



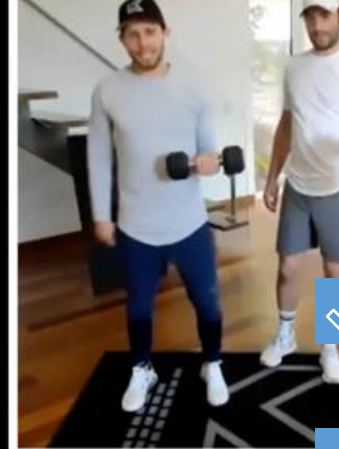
2020

VIRTUAL BUSINESS TRENDS, PLAYERS & LESSONS LEARNED

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www.thefitsummit.com





A NEW VIRTUAL WORLD FOR FITNESS & WELLNESS



This presentation focuses on virtual fitness trends and intertwining reflections and lessons learned from our virtual events that draw direct parallels. I've not focused on 'at-home connected fitness', that is another topic entirely. I hope you enjoy it.

Corporate capex + investor capital now flowing freely into virtual fitness, in b2c, b2b and b2b4c (Freeletics, Barry's, Fiture, Zwift, Tonal, Tempo, JAXJOX, Playbook)

Explosion of platforms and providers across the world, mostly emanating from USA and Europe. Outside of China, Asia has only a handful of regional/established platforms

Big moves into virtual fitness from large tech players (Apple & Amazon), and new strategic players such as lululemon via MIRROR and Sky TV with Fiit.

Operators adopting new hybrid membership structures. Some pioneering virtual only memberships (FF MENA). Some leaving bricks & mortar to focus on virtual (R Fitness).

A definite move away from Zoom, Instagram and Facebook Live to more sophisticated platforms (3rd party or in-house) with more brand affinity, analytics and engagement.

Consumers are now steering away from free products, shopping instead for top-class experiences worthy of their time & money. Multiple memberships now standard.

Hybridization is here to stay but like in-person fitness, virtual must be fun, addictive and measurable. Data, content and gamification are all key. The size of the prize is huge...



VIRTUAL – OPERATOR & PROVIDER INSIGHTS

We asked some of our operator and solution provider friends their thoughts and experiences with virtual in 2020.

The following insights show the acceleration of virtual fitness & wellness and how quickly the market has grown...

VIRTUAL – OPERATOR & PROVIDER INSIGHTS

“In March, we went from 170+ clubs in six countries being open to all shut in just ten days. We started offering virtual classes through FB Live and IG a few days later, which we extended on a goodwill basis as the extent of the lockdown was unknown. The pandemic led us to accelerate our innovation in the online space - we continue to test different platforms, price-points and class types supplemented by consumer survey insights as we progress towards our steady state solution. To date, we have close to 18 million views of our free virtual classes.”

... Simon Flint, CEO



VIRTUAL – OPERATOR & PROVIDER INSIGHTS

“In 2012 we launched Wellness on the go: the possibility for people to get access to their personalized training program anytime and anywhere: at fitness clubs, at home, at work, at hotels, outdoor thanks to our app. Today we are, more than ever, focused on the biggest project in Technogym’s history: to offer the 50 million people who train with Technogym products around the world, video content for training experiences, live and on-demand, on equipment, on mobile and TV, at home and at the gym, through the Technogym Live platform.”

... Nerio Alessandri, Founder & President



VIRTUAL – OPERATOR & PROVIDER INSIGHTS

“Our fully owned subsidiary Loup – best known for its program partnerships with Chris Hemsworth and Emily Skye – has quickly established itself as a global leader in digital fitness and wellness. Since March 2020 we have seen further unprecedented growth, including a 200% increase in subscriptions and an incredible 3.1 million Instagram followers now engaging our social media content”

... Greg Oliver, Group CEO



**FITNESS &
LIFESTYLE
GROUP**

VIRTUAL – OPERATOR & PROVIDER INSIGHTS

“One day after the shut down happened in March our team built a makeshift livestream & content creation studio. Within 24 hours they were live streaming 10 classes per day and in 2 weeks we hit 2 million views which 80% were actually non-members. We have the opportunity to make the lives of 96 million people a little bit healthier and happier in the years they have left in this beautiful country”

... Dane Fort, CEO, Vietnam



**FITNESS &
LIFESTYLE
GROUP**

VIRTUAL – OPERATOR & PROVIDER INSIGHTS

“Pre-COVID-19, we didn’t have any virtual or online classes, but we now livestream about 110 classes per week, and the response from our members has been overwhelming as it enables members to continue to do their favourite workouts with their favourite instructors. There has been a clear preference for livestreamed classes over pre-recorded content, and our members are very forgiving about the sound and picture quality.”

... Sean Tan, Director

TRUE GROUP

VIRTUAL – OPERATOR & PROVIDER INSIGHTS

“Our live-stream PURE Yoga and PURE Fitness class offering has seen a massive and successful acceleration; from a handful per month in 2019 to 220+ per week now. We have a dedicated ‘PURECAST’ channel within our app for customers to book live virtual classes via Zoom, and the feedback is they’re appreciative of the flexibility that the lives and replays offer. One yoga class had over 100,000 people watching live in mainland China!”

... Gary Wise, Marketing Director

PURE

VIRTUAL – OPERATOR & PROVIDER INSIGHTS

“To-date we have ~14 million Orangetheory At Home™ workout video views since we launched the virtual workouts back in March. The workouts were available via our mobile app, Orangetheory.com and YouTube channels. We additionally had many coaches from our 1,400 studios across the world hosting live workouts over video conference platforms to help keep our member base engaged, motivated and on track to reach their goals!”

... Marissa Fattore, PR & Content Manager



VIRTUAL – OPERATOR & PROVIDER INSIGHTS

“With 1.5 million new users acquired, the number of customers on the app has grown by 500% in the last six months.

We are seeing half a million sessions happening in a day now which equals to more than 5 million hours of content being streamed on a monthly basis.”

... Shamik Sharma, Head, Product & New Initiatives



VIRTUAL – OPERATOR & PROVIDER INSIGHTS

“Since launching a digital offering, mid pandemic (very late April), we’ve had almost 20,000 bums on virtual mats. At the peak of the lock down, we were running around 100 YM LIVE classes a week, but that has normalised to ~55 a week since the physical studios have reopened, representing almost 15% of our total business. We are not doing “free or cheap” for our online classes, rather, we charge the same amount as in studio classes.”

... Peter Thew, Co-Founder



VIRTUAL – OPERATOR & PROVIDER INSIGHTS

“Ritual Gym went from 5k brick and mortar consumers, which took 8 years of investment and hard work - to 20K+ Organic virtual users of our app within 6 weeks. Digital growth has been so rapid that it is now our primary business focus, as we are seeing regulation / COVID uncertainty in many of the markets that we operate in.”

... Brad Robinson, Co-Founder & CEO



VIRTUAL – OPERATOR & PROVIDER INSIGHTS

“We launched Live Stream Virtual within 4 days of lock down (early April). 50% of our total member base jumped onto virtual classes within 2 months of launching. Total number of virtual class at its peak was 38 classes a week. Over 50,000 number of experiences enjoyed on virtual already 2020 (since April).”

... Linda Tang, Co-Founder



VIRTUAL – OPERATOR & PROVIDER INSIGHTS

“Globally we've seen an increase of around 300% in sign-ups to Les Mills on Demand.”

... Ryan Hogan, CEO



“Last year (2019), we delivered just over 10 million virtual classes. This year (2020), we are on track to exceed 25 million virtual classes.”

... David Packman, Global Marketing Director



VIRTUAL – OPERATOR & PROVIDER INSIGHTS

“We experienced significant growth throughout 2020. Our client's digital member base rose 322% on average YTD and the video added to our platform grew nearly 6-fold in just 3 months. Digital shopping traffic is up 315% YTD compared to previous year and number of transactions is up 1,200% YTD compared to previous year. We remain very bullish on the future of gyms and health clubs around the world and to help hybridize their offerings to members.”

**... Adam Zeitsiff, President & CEO
(former President & CEO, Gold's Gym)**



VIRTUAL – OPERATOR & PROVIDER INSIGHTS

“MZ-Remote has allowed hundreds of thousands of people and thousands of gyms to participate in a live streamed class with other members and friends displaying their heart rates jointly on one screen to promote whilst working out from home. And now that the gym market is getting back online, it is providing the exact hybridization of the in club/ at home digital fitness experience that the industry is talking about.”

... Dave Wright, Founder & CEO



VIRTUAL – OPERATOR & PROVIDER INSIGHTS

“Businesses that had a presence online pre COVID-19, saw growth in their streaming service monthly recurring revenue (MRR) by ~30%. Also, brick and mortar businesses that took their classes and workouts online with Uscreen, with no previous online presence, earned ~\$50k in their first month. This growth isn't slowing down: Uscreen customers cumulatively added 300k new users in just May 2020”

... PJ Taei, Founder & President



VIRTUAL – OPERATOR & PROVIDER INSIGHTS

“ClassPass launched digital offerings in March 2020 (live stream and VoD). We have facilitated more than 200,000 digital bookings in the last six months and now promote 70,000+ digital classes a week from 5,000+ top studios around the globe. 65% of our users say they will continue using digital as well as in-person fitness post-COVID. 50% of those who booked digital during COVID had never booked a digital fitness experience before. ”

... Sam Canavan, Regional Director, APAC



VIRTUAL – OPERATOR & PROVIDER INSIGHTS

“We launched FitnessOnDemand FLEX (Omni-channel virtual class delivery) in March 2020 to enable B2B Operators to provide their customer base access to our class offerings. To date, we have had 58,299 end user invitations (B2B2C) sent out, 35% of those invitations were accepted, 1 Million minutes viewed on the new product by September 2020 and average users per B2B customer is 278”

... Uday Anumalachetty, Vice President



VIRTUAL – OPERATOR & PROVIDER INSIGHTS

“The number of clients FitGrid services grew 400%+ during the COVID period due to our livestream enablement technologies. We have seen in 2020, over 2.25 million visits logged and over 10 million minutes streamed.”

... Ntiedo Etuk, Founder & CEO



VIRTUAL – OPERATOR & PROVIDER INSIGHTS

“Following the spike of April we have seen a fall off but on average since August a flattening and steady line of the curve. We have an average of 100,000 classes per week. Of this amount 65% are women. Demographics show the largest age group is 25- 35 and the rest of the groups pretty equally divided (65+ at 9%)”

... Joyce Power, Marketing & Comms Lead


F U \ X T I O \
INTERACTIVE DIGITAL FITNESS

VIRTUAL – OPERATOR & PROVIDER INSIGHTS

“We saw a 300% increase in children's yoga workouts on our KARA Smart fitness mirror and average workout durations going from 25 minutes to 40 minutes during COVID.”

... Keith Rumjahn, Founder & CEO





THE FUTURE IS (NOT) BRIGHT FOR ALL THOSE WHO INVEST?



2020 HAS SEEN...

- Unprecedented levels of consumer demand for virtual
- Unprecedented levels of media and celebrity interest
- Huge influx of investor capital and corporate capex
- Creation of an almost unlimited number of products/platforms



2020 HAS ALSO SEEN...

- The strongest players getting stronger
- New unicorns emerging that are well financed
- Big boxes and franchises investing heavily
- An oversaturation of free content (and frankly poor content)
- Hugely contrasting methods and frequency of customer engagement



Our industry should have an “abundance mindset” (to quote Chuck Runyon – 7 Oct) but there will be winners and losers. Virtual is also not for everyone, and that is ok.

We are incredibly bullish about virtual fitness but just like any boom, you have to be prepared to be part of any burst – how far down the rabbit hole will you invest and to what end?

VIRTUAL REVENUE FORECASTS



VIRTUAL REVENUE – GROUP EXERCISE CLASS

- ~25-50% of Normal Class Price. Some retain 100% pricing!
- Competing against free content (and bad content)

VIRTUAL REVENUE – PERSONAL TRAINING

- ~50-75% of Normal Class Price. Some retain 100% pricing!
- Much less saturated marketplace

Direct parallels exist in the virtual events world...

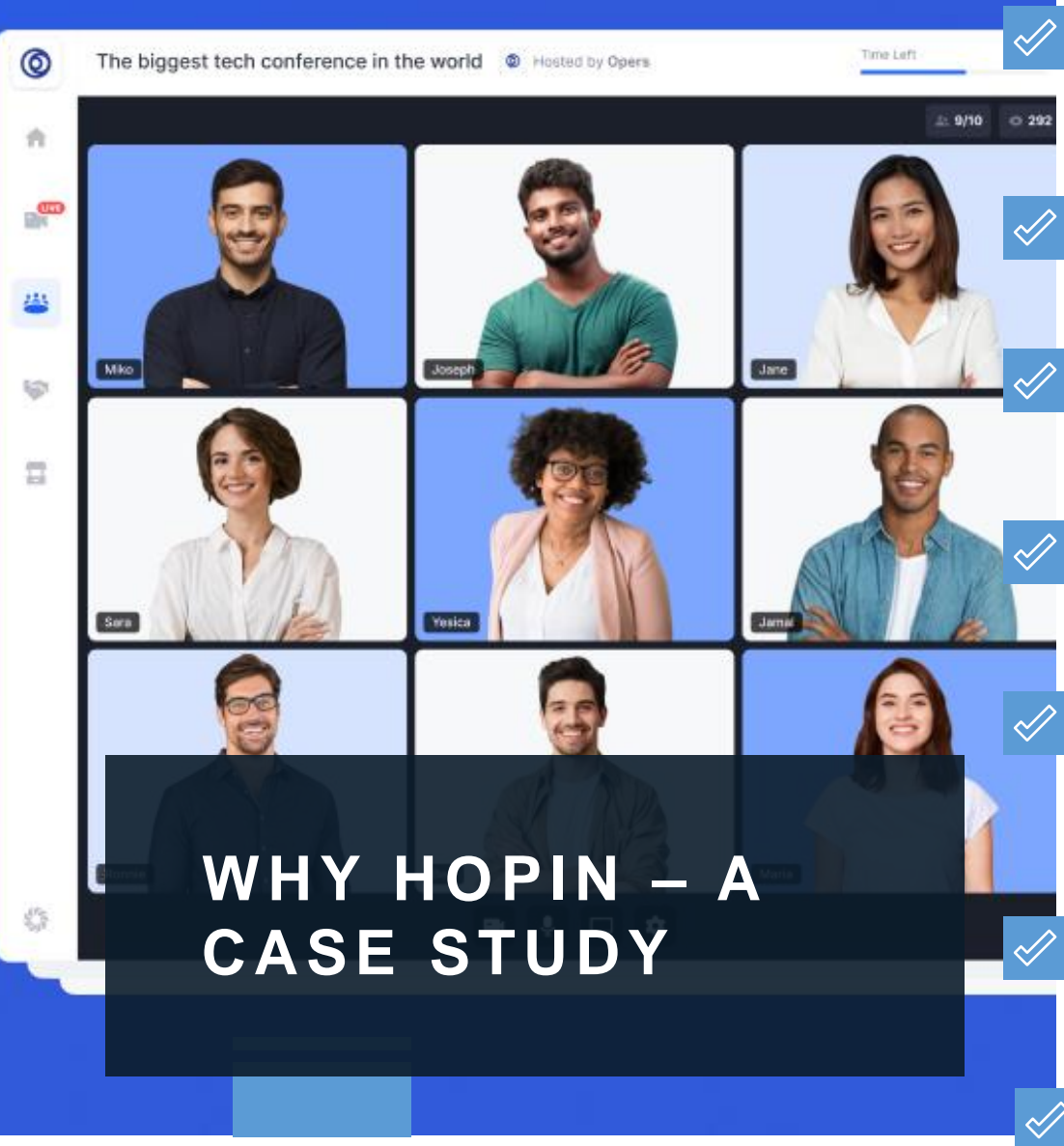
VIRTUAL REVENUE – BUSINESS EVENT (SPONSORSHIP)

- ~25-50% of Normal In-Person Event Sponsorship
- Proof of concept and ROI required to improve deal yield

VIRTUAL REVENUE – BUSINESS EVENT (TICKET SALES)

- ~20-40% of Normal In-Person Event Ticket Price
- Competing against free content (and bad content)

In both cases, freemium buys you eyeballs and good will capital but pointless if you can't monetize at some point down the road



We run our online events on the Hopin platform. So far we have run 6 event (4 half-day and 2 full-day events). We have registered over 10k people for these 6 events.

Sponsor branding and profiling – essential to our network and Hopin offered multiple branding opportunities and a basic but effective virtual exhibition feature.

Low cost option if you spend significant time training your staff and trialing the platform and its capabilities. We chose it and upskilled our staff to deliver world class virtual events.

Utilizes RTMP technology to stream live or pre-recorded content. Essential to deliver world class content. Requires new skill sets on video streaming and media production.

Improving analytics which can track attendee journeys across the platform and give useful information to improve engagement, prove Sponsor ROI and drive improvements

Variety of attendee engagement features – chat boxes, polls, 1-on-1 networking, virtual booths – this is key to the stickiness of participation. Why close chat and Q&A features??

Intuitive system for our attendees, simple to use and access, greater stickability after their first event on Hopin. It's not perfect but we made it work and proud to do so.



LESSONS LEARNED FROM VIRTUAL (EVENTS)



For maximum revenue scale is key – choose Global Summit vs a series of workshops. Small and many strategy is difficult to execute – operationally, technically, energetically.



As your online event scales, your sponsorship/delegate revenue will skew heavily towards sponsorship. Our large events are 90% sponsor revenue. Sponsors are key.



For free events expect only 25-50% turn out from registered attendees. Expect lower end if content is recorded and shared post event. For paid events expect 75-95% turn out from registered attendees. Expect lower end if content is recorded and shared.



For a full day event the average time spent online is 4 hours. No-one attends your full day event, no matter how good it is. Expect additional drop off for each day in length.



On demand post-event content strategy is so important – how accessible, to who, for how long, do you list on YouTube, do you monetize to non-attendees, transcribe into training courses, do you build a content library platform? Questions, questions...



Communication is key pre-event to educate attendee, speaker and sponsor about optimizing platform. Use videos to educate (and energise) over email instructions.



Don't try and replicate a live in-person event, you can't, but you can use other features and engagements to build a fantastic experience for your customer.



Most current virtual platforms do not offer everything you need. Either (1) work within the platform(s), don't fight it, or (2) build your own.



Online networking is a not a mainstream behaviour yet. There is also very low uptake with meeting requests and a further drop off in clients turning up for arranged meetings.



Setting attendee/sponsor expectations is key, you need to under promise and over deliver to ensure return business to your virtual offerings.



You need to curate world-class content and agendas, don't expect sponsors, speakers or presenters to know better. What they want to do might not be what they should do.



On the day execution is vitally important, a bad virtual experience can scare a sponsor or attendee off your platform for good. Team training and third party support are key.



If you can't capture the metrics on the platform, you need to use other platforms (i.e. different ticket registration portal) to do so. What's the point of securing just an email?

**DIFFICULTIES
WITH PROVIDING /
PROVING ROI FOR
YOUR PARTNERS**

WINNING AND LOSING IN THE VIRTUAL WORLD

Outside of Audio, Visual, Music & Aesthetics note the following...

Get technical help when you need it, first impressions last in the virtual world and you won't get a second chance

Select the right platform for your customers' needs/behaviours and the right format mix – live vs. pre-recorded

Late booking patterns are inevitable for events, structure and promote early bird discounted pricing strategies / bundles

Invest resource, money and time – leveraging Zoom/FB/IG is a losing strategy on multiple levels



You must deliver consistent world-class engaging content. Content is King.

You must be customer centric, build your offering with personalization and community front of mind

Create a distinct and measurable value proposition for both attendees and sponsors to – is it fun, purposeful and gamified?

Scale matters, margins are small. If you don't have scale you have to have frequency, do you want to churn?

Run your economics, target national and international attendees, price accordingly and have faith in your pricing

OUR NEXT EVENT – 9 DECEMBER, HYBRID SUMMIT



**ASIA-PACIFIC HEALTH,
FITNESS & WELLNESS
LEADERSHIP SUMMIT**

9 December 2020, Singapore

Hybrid Event (Simultaneous Online
& In-Person Event)

JOIN ME THERE!

thefitsummit.com/events/apacleaders

SPEAKERS INCLUDE:

- Anthony Geisler, *CEO, Xponential Fitness*
- Chris Caldwell, *CEO, APAC, Lift Brands*
- Greg Oliver, *CEO, Fitness & Lifestyle Group*
- Linda Tang, *Co-Founder, WeBarre*
- Phillip Mills, *Founder, Les Mills*
- Simon Flint, *CEO, Evolution Wellness*

<<< Join us in December and be part of the new Hybrid Revolution >>>



QUESTIONS & CONTACT DETAILS

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