

For Studios

Club ^{OS} Studio

Technology Trends Reshaping the Fitness Industry



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The Future of Fitness

Technology is ubiquitous in modern life. A near constant wave of new technological innovation reshapes our lives and how we do business. As the fitness industry continues to enjoy a year-over-year pattern of growth, with a combined profit of 82.7 billion in 2017 alone according to [IHRSA](#), the race to develop the next advancement in fitness technology has only grown more heated. The challenge for fitness professionals is to sort through this myriad of tech. How do you determine which technology trends will play a long-term role in the success of your studio and which should be disregarded as passing fads?

This e-book evaluates five major technology trends that are reshaping the fitness studio market right now. Each trend will be broken into three elements:



Opportunity

How each technology trend can positively affect your studio through revenue growth, client engagement, and prospect workflow, and more.



Risk

Potential downsides to each technology trend that should factor into your decision-making process as you consider implementing them into your fitness business.



Evaluation Questions

A list of questions you can use to begin investigating if each technology trend is the right fit for your studio.

While the future can be anxiety-inducing, the best strategy for any business is to keep an eye on the changing landscape. Careful evaluation of new opportunities can lead to big payoffs and sustained success for you and your studio.

Wearables

The American College of Sports Medicine Health and Wellness Journal published its yearly survey of fitness trends in its winter 2018 edition. The publication polls thousands of fitness professionals to determine which fitness trends will define the coming year. After dropping to #3 in 2018, wearable technology such as Fitbit and Apple Watches reclaimed the #1 spot for 2019 ([American College of Sports Medicine](#)). Fitness wearables are nothing new but continue to carve out a corner in the fitness market thanks in part, as the ACSM points out, improvements in the overall accuracy of the data they track. Above all, wearables make fitness tangible for their wearers, giving them concrete data and achievable goals on a daily basis.

Opportunity

Wearables can be leveraged to boost member engagement and overall experience within your studio. Live boards projecting clients' heart rate and calories burned adds an engaging new dimension to group classes. In a 2016 interview with [Club Industry](#), Gold's Gym Assistant Manager Nick Orlando praised wearables impact in his club: "Having members use wearable technology builds a community within the gym of friends who try to beat one another during workouts."

Risk

Wearables enhance personal workouts like going for a run or hitting the stationary bike at home. Potential prospects may see a binary choice: purchase a wearable or purchase a studio class package. Your challenge is to convince them that membership to your studio will only increase the usefulness of their wearable device.

Evaluation Questions

- What services or classes do I offer that can utilize wearable data?
- How many of my clients and prospects own wearable devices?
- Will the ROI justify investing in wearable technology for my studio?



"Worldwide smart wearable device sales will **double by 2022**, becoming a \$27 billion+ market with 233 million unit sales."

- [Forbes](#)

Multi-Studio Fitness Memberships

Multi-studio fitness membership services like ClassPass or Fitreserve are platforms which enable customers to pay one monthly subscription fee to gain access to multiple participating studios. Following the subscription business model that has exploded over the last five years, multi-studio fitness memberships have two main selling points:

- 1.) Lowering the per-class cost of studio fitness classes
- 2.) Giving consumers the ability to demo multiple studio businesses.

Opportunity

Like Groupon before, multi-studio fitness membership services are great ways to quickly boost overall roster numbers. If your seeing consistently low class attendance, partnering with ClassPass or Fitreserve might be the silver bullet to filling up your studio. There is also always the chance you may snag a few new clients from customers visiting your club as a part of a multi-studio fitness membership. This, of course, is no guarantee as people are seldom inclined to give up multiple options to commit to one studio.

Risk

This subscription fitness business model features razor-thin profit margins. Lower class prices for the consumer means a thinner slice of pie divided amongst you and the subscription service. You may find yourself with chronically booked-up classes but netting less profit in the long run.

Evaluation Questions

- Am I experiencing low class attendance?
- Will I overcrowd my classes and alienate my full-time clients by partnering with a multi-studio membership service?
- Do I completely understand the participation rules?



[As of 2017] ClassPass has grown to over 200 employees, expanded to 39 cities worldwide and 8,000 fitness studio partners, thanks to \$84 Million of funding.”

-[Medium](#)

Artificial Intelligence

The words artificial intelligence can conjure up images of an apocalyptic future ruled by machines. Modern-day AI is a far cry from this dark vision. A recent [Club Industry](#) article summarized AI as “...the endgame of machine learning, which is essential to empower computers to make decisions with less and less input from their human counterparts.” The fitness industry is seeing early applications for AI in simple customer-facing functions like class registration, answering services, and website chatbots as well as backend statistical calculations to empower more intelligent sales practices.



[Venture Beat](#) reports Facebook messenger alone hosts over 34,000 AI chatbots capable of completing small transactions, providing customer support, or driving subscription sales.

Opportunity

Think of artificial intelligence as your all-time employee. It never takes a break, it never gets tired, it simply works. “AI enables the health club to be in service 24/7 to the guest or location and to help identify and even predict trends,” [Dr. Aymee Coget](#), founder of Happiness for Humans. By implementing AI into simple, repetitive roles like answering services or class scheduling, you can fill in the gaps of your staff. This gives back valuable time to your team while guaranteeing important client and prospect touchpoints are always covered.

Risk

You could potentially dehumanize your studio. Who doesn't hate calling a support number and wading through a series of robotic prompts? Heavy automation can lead prospects to view your club as too corporate or impersonal. The challenge is to implement communication workflows that ensure every prospect and client receives personal contact with someone on your team in addition to your AI services.

Evaluation Questions

- Are there simple tasks I could assign to AI rather than human staff?
- Would my clients respond positively to AI functionality?
- Can I enhance my website's prospecting functionality through AI?

Customer Relationship Management Software

Customer relationship management software, known simply as a CRM, is designed to facilitate the management of a business's clients, data, and workflows. CRMs have quickly established themselves as every business owners' go to resource: "CRM software is now the biggest software market in the world and the growth isn't slowing down" ([SuperOffice](#)). Fitness CRMs are an invaluable tool for studios to organize prospects, manage clients, and track performance levels.

Opportunity

The right CRM can positively affect every aspect of your fitness business. It should be able to streamline your workflows, giving your team back valuable time for prospect and client interaction. It should integrate with your other software solutions to unify data collection in one place. Not to mention, email and text message capabilities to enhance your marketing efforts.

Risk

Due to the wide market of CRMs, there is often bleed over between industries. You should confirm that the CRM you're considering implementing into your studio was created for the fitness industry. CRMs built for other industries may try and retroactively bend their features to service fitness industry customers, but this often leads to inept functionality. Additionally, any tool is only as effective as its users. If your team never learns to properly utilize your selected CRM software, you'll end up paying a monthly subscription for a forgotten tool.

Evaluation Questions

- Was this CRM software built for the fitness industry?
- Does this CRM have multiple functionality that can replace several software subscriptions, i.e. email marketing, lead management, reporting?
- Does this CRM offer an onboarding process that will effectively train my team?



“Having a robust customer relationship management (CRM) system can help you improve the most critical aspects of your club’s member experience.”

- IHRSA

Virtual Reality

Virtual reality is almost synonymous with the word “future”. It’s one of those advanced technologies humans have fantasized about through decades of science fiction like teleportation or flying cars. The difference is that VR, at least, seems within grasp. In the rush to develop the technology, the fitness industry is seeing a wide range of products looking to tap this potential new market. Gamification is a major driver of new fitness VR products, infusing workouts with video game inspired goals and scenarios. Further, early research is indicating VR could have interesting psychological effects on exercise. A 2018 study at the [University of Kent](#) found “using Virtual Reality (VR) headsets while exercising can reduce pain and increase how long someone can sustain an activity.”



The global virtual reality market is anticipated to swell from \$3.13 billion in 2017 to a massive \$49.7 billion by 2023 according to [Reuters](#).

Opportunity

Virtual reality is splashy. It generates a lot of interest with everyone from millennials to seniors curious to try out the new tech. Introducing a VR system into your studio could energize long-absent clients to visit your club with a well-designed promotional email. There is also that potential that VR can deliver on the promise of gamification, i.e. broadening the appeal of exercise to demographics who traditionally avoid a trip to the studio.

Risk

It’s unproven. Virtual reality is still in its infancy. Ultimately, no one can predict if VR will have a real, lasting place within the fitness industry. Yes, it sounds fun but is it a real trend or a passing fad? Couple that with the higher price tag of VR systems and the choice to dive into the VR market becomes more complicated.

Evaluation Questions

- Will this generate long-term revenue for my studio?
- Should I invest my capital into VR or are there other more traditional amenities or equipment that will better serve my business?
- Do I have a client base that would respond positively to this type of technology?

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