



By Cesar Carvalho,
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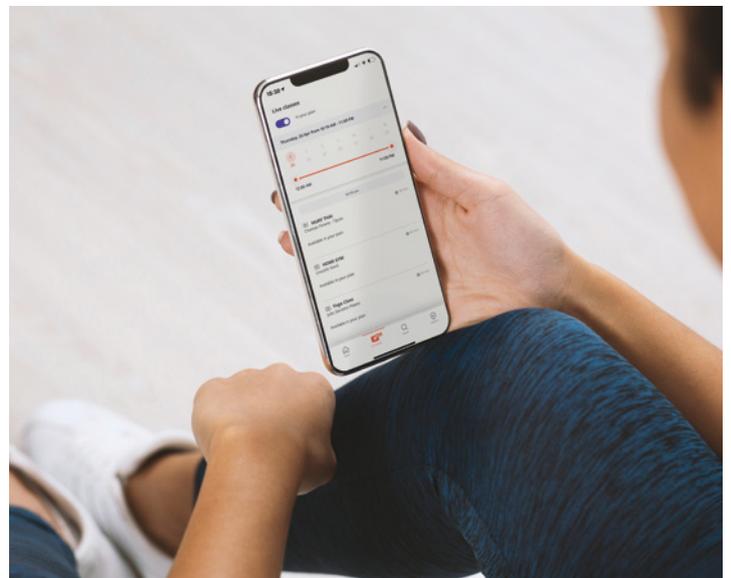
HOW THE PANDEMIC HAS ACCELERATED THE OMNICHANNEL FUTURE OF THE FITNESS INDUSTRY

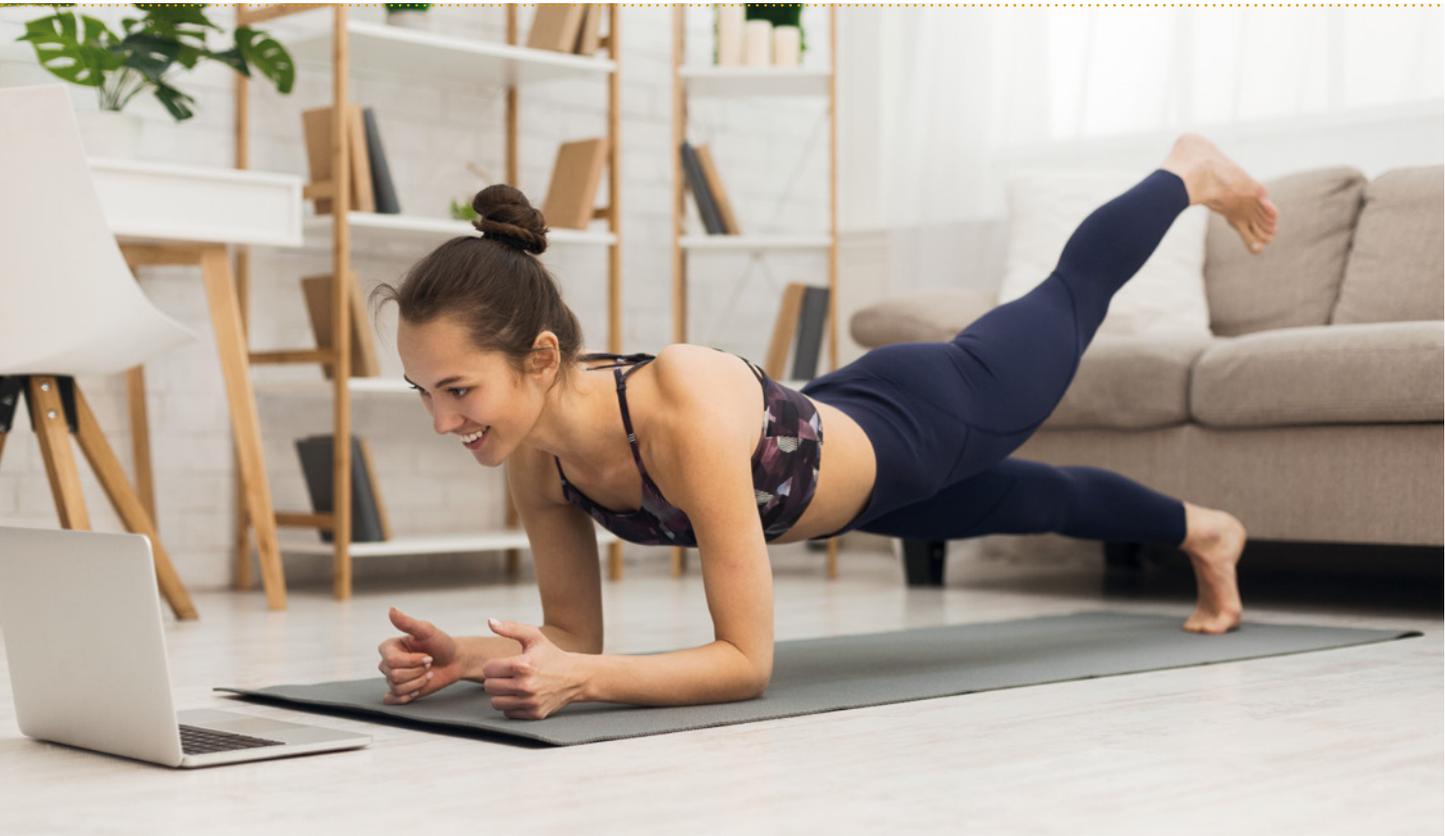
Based out of Gympass' headquarters in New York, **Cesar** oversees worldwide operations implementing the company's strategy. Cesar has more than ten years of business management experience, having previously worked at top firms including CVC, McKinsey & Company and AC Nielsen. Originally hailing from Minas Gerais in Brazil, Cesar attended Harvard Business School before dropping out to found Gympass.

With the pandemic, we saw a complete shakeup of the fitness and wellness industry, with gyms closing rapidly and user experiences turning to digital. The industry had to adapt to these changes quickly to continue operating sustainable businesses, pivoting to digital to usher in a new wave of fitness. After the pandemic subsides, a hybrid omnichannel of both in-person and digital fitness experiences will be the new face of fitness and wellness.

As a result of the pandemic, we have experienced a rapid shift in the types of products available on the fitness scene, shining a spotlight on so many new and different ways to stay well. In fact, the pandemic has made it evident that as an industry, a one-size fits all approach won't work moving forward.

With the introduction of new technology and innovation the fitness industry has witnessed a number of changes throughout the years, but the pandemic has accelerated those timelines over the past seven months. Prior to the pandemic, Gympass operated as a corporate wellness benefit that purely offered in-person fitness solutions. We focused on in-person experiences at gyms and studios but we quickly learned that there was an incredible need to be more adaptable. In fact, we learned from a recent survey that 71.2% of people feel more productive on the days you've worked out or been active, helping nearly half (45%) feel motivated as well. In order to continue to be a sustainable business, we had to quickly mobilize and evolve our business model. We had to pivot not only ourselves, but also help our entire ecosystem of partners and clients to a new and sustainable digital model in just two weeks.





We did this by launching two new features and expanding our offering to more than just fitness by offering virtual Live Classes and access to an array of wellbeing apps. Our goal by partnering with wellbeing apps was to give all users and their family members access to a broad array of resources during these difficult times. We now have the biggest, exclusive collection of over 50 wellness apps, such as Calm, NEOU, Nootric, Healing Clouds, and Moneyed, all available for no additional cost to our members. In addition to fitness, these apps tackle mindfulness, nutrition, meditation, therapy, financial wellbeing, and activities for kids.

With the launch of these two new products, we wanted to provide flexibility and accessibility to our customers. This shift also helped us to support the growing needs of our clients, as we noticed their increasing focus on investing more in the health and wellness of their employees. This was a proofpoint for us, because if there is anything we have learned during this time, it's that it is incredibly important to provide holistic options to create a more affordable and accessible wellness journey for users. Our goal at Gympass is to do just that.

Through our research and platform data we have seen that users are craving a more omnichannel approach to fitness - especially now that some gyms are starting to reopen. In fact, in a recent survey we conducted we learned that a majority (82.8%) of Americans are willing to work out virtually post-pandemic. This only proves that virtual fitness will continue to be of interest to users even as gyms reopen, showing the need for diverse offerings in how we approach fitness.

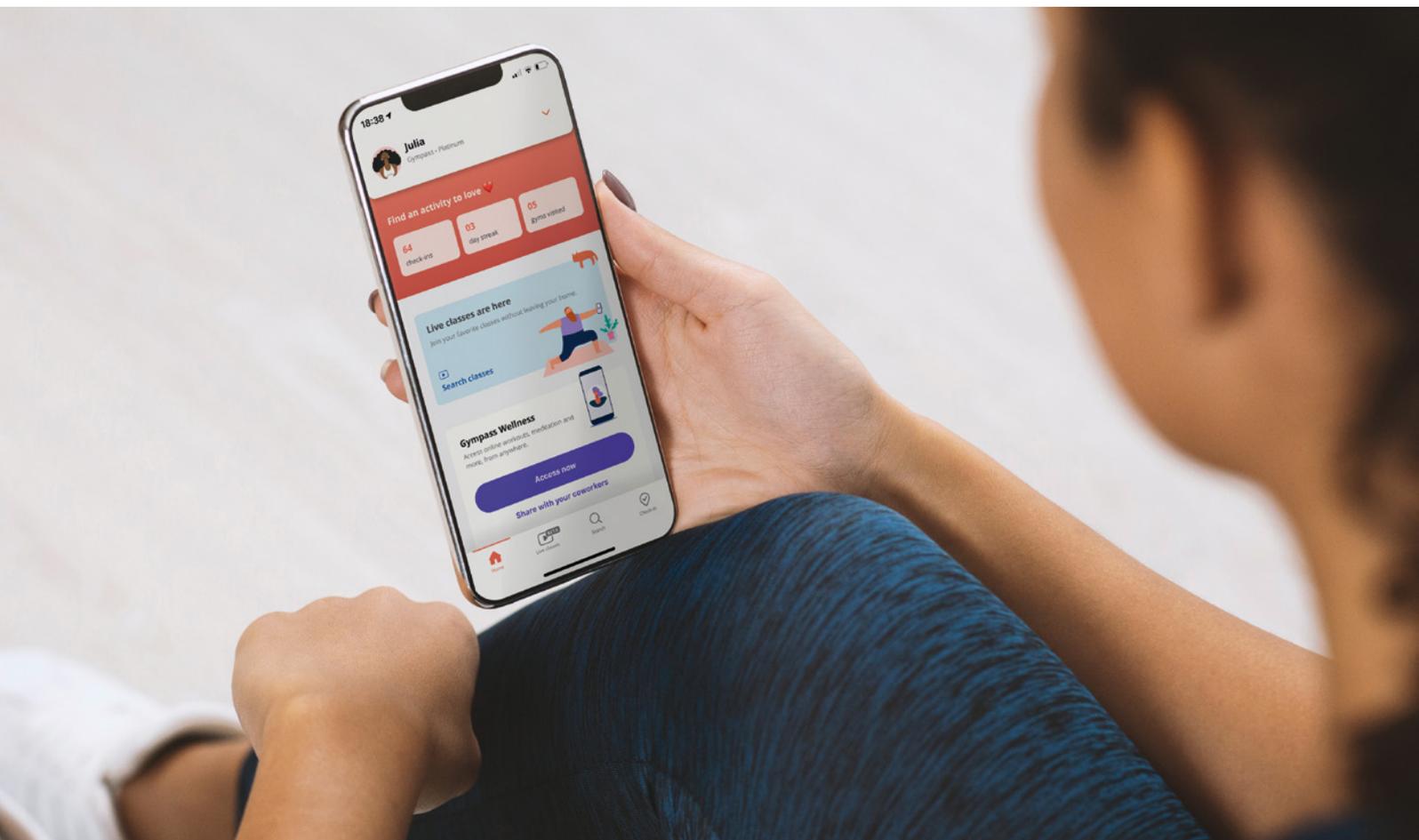
I think that while in-person experiences will continue as people crave interaction outside of their homes, omnichannel wellness will become the norm as users get used to being able to continue their wellness routines wherever and whenever they want. The fitness industry will emerge as a mixed world, with a combination of physical visits complemented by online classes. In these new times, more people will continue to be working from home and will have more flexibility to exercise and stay active. There is also a greater need for expanded wellness services - beyond physical fitness. Nutrition, mental health, and financial health will all be in demand and needed for consumers.

With this, I think we'll see more innovative experiences as entrepreneurial operators are forced to think in new and creative ways given the constraints of capacity and those new blurred digital and IRL lines -- this is what excites me most, whether gamification, social layers, or all-new. We're going to see a new wave of wellbeing come to market. While it's hard to predict what the future might look like, we believe that virtual wellbeing solutions are here to stay.



We will continue to support our partners throughout this digital transformation providing virtual options to retain members and support as they reopen. For users, we will continue to provide virtual options for those who do not feel comfortable going to the gym, but also provide education and support to those who would like to return when it is safe.

At Gympass, we aim to help people feel good - mind, body, and mood. Providing our users and clients with a variety of options will enable us to support their lifestyles and choices more conscientiously. We believe that in time, we'll start to see users doing a combination of both, virtual and in-person classes, depending what works best with their schedules and fitness regimens.



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