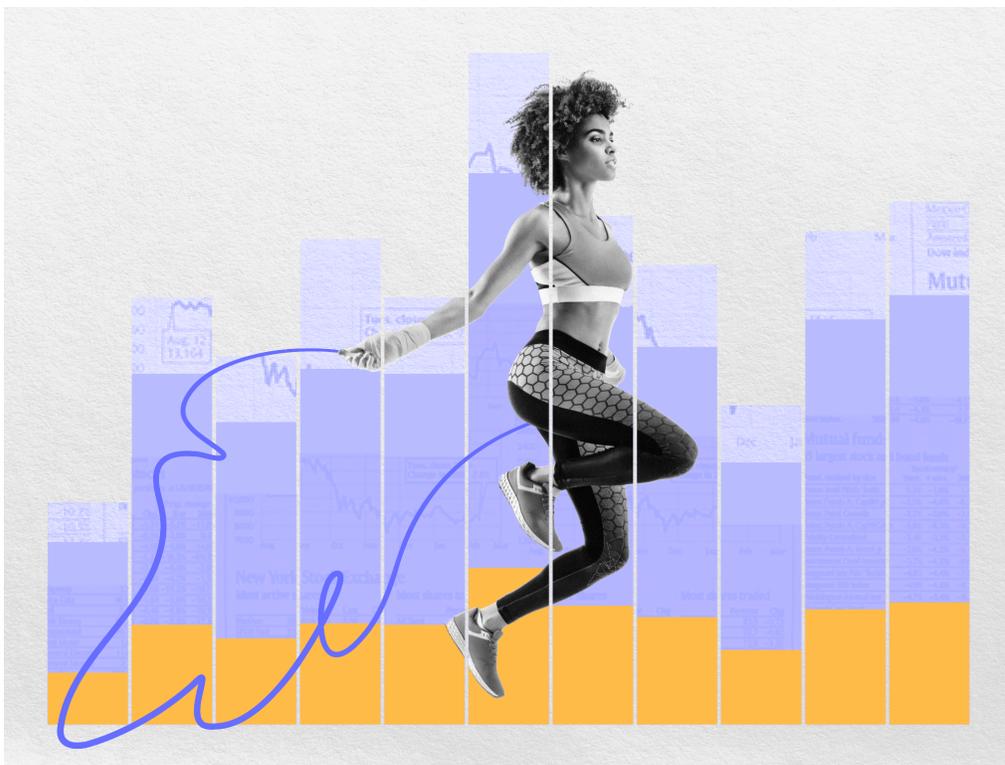


July 2022

The Return of Offline Fitness

Gyms and health clubs are experiencing a major visit surge, driven by increasingly health-conscious consumers excited about the post-COVID fitness reopenings.



Interest in health and wellness is [on the rise](#). The fitness, health, and gym club industry in the United States already reached [\\$36.6 billion USD](#) in revenue in 2022, and consumer demand shows [no sign of slowing down. And while COVID-19 temporarily halted offline fitness growth as home workouts became the norm, the pandemic also pushed many to embrace](#) health-promoting behaviors and make significant lifestyle changes – which is now leading to a major lift in gym foot traffic.



The sustained success of the fitness sector serves as a reminder that brick and mortar still holds its own.

The sustained success of the fitness sector serves as a reminder that brick and mortar still holds its own. Virtual fitness was [predicted to be](#) the next frontier in health and wellness, and while the role of digital and connected fitness is clearly growing, a negative impact on in-location fitness has not panned out. After so much time spent isolating, people are now seeking out in-person experiences and interactions – and in the current economic climate, gyms can serve as a budget-friendly activity and social outlet.

This Fitness Deep Dive uses foot traffic data to explore the success of the offline fitness industry in 2022. By diving into overall fitness visit patterns, regional variance trends, and changes in gym-goer behavior, we analyze how consumers' relationships with health clubs have evolved as a result of the pandemic. We also explore the impact inflation has on the sector to understand how fitness consumer behavior is adapting to changing economic circumstances.

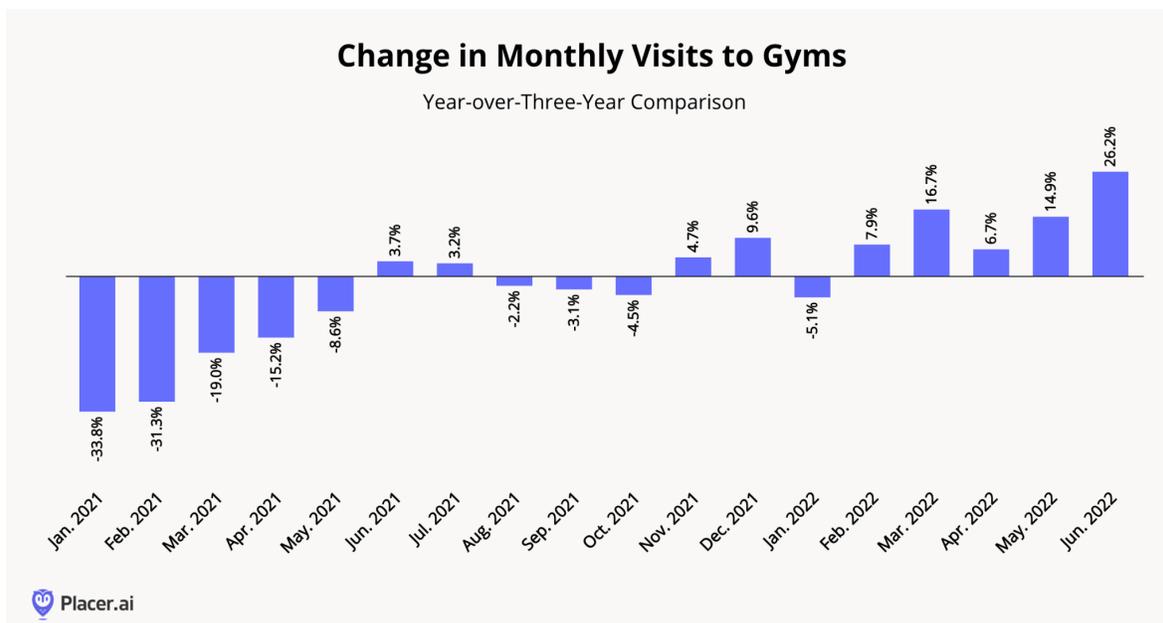
Keep reading to find out how gyms and health clubs performed in the first six months of 2022, and what may lie ahead for the sector in the second half of the year.

An Industry on the Rise

Following a Slow January, Gyms Are Now Thriving

January is usually offline fitness' biggest month, with New Year's resolutions driving a significant increase in [membership sign-ups](#) and foot traffic relative to the rest of the year. This year, however, the January gym rush was [hampered](#) by the spread of Omicron – but the sector showed incredible resilience and bounced back as soon as the wave ended, with February visits already seeing an increase of 7.9% relative to February 2019.

The growth in nationwide fitness visits is all the more impressive given the [gloom and doom predictions](#) regarding the end of gyms at the height of the pandemic – and the fact that, according to some estimates, [15% of gyms](#) permanently closed in 2020 alone. Even historic inflation rates haven't slowed this growth rate down – June 2022, with a [9.1% national average](#) inflation rate, saw the fitness sector outperform its year-over-three-year (Yo3Y) foot traffic by 26.2%.



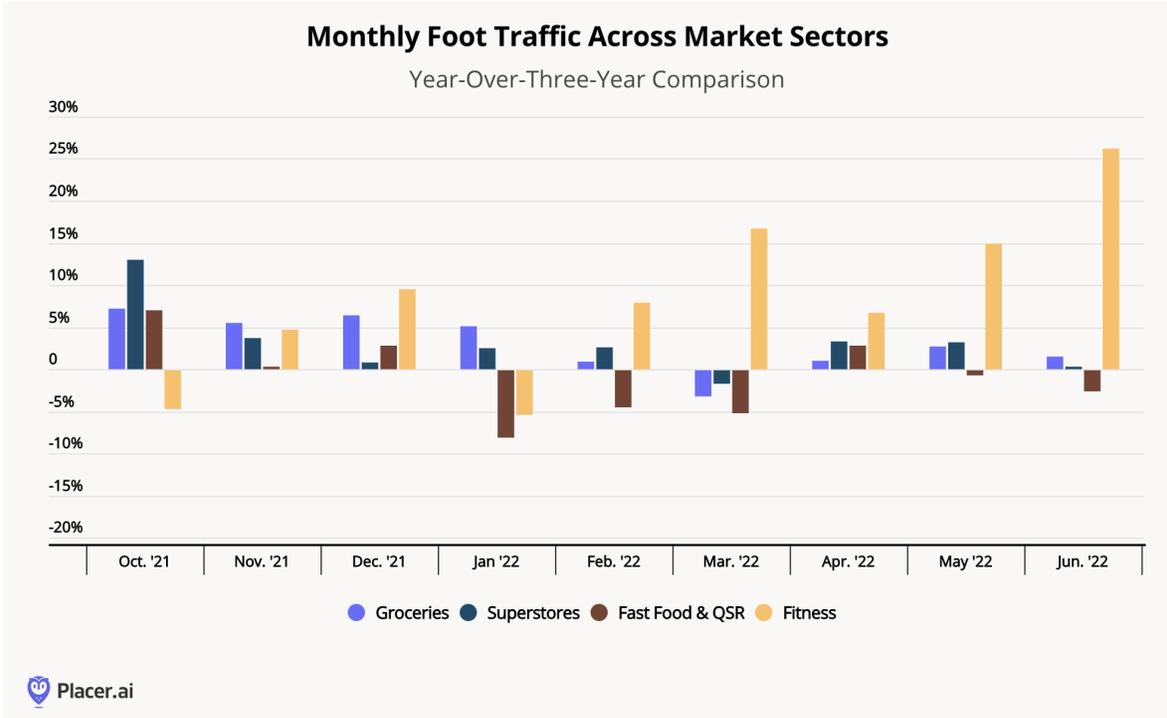
Fitness Growth Beats Other High-Performing Sectors

Fitness is not only beating its own 2019 and 2021 numbers – the growth in fitness foot traffic is also significantly higher than Yo3Y visit increases in other high-performing sectors. In June 2022, Yo3Y visits to groceries and superstores grew 1.5% and 0.3%, respectively, while fast food & QSR remained close to 2019 levels with only a 2.5% visit gap – still an impressive feat given the current economic climate. Meanwhile, fitness foot traffic grew a whopping 26.2% Yo3Y. Some of the increase in gym visits may actually be driven by inflation.



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Partaking in most other activities, from dining out to shopping, leads to a new expense each time the activity is undertaken. But gyms usually charge a flat fee – which can be as low as \$10 – for monthly access. The membership also often includes more than just entrance to a weight room or access to an elliptical – many health clubs offer [app access to workouts](#), [online nutrition programs](#), and other omnichannel services, which lets gym-goers get quite a bang for their buck. And for many gym-goers, having a space to enjoy the community of like-minded people is enough of a reason to keep their membership even when trying to cut back on their spending.



Strong Across Regions

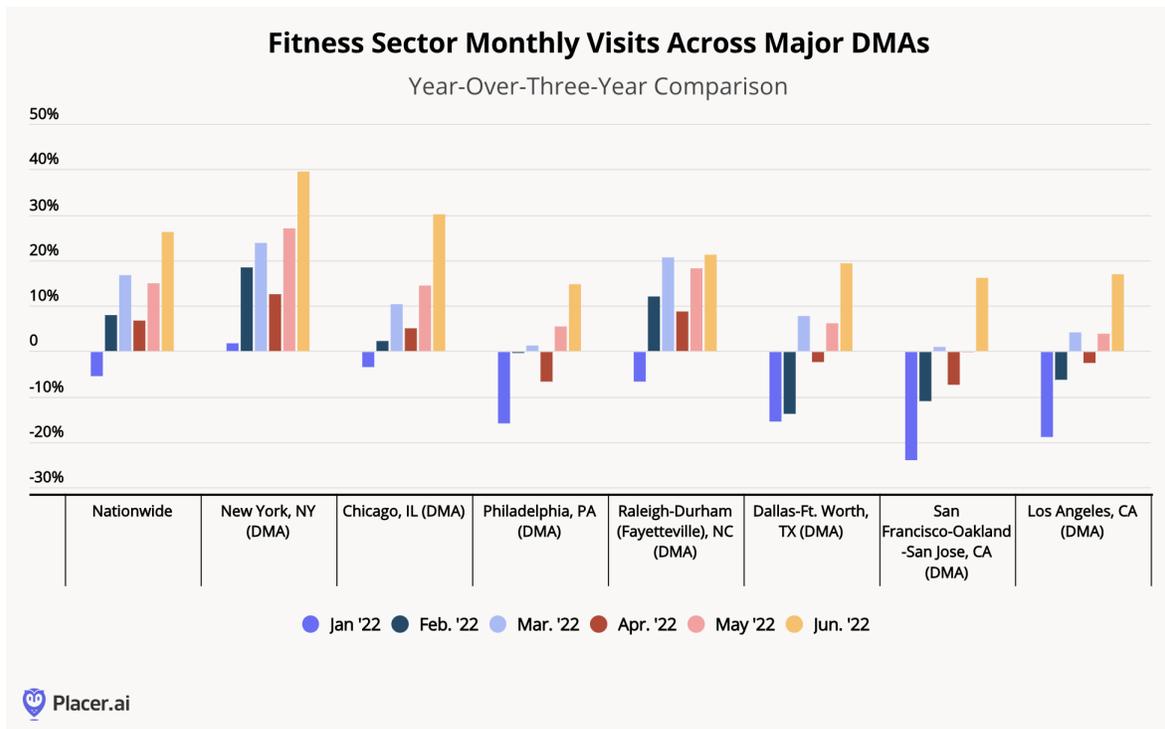
June 2022 Yo3Y visits were up in every region we looked at, even if the pace of the recovery has varied.

New York City, which many had [written off](#) in 2020, has been [bouncing back](#) in a big way. Fitness foot traffic for the New York, NY DMA ([designated market area](#)) outperformed 2019 visit levels foot traffic every month of 2022 so far – including during Omicron-plagued January. By June 2022, the region was seeing a 39.5% increase in fitness visits Yo3Y, compared to the 26.6% Yo3Y average increase nationwide during that same month. Chicago also overperformed the national average in June 2022, with fitness foot traffic in the Chicago DMA up 30.1% Yo3Y.



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The fitness scene in San Francisco – another city that saw its [population shrink](#) during COVID – is also making a comeback. While many retail sectors in the city have yet to recover, June 2022 fitness foot traffic to the San Francisco-Oakland-San Jose DMA was up 16.1% compared to June 2019 – a little under the national June 2022 Yo3Y average, but a strong performance nevertheless.



Expanding and Rebranding

Premium and Value Brands Both Seeing Success

Overall, offline fitness is making a major comeback. And while different chains are recovering at different paces, foot traffic data indicates that both lower-priced chains and higher-priced specialty studios are successfully expanding – indicating that price is not the only factor in consumers' gym choice.

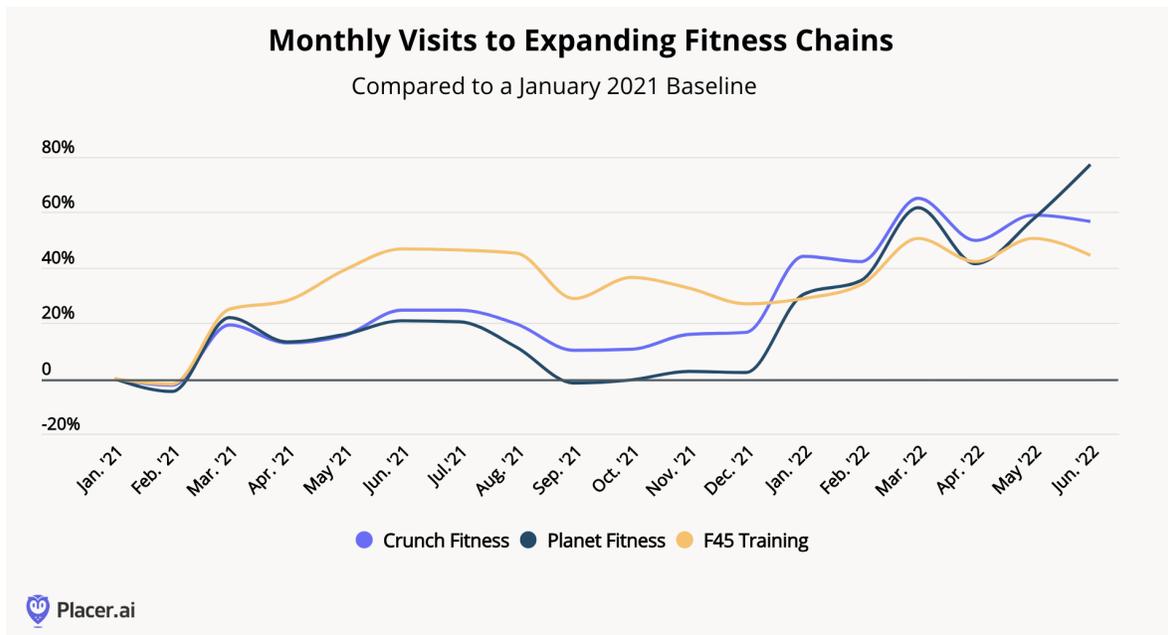
June 2022 visits to Crunch Fitness and Planet Fitness were up 77.4% and 56.8%, respectively, when compared to a January 2021 baseline – and, unsurprisingly, Crunch Fitness and Planet Fitness both offer low-cost options and managed to [expand significantly](#) during the pandemic.



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But higher-priced specialty studios have been successfully expanding as well. Visits to F45, which offers [high-intensity functional](#) fitness classes, were up 44.5% in June 2022 relative to January 2021. F45 clubs are individually owned, so pricing varies by location, but the average monthly membership seems to run [upward of \\$100 a month](#) – a significant expense for most consumers.

Still F45 is growing fast – the company recently [announced](#) a new financing facility to support further franchise expansion. This shows that some fitness consumers are still willing to pay a premium for a fitness membership – as long as they get premium services in return.



Esporta and LA Fitness – Expanding Through Rebranding

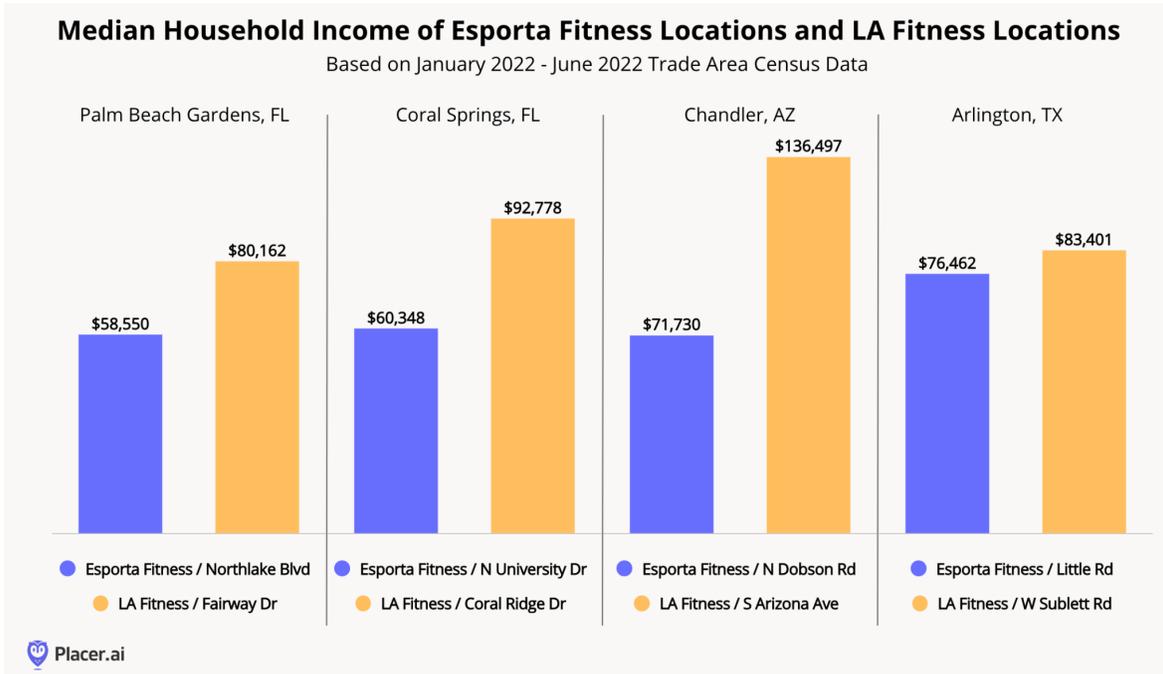
Popular chains such as Crunch Fitness and Planet Fitness have been offering low-cost membership options for years. In recent years, other companies including Fitness International – the owner of LA Fitness – have followed suit. But rather than reduce the price of membership for its main brand, Fitness International introduced a low-cost sister chain, [Esporta](#), which allows the company to cater to a wider array of gym-goers without taking away from the established LA Fitness brand.

The value-priced gym targets consumers who want to join a gym but may not be willing to pay the slightly higher LA Fitness fees – and foot traffic data indicates that the two brands do indeed attract different demographic profiles.



LA Fitness and Esporta are catering to different households, allowing Fitness International to expand its reach across a wider range of consumers.

Taking Chandler, AZ as an example, we found that the median household income for residents of the local Esporta Fitness branch is \$71,730, while the median household income for the local LA Fitness branch is \$136,497 – nearly double that of Esporta consumers. It looks like both gyms are catering to different households, allowing Fitness International to expand its reach across a wider range of consumers.



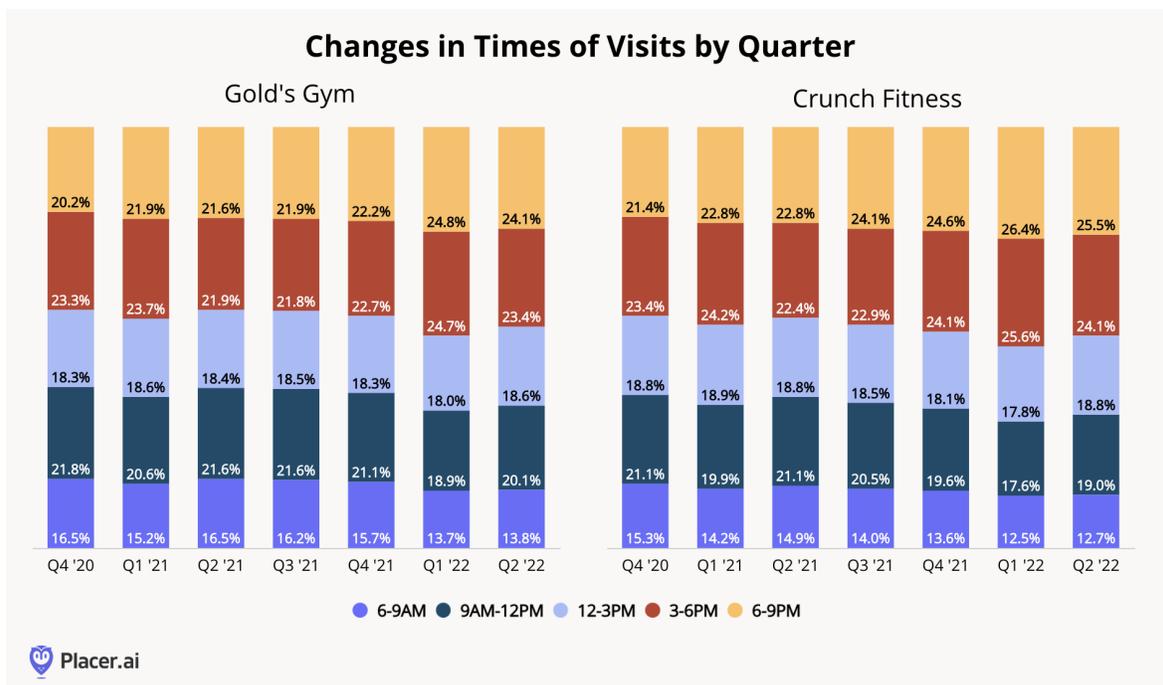
Gym-goers' Behavior Patterns are Changing

Afternoon and Evening Workouts on the Rise

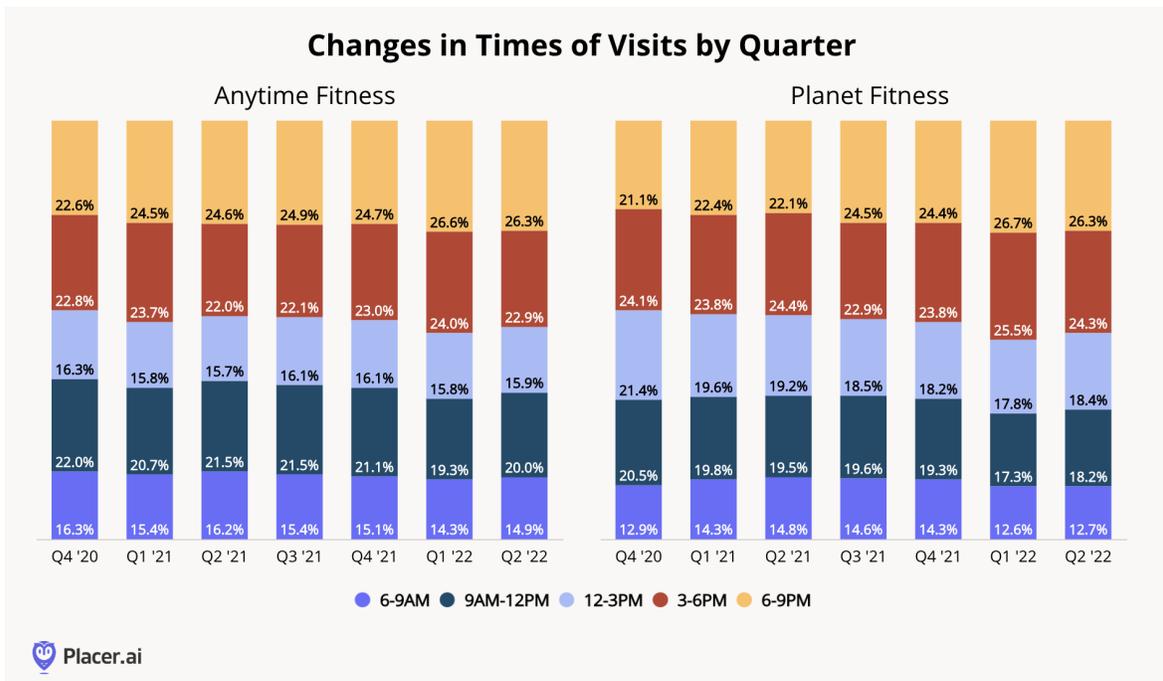
The quantity of fitness visits is not the only foot traffic metric that changed in 2022 – consumers have also changed their visit time and frequency. Afternoons and evenings have become more popular, with evening fitness foot traffic in particular (between the hours of 6 to 9 pm) increasing by 4% on average between Q4 2020 and Q2 2022. This is likely impacted by the return of pre-pandemic norms and behaviors.



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Similarly, the number of gym-goers who chose early morning workouts have decreased. For all chains examined, Q2 2022 visits from 6-9 am decreased – on average, the early-morning time slot now accounts for less than 15% of visits. As remote work becomes more common, people can choose to work out later in the day instead of getting in their daily exercise before heading to work.



Increased Workout Frequency

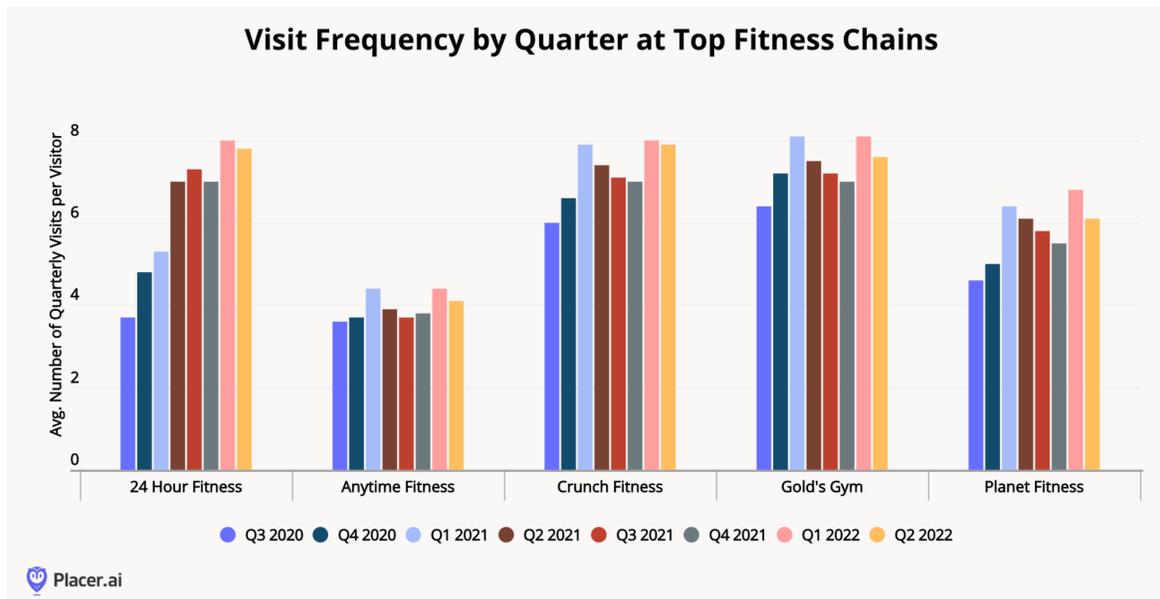
Visit frequency rates can indicate how dedicated gym members are. The more dedicated clients are, the more they are likely to renew their membership. And foot traffic data shows that visit frequency is on the rise, which bodes well for the category's long-term health

Crunch Fitness, which already had one of the higher frequency rates in Q3 2020, has seen its numbers go up even further – quarterly visit frequency increased from an average of 6 visits per visitor in Q3 2020 to an average of 7.9 visits per visitor in Q2 2022.



Even the chains that struggled over COVID are now seeing their visit frequency increase.

And even the chains that struggled over COVID are now seeing their visit frequency increase. 24 Hour Fitness [filed for bankruptcy](#) in 2020, but is now positioning itself for a comeback following a [reorganization](#). Foot traffic data shows a dramatic increase in visit frequency, with average visit frequency growing from 3.7 visits per visitor in Q3 2020 to 7.8 visits per visitor in Q2 2022.



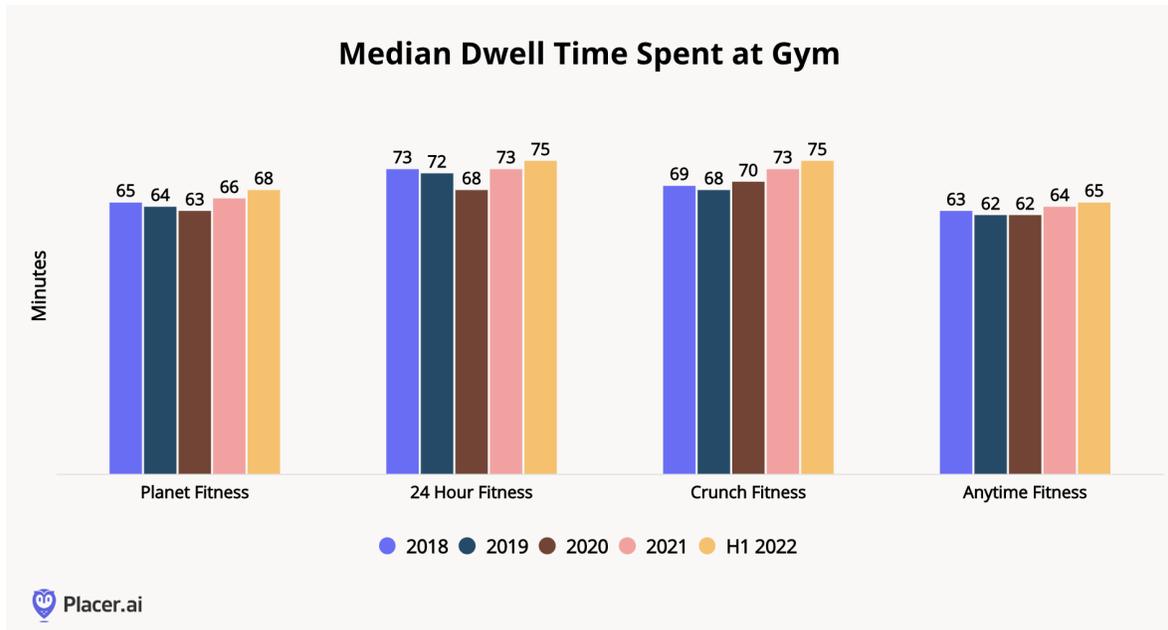
Workout Length Increases

Visit times are also shifting post-pandemic. Median dwell times in gyms decreased between 2018 and 2019 – but the pandemic seems to have reversed the trend. The median dwell time for Planet Fitness increased from 65 minutes in 2018 to 68 minutes in the first half of 2022, while Crunch Fitness saw its median dwell time go up from 69 minutes to 75 minutes between 2018 and the first half of 2022. And 24 Hour Fitness and Anytime Fitness both saw their median dwell time increase by two minutes since 2018.



The increase in median dwell time may reflect the increase in socializing at the gym following two years of lockdowns and social distancing.

The longer stays at the gyms might be a reflection of longer workouts – but the increase in median dwell time may also reflect the [increase in socializing](#) at the gym following two years of lockdowns and social distancing.



Offline Fitness Has Made a Comeback

The benefits of exercise are innumerable, from lowering stress levels to increased longevity to fewer COVID complications – but another significant aspect of offline fitness is the community created around gyms and exercise. People seek community and interaction, and the gym is one of the best ways to cultivate those relationships.



Both low-cost and premium chains are seeing success, and gym-goers are working out more often and staying longer to make up for lost time.

After being stuck at home for many months, fitness foot traffic is skyrocketing. Both low-cost and premium chains are seeing success, and gym-goers are working out

more often and staying longer to make up for lost time. As pandemic restrictions isolated many, people are now ready and eager to take advantage of [fun, positive, face-to-face interactions](#) – and a class at the gym or session with a trainer fits that bill.

Key Takeaways

- 1. Gyms are back** – Fitness foot traffic is now significantly higher than it was pre-pandemic, which means that despite the pessimistic predictions at the height of the pandemic – the widespread home workouts of 2020 and 2021 have not convinced consumers to permanently ditch the gym. Whether exercisers are returning to health clubs to use specialized equipment, take group classes, workout with a trainer, increase their motivation, or simply socialize and get out of the house – offline fitness has made a comeback.
- 2. Inflation has, so far, mostly spared the offline fitness industry** – Between February and June 2022, fitness foot traffic growth beat other high-performing consumer categories including grocery, superstores, and QSR – indicating that consumers are willing to prioritize fitness spending despite tightening budgets.
- 3. Room at the top for both premium and value-priced brands** – High-volume, low-cost chains such as Planet Fitness are thriving – but some specialty studios such as F45 are also expanding quickly despite their much steeper price tag. So while inflation and tightening budgets may be pushing many consumers towards lower-priced fitness options, premium chains can also succeed in 2022 – so long as they offer a premium value proposition to their members.
- 4. Shift in fitness visit patterns** – Fitness visit patterns have undergone a change since the pandemic. The share of evening visits is on the rise, while average visit frequency and median visit duration time has also increased. The fact that people are hitting the gym more often and for longer periods of time could indicate the post-pandemic increase in health-promoting behavior and may also reveal that the social aspect of going to the gym has gained importance following two years of social distancing.