



MARKET RESEARCH

Fitness Class Business Apps

Overview of the Industry

It is estimated that the global market for fitness apps will grow at a profound CAGR of around 31% until the end of 2020. The widespread availability of cost-effective fitness apps will aid in the growth of this market during the forecast period.

Factor:

The rising demand for fitness apps among women is a critical factor that will impel the prospects for growth in this market.

Source: <http://www.technavio.com/report/global-media-and-entertainment-services-fitness-app-market>

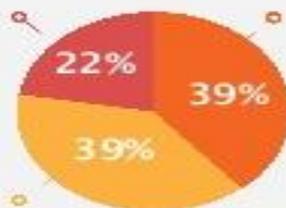
FACTS

WHO EXERCISES?

Globally, 78% of the adults over 18 years old exercise or would like to

22% have no interest in exercising

39% exercise regularly with 87% exercising 3 or more times a week



Another 39% are not currently exercising to keep fit and healthy but would like to

81% of Millennials (18 to 34 year olds) exercise or would like to (vs. only 61% of Boomers)

20% have no interest in exercising

45% exercise regularly

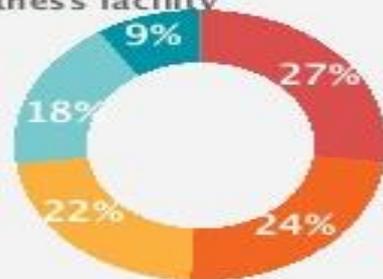


36% are not currently exercising to keep fit and healthy but would like to

27% of the adult population (18+) attend a fitness facility

Legend for Donut Chart:

- Never been
- Lapsed
- Have no interest in exercising
- Member
- Casual member



WHO WOULD CONSIDER JOINING?

20% of regular exercisers who are not member of a gym would

36% of Millennials (aged 18-34) would

25% of exercise considerers who are not member of a gym would

43% of Millennials (aged 18-34) would

60% of lapsed members would (24% of the adult population)



Major Companies!

Class Pass

CLASSPASS

Founders: Payal Kadakia, Mary Biggins, Sanjiv Sanghavi

Funding raised: \$84 million; **Estimated 2016 revenue:** \$180 million

Key investors: Google Ventures, General Catalyst Partners, Thrive Capital

Employees: 51-200

Membership Fees: ClassPassers in the New York metro area must choose between three membership tiers: five classes for \$75, ten classes for \$125, or unlimited monthly classes for \$190. Those same options will cost new members \$75, \$135 and \$200 respectively

What it does: Allows subscription customers to sign up for unlimited classes in everything from Pilates, cycling, boxing and boot camps to aerial yoga, pole dancing and underwater spinning via an app. Now in 31 U.S. cities and eight others across the U.K., Canada and Australia, the model has proven immensely popular, with more than 20 million classes booked to date.

Class Pass Value Proposition

CLASSPASS

The company shifted from basically a search engine to a per-class payment to "a subscription-based service like the gym where you can try out [as] many different local classes as you want on a monthly basis".

Value for Studio/Gym Partners

ClassPass recognizes the importance of keeping its studios happy and preventing the cannibalization of existing business. ClassPass offers studios the ability to block their most popular classes and times from ClassPass users. Studios are therefore gaining additional revenue for spaces that would not otherwise be filled, and more importantly, potentially acquiring new long-term customers.

It's real value creation is through the convenience and personalization of its platform that keeps its members committed.

Class Pass Story

CLASSPASS

ClassPass was born out of Kadakia's frustration with finding an activity of her own. While working in the digital strategy and business development division of Warner Music in 2011, Kadakia—a dancer since the age of 3—spent an afternoon tumbling down an Internet black hole, searching for a ballet class to attend that evening.

“It was the most miserably frustrating thing,” she says. “A class is an hour and it took me an hour to find it.”

Later that year, Kadakia founded Classtivity, a kind of OpenTable like system for reserving spots at fitness classes. While trying to market the company, she met her eventual co-founder Mary Biggins, who previously built marketing campaigns for brands including the National Football League and Disney. Together, they tweaked the company's model and at the beginning of this year relaunched as ClassPass.

Daily Burn



Founders: Andy Smith, Stephen Blankenship

Funding Raised: \$525,000;

Key investors: IAC bought the company in 2010

Employees: 51-200

Membership Fees: When signing up for your trial, you'll also have the ability to add 1-on-1 coaching guidance for an additional \$15 per month, which can be declined if you're not interested. If you decide to stick with your program, you'll be charged \$12.95 per month.

DailyBurn recently added a Premium service as well, which gives customers access to a full library of all past 365 workouts and exclusive access to new features and content before anyone else. The price is \$26.95/mo.

What it does: DailyBurn is a health and fitness company with a membership of approximately 2.5 million that provides workout and nutrition programs on a variety of web, mobile, and TV apps.

Overall, DailyBurn provides access to 18 different workout programs, which contain 100+ individual workouts combined

Daily Burn Value Proposition



- Tailored Plan as per personal needs
- DailyBurn Tracker app, as well as food-tracking app Meal Snap, an attempt to spur weight loss motivation by giving caloric estimates based on photos of food.
- With DailyBurn's newest fitness product — a personalized Web video program that streams over smartphones and the iPad to users' TV sets — the company is focused on getting people to exercise four to six times a week, for 30 minutes a day, at a good level of intensity.

Daily Burn Story



Andy went on to cofound Gyminee (Daily Burn's former name) with his brother-in-law, Stephen Blankenship. The duo began building the company in 2007, with the original idea being to help athletes track their fitness performance via gym-based kiosks. That same year, the original iPhone came out, as did the Facebook Platform - which offered software developers the ability to integrate with Facebook data via external apps. As a result, Gyminee transformed into an iPhone app that leveraged the Facebook Platform.

By 2008, the two had earned a place in prestigious startup incubator program, TechStars, in Boulder, Colorado, having gained 35,000 users and having sold 1.2 million paid views on their app-based fitness videos.

Founders: Ajay and Amaresh Ojha (August, 2013)

Funding raised: The startup was bootstrapped for the initial six months but later raised a seed fund of \$135,000 to strengthen its technology and business team.

Later, it raised \$2 million in an 'ads for equity' deal with Brand Capital.

Membership Fees: \$12 to \$50 per month (depending upon the locality)

Employees: 11-50

What it Does: GymPik.com is an online marketplace and aggregator for fitness service providers, which helps consumers find gyms, aerobic classes, martial art centres and dance classes with further information about trainers and professionals.

GymPik.com Proposition



A discovery platform with a coverage in all major metro cities (i.e. Bangalore, Mumbai, Pune, NCR, Hyderabad, Chennai and Kolkata), it enables you too book a trial session at any of the fitness centers in your locality.

Their focus areas include aerobics, gym, zumba, dance, dietitian, physiotherapy, and yoga.

As of 2015, the startup claimed to have more than 6,000 centres and 4,000 trainers listed on its website, with presence in Bengaluru, Mumbai and Delhi-NCR and receiving 2,000 plus daily unique visitors.

GymPik.com Story



The idea was conceived when Amaresh's friend required a personal trainer, and it was quite difficult to find one. He realized it was not just personal trainers; finding a good fitness centre is an equally painful job. This gap between demand and supply led to the business idea of starting an aggregator site for fitness centres. So, in August 2013, Ajay and Amaresh Ojha co-founded Gympik.

The website aims to make a platform like Zomato's. It claims that the kind of data it provides is a big differentiator. It aims to create the largest marketplace-cum-ecosystem for the fitness and wellness industry in the country.

Fitternity



Founders: Neha Motwani (2014)

Funding raised: In July 2015, Fitternity Health E-solutions had raised pre-series A investment of \$1.1 million led by TV Mohandas Pai's Exfinity Venture Partners.

Membership Fees: \$15 to \$50 per month (depending upon the locality)

Employees: 51-200

What it does: It is an online hyperlocal discovery and booking platform for fitness programmes including gyms, yoga, zumba, marathons, and cross fit training. The platform also tries to promote healthy eating through tiffin services, snacks and beverages.

Fitternity Value Proposition



The website was launched in early 2014 and after multiple business model pivots evolved into:

- A hyper-local online discovery and booking platform providing trials and membership discounts
- Holistic fitness aggregator including working out (gym, yoga, zumba, marathon, crossfit, etc.) and eating healthy (healthy tiffin services, healthy snacks, beverages etc.)
- India's largest fitness marketplace with 8,500 listings across Mumbai, Bangalore, Delhi & Pune that has helped more than 100,000 customers access different fitness options

As of 2015, Fitternity.com had 8,000 listings across Mumbai, Bengaluru, Delhi and Pune, with more than 65,000 users accessing different fitness options. Their engagement and repeat rate was placed at 25 per cent, according to the founder.

Fitternity Story



An idea that was born from Neha's weary experience as she set out on her fitness journey, has now blossomed into a platform that has everything you possibly need to achieve your fitness goals. Founded in 2014 and within a mere two years of existence, Neha has led this unique portal to successfully create a community for fitness enthusiasts, that is growing bigger and better each day, with users touting Fitternity to be India's best fitness search engine. Her mission for Fitternity is to make fitness easy, accessible and affordable for Indians across classes, ages and interests.

FitReserve

FITRESERVE

Founder: Megan Smyth, Bill Arzt

Funding Raised: Undisclosed

Membership Fees: \$12.95/month for unlimited streaming

Employees: 11-50

What it does: FitReserve is the premier multi-studio fitness membership that allows you to mix and match from over 50,000 classes/month at hundreds of top studios and gyms in NYC and Boston. FitReserve provides access to full studio schedules (including peak class times), plus access to exclusive insider studio and partner perks, events and more.

Why It's Good: From the comfort of your own home, you can access workouts of every kind, from high-intensity interval training to yoga. There's even live workouts in the morning! Plus, the trainers are top-notch, including *Biggest Loser's* Bob Harper..

FitReserve Value Proposition

FITRESERVE

- FitReserve members can work out at a specific studio four times a month, in contrast to ClassPass's limit on three classes per month. Unlike ClassPass, FitReserve allows members to sign up for any class; ClassPass famously restricted certain classes.
- FitReserve has three levels of membership: starter (5 classes for \$79/month), gold (10 classes for \$149/month), and platinum (20 classes for \$249/month). Popular studios on the company's roster include Barry's Boot Camp and popular local barre, yoga, and cycling gyms. It's currently available in New York City and Boston, making it smaller than ClassPass.

FitReserve Story

FITRESERVE

Co-founder Megan Smyth came up with the idea after having difficulty finding workout classes that fit her schedule and preferences.

“If we can so easily find and book a restaurant reservation on OpenTable or find a flight on Kayak or Expedia, why can't we do the same for workouts?” Smyth asks.

Inspiration hit us when after running my second marathon, I became increasingly interested in group fitness classes to mix up my workout routine. I love the variety classes offer, the motivation of working out around others and an inspiring instructor and that they are fun! While running 60 minutes on a treadmill can often seem boring and monotonous, an hour-long class always seems to fly by and is something I look forward to.

Guavapass



Founder: Robert Pachter, Jeffrey Liu

Funding Raised: \$5M in 2 Rounds from Vickers Venture Partners

Membership Fees: \$179/mth

\$169/mth for 3 mth

\$159/mth for 6 mth

Employees: 11-50

What it does: GuavaPass is the largest social community of premium fitness studios and healthy-living experts in Asia. A GuavaPass monthly membership gives access to search, book and enjoy unlimited fitness classes at the top studio and healthy living perks across Asia.

Why It's Good: As a GuavaPass member one will have access to high quality fitness studios around Asia, from Yoga, Pilates to TRX, they have something for everyone!

Guavapass Value Proposition



- The company operates in 10 cities across Asia Pacific and the Middle East, believes that it is developing a sustainable business.
- The Grand vision behind GuavaPass is to create a fitness community. Already, the company offers resources on its website, blog posts, newsletters and more, while it recently opened its own 2,000 studio: GuavaLabs in Singapore.

Guavapass Story



Robert Pachter after moving from New York to Singapore in 2014, was looking for fun activities to stay healthy and fit while meeting new people. The standard gym memberships felt restrictive but couldn't find a centralized list of the city's best boutique fitness studios. Quickly, his co-founder Jeffrey Liu, and he realized there was an opportunity to create something that both are passionate about and can improve people's everyday lives. From there, there they created GuavaPass.

Classhopper



Founder: Emma Hoffman, Gary Kshepitzki

Funding Raised: N/A

Membership Fees: Free

Employees: 2-10

What it does: Access to everything from Aerobics to Zumba in a single membership across multiple studios.

Why It's Good: From the comfort of your own home, you can access workouts of every kind, from high-intensity interval training to yoga. There's even live workouts in the morning! Plus, the trainers are top-notch, including *Biggest Loser's* Bob Harper.

Classhopper Value Proposition



Classhopper uses a point system, in which members pay for classes using points, which they receive each month. For example, a basic membership gives you 550 points to spend each month; a yoga class might cost 40 points, a boxing class might cost 60 points and boot camp might cost 90 points.

Members can search by location, class type, date and time; they can then reserve and pay for their class using their points.

Classhopper has been designed to overcome many of the obstacles faced by consumers who are trying to live a healthy, active lifestyle. One issue many people face when it comes to exercise is boredom: why go through the same motions, three times a week, when Classhopper offers the freedom and flexibility to try pilates on Monday, yoga on Wednesday and Zumba on Friday.

Classhopper Story



For some, the gym is too time consuming, or it doesn't offer the right classes, or it's even too intimidating.

Emma Hoffman, who previously founded the hospitality deals app BigDeal, saw the problem and came up with Classhopper.

According to Hoffman, "I've always struggled to maintain a work/life balance, and as a result I started taking my own health and fitness more seriously. I realised I wanted to try all these different activities like yoga and kickboxing and all of that, but there was no one stop destination to find that information,"

AAPTIV



Founder: Ethan Agarwal

Funding Raised: \$1.52M in 2 Rounds from 6 Investors (Arena Ventures, Itzhak Fisher, Paul Arnold, Pear Ventures, Rich Nelson, Switch Ventures)

Membership Fees: \$9.99 per month (includes 7-day free trial)

\$24.99 per 3 months

\$49.99 per year

Employees: 11-50

What it does: Aaptiv streams on-demand audio fitness classes that combines the guidance of a trainer with the perfect playlist to give you a fresh way to work out.

Aaptiv classes are offered for treadmill, outdoor, elliptical, cycling, 5K, 10K training, and yoga. Members can take unlimited classes for \$10/month.

Why It's Good: An on-demand audio fitness app that brings both the power of a personal motivator and the necessity of well-curated music directly to your phone in the form of digital classes you can take literally anywhere.

AAPTIV VALUE PROPOSITION



The true value of Aaptiv is that there is literally a class for every fitness interest and level. And at \$9.99/month (\$49/year) for unlimited access to hundreds of instructor-led workouts, it's more than affordable, especially for anyone already spending boutique-level money for studio style classes. The Aaptiv app provides the fresh way to work out the way you need.

The Aaptiv platform leverages audio to merge the experience of working one-on-one with a personal trainer with the act of taking the highest quality fitness class. For that reason, Aaptiv's operating model includes an extensive music library catered to customer preferences.

AAPTIV Story



According to Ethan Agarwal, “When I started Skyfit in August 2015, I knew I wanted to transform the way we think about fitness. With the costs and hassles associated with boutique classes and personal trainers, I worried that these effective and powerful workouts were out of reach. And in the days of Seamless and Uber, when you can order whatever you want with a few taps on your phone, I didn’t see why that phone couldn’t also be your trainer.”

CONSIDERER FACTS

WHAT DRIVES PEOPLE INTO FITNESS FACILITIES?

THE TOP THREE THINGS
GROUP FITNESS
CONSIDERERS LIKE ABOUT
GROUP FITNESS CLASSES
ARE...



CONSIDERATION OF GROUP
FITNESS:

31% of gym members who
don't currently do fitness
classes to music would
consider



21% of casual
members who don't
currently do fitness
classes to music would
consider



21%

21% of lapsed members/
never been a member who
don't currently do fitness
classes to music would
consider.

The background consists of several overlapping, semi-transparent geometric shapes in various shades of green and teal. A large, dark teal shape is at the top, with a lighter green shape below it. A large, medium teal shape is in the center, containing the text. Below this, there are more overlapping shapes in dark teal and light green, creating a layered, mountain-like effect.

FINANCIAL MODEL OF THESE APPS



**No one's ever achieved financial
fitness with a January resolution
that's abandoned by February.**

-- Suze Orman

How ClassPass makes Money

ClassPass facilitated more than 1 million reservations in 2014 alone and is valued at over \$200 million. The primary reason why so many people are flocking to ClassPass is that it allows members to explore new activities with ease. Its massive list of participating studios – over 4,000 – means that all kinds of classes are available year round, from traditional classes such as yoga and Pilates to more adventurous options such as aquatic spinning and strip aerobics.

The company was considering different payment models, including one that would compensate studios at higher rates for more popular classes and algorithms that would help address overcrowding.

As of 2015, the price of a ClassPass ranges from \$79 in cities such as Seattle and Atlanta to \$125 in New York City. Most cities sit near the middle – around \$90 to \$100. ClassPass is also available in Toronto, Vancouver and London, where prices are a bit lower and higher, respectively, due to exchange rates.

How DailyBurn makes Money

The Daily Burn requires a membership fee after a 30-day risk-free trial. The annual membership fee is \$65, or \$12.95 per month.

The Daily Burn provides subscribers with an incredible amount of content relative to individual fitness and diet goals, but you won't achieve results by binge-watching dance workouts on loop. You need to maintain a high level of motivation and hold yourself accountable. If you lack the ability to self-motivate, it might be more beneficial to hire an in-person personal trainer.

How Fitternity makes Money

Fitternity calls itself a 'one-stop-destination for fitness enthusiasts'. Whether you are looking for health-related articles from experts, want to connect to like-minded people via communities or forums or look around for gyms, zumba classes or other fitness-related activity centres then Fitternity has it all covered. It lists out the upcoming events like workshops and so on, and also offers details for any health/fitness classes you are looking to take up.

How Fit Reserve makes Money

One pays \$149 for 10 classes/month, equaling \$15/class. FitReserve is currently partnered with about 40, such as EVF Performance, Clay Health Club + Spa, Exhale, The Movement, Brooklyn Crew, and Exceed Physical Culture.

That's a deal because many of the studios cost between \$30 and \$40 a session (just in case you never look at your credit card statement).

One get access to the studios' full schedules, including peak class times (AKA the only times you really want), and you can go to any one studio as many as *four* times in a month. A ClassPass membership lets you hit the same studio *three* times a month.

How Gympik makes Money

The Gympik has three revenue models, which includes cloud-based software on the lines of Practo Ray. Practo has software to manage the OPD for the doctors.

The second one is helping with the personal trainers as lot of people, especially in Bengaluru, residing in apartments have very fancy gym equipped with high-tech equipments and machines, the only thing they don't have is a trainer. So, we want to help all these people with qualifies, certified trainers. We have a network of close to 4000 trainers with us right now in India, who have signed up for this model.

Third one is a low calorie food help people count their daily calorie count. If somebody is taking personal training through us, they ask for food and calories intake, sometimes about nutrition required for their body and food diet. So, we'll also have a fat counseling available online via which, we can connect the member to the dieticians and can share their diet plan.

How GuavaPass makes Money

Guava Pass has the same business model like Classpass. They make an independent deal with each studio.

Guavapass made a deal before the studio listed on their partner, and they paid price that they agreed before. So every time there are a customer coming from guavapass they will pay the studio

Guavapass paid their partner ranging 5 - 25 dollar depending on the studio they took. For class like pilates studio they will offer higher deal since the class itself already expensive, but for gym class it will be much lower.

The startup uses a monthly subscription model like a traditional gym, but instead of attending the same location all the time, users will have access to fitness classes across the city. So on Tuesday I can go to a pilates class at Gym A, but if I am downtown for meetings on Wednesday, I can look the schedule for nearby Gym B and see if they have a nice cycling class to check out.

GuavaPass says it has partnerships with 800 fitness studios and offers thousands of classes through its network.

How ClassHopper makes Money

Classhopper uses a point system, in which members pay for classes using points, which they receive each month. For example, a basic membership gives you 550 points to spend each month; a yoga class might cost 40 points, a boxing class might cost 60 points and boot camp might cost 90 points.

Class Hoppers will collect payment from the customer of the agreed upon drop-in fee at time of booking

Class Hoppers will submit a monthly payment to the partner for booking fees collected minus the agreed upon referral fee

How Aaptiv makes Money

Having access to Aaptiv's personalised training programs and professional coaches doesn't come cheap, mind. There aren't any free workouts here and prices range from \$9.99 per month to an eye-watering \$49.99 per year. It's for anyone already spending boutique-level money for studio style classes.

THANK YOU

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