

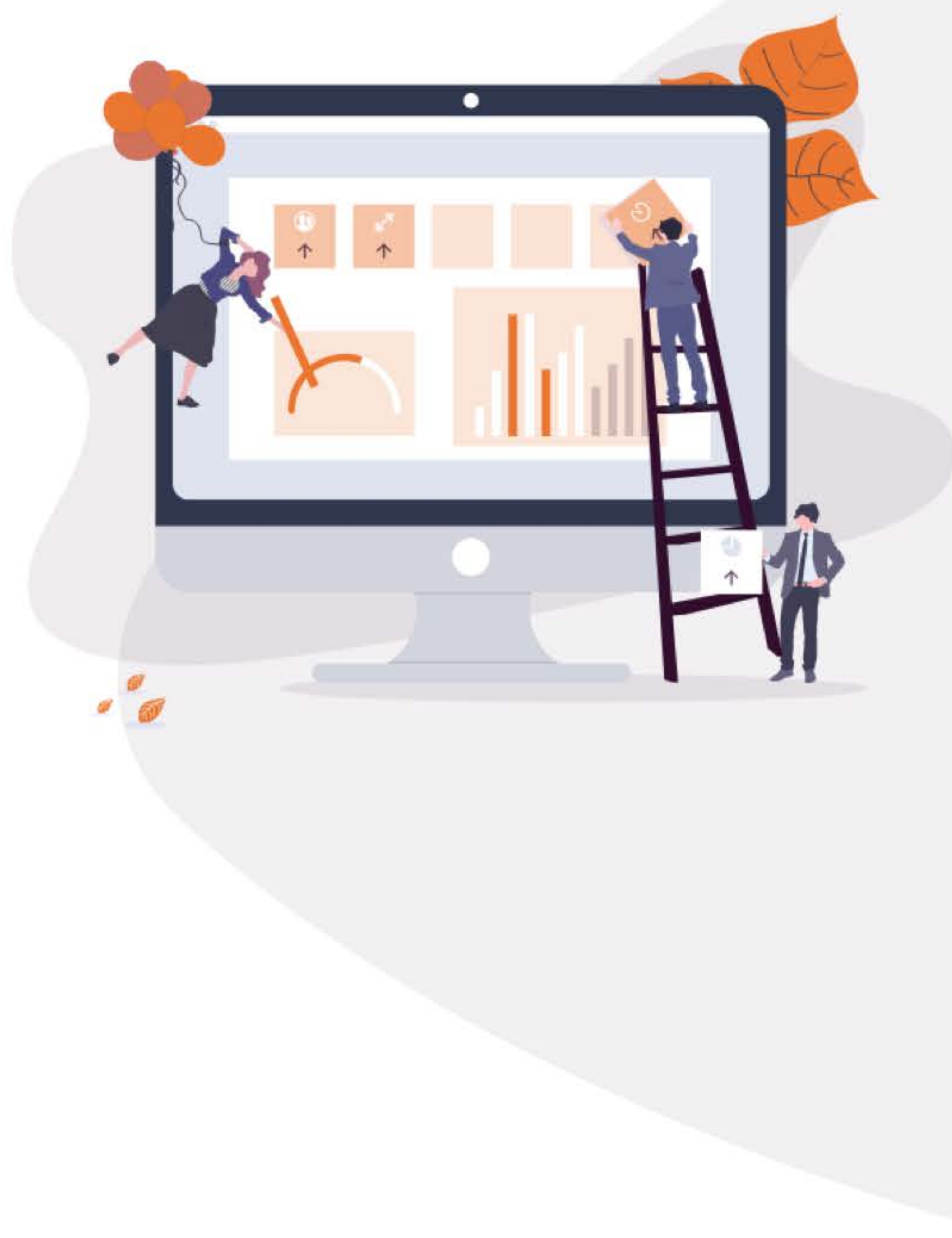


The Impact of COVID-19 on the Fitness Industry

A Glofox Report

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About this Report

Glofox is a provider of gym management software to gyms and fitness studios in 60 countries. Our mission is to make fitness entrepreneurs successful and to help people live happier and healthier lives.

In mid-March 2020, COVID-19 impacted people all over the world and changed the way that we live. It also impacted every fitness entrepreneur and closed the doors of every gym and fitness studio.

What we thought was a catastrophic event for our industry turned in a transformative event. Less than a week after most countries went into lockdown, we noticed that gyms everywhere were organically starting to run online classes through Zoom, Facebook, Youtube, and Instagram.

As part of helping them to do that, we have collated and analyzed data from gym attendance and class booking globally, including online classes, to draw insights into how the fitness industry has changed amidst the pandemic.

This report has been developed through analysis of gym attendance and class-based fitness activity across 2,000 businesses worldwide, with a focus on our core markets of the US, UK, Ireland, Australia, Singapore, Hong Kong, and Malaysia.

70% of our customers are fitness studios, 20% are gyms, and 10% are yoga and pilates studios.

Key Points

- Globally, gym attendance and class bookings reached a low point at the end of April 2020 with a decrease of 95% in comparison with the start of March
- Worldwide gym and fitness class activity is currently at 91% of pre-COVID levels, including classes that are delivered online by gyms and fitness studios
- Fitness businesses in some regions are now busier than before COVID-19 but uncertainty in countries such as the US is reducing the global average
- Online classes are accounting for 5% to 10% of all activity in countries that are fully out of lockdown



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Impact of COVID-19 on Gyms and Fitness Studios Globally

In early 2020, global gym attendance and class bookings grew at a steady rate. According to IHRSA, in the months of April and May of 2020, nearly 95% of U.S. fitness operators were closed due to the pandemic.

These closures triggered a rapid decline in gym attendance and class bookings globally, with bookings at their lowest point at the end of April; a decrease of 95% in comparison with bookings at the start of March.

Online classes started to emerge at the very beginning of the lockdown. The earliest reopening of gyms and fitness studios started in May and this continued through June, July, and August. Bookings, including online, now stand at approximately 91% of pre-COVID-19 levels.

Global Gym Bookings Trend



The Rise of Online Classes - An Experiment in Survival

As gyms and fitness studios closed their doors, their owners sought out ways to continue to provide value to their members. Online classes started for many as an experiment and means of survival. These gym operators lacked equipment and expertise for running online classes, but needed a way to stay connected to members and to keep money coming into the business.

Some larger operators were able to offer classes for free on their social media channels while at the same time developing a paid online service that could reach people the world over.

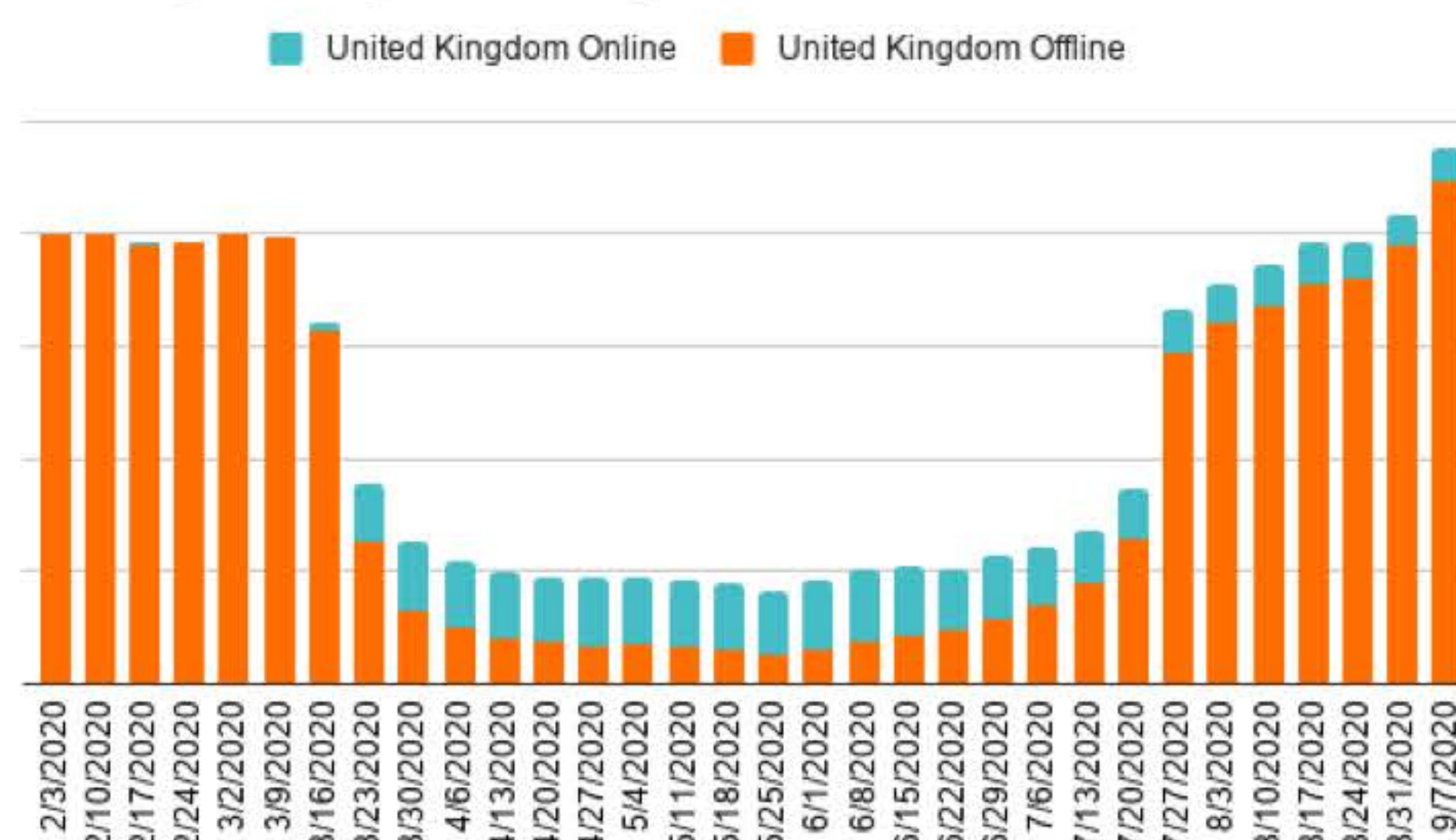
For smaller gyms and studios, however, they needed to transition their entire business online and charge for this service and deliver the same value they did before if they were to have any chance of survival".

In the UK, Government restrictions came into place forcing gyms and studios to close their doors on March 20th. The UK also had a longer lockdown period than most countries. However, gyms were quick to pivot their offering to online and maintained one of the highest levels of bookings throughout the crisis.



The UK has now returned to full activity levels and has one of the highest proportions of online classes for a country that is open.

United Kingdom Gym Bookings Trend



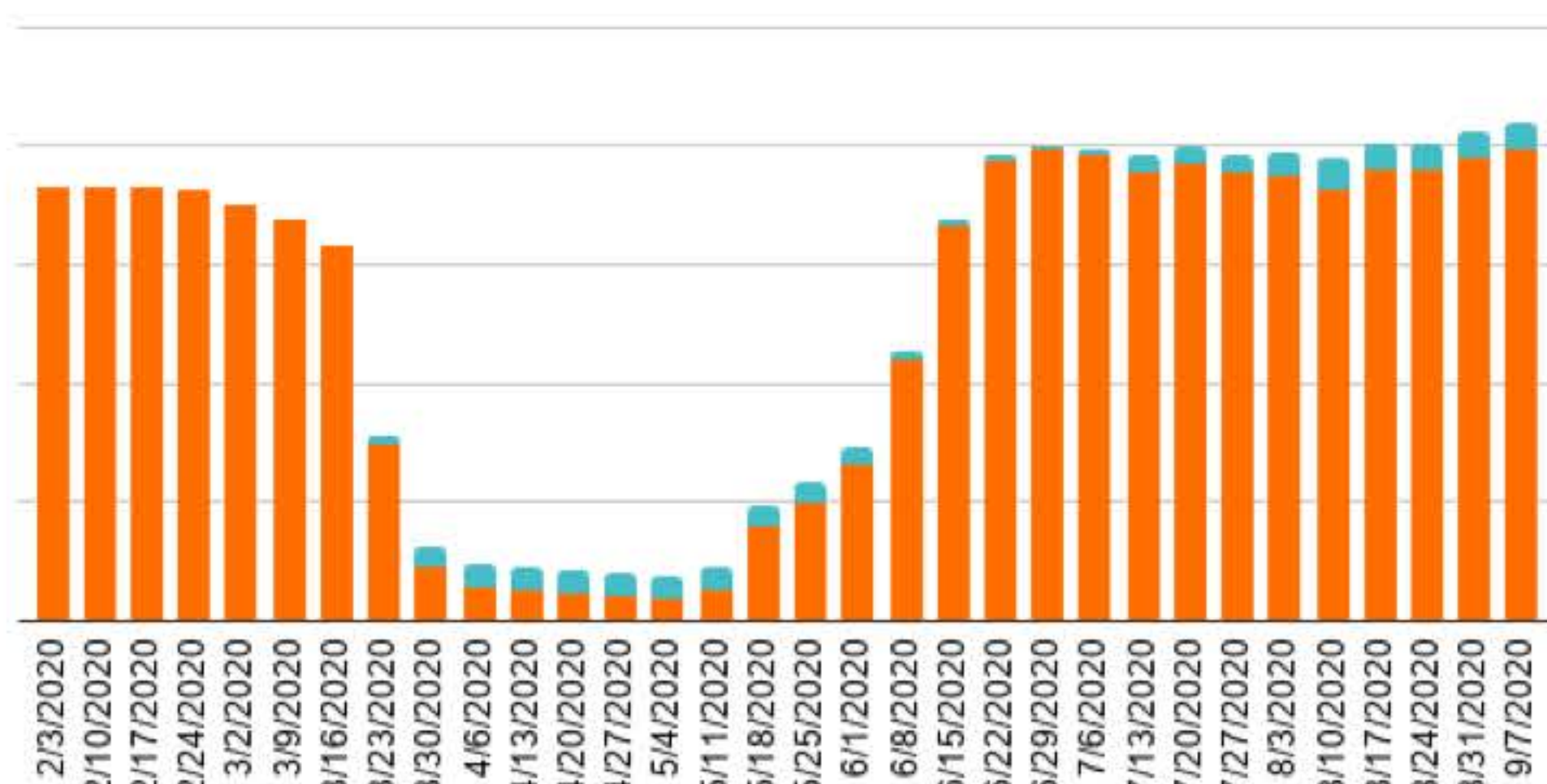
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Australia had a shorter lockdown and faster recovery than the UK. Businesses were able to re-open in mid-June rather than late July. There were some online classes during the lockdown but not as many as the UK. When gyms initially reopened, there were no online classes as people surged back to the physical gym. However, when restrictions were reintroduced in Australia, online classes immediately re-emerged.

Australia Gym Bookings Trend

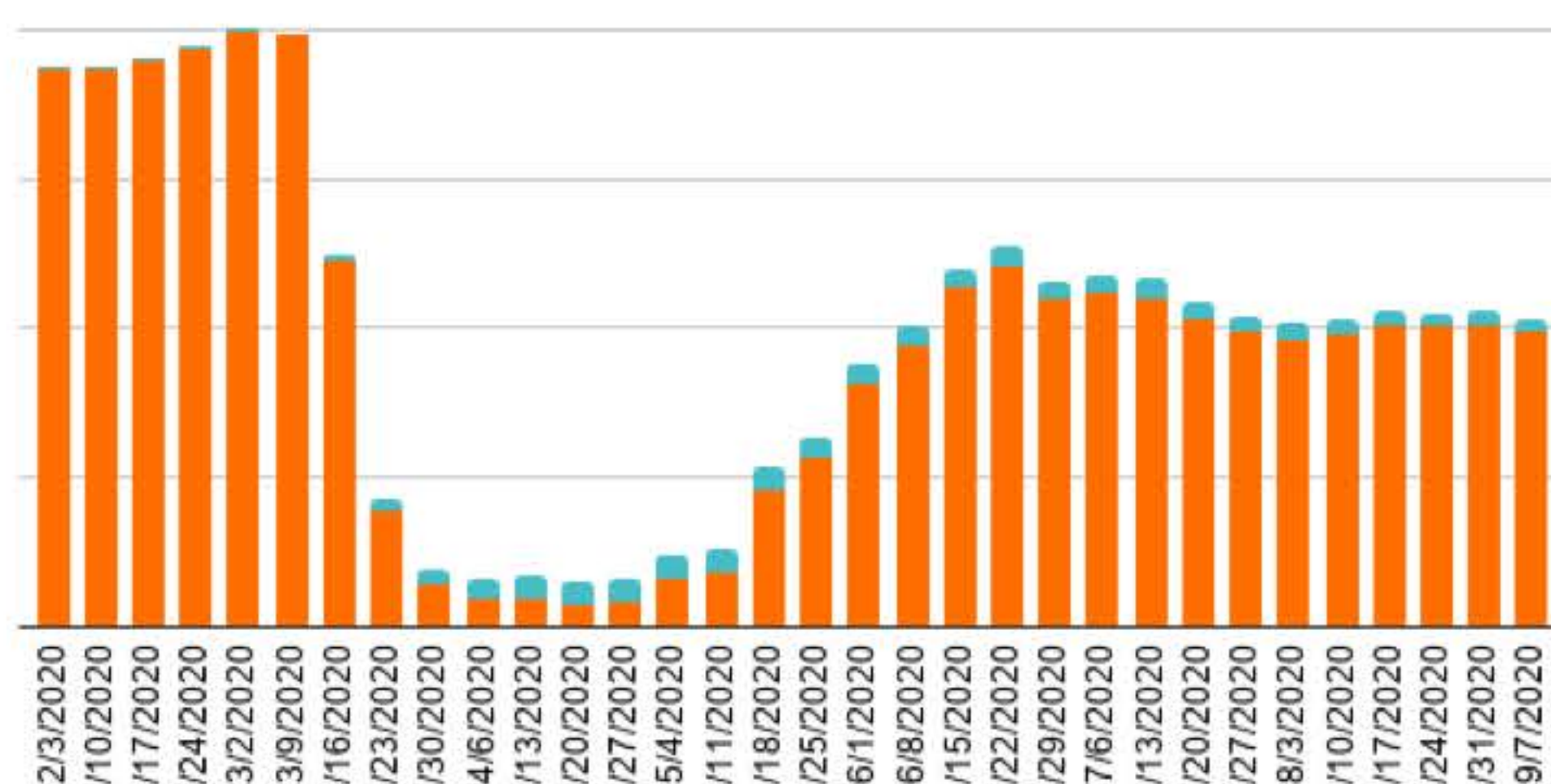
■ Australia Online ■ Australia Offline



In the US, gyms started to reopen slowly in May but a full recovery similar to Australia was impossible due to the spread of Coronavirus across the country. The US remains at 50% of its original peak with some online classes but lower adoption than other countries.

United States Gym Bookings Trend

■ United States Online ■ United States Offline



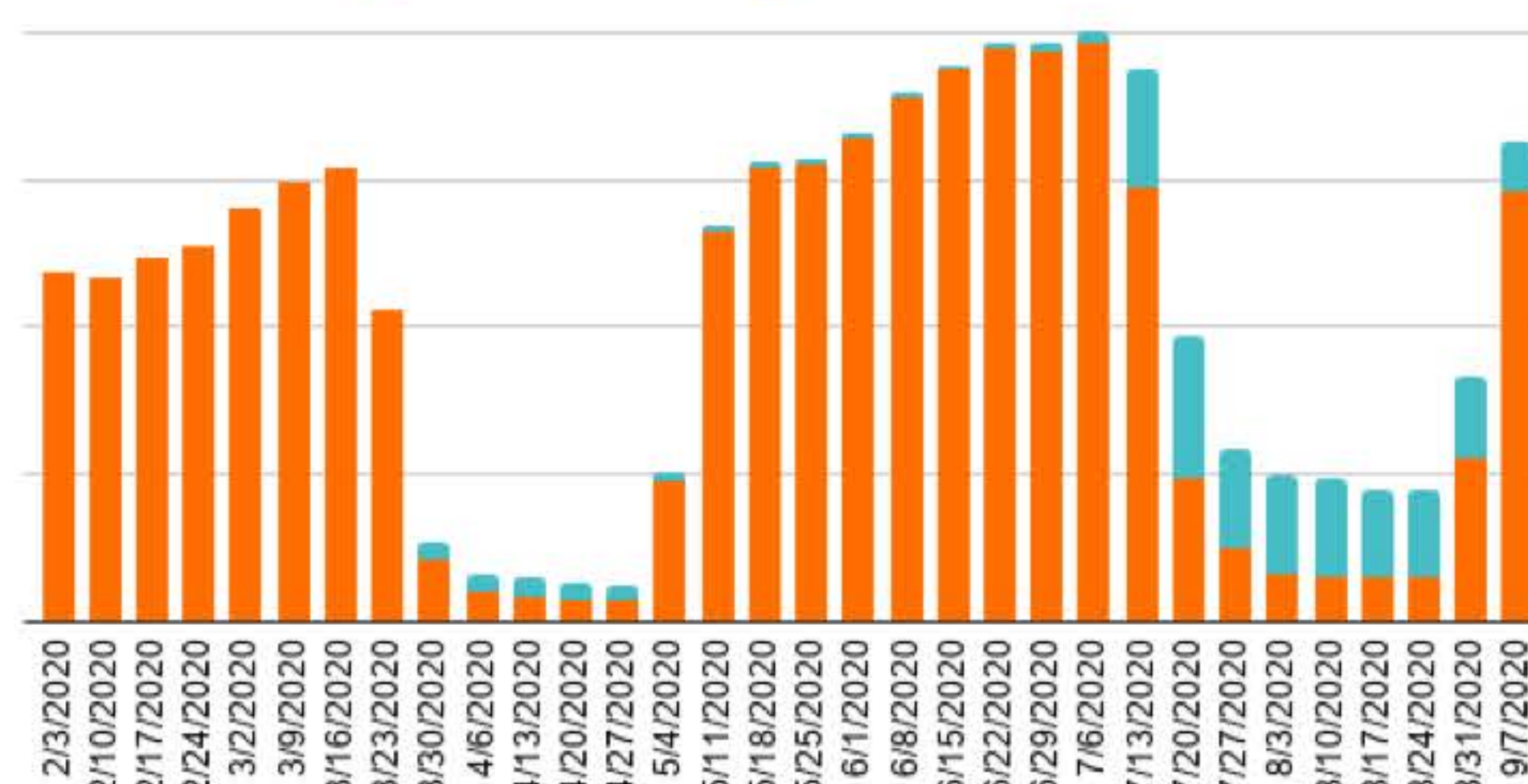
A Long Term Revenue Stream for Hybrid Gyms

As people adapt to Coronavirus, some markets open up more, and others temporarily close, online offerings and hybrid gyms will continue to evolve. We do know that uncertainty is one major driver of gyms developing their online offerings.

In Hong Kong, where gyms are back in lockdown after fully reopening, online is much stronger now than in the first lockdown.

Hong Kong Gym Bookings Trend

■ Hong Kong Online ■ Hong Kong Offline

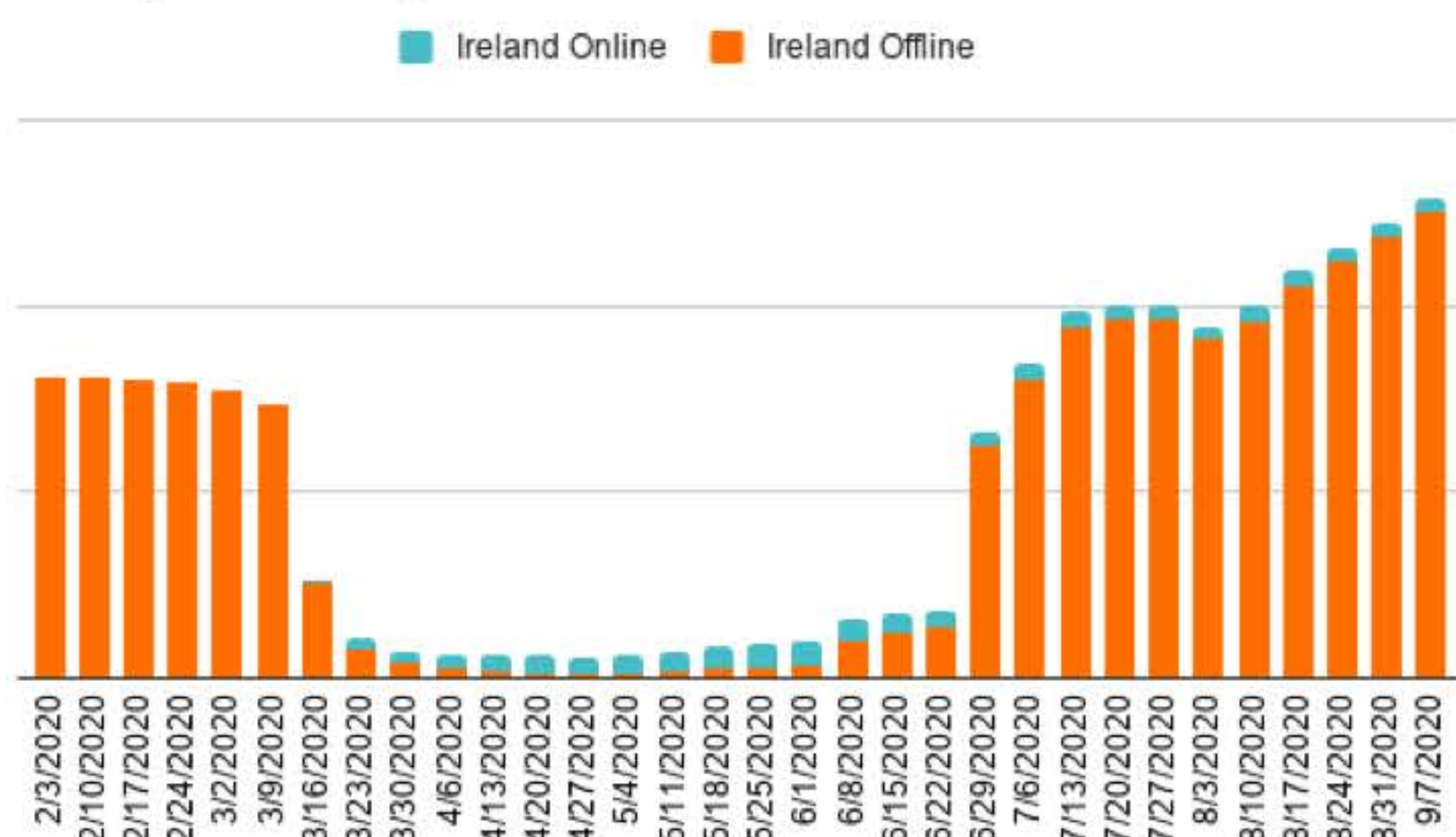


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In Ireland, where gyms have opened and remained open, online is still a component and is actually helping to increase activity levels beyond what they were before COVID-19.

Ireland Gym Bookings Trend



Takeaway - Future Proofing Your Fitness Business

Even before the pandemic, the transition to digital fitness had already begun. Many businesses had not placed themselves in a position to take full advantage of digital and online fitness. There was a fear that this emergent trend would eventually replace the need for brick and mortar gyms altogether.

COVID-19 accelerated a trend of at-home workouts and businesses have been forced to respond. The convenience and flexibility of streaming workouts at home can no longer be denied. The fitness businesses of the future now know they need to be adaptable and offer both in-person and virtual workouts in order to prevent shocks and to cater to the evolving needs of the consumer.

The fitness industry has been transformed completely due to COVID-19. Gyms and studios have been forced to move online to survive. The best practice for gyms and studios is to now take learnings from this shift and combine them with an in-studio offering to continue giving current and prospective members an immersive and consistent experience that will deliver results.

