

# Fitness gets phygital



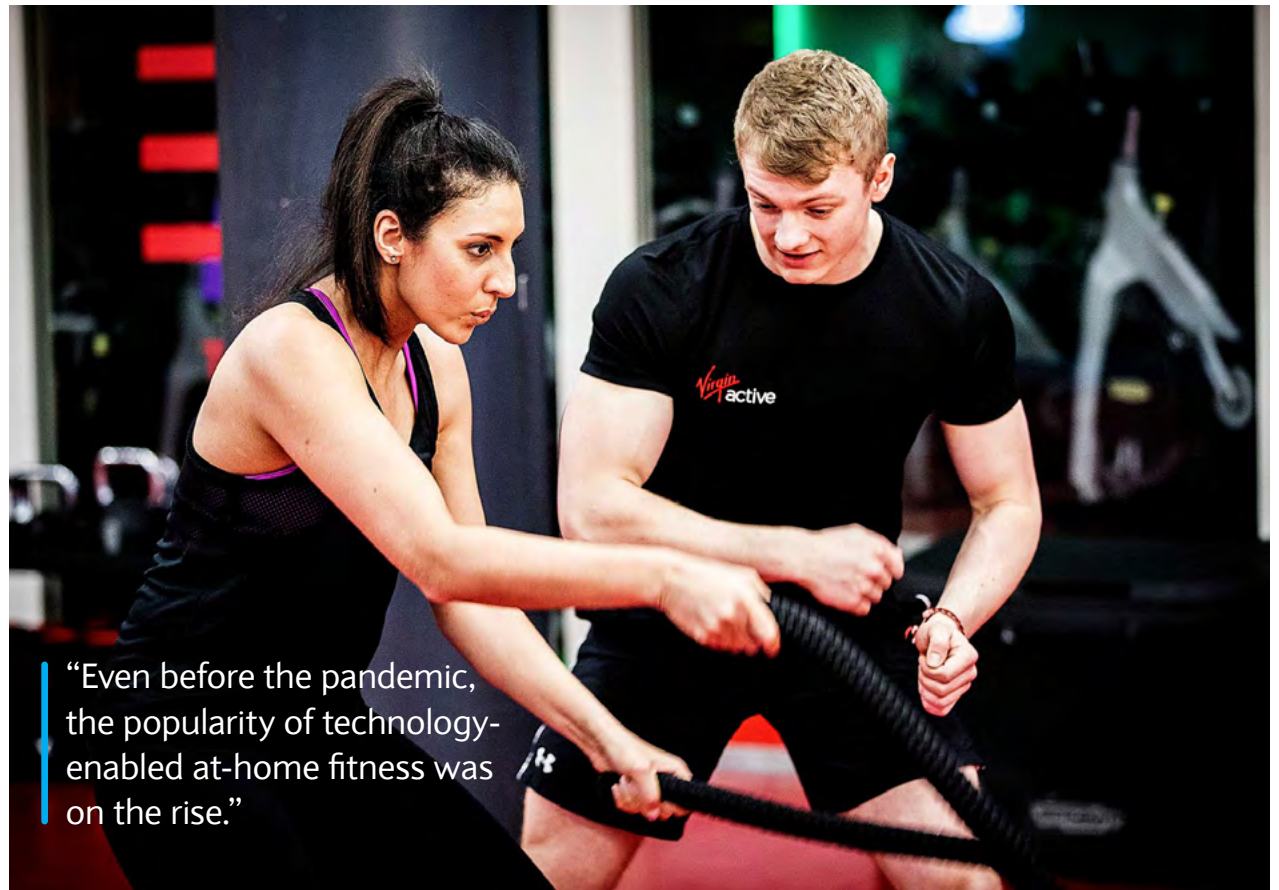
Gyms and health clubs are busy facing into the Covid-19 pandemic, as well as an explosion of competition in the digital fitness space: both present challenges and opportunities.

As the world continues to experience a cultural shift towards wellness, it's not surprising that leisure facilities like gyms and health clubs are growing businesses. The 2019 State of the UK Fitness Industry Report<sup>9</sup> found that total membership grew by 4.7% to 10.4 million and total market value increased by 4.2% to £5.1bn. The UK penetration rate also passed 15% for the first time last year.

But even before the pandemic, the popularity of technology-enabled at-home fitness was on the rise. Then, like other face-to-face businesses, they were hit hard by the national lockdown, which also had the effect of spotlighting at-home fitness for those who could no longer attend the gym.

## Virgin Active goes digital

From Peloton to YouTube to Strava, technology has revolutionised people's ability to exercise alone while still reaping the benefits of professional help and competition. As the UK slowly comes out of lockdown, gyms and health clubs need to make up for lost time, they need to provide Covid-secure facilities, and they still need to answer this challenge.



“Even before the pandemic, the popularity of technology-enabled at-home fitness was on the rise.”

“Some people choose digital-only exercise, others visit gyms and it’s been our plan for a while now to join those services up properly. We launch our new digital offering in December. Members will be able to choose to be a digital first member at a lower price point to the club members (who will also benefit from the digital offer),” says Ashley Aylmer, UK Managing Director at Virgin Active. “We have a wide range of exercise products at Virgin Active – world-class exercise experiences, including yoga, pilates, cycle, Grid Training (HIIT), boxing and family fitness – each of which can be experienced in the club and online. Members will also be able to work with our excellent personal trainers and coaches digitally.”

### **Merging digital and physical**

Virgin Active has taken a long-term idea to bring a digital dimension to gym membership and is accelerating that plan to meet customer expectations today. The company’s plans not only include online classes and personal training sessions, but also partnering with businesses across the chain, bringing nutrition and equipment offerings to the package.

Virgin Active’s digital offering is an opportunity for the club to expand and to take full advantage of all its assets. Ashley says that live classes will be streamed and will form part of a member’s overall timetable so that they can decide to take a particular programme online or in club depending on what suits them on a particular day. He is sharing resources and assets across Virgin Active’s global business, streaming yoga classes from a beach in Sydney, for example.

Going digital also has the potential to allow a wider audience to experience Virgin Active’s exercise experience and talent, not just geographically for those too far from a gym, but also demographically.

“We see digital as an opportunity to target different groups,” Ashley explains. “We are building a level of personalisation based on ability and goals to ensure that digital product can meet a diverse range of member needs. We have always had a diverse and inclusive offering and digital enables us to build on that in an increasingly personalised way,” he adds.

### **Optimising the exercise experience**

This merging of digital and physical membership also prepares Virgin Active for the likelihood of working from home becoming a long-term trend. Many gyms are in city centres, to catch people coming to and from work, or on their lunch break. More flexible working could be a boon if it enables workers to go to the gym throughout the day, but it will also likely reduce their time spent in the office.

“Our hypothesis based on what we are seeing now is that people will probably spend two or three days in the office,” says Ashley. “We are building a digital and physical offering to follow that change in consumer behaviour and as we will have both, and our physical offering is compelling, people will enjoy the best of both worlds at Virgin Active. With some people working in city centres and others at home every day, then the experience in the clubs will be even better, because usage is spread throughout the day. A sense of community is even more important in these times. Our digital product will help that but also it is one of the reasons why people will continue to want to exercise in gyms.”

As health and wellbeing increase in importance at work, a digital offering could also be attractive to corporate clients. Signing employees up to classes online helps companies to address wellness at work in a more cost-effective and relevant way, particularly if their workers are at home.



### **The talent to make it happen**

Virgin Active’s keenest focus for making its new strategy work is in talent acquisition and retention. Its trainers, known as Activists, are boosted by the company’s Academy.

“The Academy encompasses learning and development and recruitment, but it’s also a community for exercise professionals. We see that as a key enabler for the digitalisation of our products and the experience in our clubs. We’re laser-focused on attracting and retaining the best exercise professionals to serve our members both online and in our clubs. “Whether a member chooses to consume their exercise online or in one of our clubs, the experience must be world class and welcoming to all. It is our people who facilitate that,” Ashley concludes.

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