

Surviving the

Softtek®

FITNESS



REVOLUTION

Without Breaking a Sweat

Rebuilding Membership Value

Supercharged by the pandemic, the fitness industry experienced a shakeup overnight as practical health and safety restrictions pushed fitness fanatics out of health clubs and into their living rooms and outdoors, on a quest for safe alternatives to manage their physical and mental fitness.

Now digitally native fitness operators—and those that introduced digital diversification before Covid hit—have enjoyed record revenues. In contrast, other fitness operators were caught by surprise with a massive amount of digital experience debt. These operators are now engaged in a high-stakes, zero-sum race to quickly deliver a unique version of the hybrid fitness model needed to defend and grow their market share.

“ COVID has fast-tracked the direction fitness was already moving. ”

Ricardo Gonzalez
Industry Managing Director at Softtek

A Look at Recent TRENDS IN FITNESS

45% of US consumers intend to spend more spare time at home than they did pre-pandemic.⁽¹⁾

Up to 30% of pre-Covid-19 gym members will either drop their facility membership or shift to a blended home and facility fitness approach.⁽²⁾

From March to October 2020 home health and fitness equipment revenue more than doubled, to **\$2.3 Billion.**⁽³⁾



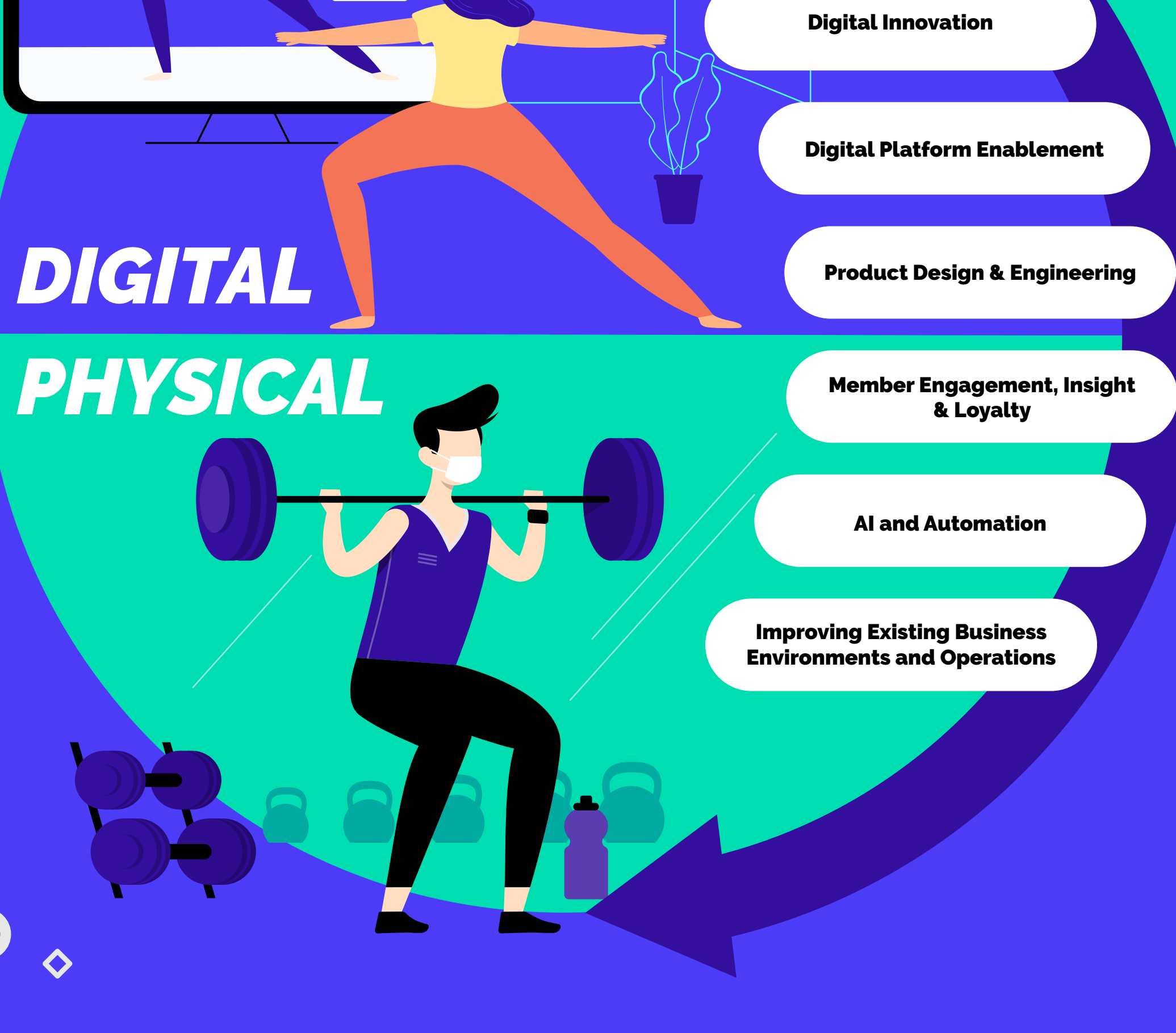
Delivering on THE NEW HYBRID Fitness Model

As fitness operators rally to meet the new demands of the fitness-focused, supplementing traditional brick-and-mortar fitness services with a complementary digital experience is now essential for survival. Many fitness brands have recently experimented with the rapid deployment of new membership services, including launching or expanding digital apps that bring together on-demand classes, personal training workouts, live streaming, coaching, and the union of workout and wellness data for a total fitness experience.

The creation of this new hybrid model has also opened up new revenue opportunities for operators looking to expand their digital service offerings into weight loss, nutrition, private personal coaching, and other wellness services. However, evolving an entire business model overnight is just about as easy as getting back into shape after gaining a few pounds too many— and having the right strategy and technology resources at the ready is critical to executing that mission.

A New Model for a New Moment

Today the fitness community expects the flexibility to traverse a physical and digital fitness experience based on their comfort level and convenience.



Winning Over the Fitness Community With a CONNECTED EXPERIENCE

Wearables & IoT

As fitness becomes more and more accessible through new digital offerings, engagement data collected from application usage and connected fitness devices offers fitness operators a chance to build deeper brand loyalty through increased engagement with its members.

The Wearable tech market is set to grow **137%** by 2024⁽⁴⁾

The global fitness app market is expected to reach **US\$ 15.59 billion** by 2028⁽⁵⁾

Building Fitness Community

With the rise of health and fitness wearables, IoT fitness devices, and data connectivity, the sharing of health and fitness data within fitness groups has become an essential component of the fitness experience. Operators that can bring together a community through a safe, thoughtful and connected fitness experience will grow in popularity.

Accelerating Time to Value

Considerations for SCALING During a Pandemic

New speed, strength, and agility are critical to scaling operations and managing the enterprise's growing digital priorities. This shift has provided business and technology leaders with an enormous opportunity and responsibility to reshape the enterprise. As fitness leaders consider new ways to improve their overall digital experience, digital business environments, products, and operations, they must also consider how they can ramp up capacity.

Expanding a digital workforce during the pandemic does not have to be problematic. As Covid continues to normalize remote work, organizations large and small have shifted their focus to scaling distributed teams and adopting agile practices to drive team maturity.

Tips for keeping virtual teams close and connected

Real-time Collaboration

Functional Time Zone Alignment

Close Geographic Proximity

Strong Cultural Alignment

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Founded in 1982, Softtek is a global company and the largest IT services provider from Latin America. With a broad portfolio of business-transforming products and solutions, Softtek helps Global 2000 organizations evolve their digital capabilities constantly and seamlessly, from ideation and development to execution.

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(1) Forrester's Consumer Energy Index Survey, US Consumers, May 2020.

(2) ClubIntel, The Real Promise and Reality of the Pandemic for the Fitness Industry, August 2020

(3) The NPD Group, Retail Data, March-October 2020

(4) GlobalData, August 2020

(5) Fitness App Market Share, Size, Trends, Industry Analysis Report, By Type, By OS Platform, By Device Type, By Regions, Segment Forecast, 2021-2028, Polaris Market Research