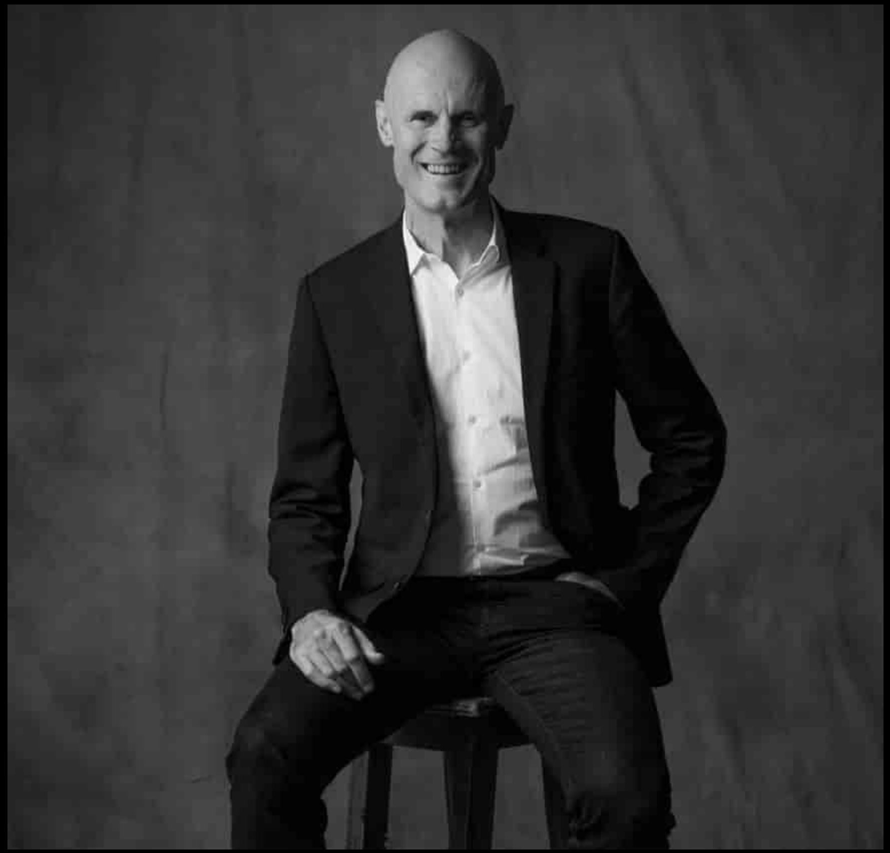
LES MILLS
2021 GLOBAL FITNESS REPORT

lesmills.com

FOREWORD BY PHILLIP MILLS, EXECUTIVE DIRECTOR OF LES MILLS



Across every industry, COVID-19 has forced businesses to re-think their go-to-market strategy. For fitness providers, this has meant ripping up the rule-book and using the pandemic as the catalyst for a completely new approach to meeting people's fitness needs.

Necessity has well and truly been the mother of invention. Operators who previously relied entirely on visits to their gyms to bring in revenue have been forced to reconsider their strategies. In these cases, they're emerging from the pandemic with complementary digital channels, more efficient systems, plus fresh opportunities to grow their revenue and customer base.

While much has changed, some principles remain the same. It's our people who drive members to join clubs in the first place, and as you'll see in this report, it's our people who are proving key to bringing them back.

Over the course of seven chapters, we look at the major trends shaping the new fitness landscape and offer key takeouts on how to leverage them. In the Global Comparison sections we spotlight how trends differ across countries, and it's fascinating to note just how consistent certain insights are across all corners of the globe – far more than we've seen in the past. Though disrupting the ways we deliver fitness, technology appears to be bringing us closer together – creating convergence between markets and hastening the adoption of key trends.

As the fitness industry continues its rapid expansion, the margin between success and failure becomes ever finer. Against a backdrop of fierce competition and fast-changing trends, razor-sharp insights are the key to stealing a march on your rivals. Every Les Mills workout is underpinned by world-leading research and we believe the same should apply to all aspects of innovation. That's why we've conducted the largest-of-its-kind survey of global consumer fitness preferences, and combined these insights with the latest industry research to help our partners shape the future.

Here's to staying ahead.

WE’VE SPOKEN TO 12,157 CONSUMERS ACROSS THE GLOBE TO MAP THEIR FITNESS HABITS

2021 Les Mills Global Fitness Report Research Design

Methodology

Quotas were set by country to ensure adequate sample sizes to look at individual markets.

Quotas were also set by gender to ensure representation. The weighting used was based off official population figures for gender.

Fieldwork was conducted from 22 May to 18 June 2021.

A total sample of n=12157 was achieved with a maximum margin of error of +/- 0.84%

The average survey length was 12.9 minutes.

Method

An online survey, with consumers randomly invited to participate from Qualtrics. Qualtrics are a leading enterprise survey technology solution. They partner with over 30 online panel provides to supply a network of diverse, quality respondents to their worldwide client base.

Panellists are incentivised for every survey they qualify for and complete.

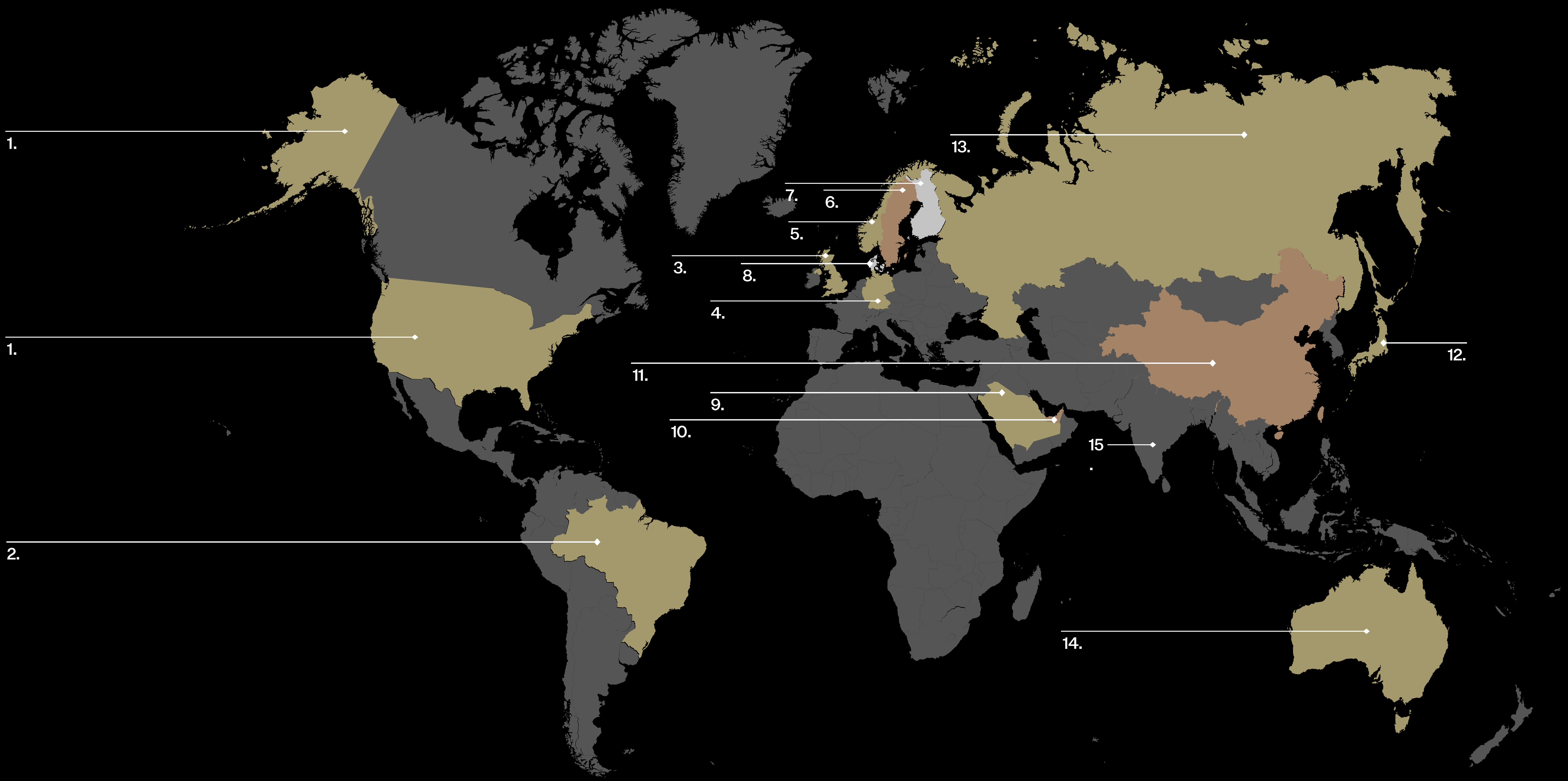
Coverage

The survey was conducted across 15 countries and translated into 7 languages.

Please see territories on next page.

2021 LES MILLS Global Fitness Report Market Participation

1. USA
2. Brazil
3. UK
4. Germany
5. Norway
6. Sweden
7. Finland
8. Denmark
9. Saudi Arabia
10. UAE
11. China
12. Japan
13. Russia
14. Australia
15. India



82%
Of adults are currently exercising or would like to.

75%
Of regular exercisers do at least one gym-type activity.

#1
Live fitness classes are the single most popular gym-type activity.

2/3
Of gym members prefer working out with others.

80%
Of gym members plan to continue using digital workouts post-pandemic.

60:40
Ideal consumer mix of gym and home workouts.

THE NEW FITNESS LANDSCAPE

COVID-19 has brought both threats and opportunities for fitness providers to navigate. What will it take to come out on top once restrictions have lifted?

82%

Of consumers are currently exercising or would like to start.

3/4

Fitness is the world's biggest sport, with 75% of regular exercisers doing at least one gym-type activity.

50%

Of consumers are increasing their focus on physical and mental wellbeing in 2021.

*Post-pandemic markets = Markets where facilities have re-opened and no longer have COVID restrictions in place on capacity.
^2021 IHRSA Global Report

75%

Of consumers say they want to exercise more regularly but face barriers, with lack of motivation the biggest single barrier (cited by 29%).

108%

Improvement in enquiries to sales conversion rate in post-pandemic markets*.

110%

Club visits per member stand at 110% of pre-COVID levels in post-pandemic markets*.

The pandemic has prompted consumers to prioritize their health, with 50% focusing more on their wellbeing in 2021. 82% of consumers regularly exercise (or soon plan to), while 75% of this group do gym-type activities, making fitness the world's biggest sport. This presents latent growth opportunities for fitness providers as COVID restrictions recede and they return to full capacity.

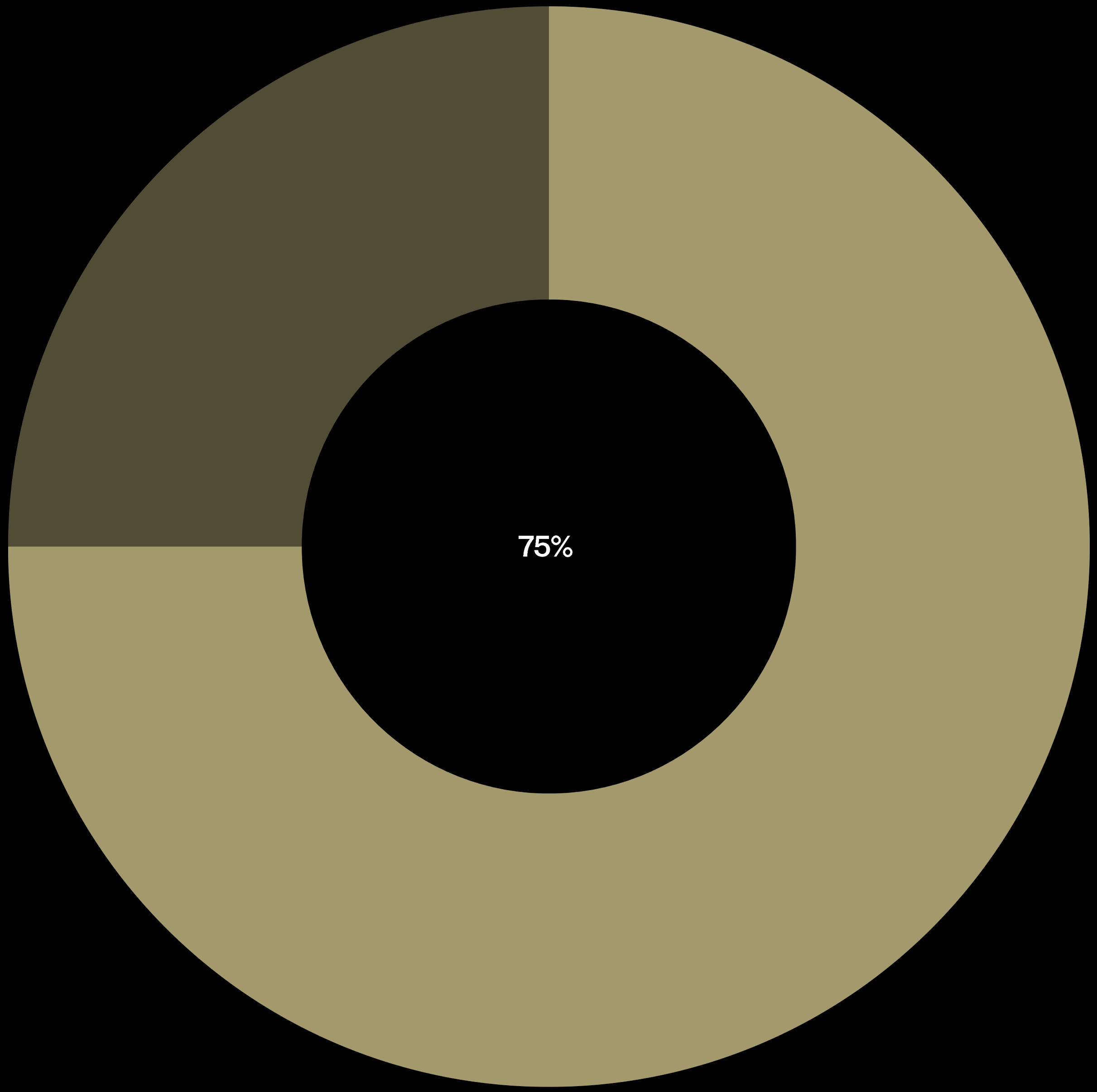
Clubs in New Zealand (when restrictions have been lifted) report increased member activity compared to pre-COVID levels, and decisive eagerness among new joiners, with 108% growth in their enquiries to sales conversion rate. And other markets are catching up, with 75-80% of U.S. club members returning in the first few months of 2021^ and similar trends across Europe, while Chinese clubs are at 80-120% of pre-COVID membership levels.

GLOBAL COMPARISON

*Nordic refers to the indivdual countries of Norway, Sweden, Finland and Denmark.

75%

Of regular exercisers are doing gym-type activities.



Fastest way back to full fitness

Amid fears the COVID-inspired home fitness boom would spell the end of fitness facilities, the most encouraging insight is that most members can't wait to get back to live workouts in their club, with markets around the world reporting strong recoveries.

A rare positive to have come out of the pandemic has been clubs growing their digital reach and winning new online fans. In markets that have made quick recoveries, tapping into digital solutions to engage consumers and boomerang them back to live workouts has proven to be the blueprint for a booming club recovery.

Motivation Matters

Stay at home orders have brought great progress in the range of options for people to stay active at home, but the reason people join clubs is because they need the motivation to make training habits stick.

With lack of motivation cited as the biggest single barrier to consumers working out more, clubs that can dial up the motivation and demonstrate this to consumers stand to win more than their share of the growing fitness market. Research shows that having intrinsic goals helps members stay longer and exercise more frequently, so consider how best to set new joiners up for success.


LES MILLS ATHLETICS

THE LIVE REVIVAL

After months of isolation, consumers are craving live and social fitness activities to bring connection back into their lives.

*Markets without restrictions = Markets where facilities have re-opened and no longer had COVID restrictions in place on capacity (at the time of analysis).

67%

Of gym members prefer to work out with others in small or large groups.

2X

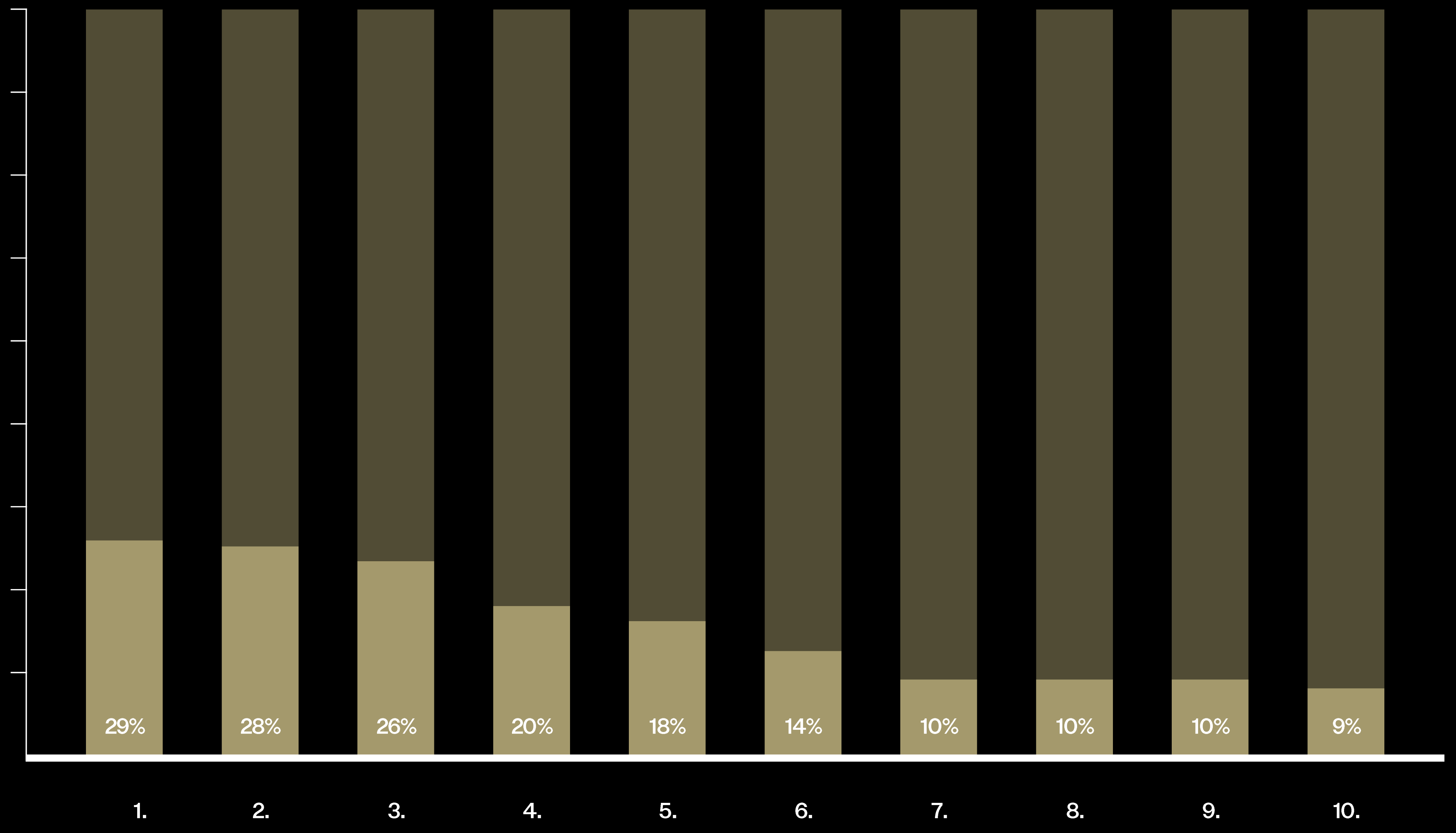
Gym members find live classes more than twice as appealing as livestream options.

119%

Group fitness attendances stand at 119% of pre-COVID levels in markets without restrictions*.

MOST POPULAR GYM TYPE ACTIVITIES

1. Fitness Classes to Music (Live in Facility)
2. Cardio Equipment
3. Weight Training
4. Personal Training
5. Fitness Classes to Music (Digital or Livestreamed)
6. Yoga/Pilates
7. Dance
8. Functional Workouts (Eg. Crossfit)
9. Indoor Cycle Classes
10. Small Group Training



85%

Of gym members are interested in trying a live group fitness class in their facility.

2/3

Among group fitness participants, social connection is a key driver of satisfaction, with 67% citing "enjoying the energy of the group".

74%

Among all consumers, when working out with others, 74% prefer to do so in person.

A year of being stuck at home has increased appetite for live fitness experiences, with consumers hungry to get back to working out in groups.

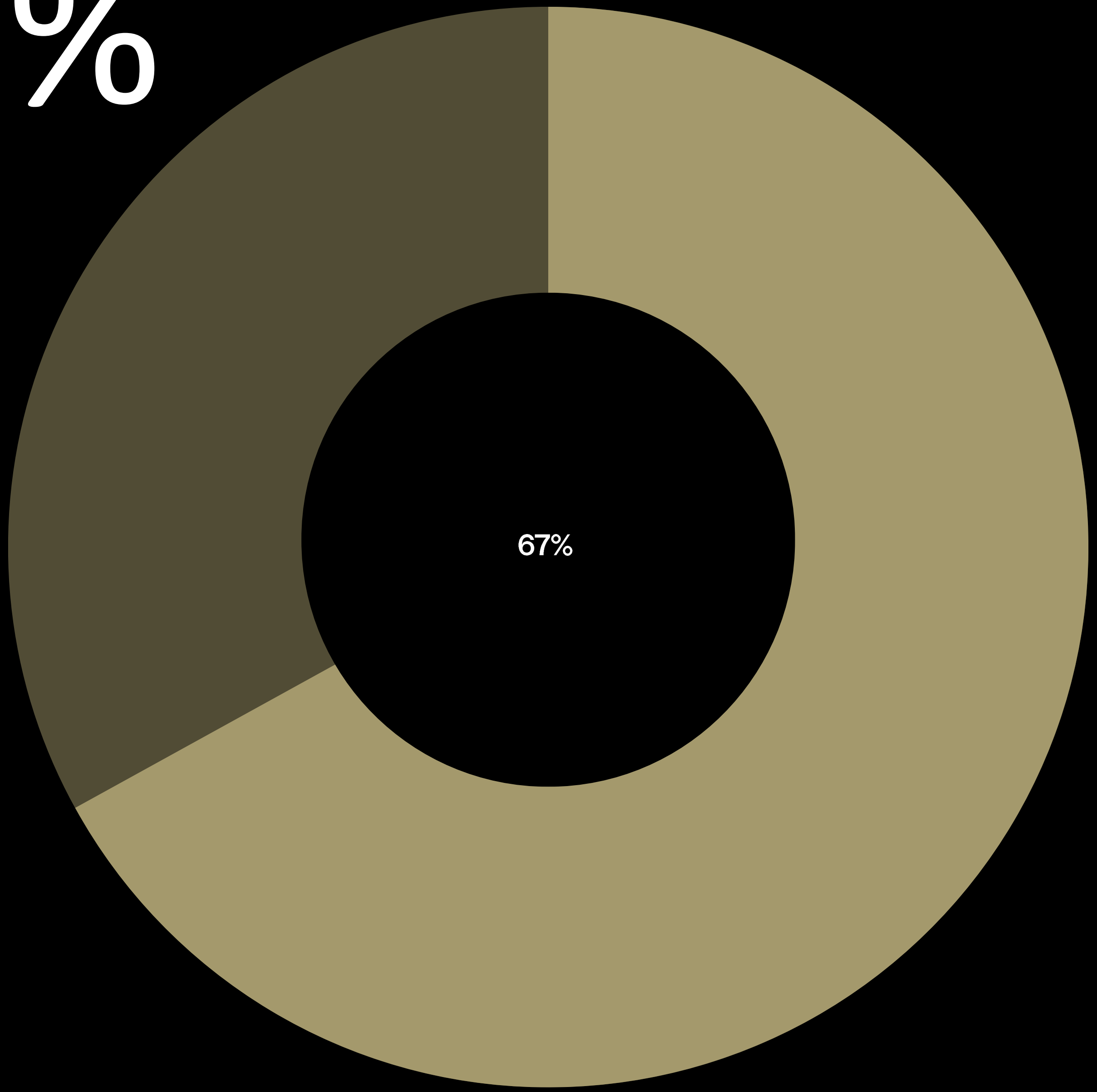
Two thirds of gym members say they prefer working out in groups, while live classes in club are twice as appealing as classes that are livestreamed.

85% of gym members say they're interested in trying live classes in their facility and these numbers have borne out in New Zealand, where group fitness attendances have hit 119% of pre-COVID levels when capacity restrictions have been lifted.

*Nordic refers to the indivdual countries of Norway, Sweden, Finland and Denmark.

67%

Of gym members prefer to work out with others in small or large groups.



Dialing up the social experience

After months of isolation, people are seeking connections on a personal level with brands and like-minded consumers so they can once again feel part of a tangible community.
Across markets that have already reopened, dialing up the social experience has been key to re-engaging members and winning new ones. Helping members get back to the social activities they enjoy in-club most has been the focus, with group workouts, friendly staff and club events all helping to support this.

Leveraging the Group Effect

Tapping into consumer demand for live fitness experiences by funneling more members into group fitness can level-up your club's recovery.

The Les Mills Groupness Study found members experience increased levels of individual enjoyment, exertion and satisfaction from fitness classes – dubbed 'the group effect'.

As a result, group fitness participants are among the most valuable type of member clubs can have. By staying longer and pulling in more new members, group fitness members form the bedrock of a successful club – driving both retention and acquisition.

THE HUMAN FACTOR

In a world awash with technology, people have never played a more integral role in shaping the member experience.

*People element = Quality of personal trainers or gym floor trainers, Quality of fitness class Instructors, Staff are welcoming and friendly

^ Source: LES MILLS After class Participant Survey. Members extremely satisfied with their Instructor are 2.5 times (144%) more likely to recommend their class to others than those who are extremely dissatisfied^

NO.1

The quality of the Instructor is the most important factor for participants in a group fitness class.

59%

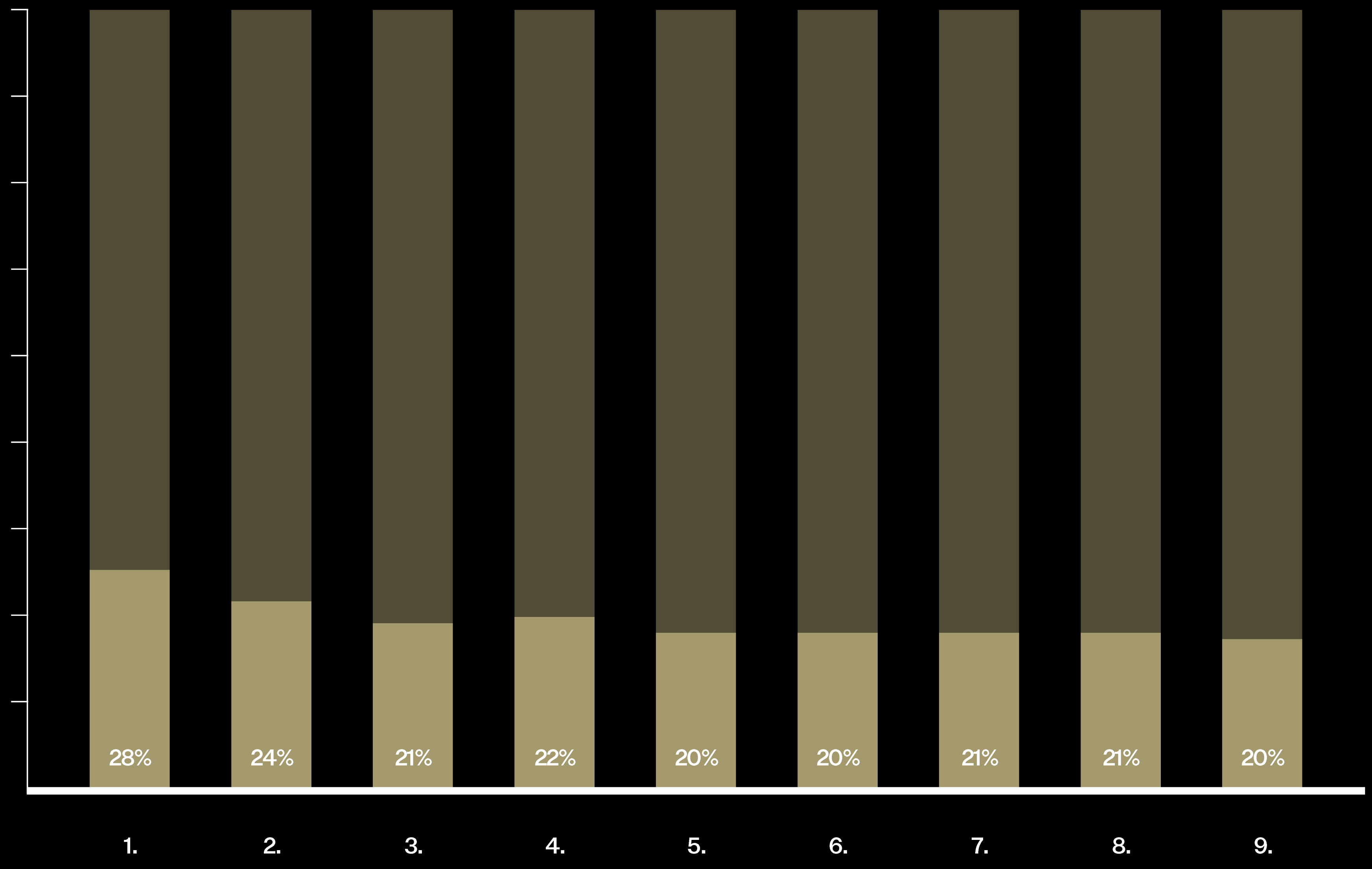
Of prospects say people* are a significant factor in choosing a gym to join.

2.5X

Great Instructors are 2.5 times (144%) more likely to win member referrals^

KEY FACTORS FOR CHOOSING A CLASS

1. Quality of the Instructor
2. Quality Music is Used
3. Type of Class
4. Quality Equipment
5. Proven to get Results
6. Price of Classes
7. Quality Choreography/Class Design
8. The Time of Class
9. Quality Sound System



40%

Of fitness class participants are looking for an Instructor who coaches intelligently

30%

While location (35%) and equipment (33%) remain key reasons for choosing a gym, "a good atmosphere" (30%) has emerged in 2021 as another, pushing "the facilities" into 4th place (27%).

65%

Among gym prospects, 65% say offering quality live or virtual classes would encourage them to join a facility.

With a yearn for social connection driving the Live Revival, it's somewhat inevitable that the people working in clubs will have a vital role to play.

This is particularly true for winning new members. 30% of club prospects say "a good atmosphere" is a key factor in choosing a gym to join, while 59% say staff are also a consideration. Two-thirds of prospects say the presence of quality classes would encourage them to join a facility.

For members, the quality of the Instructor is the single most important factor when choosing a group fitness class, while the presence of a great Instructor makes them 2.5X more likely to refer their friends to the club.

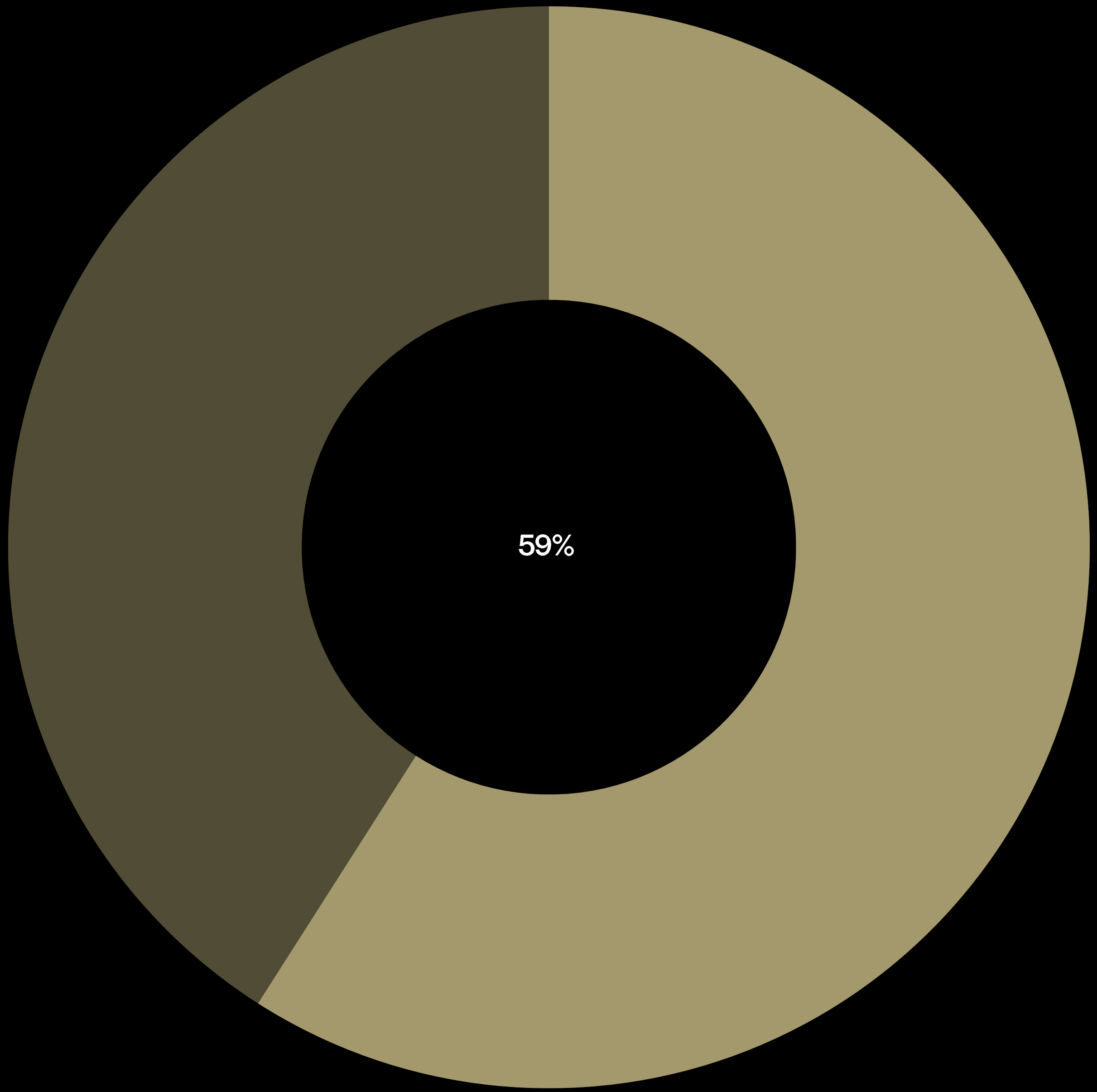
GLOBAL COMPARISON

*People element = Quality of personal trainers or gym floor trainers, Quality of fitness class Instructors, Staff are welcoming and friendly.

*Nordic refers to the indivdual countries of Norway, Sweden, Finland and Denmark.

59%

Of prospects say people* are a key factor in choosing a gym to join.



Rockstars remain vital to member growth

The Live Revival will see Instructors at the heart of fitness experiences, mixing hard and soft skills to bring enjoyment and results.

Making the most of your rockstar Instructors – the people your members identify and engage with – can be key to gaining and maintaining members. As well as the functional impact Instructors have on your classes, consider the added contribution they can make to your club's marketing, onboarding and member engagement.

Nurture top talent

With members yearning for deeper connection and human interactions, how clubs leverage and nurture their teams will have a major bearing on future success.

For all of the tech solutions now available to clubs, great people are the only unique selling point that rivals can't copy. Safeguarding top talent, offering clear progression and regularly recruiting strong additions to the team will be key for clubs leveraging the Live Revival to fuel member growth.

THE SECRET SAUCE

What’s the perfect blend of live and digital workouts in the age of omnichannel fitness?

*Source: Credit Suisse 2020 Fitness Survey.

60:40

Majority of consumers (59%) favor 60:40 split between gym and at home workouts.

62%

Do more than half their workouts at the gym.

80%

Of gym members plan to continue using digital workouts post-pandemic*.

*Source: Credit Suisse 2020 Fitness Survey.

22%

Digital fitness users exercise 22% more frequently than live-only exercisers (4.4x per week vs 3.6).

2X

Gym members are twice as likely to use digital fitness options compared to non-members (36% vs 18%).

84%

Of gym members also work out at home.

Far from being simple stop-gaps to tide the industry over during the COVID pandemic, livestream and on-demand have become vital additions to clubs' long-term digital offerings, with 80% of members planning to continue using them post-pandemic.

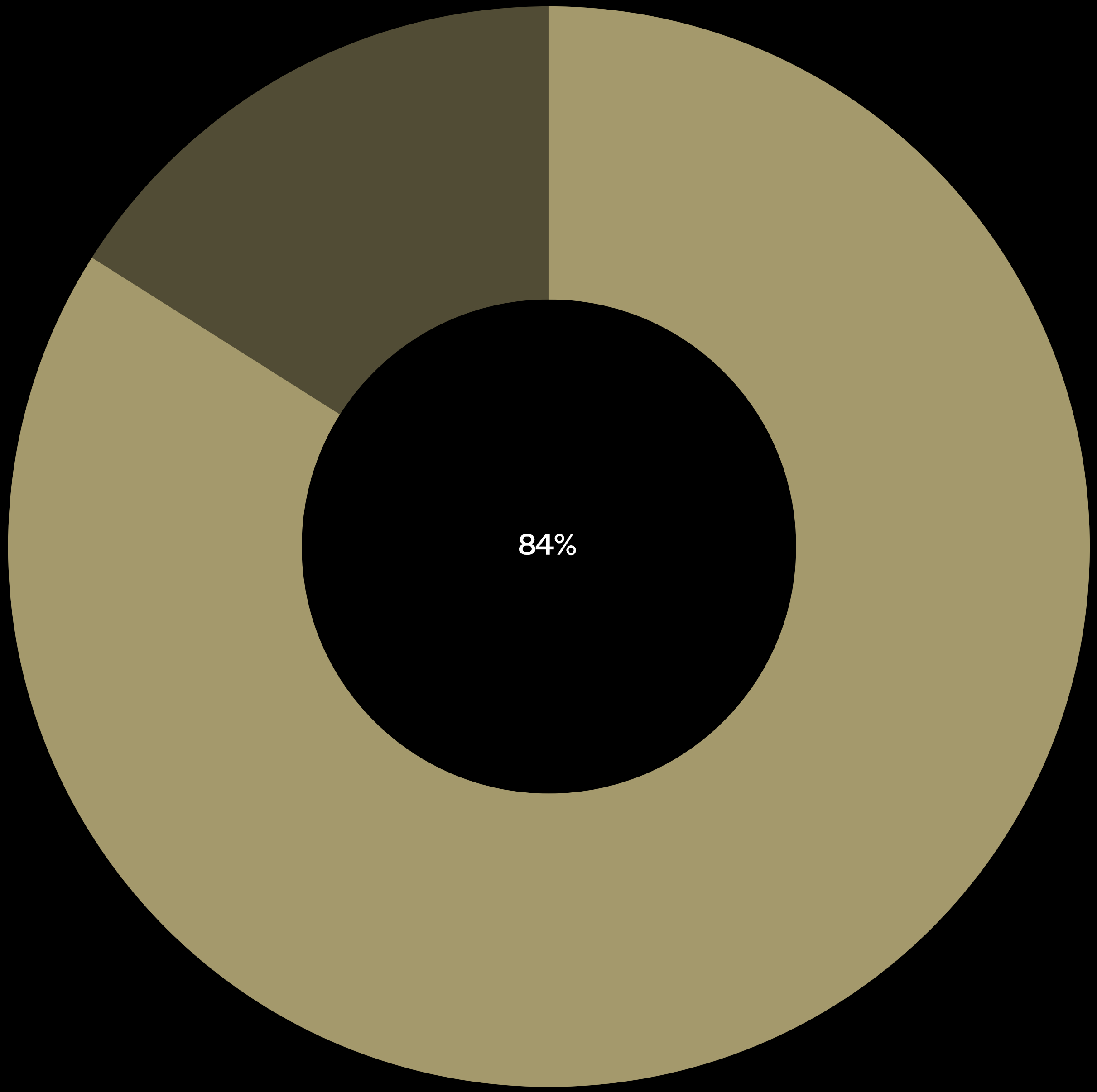
And though live fitness experiences remain the pinnacle, the digital fitness boom and the growth of home working mean today's fitness consumers demand a connected fitness experience which offers convenience and enables them to maintain a more active lifestyle.

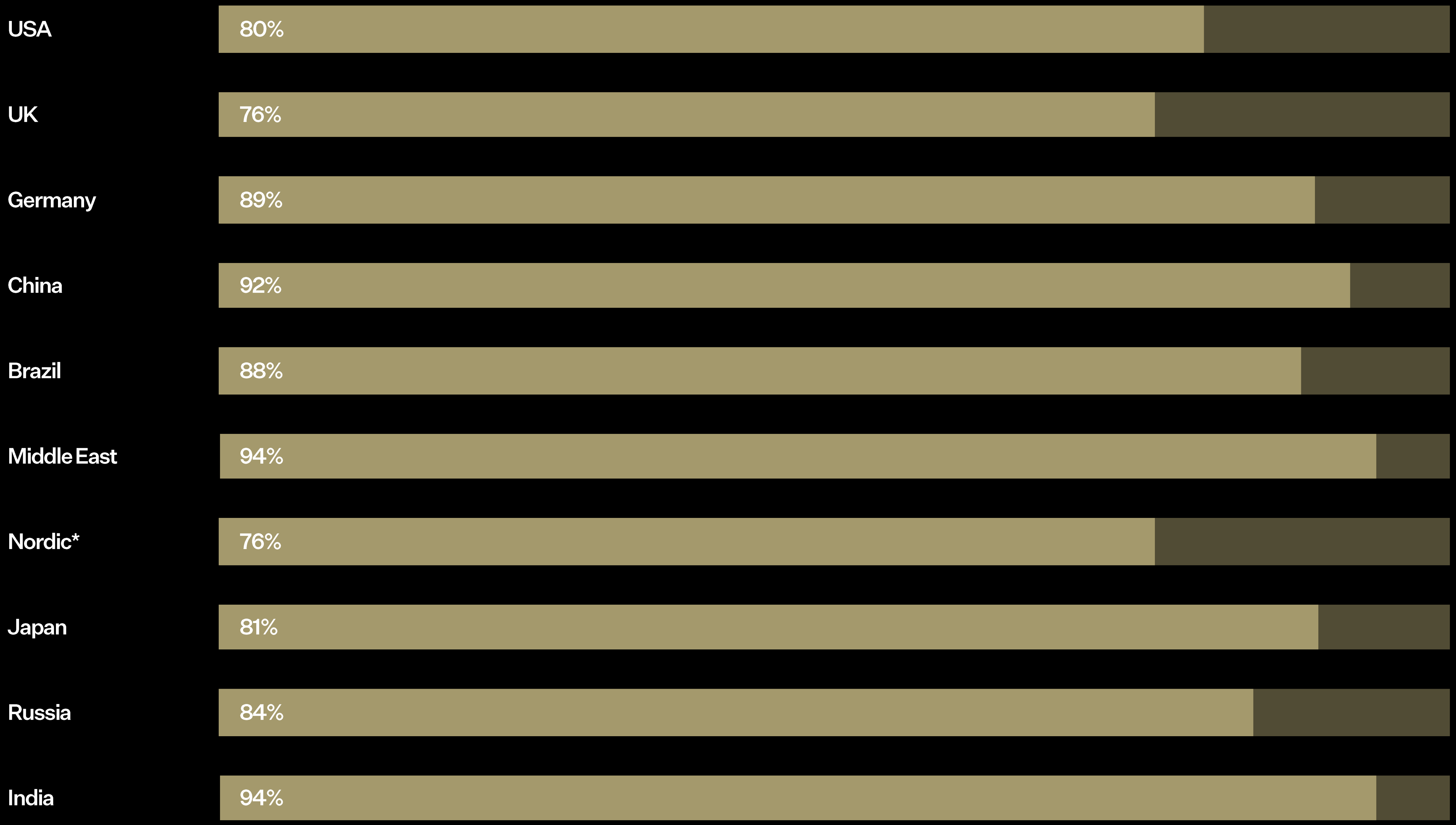
Seamlessly linking live and digital will be key to club success. High-class digital offerings can help clubs win new fans online, build brand affinity, and then eventually convert them to becoming full members of the club.

*Nordic refers to the indivdual countries of Norway, Sweden, Finland and Denmark.

84%

Of gym members also work out at home.





The Age of Omnichannel

Despite the likes of Apple, Google and Amazon all making moves in the digital fitness space, clubs remain uniquely placed to meet growing consumer demand for a blend between live and digital fitness experiences. Digital is now undoubtedly a key pillar of club success, but it's the combination of this with live workout experiences that can give clubs the edge over digital-only fitness products.

Clubs that can bridge the gap between the digital and physical world to offer members an omnichannel fitness experience will be best-placed to thrive across all domains.

Content is King

Nailing omnichannel requires clubs to ensure the digital user experience matches the standards set when people visit their facilities.
The crucial part is serving up high-quality on-demand fitness content and livestream classes that are motivating, fun and results-driven.

Consider how physical and digital can serve as complementary aspects of your overall member experience.

Are you offering digital versions of the workouts that members love doing in your club? And conversely, are you offering better live versions of the workouts featured on your digital channels, so that users are enticed to come to the club more for the full experience?

WHAT'S HOT?

The lowdown on which workouts consumers can't get enough of – and which workouts they've had enough of.

*Quality elements = Quality of music, Quality of Instructors, Quality of Equipment, Quality of choreography/class design.

32%

High Intensity Interval Training (HIIT) is the most popular fitness class format.

62%

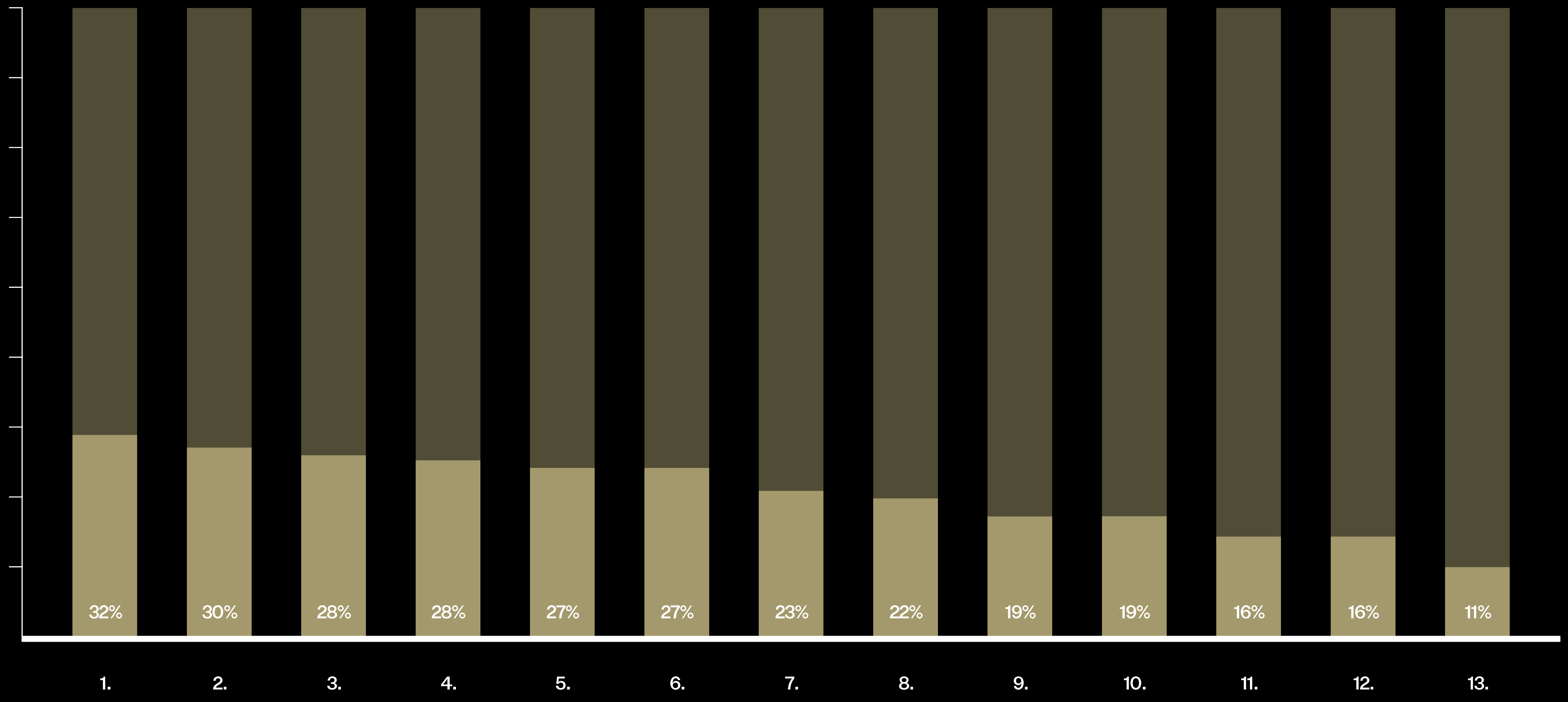
Quality elements* are key to fitness class choice with 62% of participants citing them as a top 3 determinant.

86%

Of group fitness participants are doing a branded class.

MOST POPULAR FITNESS CLASS

1. HIIT – High Intensity Interval Training
2. Indoor Cycling
3. Dance
4. Stretching/Mobility
5. Core Conditioning
6. Step Aerobics
7. Strength Training
8. Other Cardio/Aerobics
9. Pilates
10. Martial Arts
11. Yoga
12. Boxing
13. Functional Circuit Training



*Quality elements = Quality of music, Quality of Instructors, Quality of Equipment, Quality of choreography/class design.

67%

LES MILLS classes are the most popular branded classes with 67% of all class participants doing at least one LES MILLS program (vs 55% doing other branded programs).

58%

Of gym members would likely cancel if their gym stopped offering their favorite class.

52%

Regular exercisers favor varying the intensity of both their cardio and strength workouts. Moderate intensity cardio and strength workouts (60-80% heart rate) comprise 52% of all workouts in a typical week while higher intensity workouts (at 80%+ heart rate) comprise 48%.

In an industry as notoriously trend-driven as fitness, HIIT is proving the exception to rule. Having dominated most of the last decade, HIIT is hotter than ever, with 32% of consumers listing it as their favorite class format.

But it's not just HIIT-heads who are loyal, 58% of members say they would likely cancel their membership if their gym took away their favorite class.

Participants are also highly discerning, with 86% choosing to do branded classes, and 62% stating the presence of quality elements* are key to deciding which classes they attend.

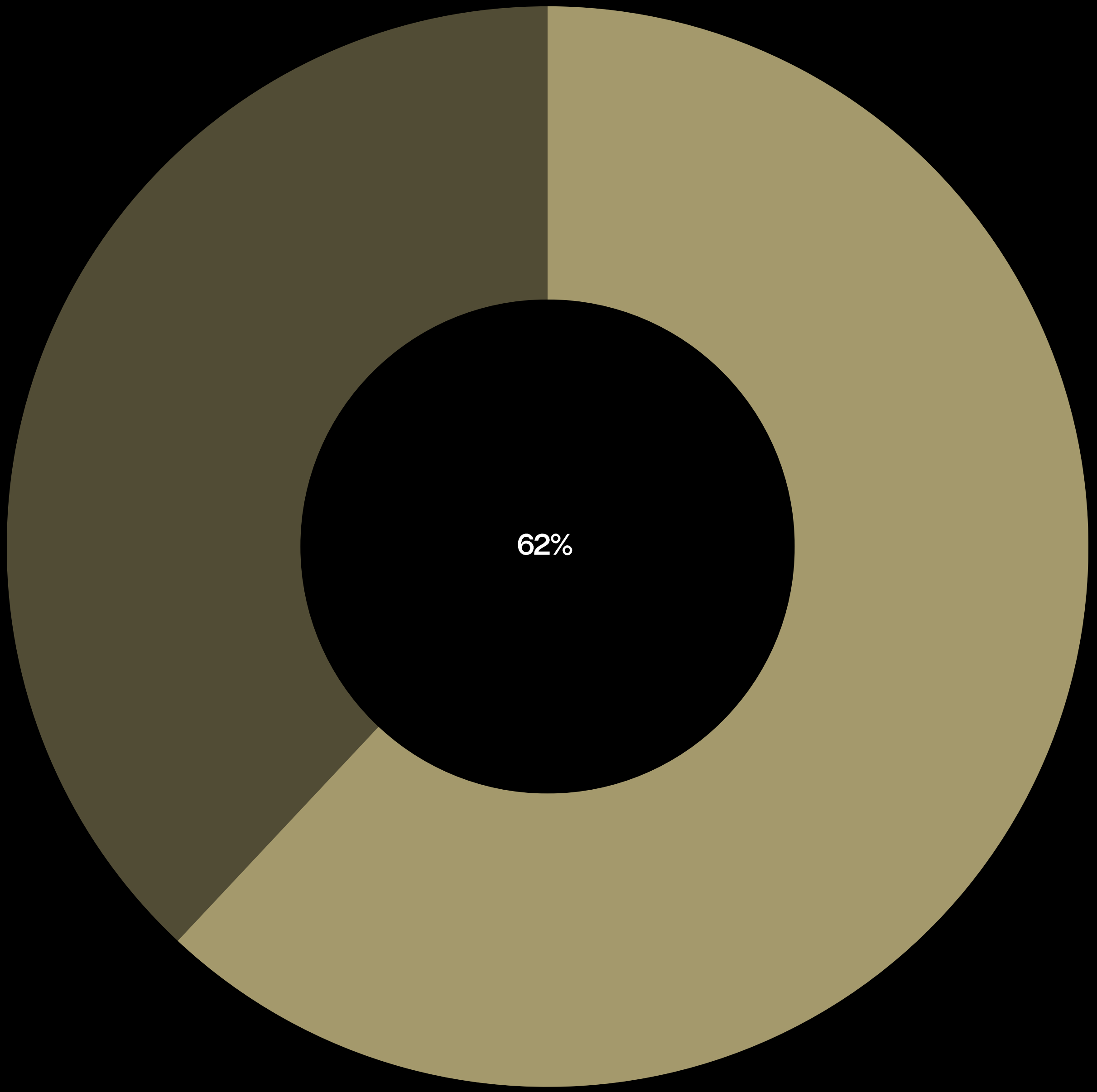
GLOBAL COMPARISON

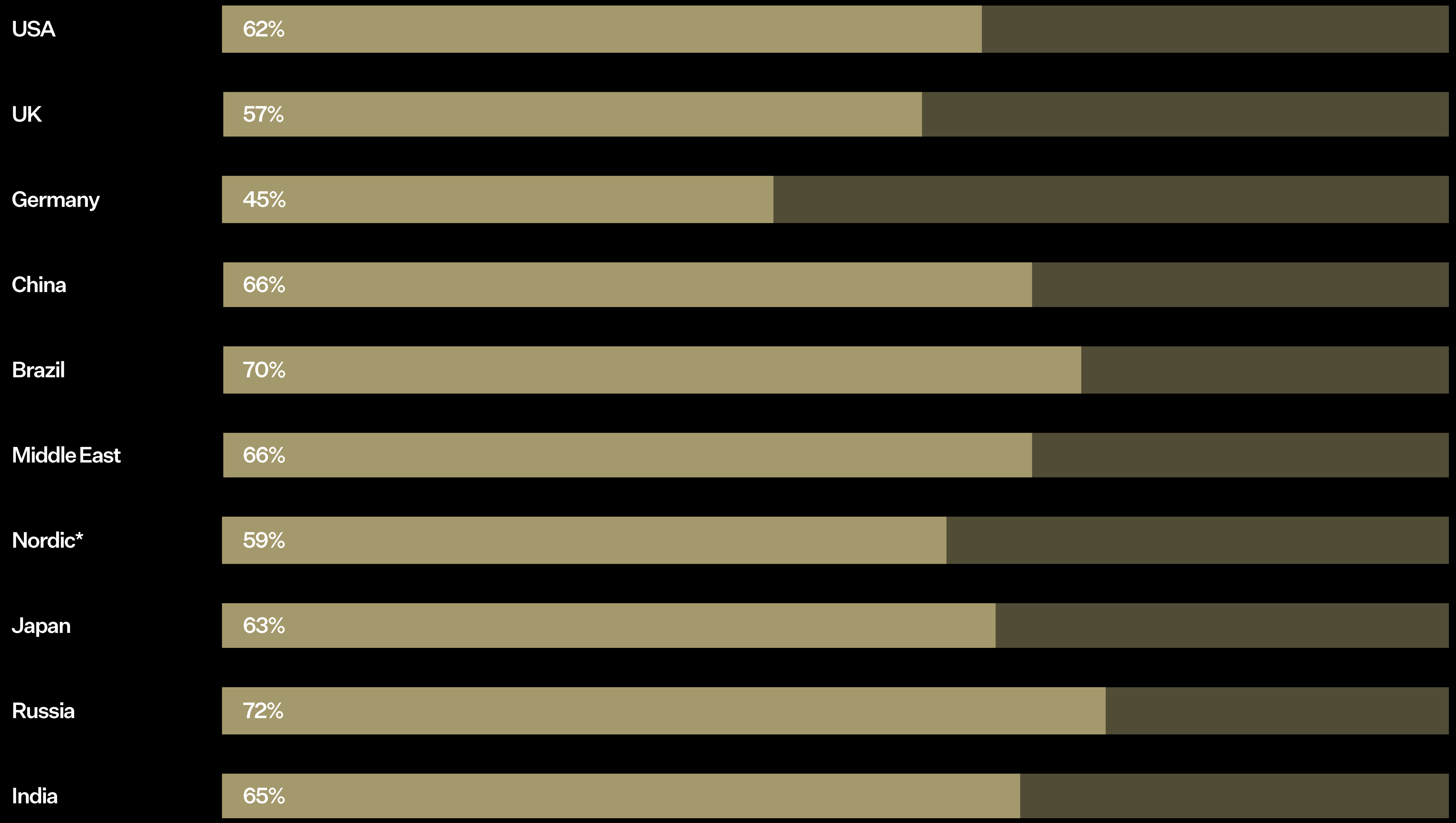
*Quality elements = Quality of music, Quality of Instructors, Quality of Equipment, Quality of choreography/class design.

*Nordic refers to the indivdual countries of Norway, Sweden, Finland and Denmark.

62%

Quality elements* are key to fitness class choice with 62% citing in their top 3 determinants.





Quality Over Quantity

In a world of endless quantity, it's never been more vital to focus on quality. With YouTube chock-full of free, average fitness content, your clubs' classes need to be world-class to keep people coming back and paying.

86% of group fitness participants choose to do branded classes, while the quality of the music, choreography, Instructor and equipment are key factors for 62%. Taking pride in your timetable is key to standing out in an increasingly crowded market.

Play the Greatest HIITS

Taking top spot in our study, HIIT remains hugely popular – particularly among the key Millennial and Gen Z markets – and it's great for operators too.

From the UK to the US, and across the Middle East, HIIT classes are helping keep members hooked and clubs profitable. By their nature, classes are short and sharp, making them convenient for both members and operators alike. Offering high-quality HIIT is a sure-fire way to keep your studio sizzling.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STARTING OUT

The pandemic has created a new generation of fitness fan. But who are they? And what do they want from a fitness experience?

*45% live classes in facility, 19% pre-recorded classes at facility, 22% live classes online, 30% pre-recorded classes online.

27%

Of the fitness market consider themselves to be absolute beginners.

81%

Of beginners are interested in at least one form of class offering*.

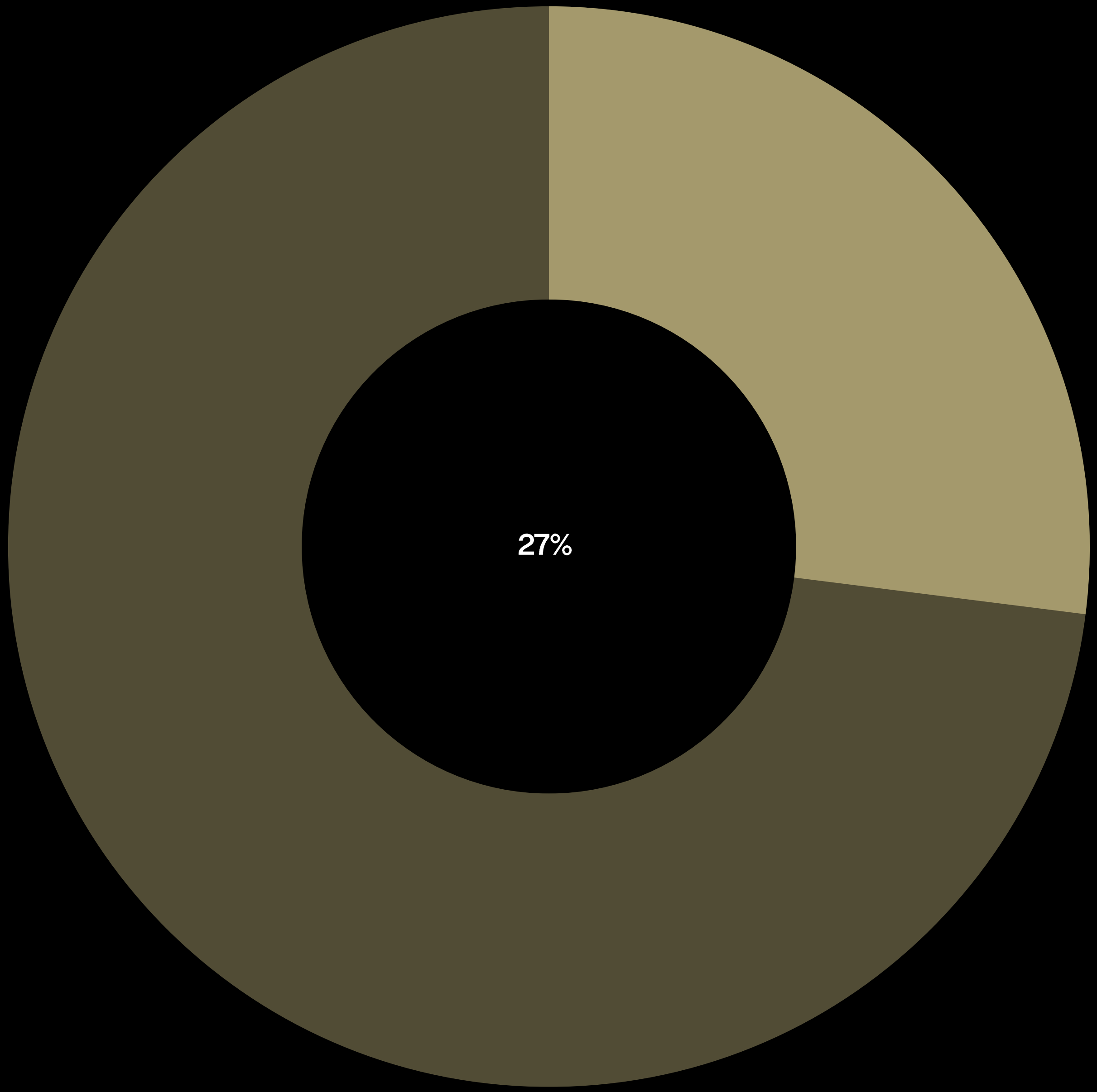
84%

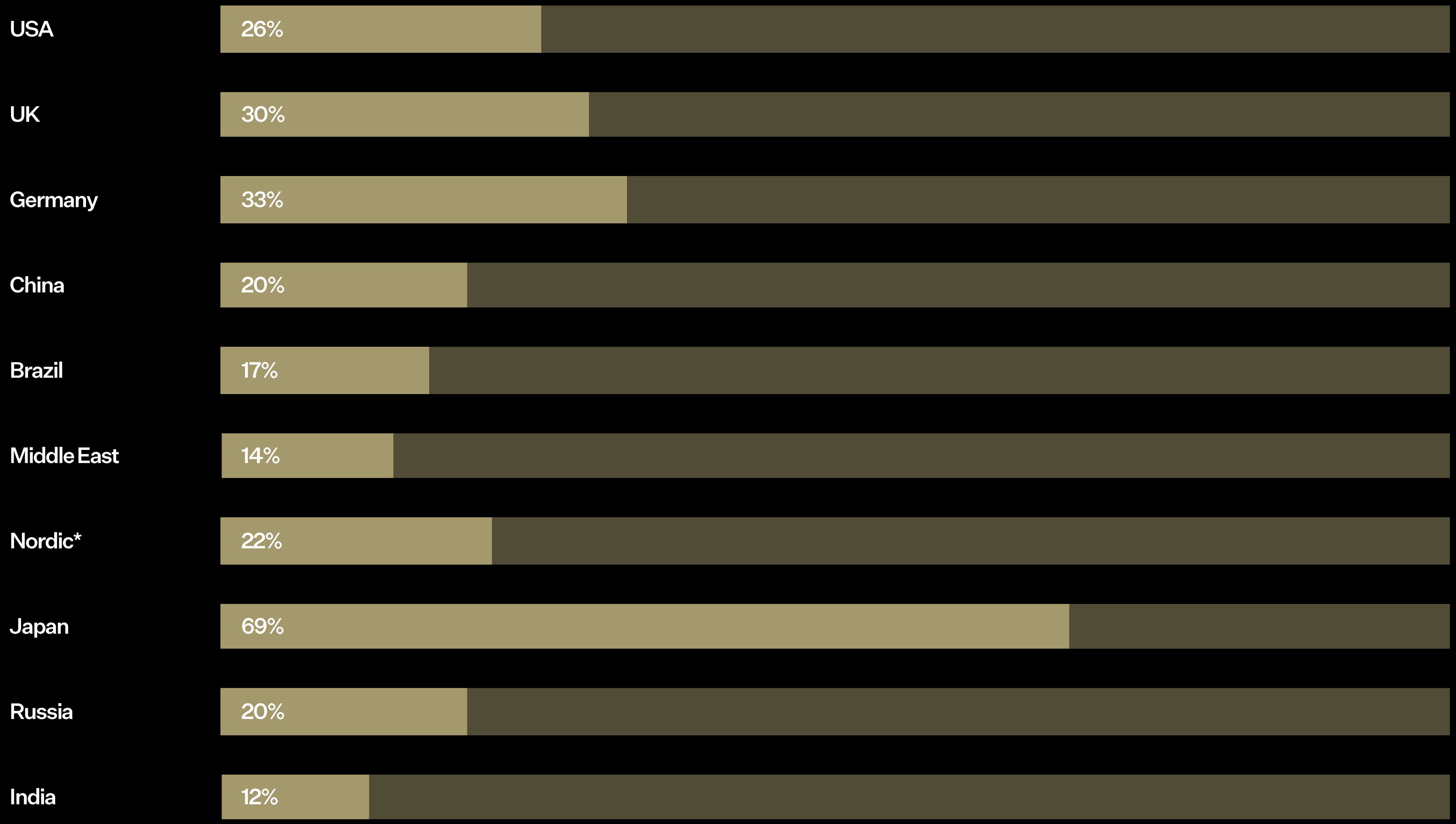
84% of beginners say they have at least one barrier when it comes to exercising.

*Nordic refers to the indivdual countries of Norway, Sweden, Finland and Denmark.

27%

Of the fitness market consider themselves absolute beginners.





37%

Struggle to find the motivation to exercise.

2X

Live classes at the facility are twice as enticing for beginner gym prospects as livestream classes.

#1

Quality of the Instructor is the most important thing beginners look for in a fitness class (30%).

67%

Of beginners say they prefer to work out alone.

The pandemic has created a new generation of exercise beginners (27% of the market) who have taken tentative steps into fitness and are now deciding what comes next.

Opportunity abounds for operators who can appeal to these groups and understand the unique barriers to exercise they face. Although 81% of beginners are interested in group activities, 67% say they currently prefer to exercise alone, suggesting a confidence chasm that needs to be bridged before beginners feel fully comfortable.

Instructors and wider staff have a key role to play in helping them to feel welcome, while helping beginners to find intrinsic motivation to exercise will be key to their long-term adherence.

Digital Drives Live Growth

The ability to reach beyond your existing membership and attract fresh faces into facilities will be key to your long-term growth. Consider how your digital offerings can drive new leads and prospects in the bustling beginner segment.

By taking the authentic club experience into homes, operators can reach groups who wouldn’t typically visit a club, helping them build their fitness skills and confidence at home, before graduating them into the club.

Making a Strong Start

With the potential for an influx of new members into your club, a smooth onboarding program is paramount to keeping them.

The numbers show that friendly staff and social offerings like group fitness classes have a key role to play in helping beginners to feel welcome in your club.

Consider also how your team can use SMART START principles to help members acclimatize to your club, building workout frequency and intensity step-by-step.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TOTAL FITNESS TRANSCENDENCE

The blurring of boundaries around how consumers stay fit.

43%

People who have access to fitness via their employer work out 43% more than those who don't.

35%

Of exercisers work out to reduce stress.

59%

Of employees with access to fitness/exercise/wellness offerings make use of them.

*Presenteeism – being physically present at work but not working
^Source: Gallup-Healthways Well Being Index.

44%

Of employers include wellness offerings as part of their employment package.

73%

Of Millennial employees find free access to digital workouts appealing, while 70% find free mental wellness /mindfulness tools appealing.

50%

Employees who don't exercise regularly are 50% more likely to have high presenteeism* than employees who do^.

As home working becomes more prevalent and the boundaries between work and play are blurred, so too are the distinctions around provision of fitness services.

Employers increasingly recognize the benefits of an active workforce (and their responsibility to support this), while employees gravitate towards companies that care.

The impact wellness offerings can have on both work performance and employee health is accelerating their prevalence, creating lucrative opportunities for omnichannel fitness providers to proffer services.

GLOBAL COMPARISON

*Quality elements = Quality of music, Quality of Instructors, Quality of Equipment, Quality of choreography/class design.

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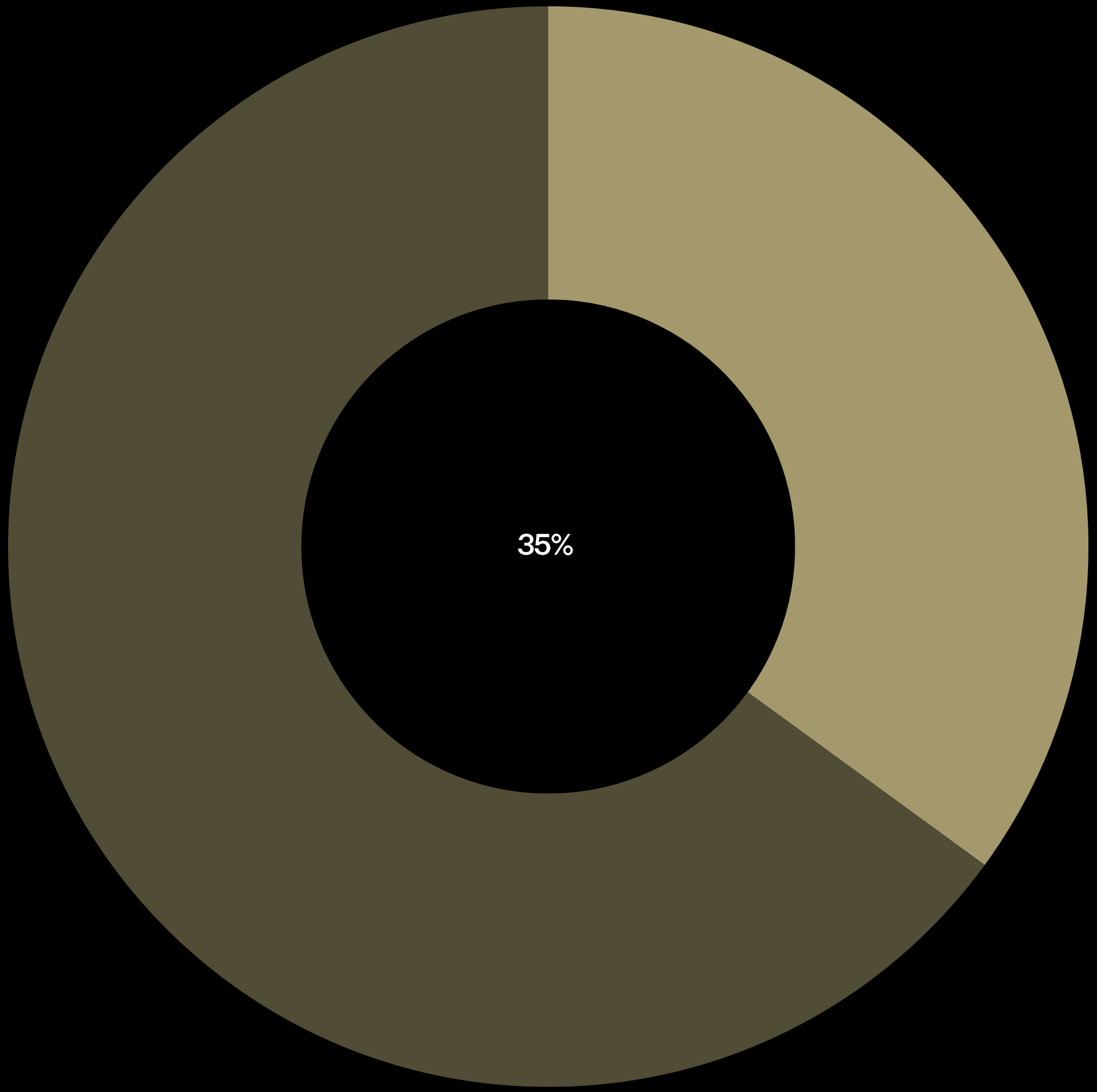
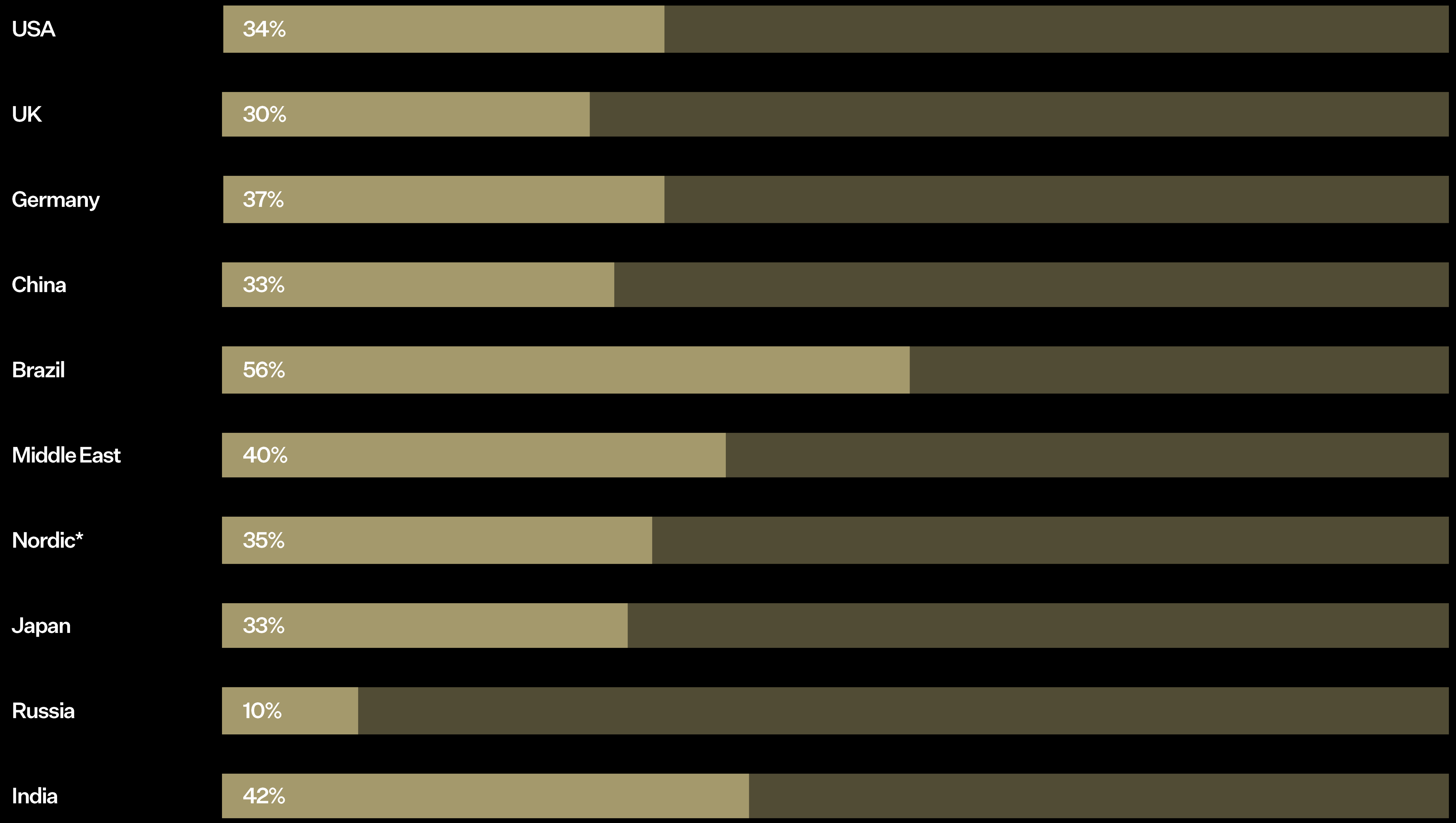
35%

Of the market exercise to reduce stress.





Become the Second Space

Having long sought to position themselves as the ‘third space’ between the office and home, clubs now have the chance to go one better. For facilities with enough floor space, there’s a huge opportunity to become the ‘second space’ for members who want to work away from the office and grab a convenient workout while they’re at it.

Not only is it a great retention tool, becoming a ‘second space’ offers huge potential for ancillary revenue from renting desk space and WiFi, plus extra spend in your restaurant/café.

Winning in the Workplace Wellness Market

The concepts of ‘sweatworking’ and team bonding have long been established, with studies suggesting exercise – especially *during* working hours – can boost staff productivity, time management and work satisfaction. But as awareness around physical and mental wellbeing becomes more mainstream, the uptake of workplace wellness initiatives around the world is accelerating.

For clubs, marketing the scientifically-proven impact of your workouts will place you in the box seat for winning in the workplace wellness market.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GREATNESS

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