



**UNDERSTANDING
AND REACTING
TO CHANGING
CONSUMER
BEHAVIOUR FOR
HEALTH & FITNESS
BRANDS.**

**B!G
CAT**

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02 INTRODUCTION

When the Coronavirus hit the UK it had an immediate impact on the health of all four nations. At the same time, it affected the health and fitness sector – some businesses thrived and others struggled to survive. The effects of such a sudden and far reaching change will be felt for a long time in particular for gyms, health clubs and any related business that had to close during lockdown. Other sectors such as home exercise equipment manufacturers, clothing, supplement suppliers and exercise apps fared better, as more people were forced to stay at home, change their exercise habits and shopped online. Quite simply, its effects – positive or negative – will be felt everywhere.



02

PROMOTING MENTAL WELLNESS

While everyone has promoted the benefits of maintaining good physical health, few have focussed on the need for good mental health. However, both go hand in hand. This document hopes to show that caring for both physical and mental health offers a real opportunity for the sector as it looks to emerge from the challenges of the virus.

THINGS HAVE CHANGED – MAYBE FOREVER

No business can survive without customers. Therefore, it's essential that the sector is ready for some pretty major challenges:


- **Considerable revenue loss for those that rely on footfall**
- **Reduced capacity therefore reduced revenue**
- **Threat of second wave and further lockdowns**
- **Rapid change of consumer behaviour**
- **Adopting technology to offer holistic, flexible experiences**

WHAT THIS DOCUMENT AIMS TO ACHIEVE

Using primary and secondary research, this document gives you an insight into consumer behaviour post lockdown to help you gain a competitive advantage.

Having analysed the responses of 143 participants, we undertook a panel of five in-depth interviews. Then we used secondary research sources to help support our primary findings.

Armed with this information, we have helped provide a number of tips and recommendations that we believe will help businesses within sector weather this storm – and maybe even help them thrive. We'll help you understand consumer needs, allowing you to be proactive and innovative, power ahead with new product development. Plus, it will help you support targeted marketing and sales strategies.



Things might be quite different and quite tough at the moment, but the opportunities are there, if you know where to find them.

03

WHAT WE'VE ALREADY SEEN



03

The Coronavirus pandemic and lockdown measures in the UK forced more than 7,000 gyms to close for four months. With many gym-goers initially cancelling their membership, gyms froze over 10 million subscriptions so customers did not have to pay during the pandemic. According to The Guardian¹, lockdown has had a serious impact on the sale of exercise goods such as clothing and tech (Shakespeare, 2020), but what impact has lockdown had on public health? How will the public react now that lockdown restrictions are lifted and health and fitness brands are reopening for business?

GlobalWebIndex² identified that people's key concerns during the Coronavirus pandemic and lockdown were: not getting enough exercise, not eating healthy meals, and experiencing a decline in their mental health. Despite having no access to public fitness facilities, research by YouGov (Shakespeare, 2020)³ reported that 74% of people in the UK actually exercised more during lockdown. For the majority (55%), this exercise involved going for a walk, 20% of people are doing their own home workouts, 14% are running and jogging more, and 10% have turned to cycling.⁴

In the UK, more than 858,000 people downloaded the 'Couch to 5K' running app between March and the end of June: a 92% increase over the same period in 2019.

A TOTAL OF 54% OF UK INTERNET USERS REPORTED THAT THEIR MENTAL HEALTH HAD WORSENERD DURING THE CORONAVIRUS CRISIS

A total of 54% of UK internet users reported that their mental health had worsened during the Coronavirus crisis (Global Web Index, 2020). A key finding was that "two-thirds of those concerned with their diet and fitness also reported worsening mental health (21 percentage points higher than the average). This shows how interlinked our physical and mental wellbeing are, and that our psychological wellness should be treated with the same seriousness as our physical health" (ibid, p. 5).

While there is strong evidence that exercising is becoming more popular during lockdown, "so far people have tried to mitigate their physical health and fitness concerns more so than those related to mental health" (ibid, p. 7). Those who are more aware of diet and exercise benefits are more likely to eat healthily (32%) and watch home workouts online (30%) than those with mental health and financial concerns. **This means that the knowledge and awareness of mental health issues and management strategies is "insufficient"** (ibid, p. 5). Improving this knowledge and awareness will improve the nation's mental health at large.

62% OF UK GYM-GOERS SAID THEY WOULD FEEL UNCOMFORTABLE RETURNING TO THE GYM

As Coronavirus cases and deaths fell, the government gradually lifted lockdown restrictions. A total of 62% of UK gym-goers said they would feel uncomfortable returning to the gym when lockdown came to end, compared to 30% who were willing to work out there⁵. The health and fitness industry therefore needs to conduct itself appropriately in order to survive in the 'new normal' period. In addition to the physical precautions that health and fitness brands need to put in place, services that help address mental health concerns may provide extra comfort for customers.

In doing so, health and fitness brands can address the decline in public mental health.

This need could help spawn new business lines for the industry in the future. Integrating physical and mental health in fitness programmes and creating new mindfulness classes may attract a larger audience that are not all about cardio but instead wish to reconnect with themselves.

04

HOW HAVE EXERCISE HABITS CHANGED, IF AT ALL, DURING LOCKDOWN?

Research undertaken by Big Cat has revealed that exercise is still an important part of people's lives. However, the way in which they now exercise has changed during lockdown due to the restrictions put in place by the Government. Participants reported doing more running, walking, and cycling during lockdown: activities matching the recommendations from the Government to get more active.

The main alternative to going to the gym was doing online workouts at home. Participants also reported doing more exercise outdoors, and that they had more time to do exercise in general during the lockdown period than before.





HOW HAVE LIFESTYLES CHANGED IN LOCKDOWN?

Lockdown has had a considerable impact on people's lifestyles with regards to their eating and sleeping habits. While the impact has been a mixed experience for participants, it has encouraged some people to improve their diet and spend more time cooking healthy homemade meals. For others, the lockdown restrictions have blurred and broken down the boundaries of the working-living day, resulting in increased snacking and drinking, an increase in anxiety, and a poorer quality of sleep than before lockdown.

Participants in the Big Cat research study suggested some reasons as to why their quality of sleep might have suffered during lockdown:

- **No clear division between work and home life**
- **Lack of routine**
- **Feelings caused by the conditions of lockdown, such as anxiety**

Over 50% of global consumers claim that they are currently suffering from “moderate”, “high” or “extreme” stress levels.

(Euromonitor Health by Generation. Understanding Healthy Lifestyles and Behaviours)

06

ARE PEOPLE AWARE OF THE IMPLICATIONS OF EXERCISE ON PHYSICAL AND MENTAL HEALTH?

People exercise to improve their fitness, to lose weight and to care for their body and mind. In addition to referring to the physical benefits of exercise, which was noted in the majority of responses, many people also reported that they used exercise as a means of managing their mental health. Participants in the Big Cat survey were more likely to respond with positive feelings when talking about their experience after having exercised.



Keeping in contact with friends and family during lockdown was another key strategy that people used to manage their mental health. Analysis suggests that **people may be more interested in group training post-lockdown in addition to the pre-lockdown popularity of individual workouts.** A quote from one participant encapsulates these findings, which highlights that people are aware of the importance of managing both physical and mental health: **“I think diet and exercise plays a big part in your mental well-being as well as interacting with friends and family.”**

Participants in the Big Cat research study appeared to acknowledge the connection between mental and physical fitness in their responses, often talking about “physical and mental health” together in response to the survey questions. However, they were more knowledgeable about, and were more readily offering reflections on, how exercise impacted their physical as opposed to mental fitness.

People’s motivation for returning to the gym after lockdown was more focused on helping them restore their physical health. Despite being aware of the impact of exercise on their mental health during lockdown, few participants were motivated by their need to improve their mental health to return to the gym, although we suspect that this may be a selling point for health and fitness brands. Participants’ knowledge about the benefits of exercise for mental health seems “insufficient” (YouGov, Shakespeare, 2020, p.5).

MARC DIAPER, CEO AT GYMBOX

"I believe mental strength is as important as physical strength. I started off as a PT, so have seen huge benefits physical exercise has had on people's mental wellbeing. What you get out of fitness is way more than just a better body.

We make sweating fun – usage in gyms is twice the national average because it's an experience-based product. Joining Gymbox is joining a community, you come more often so you experience those mental benefits more often.

Classes like 'Digital Detox' focus on helping improve your mental state. Physical and mental health go absolutely hand in hand. It's all about people achieving something and overcoming barriers. Even if it's just people learning to lift properly."



KEVIN YATES, CEO OF TRIB3

"We talk about how working out at Trib3 makes you feel. How it gives you energy to feel amazing, safe and create endorphins. We know this adds to the whole mental health.

Community – a lot of mental health issues are about feeling alone. It's the collective community that is represented by Trib3 that I'm proud of. Self purpose – always part of the community gives purpose and reason to train."

LEX LAMBROU, HEAD OF MARKETING AT GRAYS INTERNATIONAL

"I have 100% no doubt that mental strength is as important as physical strength, particularly in team sports. A lot of our professional athletes across a range of sports have echoed the importance of mental strength and communicating this strength when people see you as a role model.

When considering whether the onus is on brands to do more to promote the mental health benefits of exercise, it's a delicate balance. Brands don't want to appear to be curating that discussion just to sell products because then the message is lost. But brands do need to sell products. It is probably a better idea to let the role models and the ambassadors discuss it, and say we are supporting those and are with the leagues and organisations and at the heart of the game. Hopefully trust can then be built from this visibility and they can practice what they preach."



06

BIG CAT RECOMMENDATIONS:

01

Health, fitness, and wellbeing brands should promote the positive impact exercise can have on people's mental health, and how they can use exercise to manage their mental health in addition to their physical fitness.

02

Most gyms focus on physical strength / endurance / getting fitter / losing weight, but the intrinsic mental health benefits of exercise are not conveyed or talked about as much as they could be.

03

Health, fitness, and wellbeing brands may also wish to acknowledge the positive impact exercise can have on mental health, and facilitate services that accommodate and integrate mental fitness into exercise classes and programmes in conjunction with physical fitness.

04

Brands should include more holistic services such as yoga, mindfulness and stretch & mobility.

05

Subvert category norms – the clichés for health and fitness advertising are perfect bodies and cheesy grins. Try and think of ways to be distinctive in advertising. Don't follow the crowd. Be brave.



07

HOW WILL EXERCISE AND TRAINING CHANGE POST-LOCKDOWN, IF AT ALL?

THE RISE OF 'HYBRID' FITNESS

Participants in the Big Cat survey intend to make more time to do exercise after lockdown, although some were concerned whether they would have enough time for exercise once businesses had been allowed to resume trade. Of the 28 participants whose responses included reference to the 'gym', 43% wanted to return to the gym for general workouts or specialist workouts that involve specific equipment, and for individual and group sessions; **25% intended to combine gym workouts with workouts at home or online**; 11% stated that they would use the gym less regularly; and a further 11% said they would stop going to the gym altogether and would cancel their gym membership. Lockdown has shown people ways to workout that are more flexible, convenient and inexpensive – such as turning to home workout routines, online fitness sessions and workout apps.

PARTICIPANT IN THE BIG CAT SURVEY

"Combination of gym and home workouts will be my preferred way of training. I'd like to continue to do stretch and mobility work and shorter, but more frequent sessions. I miss going to the gym though, so will be pleased to get back to using some proper weights!"

STEVE ORTON, DIRECTOR OF BODYPOWER

"More people are into health and fitness than ever before. If people are only in the office once a week, they will want a membership but they're going to want something extra.

The market is becoming far more well rounded. Mobility on one side, performance/training on another side and recovery on another. People are working out how to train better and harder, being more holistic. 'Stretch' is a boring term compared to 'mobility'. If recovery was part of people's membership that would be great eg ice baths etc.

Hero Training Club in Manchester had huge variety in their lockdown offering, focussing on moving away from boutique models and having the gym as a centre but with so much offering around that instead of paying lots of money for just one class at a time."

BODYPOWER

07



BIG CAT OPINIONS AND RECOMMENDATIONS:

01

Having a 'hybrid' health and fitness experience combining bricks-and-mortar with digital will strengthen returning business and appeal to a larger customer base

02

Health, fitness, and wellbeing brands should generate and facilitate a strong digital connection with customers through online community hubs and on-demand content.

GROUP ACTIVITIES CAN HELP US TO RECONNECT

Findings from the Big Cat research study have indicated that people may be more interested in joining group classes to regain a sense of community after months of isolation once gyms have reopened, and more interested in training outdoors. In pre-lockdown research (Ford, 2020a), we found that people preferred to workout with partners or in group classes to be a part of a supportive community. This was reported to be beneficial for their mental strength by increasing their confidence, positive energy, self-esteem and good mental health.

Therefore, we believe that an emphasis on group activities, with safety precautions put in place, may be beneficial for brands to help their customers reconnect with themselves, others and the brand itself.

08

HOW HEALTH & FITNESS BRANDS HAVE ADAPTED

Gyms in many markets are gradually reopening in line with mandatory health and safety protocols. For instance, **The Gym Group**, which opened 160 of its 179 branches across the UK on 25 July, is observing measures including the spacing out of equipment, conducting temperature checks on staff and cleaning kit after every use.

Also in the UK, boutique fitness studio **Rebel** has launched Project COVID Secure, a marcomms campaign outlining the steps the brand is taking to virus-proof its spaces. This includes an Instagram video showcasing bikes fitted out with protective Perspex screens, treadmills separated by curtains and more.



In June, David Lloyd rolled out their new outdoor fitness classes that abided by Covid-19 social distancing rules. The company was fortunate that many of their premises came with large outdoor spaces that could be utilised for activities adhering to new government guidelines. Up to 90 classes – ranging from “boot camp-style” workouts to pilates and yoga – became available each week, taking place around the clubs’ external pools, garden areas and tennis courts.

Furthermore, the company said 80% of its clubs will also operate “second gyms” in their indoor tennis courts, with equipment spaced apart to meet social distancing measures. Meaning that fears over reduced footfall may be mitigated by the utilisation of their outdoor spaces. However this may not be a long-term feature (winter weather conditions may render these spaces unusable).



Gymshark seems to be a big winner from the pandemic. The Solihull-based firm was ranked top among Britain’s private companies with the fast-growing profits in the Sunday Times Profit Track league table in February.

The firm has reflected the change in workout habits on its social media channels, renaming itself Homeshark. It has also joined in with national recognition for frontline workers – for every #NHSsweatselfie photo taken by Gymshark’s “fans” the company has pledged to donate £5 to Birmingham-based NHS facilities. Perhaps most reflective of the company’s continuing success during the outbreak, the press release for the Sunday Times Profit Track says Gymshark has no plans to furlough staff during the outbreak.

08

TRIB3

Big Cat interviewed Trib3's Kevin Yates and talked about how they stayed connected to members during lockdown and their plan to encourage them back into the gym:

"If you own a single club you might think you're wasting time with this, but you should keep members informed regularly on how you're managing safety. Communication is key. If you're an independent or multinational it's still relative, you must still communicate.

Be honest. It's not a problem to be honest. We're all under the cosh here. We've got to get more people in. We may need to look at prices, but we want to work with people who are loyal to their local gym.

We've opened with 2m social distancing but that still isn't enough. We give a personal sanitiser bottle to everyone, no towels, and we offer masks.

The industry has done superb. Independents and big operators have led the way. Everyone has been excellent. Alan and the team at **JD. Gym Group**, and **Pure Gym** have represented the industry really well."



Big Cat interviewed CEO of Gymbox, Marc Diaper about what's next for them.

"Looking at the on-demand sector – appreciate it may take off and is at the very least a good supplement. Looking beyond that too. It's been around for years and now just putting it on an app. Need to see what the next level of on demand is. What comes after on demand?"

We don't want to stand still as a business, we want to look at international growth and key EU cities.

We need to get through the next three months and grow our membership base. Then the next six months will give us more of an idea. Gymbox is a city-based product, but we're looking to expand. We won't go to the middle of nowhere, however we will look at more rural areas."

09

WHAT NEXT FOR HEALTH & FITNESS BRANDS?



POSITION YOUR BRAND AS A RELIABLE SOURCE OF HEALTH INFORMATION

Consumers are seeking advice on how to safeguard their health during the pandemic. Google searches worldwide for “how to stay safe coronavirus” spiked in March 2020. However, with so much misinformation spreading online, expect many to look to more trusted sources – such as governing bodies and established health and media brands for guidance. Even before the outbreak, 54% of global consumers agreed in May 2019 that they find it difficult to know what information to trust online (source: Foresight Factory).

PREPARE AND CATER FOR CONSUMERS SPENDING MORE TIME AT HOME

Expect consumers to stay at home more, especially as we head into autumn. This is troubling as obesity is one of the biggest risk factors for COVID-19. Some brands have adapted their business models to offer on-demand fitness from home as well as in their gyms and studios.

Demand for at-home workout equipment like Peloton spin bikes, Mirror’s interactive mirrors and Tonal’s exercise machines is rising. Tonal claimed that its sales tripled in the week leading up to 18 March.

DO NOT NEGLECT THE IMPORTANCE OF MENTAL HEALTH AND STRENGTH

Much of the spotlight has been on the physical ramifications of coronavirus. However, do not overlook the consequences on mental health – from the anxieties of healthcare workers to the racism-induced stress experienced by consumers of East Asian appearance in Western markets.

Big Cat research and YouGov studies support this notion. Health & Fitness brands should consider how they can convey the mental health benefits of exercise as well as their physical health.

In response, the NHS announced in April that all of its 1.4 million staff will be offered free mental health support to help them cope with the “shell shock” of being on the front line.

Brands are responding: in March, meditation app Headspace announced that it is offering free premium membership to all US public healthcare professionals, as well as free services to workers and educators, throughout 2020.



LOOK FOR PARTNERSHIPS, COLLABORATION, SPONSORSHIP OR FRANCHISE OPPORTUNITIES

Businesses should seek out other non-competing brands with which to partner and offer an enhanced product or service. Combined efforts mean increased reach and awareness, resulting in increasing sales.

An example is the partnership between Zwift and Strava. Zwift saw Strava as a key partner to help grow its business. Many Strava athletes were already Zwifters, but there were millions more who had not yet heard of Zwift.

Zwift knew many new customers were coming from Strava and sought to speed up the process. Enter sponsored integrations, which allow athletes' followers to learn more about the products their friends are using. The integration allows athletes to become authentic advocates for Zwift and their friends to discover a new product from people they know and trust. Zwift quickly saw increased exposure, website traffic and new member sign-ups.

EXPAND YOUR PRODUCT / SERVICE OFFERING TO MEET NEW CONSUMER DEMAND

The findings from Big Cat's research suggested that group classes and outdoor classes may be more popular to satisfy people's desire to reconnect and reconstruct relationships lost or those which had limited contact during lockdown.

Fitness operators could look to expand their fitness offering beyond their internal products. Under-utilised space could be maximised by identifying third parties who could bring a new dimension to the fitness offering, providing an enhanced experience for customers while also driving an attractive ground rent.

Big Cat's friends at Action Group have successfully developed deals with Everyone Active, MoreYoga, Swimming Nature, F45 and Speedflex.

David Lloyd rolled out their new outdoor fitness classes that abided by Covid-19 social distancing rules. Another example of a business maximising its assets and utilising space.

10 SOURCES

1. UK's 7,000 gyms prepare for post-lockdown health warning, The Guardian, source: <https://www.theguardian.com/business/2020/may/16/how-uk-gyms-can-survive-post-coronavirus-lockdown-health-warning-coronavirus>
2. Survey carried out between 9 and 14 April 2020 among 2,210 (U.S.) and 1,554 (UK) internet users aged 18-64.
3. YouGov selects participants from their pool of 1 million British adults to complete public opinion surveys. Participants are recruited via standard advertising and strategic partnerships with a broad range of websites. Further information about YouGov's methodology can be found here: <https://yougov.co.uk/about/panel-methodology/>.
4. According to data collected between 21 and 22 April 2020, after the first full month of lockdown.
5. According to data collected by YouGov on 20-21 April 2020.



CAN WE HELP YOU?

If you think you could do with some help on your strategy, give us a call. Our Strategist, Aaron Wells, is more than happy to set up a FREE strategy call with you to talk about your business and how we can help.

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