



CLUB HEALTH WELLNESS: Membership Trend Metrics

Source: Daxko Market Insights

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Since March 2020, the Club health and wellness market – including but not limited to fitness facilities, multipurpose facilities, tennis centers, medical wellness, corporate fitness, campus recreation, and community recreation - experienced multiple operational health impacts as a result of atypical membership behavior due to COVID-19. These impacts were felt widely among associations and organizations in this space regardless of size, location count, or offerings -- as well as in the adjacent greater fitness industry.

As fitness facilities serving their communities were required to close their doors, incorporate capacity levels, and pause or redefine offerings, individuals and households with active memberships chose to maintain, pause, or cancel memberships.

The following summary includes current directional trends related to new, renewed, and cancelled members, as represented by member management operational system transactions between March 1, 2020 through March 31, 2021.ⁱ

Overview

Orphaned Memberships Available as Prospects

- **Average of 21%** health and wellness memberships were cancelled across Daxko platformsⁱⁱ
- **28% of Club Automation** and **17% of Motionsoft** memberships were cancelled
- **Estimated 14Mⁱⁱⁱ orphans** nationally in the market today

Frozen At-Risk Memberships

- **Average of 8%** of memberships are still on hold across Daxko platforms^{iv}
- **17% of Club Automation** health and wellness memberships remain on hold
- **An estimated 5M^v at-risk** memberships nationally due to holds

Rejoins by Former Memberships

- **Average of 27% of memberships joins** were brand new to the association or organization they joined across Daxko platforms^{vi}
- **72% of Club Automation membership joins** were brand new
- **12% of memberships^{vii}** that joined since March 1, 2020 had previously canceled their memberships prior to the pandemic and chose to rejoin during COVID recovery.

- **16% of memberships^{viii} cancelled at some point during COVID** and came back during the pandemic

Summary Findings

Orphaned Memberships Available as Prospects

IHRSA, the Global Health and Fitness Association, reported there were 64.2 million gym members in the U.S pre-COVID. From March 1, 2020 to March 31, 2021, an average of 28% of memberships were cancelled or expired across Club Automation member management systems.^{ix} Club Automation customers experienced a slightly higher rate of attrition of 21-22% when compared to the approximately 17-18% of fitness club and boutique studio membership cancellations.^x

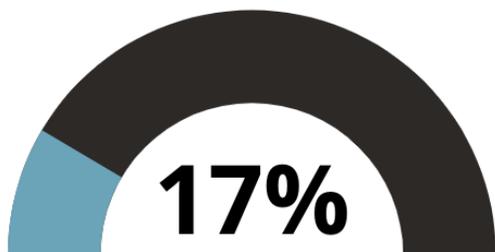
This attrition rate equates to an estimated 14 million members across the health and wellness industry now available as potential member prospects. As vaccines continue to roll out, mask mandates lift, and health seekers feel more comfortable, this represents an operational opportunity for prospecting campaigns activities as non-members seek a sense of normalcy, routine, and community.



(2 in 7 Orphaned Club Memberships)

Frozen Memberships At-Risk

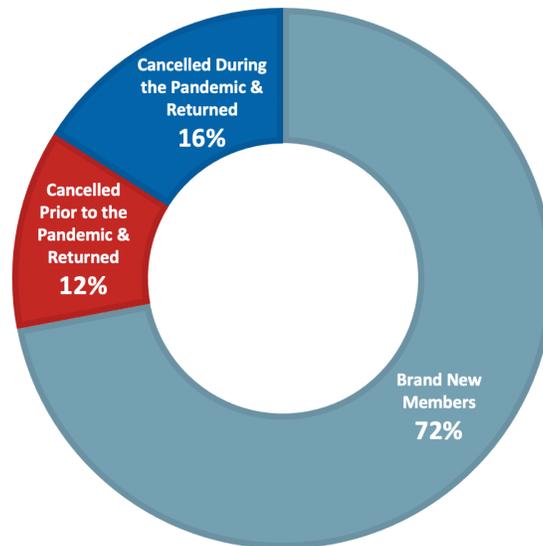
Many associations and members decided to move active membership to "on hold" during the pandemic, pausing membership fees and revenue, while also allowing for the possibility for the membership to reactivate instead of cancel.



As of March 31, 2021, 17% of members logged in Daxko Operations are denoted as being on hold. An average of 8% of members are designated as "on hold" across Daxko's portfolio of member management solutions in multiple health and wellness markets^{xi}. This equates to approximately 8 million members still on hold across the U.S. as nonprofit associations are emerging from the pandemic.

An upcoming shift in membership holds behavior is expected, as associations and organizations make necessary decisions about operational hold and reactivation strategies.

Rejoins by Former Memberships



As restrictions ease and members return in greater numbers to in-person club usage, it is vital to analyze to what degree post-COVID memberships represent new or existing memberships vs. cancelled members and households choosing to rejoin. Of new memberships recorded in Club Automation, 12% had cancelled prior to the pandemic and chose to return, 16% cancelled during the pandemic and returned, and a sizable 72% were brand new to their association or organization.^{xii} Brand new members that joined during this time were comparatively higher in fitness clubs' joins averaging 27%^{xiii}.

Industry Membership Trends

After gyms were allowed to reopen, only 26% returned to the same facility, while 34% joined a new facility (Club – Intel Dec. 2020)^{xiv}

As said by Run Repeat, three fastest growing fitness trends amongst members going into 2021 is^{xv}:

- **49.6% at-home fitness equipment**
- 47.5% personal trainers/nutritionists
- 16.8% online fitness courses, classes and subscriptions

Club Industry compiled data from over 40,000 studio, gym and spa partners across 30 countries through Class Pass and published the following findings^{xvi}:

- 67% attribute equipment access as one of the main reasons to return to the studio or gym
- **60% of members feel that in-person classes and appointments are better for their mental health**

- 4 in 5 class-takers believe they push themselves harder in class than they would on their own, with an additional 67% of respondents saying in-person classes make it easier to keep a workout routine

McKinsey & Company Inc. released in article in June of 2021 with the following^{xvii}:

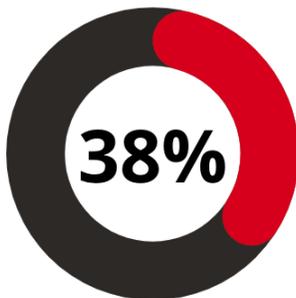
- 30% of U.S. gym members went to a gym or studio at least once in the first two weeks of February 2021, and 70% of fitness consumers report missing their gym as much as they miss their family and friends
- **40% of the general population surveyed now consider wellness a top priority in daily life, and 68% reported they prioritize their health more after the onset of the pandemic**
- A staggering 60% of Americans who exercise regularly say they will likely prefer a mix of working out at a gym or studio and at home in the future

Methodology

All club fitness data sourced through Club Automation, CSI Spectrum and the Motionsoft member management solutions and analyzed by Daxko’s Market Insights Team. Nonprofit and Boutique data sourced from Daxko’s family of brands across the fitness industry and health and wellness markets, inclusive of the core member management systems: Daxko Operations, Club Automation, CSI Spectrum, Motionsoft, and Zen Planner.

Industry data sourced by Club Industry, Class Pass, IHRSA, McKinsey and RunRepeat (see reference section for citations).

About Daxko



Daxko’s portfolio of brands currently represents 38% of national fitness memberships.

Daxko delivers comprehensive technology solutions, integrated payment processing, experienced services and deep insights to all kinds of health and fitness centers—enterprise health clubs, boutique fitness studios, affiliate gyms, campus recreation facilities, integrated wellness centers, YMCAs, and JCCs. As of 2021, the company spans 140+ countries, nearly 17,000 facilities, and over 25 million+ members, representing the most extensive tech-based community in health, wellness, and fitness.^{xviii} Learn more at [Daxko.com](https://daxko.com)

Source Citations

- i Daxko Operations, Club Automation, Motionsoft, and Zen Planner Aggregate, Nationwide Operational Data
- ii Data from Daxko Operations, Club Automation, Motionsoft, and Zen Planner Aggregate, Nationwide Operational Data
- iii Estimate calculated as 21% of the pre-pandemic 64.2M fitness, health and wellness members nationally according to IHRSA; <https://www.ihrsa.org/about/media-center/>
- iv Data from Daxko Operations, Club Automation, and Zen Planner
- v Estimate calculated as 8% of the pre-pandemic 62.4M fitness, health and wellness members nationally according to IHRSA; <https://www.ihrsa.org/about/media-center/>
- vi Data from Daxko Operations and Club Automation; weighted average based on membership base size
- vii Data from Daxko Operations
- viii Data from Daxko Operations
- ix Data from Daxko Operations, Club Automation, Motionsoft, and Zen Planner
- x Data from Club Automation and Zen Planner
- xi Data from Daxko Operations, Club Automation, and Zen Planner
- xii Data from Daxko Operations
- xiii Data From Daxko Operations and Club Automation; weighted average based on membership base size
- xiv <https://runrepeat.com/fitness-trends>
- xv <https://runrepeat.com/fitness-trends>
- xvi <https://www.clubindustry.com/press-releases/classpass-data-shows-people-are-flocking-back-to-gyms>
- xvii <https://www.mckinsey.com/industries/consumer-packaged-goods/our-insights/sweating-for-the-fitness-consumer>
- xviii GI Partners; <https://www.gipartners.com/private-equity/portfolio/daxko>