

2015
International Fitness Industry Trend Report
What's all the Rage?
Executive Summary



**A comprehensive study of global fitness industry
behavior by ACE, IHRSA and ClubIntel**

Table of Contents

I.	Welcome	3
II.	Methodology & Disclaimer	4
III.	The Difference between a Trend and a Fad	5
IV.	The Lifecycle of a Trend	6
V.	Trend Adoption Stages & Overarching Insights	7
VI.	Global Trend Dynamics	15
VII.	What's all the Rage?	26
VIII.	Niches and Idlers	29
IX.	Respondent Profile	32
X.	About the Partners	38
XI.	Definitions	39



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Welcome

Dear Health and Fitness Industry Professionals:

On behalf of the American Council on Exercise (ACE), International Health, Racquet and Sportclub Association (IHRSA) and ClubIntel we welcome you to this inaugural Fitness Industry Trend Report – What’s All the Rage. Our collective goal in conducting this study is to shed light on what equipment, facilities, programs, services and technology practices are “all the rage” in the industry.

In years past there have been a host of “trend” reports generated by various fitness industry associations all purporting to measure industry trends, most often by asking their respective constituencies what they felt the trends were. This past year, ACE, IHRSA and ClubIntel decided that what the industry needed was a “trend report” that measured behavioral outcomes - what the industry was actually adopting and how these adoption rates were changing over time. Furthermore, we felt it was important to seek out this behavioral data from across a broad spectrum of industry professionals and business segments from around the globe.

This executive summary, along with the full report that can be purchased from Club Intel Store at www.club-intel.com/store/ provides an incredible wealth of information about what is all the rage in the fitness industry, and also the impact these trends have across the various segments of the fitness industry.

We hope you find this bulletin as informative as we did.

Stephen Tharrett and Mark Williamson
ClubIntel

Melissa Rodriguez
IHRSA

Todd Galati
ACE

Methodology And Disclaimer

Methodology

In the second Quarter of 2015, ACE, ClubIntel and IHRSA commissioned an industry-first health/fitness trend study among global health and fitness professionals. The study measured adoption and growth rates from 2013 to 2015 across multiple health and fitness categories, including: equipment, facilities, programs, services, training protocols, and technology. The study collected responses via online survey among the following health/fitness professional audiences: club/studio owners, club/studio CEOs, club/studio managers, fitness directors, fitness professionals, health/wellness coaches and medical fitness professionals. The study itself was managed and administered by ClubIntel with assistance from both ACE and IHRSA.

To fulfill the response requirements, ClubIntel designed a stratified sampling plan that sourced responses using various collection methods. Over 55,000 email invitations were sent by ACE, ClubIntel, and IHRSA. In all, 1,297 usable responses were collected representing fitness and health professionals from over 11,000 health/fitness businesses worldwide, providing a strong representation of health/fitness professionals from around the globe.

Disclaimer

The statistical information contained in this report is representative of the individuals responding to the survey. All reasonable efforts were taken by ClubIntel, ACE, and IHRSA to assure data comparability within the scope and limitations of the reporting process. However, the data contained in this report are not necessarily based on third-party audited data and the statistical validity of any given number varies depending upon sample sizes and the amount of consistency among responses for that particular data point.

ClubIntel, ACE, and IHRSA therefore, make no representations or warranties with respect to the results of this study and shall not be liable to clients or anyone else for any information inaccuracies, or errors or omissions in content, regardless of the cause of such inaccuracy, error or omission. In no event shall ClubIntel, ACE, or IHRSA be liable for any consequential damages.

The Difference between a Trend and a Fad

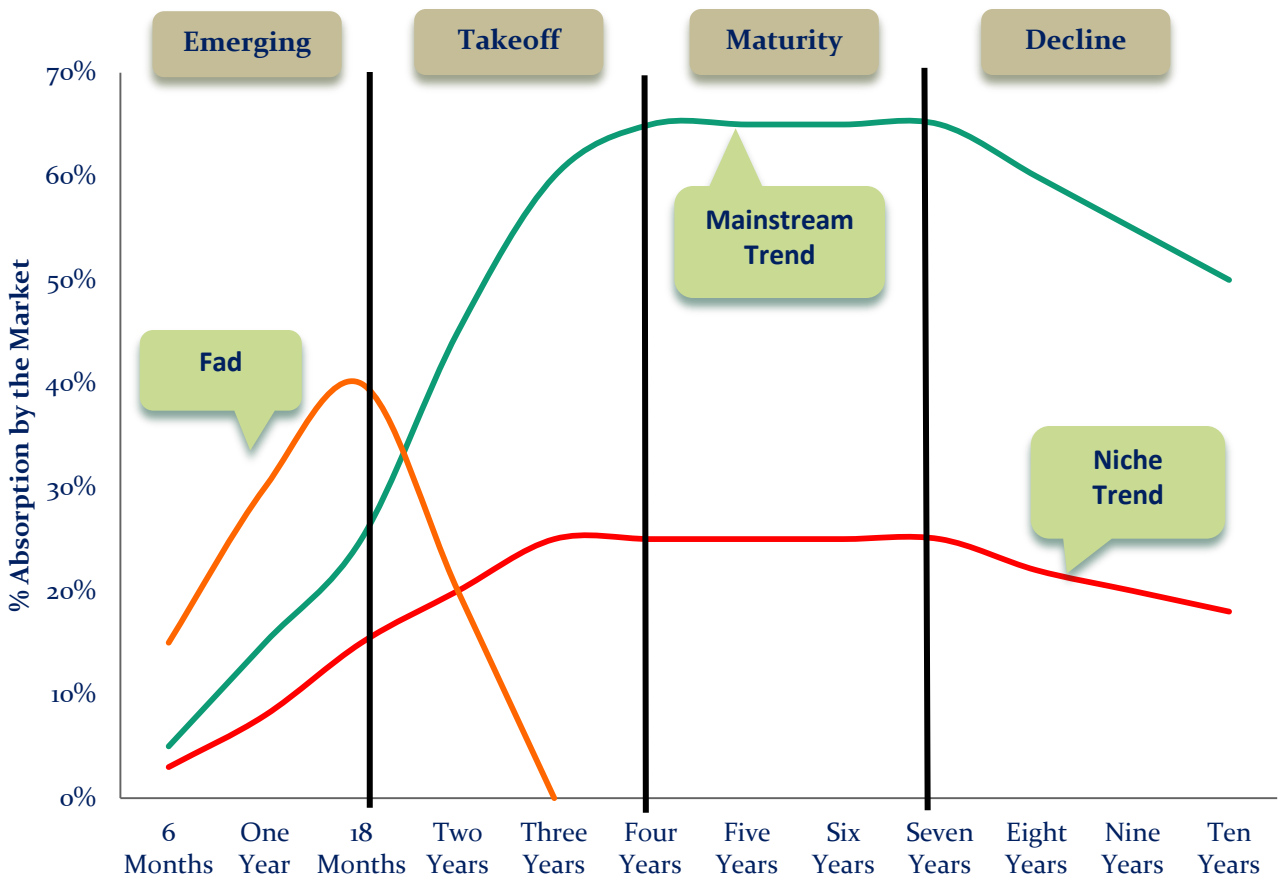
Fads are events; short-term phenomena that arise quickly, take the world by storm and just as quickly fade into obscurity. Fads span every aspect of human culture. In business they have been known to create mercurial success and mercurial failure. In social spheres, fads have created short-term changes in social consciousness that just as quickly became forgotten. Fads are a virus that can quickly take over business thinking, sometimes generating short-term profit and more often than not, causing permanent harm. Consequently, as business operators it is vital to see fads for what they are and not incorporate them into your business strategy.

“Fads are the kiss of death. When the fad goes away so do you”
Conway Twitty

Trends are events that evolve into movements. Trends have the ability to gain momentum and create long-term societal and business impact. Trends have vitality, often ingraining themselves within the cultural roots of society, whether it is a social trend or a business trend. The power of a trend can manifest itself in the attitudes, values and behaviors of its audience. Bill Clinton, former President of the United States said, “Follow the trend lines not the headlines.” Consequently, trends, not fads, are movements that business leaders need to focus on as they map out strategy for their businesses.

“I don’t set trends. I just find out what they are and exploit them.”
Dick Clark

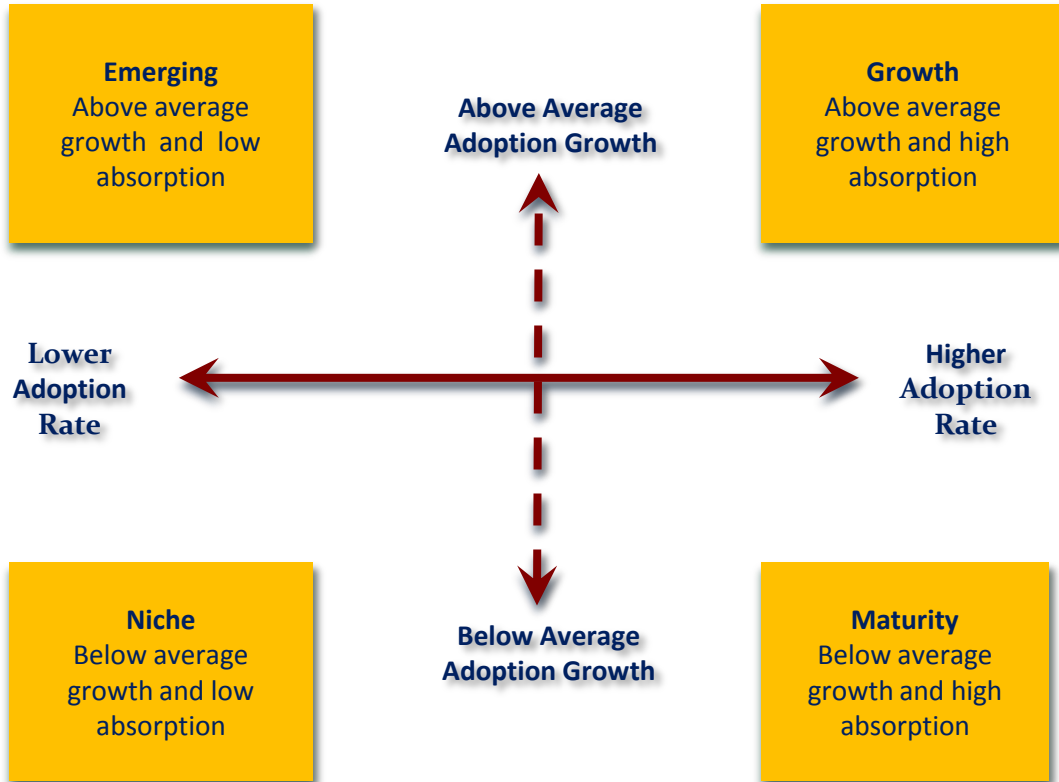
General Lifecycle of a Trend



Trend Adoption Stages and Overarching Insights



The Adoption Matrix



The Adoption Matrix analyzes two critical attributes of any trend; its overall level of adoption and its absolute rate of growth. By understanding the relationship between these two attributes it becomes much easier to assess the power and potential sustainability of a trend. The Adoption Matrix takes the relationship between these two attributes to identify if they are emerging, niche, growth, maturity or in decline.

The Adoption Matrix

Programs and Services



The Adoption Matrix

Facilities and Equipment



The Adoption Matrix

Technology Offerings



Overarching Insights

Programs, Services and Training Protocols

- A significant majority of these trends (80%) fall into either the emerging category or niche category. These two categories are defined by a low level of market absorption meaning they have yet to be adopted by a majority of the market. The subtle difference between these two categories is that emerging trends are growing faster than the average for the segment and therefore may evolve into growth or mature trends which have been adopted by the majority of the industry.
- The segmentation data points to fitness professionals and boutique segment as having the greatest influence on niche program trends with fitness professionals in for-profit commercial clubs also driving many of the emerging trends.
- Group cycling and traditional yoga are the only trends in this category that have reached the mature stage of their lifecycle. The implication is that while these programs have a powerful influence on programming in the industry they are not likely to grow much moving forward.
- Some of the well-hyped program and service trends such as barre, hot yoga, virtual group exercise classes and fitness wearable for tracking client performance all fall into the niche category. The question for these trends is will they remain niche trends or evolve into mainstream trends.
- Boot Camp-style training, small group training, HIIT group exercise classes and functional resistance training have all achieved a high level of adoption in the industry and continue to show above average growth making them growth trends.

Overarching Insights

Facility and Equipment Trends

- Among the three trend categories measured in this study this segment had the highest proportion (56%) that could be classified as niche trends meaning that they have not been adopted by the majority of the industry and have demonstrated absolute growth that was less than the segment average. One of the more surprising niche trends was selectorized resistance equipment. One would have assumed this product trend would be mature, but it seems the influence of the boutique market, which by and large does not use selectorized resistance equipment has driven overall market adoption downward.
- The second largest category for these equipment and facility trends was growth, indicative of trends that have been adopted by a majority of the industry and also are demonstrating above average growth. These trends over the next year or two may find themselves immersed in maturity as more facilities adopt them.
- Equipment and facility spaces recently popularized in the industry press such as hot yoga studios, high altitude training rooms, metabolic testing equipment, medical exercise areas and day spas all fall into the niche category. Going forward will these trends pick up steam and takeoff or will they remain niche offerings in the industry?
- Three equipment and facility trends that we all would assume empirically to be at the mature stage of their lifecycle; treadmills, elliptical trainers and upright bicycles appeared in the growth stage indicating that at least for the last two years they have experienced a resurgence.
- Some of today's hottest equipment and facilities per the popular and industry press proved to be growth trends, among them flexibility and mobility equipment, traditional and non-traditional functional training equipment and suspension training equipment.

Overarching Insights

Technology Trends

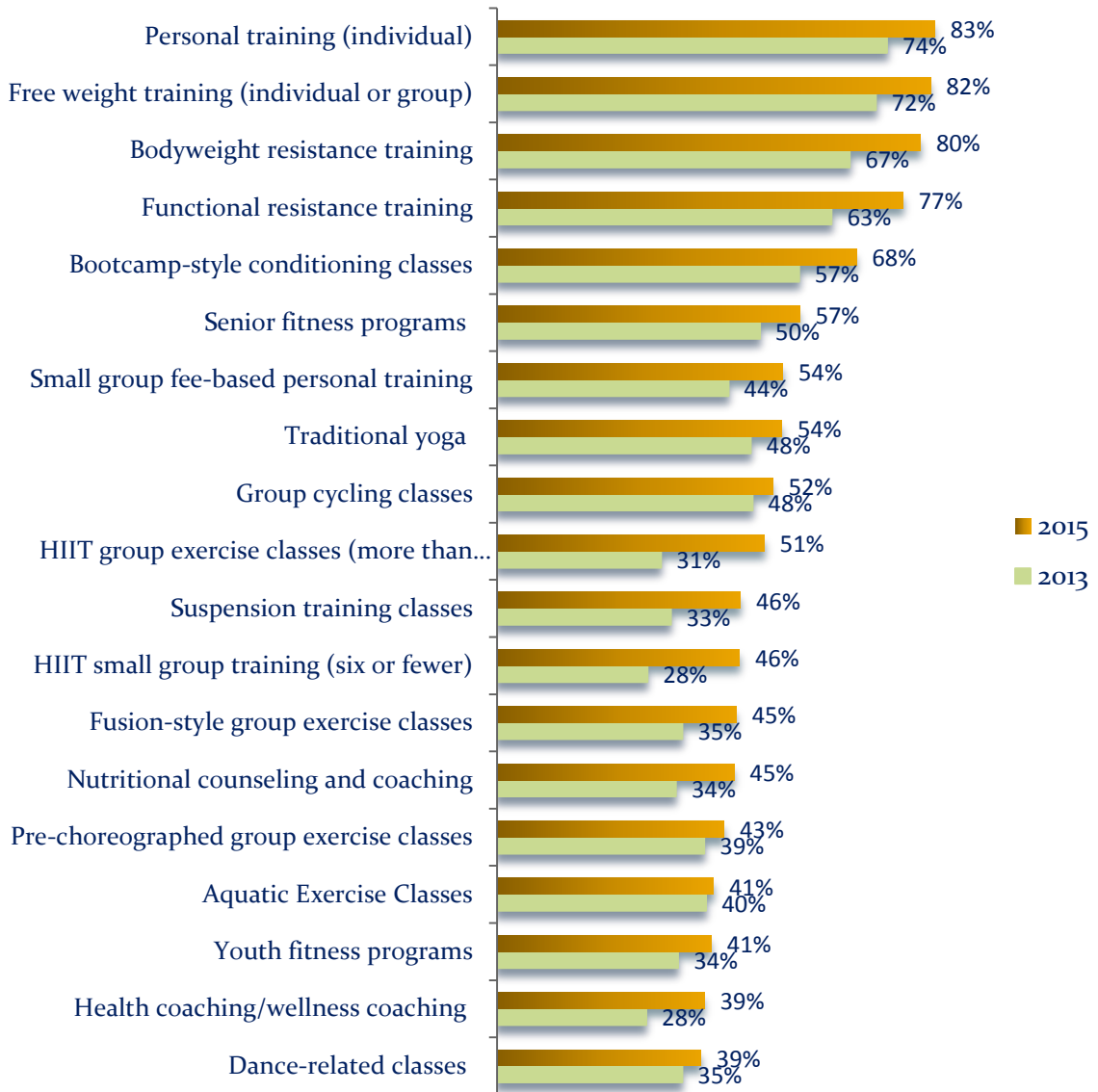
- The technology category as a whole is an emerging trend since 62% of the trends in this category have yet to be adopted by a majority of fitness operators yet have demonstrated above average absolute growth over the past two years.
- Only one trend in this category achieved growth classification (use of social media) meaning it had been adopted by the majority and was demonstrating above average growth. Interestingly none of the trends monitored in the technology category was in the mature category.
- The second largest segment after emerging was niche, reflective of trends that were growing slower than the entire category and had not yet been adopted by the majority of fitness operators.
- Approximately 93% of the technology trends fell into the two categories that reflect market adoption levels below 50%. It would appear that other than social media the industry has yet to fully embrace technology as a means to enhance the member/client experience and improve productivity and efficiency .
- Technology opportunities such as online pricing transparency, online registration and reservations for programs, selling memberships online, virtual training and club mobile applications all have an opportunity to gain significantly greater adoption by the health and fitness industry.
- The segmentation data indicates that boutique and independent fitness professionals are driving much of the change in regards to many of these emerging and niche technology trends. The more traditional fitness entities such as commercial clubs and nonprofits appear to be influencing technology trends such as social media, mobile applications and EFT for ancillary services.

International Trend Dynamics



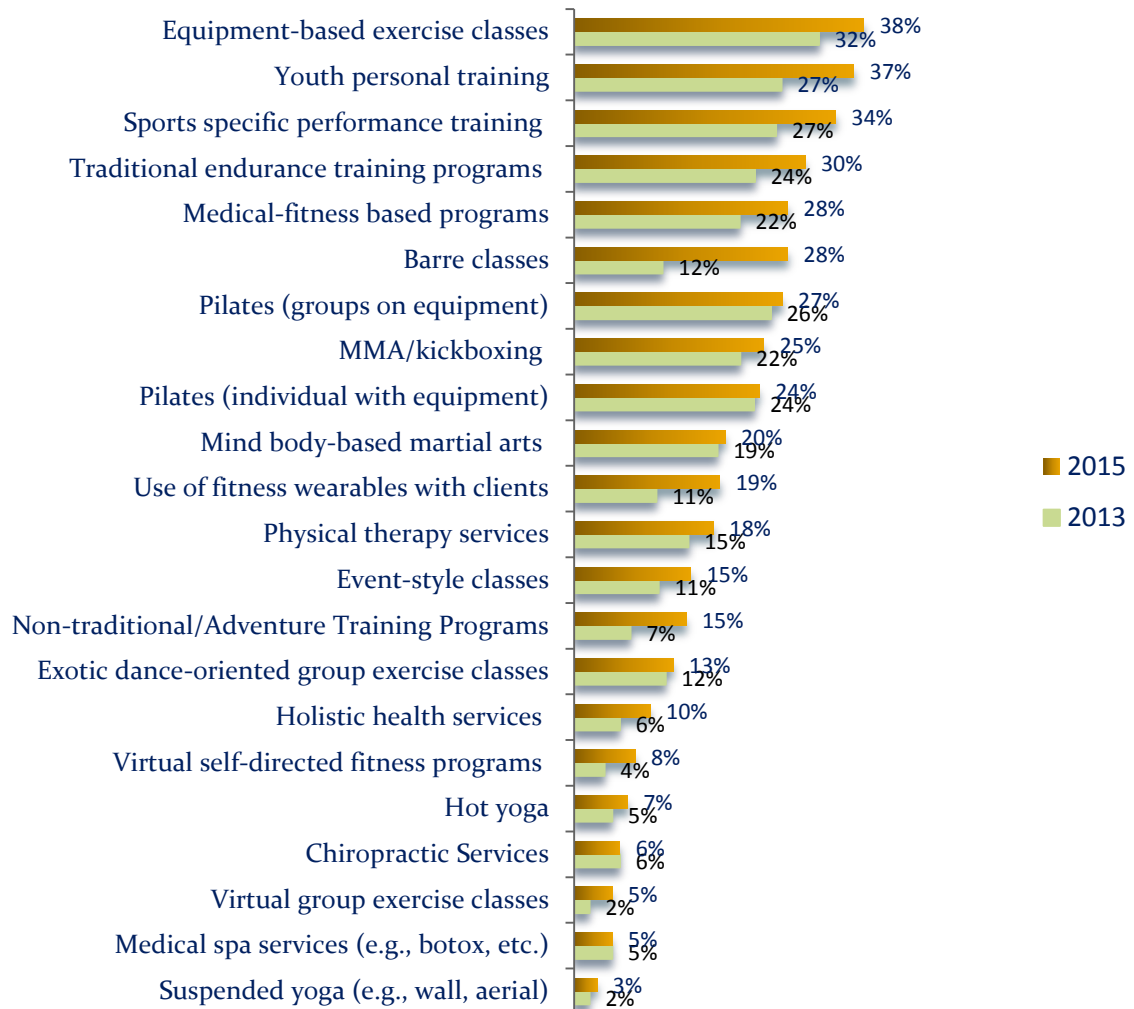
Programs, Services and Training Formats

Percentage Adoption by the Industry



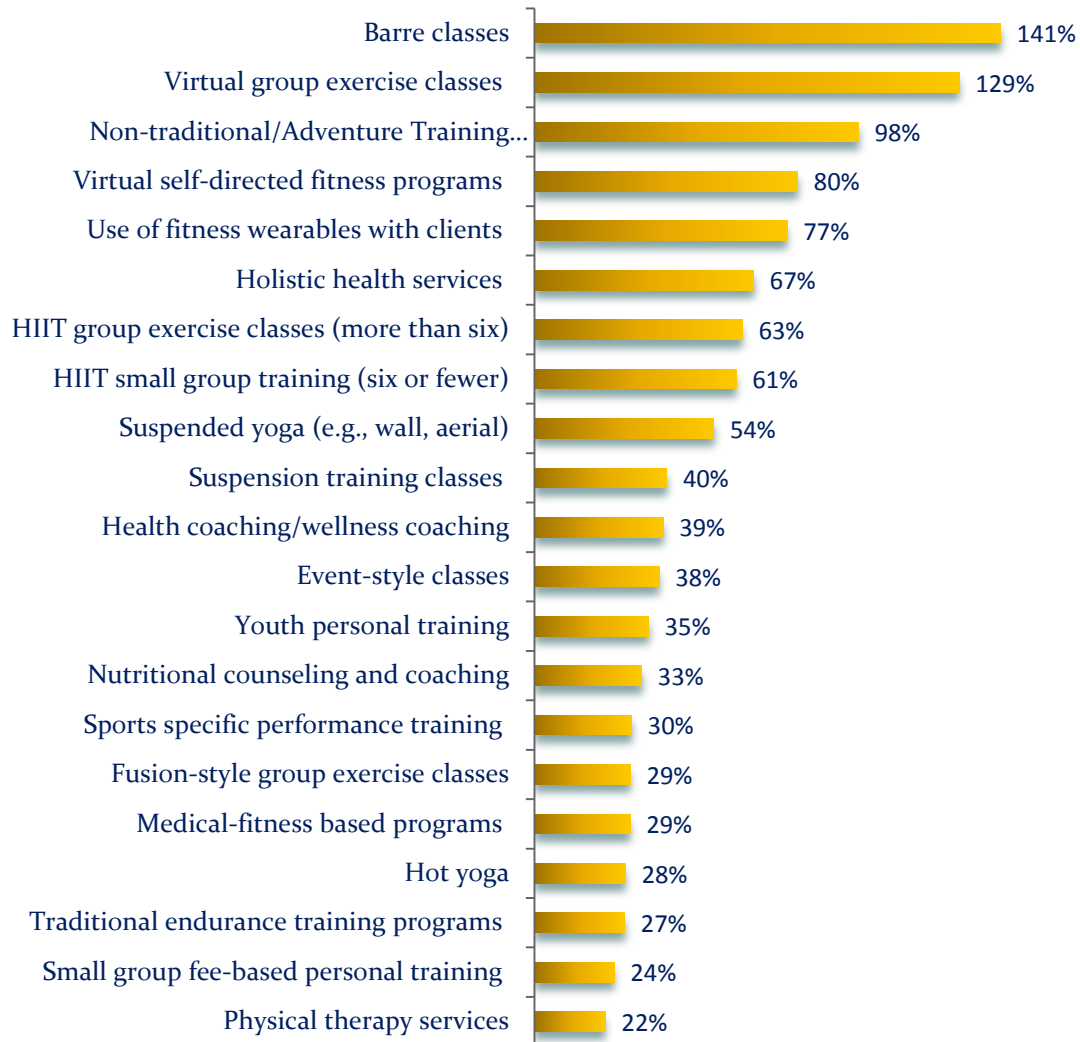
Programs, Services and Training Formats

Percentage Adoption by the Industry continued



Programs, Services and Training Formats

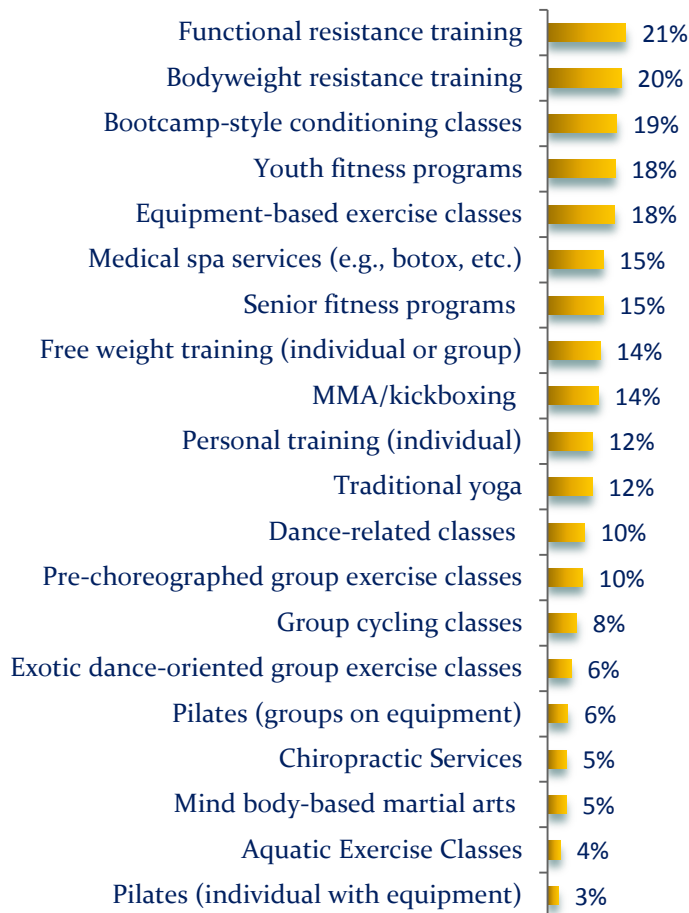
Relative Percentage* Change from 2013 to 2015



* See definitions section starting on page 38

Programs, Services and Training Formats

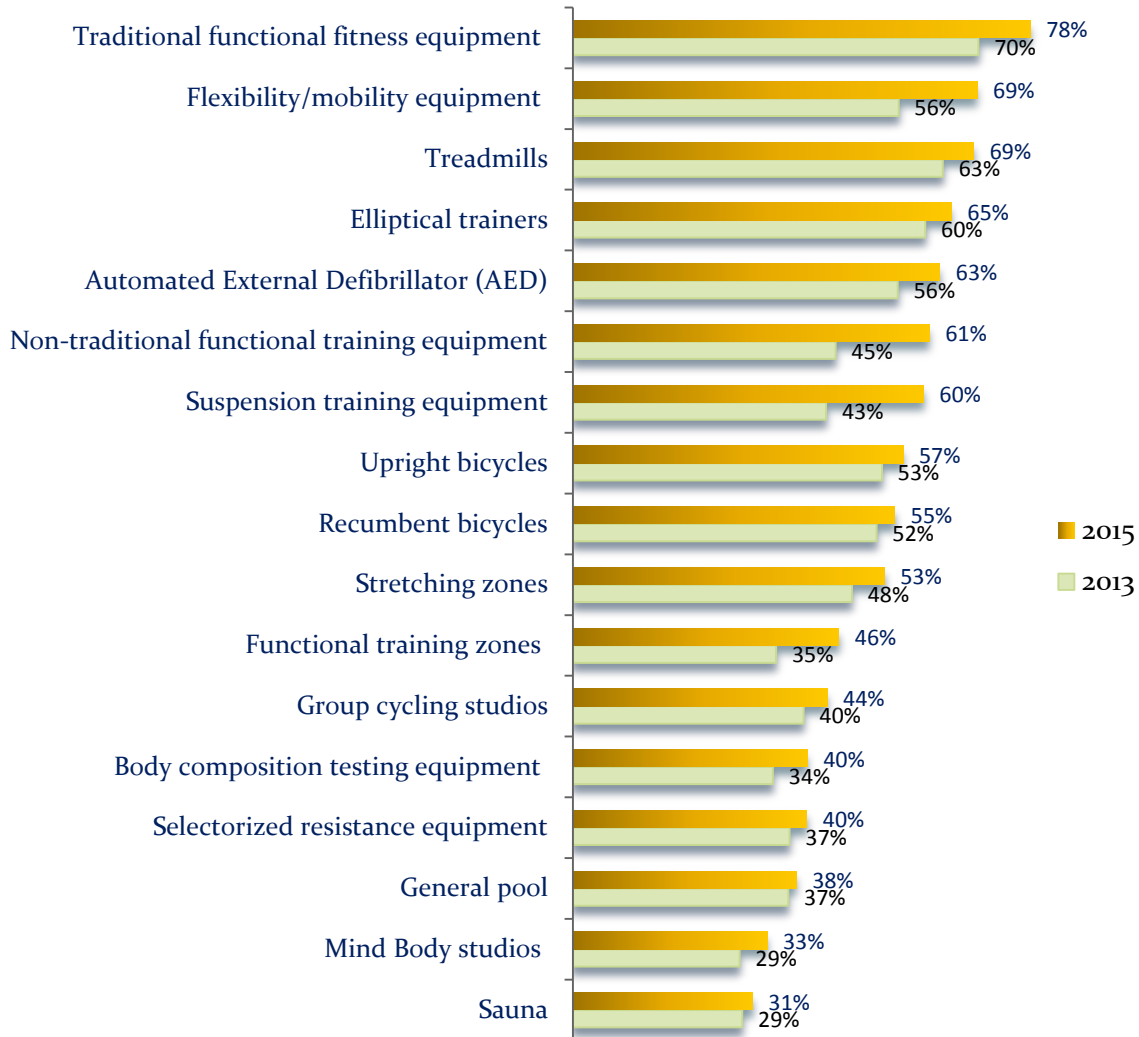
Relative Percentage* Change from 2013 to 2015 continued



* See definitions section starting on page 38

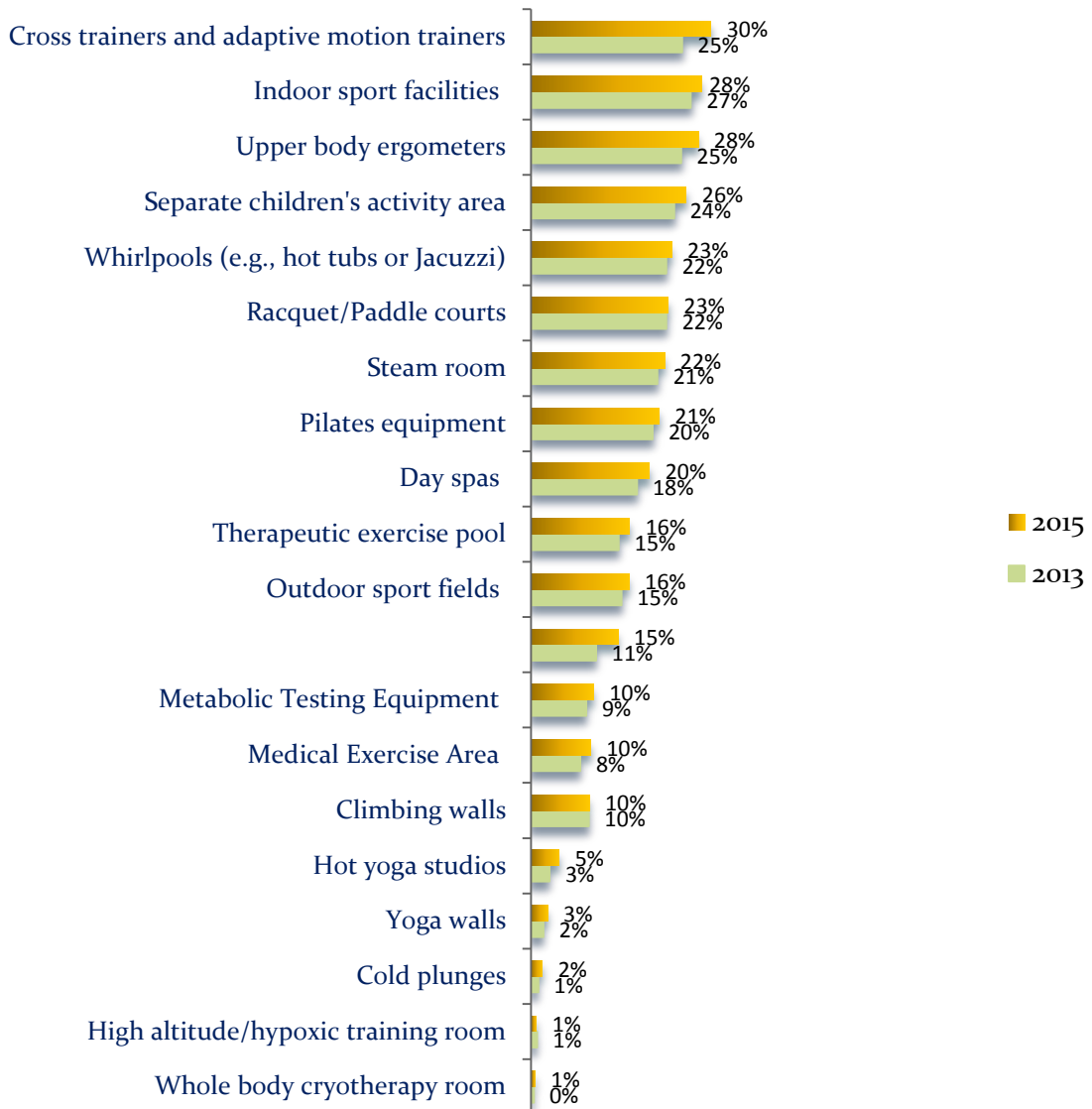
Facility and Equipment Offerings

Percentage Adoption by the Industry



Facility and Equipment Offerings

Percentage Adoption by the Industry continued



Facility and Equipment Offerings

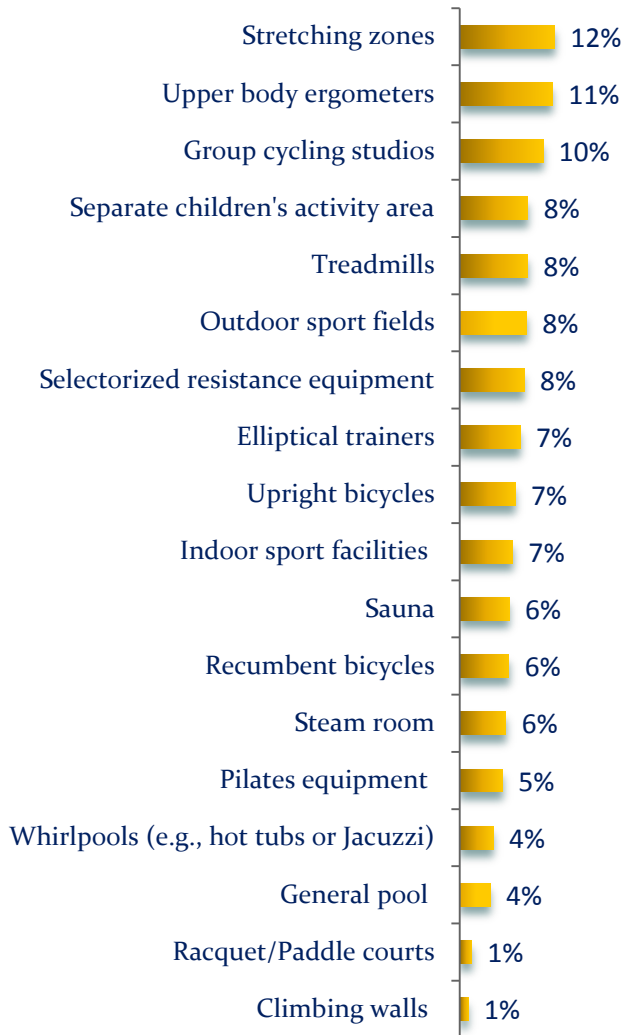
Relative Percentage* Change from 2013 to 2015



* See definitions section starting on page 38

Facility and Equipment Offerings

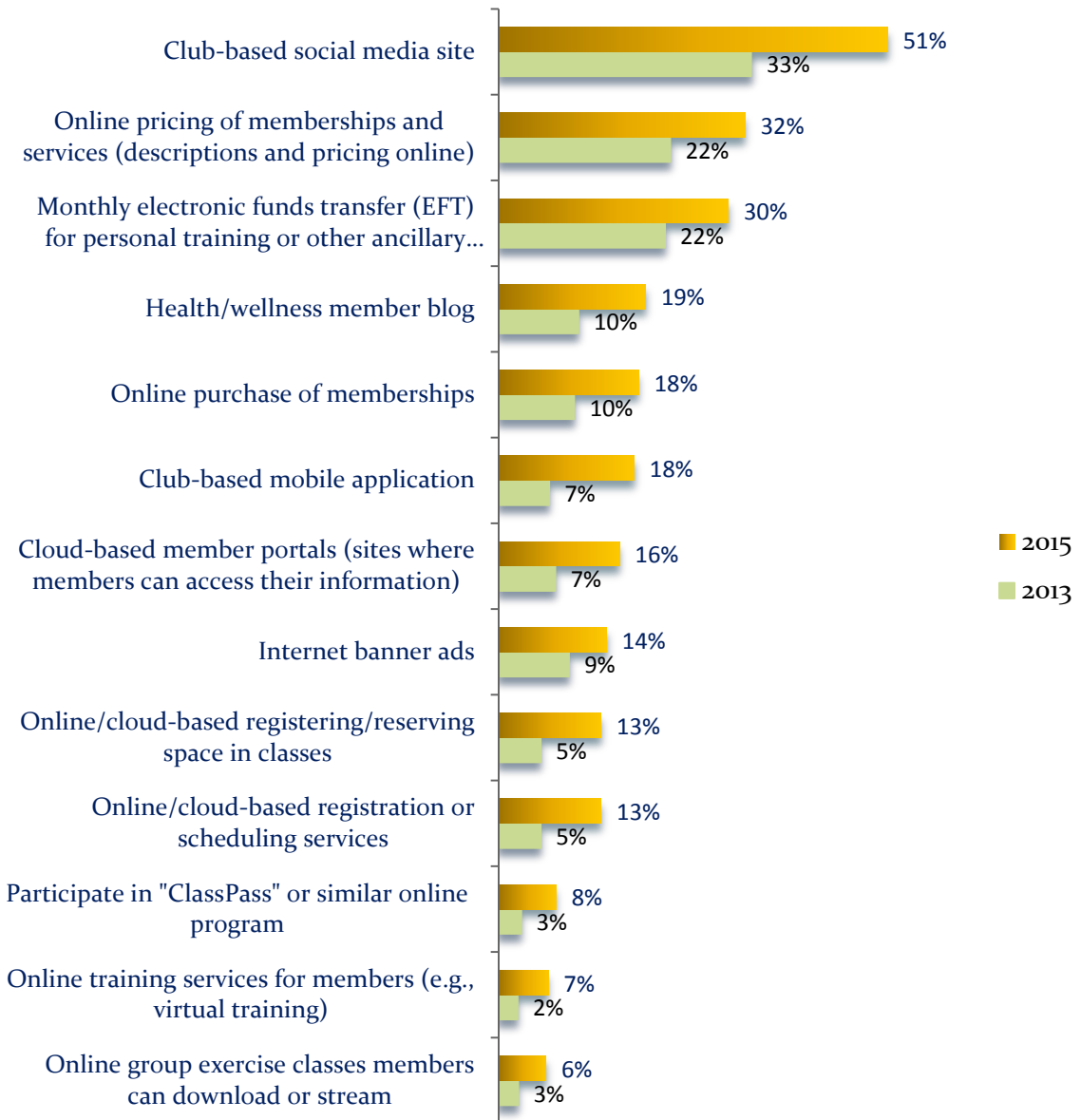
Relative Percentage* Change from 2013 to 2015 continued



* See definitions section starting on page 38

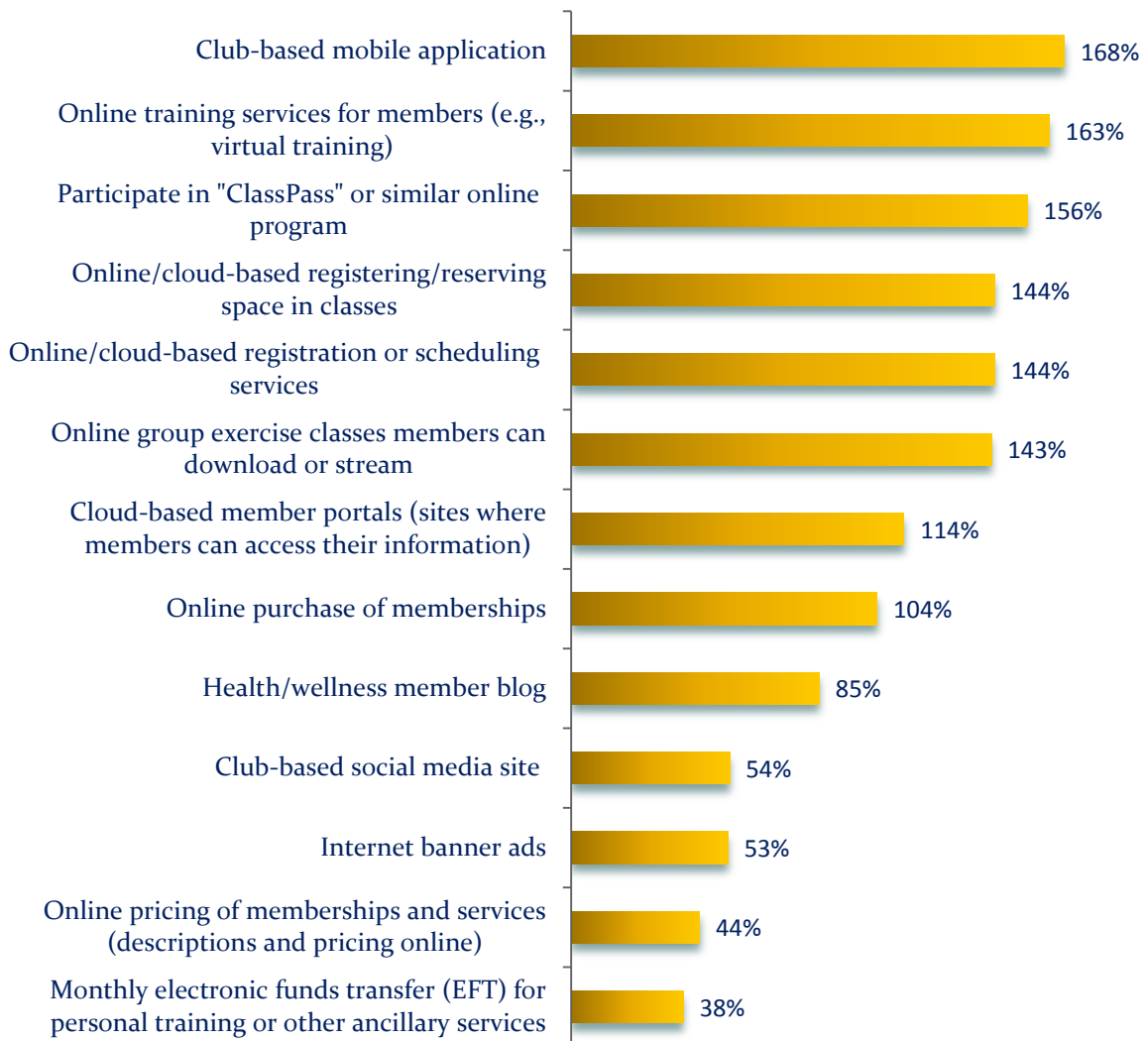
Technology Practices

Percentage Adoption by the Industry



Technology Practices

Relative Percentage* Change 2013 to 2015



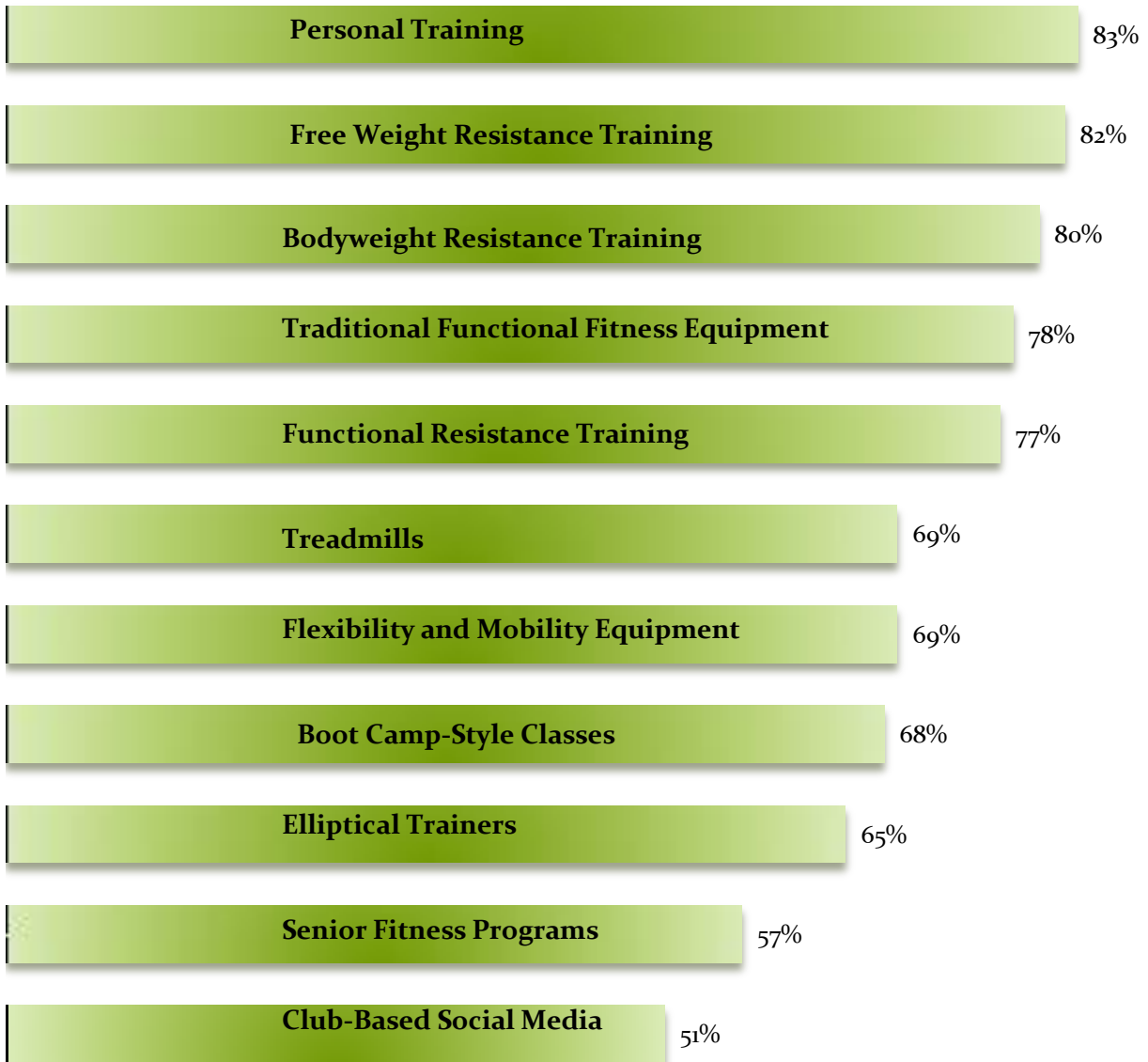
* See definitions section starting on page 39

What's all the Rage?

Top Ten Trends by Adoption and Growth



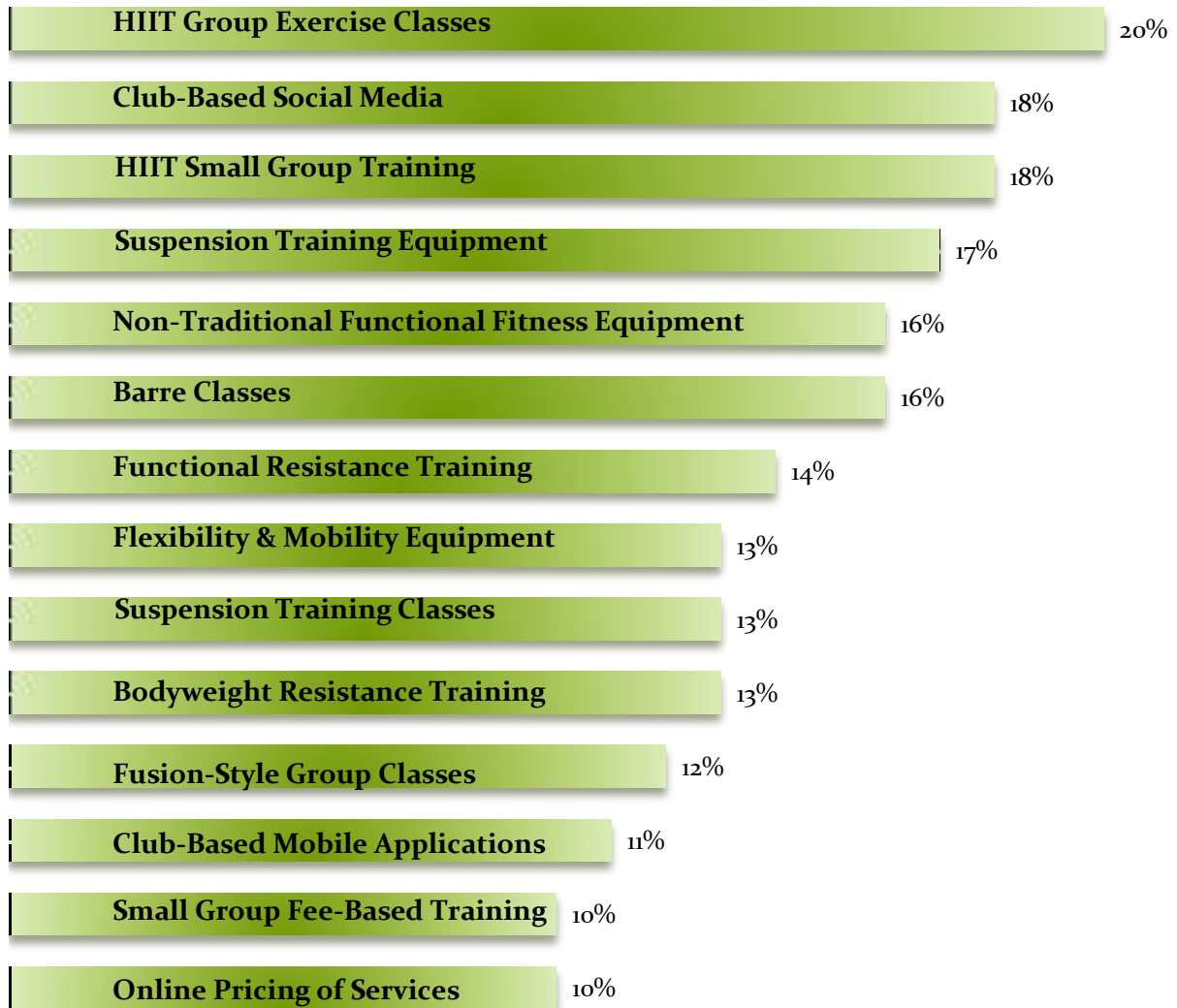
Top Ten Industry Trends by Percent Adoption 2015



60% Program Driven

Six out of the top ten trends by adoption percentage are program and service driven trends while only one is technology driven

Top Ten Industry Trends by Absolute Percentage Growth 2013 to 2015



60% Program Driven

Eight out of the top fourteen trends by level of absolute growth are program and service driven trends. Three are technology driven and three equipment and facility driven

Niches and Idlers

Practices with Low Adoption Rates or Sluggish Growth



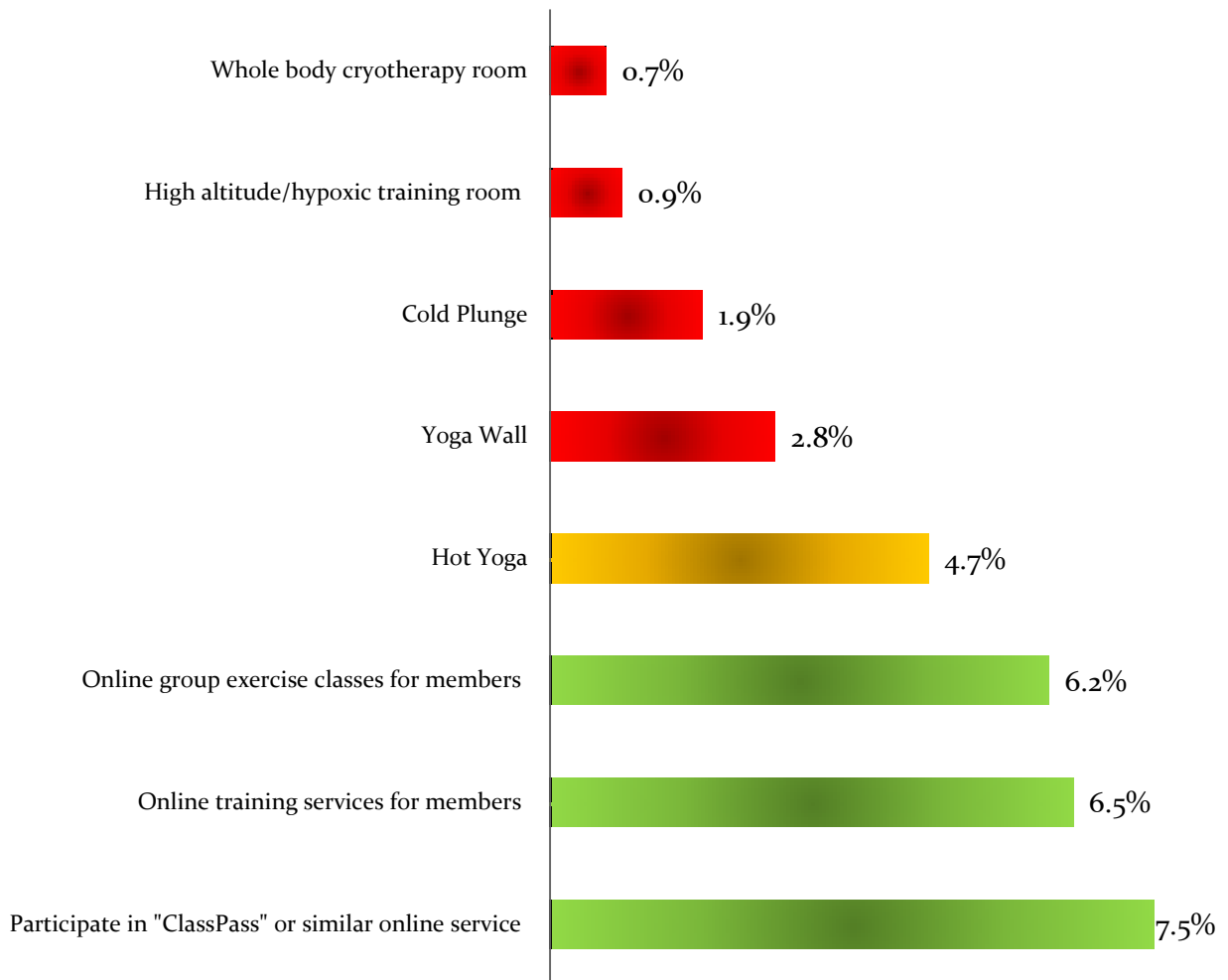
Practices Serving Niches in 2015

Percentage Adoption by Health and Fitness Industry

Programs & Services

Equipment & Facilities

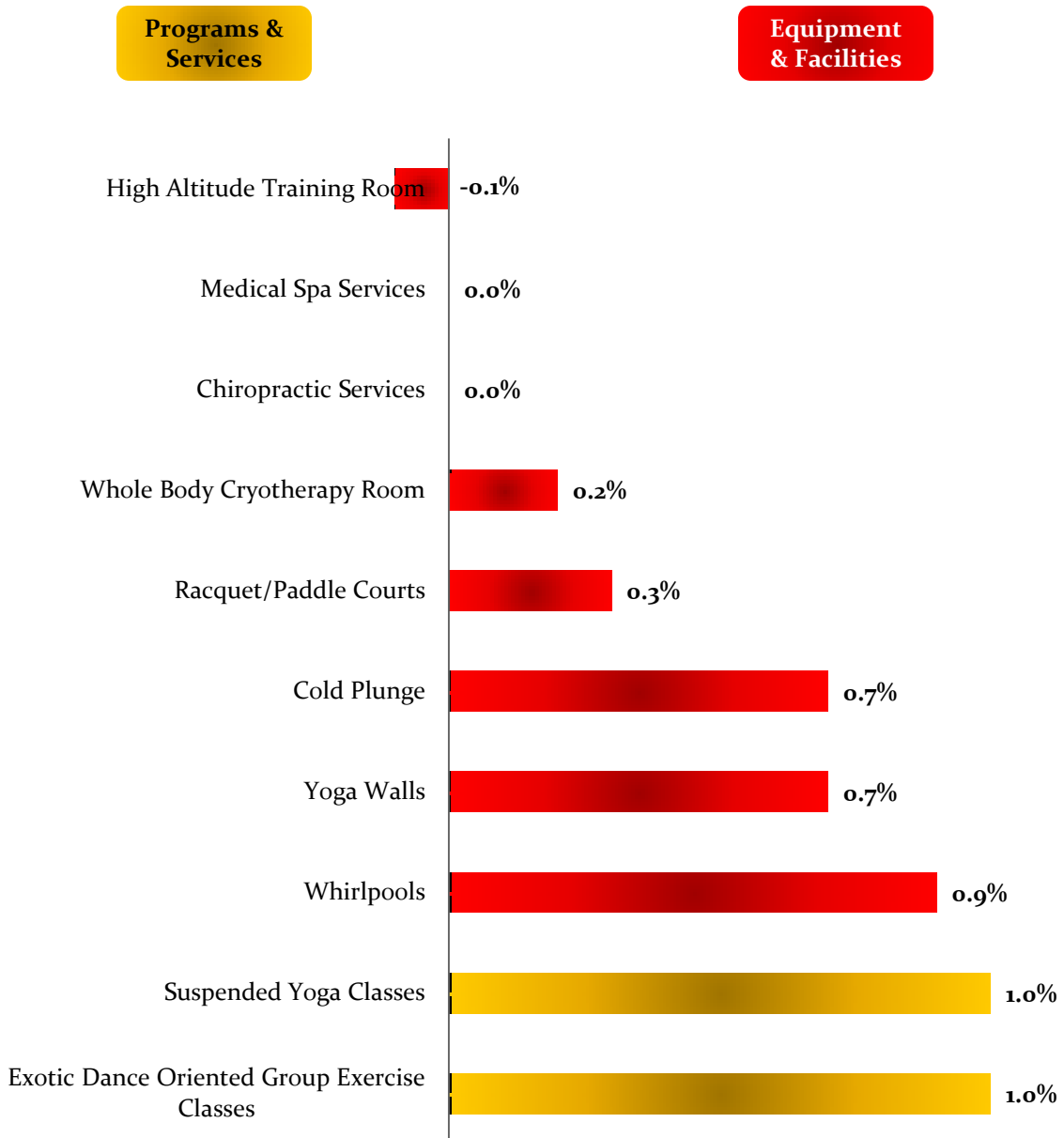
Technology



50% Facility and 38% Technology Driven
 Nearly 90% of all niche trends are equipment and facility driven or technology driven

Practices In Neutral From 2013 to 2015

Trends with Less than 1% Absolute Growth from 2013 to 2015

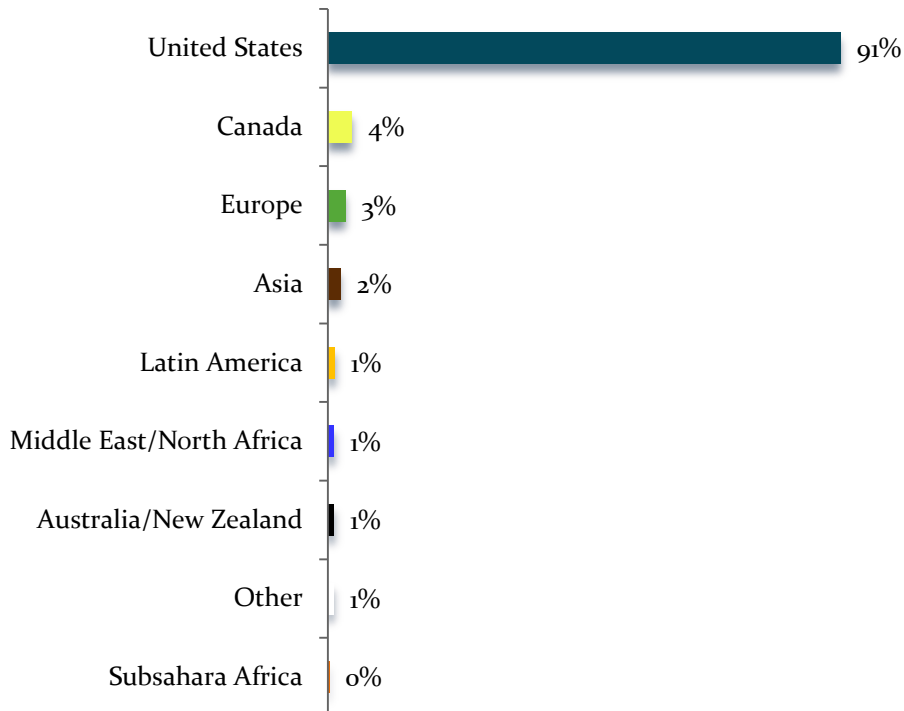


Nearly 50/50 Driven
 The trends experiencing idle to sluggish growth are either equipment and facility driven or program driven

Profile of Study Respondents

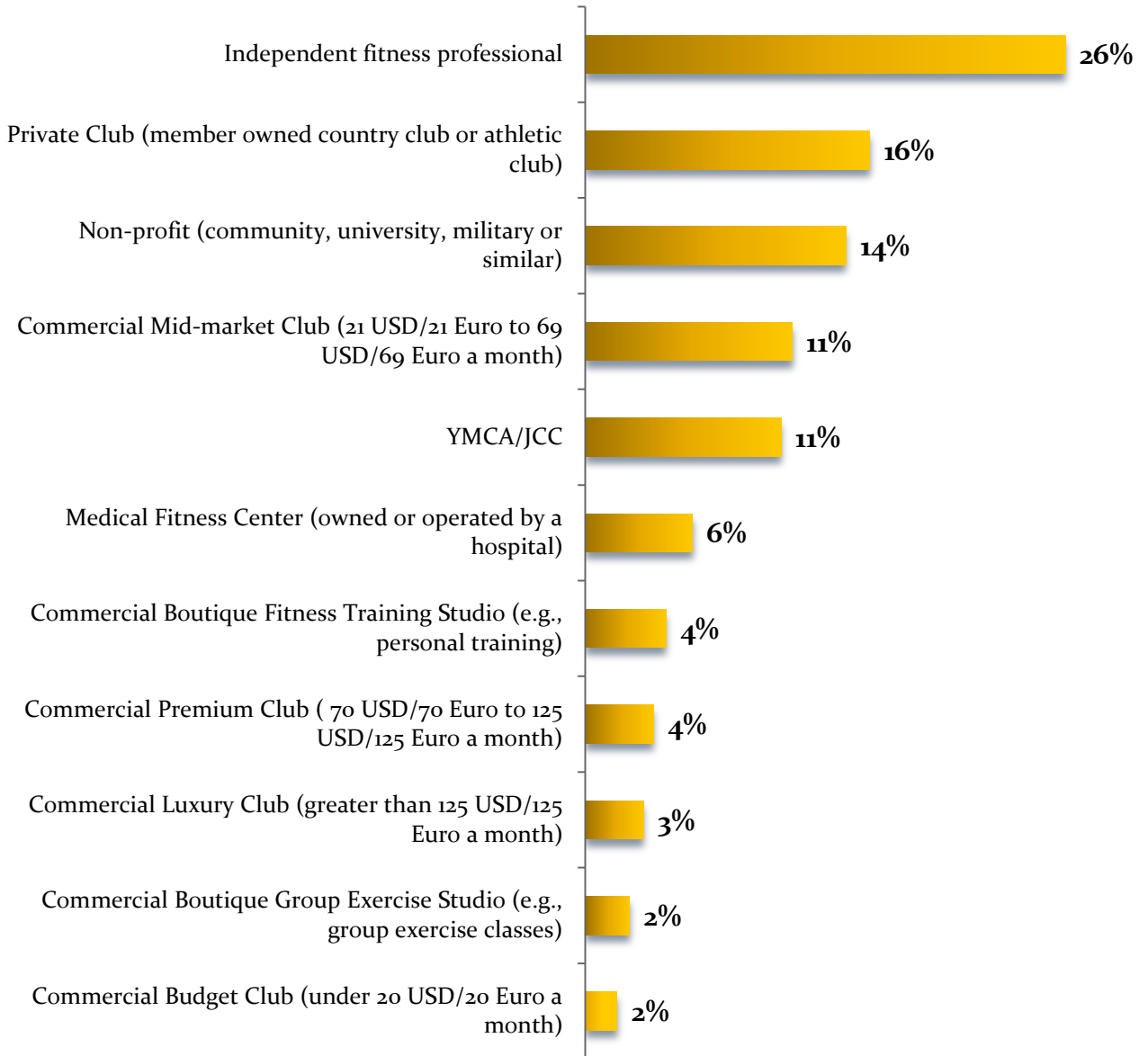


Regions of the Globe Represented



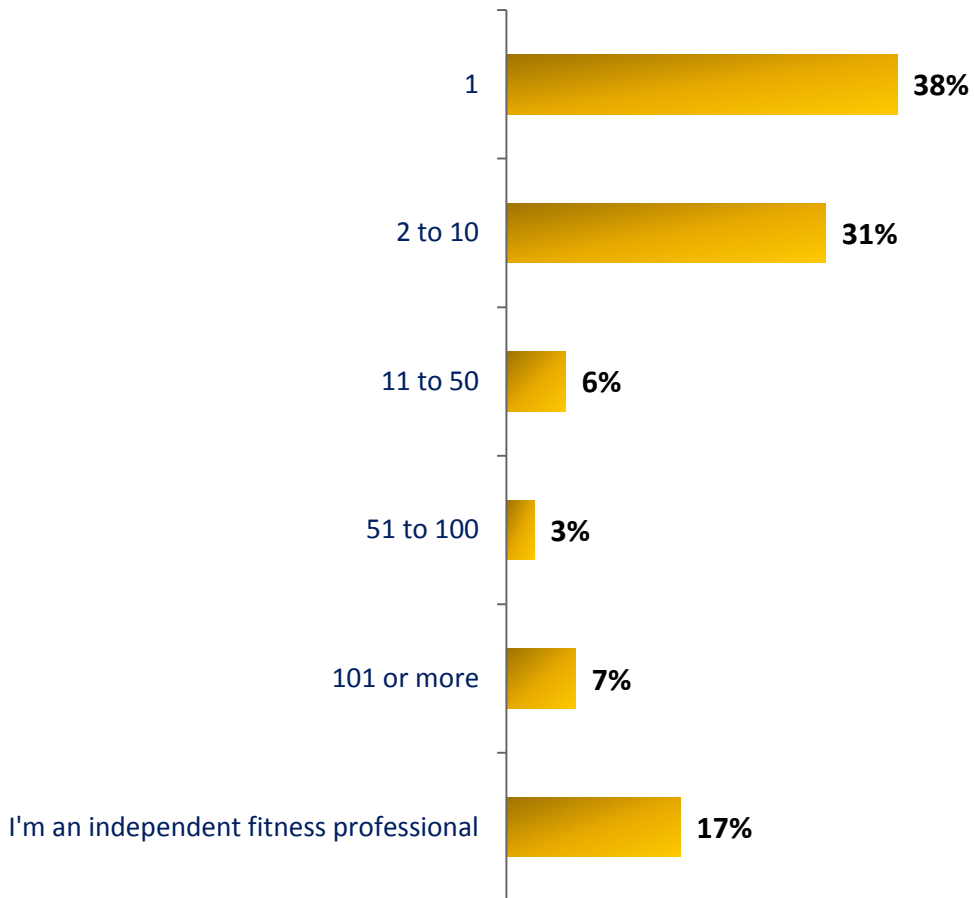
Some respondents have businesses in more than one region leading to the total percentage exceeding 100%.

Fitness Business Model Employed Within Percentage by Type of Business Model



Size and Scope of the Business

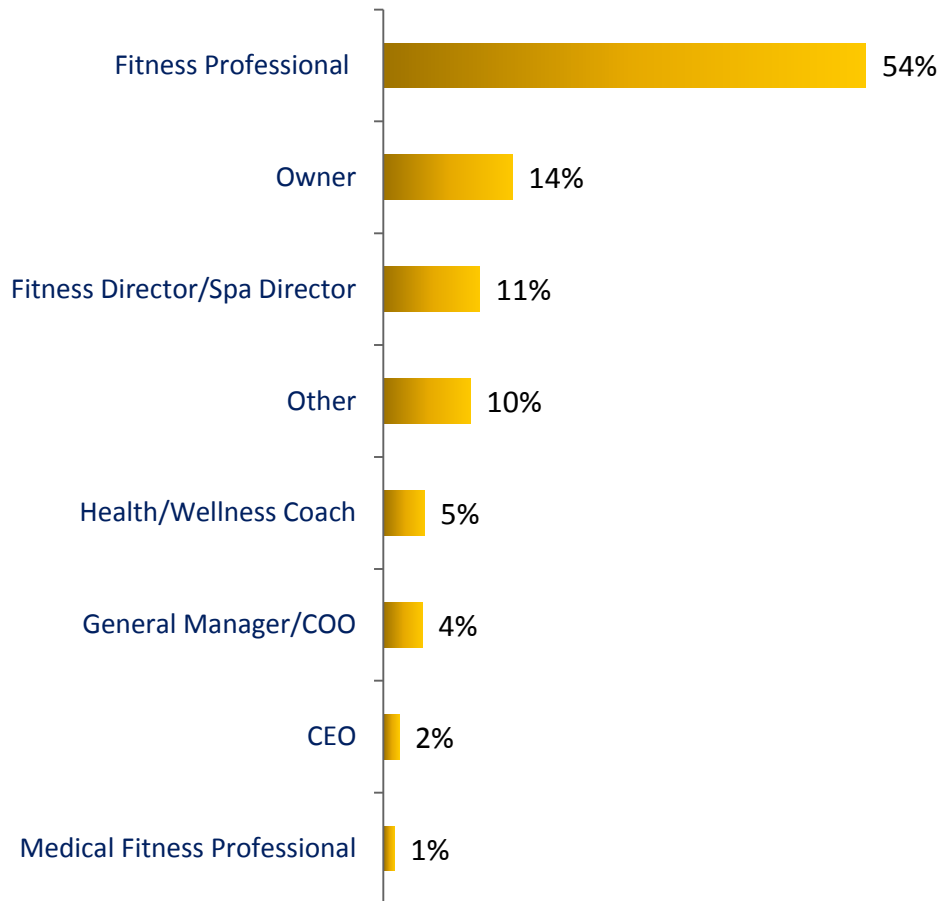
Percentage by Number of Units in Business



Some respondents may work at more than one businesses and consequently when all responses are added up it exceeds 100%.

Position/Role in the Fitness Industry

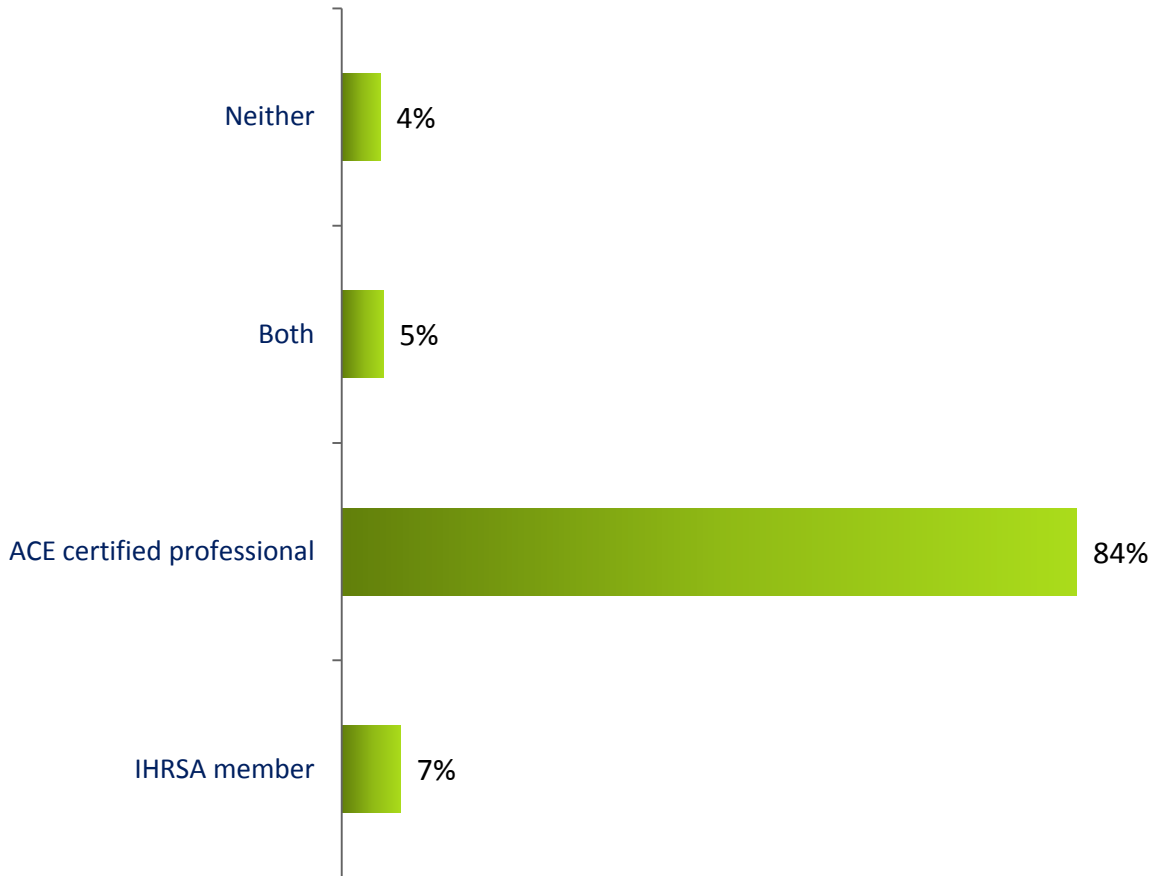
Percentage by Position



Some respondents may have more than one role and consequently when all responses are added up it exceeds 100%.

Association Affiliation

Member of ACE, IHRSA or Other





About the Partners

About ClubIntel (club-intel.com)

ClubIntel is member and brand insights firm founded by Stephen Tharrett and Mark Williamson. The company is primarily focused on helping clubs understand, appreciate and leverage the needs, wants and personal journeys of employees and members. In addition, we help clubs understand the position and voice of their brand in the marketplace, providing a means by which clubs can take ownership of the white space in the market and gain a distinct competitive advantage. Our 50 plus years of experience spanning consumer and customer insights, branding, club operations and people development represents an industry-first storehouse of human insight and research expertise that can help clubs reach their full potential and gain a powerful competitive advantage in today's marketplace. We have worked as a team for more than 20 years, spanning multiple brands across the globe.

About ACE (acefitness.org)

The nonprofit organization American Council on Exercise (ACE) educates, certifies, and represents more than 58,000 fitness professionals, health coaches, and other allied health professionals. ACE advocates for a new intersection of fitness and healthcare, bringing the highly-qualified professionals ACE represents into the healthcare continuum so they can contribute to the national solution to physical inactivity and obesity. ACE is the largest certifier in its space and all four of its primary certification programs are accredited by the National Commission for Certifying Agencies (NCCA), the gold standard in the United States for accreditation of certifications that assess professional competence. ACE also plays an important public service role, conducting and providing scientific-based research and resources on safe and effective physical activity and sustainable behavior change. AMERICAN COUNCIL ON EXERCISE, ACE and ACE logos are Registered Trademarks of the American Council on Exercise.

About IHRSA (IHRSA.org)

IHRSA, the International Health, Racquet & Sportsclub Association, is the trade association serving the global health club and fitness industry. The mission of IHRSA is to grow, protect and promote the health and fitness industry, and to provide its members with benefits that will help them be more successful. IHRSA and its members (health clubs and fitness facilities, gyms, spas, sports clubs, and industry suppliers) are dedicated to making the world healthier through regular exercise and activity promotion. IHRSA members are for-profit businesses operating in the health, racquet and sports club industry. Our members have set the pace for the industry's expansion and evolution. IHRSA also regularly conducts research on club consumers, operations and global fitness markets. To find a quality club worldwide, visit healthclubs.com

General Definitions

Term	Definition
Absolute Percentage	The absolute percentage change is the percentage change in share of market for a product or service over a specified time period. For example if a product had 10% of market share one year and the next year had 18% market share then its share of market grew by an absolute percentage of 8% points.
Adoption Matrix	This is a graphic representation of the trend lifecycle representing the emergence, takeoff, maturity and niche phases.
Decline Stage	The decline stage is the phase in the trend lifecycle when it has achieved its peak level of market penetration and is experiencing declining growth (negative growth) resulting in a reduction in market penetration.
Emerging Stage	The emergence stage is the phase in a trend's lifecycle when it first arises and demonstrates market share growth that exceeds the average growth rate for other products and services in its industry segment and has yet to achieve a reasonable level of market penetration. In this report above average growth is represented by the absolute percentage growth above the average for the industry segment. A reasonable level of market penetration for purposes of this study was defined as 50%.
Maturity Stage	The maturity stage is the phase in the trend lifecycle when it has achieved a high level of market penetration and is experiencing growth that is less than the average for other products and services in its industry segment. In this report below average growth is represented by the absolute percentage growth below the average for the industry segment. A reasonable level of market penetration for purposes of this study was defined as 50%.
Niche Stage	The niche stage, while not a traditional stage in a trend's life cycle, is a phase representing when a product's market penetration is low and its growth rate falls below the average growth rate for other products and services in its industry segment. In this report below average growth is represented by the absolute percentage growth below the average for the industry segment. A reasonable level of market penetration for purposes of this study was defined as 50%.
Relative Percentage	The relative percentage change is the percentage change in share of market for a product or service over a specified period of time compared to its initial percentage share of market. For example, if a product had 10% of market share one year and then the next year had 18% market share then its relative percentage growth would be 80%.
Takeoff Stage/Growth Stage	The takeoff stage, sometimes referred to the growth stage, is the phase in the trend lifecycle when it has achieved a reasonably high level of market penetration but is also experiencing growth that exceeds the average growth rate for other products and services in its industry segment. In this report above average growth is represented by the absolute percentage growth above the average for the industry segment. A reasonable level of market penetration for purposes of this study was defined as 50%.

Trend Descriptor Definitions

Trend Descriptor	Definition
Cloud-based Member Portals	Virtual platforms (e.g., website) that is password protected that allows members/clients of a club/facility to access personal account information, including paying bills.
Dance-related Classes	Group exercise classes leveraging dance-oriented movements such as hip hop, Latin dancing and ballroom dancing. An example of a pre-choreographed dance-related class would be Zumba.
Event Style Classes	Group exercise classes that are staged around a specific theme such as Chocolate and Yoga, Wine and Yoga or Wine and Pilates.
Exotic-dance Oriented Group Exercise Classes	Group exercise classes build around specialty dance practices such as Belly Dancing, Pole dancing or other cultural dance techniques.
Flexibility/Mobility Equipment	Specialized fitness equipment and accessories such as foam rollers, trigger point sticks, myofascial release devices and stretch trainers.
Functional Training Zones	Physical spaces in a club/facility designated for conducting functional training movements using either traditional or non-traditional fitness equipment and exercises.
Fusion-style Group Exercise Classes	Group exercise classes that blend two distinctly different styles or regimes of exercise such as boxing and Pilates, yoga and cycling and HIIT and Tai Chi.
Health Coaching/Wellness Coaching	Individual coaching and guidance offered by professionals to help individuals address health and wellness related issues.
High Altitude/Hypoxic Training Room	A physical space that can simulate the environmental conditions of training at high altitude (I.e. lower Oxygen partial pressure).
HIIT Group Exercise Classes	Group exercise classes composed of more than six individuals that use the principles of metabolic training where bouts of high intensity exercise are blended with bouts of low intensity exercise.
HIIT Small Group Training	Small group training involving six or fewer individuals that use the principles of metabolic training where bouts of high intensity exercise are blended with bouts of low intensity exercise.
Holistic Health Services	health services that leverage what are often defined as alternative and complementary medicine approaches such as acupuncture, acupressure, homeopathy, naturopathy, etc.
Hot Yoga	Traditional or non-traditional yoga classes taught in a high temperature environment, typically above 85 degrees Fahrenheit and often above 100 degrees Fahrenheit.
Hot Yoga Studio	A studio specifically designed for conducting hot yoga classes and comprised of customized heat generation and retention elements.

Trend Descriptor Definitions continued

Trend Descriptor	Definition
Medical Exercise Area	Physical spaces designed specific for conducting medical-related fitness routines such as an area for cardiac rehabilitation or physical therapy.
Medical Spa Services	Spa services and cosmetic related treatments that must be overseen by a physician such as Botox, collagen injections and microdermabrasion.
Medical-based Fitness Programs	Fitness programs intended to address specific physical and medical conditions such as arthritis, diabetes, COPD, heart disease and obesity.
Metabolic Testing Equipment	Specialized equipment for measuring an individual's resting metabolism and/or exercise-induced metabolism. Examples include devices that measure oxygen consumption at rest and during exercise such as metabolic carts.
Mind Body-based Marital Arts	Activities such as Tai Chi and Qi Kung.
Non-traditional Functional Training Equipment	Fitness equipment and accessories such as battle ropes, kettlebells, Indian Clubs, sandbags, sand bells and tires.
Online Cloud-based Registering and Reserving Space in Class	An online platform or portal that allows members/clients to register and reserve a space in a class at their club/studio.
Online Cloud-based Registration and Scheduling Services	An online platform or portal that allows members/clients to register and schedule services (e.g., classes and personal training).
Online Group Exercise Classes that can be Downloaded	An online platform or portal that members/clients can access and download pre-choreographed group exercise content to follow on their digital devices.
Online Training Services for Members	An online platform or portal that allows members/clients to access coaching and instruction from club/studio staff.
Pre-choreographed group exercise classes	Group exercise classes that have been choreographed and programmed by a provider for resale to health and fitness facilities. Examples include Les Mills and Mossa.
Small Group Fee-based Personal Training	Fee-based personal training sessions lead by an instructor/trainer and composed of six or fewer clients.
Sports Performance Center	A physical space or zone dedicated to sports performance-training activities. Often comprised of an open turf area, court surface and equipment designed to enhance sports performance.
Sports Specific Performance Training	Fitness training programs intended to improve athletic/sports performance and focused on developing one or elements associated with enhanced sports performance such as agility, power and speed.

Trend Descriptor Definitions continued

Trend Descriptor	Definition
Suspended Yoga	Yoga classes using props to assist in supporting one's bodyweight. Examples include the use of a yoga wall or other apparatus suspended from the ceiling using names such as aerial yoga.
Suspension Training Classes	Group fitness classes or sessions using bodyweight suspension equipment such as TRX or Jungle Gym.
Therapeutic Exercise Pool	A pool designed specifically for conducting preventative and rehabilitative exercises and maintained at a higher than normal temperature.
Traditional Functional Fitness Equipment and Accessories	Fitness equipment and accessories such as bands, balance boards, Bosu balls, medicine balls, stability balls and tubes.
Virtual Group Exercise Classes	Pre-choreographed group exercise classes delivered virtually using a digital system and either downloadable or streaming content. Providers include Fitness on Demand, Wellbeats and Wexar.
Virtual Self-Directed Fitness Programs	Fitness routines and training programs that are delivered digitally using downloaded and streaming content and playable on mobile and non-mobile devices.
Whole Body Cryotherapy Room	A physical space that can simulate lower temperatures and enhance physical recovery after strenuous exercise.