

MARCH 2022



Photo courtesy of Hydrow

The State of Fitness 2022 INSIDER'S OUTLOOK



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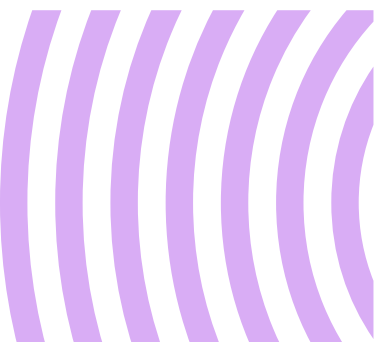


TRAINERIZE



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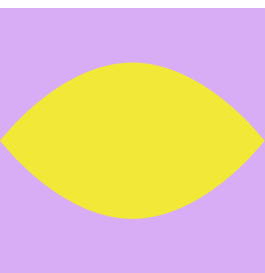




Athletech informs and inspires those who are out to disrupt the future of fitness. Our vision is to bring together innovators and disruptors within fitness and wellness through content and collaboration to drive accelerated growth within the industry. We provide comprehensive media coverage of the most impactful news and trends shaping the fitness and wellness sector.

Our newsletter and website cover topics such as emerging fitness technology, brick-and-mortar gyms, wellness trends, new fitness formats and the industry's economic outlook. Our writers spark ideas and shape agendas for fitness executives in a highly evolving and fast moving sector. We set out each day to inform these leaders with proprietary content and analysis that will help them make better informed business decisions.

<https://athletechnews.com/>



Founder's Letter

Dear Readers,

Athletech News was created with a simple purpose: to bring the most important fitness and wellness content together in one place so that industry experts like you would have a single source for the news and information impacting your business. It was only fitting that we started Athletech just as the fitness industry was being turned on its head by COVID-19.

What a ride it has been! Athletech has had its ups and downs, its wins and its setbacks. But we have persevered. Like someone trying to achieve fitness goals, we have tested our abilities, pushed ourselves to the limit, and looked to peers and experts for guidance along the way. We have built a team of experts in the space to monitor everything that is happening and to break it down for you.

Now, almost two years later, our goals have only become more ambitious. We want to be a place for innovators to tell their stories and thought leaders to debate future trends. When news breaks, we will have it, and when the industry needs a microphone, we will step in to be your voice.

While 2022 still has many unanswered questions (Where we will work? What will be the lasting effects of COVID-19? What will business look like?), we are firm in our belief that the fitness industry will grow, evolve and flourish. Like an elite athlete, the industry is resilient. We know because we've seen it in action.

As people who set out to create this important platform while maintaining full-time careers, we view fitness and wellness very differently than we did two years ago. Though some things have remained the same (we are loyal Equinox members, and don't plan on giving up those memberships anytime soon), many of the products and services we touch have changed. We bought Pelotons, picked up Pickleball (now the fastest growing sport in America), purchased Theraguns, got Whoops, downloaded Calm, and much more.

Looking ahead to 2022 and beyond, we believe that consumers will define being healthy in a more holistic way. No longer is a 45-minute sweat session at the gym the definition of "being fit." Working out will no longer be a stand-alone activity. Gaming will blur the lines between fitness, entertainment and travel.

We will meditate more, recover differently, invest in stretching, track our sleeping, monitor our breathing and glucose levels, try new nutrient supplements, change our diets, and think about mental health in a new light.

Gyms and fitness studios, which have already reimaged their businesses, will continue to have to balance investments in physical infrastructure with virtual offerings as consumers ebb and flow between the gym floor and the living room.

Social media is a real wild card, which we debate daily. Will it harm us, or can it help us as a society and as an industry? Instagram and TikTok brought us fitness influencers and access to free workouts. They exposed us to new forms of movement, but also caused harm to adolescents and made many individuals feel increasingly isolated.

Employers will have to think strategically about fitness and wellness. No longer is a discounted gym membership satisfying the quota of health benefits. Companies will be expected to foot the bill for additional resources, from absorbing healthcare costs to providing on-demand mental health coaching. Once-valued fringe benefits such as access to free workout classes or on-site masseuses will now be an expectation, not a luxury.

The old definitions of "well" and "fit" are being revised as we work to become a more accepting society by eliminating body shaming and stigmas around mental illness.

As you will read in the pages to follow, our first-ever report on what the Athletech team feels are the most important issues and trends in our business, we believe there is much opportunity ahead for this dynamic industry, and we are excited to be on the journey with you.

We used to think tracking our steps was innovative. What will be next?

In good health,

The Athletech Team

INDUSTRY STATS & FACTS

72%

of fitness club owners created and started offering an on-demand or live streaming service, an increase of 25% from 2019 [2021]

<https://runrepeat.com/online-fitness-statistics>

In 2021, the global online fitness industry was worth



\$10.71 billion

<https://runrepeat.com/online-fitness-statistics>

The global fitness industry is worth

\$96.7 billion

(HRSA; Wellness Creative Co.)

75%



of those who use virtual fitness also go to in-person classes

<https://runrepeat.com/online-fitness-statistics>

The global mental health apps market size is expected to reach

\$17.5 billion by 2030

<https://www.prnewswire.com/news-releases/mental-health-apps-market-size-worth-17-5-billion-by-2030-grand-view-research-inc-301476302.html>

The five most popular workouts [2021] are

<https://classpass.com/blog/fitness-beauty-trends-2022/>

Strength Training

Yoga

Spin Class

Pilates

Barre Class

93%

of people feel music makes or breaks a workout

<https://blog.feed.fm/new-data-pointing-toward-hybrid-model-of-fitness>

62%

of fitness enthusiasts say that they are more loyal to their fitness instructor than to the gym or studio where they work out

<https://www.mindbodyonline.com/sites/default/files/public/education/learning-assets/2021-11-B2B-StateofEnterprise-FitnessIndustry-Report.pdf>



Music is an integral component of exercise. Syncing music in time with a runner's pace increased muscular endurance by



15%

and reduced perceived effort by

12%

<https://info.feed.fm/hubfs/feed-fm-music-curation-fitness.pdf>

A little more than

10%

of the American general population have also set up home gyms or have accessed fitness resources online during the pandemic. Of the online exercisers,

70%

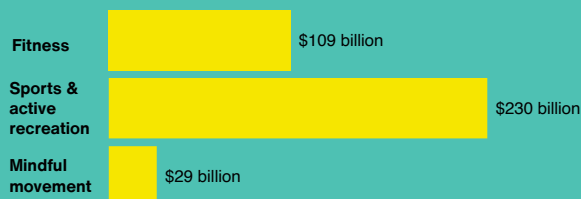
intend to maintain or increase their use of online fitness even after the pandemic abates.

<https://www.mckinsey.com/business-functions/marketing-and-sales/our-insights/survey-us-consumer-sentiment-during-the-coronavirus-crisis>

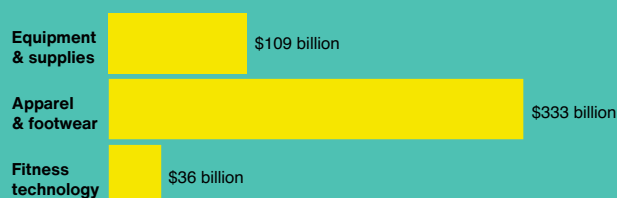
According to data from McKinsey & Co., the physical recreation and enabling fitness sectors are both

\$300 billion-plus in market size

Recreational activities:



Fitness enabling sectors:



<https://frontofficesports.com/insights/fitness-technology-the-new-wave-of-exercise-behaviors/>



Diversifying is on everyone's mind. More revenue streams offer more possible paths to stability and growth, and

88%

of fitness businesses have already added something besides fitness classes or training sessions to their slate of services.

<https://www.mindbodyonline.com/sites/default/files/public/education/learning-assets/2021-11-B2B-StateofEnterprise-FitnessIndustry-Report.pdf>

In 2021, Planet Fitness was the most popular health and fitness app in the United States, generating

15 million downloads

The mental wellness and meditation app Calm saw

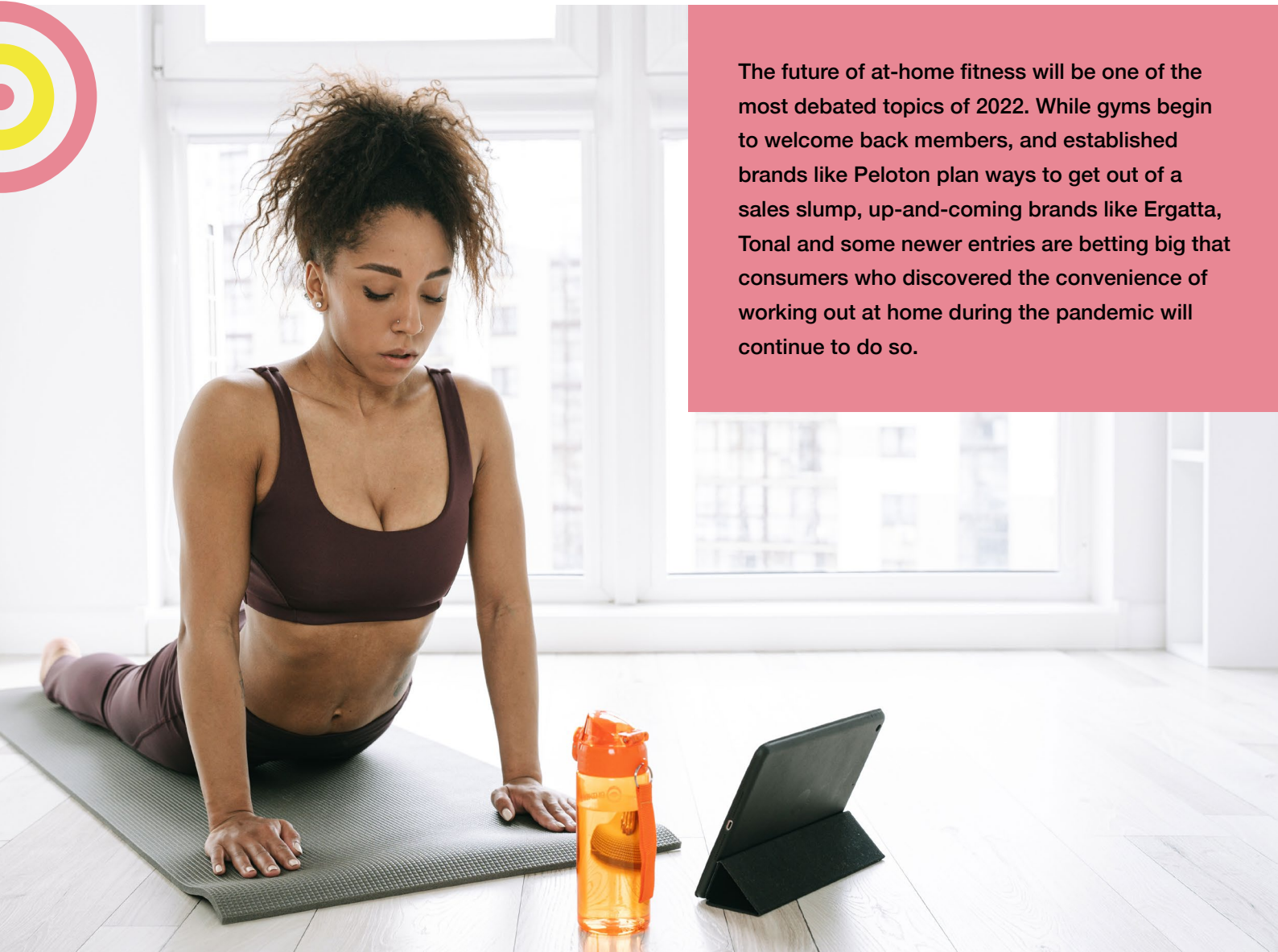
11 million downloads

in the country during 2021, ranking second as the most downloaded health app. Sport and activity tracking MyFitnessPal ranked third, amassing approximately eight million downloads in 2021

<https://www.statista.com/statistics/1284844/us-top-health-and-fitness-apps-by-downloads/#:~:text=In%202021%2C%20Planet%20Fitness%20was,the%20most%20downloaded%20health%20app..>

What's Ahead for At-Home Fitness?

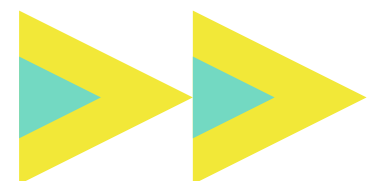
by Candace Cordelia Smith



The future of at-home fitness will be one of the most debated topics of 2022. While gyms begin to welcome back members, and established brands like Peloton plan ways to get out of a sales slump, up-and-coming brands like Ergatta, Tonal and some newer entries are betting big that consumers who discovered the convenience of working out at home during the pandemic will continue to do so.

The devastation to gyms caused by the arrival of COVID-19 in early 2020 continued well into 2021 as huge numbers of former gym regulars continued to enjoy the benefits of fitness apps and equip home gyms to complement their changed schedules and lives. To what extent this trend will continue remains one of the most debated topics in the fitness industry this year.

The nimble fitness tech industry pivoted early in the pandemic to provide easy and efficient at-home workout products and services to a captive audience desperate for something to take the place of their gyms and studios. Consumers who never worked out at home or used tech fitness products took huge steps outside their comfort zone.



While many people engaged with live-streamed and pre-recorded virtual fitness classes supplied by their regular gyms, a survey done by Mindbody found that 40% of people who participated in virtual workout offerings while sheltering at home purchased the service from businesses they'd never frequented in person, shaking consumers loose from old habits and values and causing them to embrace innovation and technology in a way they'd never experienced before.

Speeding to the top of the hill was Peloton, the subscriber-based fitness company most known for its \$2,000 bikes and \$4,000 treadmills. The 10-year-old company went public a few months before the pandemic hit, and demand for its machines surged, as did subscription sales of virtual classes ranging from spinning to strength training and yoga. Sales doubled in 2020, and the company's market capitalization hit \$50 billion. In the fiscal year ending June 30, 2021, revenue doubled again, to \$4 billion, putting tremendous pressure on a supply chain that couldn't really handle the demand, and the company's net loss in the year was \$189 million, compared to a \$72 million loss in the prior year.

Other tech players benefitted from the pandemic lockdown as well.

At-home fitness startup Tonal, which calls itself the "world's smartest home gym and personal trainer" raised \$250 million in funding from investors including celebrated athletes Maria Sharapova, Mike Tyson, LeBron James, Drew Brees and Stephen Curry.

According to Tonal CEO Aly Orady: "People want smarter, more connected ways to work out... we will continue to demonstrate how intelligent fitness will fundamentally change the way people train and maintain their health." Even with a price tag of \$3,000 (excluding its monthly subscription), Tonal reportedly enjoyed early and steady sales growth, earning unicorn status in the early part of 2021 with a \$1.6 billion valuation. Orady said Tonal was created "to replace every machine in the gym," and aims to take the company public when it's "best for the business."

At-home rowing became extremely popular during the pandemic, with Ergatta and Hydrow at the head of the pack. Ergatta turned the \$5 million it raised in a seed funding round in its first year of business to a valuation of \$200 million a year later. CEO Tom Aulet believes widespread interest in the company's "addictive" product, priced at \$2,495, comes from the gamification of the workouts that offer a competitive aspect absent in instructor-led exercises. "Connected fitness was already growing quickly, then Covid really accelerated adoption tailwinds," Aulet told Bloomberg. Among one of Ergatta's earliest disciples is former NFL quarterback and activist Colin Kaepernick. Kaepernick joined the company as an advisor and investor at its inception and also became its face for a national campaign in 2021. After winning "The Best Rower" award by Men's Health in 2021, Ergatta's future looks bright so far.

Rower Hydrow also gained ground thanks to some well-known investors from the entertainment world. Lizzo and Justin Timberlake joined Kevin Hart, who also serves as Creative Director, to support the brand. By September 2021, nearly \$200 million of funding capital had been raised, and rumors of the company going public made headlines. However, like Tonal, it appears Hydrow is taking its time before taking the big IPO step, and instead plans to use some of its investment capital to expand content to users and to grow overseas, away from the scrutiny of Wall Street.

Mirror, acquired by Lululemon for \$500 million in 2020, is a high-tech connected video screen with a camera for interactive streaming. In its first year as part of the apparel giant, sales of the device (whose price tag ranges from \$1,500 to \$2,000, depending on the accessories package, with an extra monthly subscription fee), topped \$170 million.

Tempo has taken a slightly different route to success, offering both premium and affordable at-home fitness options. The company quickly became a frontrunner in the at-home strength training space in 2021 after raising \$220 million. Described as the first all-in-one home gym to use "advanced 3D sensors and AI"

for personal training purposes, the Tempo Studio starter package comes at a price of \$2,495, but a lower-priced Tempo Move smart home gym carries a \$395 price tag, giving fitness enthusiasts with more modest means and less space a lower price point and a more compact size in product.

Most industry watchers feel that at-home, virtual and on-demand fitness are here to stay, with the most likely future scenario being a hybrid situation, with home and virtual workouts not replacing, but enhancing, the gym experience. Although some of the large budget chains like Planet Fitness have reported a return to pre-pandemic membership levels, some high-end gyms, like Equinox, say the rebound has been slower, possibly because their members loaded up on premium-priced home gym equipment.

And of course, like employees who plan to work from home permanently, some consumers who prefer the convenience of or need the flexibility of at-home workouts probably won't go back to the gym.

What is happening to the pandemic high-flyers? In addition to its supply chain issues, which have hamstrung sales growth of equipment, Peloton is struggling from missteps that have led to lawsuits, product recalls, and backlash from an appearance on a high-profile HBO Max film that ended up being a public relations nightmare. Most recently, the company closed two production facilities, and laid off 200 employees as it sits with warehouses full of unsold bikes. In the most recent fiscal quarter ended December 31, equipment sales fell by 8.5%, and net profit swung from \$63.3 million in the year-ago period to a loss of \$436.3 million.

Despite all of this, Peloton still managed to secure enviable collaboration deals with Taylor Swift, Beyoncé, and Spotify. It has also introduced Peloton Guide, an AI-enabled connected strength training system that connects to a TV. Will these initiatives help Peloton on what promises to be an uphill climb back to its former position? Or, as The New York Times's Steven Kurutz wrote, will Peloton will go the way of


NordicTrack as just another once-trendy fitness brand turned "glorified clothing rack"?

Tonal, Hydrow, and Ergatta will have much to prove in 2022 and beyond. Although competition from upstarts is ramping up, these companies have a proven track record, solid following, and unique offerings. But since they're privately held, how they've fared in the receding months of the pandemic is not clear, since none of them seem to be seriously moving toward a public stock offering.

MIRROR has failed to achieve the sales growth hoped for by its management, with sales declining in the most recent fiscal period, while overall lululemon revenue increased 30 percent to \$1.5 billion, evidence of how hard it is to win in this competitive arena. Although reportedly representing less than 3% of Lululemon sales, MIRROR is still an important growth vehicle for the apparel company. CEO Calvin McDonald told analysts during lululemon's third quarter 2021 earnings call: "We want everybody sweating on a Mirror to be in lululemon and we want everybody sweating with lululemon to be engaging and using a Mirror... our core business is our priority and will always remain our priority and Mirror is a way in which we drive that business forward."

Many industry watchers feel that the technological innovation that powered the at-home workout trend through the pandemic will continue to drive healthy growth in the fitness industry. In its recent Global Fitness Trends report, research site RunRepeat predicts that the world fitness industry will enjoy a CAGR of more than 14% over the next six years. The fitness tracker, app and digital fitness segments will grow their combined share of the market from 22% in 2019 to 49% in 2028. The gym industry, by contrast, will drop from its pre-pandemic 60% share to 30%, according to the research.

New products using AI, VR, AR, and biometric data collection advancement and other technologies may inspire consumers to continue to invest in their home gyms.



RowerUp brings a robot coach to its rowing machine using AI-powered technology to analyze user movements via webcam and give real-time feedback on form and technique. The technology is applicable for other workouts like running and CrossFit, so we can expect to see similar offerings emerge in other workout segments.

Climbing, which, like rowing, provides a low-impact cardio workout that engages the full body, is making a comeback with CLMBR, a system that allows at-home climbing with a machine that is more compact than other cardio equipment.

New offerings from VAFit, Les Mills and Freeletics use VR headsets to provide an immersive or gaming workout experience.

Those concerned about staying safe at the gym may want to invest in the Airvida E1, an air purifier with built-in noise-canceling earphones. The device contains a portable air purifier built on ible's Breathing Pathway Eco Ion Technology, and promises a 99.7 coronavirus removal rate.

The winners in post-pandemic fitness will help people achieve hybrid routines that include trips to the gym *and* workouts in the convenience of one's home.

Tonal CEO Orady feels that gyms, studios and other training facilities will have to adapt to shifting mindsets and trends and keep realistic about their services and brand identities: "The idea that you have to go to the gym every single day of the week creates too much friction. A better approach would be to create strategic touchpoints with the customer where they need to physically be there. And then offer other pieces in the home on their own."

The COVID-19 pandemic has irrevocably changed not only the way people work out, but also how they approach fitness and wellness. As the world inches closer to a new normal, suppliers of products and services for on-demand fitness can expect continued growth opportunity and a future full of possibilities, powered by both a new appreciation for wellness and a heightened comfort level with emerging technologies.





Fine tune your fitness app.

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Making music easy for the world's leading fitness brands

How Gyms and Studios Benefit from a Hybrid Fitness Model

by Candace Cordelia Smith

How have gyms and fitness boutiques found success in hybrid fitness? Fitness leaders from Rumble Boxing, SoulCycle, Les Mills, 305 Fitness, and Physique 57 give their thoughts on the current landscape.



As the world navigates the beginning of post-pandemic life, the fitness industry is at an especially pivotal juncture. Gyms and fitness studios have had to address a myriad of business concerns, not the least of which is the challenge of providing new and different options for their members.

Before the onset of the COVID-19 pandemic, gym goers could just head over to Barry's or Planet

Fitness to take classes or get through their own workout regimen.

Now, people can work out in the comfort of their own home or built-in home gym with on-demand offerings from a variety of fitness brands. With that in mind, the convenience of being able to work out at home has helped favored clients. But how has it benefited gyms and fitness brands overall?



The minds behind Rumble Boxing used the pandemic as an opportunity to expand on the Rumble TV platform to build a TV studio in New York City. The boutique boxing chain, which was founded in 2017 and acquired last year by Xponential Fitness (XPOF, owner of Club Pilates and several other fitness brands), began to create content for Rumble TV and other Xponential brands. Rumble was also able to quickly reopen all of its gyms, transition to a franchise model, and open two additional locations in Alaska and Las Vegas. It appears that the pandemic did not throw the popular fitness brand off course, but rather helped it adapt and grow in new directions.

Rumble used its two-week closure in March 2020 to cater to its massive Instagram audience by offering daily free workouts. “As time went on, we monetized and enhanced the experience by utilizing Zoom,” Vice President of Talent & Programming of Rumble Boxing Andy Stern told Athletech News. “This interim iteration of Rumble TV gave us the opportunity to create more of that class-community feel by having clients book their favorite trainers and hold them accountable by signing up for a specific time slot. It also allowed us to replicate our signature class experience better by creating a split-screen experience to show the exercises/punches similar to our projectors, and of course play the custom Rumble music that clients know and love.”

Rumble Boxing co-founder Noah Neiman expounded on just how attentive the company was to its customers during the pandemic. He says, “When our studios were forced to reduce capacity or close, we instantly turned to digital outlets to keep our customers engaged!” In addition to the launch of an Instagram Live series which attracted “hundreds of thousands” of views, daily Zoom, live, and at-home/on-demand streaming classes were offered as well. With all of the options given to Rumble enthusiasts, attendance in the facilities rose and fell based on regulations and new coronavirus developments. Although Rumble is, in Neiman’s opinion, “ideally a LIVE experience,” Rumble customers have been “incredibly supportive and excited” by Rumble’s digital classes.

For SoulCycle, the once high-flying and über-exclusive cult spinning brand, credited by many for putting elite boutique fitness on the map, the COVID-19 lockdown forced the indoor cycling and spinning fitness company to accelerate the production of its own at-home platform that was in development prior to the pandemic, and further encouraged its At-Home SoulCycle Bike launch in June of 2020.

SoulCycle’s move to outdoor operations also became a success during the pandemic, according to VP of Marketing Roisin Branch: “When we pivoted outdoors, the experience had to evolve — how would we create the intimacy of the experience [dark, candle-lit room] in the bright sunshine with headphones on? Our outdoor activations — of which we had nearly 30 at the height of the pandemic — were an incredible success and an amazing way to keep our community connected at a time when they needed us — and each other — more than ever.”

Now, with riders heading back to their respective SoulCycle outposts, Branch and the rest of his team will continue to put their riders first, as they have always done, providing them with the best possible SoulCycle experience, whether in-studio, outdoor or at home: “If they want us inside, outside, at home, we’re there for them. We have found that riders love our live classes from the studio, which brings them closer to the energy and vibe of the original SoulCycle experience from the comfort of their home. Because of this we are expanding our live to on-demand offering on the at-home bike.”

Les Mills US CEO Sean Turner told Athletech News there are simply no disadvantages to offering hybrid workout options: “It’s one of those rare win-win situations where you get the best of both worlds with no downside. Combining thrilling live workouts in the club with high-class digital options to provide a truly omni-channel offering can give operators the edge over digital-only rivals. And by taking that authentic club experience into homes,

operators can reach more people and turbocharge their membership numbers.”

Physique 57 founder and CEO Jennifer Maanavi is on board with the new hybrid fitness normal. Physique 57 currently offers three digital products, including its On Demand platform of over 400 videos, in tandem with in-studio classes. Maanavi admits, however, that in order to give her customers what they desire, she’s had a few challenges (technology know-how, troubleshooting, staying abreast of the landscape) to overcome along the way.

“We didn’t have to rely on tech experts pre-pandemic,” Maanavi begins. “Now digital operations are a key role in the industry. Whereas studio emergencies used to be broken ACs or plumbing issues, now tech problems are the new unforeseen issues we have to rally around.” Maanavi believes brick and mortar gyms and fitness studios will thrive again, but hybrid fitness is here to stay: “We may have already seen the surge and we have settled into a new normal.”

305 Fitness founder Sadie Kurzban is more cautious to predict a glowing future for hybrid fitness: “I don’t know what will happen and anyone who says they know is lying! This is a really hard time to see through and especially when it comes to something as personal (and as universally hated) as working out and healthy living, it’s really hard to know what people will do.” Kurzban advises fitness brands seeking the best ROI for their hybrid fitness investments to “find synergies in what you are already doing, but be willing to adapt slightly to fit the model.” The 305 Fitness originator says for fitness brands, several roadblocks — the challenges to do multiple things well as a business and scaling the virtual space — could very well be of concern. For the consumer, lapses in accountability, missing community and an overwhelm of options appear to be the most unsettling affairs.

Though it’s clearly important to consider potential operational and financial complications, many businesses are rethinking approaches to successfully adjusting to the now-popular terrain of hybrid fitness.

According to Branch of SoulCycle, fitness brands seeking to use the rising adoption of hybrid fitness to their ROI advantage must understand their strength as a brand and “where the center of gravity is.” He adds, “For SoulCycle, it’s always been the in-studio experience, riding side by side with our incredible community but, as people’s habits change and our riders look for more hybrid fitness options, we want them to be able to ride with us on their terms, wherever they are. During the pandemic, at-home played a very important role and as people return to studios, we need to continue to evolve and optimize the experience across both channels.”

Rumble’s Stern maps out a helpful guide as to how gyms and fitness boutiques could get a better handle on hybrid fitness investment for a consistently high ROI.

First, he advises, start with the basics: “Similar to how we started with Instagram and Zoom, there is a huge learning curve in operating a digital space vs. a 4-wall. Before going all-in, take the time to test different platforms and research the various options available.”

Next, lean into your strengths: “While expanding your class programming and offerings is important to add value and compete with the others, lean into what the clients know and love you for. [For example], diners aren’t for everybody. A lot of customers prefer going to a specific restaurant for a specific genre of food.”

And finally, Stern says, collaboration is key: “We always say, if you want to go fast, go alone, if you want to go far, go together. The same concept goes

for entering into this hybrid space. Ultimately we are all competing for the attention of clients. With the marketing getting more and more crowded, aligning yourself with another brand or product can help you grow your audience and add more value to your customers.”

In the fourth quarter of 2021, Xponential Fitness grew its total membership by 49% to 449,000 and studio visits by 54% to 29.7 million; evidence that it wouldn't hurt to heed Stern's business advice.

Physique 57's Maanavi is convinced that the best ROI for hybrid fitness is “to offer [virtual] products that can share costs with the brick and mortar locations,” or claim defeat. “Running digital, virtual and in-person offerings with three different business models is a losing proposition.”

Rumble's Neiman predicts businesses will be “fighting tougher than ever” to create brand experiences outside of the home, but sees this as a positive for all parties involved.

SoulCycle's Branch pictures a future where both in-person human connection in the gym and omnichannel at-home workouts will continue to co-exist, provided the business stays true to its brand ethos: “Are you offering digital versions of the workouts that members love doing in your club? Are you offering better live versions of the workouts featured on your digital channels, so that the users

are enticed to come to the club more for the full experience?”

Inclusively, hybrid fitness is here to stay and the fitness leaders are working tirelessly to accommodate their loyal customers and attract new ones in tandem. There is a learning curve to steer, but through trials and some errors discovered, the future of fitness continues to look healthy.

Even while many foresaw an end for fitness facilities during the COVID-19 pandemic, the opposite happened.

“Research suggests the majority of members are rushing back to their gym, as are lots of new joiners keen to kickstart their fitness journey,” said Les Mills's Turner. “The 2021 Global Fitness Report found gyms worldwide making strong recoveries since reopening, with class occupancy at 120% of pre-COVID levels in markets where capacity restrictions have [been] lifted.”

Turner also noted the rise in digital fitness options, with “85% of gym members also working out at home.” With the expectation of a “continued increase in hybrid fitness,” this will provide an opportunity for brick-and-mortar gyms and fitness studios to gain new members outside of their normal reach, which, according to Turner, “will be key to their long-term growth.”

LES MILLS

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Minimize risk and maximize success in 2022.

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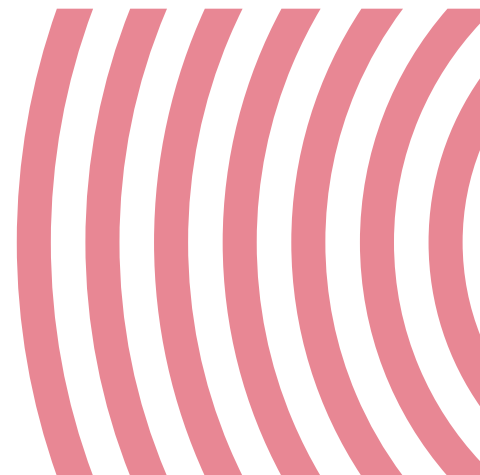
Fitness and Wellness Executives Weigh In

by Rebecca Goldberg

As the fitness and wellness world continues to evolve, ATN asked leading executives their views on the future direction of the industry.

Were their themes consistent? Do they agree on how clubs should invest for the future? Do they share similar views on data and technology investment? Or are their visions of what lies ahead diverging, leading to greater challenges on how to navigate the future of this industry?

See what 10 of the leading voices in the industry had to say about the future of brick-and-mortar gyms and studios, the importance of a skilled staff, and how technology will impact the wellness journey of their clients.





MICHAEL BRANDT
CEO AND CO-FOUNDER,
H.V.M.N.

What are the biggest challenges and opportunities ahead for the fitness industry?

MB: The biggest challenge for the fitness industry is separating what really works from what doesn't. There's a lot of innovation in the space, but also a lot of fear, uncertainty and doubt. The biggest challenge for industry players who are doing meaningful innovation is to stand apart from the noise.

The greatest opportunity for the industry is in improved biosensors. As people have more access to at-home tools, wearables technology, etc. to objectively measure their biomarkers, they're going to make more informed decisions about the food they eat and the activities they do. I was able to train in 2 years to run a 2:42 marathon (6:10/miles) due to my ability to measure a dozen different factors across my workouts and nutritional intake. Whatever people's goals are, the ability to smartly access their personal data will help them get there.

What can the health & wellness industry do to ensure a positive post-pandemic rebound?

MB: Focus on products that drive objectively measurable results for people. For instance, at H.V.M.N. we're seeing double-digit month-over-month

growth in demand for our flagship Ketone-IQ product that helps consumers objectively see a dramatic increase in their blood ketone levels. The health and wellness companies that will have the strongest rebound are those that drive tangible outcomes for customers.

How can companies work together to build a better wellness community?

MB: Collaborative product drops are a fantastic way for companies to work together. Co-branded drops and campaigns help cross-pollinate the sub-communities that exist across brands.

"The health and wellness companies that will have the strongest rebound are those that drive tangible outcomes for customers."

What is the biggest trend you are seeing in your sector/the industry?

MB: The movement toward digital is the most notable trend. More people are doing research, taking classes, buying products, and making health and fitness decisions online.

Should everyone be monitoring their steps, output, strain? Is connected fitness to our benefit or to our demise? And what should the industry do with this data?

MB: The best way for the industry to leverage information better is to enable individuals to leverage their own data better. It's unequivocally to our benefit. Is driving with a speedometer to our benefit or to our demise?

Is the brick-and-mortar gym a thing of the past? And what does the gym/studio of the future look like? Where should gym owners and operators be investing in for 2022?

MB: Gyms will continue to exist as luxe options for those who can afford a premium brick-and-mortar experience. AR (augmented reality) is going to play a big part--the ability to run, ski, bike with an augmented layer of data, gamification, etc. will be a game changer. In terms of investing, better software is always one of the most efficient ways to spend money to increase the bottom line.

What companies or services within the industry will see hypergrowth in 2022? What trends do you expect to see?

MB: Advanced nutrition. We're entering a point of no return where enough people have wearables and can see how their food is affecting their body. Customers will rally towards the nutrition options that are driving the best objective outcomes. In terms of trends, improved biosensors, widespread AR use, and advanced nutrition will evolve. Food will look completely different in 20 years.

Go at it alone? We talk to a lot of trainers and fitness professionals who want to build their own franchises/empires. What advice do you have for these individuals?

MB: Build a following before you build a business. Create a newsletter, YouTube channel, Instagram community, etc. and get a large following before you make the jump to monetize.

Do you think there is a way for fitness influencers, trainers and instructors to see greater financial (or personal) success in 2022?

MB: Find the brands that you like and negotiate aggressive affiliate commissions with them. Given the expense of Facebook ads, and reduction in offline shopping, brands are hungry for proven channels and will pay top dollar for influencers that actually convert.

With the plethora of fitness and wellness options available - at home, streaming, on-demand etc. what are the ways for companies to differentiate themselves in this highly competitive market?

MB: Being online or on-demand is no longer a competitive advantage in and of itself. So many new brands have sprung up in the past few years that the market is saturated. To stand out, you need to have a unique, long-lasting X factor in what your product and community are offering to people.

How do you define wellness?

MB: "If you're so smart, why aren't you happy?" is one of my favorite quotes. At the end of the day, people want to be happy, and wellness is the cornerstone of a happy life. Being in flow across your body and mind as you achieve your goals is a beautiful thing.



CASEY MEANS, MD, CHIEF MEDICAL OFFICER AND CO-FOUNDER. LEVELS HEALTH

How do you define wellness?

CM: Wellness is helping your body achieve optimal function. That means ensuring your body's metabolic systems—literally the way every cell in your body makes and uses energy—are running as smoothly as possible, minimizing damage that can lead to chronic diseases and poor outcomes. Along with regular exercise, good sleep, and managing stress, eating a diet of well-sourced whole foods rich in micronutrients is the best way to give your cells the building blocks they need to function their best.

What is the biggest trend you are seeing in your sector/the industry?

CM: Wearables and biowearables are becoming the norm, not just for athletes and health optimizers. After all, you can't manage what you can't measure, and more and more people want to be in control of their health. Everybody is tracking their health: counting steps through Fitbits or Apple Watches, scoring their sleep through Oura and Whoop and using CGMs (Continuous Glucose Monitors) to see how their diets and lifestyle affect their bodies through Levels. People want to learn more about their bodies and find how to be their best and healthiest self, which can only be done with more personal data.

Where do you see the greatest opportunity for the industry?

CM: Levels believes there is an opportunity to radically change health and wellbeing at scale by empowering individuals with health data. There is great potential in using technology to give people the ability to measure and understand what's happening in their bodies, so that they can make behavior changes that lead to better health.

What can the health & wellness industry do to ensure a positive post-pandemic rebound?

CM: The pandemic has been an acute window on the perils of poor metabolic health. Since early in the pandemic, data overwhelmingly revealed that people with elevated blood sugar had worse outcomes from COVID. Now there's evidence that dysregulated glucose may be one of the causes of long COVID. While no single factor is fully protective against pandemics, we hope governments have seen the vital importance of promoting a healthy diet and lifestyle to give citizens the best chance at faring better as we move forward.

How can companies work together to build a better wellness community?

CM: Levels is committed to helping people improve their health. We know that will take the efforts of many companies. That's why we're committed to sharing how we run our business and being transparent about what we learn.

Because Levels members log their meals in our app, we have the opportunity to use that anonymous aggregated data to build an unprecedented database of real-world glucose responses to foods. That will help everyone, Levels members or not, get some insight into how particular foods affect their health.

Data is everywhere, how can the industry leverage information better?

CM: This is where the role of positive software comes in. Data alone, such as metrics, tell us little about our health or how to improve it. We need tools that help us connect those measurements to behaviors such as diet or exercise to help us understand our health outcomes.

"Being proactive about chronic disease through connected fitness, whether that's by counting steps, logging blood glucose after meals, tracking sleep patterns – can only be to our collective benefit."

Should everyone be monitoring their steps, output, strain? Is connected fitness to our benefit or to our demise?

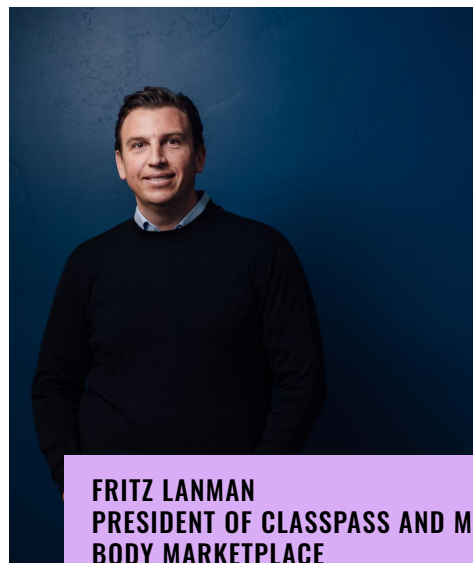
CM: Only 12% of Americans are metabolically healthy. That means 88% of our population has largely preventable metabolic dysfunction, of which 128 million people have largely preventable diabetes and

prediabetes. Metabolic dysfunction is tied to nearly every major chronic disease and symptoms we're seeing today: heart disease, stroke, chronic pain, depression, anxiety, infertility, erectile dysfunction, acne, premature aging, and more.

Levels's mission is to reverse this metabolic health crisis. Being proactive about chronic disease through connected fitness, whether that's by counting steps, logging blood glucose after meals, tracking sleep patterns – can only be to our collective benefit. Nutrition and health are not a one-size-fits-all solution – they must be personalized for each individual. For example, many people have the intention of losing weight and getting healthy. A 2019 report from the International Food Information Council (IFIC) Foundation and the American Heart Association found that 95% of shoppers in the United States say they always or sometimes seek healthy food options, yet U.S. life-expectancy has dropped for 3 consecutive years.

Tools like CGMs, when paired with software like Levels, can inform individuals on their best diets, a step in combating the crisis. After all, a banana can cause a blood glucose spike in one person, but not affect another.

Additionally, increased adoption of tools like Levels will create new consumer pressures on the food and healthcare industries to improve the health impact of their products. It will usher in a new level of radical transparency in food where marketing looks very different, no longer based on convincing consumers of anything, because we have our own tools to evaluate outcomes and impact. It is very possible that soon you will choose foods you have optimized and vetted through the lens of biosensor data.



FRITZ LANMAN
PRESIDENT OF CLASSPASS AND MIND
BODY MARKETPLACE
CLASSPASS

Where do you see the greatest opportunity for the industry?

FL: In-person experiences are back. While people improvised with home gyms and workouts, we have found two-thirds of people say access to equipment is one of the main reasons they are heading back to class. This gives gyms and studios a chance to create personalized experiences you may only find at a studio. It can be hard to fit a Pilates reformer in a studio apartment! Not only do people look forward to using new equipment, but 81% say they push themselves harder in a class than they do working out at home, and 67% of people say in-studio classes make it easier to work out regularly, keeping a routine.

People are also putting greater emphasis on self care. A recent ClassPass survey found that, for the first time ever, massage is one of the top 10 reservation types on ClassPass, and in many cities one-third of ClassPass credits are now spent on wellness and beauty services, giving spas and salons their time to shine.

I also think we will see an increase in corporate wellness programs. While people continue to navigate a hybrid work environment, and with greater emphasis on self care, companies are seeking wellness programs that work for all employees. As employees deal with burnout, companies are encouraging them to take time during the day to step away from their computers to focus on wellness. What that means is different for each one - maybe someone finds a coworker to work out with or perhaps a team that works across states and time zones streams a workout or meditation session together.

What was the biggest success story you saw within the fitness industry this year?

FL: As things began to shut down, we immediately turned our attention to how best to support our fitness partners in keeping their doors open and how we could help our community stay active from home.

Alongside these internal efforts at ClassPass, we joined with Mindbody, Crossfit, Anytime Fitness and several other fitness brands in the Community Gym Coalition to fight for the GYMS Act, which would offer \$30 billion in funding to studios affected by 2020 closures. It has been amazing to come together with so many industry leaders to petition for funding that would help so many businesses across the country.

What can the health & wellness industry do to ensure a positive post-pandemic rebound?

FL: As things have reopened, we have worked with our studio and spa partners to prominently feature their safety and cleanliness policies in the app and to help people who are ready to return to in-person experiences find curated and personalized businesses in their areas. A recent ClassPass survey found 69% of members would prefer returning to classes that require vaccines; 18% plan to return only to studios with vaccination requirements; and 59% of respondents would prefer to remove their mask in class once vaccinated. Studios need to be open and clear with their policies, allowing clients

to decide if visiting their studio is right for them. Additionally, continuing to keep in place the new health and safety features implemented during pandemic will be essential.

"People are also putting greater emphasis on self care...for the first time ever, massage is one of the top 10 reservation types on ClassPass."

Is the brick-and-mortar gym a thing of the past?

FL: We are seeing a huge shift back to in-person experiences. Over 70% of professionals are using fitness studios on the days they work from home, and 64% are there on the days they commute to an office. Our new commuting survey found that even for those who are hybrid or the 30% of people who plan to continue to work remotely, people are heading to gyms. In fact, people are twice as likely to try a new studio or gym on the days they work from home. It's the perfect way to break up a living room workday. As things have reopened in cities, people are more likely to stop in and support local businesses that might be new to them, or try out a new spot after a day of working from home.

Where should gym owners and operators be investing in for 2022 (ie. software, people, services etc.)?

FL: Technology is going to continue to be huge in this area. People want to easily sort for available classes or appointments, see reviews of a studio or spa, and book an appointment right away without needing to jump through hoops. No matter how you power your signups, whether through Mindbody, through ClassPass or through your own studio app, you should be thinking about how to create a frictionless experience that has the fewest number of steps between intent and reservation.



JENNIFER MAANAVI
CEO AND COFOUNDER PHYSIQUE 57

What are the biggest challenges ahead for the fitness industry?

JM: A significant challenge I see for boutique studios is determining the right sizing of the organization for a new normal. As studios reallocate resources to accelerate post pandemic recovery, they are deciding what roles are necessary to thrive. Most studios are not yet operating at pre-COVID levels, so they are weighing the value of studio operations versus marketing investment, or studio operations versus digital operations. Another challenge is discovering their new clientele. Studios and gyms now have more new clients who are embracing fitness for the first time after a long hiatus. Therefore, studios need to cater to a brand new fitness clientele while also reassuring loyal clients that their offering is consistent with pre-COVID times. Furthermore, many studios have virtual only clients with specific, and sometimes competing needs. The days of having a “typical client” may not exist for years.

What was the biggest success story you saw within the fitness industry this year?

JM: I founded Physique 57 in 2006 when the boutique fitness industry competition was fierce. As a result, most fitness company leaders were reluctant to form relationships and share intel. Now, though, CEOs and management teams are in almost constant dialogue to share insights and ideas. I feel we are a united force rather than competing studios.

This will strengthen the industry in the long term which is very exciting.

What is the biggest trend you are seeing in your sector/the industry?

JM: One trend is downsizing in order to provide the most robust experience to a more targeted market. Studios may not have trainers, operations staff, or neighborhood demand to justify many locations in one city. Downsizing takes pressure off the organization, shores up financials and ultimately gives a better experience to the clients with a full class schedule, amenities, and consistent programming. I have also seen more offshoring of back-office tasks. From the Philippines to Latin America, data analytics to social posts, studios and gyms are utilizing low cost labor wherever they can.

"I see more closures in commercial neighborhoods of global cities where back-to-work plans have stalled such as midtown Manhattan."

Should everyone be monitoring their steps, output, strain? Is connected fitness to our benefit or to our demise?

JM: Connected fitness as a full service wellness offering is misleading. Wellness combines physical, mental, emotional, and spiritual components of someone's lifestyle. Counting steps is useful but it isn't the whole story. I know many people who count steps and eat cake a few times a week. Stop counting steps and start exercising regularly, eat a nourishing diet, get enough sleep and employ critical breathing techniques. The benefit of this routine will far outweigh a bad diet, stress, sleep deprivation and 10,000 steps.

What are some of the biggest trends or predictions you expect to see this year?

JM: Virtual trainers who want to build an online brand on their own will struggle to compete with big brands with huge marketing budgets. It is very difficult to build and keep an audience and to break through the online clutter at this point.

I see more closures in commercial neighborhoods of global cities where back-to-work plans have stalled, such as midtown Manhattan.

Gyms and studios that capture a more residential clientele will do better in certain parts of the country. Today finding a thriving studio in midtown Manhattan is difficult.

Mergers and acquisitions of boutique studios so that they can consolidate back office tasks, HR and studio operations may evolve. We may also see smaller studios with less amenities but more convenience to clients. Clients are not spending time in studios before and after class as much as they used to, so large reception areas and lounge environments are not needed.

Go at it alone? We talk to a lot of trainers and fitness professionals who want to build their own franchises/empires. What advice do you have for these individuals?

JM: No – too much work for a low return.

Where should gym owners and operators be investing in for 2022?

JM: Operators should be investing in tech and data analytics with a laser focus on figuring out who their clients are, how to automate communications across multiple platforms, ways to increase opportunities to sell packages/memberships, and analyzing behavior. Of course we need to add in a personal touch but tech cannot be underestimated.

Differentiate in a highly competitive market – make sure your ambitions match your capabilities. Not every brand needs to offer all services like on-demand, streaming and also in-person. Double down on what you are good at and build on that.

Broadcasting classes is easy and most are doing it. But you don't need a state-of-the-art system if that isn't your core competency. Be focused on where you can invest impactfully.



JIM HUETHER
CEO
HYPERICE

What are the biggest challenges ahead for the fitness industry?

JH: The biggest challenge for the fitness industry is also the biggest opportunity. The fitness landscape continues to have to figure out how to balance the combination of going into physical locations at traditional gyms versus the at-home experience and how to merge those together to create the optimal membership and environment. The companies that figure out this balance and how to create meaningful engagements will be the most successful.

Data is everywhere, how can the industry leverage information better?

JH: Companies, specifically wearable tech companies, have done a great job over the past year providing data in ways consumers can understand in a meaningful way, how they can apply it to their own wellness journey. The content around the data and the user experience has also been elevated to new levels, which is important. Two years ago you could get a lot of data but you didn't have tools to interpret it in order to make impactful changes in your daily life style.

Should everyone be monitoring their steps, output, strain? Is connected fitness to our benefit or to our demise?

JH: Connected fitness is for our benefit. A lot of people may not have the time or ability to make it to the gym to engage in physical activity at the levels that they want. For some people it's a convenient accessible element. Connected fitness companies have done a good job creating exciting content to engage consumers and doing more of this will enable the industry to evolve and progress to provide even better, more impactful experiences.

What are the biggest trends yet to come within the space?

JH: Technology for recovery and wellness is expanding. People once believed that high-performance wellness was only for the elite athlete. Education and awareness has expanded allowing the everyday consumer to use and benefit from these tools and technology. It's not just about performing at the highest level like at the Super Bowl - it's about how it impacts your daily lifestyle. This trend will continue to grow and evolve.



JOSH MCCARTER
CEO
MINDBODY AND CLASSPASS

What are the biggest challenges ahead for the fitness industry?

JM: One of the biggest challenges ahead for the fitness industry is helping people reclaim their

wellness routines in a way that embraces the many facets of wellness. The definition of wellness is changing and, with that, the fitness industry has an opportunity to adapt and build even deeper connections with consumers. Lean into this by acknowledging the top two reasons Americans work out: to reduce stress and to feel better mentally. These motivations have changed drastically from their workout motivations pre-pandemic, which were to control weight and feel good.

However, there are barriers to overcome in getting people back in-person. "Gymtimidation" remains a very real challenge as almost one in five Americans feels too intimidated to go to a gym or fitness studio. So, how can fitness businesses overcome this? In our 2022 Mindbody Wellness Index, 48% shared that they would like to see more people like them in their gym/studio and in promotional assets. Moreover, 31% want to see that the gym/studio supports a diverse population.

Where do you see the greatest opportunity for the industry?

JM: Our biggest challenges also present the greatest opportunity. And, with 78 percent of Americans stating that wellness is more important than ever, the opportunity is undeniable. The fitness industry needs to embrace that wellness is changing.

How do you define wellness?

JM: At Mindbody, we define seven dimensions of wellness. These seven dimensions are physical, emotional, intellectual, spiritual, environmental, social and occupational wellness. When looking at wellness holistically, it's important that all of these factors are considered.

Should everyone be monitoring their steps, output, strain? Is connected fitness to our benefit or to our demise?

JM: As a tech company, we realize the power of technology to fuel the consumer experience. However, in wellness, we also know that human

connection is essential. Ultimately, everyone needs to determine what is the right approach for them when it comes to managing their wellness regimen.

Connected fitness devices provide a great way to track workouts, heart rate, steps, sleep and other health metrics but the key is to find balance in tracking your health while taking a break to just do what makes you feel your best. Make sure that the technology is providing positive motivation and not adding stress and guilt that can create mental wellness obstacles. Connected fitness is a very personal dynamic that needs to work for you, not against you.

What does the gym/studio of the future look like?

JM: While fitness will always hold its place as a cornerstone of wellness, it's time for gyms and

“Gymtimidation” remains a very real challenge as almost one in five Americans feels too intimidated to go to a gym or fitness studio.”

studios to become a one-step-shop for wellness. This could potentially include the addition of immune health services like nutrition, sleep, and stress reduction or intellectual wellness offerings like strength training informational classes. Ultimately, consumers want a customized experience that is as unique as they are. The key for gyms and studios is to explore which additions align with their brand and enhance the core of their experience rather than jumping on the latest hot modality. It has to fit with their brand and client base to work.

Where should gym owners and operators be investing in for 2022 (ie. software, people, services etc.)?

JM: Gym owners and operators should be investing in additional services that cater to the personalized wellness experience that consumers are craving. With consumers taking a more well-rounded approach to their wellness routines, this is an opportunity for fitness businesses to evolve into a wellness venue where consumers can come for top-of-mind wellness services.

We are seeing an increased interest in immune health and intellectual wellness services, but these additions should be specific to your brand and your audience.

Investing in technology that can automate and optimize business processes will not only help modernize a business, but make it less reliant on staffing and will provide tools for customer acquisition and retention. Adopting these technology advances will free owners and staff up from transactional engagement and allow them to focus on the highest valued customer interactions.

With the plethora of fitness and wellness options available - at home, streaming, on-demand etc. what are the ways for companies to differentiate themselves in this highly competitive market?

JM: Whether companies provide online or in-person services, it all comes down to creating an unforgettable customer experience that gets people excited to keep coming back. 77% of consumers recently shared that being active helps their mental health. This presents an opportunity for fitness businesses to create connection and community among members to help people feel better not only physically but mentally as well.



LOU DEFRANCISCO
PRESIDENT
STRETCHLAB

What was the biggest success story you saw within the fitness industry this year?

LD: The shift in conversation and public sentiment to a much broader definition of wellness that includes heightened awareness of mental health and a broader understanding of modalities to support someone's health, fitness and wellness journey. People understand better than ever that health and fitness is more than just physical health.

How can companies work together to build a better wellness community?

LD: Partnerships! Whether small or large, formal or grassroots, partnerships allow companies to work together, forming complementary service offerings for consumers that provide a more complete wellness experience and supportive community. They have the power to amplify voices, generate brand awareness with new audiences, and allow consumers to consider new ways to prioritize their health and wellness.

What is the biggest trend you are seeing in your sector/the industry?

LD: More awareness for wellness as we progress further into 2022 and more alignment with a shared vision among brands within the industry including fitness, wellness, health and food to genuinely help both new and existing clients gain more in their

wellness journey. In a recent study of our new members, 43% stated they had less than a 6-month experience in working out and staying fit which really shows that people are taking steps in their wellness journey with this increase in awareness.

Should everyone be monitoring their steps, output, strain? Is connected fitness to our benefit or to our demise?

LD: It absolutely has a place for those that want to leverage that data to increase their fitness and target specific fitness goals - it can also be used to slow down by monitoring health metrics like resting heart rate and regular heart rate to help monitor breathing.

Is the brick-and-mortar gym a thing of the past?

LD: Absolutely not! We strongly believe that getting an assisted stretch with a Certified Flexologist provides a much deeper stretch than you could ever achieve on your own. The last two years have taught us that we need human connection and engagement with our community to achieve our goals. Our members all choose to visit StretchLab and get stretched for different reasons but it's an in-person experience you can't replicate! They come to increase their mobility, range of motion and flexibility, increase sports performance, improve posture, reduce muscle and joint pain, and reduce stress.

What does the gym/studio of the future look like?

LD: I anticipate gyms and studios will put more and more emphasis on cultivating their community to provide increased support and guidance for members and a sense of "home" with a personal touch many have been missing over the last few years. They will also find additional ways to create customized experiences to ensure members get the very best instruction for their needs.

What do you think fitness employment will look like in 2022? How do companies need to manage hiring, retention and recruiting?



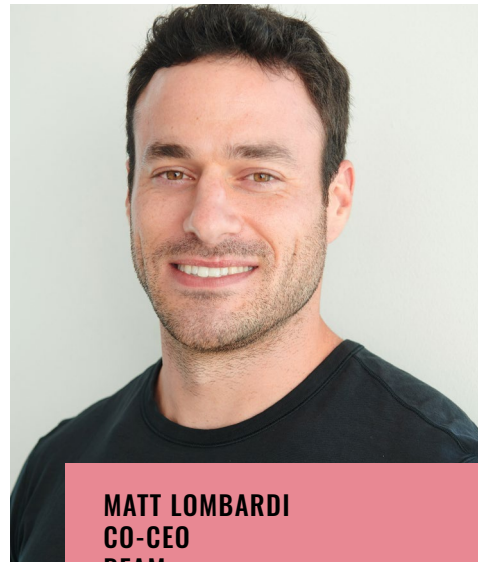
LD: At StretchLab we're lucky enough to have a dedicated recruiter at Corporate to guide our franchise owners in the changing labor market. We ensure our owners understand they must always be recruiting, whether you have open positions or not, because you never know what amazing talent you may find unless you're always open to recruiting. We've found some tried and true basic tactics are still working like grassroots events, creating your

"I anticipate gyms and studios will put more and more emphasis on cultivating their community to provide increased support and guidance for members and a sense of 'home' with a personal touch many have been missing over the last few years."

own job fairs to educate your local community, and incentivizing existing employees to share referrals.

With the plethora of fitness and wellness options available - at home, streaming, on-demand etc. what are the ways for companies to differentiate themselves in this highly competitive market?

LD: Focus on the strengths in your service and master this for your members - unless you offer a variety of services that are equally exceptional, members and clients will appreciate a specialized offering if it adds value to their wellness journey!



MATT LOMBARDI
CO-CEO
BEAM

What can the health & wellness industry do to ensure a positive post-pandemic rebound?

ML: One thing that's been interesting to see evolve over the last couple of years since the pandemic began is the shift in mindset as it relates to investing in your wellness. Before, it was more of trendy or aspirational thing to do, but not as consistent or fully ingrained behavior in people's lifestyles. Through the pandemic, people are becoming more aware that it's not just a "trend," and that investing time and money in our health and wellness is non-negotiable. As an industry, we can help make it more seamless for people to integrate wellness - whether it be exercise, nutrition, supplements etc. - into their lives. We can lower the barrier of entry to a healthier lifestyle to enable people the opportunity to stay healthy.

How can companies work together to build a better wellness community?

ML: Wellness isn't a zero-sum game - there doesn't need to only be one winner. Brands need to embrace the idea that there can be multiple winners in the space. Companies that aren't direct competitors of one another, but share customers, should always be collaborating to expand offerings and add value to their communities in ways that improve health and wellness.

"People are wanting to have fun and be social but not wanting to pair that with a hangover the next day."

For example, fitness platforms can connect with supplement companies and mental health companies to really bring customers a 360-degree approach to wellness that addresses physical wellness, mental health, dietary and nutritional needs. It's good to work together.

Data is everywhere, how can the industry leverage information better?

ML: There is a lot of information everywhere, but few brands are actually making that data applicable to our daily lives. For instance, if you're using your favorite wearable to receive information about the quality of your sleep, intensity of your workouts, and your heart rate variability, I think there can be another wave of helping you understand what you can do with that information once you have it. Whoop is doing a really great job—probably the best I've seen— at making the data practical and breaking it down to really educate people. Right now, there is a lot of surface-level information out there, so the next step for the wellness industry is going to be figuring out how to educate people on how to integrate it into their lives.

What companies or services within the industry will see hypergrowth in 2022?

ML: Beam, obviously. Also, the non-alcoholic space is very interesting. People are wanting to have fun and be social but not wanting to pair that with a hangover the next day. It's been an old norm that's probably hung around a little too long, and now people are embracing the idea of being social without sacrificing your next morning.

There's this new wave of thinking that it's OK to go out and be social and not be drunk. We're starting to use different ingredients that give a little buzz but don't end in a hangover, or reaching for non-alcoholic ways to be social, especially as we become more comfortable being around each other again.

Do you anticipate any major mergers or acquisitions within the space in 2022?

ML: I think we'll see more of what Lululemon did with Mirror. We're going to see more companies that are building massive businesses in the health and wellness space by acquiring brands that offer complementary services or products to the same customers, but just aren't as far along in their cycle and can acquire them at lower prices. I think the M&As will be brands coming together to create a more 360-degree-offering to their communities.

Do you think there is a way for fitness influencers, trainers and instructors to see greater financial (or personal) success in 2022?

ML: Maybe that looks like VR training and you're offering a whole different experience. Bottom line is there are a lot of similar offerings out there and it seems hard to differentiate yourself as a trainer/fitness professional. The next wave of winners is going to come up with a new way to connect with their audience base.

With the plethora of fitness and wellness options available - at home, streaming, on-demand etc. what are the ways for companies to differentiate themselves in this highly competitive market?

ML: People like variety. If brands can continuously add new experiences and new ways to keep people interested, that will separate you from the pack. People get bored with the same old fitness routine and customers focused on wellness are always looking for the next best ways to get healthy and stay fit. So it's up to the industry to always be innovating within their current offerings to keep customers engaged.





SEAN TURNER
CEO
LES MILLS US

What are the biggest challenges ahead for the fitness industry?

ST: One of the most common and enduring challenges we see in the fitness industry is member retention, with about 50% of members leaving their club each year. To tackle this, it's vital for operators to prioritize a member's journey and help them create social connections that will keep them coming back and feel encouraged by a positive community.

With digital fitness on the rise, clubs are having to adapt to ever-increasing member expectations of what a fitness experience entails. Operators who can bridge the gap between the digital and physical world to offer members an integrated fitness experience will be best-placed to thrive in the future.

Where do you see the greatest opportunity for the industry?

ST: Throughout the pandemic, health and wellness has become a more pressing priority for a growing number of consumers. It's also led to a surge of new fitness fans entering the market, with 27% of regular exercisers describing themselves as "absolute beginners," according to the 2021 Global Fitness Report.

The greatest opportunity for the industry is to engage with this audience, helping them build confidence in their fitness ability so they're inspired to take that next step and become a club member.

What is the biggest trend you are seeing in your sector/the industry?

ST: The gamification of fitness is igniting a new generation of immersive workouts.

Fitness brands are embracing this convergence of fitness and entertainment which opens many opportunities for collaboration and innovation.

We recently launched BODYCOMBAT™ as a virtual reality (VR) gaming app, bringing the world's most popular martial arts workout into an out-of-this-world VR experience.

Should everyone be monitoring their steps, output, strain? Is connected fitness to our benefit or to our demise?

ST: You can't manage what you can't measure. Seeing how your body performs and being able to track your progress is a great benefit for forging ahead and making progress.

Connected fitness and monitoring your routine can lead to an improvement in results and drive motivation, allowing you to find the perfect mix of workouts that are right for you.

"Operators who can bridge the gap between the digital and physical world to offer members an integrated fitness experience will be best-placed to thrive in the future."

What does the gym/studio of the future look like?

ST: Gyms and studios must adapt and bridge the gap between live and digital experiences in order to stay relevant in the future. Omnichannel fitness – a blend of in-gym and digital home workouts – will help facilities reach more members and sustain long-term growth. Digital fitness has boomed over the past two years and is now here to stay.

What do you think fitness employment will look like in 2022? How do companies need to manage hiring, retention and recruiting?

ST: Retaining top talent has never been more important, and that's especially true when it comes to instructors. Gym goers have identified them as their single most important factor in choosing a live class, a key component that's driving the live revival.

Great people are the only competitive advantage that your rivals can't copy, so smart recruitment is an essential part of building a healthy business.

With the plethora of fitness and wellness options available - at home, streaming, on-demand etc. what are the ways for companies to differentiate themselves in this highly competitive market?

ST: In a world of endless quantity it's never been more vital to focus on quality, particularly from a digital perspective. With YouTube chock-full of free average fitness content, brands need to ensure they're providing world-class content to keep consumers engaged and willing to pay.

For club operators, the key is to marry a high-class digital offering with the exhilarating live in-club experience to complete that omnichannel proposition and maintain a real-world edge over digital-only fitness providers.



SHAUN GROVE
PRESIDENT
RUMBLE

What was the biggest success story you saw within the fitness industry this year?

SG: A lot of people discovered fitness for the first time in 2020 and 2021 and it created a heightened sense of awareness for prioritizing your health, wellbeing and fitness. That has allowed a new group of people to try fitness and wellness studios and services, which is exciting! We surveyed new members last year and found that 69% of respondents said they joined Rumble to improve their physical and mental well-being.

What can the health & wellness industry do to ensure a positive post-pandemic rebound?

SG: Remain committed to providing an exceptional experience for your members and prospects, no matter how frequently they visit your facility - there are a lot of options available to consumers but we've found that our members love the workout and the experience the minute they walk into our studios and are committed to that experience!

What is the biggest trend you are seeing in your sector/the industry?

SG: I predict there will be a migration away from big box gyms and an attraction to community-focused boutique fitness studios where newcomers do not feel lost in the shuffle or overwhelmed with the

various equipment and workout options. Boutique fitness can offer them the close-knit, personalized experience that many people are searching for after spending so long detached from their communities, feeling lonely and isolated during the pandemic. When you have a boutique fitness class that only has 10, 25 or maybe 50 available spots, it's more likely that you will see the same people taking class again and again and developing a connection to those around them.

Should everyone be monitoring their steps, output, strain? Is connected fitness to our benefit or to our demise?

SG: Absolutely! Connected fitness is part of the future in fitness but it's only one piece of someone's experience with a workout. Members at Rumble keep coming back to class for the music, the trainers, and the vibe of training with their community too!

What do you think fitness employment will look like in 2022? How do companies need to manage hiring, retention and recruiting?

SG: I anticipate the fitness industry will continue to see the effects of the labor shortage as we progress into 2022. The pandemic has affected employees' expectations about work and the kinds of jobs they will consider. Companies need to shift their approach to recruiting and hiring in 2022. The traditional method of "posting a job" and "waiting to see who applies" is no longer a viable option by itself.

Companies need to adopt an "always be recruiting" mentality. This is the idea of reaching out to passive candidates who are not actively looking to make a job switch at that moment, but who could be looking to make a move in the next few months and who could make incredible Rumble trainers! The pandemic has moved employees into self-reflection in this work-from-home environment, resulting in questioning the value and structure of their work.

"The traditional method of 'posting a job' and 'waiting to see who applies' is no longer a viable option by itself. Companies need to adopt an 'always be recruiting' mentality."

In order to retain current staff, companies need to build a culture of solidarity and a sense of purpose for their team that incorporates all team members, no matter where they work.

The pandemic has innately awakened workers' hunger for meaning and purpose and companies need to feed that hunger in order to retain their staff.

With the plethora of fitness and wellness options available - at home, streaming, on-demand etc. what are the ways for companies to differentiate themselves in this highly competitive market?

SG: Investing in your employees will always be worth focusing on because that directly benefits member experience. If you have a committed, engaged and invested staff they will share that with the members on their individual journeys. Now more than ever with the effects of the pandemic and the recent increase in fitness options available, "community" needs to be fostered and your team is a huge part of that. Investing in the service you provide should also be a focus in 2022 to maintain loyalty and your point of difference among the many options currently available.

This year is the perfect time to reaffirm your commitment to your members' fitness journeys and develop a clear understanding of what they need in 2022 to feel part of your community.



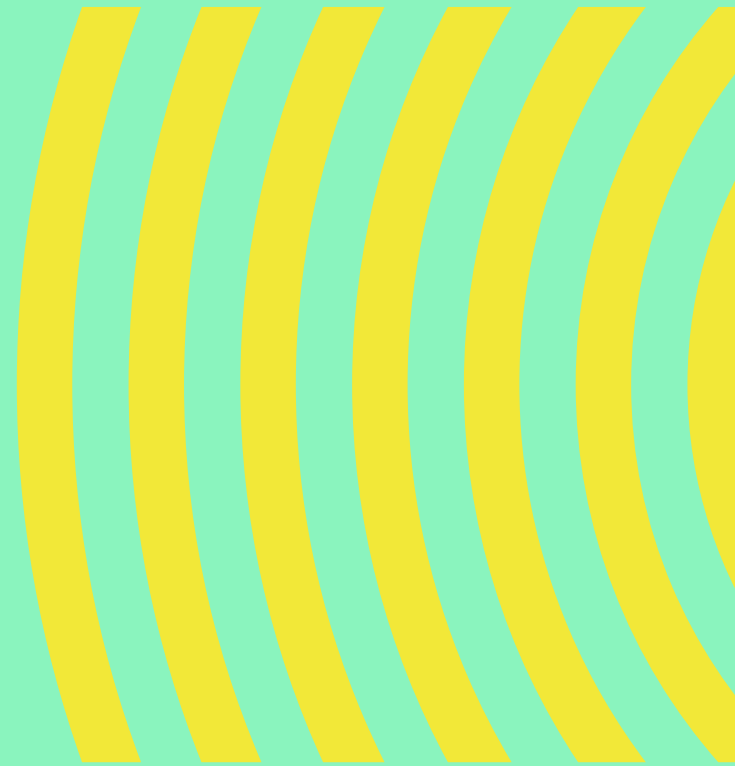
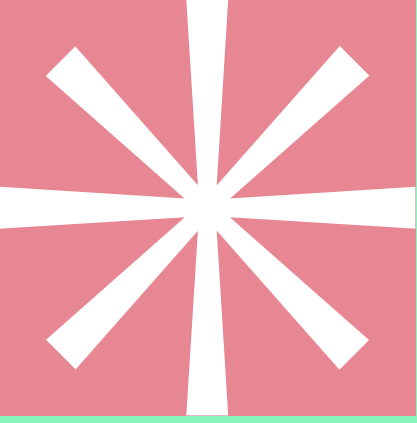
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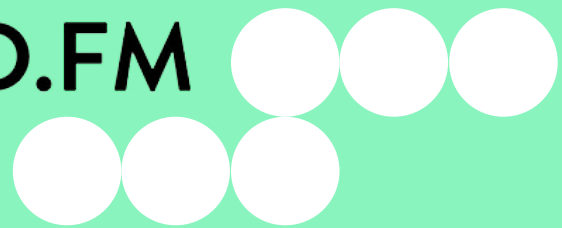
CALIFORNIA Family Fitness



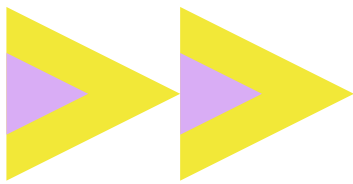


THE BUSINESS & SCIENCE OF MUSIC & FITNESS

FEED.FM



How important is music's role in fitness? Here's a breakdown, according to Feed.fm



93%

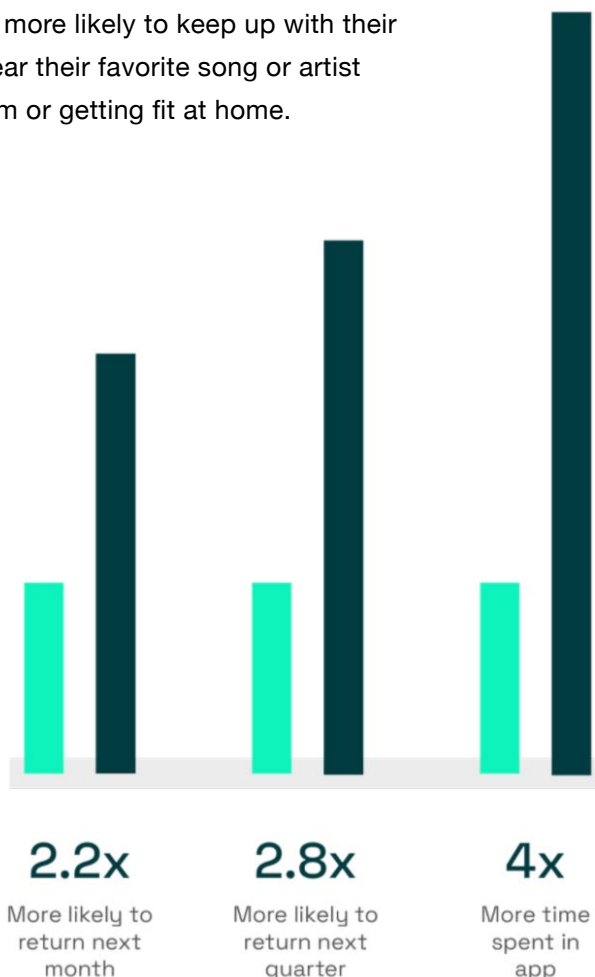
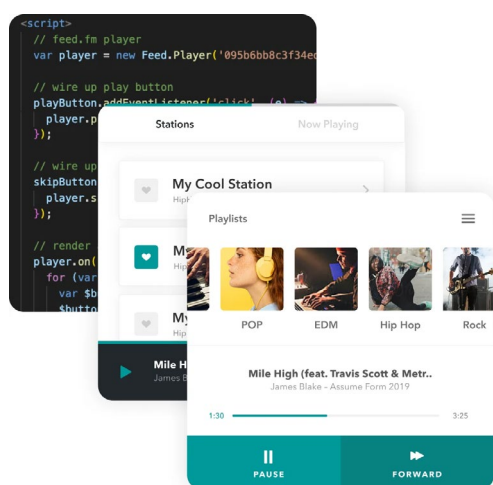
**OF PEOPLE SAY THAT
MUSIC MAKES OR
BREAKS A WORKOUT**

The relationship between fitness and music is inextricable. Feed.fm's B2B music platform is an integral part of this connection. In 2021, survey findings published on Feed.fm revealed 93% of people were convinced music "makes or breaks a workout." In addition, 57% of those same individuals surveyed "couldn't live without" their workout music, and 63% welcomed music curated for them via fitness instructors or apps. There's no doubt that music matters, and it's a sentiment that Feed

Media Group (parent company of Feed.fm) COO, President, and Co-Founder, Lauren Pufpaf, stands by wholeheartedly. "Feed.fm has grown exponentially in the last few years because businesses have struggled with licensing popular music for their apps. We enable brands to create incredible apps and digital experiences that use hit music AND we create new revenue opportunities for the artists and rights holders," Pufpaf told Athletech News.

Why music matters in fitness.

Music keeps fitness enthusiasts engaged and focused on the exercises at hand. People are more likely to keep up with their workouts, especially if they hear their favorite song or artist while slogging away at the gym or getting fit at home.



Feed.fm 2019 Proprietary Data

FEED.FM

Feed.fm powers music for the world's leading brands including The Beachbody Company, Mayo Clinic, Mirror, Nautilus, and Tonal. "Feed.fm customers who integrate in-app music increase retention. Their customers are more than two times as likely to return again the next month (retention goes up 2x). At the 90-day mark, it's actually 3x. With the right music, you can literally increase your customer retention quarter over quarter by 3x. Many fitness businesses are subscription-based and retaining more customers has an immediate impact on their bottom line," states Pufpaf.

The right music for the right workout at the right time.

It's not just about making a playlist, curating the right music is a finely-tuned art . . . and context is key.



Curating music for a fitness app is different from creating a list for an in-person class where you can get a read on how participants are vibing with the music selection, making real-time adjustments to selections.

Feed.fm takes a client-first approach and creates a profile of a fitness app's core users. Next, it considers the workout and the intent of the fitness instructor, such as intensity levels, before seeking out the tracks to include. Curation isn't a set-it-and-forget process— data is analyzed over time to further target the music selections to the preferences of their clients' users.

Pufpaf denotes the difference between curating music, which is about "the right music for the right workout at the right time" in fitness, versus licensing music, which is about procuring tracks, streaming them legally, and making sure artists get paid.

It's expensive using music if you don't know how.

When companies neglect to account for music licensing, they can be held responsible for copyright infringement. The bigger the company, the more exposure it has to large damage claims. Even the smallest companies are at risk. “You have to be properly licensed to use music, period,” says Jeff Yasuda, CEO and co-founder of Feed Media Group.

Music licensing is complex. It's important to have legal representation and know the right people. Musical content is incredibly valuable and all rights holders deserve to be paid equitably — the trick for many businesses is knowing where to start.

But, you don't have to go it alone. Feed.fm specializes in managing the intersection of music licensing and tech, removing red tape so its clients don't have to worry about the complexities. “You can go out and learn the rules and regulations and one-by-one communicate with rights holders to sort it all out,” says Yasuda, adding, “the benefit to Feed.fm is that we are doing this every day, we have the relationships in place. It's a plug-and-play solution that allows you to do what you do best.”

Advice for companies struggling with music licensing.



The least expensive option is not using music, but you're likely not going to create the user experience you want. You can start with stock or production music, which is affordable but won't have the same ability to motivate your users.

"Our fitness curators focus mostly on songs people know and love, sprinkling in a smaller amount of lesser-known tracks," Pufpaf explains. "Our curation teams track user feedback closely and optimize music experiences based on data. They work hard to drive discovery of new artists and watch trends to keep things fresh."

The most expensive thing you can do is use popular music illegally. With the heavy cost of potential copyright infringements and ever-changing music

licensing laws to consider, Feed Media Group works around the clock to make sure Feed.fm fitness clients are in compliance and resting easy with full indemnification.

"Everything that we put on our customers' music stations is pre-cleared for use. We take care of all of the licensing, reporting, and payments. We also offer tried and true SDKs (software development kits), so you can add a fully compliant music player to your app with minimal coding. And, we give you full analytics to identify user trends."

In closing, Pufpaf says "it's all about helping our customers and their customers experience the power of music, legally."

2022 Fitness Music Trends To Look Out For:

Remixes —

“We are seeing more fitness-specific remixes. Artists and labels are realizing the potential for streaming in the fitness space.”

“Disco-flavored” pop music —

“The fact that pop music is on the upswing, as far as tempo goes, and taking some nods from disco makes it very fitness-friendly.”

Trap music —

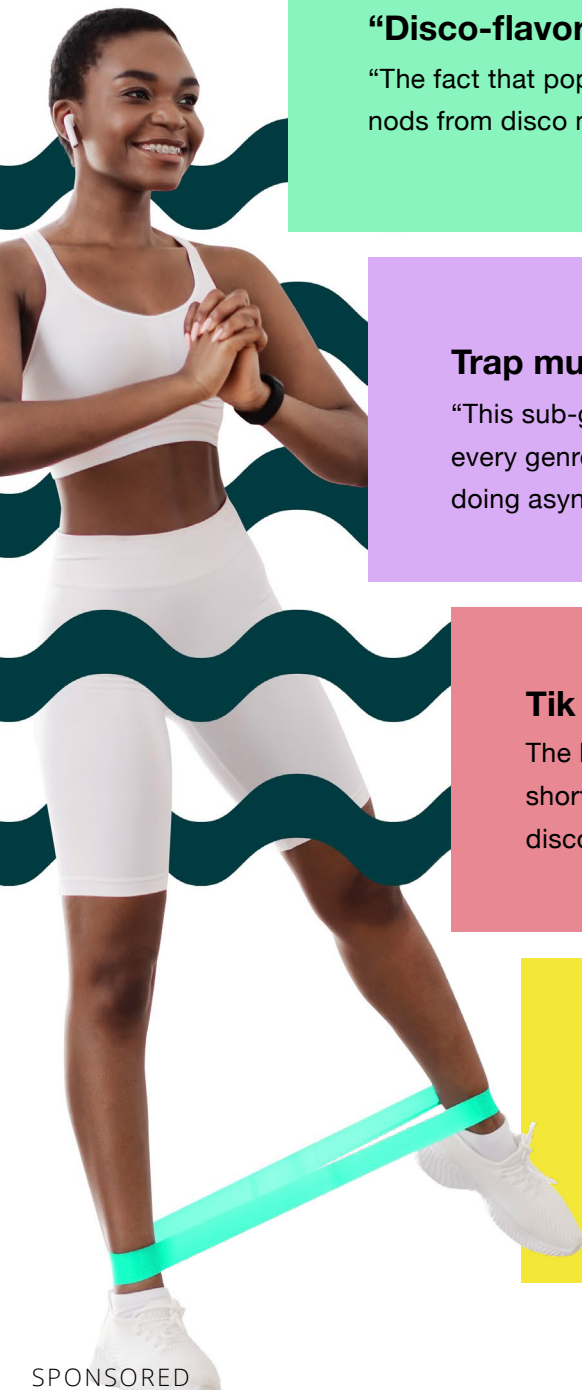
“This sub-genre of rap with Southern roots has made a huge splash in influencing every genre ,and it's sometimes challenging to curate with. [But] when you're doing asynchronous workouts like strength training, trap music can be great.”

Tik Tok —

The beloved social media app will “continue to be an influence.” “We're using shorter tracks and incorporating some of those viral hits that people are discovering on Tik Tok.”

Corporate wellness expansion —

“Corporate culture is evolving and changing and fitness apps are poised to expand into corporate wellness solutions.”



STARTUPS TO WATCH IN 2022

by Rebecca Goldberg

With the onset of the pandemic, home and hybrid workouts soared in 2021. This not only ushered in a new way of looking at exercise, but also fueled an abundance of innovation in workout equipment, apps, and classes. The team at Athletech News is enamored by the talent and creativity of these entrants disrupting the fitness and wellness space. We believe that these products and services demonstrate not just how far the industry has come, but also how much further it can go. Below are some of the coolest startups we learned about last year.

**A**

ARENA
INNOVATION IN HARDWARE

Technology-advanced hardware companies are many, and we have tried our fair share, but ARENA is the latest we are jonesing to try. Developed by leaders in hardware automation and exercise science (this savvy team is the real deal), the ARENA fitness platform is a portable and space-efficient robotic device created for dynamic resistance training. It has already been adopted by many MLB and NBA teams to aid their strength and conditioning programs.

This sleek and advanced machine weighs about 60 pounds but can generate more than 200 pounds of resistance. ARENA users can control the resistance and take workout classes via the ARENA smartphone app, training their body with hundreds of exercise movements.

Several notable sports, fitness, and technology investors have backed this product, including Courtside Ventures, Powerhouse Capital, and Wellness Holding, the investment office of the founders of Technogym. Angel investors include Equinox Group co-founder Lavinia Errico,

Anthony and Joe Vennare of Fitt Insider, New York Jets wide receiver Braxton Berrios, and Russ Angold, co-founder and former CTO of Ekso Bionics.

With so many prominent investors participating in the last funding round, we were curious to understand why they are backing ARENA, since there are already so many products on the market. According to the team, these investors are inspired by a variety of reasons depending on their industry. For example, Dr. Sam Elguizaoui is focused on the ability to quantify strength training for rehab purposes and believes that this could revolutionize physical therapy, while investor Devon Levesque is excited by the versatility and portability ARENA provides.

We asked Lauren Wellinger, Head of Performance at Arena about what is ahead for Arena in 2022. "Our focus will remain on fulfilling orders. The last two years provided several detours, but we are prepared to scale up to thousands of ARENAs in 2022. We'll also be highlighting and promoting some of our most unique use cases."




**FLEXIT****FLEXIT
ON DEMAND PERSONAL TRAINING**

Since the official launch of FlexIt in 2018, Founder and CEO Austin Cohen has worked to break the barriers to entry and make fitness more accessible. The New York-based startup took on the hardships associated with the pandemic and diversified its approach to revolutionize the world of fitness. The innovation has caught our eye, making FlexIt a brand to watch for 2022.

FlexIt's original business model offers a boutique a la carte experience for traditional gym usage.

Partnered with gyms across the country, FlexIt users can utilize the best gyms available to them without a lengthy sign-up process or the friction involved in trying a new gym. From the onset of the pandemic, FlexIt adapted their approach to integrate a personalized on-demand experience by way of Virtual Personal Training (VPT). FlexIt offers users live 1-on-1 training via certified personal trainers and wellness professionals, while also arming them with the flexibility to utilize the platform wherever and whenever is most convenient from any device.



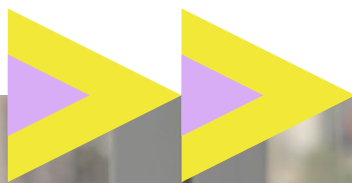
As a leader in the virtual personal training space, FlexIt streamlines the user fitness approach by providing access to top tier health specialists, physical therapists and nutritionists. The FlexIt user portal makes it easy for consumers to create and progress towards personalized health and wellness journeys. FlexIt prides itself on providing increased access and flexibility in regard to choosing preferred personal trainers to work with.

FlexIt also offers an elite catered fitness approach with FlexItPRO. This premium invite-only platform enables enthusiasts to take their fitness to the next level with access to a roster of premium trainers. These trainers are profound and recognized for their work with celebrities, professional athletes and influencers, among others. Clients of FlexItPRO include Terrell Owens, Bart Scott and Carli Lloyd.

FlexIt continues to activate with new product launches, services add-ons and partnership

agreements. In February, FlexIt partnered with ISSA (International Sports Sciences Association). This affiliation improves the quality of education around VPT with tailored proprietary courses that teach professional trainers how to succeed in the new virtual arena. FlexIt is also an official partner of the Denver Nuggets G League affiliate, the Grand Rapids Gold. The partnership was made possible by Jason 'The Jet' Terry, the nineteen-year NBA veteran and former NCAA and NBA champion.

We sat down with FlexIt CEO, Austin Cohen, to learn about his thoughts for 2022 and beyond, and Austin enthusiastically reiterated that, "FlexIt is continuing to evolve and deliver on its mission to make fitness more accessible. We have lowered the barriers to entry and users have access to personalized one on one attention like never before. Every year is a big year in the world of FlexIt, but our team is especially excited for 2022 and beyond."





NOURISHED

**NOURISHED
A BETTER WAY TO POP YOUR VITAMINS**

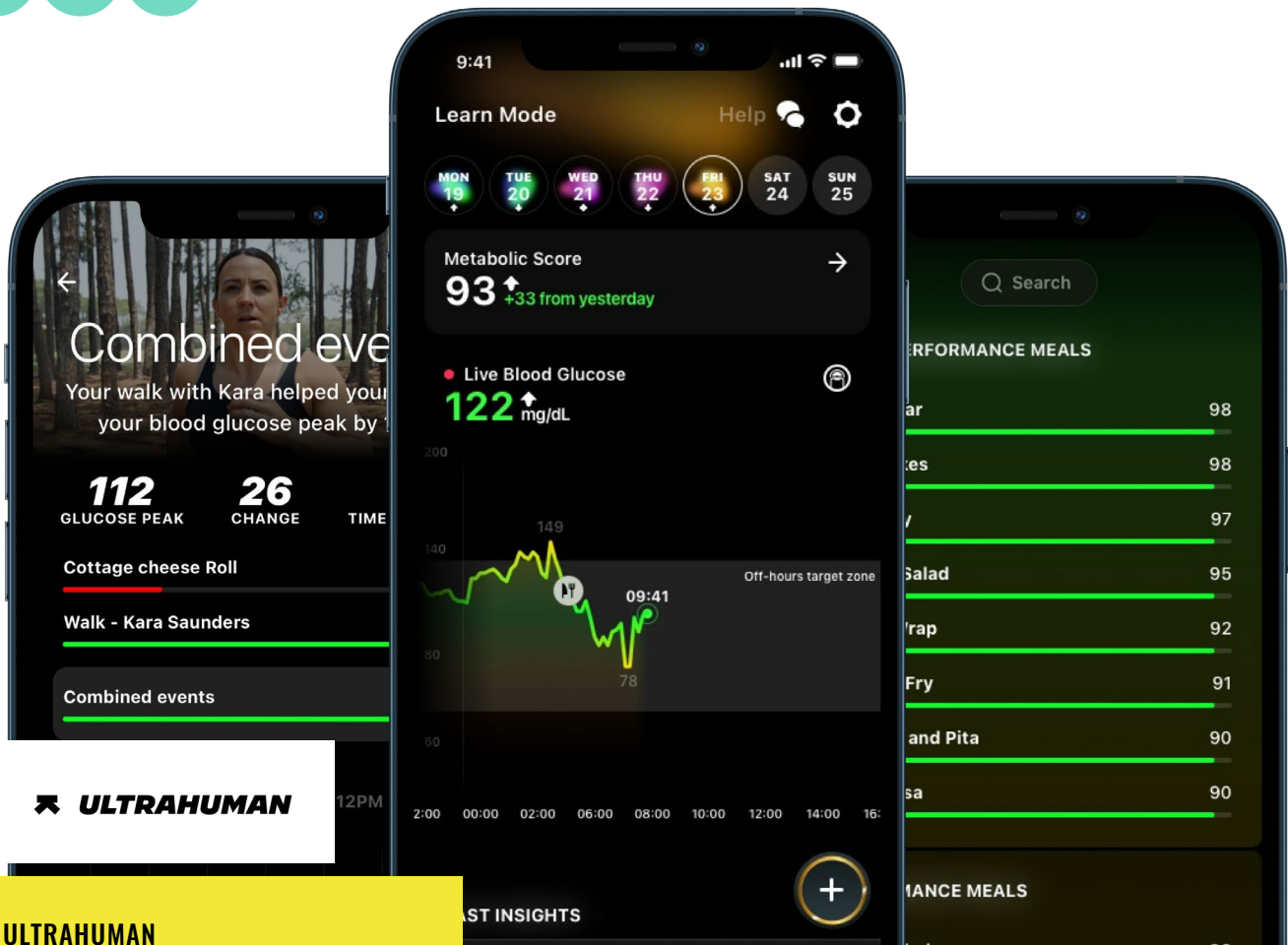
Shopping for vitamins may have become an arduous task historically. With the boundless options of brands available, it is hard for a consumer to decide what to take on a daily basis...and what brand to purchase. Nourished, a 3D-printed personalized vitamin company headquartered in the United Kingdom, offers a more convenient and cool way to implement a vitamin regimen.

Founder and CEO Melissa Snover's goal from inception was to simplify one part of your health routine: your daily vitamin. Nourished lets users take an online quiz (there is one for adults and another for kids) after which they are recommended a gummy vitamin that is tailored to the individual's mind and body. All of the ingredients used are scientifically backed, vegan, free from all major allergens, and printed fresh to order to ensure 99.5% efficacy.



The vitamins are 3D-printed and sent to you in little plastic-free home compostable packets with your name printed on the outside. So instead of having to take multiple capsules to get your personalized vitamin dose, you get everything wrapped up in one tasty, great looking gummy.

We love that Nourished lies at the intersection of two health and wellness trends — personalization and 3D printing. The company already maintains 13 patents across its 3D printing techniques and ingredient encapsulation methods. Another interesting fact about the founder: Melissa is responsible for developing the world's first FDA-approved food printer in 2015. We can't wait to see where this company goes...and, of course, to try out these gummies!



ULTRAHUMAN THE LATEST IN FITNESS WEARABLES

At its unveiling at CES 2021, Bangalore-headquartered fitness startup Ultrahuman was focused on helping people work out efficiently, meditate, and optimize their sleep with the help of athletes, neuroscientists, artists, and psychologists—all in one streamlined platform. What also stood out was the app's biofeedback technology to measure and improve the efficacy of meditation and workouts. Users could not only see the calories burned and heart rate but also track their progress day-on-day.

At its unveiling, Ultrahuman had closed \$8 million backed by top tier VCs like Nexus and Blume. Fast forward to later that year, the team announced another \$17.5 million of funding with investments coming from early stage fund Alpha Wave Incubation, Steadview Capital, Nexus Venture Partners, Blume Ventures and Utsav Somani's iSeed

fund. While the subscription platform still offers at-home workout videos, mindfulness content, sleep sessions and heart rate tracking (integrating with third-party wearables like the Apple Watch), the product we are most excited about, and which seems to be the greatest disruptor for the industry, is a metabolic fitness tracker that allows users to track and monitor their blood glucose in real-time in order to regulate their exercise and diet routines. The tracker program, branded Ultrahuman Cyborg, uses arm-mounted medical grade hardware to get a real-time read-out of your blood glucose that then informs the user how to make healthier lifestyle choices throughout their day.

Ultrahuman, the world's most advanced metabolic fitness platform, already has a fast-growing waitlist that users can sign up on and gain access to the device.

Research has linked chronic metabolic inflammation, from factors such as poor diet and physical inactivity, to the risk of developing a number of diseases — from diabetes to cardiovascular disease, chronic kidney disease and even cancer.

Ultrahuman believes that helping people make better lifestyle choices every day will help drive down the rate of these deadly diseases in the long run.

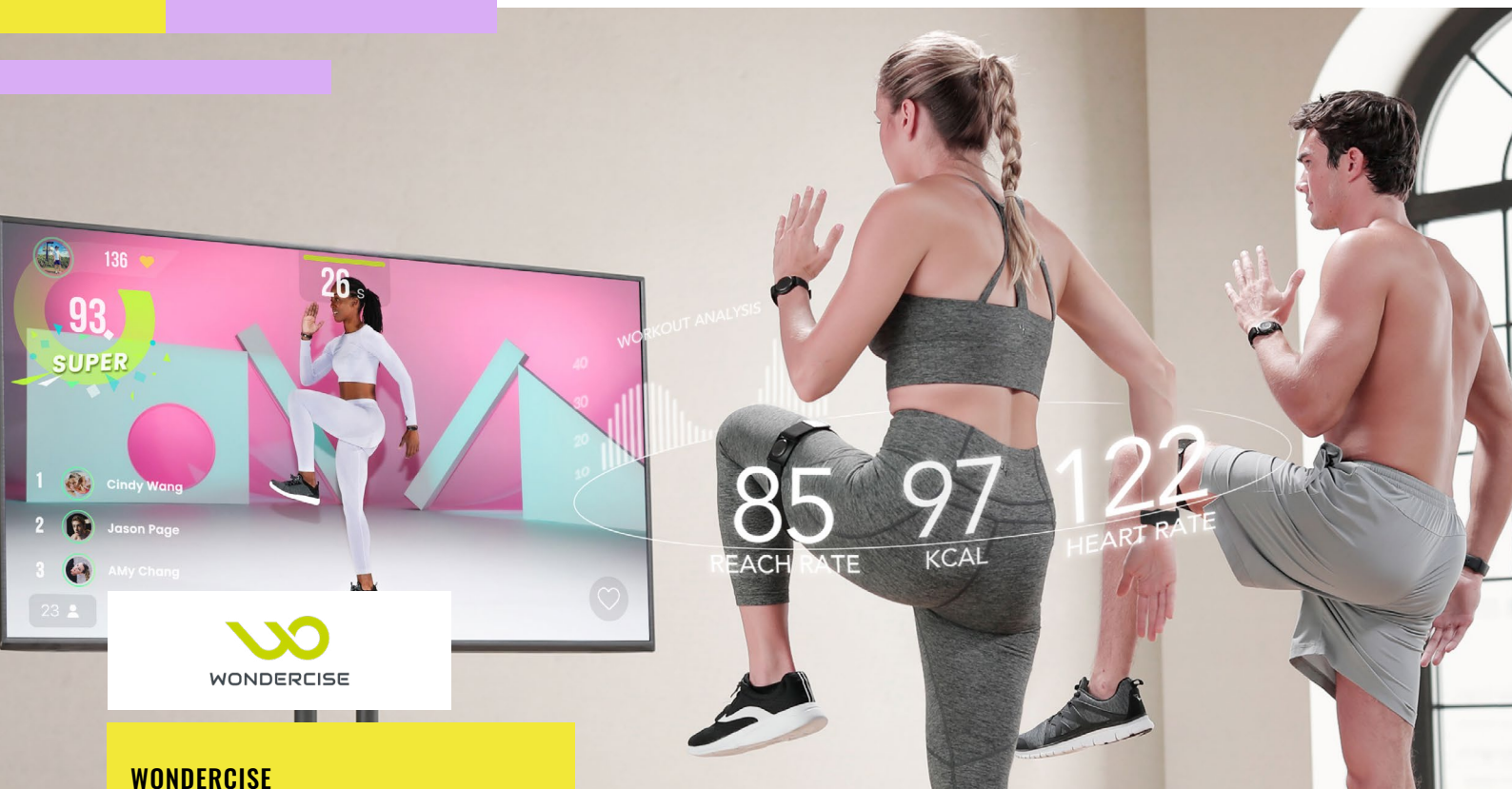
In addition to Ultrahuman, there is other notable glucose monitoring tech hitting the market. Casey Means, MD (Stanford), Josh Clemente (SpaceX, Hyperloop), Sam Corcos (CarDash, YC), David

Flinner (Google), and Andrew Conner (Google) founded Levels, probably the best known product of its kind currently on the market, to reverse the trend of metabolic dysfunction.

January AI uses glucose monitoring combined with heart rate data to provide personalized food predictions and exercise ‘recipes’ to help burn off any indulgent excess.

We predict that in 2022 more products like this will enter the market and will be seen on fitness enthusiasts, athletes and average gym-goers.





WONDERCISE LEVERAGING SOCIAL MEDIA TO GET FIT

Established in 2015 by Wonder Core, smart technology and fitness equipment brand Wondercise made an appearance at the CES 2022 convention with innovative Wondercise Studio product. The Taiwanese company touted Wondercise Studio as the world's first online fitness-themed social network bridging exercise classes and community through online video chats. Wondercise also unveiled their new Wondercise Cycle Studio & Wondercise Trilogy, but The Verge described Wondercise Studio as the company's "most intriguing" launch.

The company's smart fitness products include the Wondercise app and the world's first training Live Motion Matching system to support Apple Watch, Garmin wearables, and Wondercise wearables. The Wondercise app encourages consumers to integrate exercise into their daily lives, change their habits, and pursue a healthier lifestyle with tailored training. Wondercise Studio allows anyone to livestream their own fitness class, complete with real-time metrics

and performance feedback from fitness trackers. Users can voice and video chat with others during livestreamed classes. Just like on Instagram, users can "follow" other users or instructors. If a user has an Apple Watch, Garmin, or Wondercise's own wearables, you can also see your metrics on-screen — along with the metrics of everyone else in the class.

According to T3, Wondercise is out to compete with Peloton, Echelon, iFit, Apple Fitness+ and all the other online fitness platforms by layering on the social network element to its app. While many of these established platforms have social media, Wondercise believes their integrated platform is more compelling. Given the rise of gamification and connected fitness, we believe that this company could be onto something. This also is well suited for fitness influencers who eager to finds new ways to connect with their followers.



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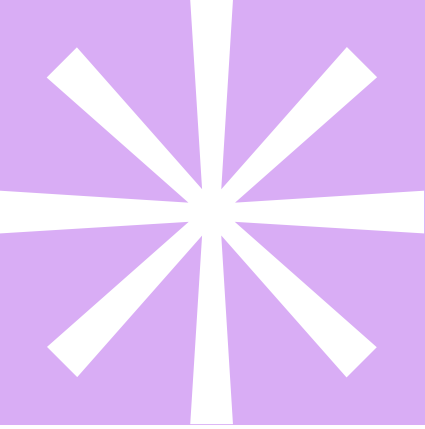
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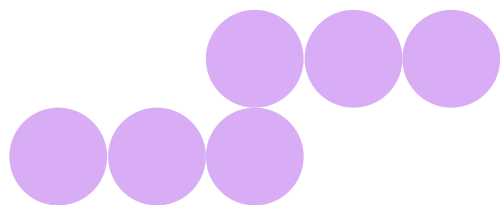
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DAM STRONG



LES MILLS SEEKS TO DOMINATE THE METAVERSE WITH BODYCOMBAT VR

LES MILLS



Les Mills continues to disrupt the fitness space with the LES MILLS BODYCOMBAT VR APP. The company, in partnership with VR innovator Odders Lab, has combined its popular martial arts-inspired BODYCOMBAT workout program with virtual reality to give users a fun, progressive way to sweat.

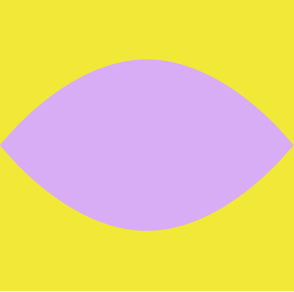




Longtime Les Mills enthusiasts are familiar with the brand's broad assortment of offerings. Clients ages 2 and up can work out in the company's elite classes, from their Born to Move youth exercises to HIIT and other cardio fitness products. Recently, Les Mills has embraced the virtual world by integrating its world-class fitness programs like BODYFLOW and SH'BAM with online platforms for a more widespread, convenient reach. In 2022, the company is taking this approach to the next level with the LES MILLS BODYCOMBAT VR app.

Les Mills and VR Innovator Odders Lab have partnered together to create the application which, according to Les Mills USA CEO Sean Turner, takes the live BODYCOMBAT martial arts experience into the metaverse, culminating in a "new, yet exciting way to experience" the workout. The company worked with META to bring the VR app to the Oculus Quest 2 device.

"Rather than bringing VR into existing Les Mills platforms, we are bringing our world-leading live exercise programs to the world of VR," says Turner. The initiative between Les Mills and its partners at Odders Lab was forged from the latter's love of the former's workouts. "It was natural for us to combine forces and develop something completely new," Turner states. "We're always looking at ways to push the boundaries of fitness, and this really caught our eye."



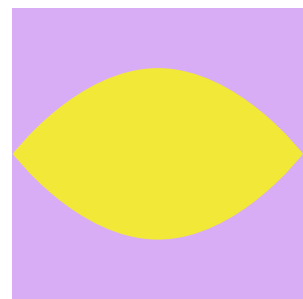
At-home fitness and virtual workouts, whose growth accelerated during the pandemic, have remained popular despite the reopening of gyms and fitness studios. McKinsey & Company reported that 70 percent of online exercisers planned to continue using online fitness platforms after the pandemic wanes. Another survey revealed that monthly spending on paid fitness apps has risen by 10 percent. Of the almost 70 percent of survey respondents for whom fitness and health are a priority, 75 percent report using mobile apps to meet their goals, up from 50 percent before COVID. As these consumers begin to seek more intensity from their at-home workouts, they will welcome the next phase in fitness that integrates virtual reality, with the Les Mills BODYCOMBAT VR app at the forefront.

Combining the ease of at-home workouts with cutting-edge technology, according to Turner, enhances the Les Mills portfolio in a significant way: “VR brings together gaming and fitness to create a new experience that is all-encompassing. The VR experience combines visual motivation together with audio motivation (i.e. coaching), leading to the user working harder without realizing it, trying to hit the targets and get the most points on the leaderboard. Our team of testers have all been blown away, both by the quality of the workout and the amount you can sweat from having so much fun!”

Turner describes BODYCOMBAT, already offered in 10,000 gyms around the world, as “the world’s most popular martial arts workout.” Leading this preferred exercise into virtual reality will help fans looking to work out in both VR and non-VR environments. “The BODYCOMBAT VR app feels like a very timely innovation as the metaverse starts to take off,” Turner adds.

Anyone ages 13 and up in pursuit of a fun, sweat-inducing workout will find it through the LES MILLS BODYCOMBAT VR app. The 25+ martial arts-inspired workout sessions offered range from 5 to 25 minutes in length and span three levels: Basic, Intermediate and Advanced. Turner promises the app is “made for anyone” and will entice both loyal and new Les Mills supporters with “an amazing full body workout.”

“It obviously talks to the fitness gamers that are looking for a great science-backed workout as well as our current Les Mills fans who are looking for a new and exciting way to experience one of their favorite programs,” he affirms. “Beyond that, the beauty of the BODYCOMBAT VR app is that we can tailor workouts for all fitness levels and take people through the workouts in a safe and progressive way. We challenge them to try it and not break a serious sweat.”





Fans of the company's Les Mills+ online workout platform who want to experience VR will have to wait, as there are no plans to include it in the BODYCOMBAT VR app for now. However, Turner believes the app "has already sparked some inspiration and exciting ideas across our teams."

Does Turner feel virtual reality can or will replace the traditional gym? "No. Just as digital fitness did not replace traditional gyms, neither will VR fitness. We are excited to see it become another complementary way for people to stay fit and active and above all else we hope this inspires new audiences to fall in love with fitness and have some fun."

The CEO, like other wellness leaders who've talked with Athletech News in recent months, feels the future of virtual fitness is robust: "We think there is an exciting future as one can see with all the discussion around the metaverse. While live classes will always be a strong cornerstone of fitness, VR is an amazing channel to inspire and motivate people to be the best that they can."

"At the end of the day, that is what we are all about — creating a fitter planet by helping more people to fall in love with fitness."

Les Mills' BODYCOMBAT VR app is now available on the Quest Store:

<https://www.oculus.com/experiences/questgaming>

READY? SET....GAME!

by Wendy Meyeroff

Game developers are taking virtual fitness to the next level.

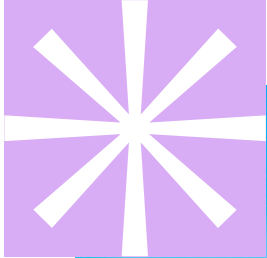


As we work in a third year of the pandemic, some solid trends have emerged that will define the foreseeable future of fitness. While many initially voiced negative issues, like depression and laziness, physical and mental at-home adaptations emerged—and fitness was one change with a positive impact.

But fitness is being surfed by another group: the gaming industry. Whether “players” are trotting in a lovely countryside, or biking through London

(when they’re actually in Brazil), or using VR for truly personalized experiences, the options seem to be not just for gamers, but ardent fitness buffs. Add in possibilities for gaining new attendees and is it any wonder that gaming gurus are seriously exploring their fitness outreach?

Is this just a competition, or could both industries work together to expand their outreach? How happy are fitness leaders? AthletechNews conducted exclusive interviews to gain insights.



Gaming offers added fun to fitness

One of the most exciting players in the fitness gaming scene today is Zwift, whose indoor cycling app is based on the philosophy that working out and entertainment aren't mutually exclusive.

"Zwift has built a game for cyclists...based on massive multiplayer online games, [like] League of Legends. You're using a stationary trainer or a treadmill to power a digital avatar in a virtual setting where you can interact with the environment, interact with each other [and,] most importantly, really give yourself an immersive fitness experience," says Greg Fisher, spokesperson for Zwift's marketing partner, IGT Studio. "I've never ridden under a waterfall or through glow worm caves, or any other...fantastical settings. I can do that in Zwift."

Fisher notes the company is definitely reaching out beyond sports to fitness. "We've spent many years building a really, really strong, dedicated community of cyclists and runners, but we're ready to move more into people who may not self-identify as cyclists, but who are passionate about having a really great fitness experience."

Hail Britannia...and Morocco...and Botswana...and more

Running World Cup is designed to make subscribers get involved in worldwide running—without leaving their environment. Started in the UK about three years ago, founder Nick Beresford says they're already teamed with major insurer Vitality.

"They have a global network, with John Hancock, for instance, in the US [and] AIA in Asia. [That's] just under a billion customers worldwide. And we've agreed to try and get a hundred million people more active by 2025."

Essentially, runners download Running World Cup... and there is an actual "annual Running World Cup tournament...[with] 237 countries competing." Of course since Belgium doesn't have China's population, an algorithm's been figured to "level the playing field."

To participate, it's simply using the app with implements such as "...an Apple Watch, Strava run tracker, or a Fitbit," says Beresford. Reports show that this year over 900 million people will use some kind of wearable device. Smartwatches are expected to rise to around 105 million units next year, from 66.5 million in 2019.

With Beresford's tool, the message the runner essentially gets, he says, is "If I do this run, it's going to help my country....potentially win the Running World Cup.' So if you run 5K, you'll see 5K more [for] your country" on an actual leader board that's being kept...and that gives...extra incentive. So we're trying to almost democratize the ability to compete for your country."

"You don't need lots of equipment," Beresford adds, but notes, "We are actually talking to Peloton about trying to do some stuff...so you'll feel like you're actually running with your fellow country people in a stadium-type atmosphere. But that's further down the line."

Virtually outdoors

Why run or cycle along your neighborhood, or a fitness track? What about running across Japan, or some other locale...without leaving home? Virtual reality (VR) is becoming a major player in providing at-home fitness options. So much so that it has its own name: "VR Fitness." No longer does VR mean using a headset to look at things simply for fun. Instead, many are touting VR as "the next frontier in fitness."

That's the premise of VZfit, one of VirZOOM's Metaverse exercise programs. Cofounder and CEO Eric Janszen says, "It allows you to run or ride on any of 10 million miles of roads mapped by Google Street View. You can stop and take a picture, and... when you're moving along, you're moving through a three-dimensional representation of the real world that was taken by the Google Street View cars."

You can meet up with friends or get your own AI fitness trainer, too, says Janszen, or you're finding gaming challenges that every month have folks competing for a certain goal. Janszen says, "VirZOOM was founded on an insight...that virtual reality, because of its immersive nature, would be uniquely beneficial for motivating exercise."

Ready? Set. Game.

Games offer a cutting-edge way for personal trainers, fitness coaches and even physical therapists to get people moving in a new, approved way.

But what about traditional locales? Fisher admits the at-home market is still their focus, but he has heard anecdotes about their Zwift RunPod being used at gyms. "It's a little black cube about the size of a quarter... [that's] got an accelerometer in it, and a Bluetooth sensor. You basically thread your laces through it. So it can connect to your computing device – whether that's a tablet or phone, whatever – and it'll transmit that strike data, and your avatar will run with other runners from all around the world in this video game environment."

“So you could go to the gym and you’d see some people with...magazines up on the treadmill, reading as they run. [RunPod’s] the same idea, except you would plop your tablet there...and you would actually see yourself run.”

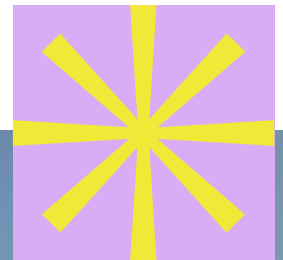
But some game gurus are looking for actual teamwork. “We are talking to Virgin Active, which is a gym chain over here, about some potential partnerships. Giving people things that ...can... encourage them to go that extra half a mile or mile, in the gym—or get them there through a...gamified experience, over and above just the normal running on the treadmill—is a nice opportunity,” says Beresford. VirZOOM actually was beyond at-home before the pandemic. “We were in YMCAs in Australia and health clubs all over the US and Russia and across Asia. So people would go to the health club and they’d play VZfit there,” says Janszen.

While Janszen is looking forward to reinstating that

onsite relationship, he's realistic, saying there'll always be folks who enjoy outside venues. “My wife is a perfect example. She doesn’t exercise in VR. She likes the whole social aspect in going to the gym. That’s where her friends are. She goes to the sauna, hangs out with people. I think people are always going to want to go to the health clubs.”

“The fitness industry stands to gain from gamification technology and partnerships. Part of IHRSA's leadership role is to advance physical activity, so we fully support any form of exercise that gets people moving and healthy,” Liz Clark, the president/CEO of the International Health, Racquet & Sportsclub Association (IHRSA), told AthletechNews.

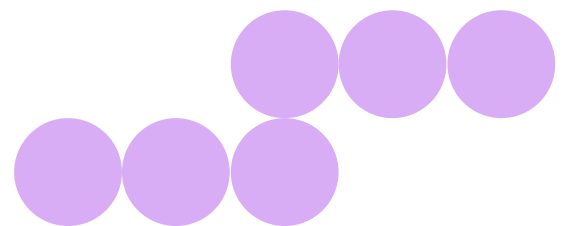
Clark concludes, “If gamification motivates more people to be physically active—whether that's at home, at a health club, or outside—this is a win for the industry and our purpose.”





THE BIGGEST CELEBRITY FITNESS DEALS OF 2021

by Candace Cordelia Smith





2022 is here, and that means it's time to take a look back at the biggest celebrity fitness deals of 2021. From Kevin Hart's partnership with Hydrow to Beyoncé's #PeletonPark, here are the most significant collaborations between some of your favorite on-screen (and on-field) personalities and their favorite fitness brands.





Fitness trainers like Peloton instructor Jess Sims and entertainment news mainstay Harley Pasternak have become celebrities in their own right. But, in the COVID-19 age, film, TV and sports celebrities have found another way to connect with their fans and fitness by securing very hefty partnership deals with recognizable trademarked names. Fitness brands such as Peloton and Tonal have done pretty well on their own to boost their profiles, whether through innovative offerings or headline-making incidents. But as you may know, it doesn't hurt to bring a famous face into the mix for more leverage.

In 2021, celebrities including Kevin Hart and LeBron James used their influence to link up with some of the world's fastest rising stars in the fitness world. Other well-known names, like *Sex and the City's* Chris Noth, also made fitness headlines in the latter part of the year, albeit in a shocking, unexpected way. Of course, it wouldn't have been a year without one of entertainment's favorite power couples, Beyoncé and Jay-Z, putting their money where their Peloton and LIT Method interests were, in some very lucrative investments and branding collaborations.

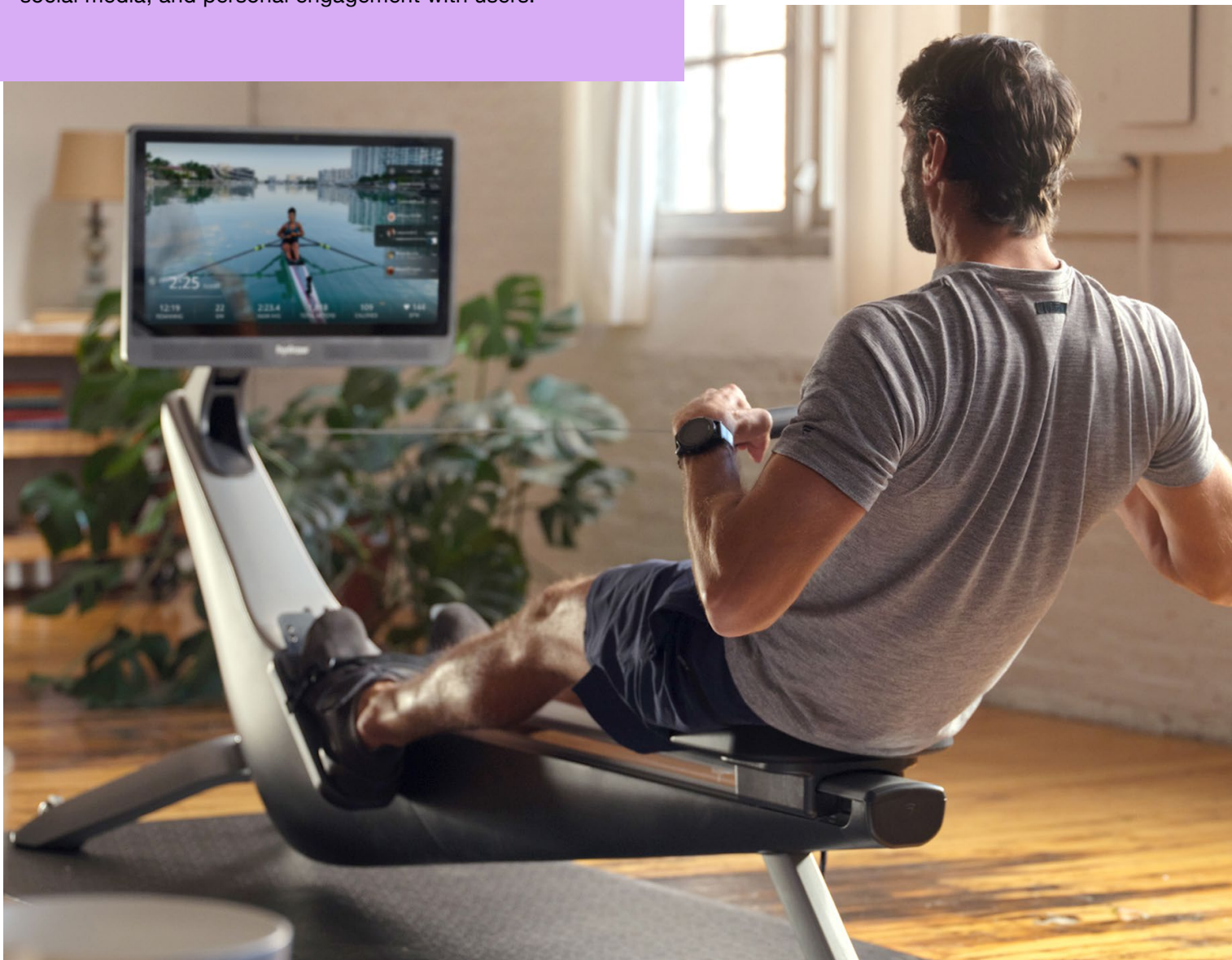
Overall, it was a banner year for celebrities diversifying their portfolios both financially and personally in the name of better health. Now with 2022 finally here, let's take a look at the buzziest celebrity fitness deals that may very well extend into the new year.



KEVIN HART & HYDROW

Comedian and "What The Fit" star Kevin Hart continued to prove his dedication to keeping healthy with a new role as Hydrow's creative director. As an advocate of the Live Outdoor Reality rowing machine, Hart was brought onboard to help expand Hydrow's brand via content, advertising, social media, and personal engagement with users.

hydrow[®]






TONAL

LEBRON JAMES & TONAL

Lebron James was so impressed by “the world’s smartest home gym and personal trainer” Tonal that the NBA superstar decided to both invest in and become a brand partner of the company. “For me, Tonal and the technology it uses to maximize efficiency while still doing a complete workout is a perfect fit,” said James. The Olympic gold medalist also noted that Tonal’s efficiency “is second to none” with regard to strength training.



MARIA SHARAPOVA & TONAL

Retired tennis star Maria Sharapova also jumped on the Tonal train in 2021 and became an investor in the home fitness startup. After meeting a Tonal board member at a business conference in 2020, Sharapova was all in. She explained: “The world of fitness is so personal and individual. That’s what Tonal is catered to do. It does this through the technology that’s made for you, not just made for all your friends. I think that’s what is so impressive.” It would be remiss not to mention that Serena Williams, another tennis superstar, is also an active investor in Tonal.

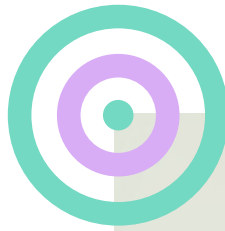
CHRIS NOTH & PELOTON

Actor Chris Noth and Peloton struck a deal, albeit short-lived, for a social media ad during the holiday season. The commercial was a nod to his character Mr. Big, whose untimely death occurred after working out on his Peloton bike in the first episode of *And Just Like That...*. At the time the ad was unveiled, the move appeared to be a brilliant one, especially for Peloton after its year of unparalleled controversy. Still, not long after it aired, Noth made headlines due to allegations of sexual misconduct he's since denied. As a result, the Peloton ad was pulled from all of the exercise equipment and media company's platforms.



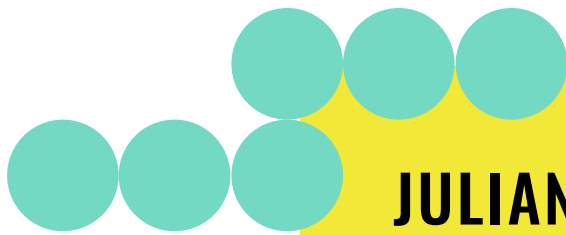
BEYONCÉ & PELOTON

Queen Bey saw the potential in joining forces with Peloton multiple times in 2021. First came the Peloton x Beyoncé Artist Series, with 72 hours of workouts streamed to a Beyoncé-inspired soundtrack. Then the duo's #PELOTONPARK activewear collection was born. Bey's passion for fashion and fitness reached new heights with the vibrant range made available in November on the Adidas website. The Peloton x Beyoncé Artist Series and Peloton Park came into fruition after Peloton added Beyoncé-themed workouts and music to their digital library, along with a team effort to recruit students from HBCUs and to offer fitness content.



JAY-Z & LIT METHOD

Beyoncé wasn't the only Carter family member making a splash in the fitness world this year. Jay-Z became an investor in LIT Method, the fitness company which boasts an all-in-one water-powered Strength Machine. Jay-Z made the business deal with LIT Method through his Marcy Venture Partners venture capital firm.



JULIANNE HOUGH & THERABODY

Julianne Hough, who has captivated fans with her singing, dancing and dramatic talents, increased her stock in the health and wellness landscape as an investor and ambassador for Therabody. She described the brand's pursuits, formerly known as Theragun, as "inspiring." "I've followed along with the brand as they've grown, which eventually led to my investment in Therabody this year," said Hough.





DAVID BECKHAM & F45

David Beckham took his sports smarts and stellar reputation to global fitness franchise F45 this year. The international soccer superstar became an ambassador of the brand, which tapped him for their latest marketing initiative. Actor Mark Wahlberg, who is one of F45's investors, was the one to introduce the franchise to his pal Beckham.



MARK WAHLBERG & POWER PLATE

In addition to his investment in F45, Mark Wahlberg acquired a stake in Performance Health Systems, parent company of body vibration therapy machine Power Plate. Power Plate is credited with helping users tighten skin, burn fat quicker, increase strength, and improve flexibility, among other benefits. Wahlberg is one of many celebrity customers (Morgan Freeman, Serena Williams, Clint Eastwood, Hilary Swank) who have used Power Plate and vouch for its exercise results.

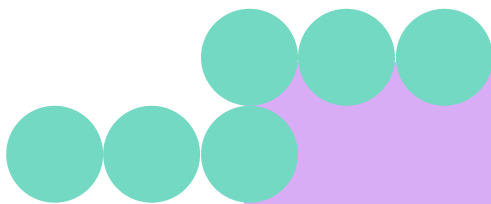




THE HOUSE OF
LR&C®

CIARA, RUSSELL WILSON & THE HOUSE OF LR&C

Power couple Ciara and Russell Wilson got in cahoots with former Lululemon CEO Christine Day for Day's newest venture, The House of LR&C. With Ciara and Russell as the faces of the multi-brand fashion house, the trio embarked on fusing retail with philanthropy. Three percent of every House of LR&C purchase goes to the Wilsons' Why Not You Foundation. "We continually look for opportunities to not only donate to worthy causes but to amplify voices, support individuals, communities and positive initiatives focused on inclusivity, environmental responsibility and social justice," reads the clothing line's mission statement.



PITBULL & ECHELON FITNESS

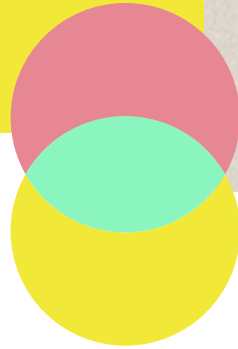
Pitbull went from fan to investor, brand ambassador and content creator with Echelon Fitness. It was announced that the Grammy winner's new partnership with Echelon would involve his very own "Ride with Pitbull" channel featuring his music, including an anthem song for Echelon riders and Pitbull fans to enjoy. "Learning Pitbull was a fan of our product and our community was humbling... We are so excited to welcome Mr. Worldwide to the team!," said Echelon Fitness President and CEO Lou Lentine in a statement.

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SIMONE BILES & ATHLETA

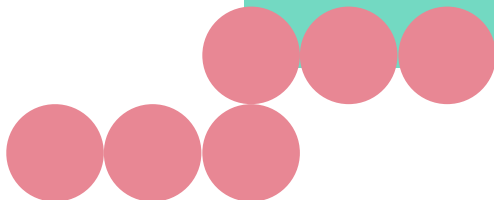
Time's Athlete of the Year Simone Biles left her partnership with Nike to represent Athleta in a long-term agreement. The superstar gymnast spoke on the special opportunity to not only work with the Gap-owned brand in crafting her own line, but also to use her voice and influence via Athleta Girl. In a statement Biles said: "Using my voice has been very empowering for me and I am grateful to embark on this new journey with Athleta to inspire young girls and women to do the same. The opportunity to encourage young girls to reach their full potential and be a force for change is incredibly powerful."



HALLE BERRY & SWEATY BETTY

Bruised star Halle Berry took her three-year-old fitness and wellness brand *rē•spin* into the fitness apparel game with global fitness and lifestyle brand *Sweaty Betty*, and released a 22-piece collection named *rē•spin edit*, inspired by boxing and Japanese jiu-jitsu. "Sweaty Betty is a brand that I have so much respect for. I love the philosophy and I love all the female energy," said Berry in an interview. "It's very aligned with who we are over at *rē•spin*. For me, I like my activewear to be a cross between fit and fashion."

Sweaty Betty

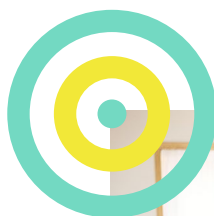




ALY RAISMAN & CLUB PILATES

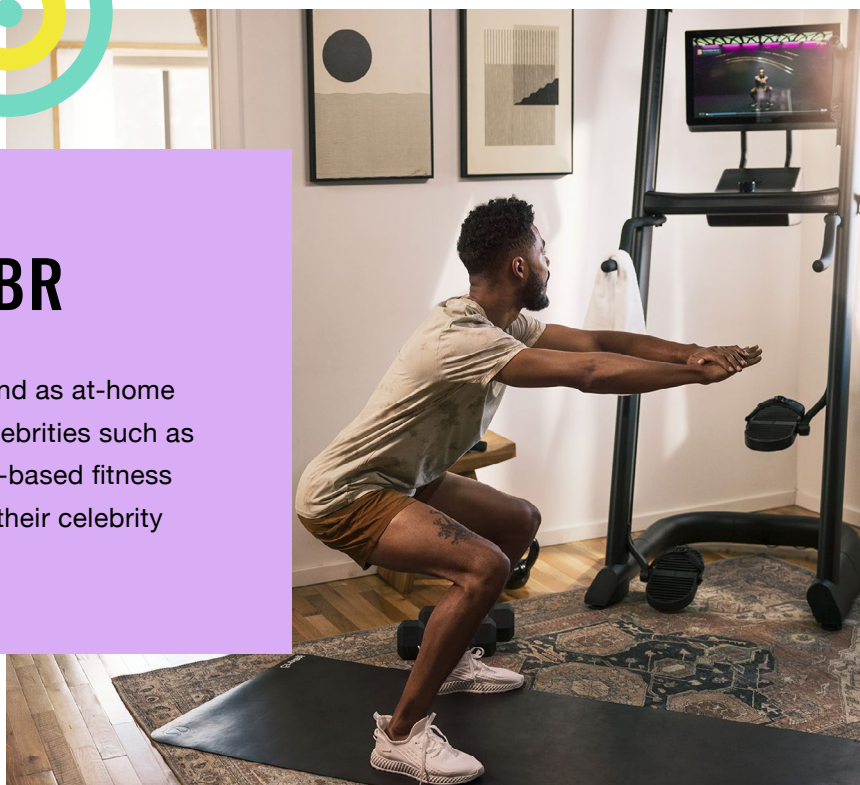
Another gold medal gymnast, Aly Raisman, entered into a multi-year agreement with Club Pilates as a Core Ambassador. The fitness franchise brand called on the two-time Olympian to “raise awareness around Pilates’ benefits.” In a statement, Raisman declared her high level of appreciation for the company and Pilates in general. “When I am struggling with low energy or anxiety, Pilates helps me feel more calm and relaxed, and other times, I choose sessions that help me push myself. Everyone has different goals for their workouts, and it’s great that Club Pilates provides options for a variety of fitness purposes,” she explained.

CLMBR



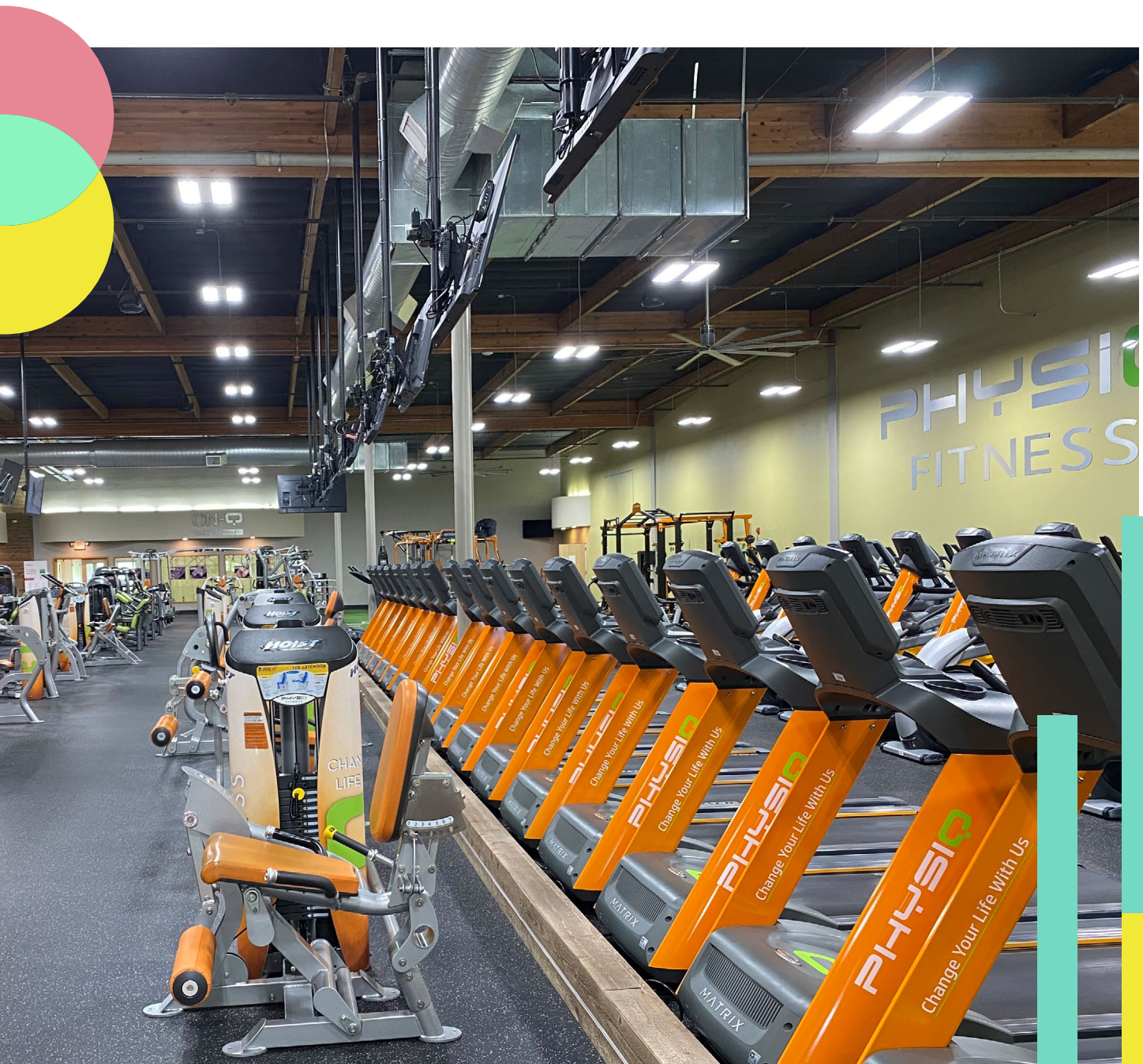
RYAN SEACREST & CLMBR

Climbing was one of the hottest workouts of 2021 and as at-home workouts became popular, so did CLMBR. Many celebrities such as Pitbull, Ryan Seacrest, Jay-Z invested in the Denver-based fitness startup once dubbed “the next Peloton.” Thanks to their celebrity investors, CLMBR raised \$13.5 million in 2021.



New Fitness Technology Reduces Cost and Improves Staff and Member Experience

ABC Fitness Solutions' latest innovation, ABC IGNITE, gives fitness club and gym owners a more efficient, user-friendly way to service members as new forms of technology and programs continue to shape the industry in surprising ways. Physiq Fitness founder and CEO Landon Burningham talks to Athletech News about the evolution of fitness technology and how ABC IGNITE will greatly support his business and that of his gym owner clients.





LANDON BURNINGHAM
PRESIDENT & CEO
PHYSIQ FITNESS CLUB

Founded in 1981, ABC Fitness Solutions (ABC) helps nearly 25 million gym members globally realize their fitness journey as it processes over \$8.2B+ in payments annually for 20,000 clubs. ABC's main goal is to simplify the business of fitness with a top-notch club management solution combined with best-in-class revenue optimization and a trusted team of experts. Their latest innovation, ABC IGNITE, is designed to be flexible, scalable and easy to use, giving the club operator full control of gym operations while lowering costs of ownership and delivering a differentiated member experience.

Landon Burningham, President & CEO of the Physiq Fitness club chain, has experienced these benefits firsthand with ABC IGNITE. Burningham tells Athletech News he expects this next generation of club management solutions to provide an intuitive "user-friendly experience" for Physiq Fitness staff, among other things: "After doing an initial beta test, my favorite part about it [ABC IGNITE] was that my staff picked it up in about 30 seconds. With no formal training on the new software, they were able to navigate it easily to the task at hand."

Physiq Fitness has been a client of ABC club management software since 2013, and has witnessed directly how quickly fitness technology has evolved, especially after the COVID-19 pandemic propelled the fitness and health industries to reconfigure strategies and product solutions in different ways.

ABC IGNITE is ABC Fitness Solutions' answer to fitness gyms and clubs who need to simplify life for both staff and members in the face of a global health crisis. Burningham believes ABC IGNITE's all-in-one suite is exactly what the industry needs: "It's going to relieve their [Physiq Fitness staff members'] stress and help them feel at ease with the technology."

Once Burningham saw the benefits of an integrated suite, he decided to consolidate his CRM and branded mobile app to ABC IGNITE: "I think the most beneficial thing for me about ABC IGNITE is that everything is in one place. It simplifies my life so I can focus on my members."

The consolidation of various technologies as well as the addition of new features in ABC IGNITE equated to \$1000 cost savings across his 4 locations, but Burningham says the biggest savings is the time

"I think the most beneficial thing for me about ABC IGNITE is that everything is in one place. It simplifies my life so I can focus on my members."

found with his team that's just as valuable, if not more. "Dealing with one partner vendor versus, in our case, four different ones at one point, is something that we can't put a value on," he clarifies, adding "Additionally, the ease of use for my front-line staff cuts down on their time and stress dealing with multiple companies. This, of course, saves tons of money over time with each staff person now being more efficient."

Burningham goes on to add: "There is something for everybody in IGNITE. For example, our marketing team really likes the usability of IGNITE Sales, the



CRM [and] the ability to send dedicated education or sales content, while our coaches love the ability to personalize the new mobile app which offers tiered experience based on the type of membership.”

The COVID-19 pandemic has certainly underscored the value of human connection. Burningham feels the alliance between Physiq Fitness and ABC Fitness Solutions has been less of a vendor relationship and more “like a partner relationship.” “In these times where we’re Zoom calling and we’re texting and everything [is] done virtually... it’s very easy to set up a board and everyone [can] forget the human nature of that relationship. But for me, I continue to want human relationships with my partners because I know my staff wants that with me and I know my customers want that with my staff.”

Burningham describes reporting dashboard

IGNITE Insights as a “powerful tool” that increased his knowledge of his overall business: “The thing that I’m most impressed about with ABC IGNITE software is [its] ability to increase staff experience, while improving the member experience, and also therefore increasing the operational efficiency, and it’s all in one suite. What more can we ask for?”

Burningham also shared his perspective on how to stay ahead of the curve: “Members always expected a good location, value, cleanliness and a friendly experience. That is table stakes now. A technology like ABC IGNITE can help me keep pushing the limits, help me differentiate my club by offering a better bundle and value without reducing the price. I can create a personalized hyper-localized member experience, so they feel like they are part of a community every time they visit in person or use the app.”

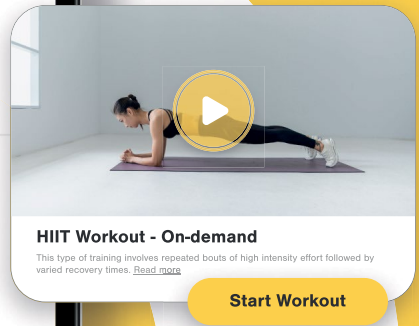
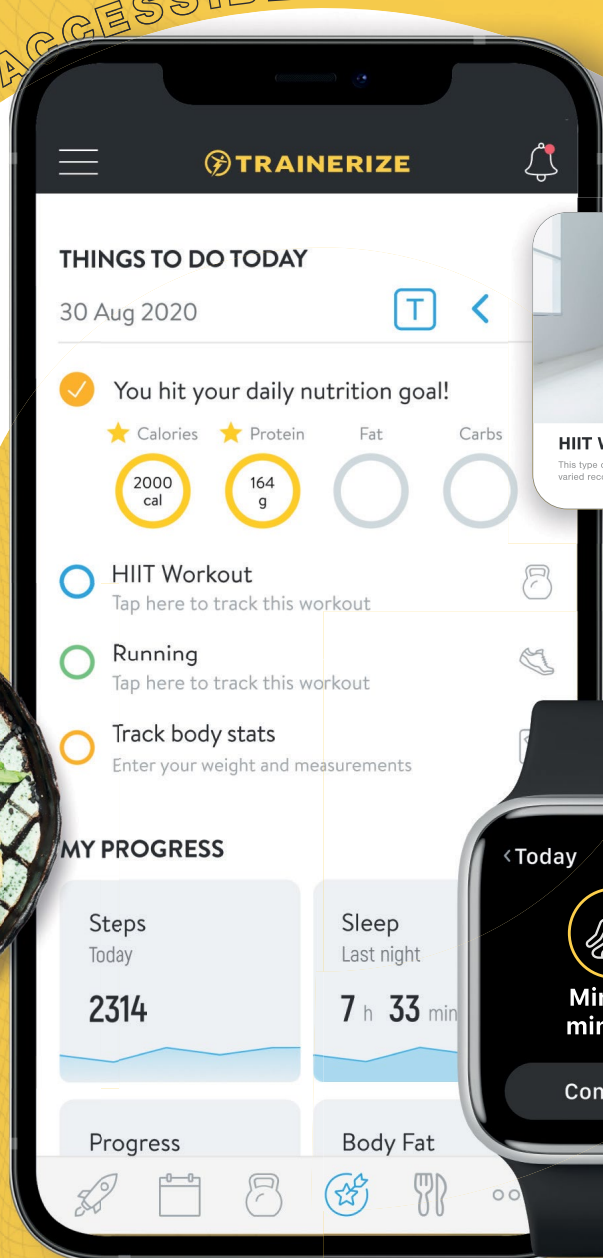


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HOW OUTDOOR RECREATION IS CHANGING FITNESS

by James Capangpangan

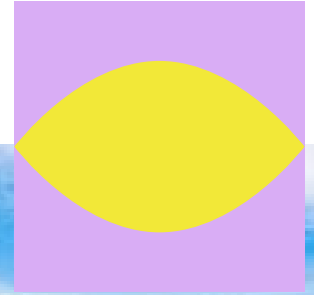


Photo by Brian Erickson on Unsplash

Since COVID, gyms haven't been the same, let's face it. We have confronted everything from gym closures to soft openings to closures again. We have been through the wringer. But, after all that, we have discovered outdoor exercise...and we like it.

Outdoor recreation is growing by leaps and bounds. In 2020, an astounding 7.1 million more Americans participated in some form of outdoor recreation than in 2019. In 2021, outdoor gear sales, including trail running shoes, backpacks, and tents, increased 20% compared to the previous year.

Conventional outdoor activities like bicycling, hunting, and hiking increased 7% in 2020 compared to 2019. Over 50% of active adults chose outdoor activities as the best way to stay fit, and 40% of gym members reported switching to outdoor sports like running in 2021.

COVID has accelerated the pace of outdoor recreation becoming more popular and replacing indoor forms of fitness. So let's take a look at what's changing in gyms and on trails.



Gyms Are Changing

With the boom in outdoor recreation, there is a need for more sports equipment and training. Sports like rock climbing, trail running, and skiing are becoming more popular, and with popularity comes more demand.

VF Corporation, owner of The North Face, Vans, Altra, and Smartwool, confirms the outdoor growth. Their most recent quarterly results show a 25% increase in activewear revenue, with The North Face sales up by 28%.

Dick's Sporting Goods saw an astounding 36.6% increase in 2021 store sales compared to 2020, with net income a staggering \$1.19 billion in 2021, up from \$321.3 million in the previous year.

What does this mean for traditional gyms?

Many traditional gyms are now offering outdoor spaces, with prominent names going all-in on fully outdoor gyms. Equinox launched its first Equinox+ In The Wild outdoor location in Los Angeles in late 2020, followed quickly by a second area in New York.

Meanwhile, gyms are now purchasing training equipment for sport-specific training. For example, it is now commonplace to see ski ergs for ski training and hang boards for climbing training in gyms. Similarly, we have seen many 24 Hour Fitness gyms place climbing holds rigged on a pull-up bar to satisfy climbers. When Athletech News asked Paul Mandell (CSCS and Crossfit gym manager) about this trend, he said:

"People are recognizing that this is a legitimate form

of exercise, it's fun, and it brings people in."

When asked about gyms trying to cater to outdoor athletes, Paul stated, "I think that if you own a gym or you are affiliated with one, to not be thinking about that is to be a little behind the curve."

More people are flocking to outside gym community runs or yoga classes. Early in the pandemic, it was safer and easier to attend outdoor workouts where people would gather. Additionally, with everyone feeling suffocated in their homes, this was a welcome reason to get outside. But now, with mask mandates lifted in some states, gym-goers are still attending outdoor classes.

Outdoor hosted activities are here to stay. Among active adults, 59.1% chose outdoor activities like running, hiking, and walking as the best way to stay fit in 2021, and 39.4% of gym members are switching to running and other outdoor activities in 2021.

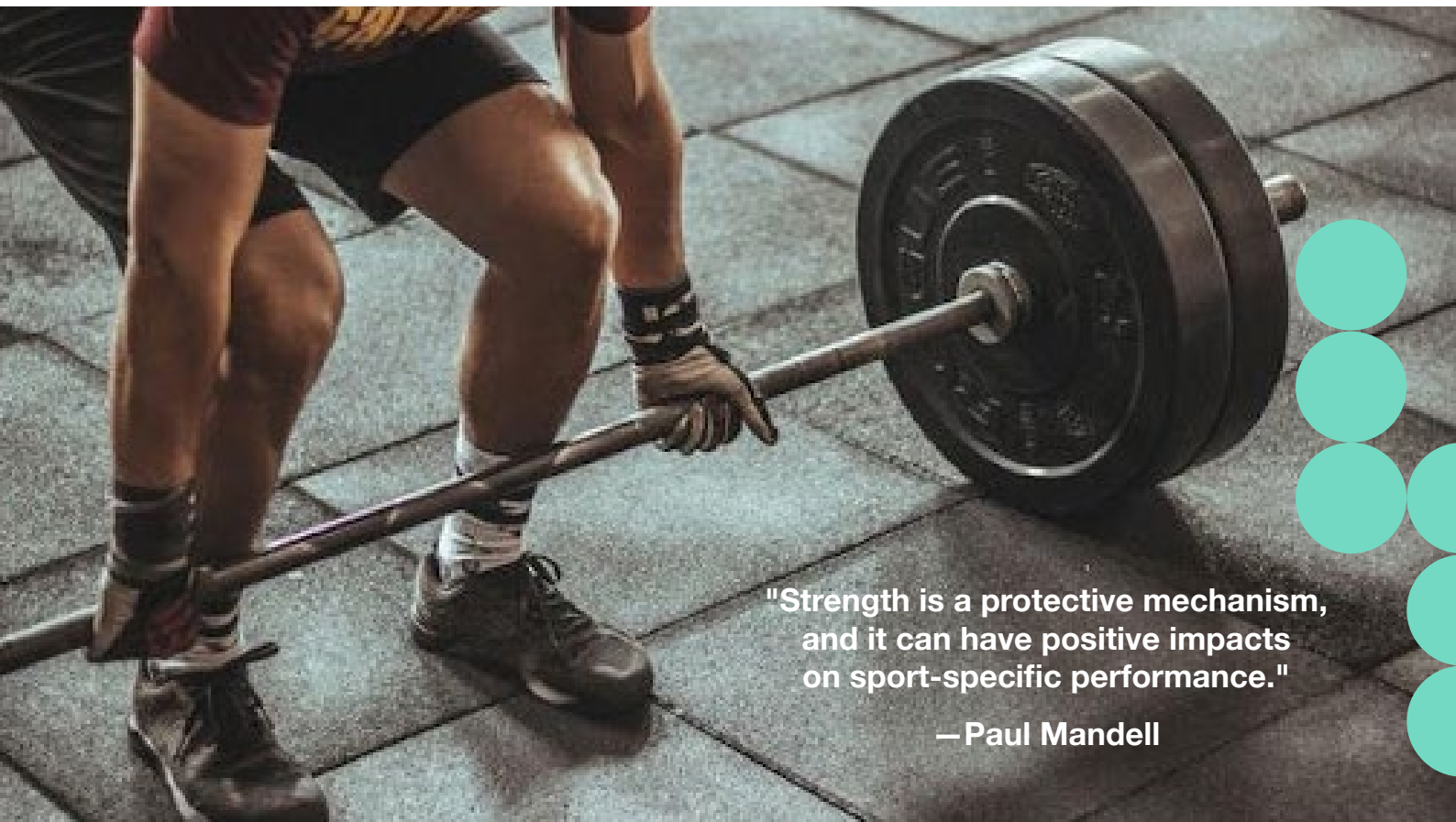
Peloton is jumping on this demand and now offers audio experiences that can be taken outside. They even provide an app with metrics to track a run. Paul Mandell says, "That's the cool thing about recreating in the outdoors is that there's so many different things so that it appeals to a wide variety of people."

Fitness apps blossomed with growth. Most notable is Strava, with an astounding 76 million users in March 2021 and continued growth at a rate of up to two million every month. Strava is called the "network for athletes," and it's true. For example, Tour De France data shows that 120 out of 176 athletes used Strava to upload their results.



Training For Outdoor Athletes

Photo by Victor Freitas on Unsplash



"Strength is a protective mechanism, and it can have positive impacts on sport-specific performance."

— Paul Mandell

Training is becoming a focus for outdoor sports, whether for injury prevention or improved performance. "The vast majority of people I work with definitely are some kind of outdoor athlete, and they recognize that weightlifting has a positive performance benefit for them...Strength is a protective mechanism, and it can have positive impacts on sport-specific performance," says Paul Mandell.

There has been a noticeable shift from climbers focusing only on sport-specific training to incorporating traditional big lifts and other workouts that you would see in the gym.

It is now necessary for climbing gyms to offer traditional gym equipment like squat racks, barbells, weights, and kettlebells. More people are practicing their deadlift, squat, and bench.

When asked about her recent visit to an older climbing gym, Karen Schwartz, owner of Sage To Summit, an outdoor gear retailer and climbing gym, said, "I was floored that they didn't have a fitness room...it seems silly if you didn't have that." Karen makes it clear that there is an expectation of more than just a climbing wall now for climbing gyms. If you are not supplying this feature in your gym, you are losing potential gym members.



What Does This Mean For Both Industries?

The fact is that more people are recreating outside and participating in outdoor sports. Whether backpacking, hiking, trail running, climbing, or skiing, they will want to increase their fitness to perform better or prevent injury.

We can expect continued growth for both the outdoor and fitness industry. As a result, companies will direct their products and services to meet the outdoor trend.

We have seen innovations in fitness equipment used at home and outside. For example, BaseBlocks has a set of Strongblocks marketed as travel-friendly and minimalist that can be taken anywhere.

The Body Boss workout system and Kayezen Vector are standouts in this space.

The platforms are resistance cable-based but offer accessories for many exercises. The Body Boss has a unique barbell attachment for users to perform movements like squats. The Kayezen platform has a revolutionary anchor system attaching to doors, fences, and walls.

Kayezen Vector offers many accessories, from a hip belt to various grips and straps, comparable to having a full cable tower at a gym. Providing even more value, Kayezen provides exercises to users through an app.

Athletech News expects to see more versatility and growth in apps and equipment like Strava and Kayezen Vector. It seems the fitness and outdoor industry have a positive and healthy relationship. When one grows, so does the other.



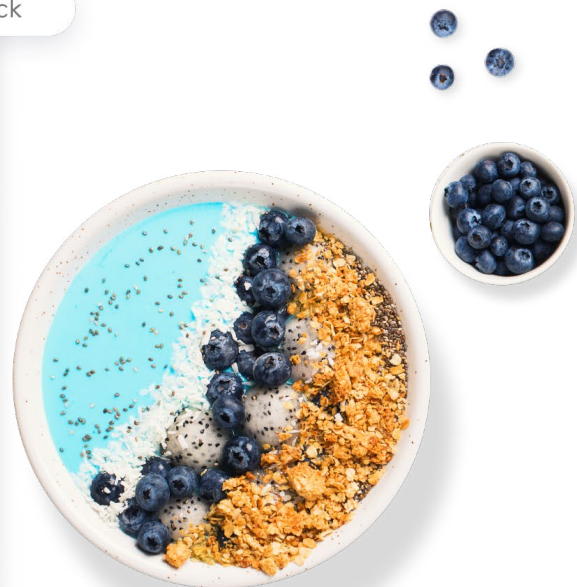
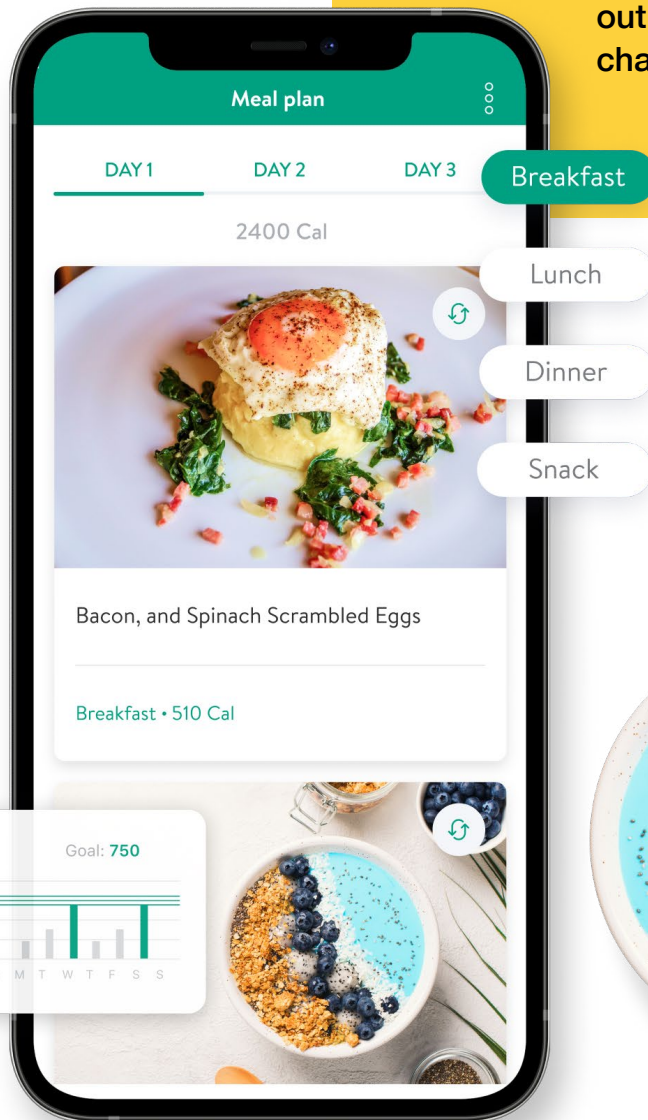


6 FITNESS INDUSTRY PREDICTIONS

by Sharad Mohan,
Trainerize CEO & Co-Founder



2021 has come to an end, and we're all hustling, right? Planning our year, figuring out our goals, maybe joining a fitness challenge? (More about that below.)



To celebrate the start of 2022, I started to build out a list of predictions of what I see being the future of the industry. But as I was brainstorming, I realized something.

Why would I “predict” where the industry is headed when I can just share where we at Trainerize are taking the industry?

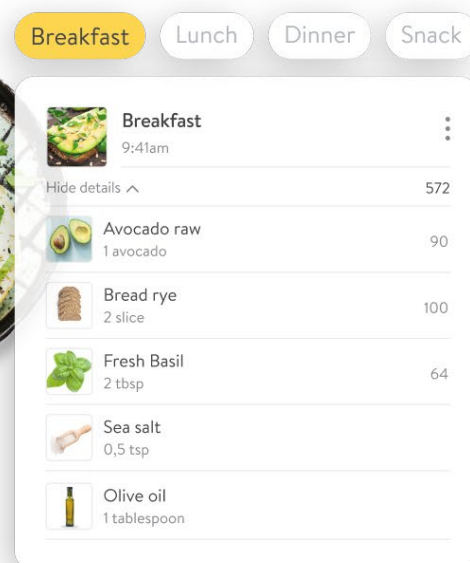
What we're building at Trainerize just doesn't exist

yet—we're category makers—so it's great insight into where fitness is headed as a whole. (I swear, I'm not biased!)

Here are 6 insider predictions of the future of fitness—pulled from our product roadmap and observation of fitness's biggest brands—with extra intel from one of my Trainerize co-founders, Product Director Trevor Chong.

PREDICTION 1:

Nutrition coaching will become a default element of personal training



We know that healthy lifestyles come from healthy behaviors—which is why we built habit coaching into our product in 2019. And what we saw from our customers is that nutrition-focused habits were a major focus. People don't necessarily want to track meals or follow a meal plan—but they do want to improve their diet. And, they want to make small fundamental changes to build long term success. So for the first time, personal trainers are going to have a huge role to play in that need.

We see nutrition coaching becoming a default in personal training programs. There are a few different ways this can play out—I call it the nutrition triangle. First, some coaches offer nutrition habits. Second, some trainers encourage meal tracking. And third, some offer complete meal plans. For some clients, tracking macros and planning meals may be necessary.

That's why we're building a smart meal planning tool. It'll enable trainers to give general recommendations—% breakdown of nutrients and number of calories per day—and the system will spit out a meal plan. From there, control is in the client's hand. They can pick and choose, mark favorite meals, and track automatically from there.

Abs are made in the kitchen—and with your personal trainer.

PREDICTION 2:

Personal trainers will become big-time entrepreneurs



In the 2008 recession, Shopify exploded because people got laid off and started their own businesses. Shopify made an entire generation of ecommerce entrepreneurs, and Trainerize is doing the same for fitness entrepreneurs.

The biggest change in business branding over the last few years has been the boom of individuals— influencers and entrepreneurs. These niche brands cater to a specific crowd and are totally dialed into their missions. This brand loyalty is a serious competitive advantage. Taryn Toomey of The Class has crushed this—she’s got this thought and intent in how she built her business. I am a loyal follower of her workouts because of that.

For businesses with loyal followers, they need to monetize that audience. Trainerize is that perfect partner to do so. An all-in-one application, class booking, appointment booking, facilitating both online and hybrid programming. We’re not trying to replace the trainer (like a lot of apps). We’re helping them do more.

Need more convincing? Remember The Great Resignation? Fitness professions aren’t exempt—and more and more entrepreneurs will find freedom and independence from traditional business structures this year.

PREDICTION 3:

Big box gyms will transition to personalized, boutique experiences



The one-size-fits-all approach to fitness is dead. Consumers need personalized experiences, for their unique needs, interests, and fitness journeys. We see this with the passionate fan bases that influencers and solopreneurs are building online, too. Being specific is how you win fans.

And we're seeing this in the industry. Big box gyms are morphing into new versions of themselves, says Trevor. "They're becoming umbrella gyms, with multiple boutique offerings under their brand name. Look at Life Time—they have spin, they have their Alpha Strength group training programs—they're dialing into those specific niches."

Personal trainers may feel they need to level up their offerings to compete with boutique and enterprise gyms—but those gyms also need to niche down to compete with personal trainers. Something to think about!

PREDICTION 4:

Fitness providers will become global content providers—like Netflix

**Bands workout with Steph**

A resistance band is a lightweight elastic band used to induce muscular contraction. This contracting motion builds strength... [Read more](#)

**Spin Class with Meg**

This class is a great cardiovascular workout. Pedal through hill climbs, sprints, and many other... [Read more](#)

[Spin now](#)

**HIIT With Chris**

HIIT is a full-body workout. The class is a rigorous interval training sequence with high-intensity exercises... [Read more](#)

The best example of this so far? Digital-only studios, like Peloton. Peloton coaches are becoming celebrities in their own right. They're a global library of content, churning out more and more rides, building more and more fans.

And beyond digital-only businesses, digital is now a part of every fitness business. So everyone is a content provider and needs to think about the libraries they're building. In Trainerize, that means your master library and video library.

PREDICTION 5:

Functional fitness will reign over machines

The average person is moving away from machines in 2022. I know, I love my Peloton! That's a machine! Yes. But hear me out.

This prediction comes down to necessity. The average fitness entrepreneur just can't commit to the overhead of a large business. And they don't need to! We've proven with Trainerize that you can build a solid fitness business with at-home, online-only training—no sweat.

The pandemic has only accelerated that progress. Methods like AMRAP, EMOM, and programs with additional modalities are more streamlined, and they all fit into this at-home fitness trend. And then people want to integrate more functional fitness—cycling, walking, and sports. Plus, people want to be social when they're working out, but not necessarily in a gym. So these types of programs, supplemented with cardio and activities, bridge the gap between in person, online, and group training.

PREDICTION 6:**Leaderboards will die out**

I've mentioned this before, but I am not a fan of leaderboards—particularly not in large-scale classes and challenges. We see this a ton in consumer fitness and they're just not motivating!

We predict a shift in how clients measure success in their fitness journeys. Think small-group challenges, group goals, thresholds and achievements. People joke about millennials needing participation trophies but in this case, it can really make a difference in building up small wins to make healthy lifestyles.

Trevor says a push for inclusivity is also driving this change. “We’re seeing fitness become more open—gyms are more worried about inclusivity and accessibility. On Apple Fitness Plus, we’re seeing a huge level of diversity in terms of the trainers on the platforms. Everyone can play, and everyone can win.”

Honestly, it's easy to think “future of fitness” and think of technology—and of course, we want to build a better app and want to see smarter tools. But most of these shifts have more to do with the psychological and social implications of the world around us. The world we live in is changing, and fitness, like everything else, is changing too. Pandemic aside, people need more convenience, more motivation, and more human connection. And that's what we see driving fitness for the next 12 months.



ABOUT SHARAD MOHAN



Sharad Mohan is the Co-founder and Managing Director of Trainerize—the company known for digitizing the fitness club experience—and the driving force behind their mission to “make fitness accessible.” Sharad is helping fitness businesses leverage technology to stay relevant in the digital fitness age and engage their members in new ways using mobile and wearable devices.

Sharad's combined passion for customer experience and digital fitness fuels his commitment to help fitness businesses engage and empower their members through technology.

With 80,000+ fitness businesses using the Trainerize platform to digitize their services and offer online training, digital challenges, as well as small group training, Sharad has quite a number of stories to share about online fitness entrepreneurship, the rise of the digital fitness club and the savvy digital fitness consumer.

Connect with Sharad and stay up to speed with fitness industry trends and digital fitness innovation:

<http://instagram.com/sharadmohan/>

<https://www.linkedin.com/in/sharadcmohan/>

<https://medium.com/@sharad.mohan>



Trainerize (trainerize.com) is a client engagement mobile app and software that allows fitness coaches and fitness businesses to expand their reach beyond their physical spaces, better connect with members, build meaningful relationships, and digitize the training experience. Fitness coaches and fitness businesses use Trainerize to boost member engagement through digital services as well as attract new members by tapping into the market of online training.

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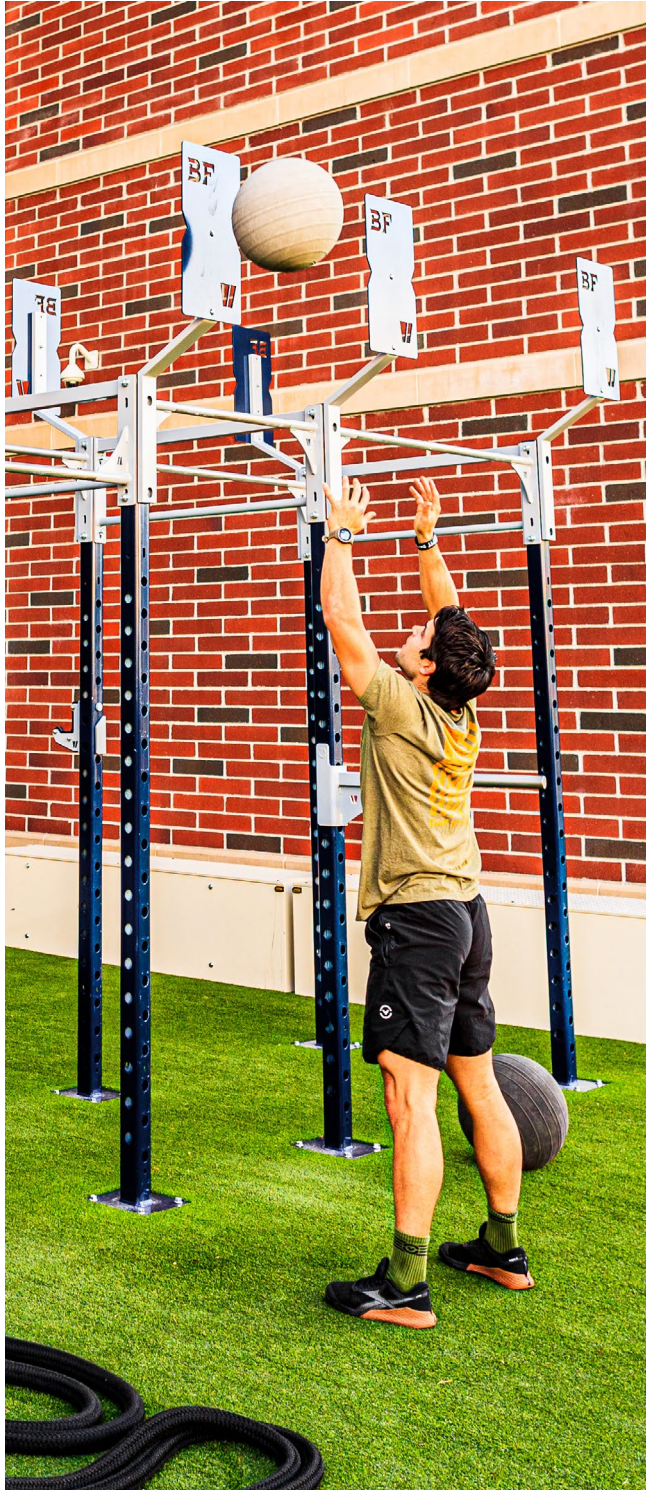
Why Outdoor Fitness is More Than a Trend, According to BeaverFit

As outdoor fitness continues to grow in demand, so has business for UK-based BeaverFit's military-inspired outdoor workout systems. Athletech News caught up with BeaverFit USA's Dan Cowan and Nick Vay to talk about the company's origins, its place in the outdoor fitness market, and the future of outdoor fitness itself.



From Hot Girl Walks to extreme hiking, outdoor fitness promises to be one of the most popular trends this year. Even prior to the COVID-19 pandemic, exercise in fresh air was already on an upswing. According to a survey conducted by RunRepeat in 2020, 72 percent of gym members were expected to exercise outdoors in 2021. Across the country, there has been an explosion of open-air classes in everything from HIIT and military-inspired workouts to yoga and stationary cycling.

UK-based BeaverFit has reason to believe that outdoor fitness is more of a worldwide movement than a trend. Started by Tom Beaver in 2010 to develop training equipment for the British Special Forces, the company today provides outdoor and mobile fitness systems for military units, corporations, private gyms, universities, and health clubs. The company's ability to provide "a quick and efficient way to create gyms," no matter the location, has catapulted it into a fitness world powerhouse.



Dan Cowan, Head of Marketing at BeaverFit USA, recounted to Athletech News how company founder Tom Beaver got the idea for the equipment while working for his family's bridge-building business: "Trying to find ways to train while building bridges, he started putting together his own outdoor training rigs. That eventually turned into attaching rigging to shipping containers." News about the equipment developed by Beaver, who had been in the British SAS (Special Air Service) reached the UK military, resulting in the launch of BeaverFit, and the introduction in 2012 of the world's first fully functional containerized gym. The following year, the company partnered with the US Navy to introduce the gym in the US, beginning a long run of supplying military and government customers on both sides of the Atlantic.

According to Nick Vay, BeaverFit USA VP of Commercial Sales, when COVID hit, BeaverFit's already growing market suddenly exploded, because of the company's expertise. "We've been doing outdoor fitness for a decade. This is all we've ever done. [Demand] was obviously accelerated by COVID, based on an inherent need to do it in order to keep business open. When I joined the team in 2020 the majority of our business was really focused and designed for our definite military partners and contracts."

Vay credits the dramatic 5x-6x increase in sales during the first year of the pandemic to BeaverFit's long-standing dedication to safely training active military members outdoors: "Part of it was obviously the growth in the outdoor fitness market, compounded a bit by the fact that we've invested in this part of the business from a human being and

product development perspective. We've always served the outdoor space.”

Product evolution was key. “We've aggressively evolved our offering to better suit the broader commercial fitness market (gyms, studios, trainers, multi-family housing, hospitality, schools, universities, etc.). We've really softened the look and feel of our broader product range to make sure that we're meeting not only the functionality requests for our customers but the aesthetic, which is always a really important part of any solution and sales-related conversation.”

According to Cowan, many health clubs, universities, and corporate wellness programs found adding outdoor equipment would help them expand their facilities and at the same time satisfy the growing demand for outdoor workouts, realizing “it'd be a lot easier to add that space outside versus trying to build or find inside space.”

Vay says that while the pandemic era demand was urgent, with the need for short-term solutions, an uptick in requests for well-planned, permanent outdoor workout spaces indicate that the opportunity is here to stay. “We created these quasi-temporary spaces and members, consumers, and individuals said, ‘We really like this. Can we take this away when things go back to normal?’ So, the gyms and a lot of our commercial customers have responded, ‘Well that's important to you? Fantastic. Not a problem. We'll turn the temporary spaces into legitimate, thought-out long-lasting spaces.’ [This] is where we're getting a lot of our requests now.”

Mount Saint Mary's University of Los Angeles said in a statement that their use of BeaverFit's Performance Locker not only allowed “our facility to extend its footprint outdoors,” but also allowed a true sense of community. They found that BeaverFit was “the only vendor with a product that was specifically engineered for outdoor use [and warranty-protected].”

BeaverFit also accommodates customers' precise visions and desires. Jim Fitzsimmons, Director of

Fitness & Recreational Sports at The University of Nevada, Reno, calls the school's customized BeaverFit Rig “aesthetically amazing:” “We threw BeaverFit some challenges in size and unique features. They responded to all of our needs and met every design challenge we gave them.” Besides the custom rig, BeaverFit also helped UNR convert a “rarely used lawn area” to an outdoors fitness yard. “People love the ability to go outside. Group fitness classes, small group coaching, and informal fitness all enjoy the space and appreciate the manner in which it is equipped.” UNR's Fitzsimmons especially praises the BeaverFit's J-Cups, (“the best I have ever seen,” Ace Bars (“they feel and work like no other”) and plexiglass back sides of their customized BeaverFit Rig.

Vay explains, “We take an integrative approach to storage, with the accessories and the products we use out there to try to create a cohesive outdoor functional and strength-training experience.

We've invested a ton of resources into our manufacturing capabilities. If you want it, we could probably design it, deliver it, style it, and create it for you. Another one of our key offerings is working with our customers to say, ‘What are you trying to accomplish? What's the space? What's your budget? What types of functionality are you looking to include?’ and taking that feedback and actually creating something based off of the specific feedback that they've provided us.”

“When you're creating any fitness space, it's not just about the rig, the rack, or the steel products. It's about the ancillary equipment, all the accessories that you want to use. So, of course, we have our own line of accessories that we provide that are all outdoor specific. We're not putting a bunch of kettlebells, plates, bars, balls [and other products] that are designed for indoor use, putting them outdoors and they fall apart and go to crap in six months because that wasn't their intent. We think about flooring and space design and how this interacts with other parts of your outdoor space. For us, it is taking that holistic approach of ‘Hey it's not

just about the rig, rack, storage, functionality.' It's about the flooring. It's about the transition of that space. That's been our approach and we've built the infrastructure to have all of those conversations and deliver all of those products."

Vay is confident that the high standard of design and development that goes into each piece of BeaverFit equipment and outdoor space is matched by quality of production and assembly. He says, "We have a team full of engineers and designers on staff and we go through a pretty detailed design process for every product that we sell. From there, [it's] being able to deliver high-quality products that are relatively customizable in a timely manner allows our customers to feel like they're a part of that design process and really are getting a product that is specific to their wants, their needs, their requirements through specifications."

"We sell really high-end equipment. We're American-made. All of our products are sourced here in the States. It's all designed to be used outdoors. We don't cut corners, so I say the most positive point is nobody's ever underwhelmed by the products we deliver and the spaces that we develop. One of the things Dan [Cowan] and I spend a lot of time talking about is how we market that message."

Given the persistent rush of requests from commercial and military clients, BeaverFit believes outdoor fitness is here to dominate well past 2022.

BeaverFit's mission to supply high-quality outdoor exercise equipment and the development of outdoor spaces has resulted in community building and unique outdoor training experiences for a variety of consumers. Cowan predicts a switch in the way fitness entrepreneurs or existing fitness chains try to expand their offerings outside of a singular brick-and-mortar physical location into different kinds

of experiential training out and around in their communities.

The company continues to innovate. With the Beyond Trailer line, which Vay calls a "gym on wheels," BeaverFit encourages customers to create their own franchise businesses: "We have a customer who went from a single trailer to buying three, four, maybe five trailers from us and essentially franchising this mobile gym concept to trainers around the country. He works with them on the training side of how to run the business but they're getting the product from us."

The on-to-go, mobile training aspect of fitness, which appears to be an integral and advantageous component of outdoor exercise, is also a cornerstone of another BeaverFit product called the HitchFit. One consumer of the mobile at-home product, which turns the hitch of a vehicle into a squat rack and pull-up bar, not only used it to help him train to break the world record for most muscle-ups in 24 hours, but also told BeaverFit it was "his best purchase of 2021" as it allowed him to train while he was away from home.

Vay feels that the company's military roots have given it the ability to pivot and innovate, which will be key to helping its clients seize opportunity in the outdoor workout space: "Our commercial and consumer business has really just started to aggressively grow."

Outdoor fitness is not only growing, but also evolving to adapt to growing insistence from consumers always on the hunt for choice and flexibility. As the fitness climate evolves outside the home, innovative companies like BeaverFit are poised to provide accessible and approachable ways to getting healthy in the great outdoors.



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Looking Ahead: Fitness Tech Trends That Will Define 2022

by Nick Keppler

The pandemic-era boom is over but there is still a robust industry for digital fitness companies willing to find the right niche.



2022 could be the best of times and worst of times for the fitness technology industry. Two years of the COVID-19 pandemic have accelerated the acceptance of wearable devices, digital services and connected home equipment.

The market for fitness apps alone has ballooned to \$1.1 billion globally, on pace to grow to \$4.7 billion by 2030, according to the analysis firm Grand View Research.

It's also a crowded marketplace, one where high-profile products, like Tonal and Mirror,

fight to prove their long-term viability and tech giants, like Apple and Amazon, are marching to extend their territory.

And then there are the economically war-torn battlegrounds that are brick-and-mortar gyms and studios, 30 percent of which have closed amid the pandemic. And through all those cracks, startups and new ideas are trying to grow.

Athletech News called three experts to navigate the rocky terrain that is the future of the fitness technology space.

Digital Fitness Is Here to Stay

Tonal, Mirror, Tempo, Peloton — all the shooting stars of the pandemic era — had been in existence for a few years, anticipating a robust market for digitally enabled at-home fitness experiences. Sales and brand awareness surged when people were suddenly shut out of the gym, but experts say it was a quickening of a change that was inevitable and will be permanent, regardless of the course of the pandemic.

“I think those dynamics were underway anyway,” says Chris Jordan, vice president of Maxim Partners, a private equity firm that invests in digital services relating to fitness and education. He adds that the acceptance of digital fitness services is part of a larger reorientation of people’s relationship to digital spaces, for both better and worse. “The time spent on screens in the last year and a half jumped from four to six hours per day,” he notes.

The idea of meeting fitness needs from one avenue, like a gym membership, is antiquated in a world where every business has an app and customers have a variety of options for ordering almost anything, says Bryan K. O’Rourke, a fitness and health club industry consultant.

“I think that trend will continue, where the consumer, just like in most other consumer industries, are expecting omni-channel delivery of experience,” he says.

Plus, digital fitness services have gotten a lot better, says Joseph Marsit, a senior lecturer in the College of Health Solutions at Arizona State University. “You have access to videos, and through zoom [there’s] group inclusion-type stuff. It’s a completely different experience than the old days when you pop in a VHS tape.”

New Apps and Services Need a Niche

The digital fitness space is going to become more competitive, given the accumulation of apps and the involvement of big tech companies, like Apple and Amazon, says O’Rourke. Apple launched Fitness+, a digital service integrated into its Apple Watch, at the end of 2020 and continues to add programs and features. Amazon released its own fitness tracker, Halo, and may be looking to buy Peloton (a company that is creating a cautionary tale about pandemic-era boom and bust).

The Apples and Amazons of the world will overwhelm most digital services that try to be an all-encompassing health resource. He cited Beachbody, a digital fitness company with some footing in stationary bikes, which endured a 17 percent reduction in sales last quarter, resulting in an 80-percent reduction in stock price since June 2021.

Still, startups can find success if they find the right niche. One great example: Peloton. It connected with well-off cycling enthusiasts who crave interaction.



O'Rourke sees this as a pathway towards success: "You figure out how to build your company around a minimum viable product that has a niche that's proven in a way that you can make it profitable as soon as possible in order to be sustainable."

Apps for chronic diseases, like diabetes, might work well, he said. They could bypass the larger companies' dominance of the market, and quality ones could breed extensive customer loyalty.

The digital fitness space has also been short-sighted in looking for the most athletically capable customers, says Marsit. "There's obviously specialized segments of the population that are still not being addressed," he says. "I do think I think the biggest segment of population that really would benefit the most from a good digital interactive system is seniors, if we had something for the 55-and-above age groups that that they could do at home."

Many Apps Will Disappear

During the pandemic, many tech developers decided to enter the red-hot fitness space, and many out-of-work fitness instructors and temporarily shuttered studios started YouTube channels or created an at-home version of their services. Expect many of these to vanish, says O'Rourke, due to competition, the increasing price of successful marketing and a reduction of the flow of investor money.

"It's a consolidation trend that happens," he says, referring to the dot-com bubble and bust of the 1990s. "I think they're going to go away in a number of ways, by either being acquired or just becoming defunct." Jordan points to another trend that might not survive past the COVID-19 era: the simple subscription provider model of people "posting a new yoga video every day, or posting a new meal tip every day." There was a groundswell of these on YouTube and Instagram during the first lockdown, he recalls. People will forget most of them.

"They're some of the most exposed because they're selling subscriptions that require constant updating, and trying to avoid customers getting bored."

Only a Few Gyms Will Return to 2019 Levels; Many Will Need a Digital Component

In November, Planet Fitness, one of the largest fitness chains in the U.S., announced that its membership was 97 percent of what it was before the pandemic. The chain's total revenue increased 46.4 percent in the third quarter of 2021 compared to the same quarter in 2020.

This does not mean everything is back to normal in the world of brick-and-mortar fitness. Many specialty spaces, like yoga studios and boxing gyms, will continue to struggle to build back their client bases.

Part of the issue is that a large facility like a Planet Fitness triggers less COVID-19-related anxiety, says Jordan. "I think part of that is due to the fact that you got a 25,000-foot box that's open, in many cases 24/7, of which your utilization rate is already pretty low," he says. "So it's a kind of a natural COVID-friendly workout style."

As long as COVID-19 is still a concern, people may be less inclined to go back to small single-activity businesses that pack three dozen or so people for a scheduled class.

"Your yoga studios, your boutique fitness, they're going to be hit," he adds. "They're going to continue to be hit hard. I think they're going to continue to struggle to reach true pre-pandemic levels."

Marsit predicts that most gyms will not ever return to their pre-pandemic membership levels. Most will be "floating around that 70-percent mark ... and I just don't know if you're ever going to get that last 30 percent back, unless something changes."

O'Rourke thinks "the most successful brands" are will be those with an app that comes with membership or delivers "a digital experience along with a club experience." Retailers, like Walmart and Target, created thriving online stores without harming their in-store operations. Gyms chains should take note.

“I think the brands that do that, in the fitness space, are going to do very, very well,” he says, “because that is what consumers want. They want frictionless commerce, they want personalization, and they want it wherever they are.”

SPACs May Cause Trouble

A financial tool known as a SPAC — or special purpose acquisition company — is growing in popularity as a backdoor way for companies to go public. A SPAC is a public company that exists only to acquire other companies. If a startup is bought by a SPAC, it can effectively go public without the usual regulatory process — and disclosure of assets — of making a proper initial public offering. Some investors like them because they can bring intriguing startups to the public market without putting them under scrutiny, but those startups may not be as viable as companies that go through a traditional IPO.

Beachbody went public through a SPAC called Myx Fitness Holdings, and its turbulent course since then has caused some to question SPACs as a means to go public. F45, the fitness studio franchisor backed by Mark Wahlberg, and Xponential, which runs a bundle of boutique fitness chains, flirted with going public through SPACs, but did not finalize deals.

“I’ve heard them be characterized as like the locusts: They come around every 15 years and they generate a lot of excitement,” says Jordan, “and then they kind of go in hibernation for a while.” He thinks they’ll fade away. “I think investors are starting to want more credibility.”

O’Rourke has stronger opinions: “I think SPACs are horrible. I think if you look at the performance

of SPACs in the last year, they’ve significantly underperformed the market. I think you’re just dealing with valuations that are just ridiculous for what they are. And the poor shareholders who get involved in those, they’re going to really be in rough shape.”

Although Some Caution Is Warranted, Now Is a Good Time

Although the rapid rise of the digital fitness space caused concern, all three experts expressed positivity about its future health thanks to the fact that it fulfills an actual need.

“We think that now is a fantastic time to invest in the space,” says Jordan. “You just have to think different, and you need to make sure that the fundamentals are in place.”

Marsit says digital services can fulfill the promise of creating a personal trainer for everyone, democratizing fitness in a way. “Now the technology available at home is so easy,” he says, “and it’s easy to do your own assessments, get your own feedback, have personalized critique of everything.”

O’Rourke says the digital fitness market has a lot of potential to make wellness accessible, and the workarounds people created when they couldn’t go to the gym shows there is a need.

“The good news is there’s going to be increased demand,” he says. “The challenge is going to be the companies need to figure out how to do it in a sustainable way. So I’m very, very bullish on these mega trends, generally.”



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