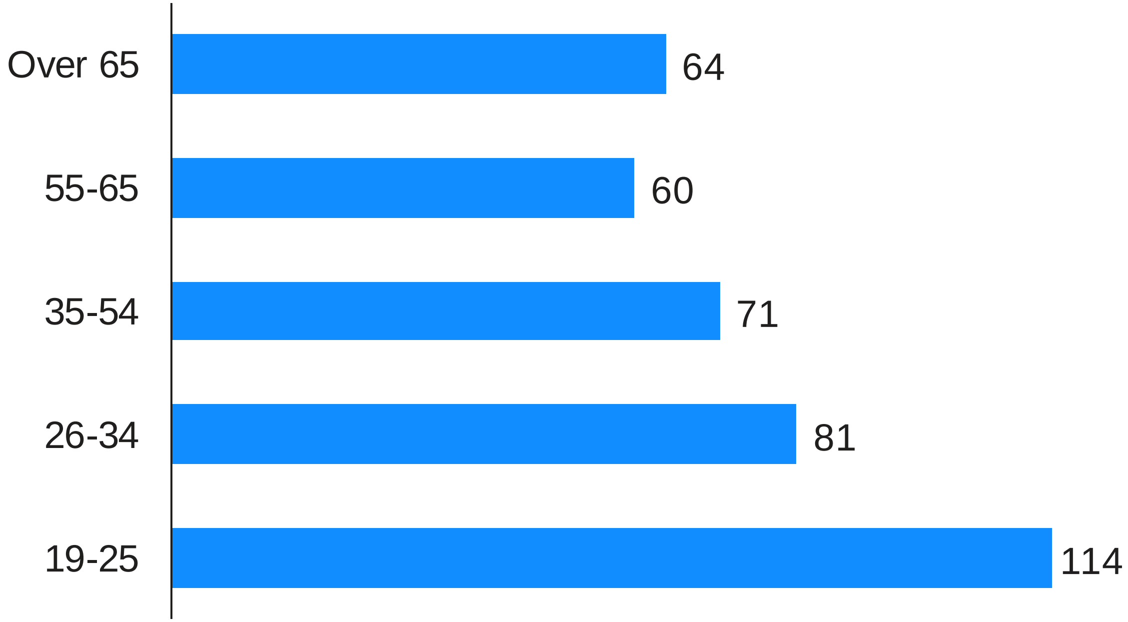
OLDER MEMBERS TEND TO STAY LONGER

Average Tenure in Months By Age Group Over 8 Years



YOUNGER MEMBERS ARE USING THE GYM MORE THAN THEY DID A YEAR AGO

Check-in Compared to Last Year by Age



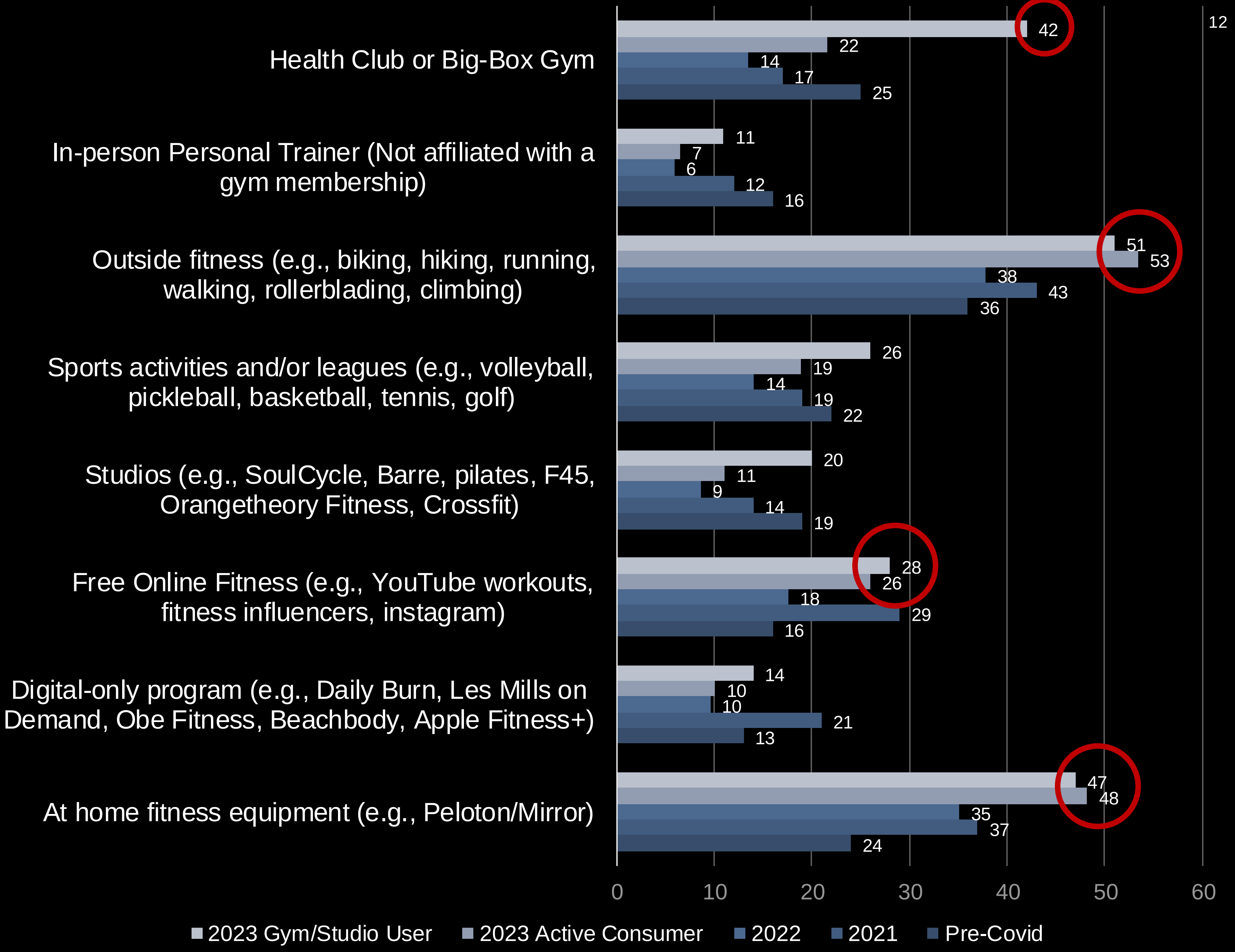
Exercise Regimen

For Active Consumers

1. Outside Fitness (53%)
2. At-Home Equipment (48%)
3. Free Online Fitness (26%)

Members/Users

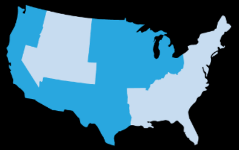
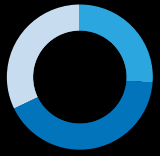
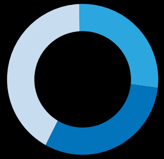
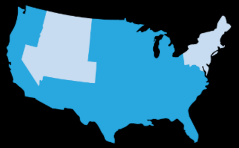
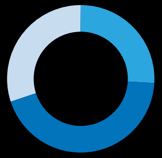
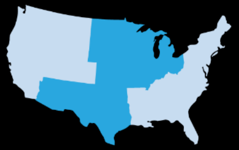
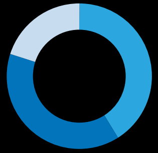
1. Outside Fitness (51%)
2. At-Home Equipment (47%)
3. Health Club/Big-Box Gym (42%)



Fitness Personas

Our research in 2022 revealed 4 key personas that constitute the fitness population.

Download the eBook to learn more about these personas that we included into this year's research.

			Age	Region	Income	Employment
Routine Lifer		Follows a consistent regimen day in and day out	66 years or older (35%)	 Southwest, Midwest, Pacific	 0-50K (26%) 50-100K (42%) 100K+ (32%)	FULL-TIME 36% Retired (38%)
Wellness Lover		Balances fitness, nutrition, mental and physical well-being	25 to 39 years old (36%)	 Southwest, Southeast, Pacific	 0-50K (27%) 50-100K (31%) 100K+ (42%)	FULL-TIME 61%
Fitness Explorer		Continuously seeks out new fitness programs, products and services	25 to 39 years old (41%)	 Southeast, Southwest, Midwest, Pacific	 0-50K (26%) 50-100K (44%) 100K+ (30%)	FULL-TIME 61%
Casual Consumer		Fitness motivation is primarily event driven (vacation beach body, wedding, etc.)	25 to 39 years old (53%)	 Southwest, Midwest,	 0-50K (37%) 50-100K (35%) 100K+ (18%)	FULL-TIME 52% Retired (24%)

Personas + Utilization

Wellness Lovers and Fitness Explorers represent nearly three-fourths of all Members/Users at studios.

Traditional Health Clubs/Gyms have a higher representation of Routine Lifers (30%) than other facility types.

This profile provides a unique view, and opportunity, for those operating studios where a significant proportion of their consumers have a balanced philosophy that encompasses multiple facets of wellness: fitness, nutrition and mental/physical wellbeing.

	Active Consumer	Club / Studio User	Traditional	Studio	Group Ex
Routine Lifer 	29%	28%	30%	14%	18%
Wellness Lover 	30%	35%	32%	49%	46%
Fitness Explorer 	18%	23%	23%	32%	28%
Casual Consumer 	24%	14%	15%	5%	7%

Part II

Value

The core of this study is to define experiences that create the most value for members of health clubs and studios. To do so, we collected data from several batteries of questions that were analyzed to derive key drivers of value. The framework from which the questions are defined is known as the Member Value Equation.

A member experiencing a high value experience is 'sweatisfied'.

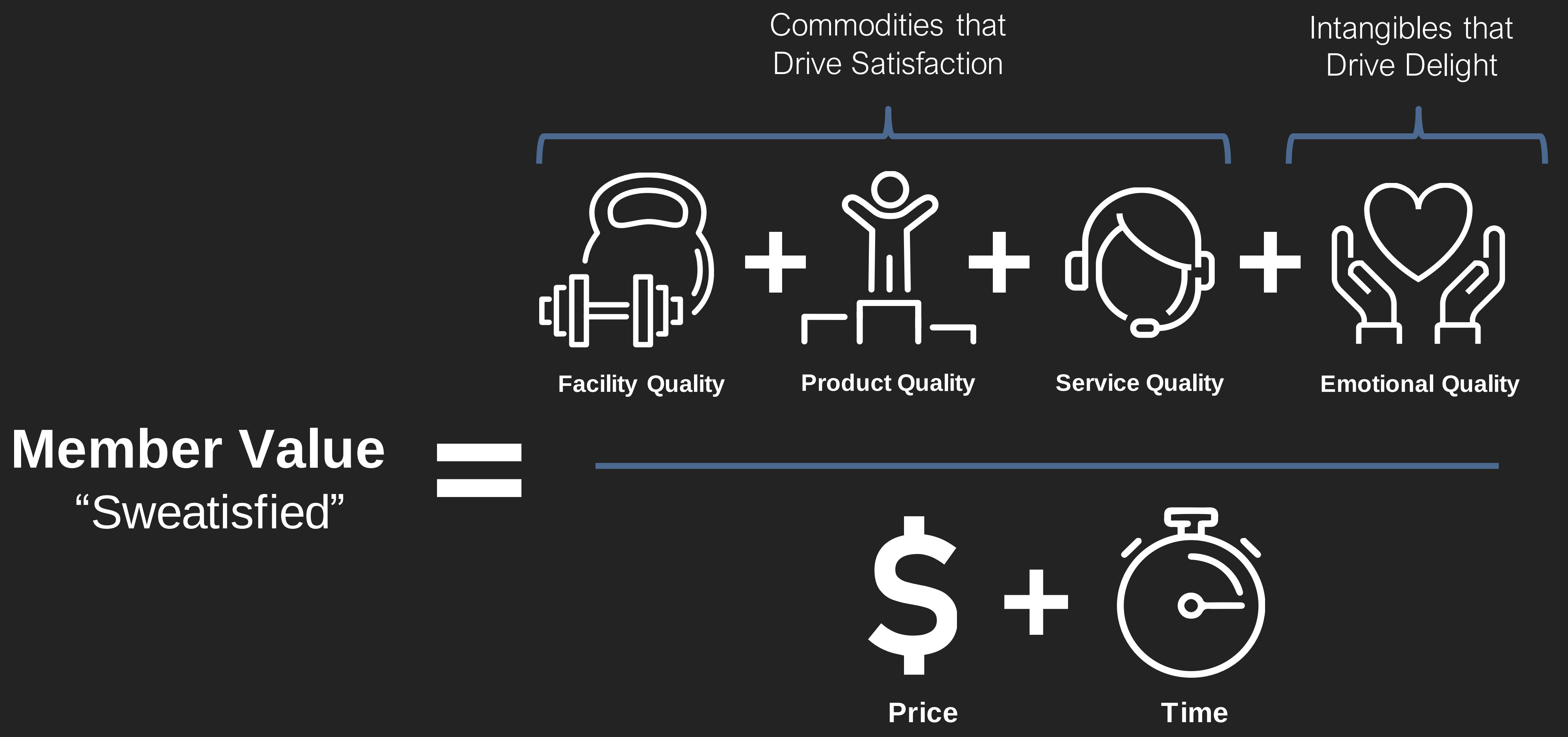
In this section we cover what will make a member "sweatisfied". This understanding of member value is the differentiator that will recession-proof your fitness business.

The Member Value Equation

To understand what current Members/Users value most of their experience, we captured ratings on 50+ experiential attributes defined by six overarching constructs of the Member Value Equation: facility quality, product quality, service quality, emotional quality, price and time. These six constructs represent what Members/Users receive during their gym/studio interactions in relation to what it costs in terms of time and money.

From ratings on this series of questions, we were able to analyze correlations of each attribute against the overall perception of value to derive the key drivers of value. The Member's/User's perception of value is diagramed on the following page.

The Member Value Equation

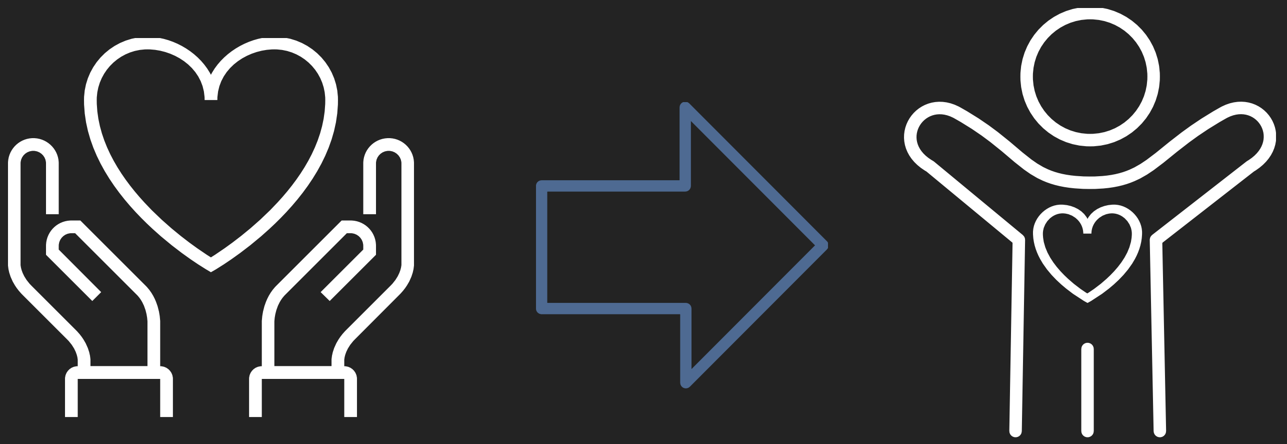


The Five Outcome KPIs Used to Assess the Member Experience

In addition to the 50+ experiential questions, we asked five “outcome” questions regarding the general experience. For purposes of this study, we want to define drivers of “value”. Consequently, correlations were run using “I received a great value for the money”

Brand Engagement
Connections & Relationships

Brand Advocates
Apostles, Advocates & Fans



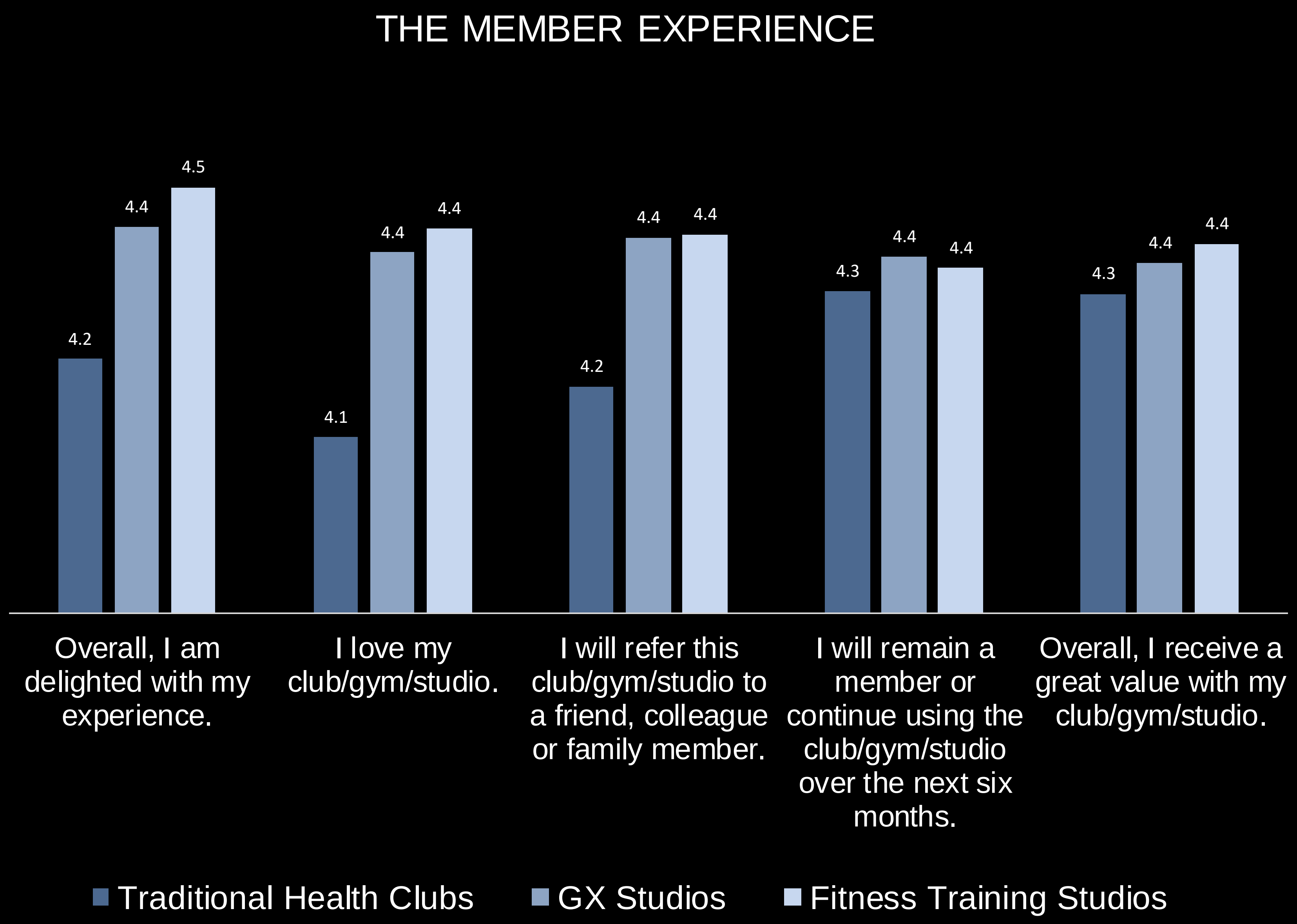
Delighted with the Experience
I Love My Club
Received A Great Value

Likely to Remain
and
Likely to Refer

Member Experience

Studios generate higher level of delight than traditional health clubs.

Members/Users are just as likely to remain and provide a referral for traditional health clubs as they are for the studios.



Top 5 Value Drivers

		Emotional Quality	Service Quality	Facility Quality	Product Quality
Traditional Health Clubs Value Drivers	1	Upbeat + Motivating			
	2	Strong + Positive Reputation			
	3				Updated Equipment
	4	Comfortable, Safe, Familiar			
	5			Clean Locker Room	
Fitness Training Value Drivers	1	Friendly + Welcome			
	2				Updated Equipment
	3	Confidence + Trust in Trainer			
	4			Air Ventilation	
	5				Equipment Variety
Group Exercise Studios Value Drivers	1	Inclusion + Belonging			
	2	Motivating + Inspirational			
	3				Available Equipment
	4	High Energy + Fun			
	5		Keeps Member Informed		

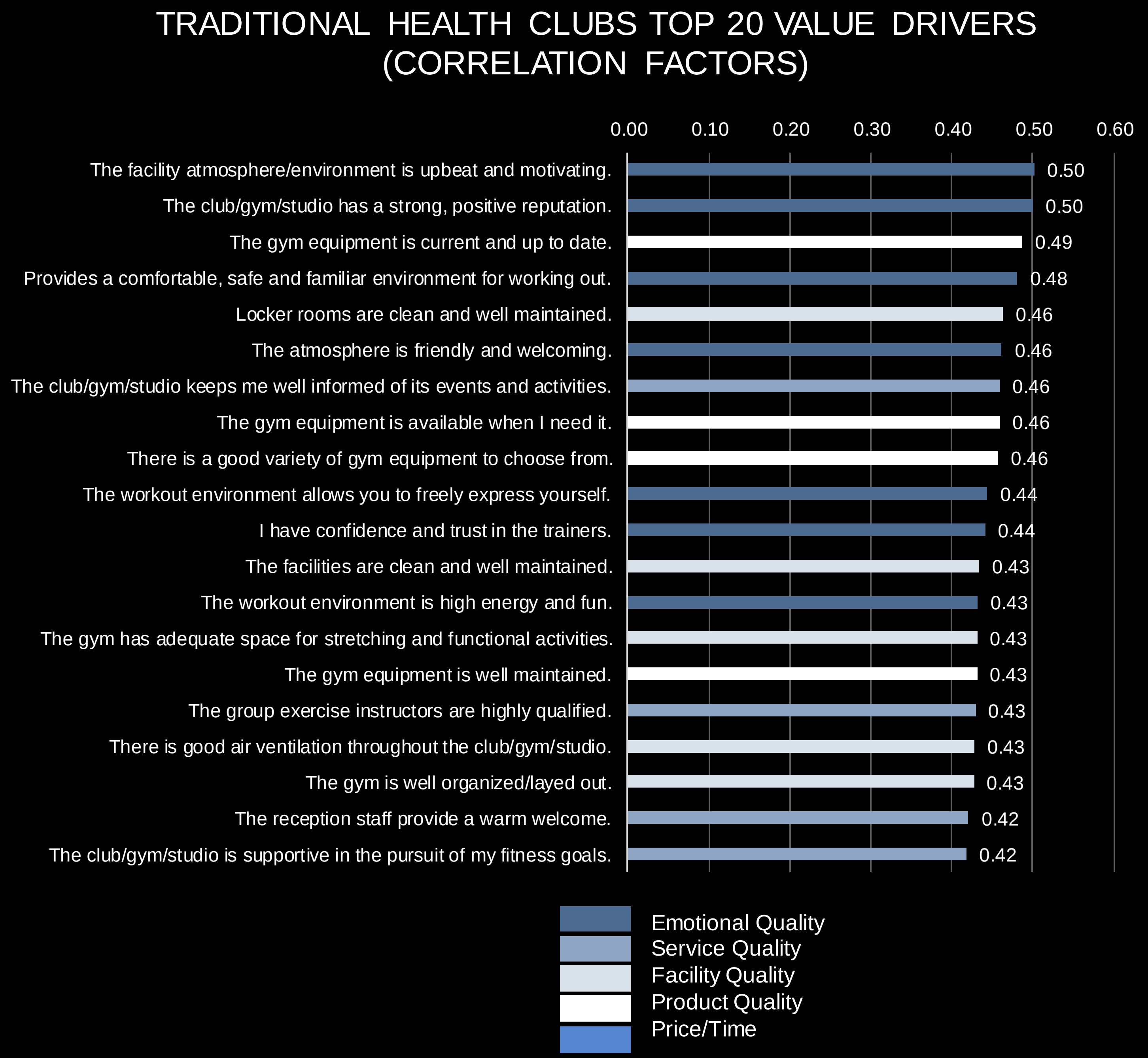
Traditional Club Value Drivers

For traditional health clubs to create "great value" for the members/users, by far, four of the key drivers are emotionally-centric and include:

- Upbeat and motivating environment
- Strong, positive reputation
- Comfortable, safe and familiar environment
- Friendly and welcoming

The product offering and facility are not to be dismissed and have a strong relationship with value creation as well:

- Current and up-to-date equipment
- Clean and well-maintained locker rooms
- Equipment is available when needed
- Good variety of equipment to choose from



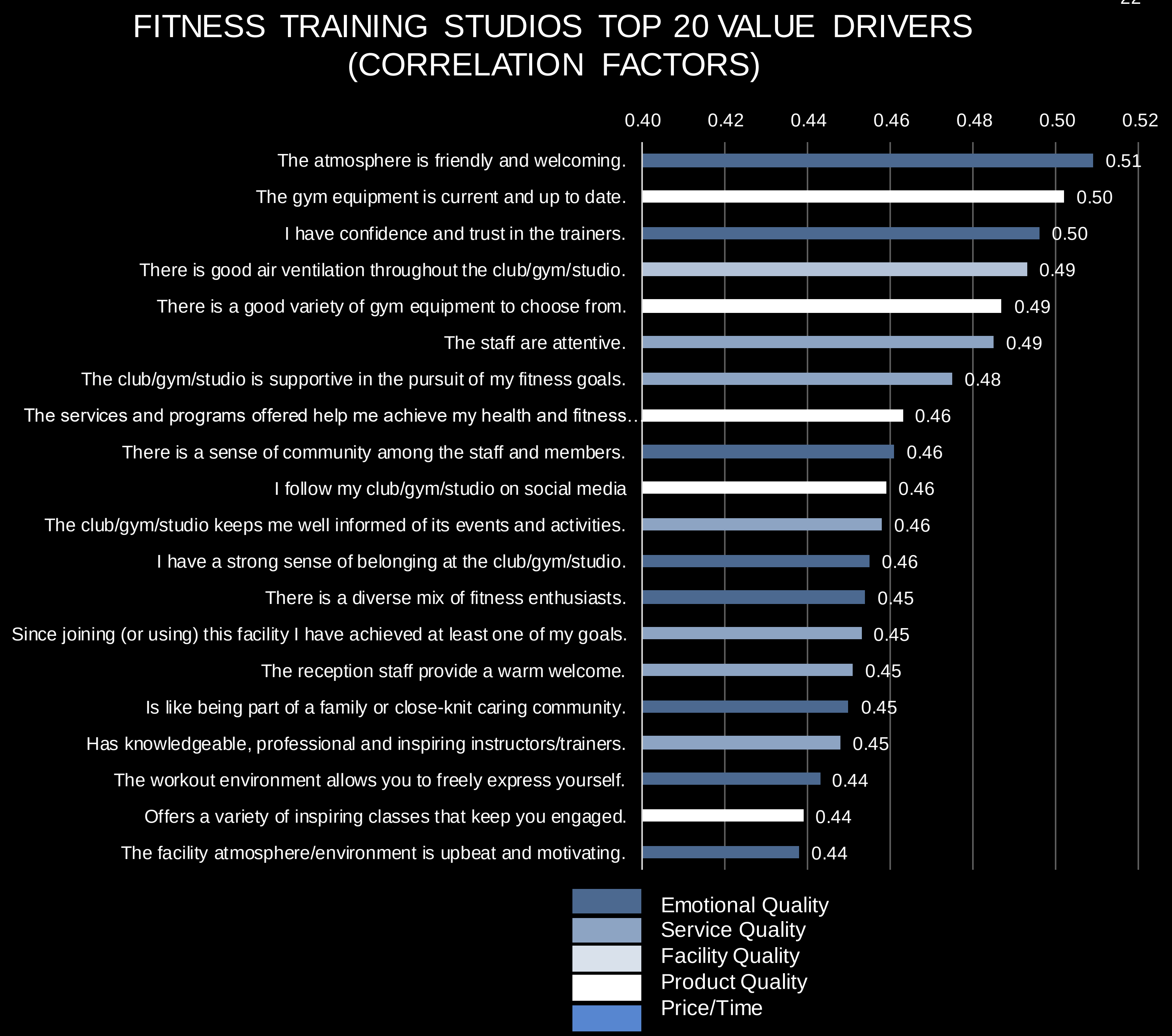
Fitness Training Value Drivers

Among the key value drivers for Fitness Training Studios, five attributes stand out, two of which are emotionally driven:

- Friendly/welcoming atmosphere
- Current and up-to-date equipment
- Confidence and trust in the trainers
- Good air ventilation
- Good variety of equipment

Service levels appear to play a strong role as well:

- Staff that are attentive
- Being supportive of fitness goals



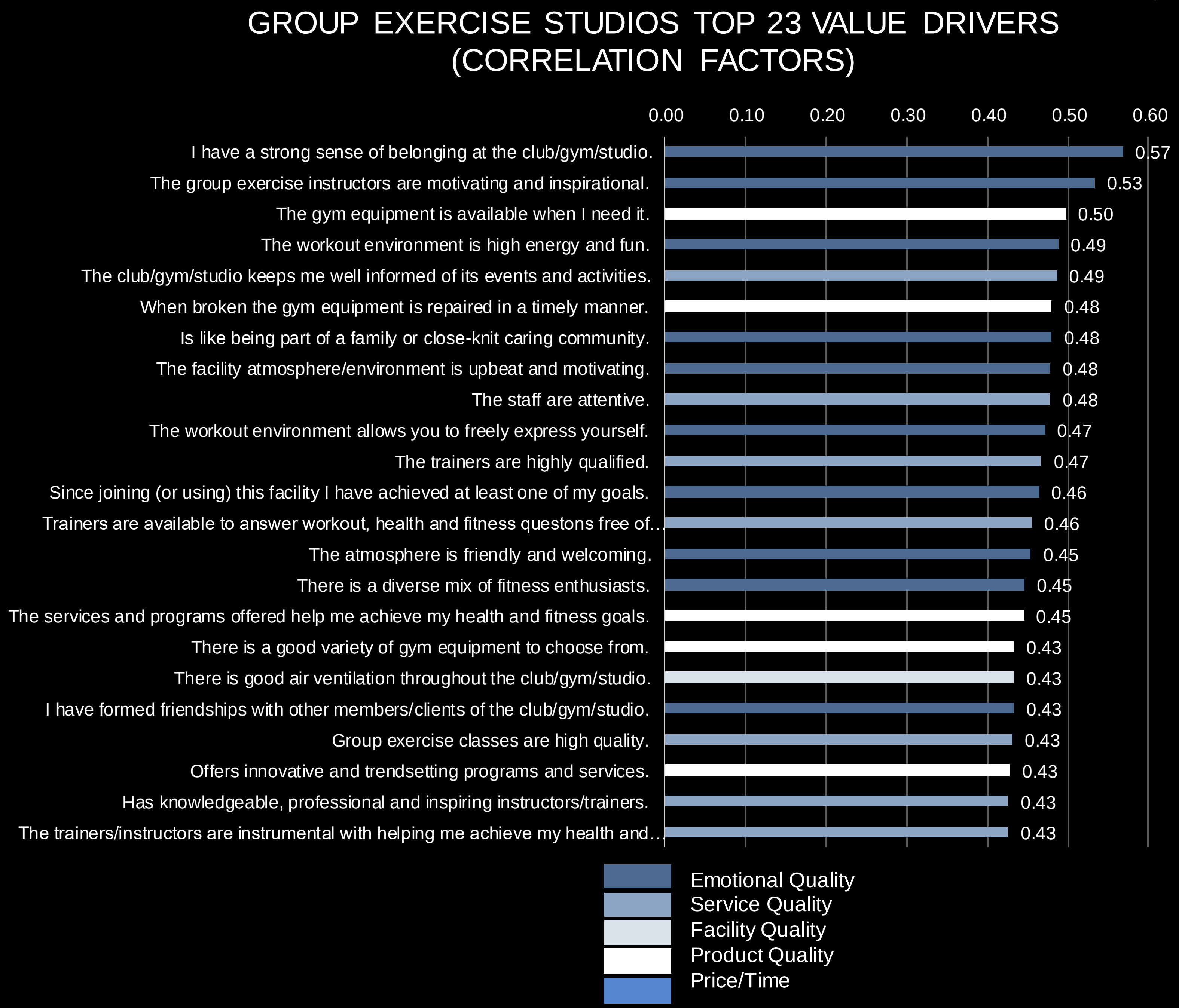
Group Exercise Value Drivers

Group Exercise Studios drive value heavily by:

- Members having a strong sense of belonging
- Instructors who are motivational/inspirational
- The environment should be high energy and fun
- Ensure equipment is available when needed

Service elements of high importance to driving value include:

- Communications to keep members informed of events at the studio
- Attentive staff
- Highly qualified trainers
- Trainers are available to answer questions



Part III

Price Sensitivity

With an understanding of both the Active Consumer and what they value, we sought to dive into preferred price points in our survey and our portfolio data.

Price Sensitivity Meter

The Price Sensitivity Meter (PSM) is a market technique for determining consumer price preferences. It was introduced in 1976 by Dutch economist Peter van Westendorp. The traditional PSM approach asks four price-related questions, which are then evaluated as a series of four cumulative distributions, one distribution for each question. The standard question formats can vary, but generally take the following form:

- At what price would you consider the product to be so expensive that you would not consider buying it? (Too expensive)
- At what price would you consider the product to be priced so low that you would feel the quality couldn’t be very good? (Too cheap)
- At what price would you consider the product starting to get expensive, so that it is not out of the question, but you would have to give some thought to buying it? (Expensive/High Side)
- At what price would you consider the product to be a bargain—a great buy for the money? (Cheap/Good Value)

The intersection of the "too cheap" and "too expensive" lines represents an "optimal price point". This is the point at which an equal number of respondents describe the price as exceeding either their upper or lower limits. Optimal in this sense refers to the fact that there is an equal tradeoff in extreme sensitivities to the price at both ends of the price spectrum.

46%

of those surveyed would absolutely not give up their club or studio membership if the economic situation were to worsen. That's more than take out and leisure travel.

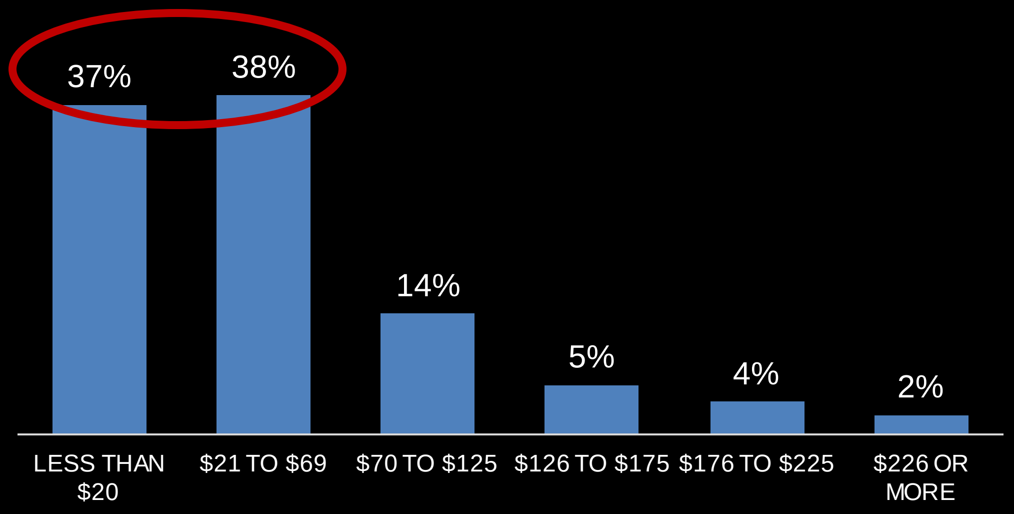
Spending Habits

Health Club/Gym/Studio Memberships topped the list as the #1 item they would not give up with 46% of the mentions! This is significantly higher than restaurants/takeout (37%) and leisure travel (34%), both of which are high priorities for consumers.

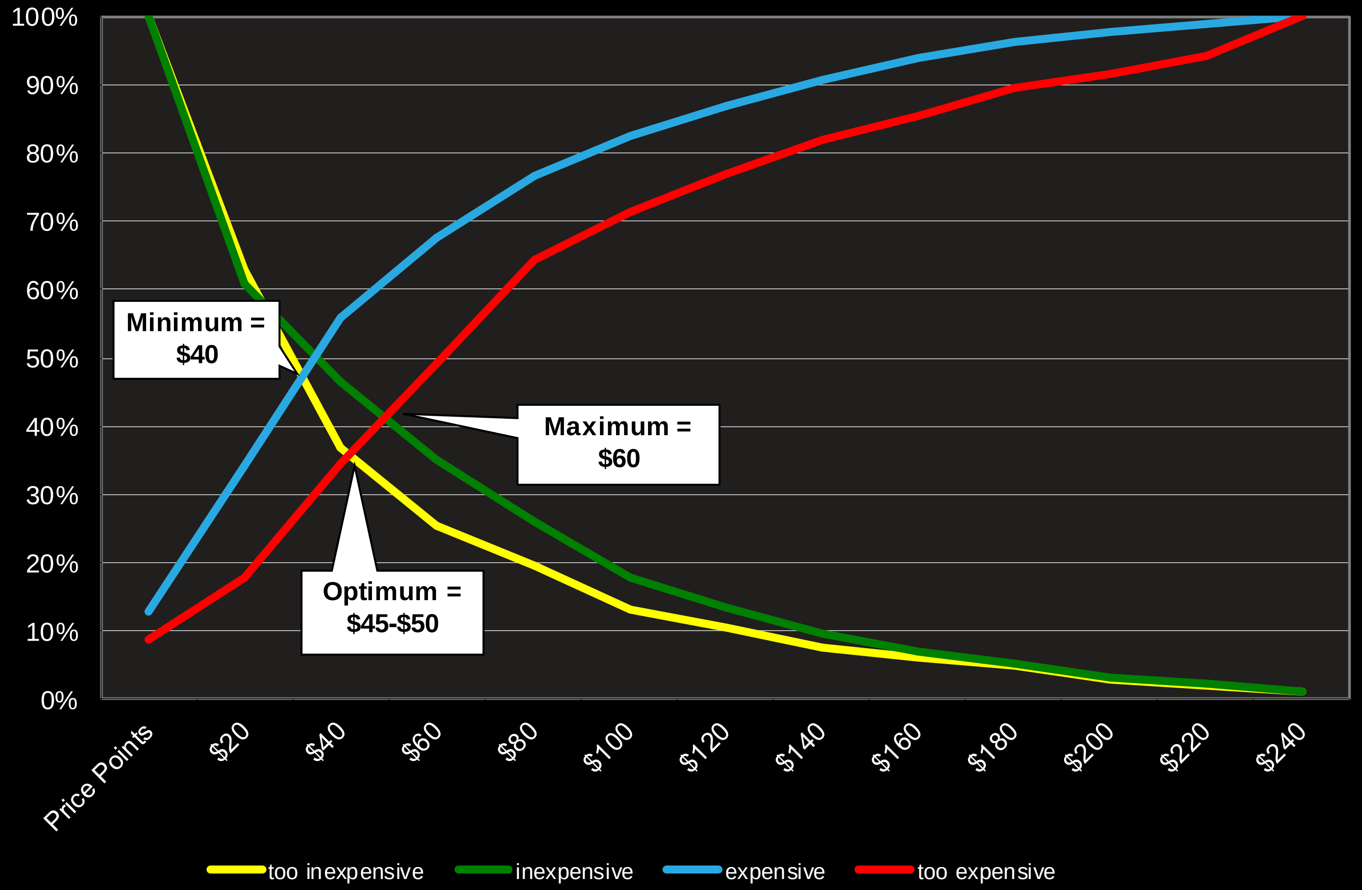
IF ECONOMIC SITUATION WORSENS, WHICH WOULD YOU ABSOLUTELY NOT GIVE UP?

Price Sensitivity for Traditional Clubs

TRADITIONAL HEALTH CLUBS MONTHLY DUES

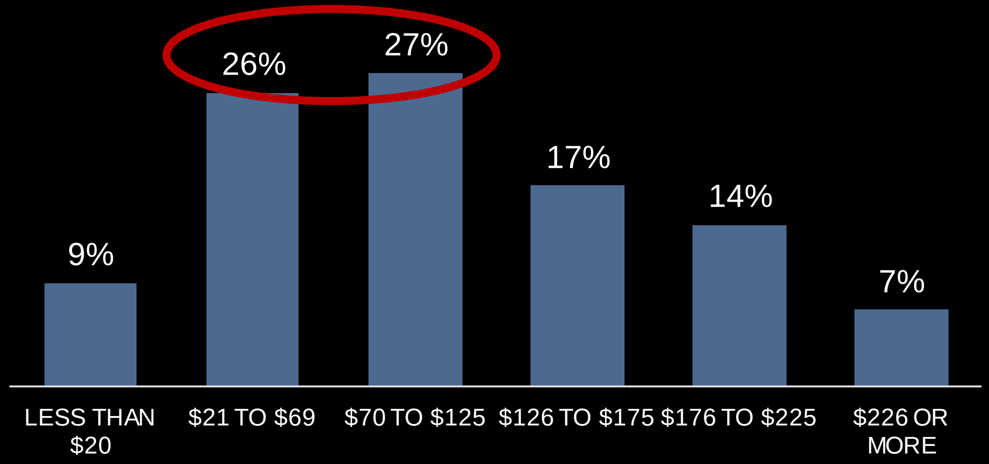


PRICE SENSITIVITY METER HEALTH CLUB OR BIG-BOX GYM MONTHLY DUES (AMONG MEMBERS)

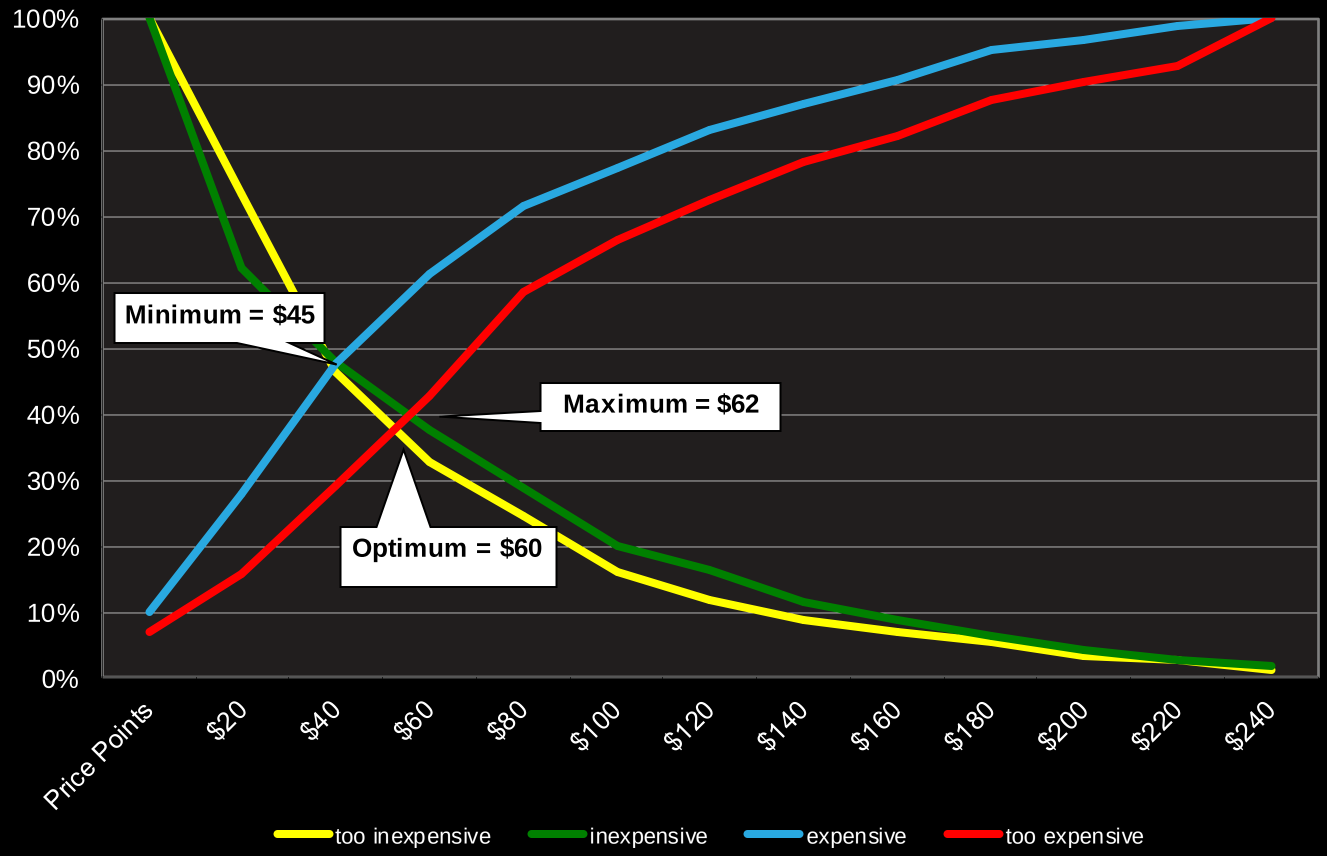


Price Sensitivity for Studio

GROUP EXERCISE STUDIOS MONTHLY DUES



PRICE SENSITIVITY METER
MONTHLY DUES FOR FITNESS STUDIOS THAT OFFERS CLASSES SUCH AS YOGA, SPIN, PILATES, BARRE, ETC. (AMONG CURRENT MEMBERS)

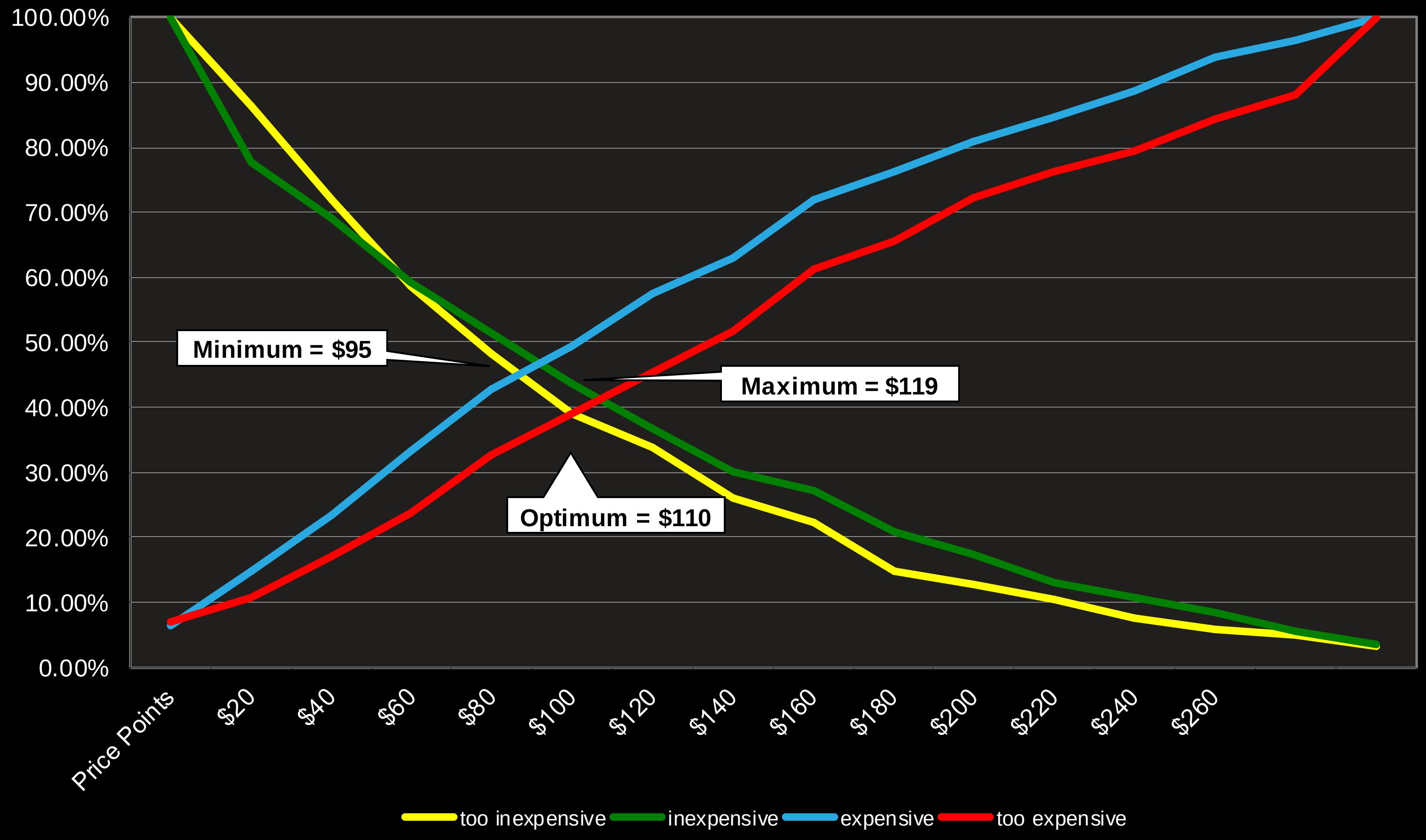


Price Sensitivity for Ad-Hoc Services

Nearly 30% of members/users claim to purchase additional services at their club or studio. The services can range from personal training, recovery therapies, fee-based group exercise classes and the like.

Among those who purchase ad-hoc services, there appears to be an appetite to spend between $95 and $119 on fees. Keep in mind, the fees are service dependent and does not suggest a group exercise class is equivalent in fee as personal training or recovery therapy.

PRICE SENSITIVITY METER
FEES FOR AD-HOC SERVICES SUCH AS PERSONAL TRAINING, RECOVERY THERAPIES, FEE-BASED GX
(AMONG THOSE WHO CURRENTLY PURCHASE SERVICES)

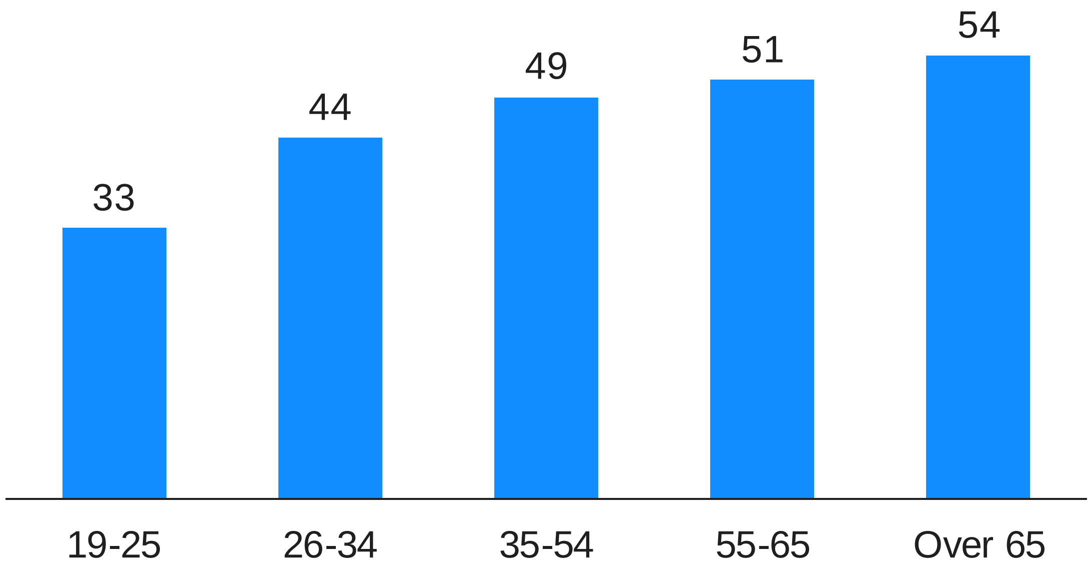


ABC Fitness Portfolio Data: 10M North American Members at 2,000 Locations

UTILIZATION IN CLUB

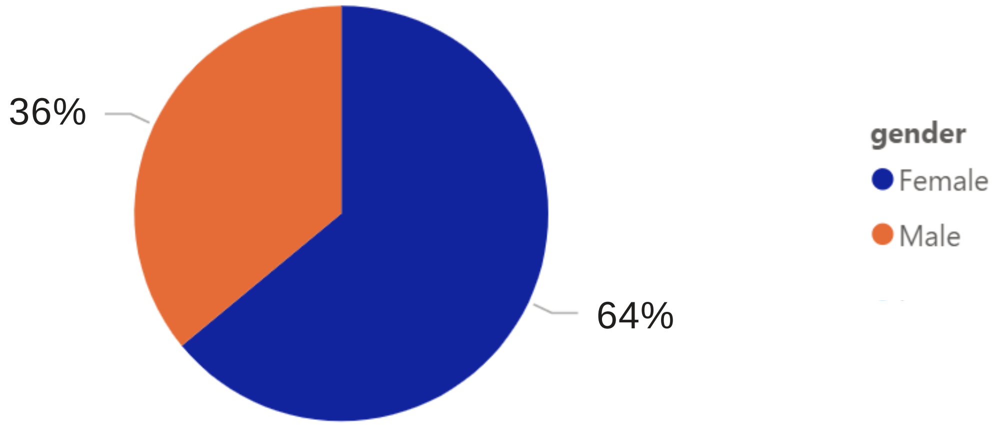
OLDER MEMBERS TAKE MORE CLASSES AND EVENTS

Event Participation by Age Last 3 Years



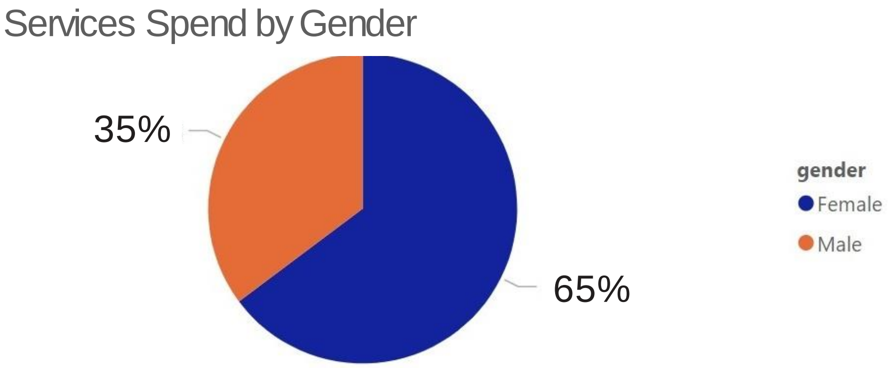
FEMALES TAKE MORE CLASSES AND EVENTS THAN MALES

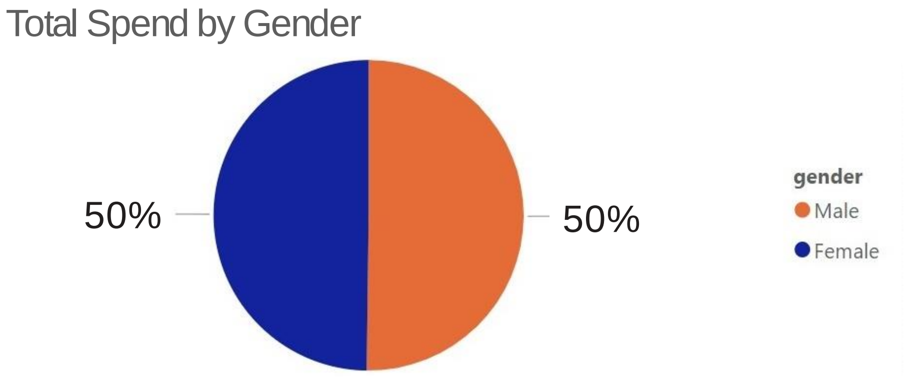
Event Participation by Gender Last 3 Years



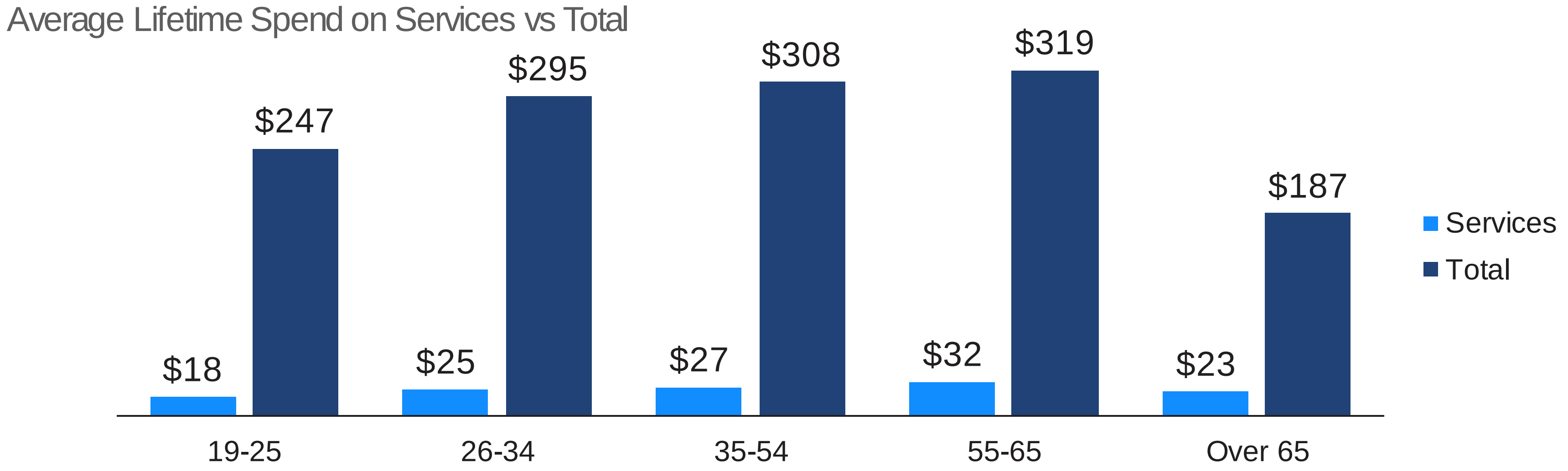
ABC Fitness Portfolio Data: 10M North American Members at 2,000 Locations

LIFETIME VALUE





FEMALES SPEND MUCH MORE THAN MALES ON SERVICES IN CLUB WHICH MAKES LIFETIME VALUE HIGHER OVERALL
35-65 ARE SPENDING MORE ON SERVICES AND WORTH MORE THAN 65+ OR 19-25 CATEGORIES

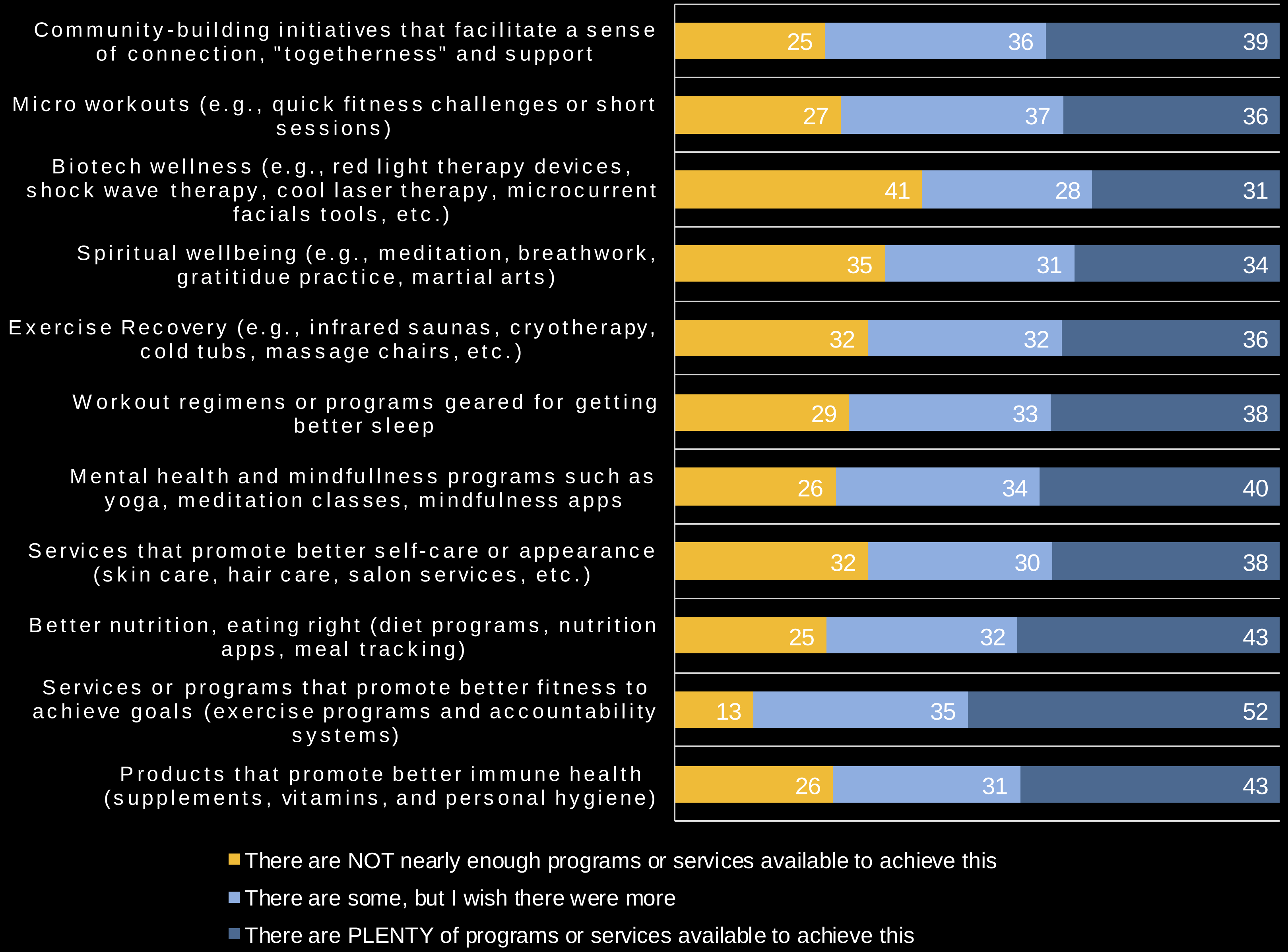


Gym/Studio Product & Services

Hot trends within the fitness industry are prevalent within some markets and not at all in others. To assist with enhancing value, we posed a series of trends to Members/Users to get a read on availability and priority.

Opportunity can be found by looking at the number to the left where there is marked demand.

GYM/STUDIO PRODUCT AND SERVICE OFFERINGS



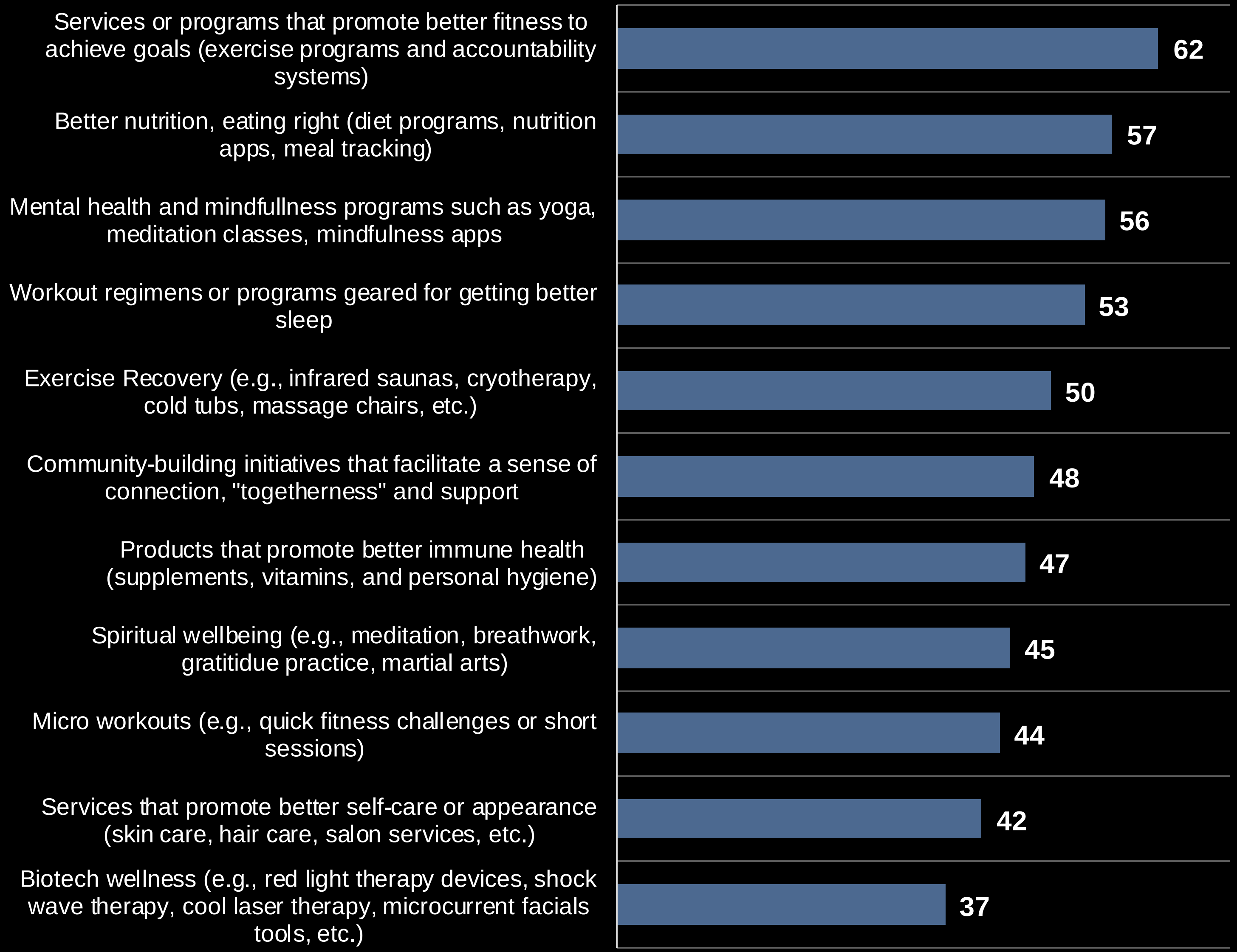
Product & Services Priorities

Now that we've found where the opportunities are, we wanted to find out what products/services were in demand.

What did the Active Consumer want?

They want to meet their goals.

PRIORITY TO PLACE ON PROVIDING PRODUCTS/SERVICES (% OF VERY HIGH/HIGH PRIORITY)



KEY TAKEAWAYS

IT'S TIME TO GET THEM
SWEATISFIED

4 NEW FITNESS PERSONAS
ARE HERE TO STAY

CREATE VALUE THROUGH A
BALANCED APPROACH
TO FACILITY, PRODUCT, SERVICES, AND EMOTIONS, NOT JUST LOWER PRICE

MORE PEOPLE ARE PLACING
VALUE IN THEIR GYM MEMBERSHIP AND USAGE
ABOVE TAKE OUT DELIVERY AND TRAVEL. THE TIME TO ATTRACT AND RETAIN YOUR MEMBERS IS NOW.

46% of those surveyed would absolutely NOT give up their club or studio membership if the economic situation were to worsen.

Conclusion

In conclusion, recession-proofing your fitness business is possible by focusing on providing exceptional value to your members. This value is what we called being "sweatisfied".

By understanding the needs and wants of your target audience, you can tailor your services to meet their specific requirements and create a community that is dedicated to achieving their fitness goals.

ABC Fitness (ABC) is the market-leading software and services provider for fitness businesses globally. Building upon a legacy of excellence, ABC enables fitness operators of all sizes, anywhere in the world, to transform their vision of fitness into reality. Whether a boutique studio, international franchise, regional club chain, local gym, or personal trainer, ABC provides the industry insights, technology, and innovation to partner for growth long term. Founded in 1981, ABC helps over 35 million members around the world and processes over $8.8B+ in payments annually for 24,000 clubs in over 92 countries.

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About ClubIntel

Insight Inspiration Impact

At ClubIntel, we deploy traditional marketing research methods to uncover not only what your clients and members want, but also to understand why they want it. In unlocking your clients' motivations, we can provide the uncommon insights that drive differentiated marketing communications, sales processes, and operational programming. The most successful, most profitable clubs understand their customer and turn that knowledge into a personal connection. Our data makes that happen.

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