

FIT SUMMIT



September 2019

“What technologies/apps/platforms will reshape our industry in the coming years and how can we best ‘future proof’ our industry’s growth (as well as our own), whilst meeting these new customer/consumer demands?”

www.thefitsummit.com



Nerio Alessandri
 Founder and President
Technogym

www.technogym.com

Across all industries, and of course in the fitness and wellness industry as well, people are looking for variety and personalization. In order to answer this need, as operators, both on the club management and on the technology development side we need to shift our focus from our product or service to the entire customer experience. We have recently launched in the international markets the new CLUB 4.0 concept, to provide industry operators with a complete range of training experience FORMATS to offer end users variety, motivation and personalization. Each format is dedicated to a specific experience – running, cycling, rowing, bootcamp, etc – and includes an ecosystem made of equipment, digital services, training programs and visual merchandising to create different areas, inside fitness clubs, (shop-in-shop) in order to offer consumers the possibility to choose from a training experience variety based on the different passions, needs and objectives. Within this new offer, that includes 7 different formats, I would like to highlight the innovative SKILLATHLETIC and BIOCIRCUIT. The first one, developed starting from Technogym’s experience alongside sport champions at 7 Olympic Games, is dedicated to hi-intensity training, while the second one aims to offer a guided and automatized training experience to users of different fitness levels, including beginners and seniors.



Emma Barry
 Author, Observer, Mentor and
 Industry Advisor

www.emmabarry.com

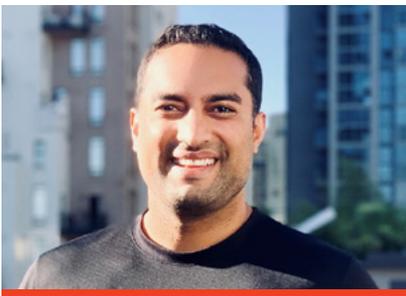
Fitness is now borderless, and we carry our personalized life in our pocket. Epigenetics (ph360) and real-time biometrics (wearables) inform our health and fitness regime as we seek more elegant solutions that integrate with, rather than interrupt, us. Entertainment (Soul Cycle streaming live) and gamification (Peloton leader board) are the new normal in the fitness fray. The accelerating force of AI and development of VR and AR will elevate the fitness experience to unprecedented sensory intensity. Traditional fitness clubs lack personalized data points to serve member preferences. Trainers and instructors (virtual coach, Mirror, subaclass, DJ/class creation/light/scent) need automated tech support to augment their performances. While Spotify has enabled ‘exertainment,’ more AV advancement is inevitable. We participate in the US\$4.2T global health and wellness market where the biggest databases and the deepest pockets will win. We’re up against the big four. Google, Amazon, Facebook and Apple are lining up to extend their long arm of end-to-end product, service and delivery. We eagerly await Apple’s next big spin of the wellness wheel. So, how do we future proof? As the burgeoning digital ecosystem evolves it’s important that we do the following. (1) Facilitate Rockstar-worthy fitness experiences that delight members. In our hearts we are social beings seeking pleasure, results, entertainment and connection – together. (2) Surf the changing tides of algorithms and operating systems. We’re in real-time, data-lead times and must shift our mindset and approach accordingly. (3) Create partnerships that complete the capabilities we need to serve our members in the new omni-channel marketplace.



Paul Bowman
CEO
Wexer

www.wexer.com

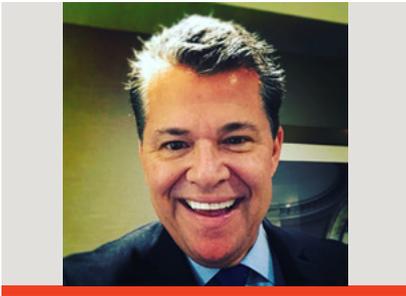
Fitness today isn't limited to fitness facilities. Driven by the 24/7 expectations of consumers, fitness is now an 'anytime, anywhere' business. So how do you ensure your bricks and mortar facility remains relevant in an era where (free) exercise content is available at the click of a button? As a gym operator, how do you ensure you're still the provider of choice when the competition is no longer only other facilities, but also online programmes, social media influencers, fitness apps? As a hotel operator, how do you cater for the increasingly savvy traveller who expects you to support their wellbeing lifestyle while they're away from home? The key is to adopt an omnichannel approach. Customers will sometimes want to train in your facilities, but they are also looking for expertise – for reputable programming they can trust amid the online noise – outside of the gym. This is your space to own, just as much as you own the space between your four walls. Whether a health club operator or a wellbeing-focused hotel, the opportunity is the same: to take world-class fitness to customers wherever they are, whenever they want to exercise, by embracing technology. This is where the Wexer ecosystem comes in, enabling a process of digital transformation in your business. Our hybrid digital/physical model allows your customers to access your expertise, programming, advice and support through a wide range of channels. The result: you remain the go-to, however people choose to 'do fitness' on any given day.



Sharad Mohan
Co-Founder and CEO
Trainerize

www.trainerize.com

For me, the answer to this question starts with "consumer demand". Right now, if you look at the leading apps, wearables, or platforms, the market is telling us that consumers are done with one-size-fits-all products and approaches. They want personalization. And the good news is, with technology there is so much opportunity to deliver personalized fitness experiences. Technology has the potential to not just meet consumer demands, but to constantly elevate expectations. So, for me, I don't think it'll be any one type of technology or any specific platforms that will reshape our industry, so much as it'll be the ones that find new and creative ways to continuously personalize. It'll also be technologies who respond to another consumer demand that we should all be taking note of: the desire for a more comprehensive fitness experience. Successful gyms of tomorrow will make it a core part of their strategy to connect to their members' wearables and devices through platforms like Trainerize, so they can personalize both the in-gym and out-of-gym fitness experience. They'll create what I like to call a 360° approach. It includes exercise, it includes nutrition, but it also (and this is key) includes habits. Habits have been overlooked for so long, but they're the 1% difference we can make every day to achieve goals and build lasting motivation. Finally, I see the most future-proof technologies as the ones who leverage AI. It's still early to say what exactly that will look like, but I think AI has the power to radically change the way trainers train. It's an area we're already investing in at Trainerize, looking at all the data that's available through apps, wearables, and devices and exploring ways to empower clubs through machine learning to deliver training at levels that will blow customers away.



Bryan O'Rourke

President

Fitness Industry Technology Council

www.fittechcouncil.org

When it comes to the notion of “future proofing” we must reconsider our industry definition as being that of wellbeing which extends outside of traditional fitness. Furthermore, we must redefine the industry to extend beyond the bricks and mortar delivery of fitness alone to include pure digital and new hybrid models. These will combine various delivery channels and services around recovery, apparel, beauty, medical, nutrition, living spaces, work, exercise, entertainment and other services; think Equinox hotels, lululemon shops with group fitness studios, and new Lifetime Fitness concept LifeTime Work. While existing fitness facility based brands will continue to be relevant in the market for the foreseeable future, new brands that combine wellbeing services and experiences are likely to result in the creation of completely new business models that have never existed previously and the marketplace will judge their relevancy with their dollars, clicks, downloads, and visits. Technology applications and platforms will certainly play a part in that redefinition as they are today. Brands cannot easily and economically deliver outstanding consumer experiences without the use of these technologies. The appropriate collection of data, truly integrated enterprise software with a single source of truth, automation of low value tasks, and the attraction and development of great human capital and related culture will be the secret sauce of execution for brands who outperform the market. The winners will be the ones who create the greatest value paradigms for consumers using these tools to personalize and exceed consumer expectations. Convenience and wow will be the definers of differentiation and success. Those successful industry brands will not just be focused on the real-world application of technology but most importantly on using all aspects including design, scent, emotion, human interaction, and more, in an integrated manner to create and deliver an expectational and differentiated experience. The best technologies will be like the air we breathe, it is there but you don't really see it. Overall the winds are at the back of the wellbeing industry, which should create sustainable growth in the demand for services both new and old. However, there will likely be some economic hick-ups during the next decade as businesses unwind inflated valuations, disparity in consumer incomes and wealth are normalized, anti-trust and privacy efforts are undertaken through regulation, and global sustainability efforts are embraced. A lot of change lies ahead but for those who are flexible and open minded the opportunities are vast.



Ted Vickey

Founder and CEO

FitWell

www.tedvickey.com

I am not as worried about what the new tech, app, wearable or platform is, but rather how we as an industry use the data that has been collected. I see it as the financial planners from the 1990s. Online trading companies like E-Trade came along and people could do their own financial trades and didn't need a financial planner. However, the financial planner industry is alive and well. Why? Because even with all the data, people didn't understand or know how to use it. That will be the key in the health and fitness industry, how we take data from sleep, nutrition, physical activity, DNA, weight, HRV (and more), combine it, and get an actionable plan that is personalized for our clients. When a client isn't showing the expected progress, the trainer/coach can look to the data to see why. Maybe their late-night cappuccino increased caffeine (DNA says they don't process well), which caused a poor night sleep that created a sluggish morning and thus a sub-optimal workout. My Ph.D. research in big data within the fitness industry shows one way to leverage this data into positive changes in a person's path towards improved wellness. These technologies will not replace the person but will instead provide a highly effective tool for success. It's all in the numbers. I've opened a few spots in my schedule over the next 45 days to train trainers in a new business tool system, one that I created while I was at the White House. If you or someone you know might be interested in learning more, please let me know. We can also apply for continuing education credit.



Gita Sjahrir
Co-Founder and CEO
R Fitness

www.ridejkt.com

As technology develops and improves, it's exciting to be a consumer in the fitness space. Not only can I check my heart rate, book a class, but also measure my REM phase, cycle at home and meet hundreds of fitness-minded friends online. With the growth of Keep in China, the upcoming Peloton IPO and funding pouring into the latest and greatest fitness tech products, I am bullish on the sector, especially in nascent markets such as South East Asia. That's why it's wrong to see fitness tech as competition to traditional fitness businesses. Tech isn't disrupting the market. It's our inability to better serve our market that kills us. We must start seeing tech as an enabler and added feature to our product instead. How else can you utilize tech, so that your market is happier and healthier? It's easy to see a product, e.g.: AI for fitness, that doesn't fit the mould and worry they'll "take over" our brick and mortar business. You are screwed if you see the world as a zero-sum game. We need to assess our team, business goals and brand mission, and then adjust with the times. The strongest businesses can pivot. Youtube started as an online dating platform. Twitter was a podcast company. Nintendo has been around for 129 years and sold playing cards and cab services. The fitness industry is no different. We will have to grow with the times to succeed. Because a business that can't pivot will not simply be disrupted. It will just die.



Damien King
Founder
PUML Better Health

www.puml.io

Data continues to be King and I believe there will be a second wave of data trends over the next 5 years. The disruption will be related to consumers finally understanding the value of data, the importance of privacy and data ownership. Health and Fitness data is highly valuable and can have its own asset class where you as the owner of your data can derive revenue. Data can provide improved engagement and motivation and track incremental changes as well as early signs of health issues. New sophisticated wearable devices and apparel can track more key indicators and provide trusted medical grade data. This data will be used in new platforms for prediction and early diagnosis of lifestyle diseases. AI and Machine Learning algorithms are discovering trends and patterns in biometric data. As these algorithms become more intelligent, they will begin to disrupt traditional medical services, where they could predict a diagnosis prior to engaging a general practitioner. Our Company, PUML Better Health, directly addresses data ownership and protection of fitness data. The service aggregates and qualifies device and wearable data and then returns custodian ownership back to the rightful owner, the member. We can then protect it on our decentralised blockchain that has sophisticated multi-layered security and access control. We then provide a token micro reward for each unit of data. Brands, products and service owners need to address data ownership and security or be in danger of being disrupted by blockchain based services.



Michael Rucker
 Vice President, Technology
Active Wellness

www.activewellness.com

The fitness industry is going through a natural progression. The roots of the health club product started in the rental business. In the old days, we stocked our spaces with gym equipment and technology, and we rented club usage to those willing to part with their money. Results were an afterthought. Over time, operators have been differentiating themselves in one of two ways. They either invest in distinctive machines and best-in-class services and charge a premium membership fee (i.e., high value/high price) or keep their Opex, Capex and investments in technology as low as possible, enabling them to compete on price (i.e., high volume/low price). Most of us are benefitting from the renewed economic interest in our sector, but if you peel back the onion and look at the data, industry growth is being heavily driven by boutiques and small studios. This growth is occurring because consumers are no longer satisfied with simple service. If your younger consumers do not connect to the experience you provide, they take their dollars down the street where the alternative is engaging, the experience is user-friendly, and the instructors and fellow members know their name. This reality isn't my opinion; if you attended IHRSA or BOLD this year then you know it's a data-backed assertion. We are now in an experience economy and quickly moving to a transformation economy – an economy where our profits will directly correlate with the perceived betterment our members feel we provide. The health tech players who will shape our industry are the innovators that play a transformative role in our members' well-being. We can “future proof” our clubs by preparing for this move to a transformation economy by looking for technology that transcends table stakes (e.g., rudimentary activity tracking) and elevates our members experience along their transformational journeys.



Mel Tempest
 Fitness Business Advisor,
 Influencer, Podcast Host and
 Club Owner

www.meltempest.net

The future of fitness club profitability is flexibility, the consumer demands 24/7. “I want it when I want it” lack of time management in an era of self-involved individuals means we must serve the consumer what they want, in return they grow our profits. Use the SST method (simple - savvy - tech) to grow your profit and secure your future. FLEXIT.FITNESS platform allows participants to pay for their workouts by the minute, walk in, scan their phone on the QR code at the desk and that's it - no paperwork no money exchange. These clubs have grown in 2019 with club owners realising we are now the generation of no commitment. We have corporate business, tourists and locals working out on their terms. Irrespective of where you are in the world engagement will always be vital to the long-term success of the clubs culture, community and retention. Upshow is a new platform that gets raving fans regardless of age participating in live social media conversation, their conversations are feed onto your platforms, these members use their network to engage your prospects. Cost is zero, engagement is thousands. The final ingredient is virtual programming – without it you might as well shut up shop. Think about it how smart would it be to have consumers come to your club, scan their phone on the way in participate in a virtual class or virtual 1-on-1, take a selfie, hashtag your business, upload it to instagram or twitter and instantly your brand is creating community global engagement outside the four walls of your business. Know your business, serve your client and your foundations will last a lifetime.



Natalie Dau
 Reebok Athlete and Founder
Rockstar Fit

www.nataliedau.com

It's an exciting time and I think everyone in the industry needs to keep an open mind and be ready to innovate when it comes to technology playing a greater role going forward, as it will have a huge impact on the health and fitness space. Virtual reality experiences are becoming more popular, as is anything that allows a "anytime, anywhere" solution for time-poor people – from workouts to tele-medicine. Complicated apps that are trying to be too many things to too many people, are being tossed aside for single-use apps. Social media is still playing a huge role in the provision of content to audiences through Facebook, Instagram and YouTube, so pretending these platforms don't matter means you are missing out on reaching people with your message/brand and potential to build community and tell a story. They are not going away anytime soon. But, the most successful innovations will find a way to marry technology, deliver in real-time and still be able to build community, and I think we are still yet to see any clear leaders in this area.



A big thank you to this month's contributors



To be involved in future question's of the month please contact:

Ross Campbell

Founder and CEO

ross@thefitsummit.com

+65 8268 9834

Daylin Limonte

Head, Marketing &
Communications

day@thefitsummit.com

+65 8132 7534

www.thefitsummit.com



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