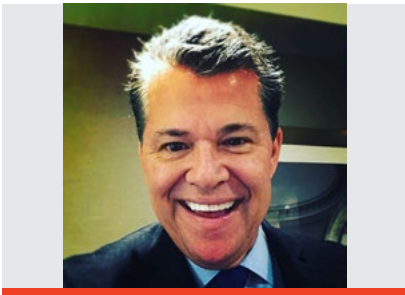




January 2019

“What lessons must we learn from in 2018 (and take forward into our planning/operations/activities) to ensure the continued success and growth of the health, fitness and wellness industry in 2019?”

www.thefitsummit.com



Bryan O'Rourke

Board Member, **IHRSA**
and Renowned Industry
Expert and Technology
Consultant

"A lesson we hopefully learned in 2018 and will continue to learn, as exemplified by the recent Facebook fiasco, is that people are the most important component of any business or industry. The customers, employees, and stakeholders we serve deserve increasing respect, appreciation, and consideration. Great organizations and industries earn and build on the trust of humans and their communities and never intentionally abuse that trust. No technology, no matter how interesting or capable it is, should come before this principal of putting humanity first. As we increasingly adopt technologies human attributes like empathy, caring, and intuition among many others, will become more valuable. I hope leaders keep this principal in mind. The promise of technology is best achieved by balancing and integrating it with the best human traits."



Lindsey Rainwater

Founder & CEO
**The Women in Fitness
Association (WIFA)**

"It becomes entirely too easy to operate inside of a silo day-to-day and only realize your circumstances as how you might see the world. In our industry, this can be a tendency. If we work in a health club, we see happy members coming in to work out each day, making good on their health and fitness ambitions. If we work on the vendor or supplier side, we focus on sales goals and connecting with prospects and existing comers, bringing health and fitness by way of supporting the gym/club/clinic. But what about the people that have not been impacted by our industry? What about the woman in her 60's that has just gone to the doctor again for the discomfort in her joints, and the doctor suggests exercise, and this is the first time in her life she has been suggested movement as a possible cure for joint pain... what if she had begun a proactive exercise routine in her 20's? Would she still be feeling the way she is today? Overall our industry is not growing with new members as much as existing members are diversifying their activity regimens. We have a long way to go to inspire those not impacted by fitness, to be impacted. When asked what we need to do in 2019 to grow our industry, it is clear what needs to be considered. Truly focusing on growing our industry. Inspiring NEW people to move daily and making wellness lifestyles attractive to those that are not healthy. In a world of Instagram fame and overhyped diets, we can attract health seekers to our industry and encourage lifestyle change like no one else can. Our great industry has the opportunity to truly, change the world."



Dave Wright

CEO
MYZONE

"2019, for the UK fitness industry, is going to be the year of the boutique. The growth of the franchised model will explode with operators who have developed and mastered the systemized deployment of their 'unique' group training offering. They will sell based on lower capex and higher returns versus the conventional franchise model. Large operators will continue to fine tune their own offering as their 'boutique buster' within the existing big box clubs. Even leisure centres will begin to capitalise on the wasted space that many of the centres have on offer. We will also see the equipment suppliers desperately try to deliver their own version of 'Peleton'; a subscription-based home workout that within 7 years has come out of the blue and now seek a valuation of over 4 billion dollars – a number that traditional equipment operators would only dream of. There will be continued consolidation of the budget operators as their 5 year 'honeymoon' period runs out; (i) equipment and facilities get tired, (ii) yields are cut short and (iii) the return on capital deployed is certainly not as attractive to investors as to that of small box boutique offerings. The Instagrammer will also begin to lose their shine when the public wash over the unauthentic promotion of 'goods and products' like they did with advertising in the 80's. There will continue to be a desire and appetite for a health and fitness centre with experienced and knowledgeable trainers. And finally, the market appetite for good health and fitness clubs will once again rise due to the consumer acceptance that people are willing to place a higher price on their health and fitness. The 'rack them and stack' them mentality of cheap, cheap, cheap, that budget operators have driven the market to believe, will begin to lose its appeal. So, all in all... 2019 is going to be a very exciting year ahead! I can't wait!"



Dr. Suzy Green

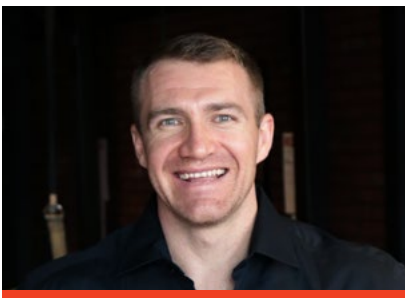
Founder & CEO,
The Positivity Institute

"That our approach to wellbeing needs to be holistic extending beyond a focus solely on physical fitness. We need a greater focus on the proactive enhancement of psychological wellbeing. We can, and I would argue, should be providing scientifically informed education and support to increase psychological wellbeing to simultaneously reduce mental health issues in our schools, workplaces and communities."



Jake Thomas
Founder & CEO
BASE

“In 2019, we must recognize and learn from the successes and failures of 2018. What are the common traits among 2018’s success stories? (1) Passionate founders who have a strong vision. (2) Investment in staff, which in turn helps the industry be a respected and desired career path. (3) Combining passion with a keen eye kept on the fundamentals of business – marketing, sales, branding and the finances. (4) Building businesses that know who they are for and who they are speaking to. (5) The willingness to connect and collaborate with others in the industry and to learn from their experience. We can often learn more from the failures than the successes. Not valuing the importance of service and strong customer relationships can make things very difficult when the marketplace gets more competitive. Complacency can hit you hard and fast, so even in good times, build a business that values partners and clients highly to help withstand pressure during tough times. When observing the fitness landscape, 2018 has shown us that the if your concept is not strong or clearly defined it’s hard to stand out in this increasingly busy marketplace. Have a strong point of difference, know what you stand for and double down on these things.”



Ty Menzies
CEO, APAC
Lift Brands (Snap Fitness,
9Round, YogaFit & Fitness on
Demand)

“Relevant & Progressive are two key themes for being successful and growing within the health & wellness space in 2019. In saying that, it does not mean changing your core business model or methodology simply to follow the latest fad or trend within our industry. It pertains to the ability as an organisation to listen to, understand and adapt to deliver, what your core client really needs and wants. At Snap Fitness our success was originally founded on being fast, convenient and affordable – we had stripped back the big box, full-service type club to deliver quality cardio and strength focussed services for a time-poor market in an affordable manner. While this method was very successful in the early days, we needed to adapt our model to service an increasingly results, community and service driven audience, with more emphasis on personal training, small group, and functional fitness. Whilst these focusses have changed due to client demand we continue to maintain our original model and belief that we should always be fast, convenient and affordable for our members. Nobody has managed to fit more hours in their day, but we have a market increasingly willing to dedicate those hours to their health and being part of a community. In short, always keep the backbone of your model and initial success the core value to your offering. Ensure you listen to your clients and the marketplace and be nimble enough to embrace change to ensure you stay relevant and progressive in 2019 and beyond.”



Scott Montgomery

CEO
WellteQ

“2018 affirmed there is no silver bullet in our industry. No one product can solve all the health, fitness and wellbeing needs of a company, so it becomes crucial to integrate with a cohort of domain experts. WellteQ have had a bumper year integrating with some of our industry’s elite across telemedicine, 3D anthropometry (Myfiziq) and blood pathology (i-screen), all of which now correlate with our wearables, gamification and rewards UX. What’s more exciting is that 2019 will add to this capability as we introduce a cognitive performance capability, and I’m sure more. We’ve seen employees’ expectations increase for accessible, engaging and personalised wellness. Wellness is becoming ingrained in work culture to the point where we move past the notion of wellness programs and look at this as something that is baked into the DNA of employees, and therefore the organisation. It’s critical to get the basics right by creating a place that employees want to come and would recommend to other people. Things like establishing trust, opening communication lines and providing flexibility are the foundations of creating an environment of wellness. In 2019 we expect to see employers put an even greater focus on weaving wellbeing into the very fabric of their organisation. WellteQ is looking forward to working with our various partners to provide an all-encompassing solution to unlock healthier and happier workforces to more people, in more markets.”



Jim Crowell

CEO
OPEX Fitness

“2018 has been a fascinating year in how people view ideas and brands. With the political environment being at an historical crossroads, consumers have continued to move into tribes where they feel safer. With social media algorithms pointing specific content at absolutely everybody who owns a device, the health and fitness world has continued to see tribes grow quickly. Whether those tribes are micro gym models such as F45 or Orangetheory where people now feel a sense of relationship to coaches and fellow clients, or whether that tribe is digitally connected such as Peloton, businesses who intend to succeed in the long run now know they must connect with their people. You must create “IG worthy” experiences for your clients. It doesn’t mean that the “do it yourself” model can’t play, but they will have to serve a smaller percentage of audiences who truly want freedom from others as more and more people, with the means, choose to make their health and fitness experience one of deeper substance. For entrepreneurs, investment strategies must solve the client’s most pressing problems; nothing has changed there. However, in today’s environment, you must solve their problem with a high-quality brand – think imagery and video. Without the “goods” to back up your business, you won’t “play” on major social media channels. The investment “game,” as it’s been for some time, isn’t so much about health as it is about the best marketing pipeline!”



Maurice Levine
CEO, Asia
Anytime Fitness

“Many operators base their business strategy on discounting, fulfilling aggressive sales targets, closing techniques and transacting – this mining approach ultimately hurts the operator as it also damages the entire industry. At Anytime Fitness we are all about harvesting and retention, and this was true from our seedling stage and it continues to be true into 2019 and beyond. From day one – and at the very start of the member journey – our Brand Ambassadors and Personal Trainers collaborate with our members, manage expectations and help with goal setting, ensure health and safety measures are articulated and practiced consistently and ultimately support members through a process of guided transformations. All interactions and touch points focus on creating memorable shared experiences and a warm, inspired and safe family atmosphere is fostered. Now, back to the question. As the saying goes – “the more things change, the more they stay the same”, this is a reference to situations where there appears to be a meaningful change, but many underlying fundamentals are still the same. Now that Anytime Fitness has quickly grown to over 600 locations in the region and having now made our stamp in Asia as the number one gym operator – we will continue our path of cultivating, harvesting and promoting love and care – over price fighting and devaluing the industry that we fight so hard to protect. In other words, we will continue to live and breathe our culture.....no changes here.”



Mike Mansbach
President
MINDBODY

“Three key lessons can be learned from. (1) Align your Team with Your Purpose. At MINDBODY, our purpose is to help people lead healthier, happier lives by connecting the world to wellness. Everything we do, every decision we make is aligned with that purpose – and ensuring that our team members understand that and are fuelled by it, creates a culture of passion and hard work and helped us unify quickly as a new, larger team. A purpose-driven company and culture is a high-performing one. (2) Keep it Simple. Keep a clear outcomes-oriented approach to everything you undertake, and wherever and whenever possible, simplify. A few simple strategies well executed are worth a lot more than making the classic mistake of trying to do too much. (3) Growth with Partners and Competitors. In the wellness industry, we’re best served by recognizing that our mutual customers benefit when we partner and work together. We are building a product with open APIs that are accessible to any partner, including those some might consider competitors. Our competitors are not competitors when it comes to our purpose. As we face a new year, we remain focused on simple strategies, a thriving ecosystem of wellness, and a purpose that aligns and inspires us all.”



Justin Tamsett

Founder & Managing Director
Active Management

“The major lesson we must take from 2018 is the huge change in Europe (and to their citizens scattered across the globe) with the GDPR. The repercussions of the Greater Data Protection Regulation will spread across the world in 2019 and into 2020. It is inevitable to be in the Asian region soon. Admittedly, the privacy rules will continue to evolve and will give us all a headache as most marketing automations require you to process “user data” with little effort given to privacy. We need to get ready for the changes that are afoot. HINT: Just make sure it’s easy for your current members, past members and prospects to remove themselves from your marketing efforts across ALL your marketing platforms. This also provides us with an exciting opportunity when we combine this with another lesson from this year: wearable data that’s being collected. There are numerous platforms and devices that connect every one of our movements, food we consume and even our sleep. By developing an on-line coaching program using other technology, like Zoom, you can offer worldwide out of the box health and fitness coaching. This means that when a member cancels or wishes to leave your “bricks and mortar” facility you have a final option where they can remain part of your community! Launching this as a product will mean your members will remain in your ecosystem allowing you to continue to market to them. We need to look outside the four walls of our business and explore how we can bring people from the wider community into our business. These programs should be the first stepping stone to becoming a gym or health centre member. Use technology to connect, use the collected data to prescribe, and use technology to communicate. Your business will fast evolve into a hub of technology to open up experiences you can offer people - members and prospects alike.”



Casey Conrad

President
WBS

“2018 reflected the perfect storm of three different elements influencing the fitness industry. (1) First, more demanding consumers with lots of online options forced retail businesses to give them the price and services they wanted or risk losing members. Low-cost to high-end boutique with everything in-between created a diverse menu of options—including wellness and recovery. More 24/7 offerings ensured consumers convenient access. (2) Second, experiential was a must! Starved for greater connection in our crazy paced world, the demand for workout experiences continued to expand. More options for small group and functional training entered the market as both class offerings and new business models. (3) Finally, technology was everywhere and continued its’ integration into every facet of our lives. Whether it is in marketing practices, artificial intelligence workouts inside a facility, or wellness testing devices, fitness and technology will forever be connected, so it seems. What does all this mean for our industry in 2019? High-touch, niche markets that make accessibility easy for the consumer will more easily attract new customers willing to pay more for the experience they want. Define your business identity and know who you want to serve. Plug in to the right social and networking platforms to reach them with right message and you’ll prosper.”



Sudhanshu Tewari

CEO
Rewardz

“In 2018, Rewardz implemented wellness programs for 40,000 users across 11 Asian countries covering medium-to-large-sized organizations. We have three top learnings for organizations that are planning wellness initiatives in 2019. (1) ‘Technology’ is a great enabler and surprisingly easy to adopt across demographics. Indeed, in 2018, wearables have become as ubiquitous as smartphones with ever-increasing penetration and adoption among the older generation. However, technology can only provide a springboard to track and reward activities, organize offline fitness sessions and disseminate quality content. It would be a mistake to expect it to drive the push towards a healthier lifestyle, if taken in isolation. (2) It is important to create an ‘Environment’ that encourages and incentivizes group workouts. Fun team challenges enjoy exceptionally high participation and generate positive vibes within the organization. Many of our wellness challenges have helped staff form fitness groups that are continued long after the initial challenge is over. These are the kind of lifestyle changes that should be the aim of any wellness program. (3) Create an ‘All-Inclusive Program and Share Individual Success Stories’. Individual fitness levels and goals differ. A program with a mix of activities that would interest all demographics is expected to be more successful with higher participation rates. Indeed, the program’s success does not necessarily depend on super-fit individuals but on those who experience marked improvement in fitness levels resulting from the program. Sharing such success stories (through videos, etc) both motivates and inspires and significantly increases the adoption of wellness initiatives.”



Mel Tempest

Club Owner
Fitness Business Leader and
Influencer

“We are lucky that we already have a boutique business set up inside our club however I would strongly urge after seeing the surge of new boutiques popping up in 2018 globally that club owners think seriously about setting up a boutique model within their club. It’s not too late to start planning this for launch mid-year. If that means taking out equipment no longer popular then do so. Small boutiques are savvy with their marketing and they know exactly who they want to capture, club owners need to do the same. Start now! Need help ask. Working with other fitness business owners one of the biggest issues I see is asking for help and planning. Don’t wait for the competition to open down the road and then you start your marketing. Capture your market NOW. Being successful in 2019 and staying successful means jumping outside the box and challenging the status. If you don’t, you just might not have a 2020 in business.”



Conor O'Loughlin

Co-Founder and CEO

Glofox

"I see three main areas for our industry to focus its time on. (1) Short Sessions: time is such a precious commodity in our lives and it is only going to become more scarce in 2019. Work/life balance is becoming more difficult to manage and fitness businesses must begin thinking of ways to help members get more value out of shorter periods of time. Expect fitness classes to drop from an hour to 45 or 30 minutes, and online streamed sessions to be as short as 15 minutes. (2) Workplace Wellness: the days of working hard and playing hard seem to be well and truly in the past with employers advocating a work hard, train hard ethos within the company culture. This will match current trends of people spending their leisure time on wellness and fitness rather than hitting the pubs and clubs. In 2019, I expect companies to expand corporate wellness beyond just healthcare plans to include boutique fitness membership. By doing this they can keep their staff healthy and foster a spirit of collaboration (and some healthy competition!) amongst their staff. (3) Functional Fitness: finally, I think functional fitness will continue to rise and grow in 2019. As our lives become increasingly more hectic, boutique fitness studios are focusing on exercises that prepare your body for real-life movements and activities. Group fitness has grown in popularity in recent times down its focus on functional training with members seeing benefits both inside and outside the gym."



Tracy Minnoch Nuku

Co-Founder

FIRE Fitness

"Focus on the parts of your business that are working and are profitable - stop the things immediately that aren't - don't let it drag on. Then refocus on the activities that are making an obvious difference to your brand and bottom line and direct resource productively into those. You can spend too much time on activities that don't have an enough impact. Once you clear that out the noise and the non-productive work, you'll have more energy to put into the things that are doing well and accelerate your core business. Stay conscious to the changes and developments within the fitness industry without being swayed from your core business. We can't be "everything to everyone" but we can be amazing to our clients and continue to grow the audience that loves what WE do. This was our lesson in 2018 and by taking this action, we were able to finish the year on a high."

A big thank you to this month's contributors



To be involved in future question's of the month please contact:

Ross Campbell

Founder and CEO

ross@thefitsummit.com

+65 8268 9834

Daylin Limonte

Head, Marketing &
Communications

day@thefitsummit.com

+65 8132 7534

www.thefitsummit.com