

# VIRTUAL

LES MILLS

SECRETS TO

SUCCESS

GUIDE



## SUCCESS GUIDE

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## AFFORDABLE FULL TIMETABLES

60% of members state the number of group exercise classes offered by a gym influences their decision to join. Full timetables equal an attractive proposition to new members, with Virtual Fitness providing the most affordable way to capitalize on this member preference.

## SCALABLE AND HIGH QUALITY

A high quality, engaging customer experience can be difficult to achieve consistently. Much of it relies on a Rockstar instructor. LES MILLS™ Virtual provides that world class quality in a scalable format. Importantly, you deliver consistency of programming to complement live classes.

## GATEWAY TO LIVE CLASSES

Virtual classes act as a gateway to live classes and actually grow live attendance. Research shows that attendance numbers for live classes increase by 12% on average when clubs also run Virtual workouts. This is because it helps fight 'gymtimidation', supports members trying new programs in a low risk setting and ensures members don't miss a session.

## MAXIMIZES STUDIO UTILIZATION

Most traditional fitness facilities have studios sitting empty for between 50 – 80% of their opening hours. Virtual classes spread the load across your timetable and put less pressure on your studio during peak periods.

## TARGETS NEW DEMOGRAPHICS

75% of gym members who have not tried Virtual Fitness are considering trying it. The platform also allows an excellent opportunity to experiment with new program categories and timeslots to unlock member demand. Learn what programs work when, before committing to investing in live classes.

**68.5%**

Virtual Fitness participants say being able to do classes when it suits them is the main draw card.



# \$76,611

Annual return from member acquisition & retention from LES MILLS™ Virtual (based on \$50 pcm & 9% increase in retention).

The breakdown →

## 2 GROUP FITNESS STUDIOS

If your facility has under 2,000 members, with 1 Group Exercise Studio and 1 Cycle Studio, it's likely you're currently running around 60 classes per week and achieving around 1,000 attendances per week from Group Exercise, as the average class size is 16.

OPTIMIZATION

### +135

You have the opportunity to add at least 135 Virtual classes to your timetable per week.

### 70%

Of operational hours your studios are typically empty.

ATTENDANCE

### +945

Additional Group Exercise attendances per week from Virtual classes. Average class size = 7

### 55%

of Virtual users are new to Group Exercise.

ACQUISITION

### +173

New members to Group Exercise per week.

### 3x

95% of LES MILLS™ GX members refer 3 people on average.

RETENTION

### +99

493 new referrals from increased GX members = 99 newly-acquired members @ 20% conversion rate.

## WHAT ELSE DOES INCREASED GX ATTENDANCE MEAN FOR YOU?

More GX attendances equals higher returns through direct and indirect membership revenue.

1. Pay for class models = direct increase in revenue
2. Increased member frequency due to more GX<sup>1</sup>
3. Attracting new members due to increased timetables<sup>2</sup>
4. Retaining more members for longer<sup>3</sup>
5. Increased traffic = increased ancillary revenue opportunities

1. GX users attend their gym 3 times on average vs non-GX 1.9 times per week 2. 60% of members state that the number of group exercise classes their gym offers has influenced their decision to join the gym 3. GX users are 26% less likely to cancel their memberships

# \$94,642

Annual return from member acquisition & retention from LES MILLS™ Virtual (based on \$50 pcm & 9% increase in retention).

The breakdown →

### 3 GROUP FITNESS STUDIOS

If your facility has under 5,000 members, with 2 Group Exercise Studios and 1 Cycle Studio, it's likely you're currently running around 120 classes per week and achieving around 2,400 attendances per week from Group Exercise, as the average class size is 20.

OPTIMIZATION

**+210**

You have the opportunity to add at least 210 Virtual classes to your timetable per week.

**60%**

Of operational hours your studios are typically empty.

ATTENDANCE

**+1470**

Additional Group Exercise attendances per week from Virtual classes. Average class size = 7

**55%**

of Virtual users are new to Group Exercise

ACQUISITION

**+270**

New members to Group Exercise per week

**3x**

95% of LES MILLS™ GX members refer 3 people on average.

RETENTION

**+154**

768 new referrals from increased GX members = 154 newly-acquired members @ 20% conversion rate.

Here is a real life example of a GX studio timetable before and after Virtual Fitness was introduced. The addition of just four LES MILLS™ Virtual programs grew the timetable by 49 classes. The additional classes increased the single studio utilization rate from 38% to 89%.

Time	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
07:00	<b>LES MILLS</b> <b>BODYPUMP</b>	<b>LES MILLS</b> <b>GRIT</b>	CIRCUIT	YOGA	<b>LES MILLS</b> <b>GRIT</b>		
07:30	<b>LES MILLS</b> <b>BODYBALANCE</b>	YOGA	<b>LES MILLS</b> <b>BODYPUMP</b>	<b>LES MILLS</b> <b>GRIT</b>	YOGA		
08:30	<b>LES MILLS</b> <b>BODYPUMP</b>	<b>LES MILLS</b> <b>BODYPUMP</b>	<b>LES MILLS</b> <b>CXWORX</b>	<b>LES MILLS</b> <b>CXWORX</b>	<b>LES MILLS</b> <b>BODYPUMP</b>		
09:30	<b>LES MILLS</b> <b>BODYBALANCE</b>	<b>LES MILLS</b> <b>BODYBALANCE</b>	<b>LES MILLS</b> <b>BODYBALANCE</b>	<b>LES MILLS</b> <b>BODYPUMP</b>	<b>LES MILLS</b> <b>BODYBALANCE</b>	<b>LES MILLS</b> <b>BODYPUMP</b>	<b>LES MILLS</b> <b>BODYPUMP</b>
10:45	<b>LES MILLS</b> <b>BODYCOMBAT</b>	<b>LES MILLS</b> <b>BODYCOMBAT</b>	<b>LES MILLS</b> <b>BODYCOMBAT</b>			<b>LES MILLS</b> <b>BODYBALANCE</b>	<b>LES MILLS</b> <b>BODYBALANCE</b>
11:45	<b>LES MILLS</b> <b>CXWORX</b>	<b>LES MILLS</b> <b>CXWORX</b>	<b>LES MILLS</b> <b>BODYPUMP</b>			<b>LES MILLS</b> <b>BODYPUMP</b>	<b>LES MILLS</b> <b>BODYPUMP</b>
12:30	<b>LES MILLS</b> <b>BODYPUMP</b>	YOGA	<b>LES MILLS</b> <b>GRIT</b>	CIRCUIT	<b>LES MILLS</b> <b>GRIT</b>	<b>LES MILLS</b> <b>BODYCOMBAT</b>	<b>LES MILLS</b> <b>BODYCOMBAT</b>
13:00	<b>LES MILLS</b> <b>GRIT</b>	<b>LES MILLS</b> <b>CXWORX</b>	<b>LES MILLS</b> <b>BODYPUMP</b>	YOGA	YOGA	<b>LES MILLS</b> <b>CXWORX</b>	<b>LES MILLS</b> <b>CXWORX</b>
14:00	<b>LES MILLS</b> <b>BODYBALANCE</b>	<b>LES MILLS</b> <b>BODYPUMP</b>	<b>LES MILLS</b> <b>BODYBALANCE</b>			<b>LES MILLS</b> <b>BODYPUMP</b>	<b>LES MILLS</b> <b>BODYPUMP</b>
15:15	<b>LES MILLS</b> <b>BODYPUMP</b>	<b>LES MILLS</b> <b>BODYBALANCE</b>	<b>LES MILLS</b> <b>BODYPUMP</b>			<b>LES MILLS</b> <b>BODYBALANCE</b>	<b>LES MILLS</b> <b>BODYBALANCE</b>
16:15	<b>LES MILLS</b> <b>CXWORX</b>	<b>LES MILLS</b> <b>BODYPUMP</b>	<b>LES MILLS</b> <b>CXWORX</b>			<b>LES MILLS</b> <b>BODYPUMP</b>	<b>LES MILLS</b> <b>BODYPUMP</b>
17:30	<b>LES MILLS</b> <b>BODYPUMP</b>	<b>LES MILLS</b> <b>BODYCOMBAT</b>	<b>LES MILLS</b> <b>GRIT</b>	<b>LES MILLS</b> <b>CXWORX</b>	<b>LES MILLS</b> <b>BODYPUMP</b>	<b>LES MILLS</b> <b>BODYCOMBAT</b>	<b>LES MILLS</b> <b>BODYCOMBAT</b>
18:15	<b>LES MILLS</b> <b>GRIT</b>		<b>LES MILLS</b> <b>BODYBALANCE</b>	<b>LES MILLS</b> <b>BODYBALANCE</b>	<b>LES MILLS</b> <b>BODYATTACK</b>	<b>LES MILLS</b> <b>CXWORX</b>	<b>LES MILLS</b> <b>CXWORX</b>
19:30	<b>LES MILLS</b> <b>BODYBALANCE</b>		<b>LES MILLS</b> <b>BODYATTACK</b>	<b>LES MILLS</b> <b>GRIT</b>	YOGA		
20:15	CIRCUIT	<b>LES MILLS</b> <b>BODYBALANCE</b>	CIRCUIT	<b>LES MILLS</b> <b>BODYCOMBAT</b>	<b>LES MILLS</b> <b>CXWORX</b>		



LES MILLS™ Virtual enables you to trial multiple fitness categories to determine popularity before committing to the investment of a live class.

With demographics shifting and member preferences evolving, it can often be a costly exercise to trial a new style of program in a slot for long enough to determine if it was actually producing results.

With programs covering multiple categories such as Dance, Mind Body, Strength, HIIT, Cardio, Cycle, Barre and IMMERSIVE FITNESS™, Virtual classes provide the perfect vehicle for you to segment your timetable and be agile enough to double down on what works and pivot when it doesn't.

**40%**

of members state the Virtual classes offered by their gym has influenced their decision to join it.

**40%**

find having high quality Virtual classes available in their gym a reason to continue their membership.



Les Mills Gym in Newmarket, Auckland has 70% of its space allocated to group fitness, with two studios and a dedicated cycle studio. It's a change from the usual industry model, where the gym floor is prioritised over group fitness. Virtual classes are key to making the model viable, as the Virtual offering allows classes to be scheduled throughout the day without creating a huge wage bill.

Most club timetables are designed around catering for the peaks in usage, but Les Mills Newmarket successfully manages capacity by pulling people away from the peak times and creating an even spread throughout the day. Although live instructors are retained for the peak classes, Virtual classes mean the group fitness timetable can start at 5.30am and run until 10pm without increasing overheads.

Virtual has empowered the club to sell memberships to a previously unreachable audience whose personal timetables didn't fit with the club's class timetable. This also aids member retention – at Les Mills Newmarket, it currently sits at an impressive 66%.

Les Mills Newmarket in Auckland, New Zealand has had significant success running a LES MILLS™ Virtual studio since 2015. The 18,000 sq ft club has 4,900 members paying on average \$50 p/m. Virtual has allowed the club to double the number of classes it offers, translating to a 30% increase in member attendance. The below table demonstrates typical monthly figures, from November 2017.

**56%**

Virtual classes have increased timetabled class offering over only live class equivalents by 56%

**36%**

Virtual classes have increased total average program attendance by 36%

CLUB	PROGRAM	ATTENDANCE	AVERAGE ATTENDANCE	# CLASSES		ATT	AV	CLASSES
LES MILLS NEWMARKET	BODYATTACK™	864	35	25	LES MILLS VIRTUAL BODYBALANCE™	533	13	40
LES MILLS NEWMARKET	BODYBALANCE™	910	34	27	LES MILLS VIRTUAL BODYCOMBAT™	516	13	41
LES MILLS NEWMARKET	BODYCOMBAT™	242	27	9	LES MILLS VIRTUAL BODYPUMP™	1646	22	74
LES MILLS NEWMARKET	BODYPUMP™	4447	52	86	LES MILLS VIRTUAL CXWORX™	764	13	57
LES MILLS NEWMARKET	BODYSTEP™ ATHLETIC	375	29	13	LES MILLS VIRTUAL GRIT CARDIO	117	8	14
LES MILLS NEWMARKET	BODYVIVE 3.1™	212	16	13	LES MILLS VIRTUAL GRIT PLYO	126	11	11
LES MILLS NEWMARKET	CXWORX™	3774	41	91	LES MILLS VIRTUAL GRIT STRENGTH	312	12	25
LES MILLS NEWMARKET	LES MILLS GRIT™ CARDIO	1932	32	60	LES MILLS VIRTUAL RPM™	1787	8	218
LES MILLS NEWMARKET	LES MILLS GRIT™ PLYO	132	26	5	LES MILLS VIRTUAL SH'BAM™	28	7	4
LES MILLS NEWMARKET	LES MILLS GRIT™ STRENGTH	2976	34	88		<b>5829</b>	<b>107</b>	<b>484</b>
LES MILLS NEWMARKET	RPM™	1040	30	35				
LES MILLS NEWMARKET	SH'BAM™	69	17	4				
LES MILLS NEWMARKET	SPRINT	2076	31	67				
LES MILLS NEWMARKET	SENIORS	45	11	4	TOTAL VISITS			<b>38470</b>
LES MILLS NEWMARKET	THE TRIP	962	33	29		ALL GROUP FIT		<b>68.90%</b>
LES MILLS NEWMARKET	YOGA	627	24	26	% OF TOTAL ATTENDANCE	LIVE CLASSES		<b>53%</b>
		<b>20683</b>	<b>472</b>	<b>582</b>		VIRTUAL		<b>15%</b>



Since launching in 2011, Fitness Hut has taken Portugal by storm with its low-cost premium model which places a strong emphasis on innovation and group fitness. But with workouts regularly at capacity, CEO Nick Coutts wanted to ensure members wouldn't be disappointed at missing out on their favourite class.

## MAXIMIZE YOUR RETURNS

Content is king. Consistency of experience for members will keep them engaged in Virtual classes.

**+53%**

Virtual classes have doubled class offering

**40%**

Of club attendance is driven by group exercise

“ WE CONSIDER 30 PEOPLE TO BE A SUCCESSFUL LIVE CLASS, WHEREAS I'D COUNT 4 OR 5 AS A SUCCESSFUL VIRTUAL CLASS BECAUSE THAT'S 5 PEOPLE USING A SPACE WHICH OTHERWISE WOULD BE EMPTY.”

“ WE ONLY HAD BODYPUMP™ INITIALLY AS WE THOUGHT THAT THE OTHER GENERIC OFF-THE-SHELF VIRTUAL OPTIONS WERE ENOUGH TO SUPPLEMENT THIS. BUT THEY WEREN'T REALLY MOVING THE NEEDLE, SO WE DECIDED TO ADD RPM™ AND IMMEDIATELY UPTAKE SHOT THROUGH THE ROOF. WE STARTED ADDING MORE AND HAVE NEVER REALLY LOOKED BACK. WE NOW OFFER A BROAD RANGE OF LES MILLS™ VIRTUAL CONTENT – BODYPUMP, RPM, CXWORX™, BODYCOMBAT™ AND SH'BAM™.”

Nick Coutts, CEO Fitness Hut.

## VIRTUAL FITNESS ISN'T A NEW THING.

Pre-recorded fitness classes have been around for years and their win-win benefits — profitability for clubs; convenience for members — are well known by some. Clubs can get people into fitness studios more of the time and especially at those times when you would not normally run live classes. Members can work out when they want to. Virtual adds value and certainty to a membership. No frustration and no time wasted. Validation of Virtual comes from those at the top of the fitness industry. Victor Brick, Chairman of Brick Bodies, describes it as the “next big movement.”

“Things are moving more and more to convenience. People want to work out on their time, not on your time, and Virtual allows health clubs and fitness providers to offer that convenience without breaking the bank.” Mark Harrington, President of Health Works Fitness, says that “even in a program where we might have 150 classes a week, the studio is empty for several hundred hours a week. Virtual gives people a chance to come in any time they want and know there is going to be a class.”

Virtual group exercise has grown exponentially. More than 12,000 clubs around the world now offer some sort of Virtual offering. But for many clubs it's an offering, not a solution. It's Virtual Fitness in nascent form, with many clubs struggling with technological aspects — projectors, screens, set-up and scheduling.

## THE ENTERTAINMENT ECONOMY MEETS EXPERIENTIAL FITNESS

The history of the fitness industry is a story of innovation: emerging tech, research, music and fashion, all influencing and changing the ways we've made fitness a part of our lives.

Examples, please? Jack LaLanne on TV in the '50s, enticing and cajoling viewers off the couch and into exercise. Judi Sheppard Missett in the '70s, Jazzercising crowds into leotards and legwarmers, the dawn of fun, choreographed workouts set to music. Jane Fonda, the '80s, the perfect body (and hair), an icon for the aerobics phenomenon, her cult of celebrity a precursor of things to come in all sorts of industries.

AS VIRTUAL BECOMES MORE PREVALENT IN THE FITNESS INDUSTRY, CONTINUED SUCCESS FOR CLUBS WILL LIE IN PROVIDING THE HIGHEST QUALITY VIRTUAL FITNESS OPTIONS.

MEMBERS' NEEDS ARE CONTINUALLY CHANGING. THEIR EXPECTATIONS ARE INCREASING AS QUICKLY AS TECHNOLOGY EVOLVES.

The days of faded old projectors and sterile monologues are gone. The next generation of Virtual is upon us and cinematic-quality is the new normal. Like movie-goers, gym members will no longer accept 1-star stinkers, they want 5-star Virtual experiences in a top-quality studio.

LES MILLS™ Virtual classes are exciting, blockbuster-quality versions of live classes. They enable you to deliver the industry's most popular workouts led by the world's best instructors. The price of new technology audio-visual has plummeted and we can guide you to the best buys.

## BETTER SCREENS FOR LOWER COST

Technology has improved and cost has reduced. Gone are the days of blacking out the floors and walls and significant installation time and cost. LED video walls are now an attractive investment option. Transition your empty studio walls into one of your biggest revenue contributors through Virtual Fitness.

## CUTTING - EDGE CINEMATIC CONTENT

Content is king. Cinematic quality is now accessible through LES MILLS Virtual. Every quarter, new releases are available for you to schedule, delivered by the world's leading instructors. We have expanded our Virtual program offering to cover all major categories, including cutting edge IMMERSIVE FITNESS™ experience THE TRIP™, BARRE™ and SPRINT™.

## EASY OFF THE SHELF PLAYER SOLUTION

Hated the idea of ongoing maintenance for a black box player solution? Now there is a free of charge iPad application that allows you to play and schedule your LES MILLS Virtual programs without any ongoing technology fees.

## IMPLEMENTATION SUPPORT

A full suite of support documents are available to ensure that launching your LES MILLS Virtual solution is simple, easy and effective.

With LES MILLS Virtual– you get access to:

- A comprehensive introductory guide with full support documentation
- A success guide outlining targets and goals bespoke to your club, team training and scheduling assistance
- Technical onboarding and access to our commission-free AV advice and installation partners
- A complete 6-week launch guide with all marketing collateral, and access to fresh assets quarterly to keep members engaged with Virtual in your club

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