

Is home fitness the new norm?

When the COVID-19 quarantine went into effect, hoarding, online shopping and working from home became the new normal. So did exercising at home. That one lifestyle changed the home fitness business to the point many industry executives and market analysts have begun questioning whether the industry will ever return to its pre-pandemic operations. Many aren't sure.



A senior executive with the NPD Group, a national market research company, explained COVID created an instant pivot for individuals who previously exercised at fitness centers and gyms and needed to find a way to continue their workouts. “The home-fitness business took off like wildfire,” he said. “Americans spent heavily across all price points from \$3,000 cardio machines to \$20 yoga mats. They also hit the running and hiking trails in earnest,” he added.

According to NPD Group’s retail data, health and fitness equipment sales revenue more than doubled to \$2.3 billion between March to October in 2020. A prime example of a fitness company benefiting from the pandemic is Peloton. The company reported revenue of \$758 million, a 232 percent increase from the same period the previous year as a result of the increased demand for its internet-connected bikes, according to NDP Group data.

Another interactive exercise device that saw a tremendous growth in sales when fitness centers closed was The Mirror, part mirror and part LCD that streams live and on-demand exercise classes while showing the user’s reflection to help him/her maintain proper form. Its suggested retail price is \$1,495 on top of which there is a \$250 delivery and installation fee, and a monthly \$39 monthly membership—often more expensive than pre-pandemic fitness center membership fees which is raising questions whether this will impact future sales post-pandemic.

Contributing to the spike in fitness equipment revenue according to NPD Group also was a 135 percent increase in treadmill sales; a tripling of stationary bikes that depleted industry inventory; as well as making kettle bells, dumbbells, hand weights, cross-country bikes and seasonal items become the equivalent of toilet paper. There were none to be had.

“If someone was lucky to find one of the highly sought after items, chances are they paid a premium price because of price gouging,” Jesse Nicassio, founder and CEO of Juke Performance, Gyms and JN Development Group lamented. “I did not want to do that to people and still managed

Continued on next page

Home fitness

Continued from page 7

to see an increase of nearly 400 percent in sales,” he said. Citing information from the eBay sales department, Nicassio explained it was “simply because the demand for fitness equipment was so high.” For example, “eBay prices for dumbbells increased 1,980 percent. Weight plates were selling at prices more than 1,300 percent above normal retail and kettlebells were 1,000 percent higher.”

Business leaders and industry observers point out COVID didn’t just disrupt businesses, but also raised an overall awareness of the need to maintain health and well-being. During the first 11



months of 2020, approximately 2.5 billion health and fitness apps were downloaded worldwide—a 47 percent jump from the same period in 2019, according to data from Sensor Tower, the leading provider of market intelligence and insights for the global app economy.

Sensor Tower data showed *Home Workout* was the most popular app—downloaded 43.5 million times and more than double its downloads from the previous year, and Strava, the GPS running and cycling app was downloaded more than 20 million times, a 129 percent increase from 2019.

Although the increased interest in staying fit and healthy is notable, one group not often mentioned in the mix is the thousands of fitness instructors who lost their jobs with the closing of private gyms, boutique studios and fitness centers, as well as from the bankruptcy of Gold’s Gym, 24-Hour Fitness and Tower Sports International.

As industry analysts and businesses ponder what’s next and can they survive, Chris Rondequ, chief executive of Planet Fitness reminds everyone that it may never be what it was before COVID-19, but “everyone has a kitchen and yet everyone still goes out to eat because it’s a little bit more enjoyable.”

Deborah Hirsch, owner of Philly Dance Fitness agrees because she believes there is live-stream fatigue, too. “Humans are social animals and need personal contact to stay motivated. I’m not worried about group fitness dying.” she said. Others agree, but think it may end up being a hybrid of fitness methods. “Guess time will tell,” Hirsch added.