

TODAY'S TRENDS.

STATE OF THE
INDUSTRY

TOMORROW'S TECH.

What are we going to talk about?

1

COVID

2

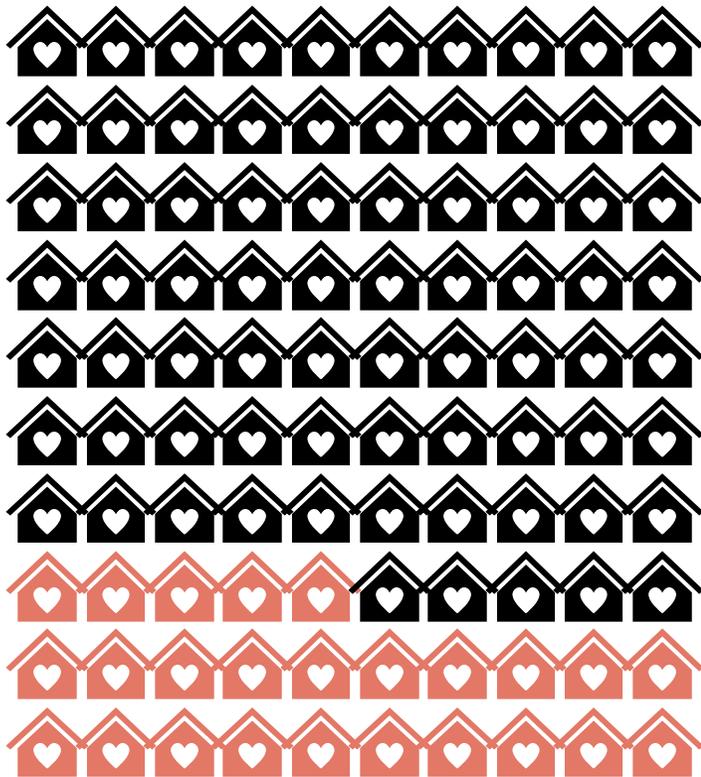
Economy

3

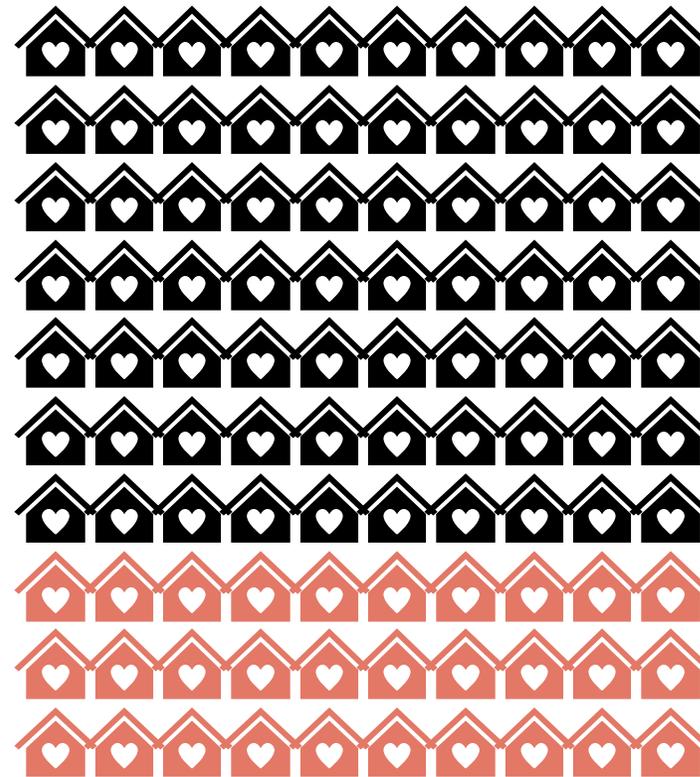
Tech
trends

Pandemic's **impact** on wellness businesses

The pandemic had a significant impact on the industry



25%
health & fitness
facilities closed



30%
boutique fitness
studios closed



1.5M

industry jobs
were cut

The pandemic also had an **impact on humans**

50%

say the pandemic
has continued to
impact their **mental
wellbeing**

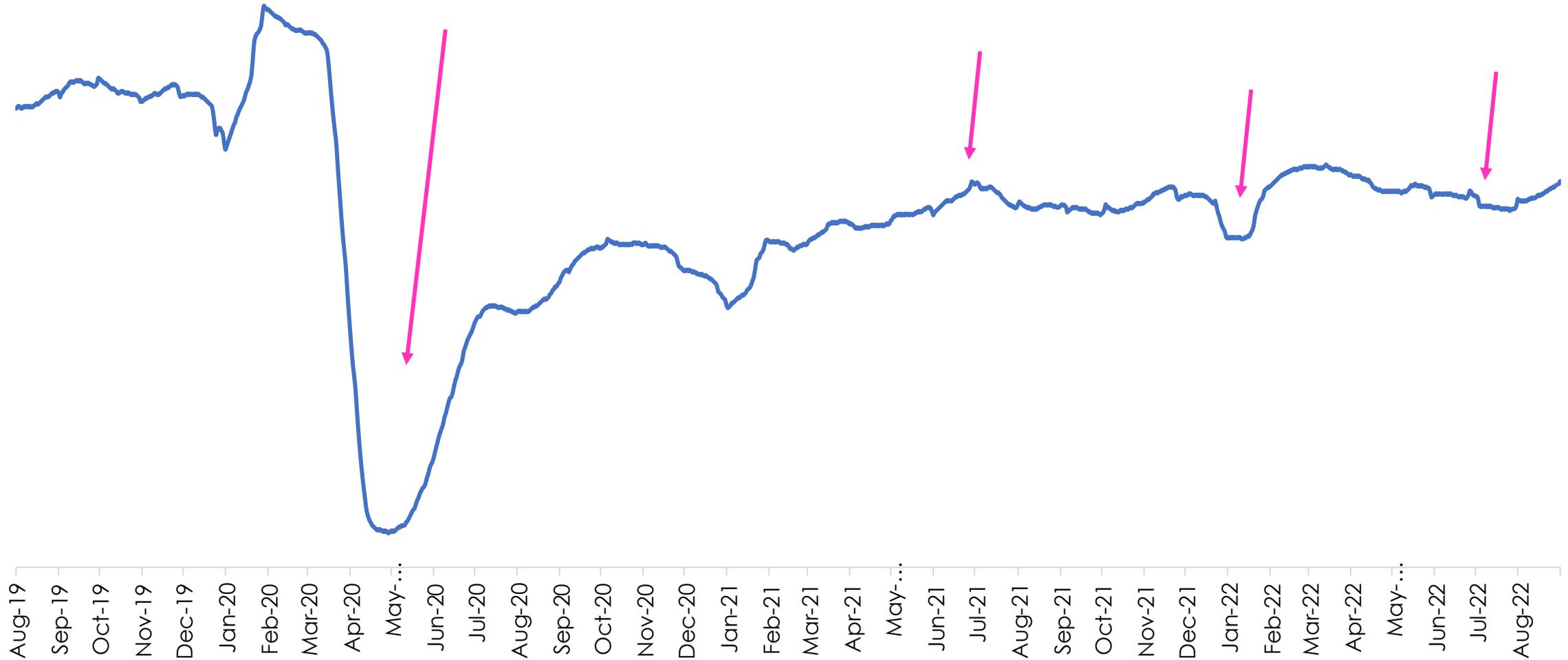
42%

say the pandemic
has negatively
impacted their
weight

45%

report being
stressed on a
regular basis

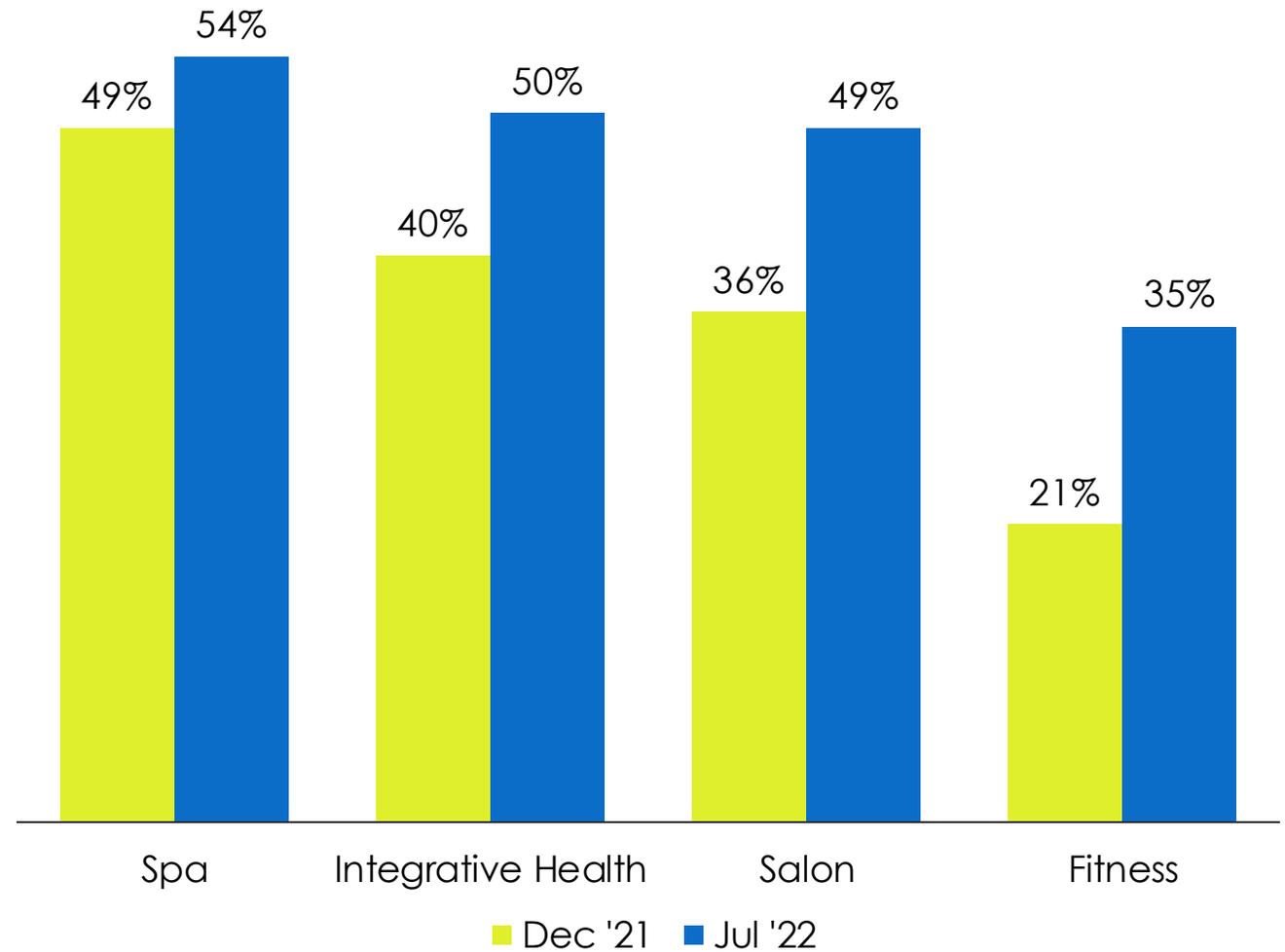
Post-COVID recovery

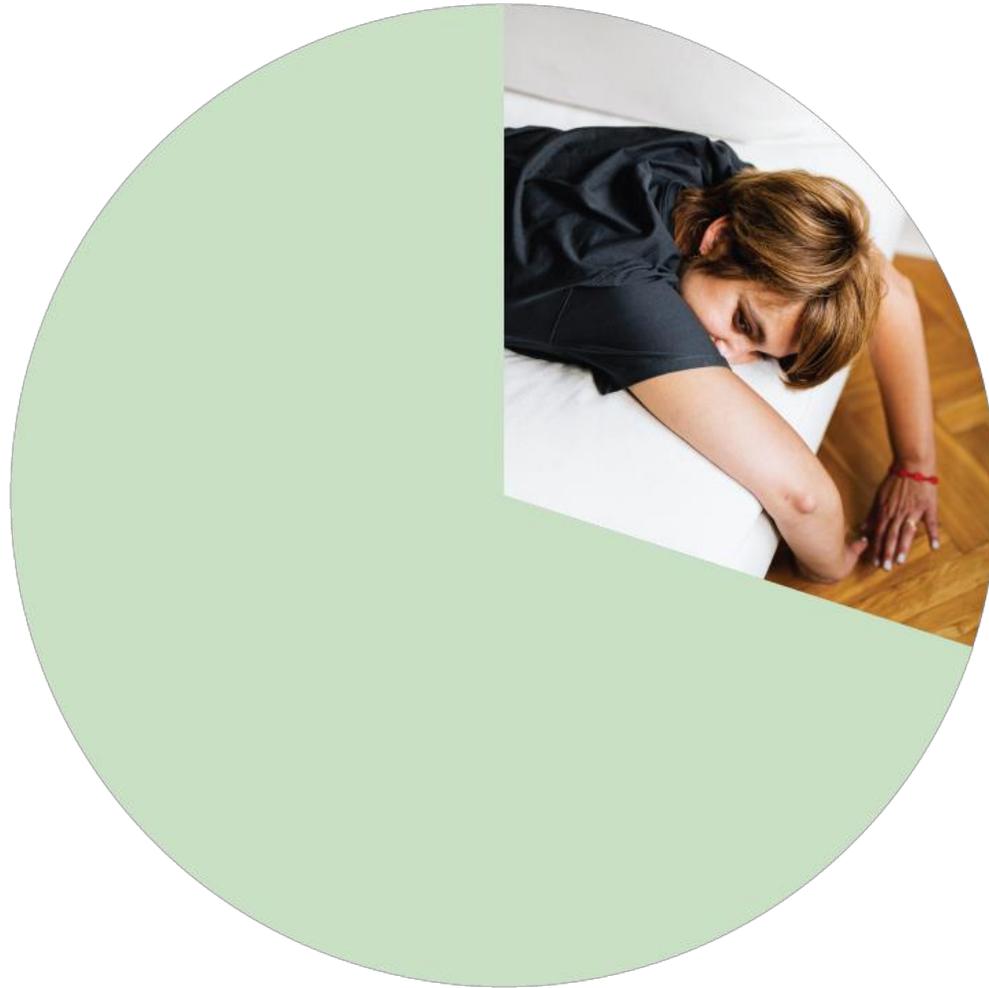


The wellness industry is making
a comeback...but it's uneven

Big differences between categories

% of businesses at pre-pandemic sales levels

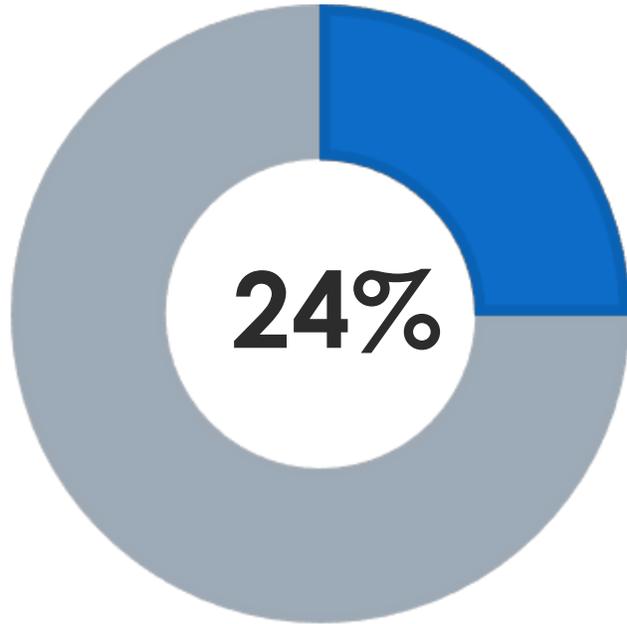




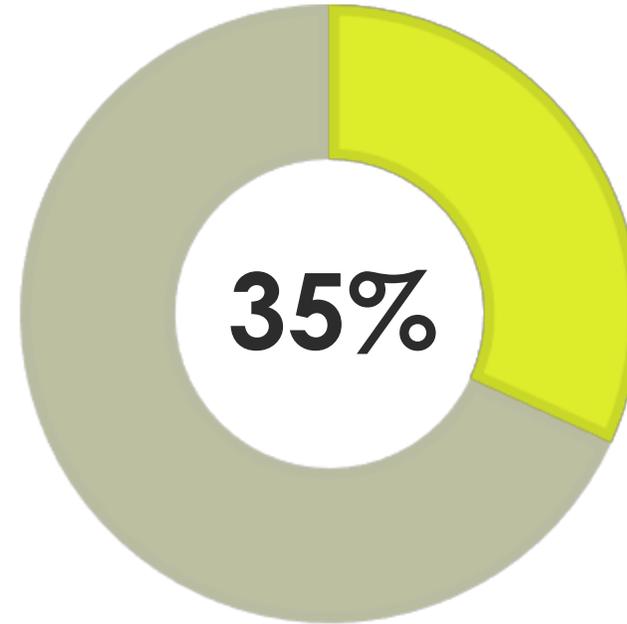
30%

say they used to work out
before the pandemic
and don't anymore

There is still COVID unease when it comes to wellness

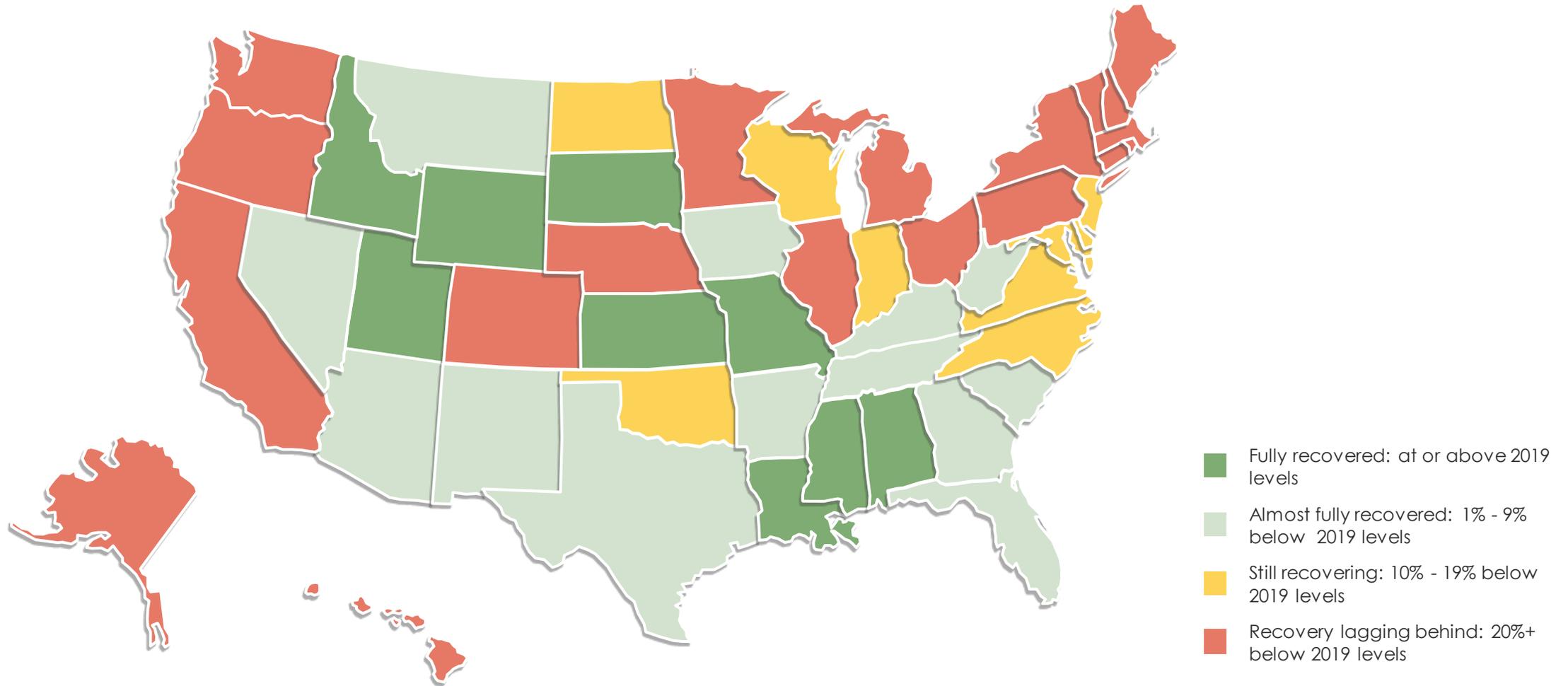


Nearly a quarter of Americans feel uncomfortable visiting a wellness business



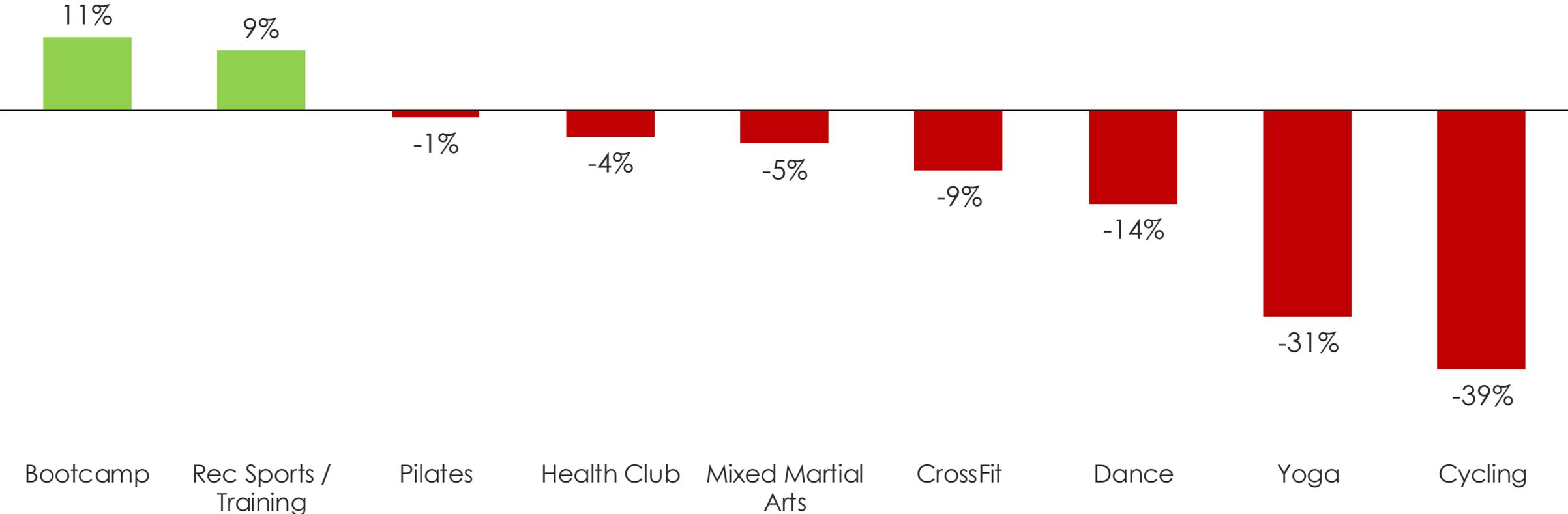
About one third of Americans are concerned about getting sick from COVID-19

Uneven recovery by **geography**



Uneven recovery by genre

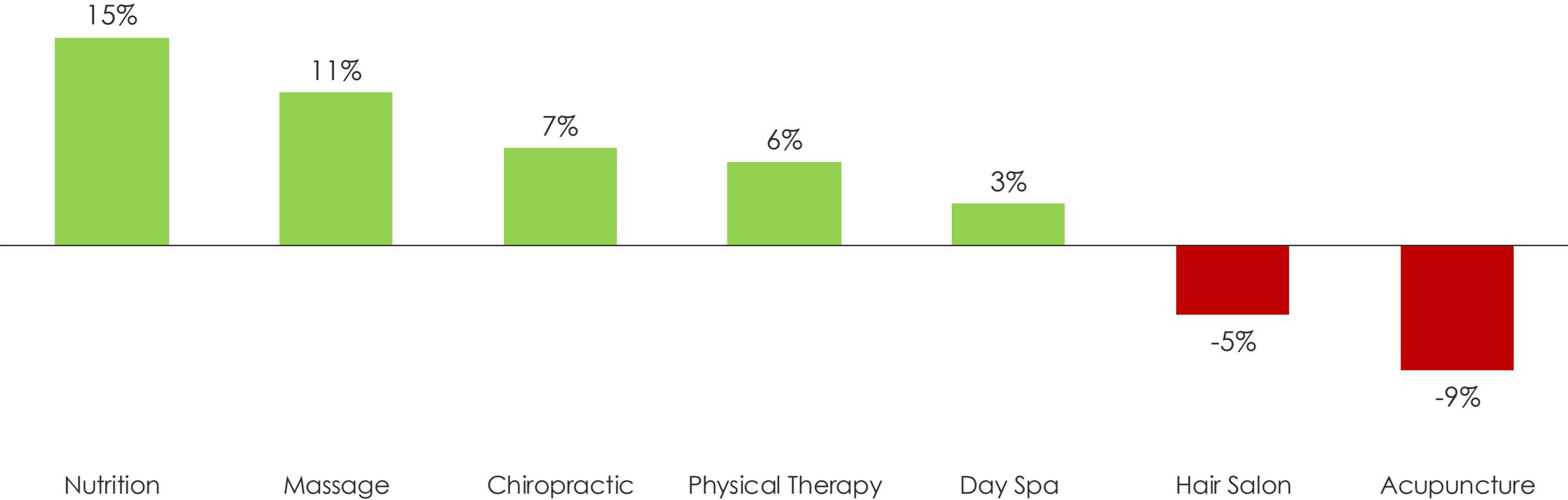
Fitness Avg Consumer Bookings - Jan-July '22 vs Jan-July '19



Source: Mindbody Booking Data, August 2022.

Uneven recovery by genre

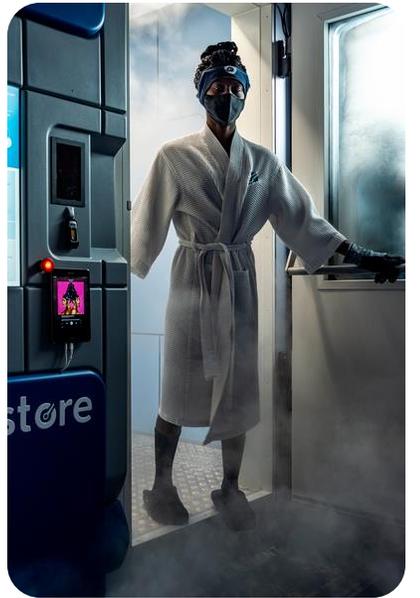
Beauty and Wellness Avg Consumer Bookings - Jan-July '22 vs Jan-July '19

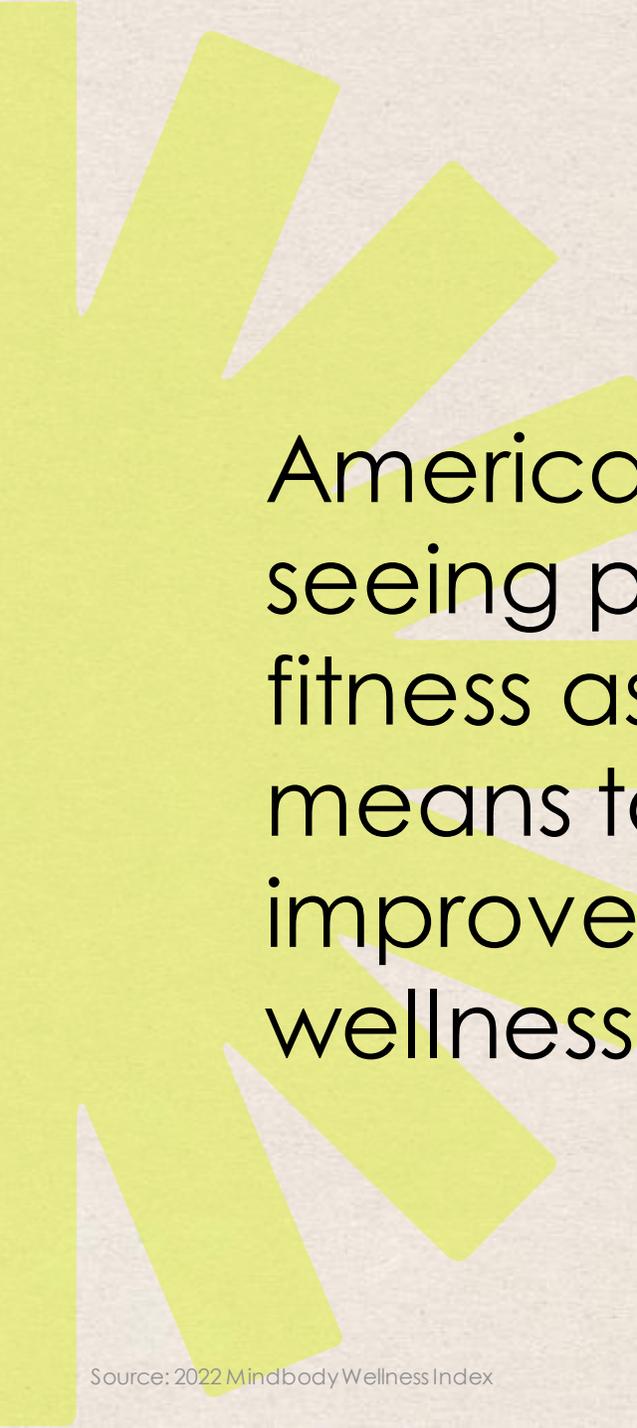


Source: Mindbody Booking Data, August 2022.

The good news

The definition of
wellness is **evolving**





Americans are seeing physical fitness as a means to improve mental wellness

Source: 2022 Mindbody Wellness Index

2019

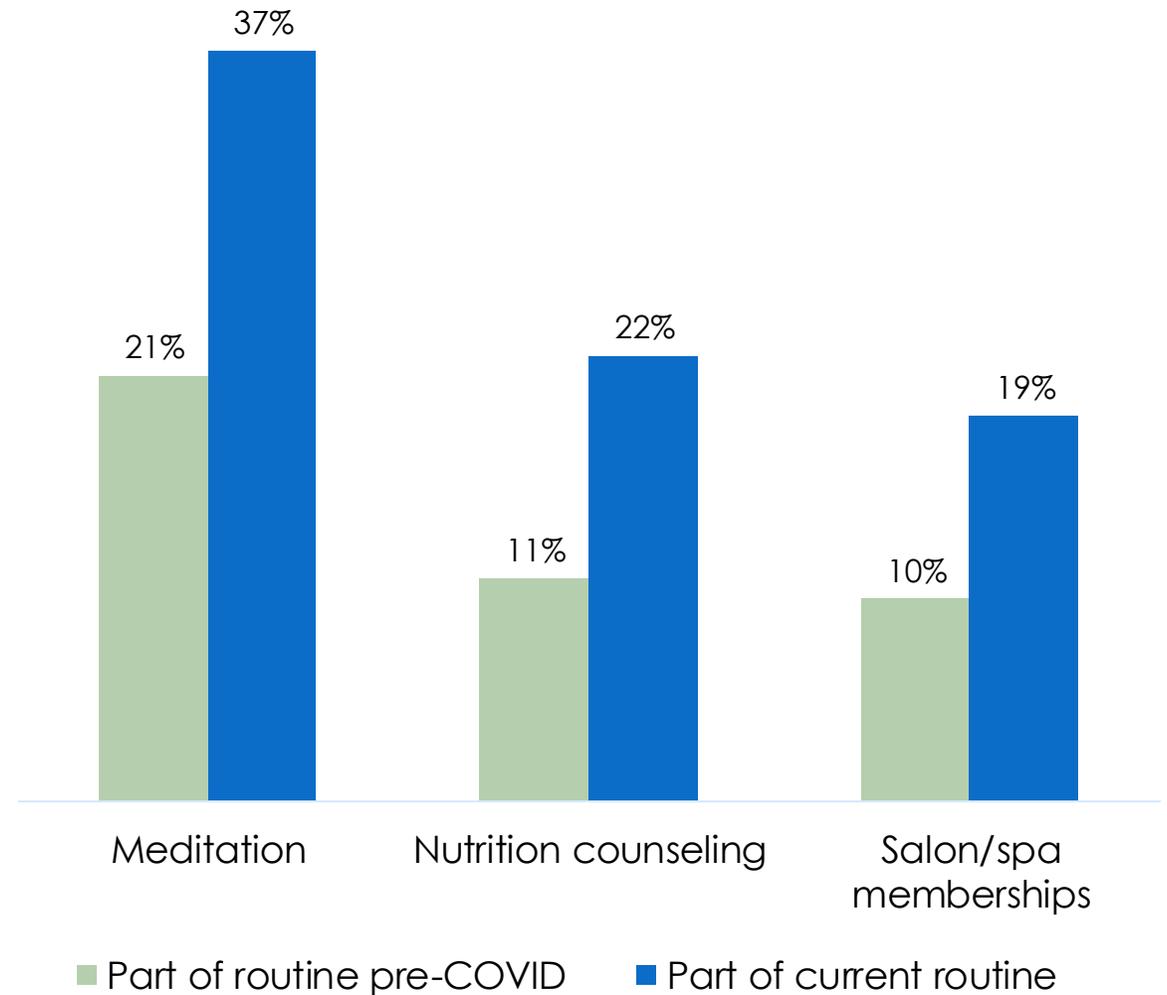
1. Control weight
2. Feel good
3. Live a long, healthy life

2021

1. Reduce stress
2. Feel better mentally
3. Look better physically

There is increased interest in a **variety** of wellness services

This increased interest is driven primarily by Millennials and men



Fitness enthusiasts are going to **more** classes

For those who have returned
to in-person fitness classes,
average usage is 10% higher
than pre-pandemic



Top reasons people return to in-person

Motivation

81% of people say they push themselves harder in class than they do on their own

Instructor

74% of people prefer to have an instructor's direction when working out

Accountability

67% of people say in-studio classes make it easier to work out regularly and keep up a routine

Equipment

67% of people say access to equipment is one of the main reasons they are heading back to class

Takeaways



Test new services
+ partnerships
with adjacent
businesses



Expand
your target
market

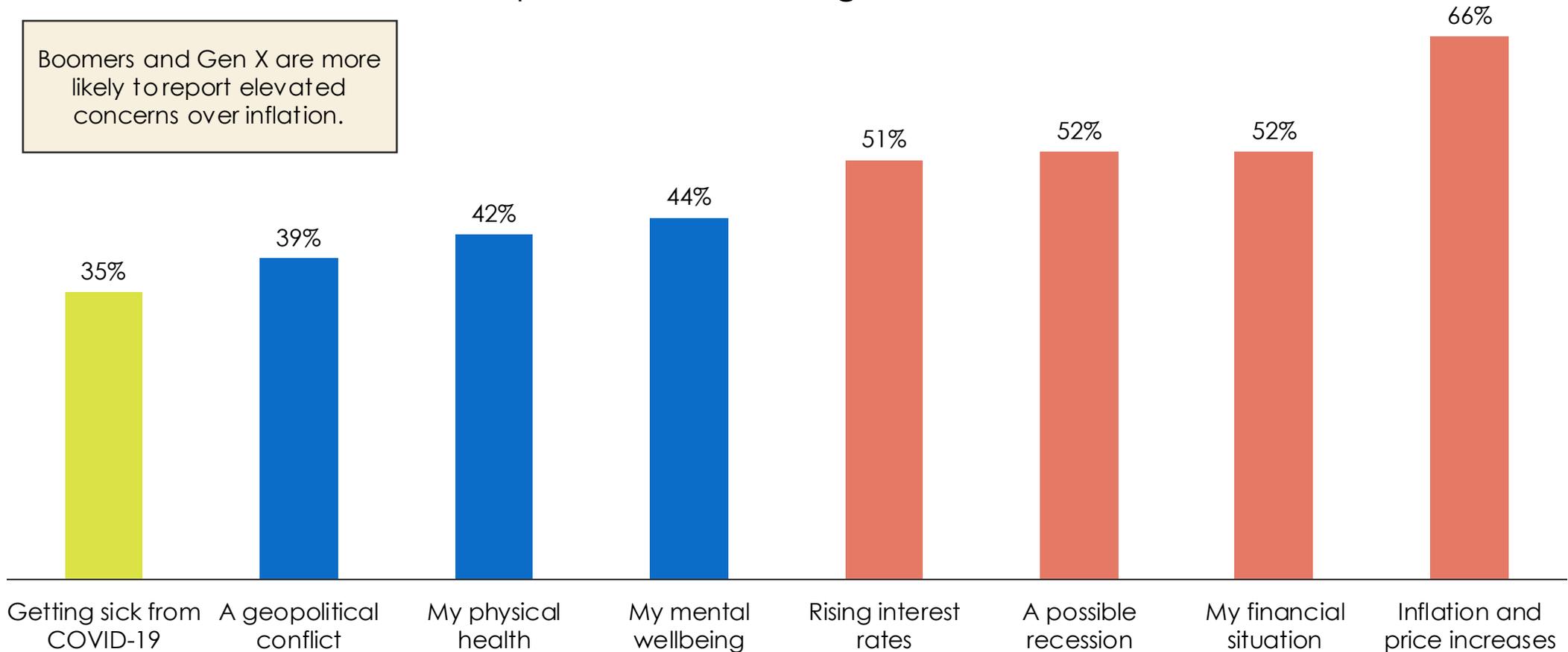


Broaden
your
message

The economy and the wellness industry

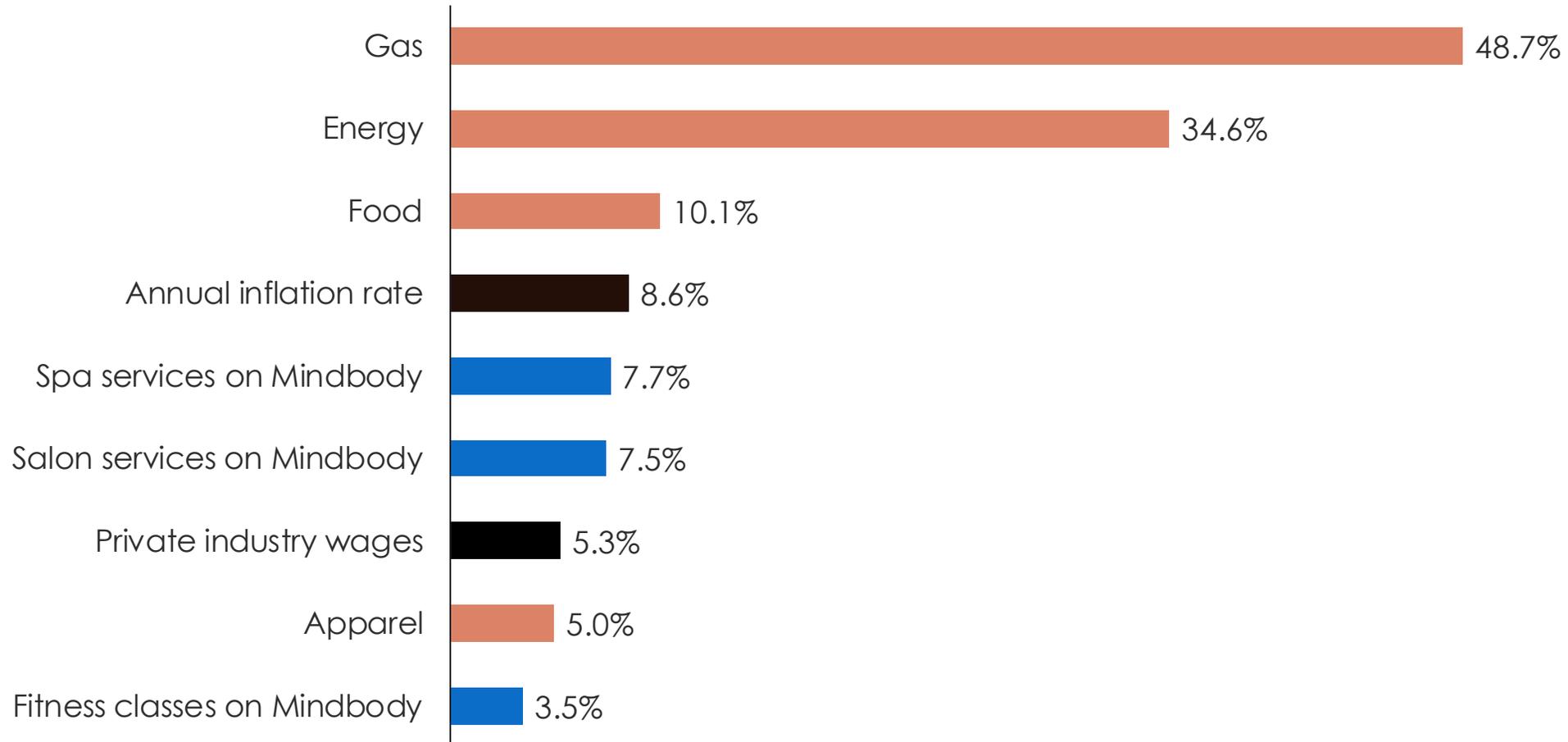
Economic concerns have surpassed COVID concerns

Top concerns among Americans

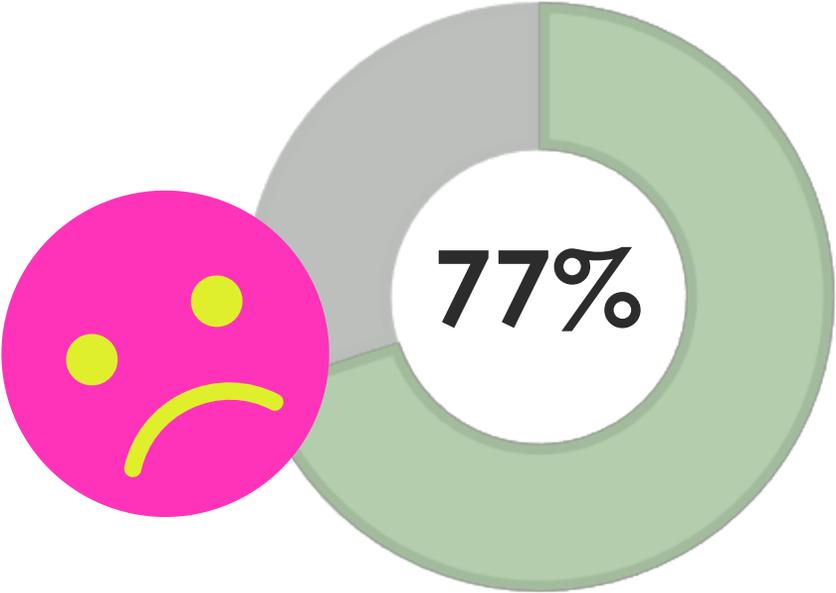


The impact of inflation

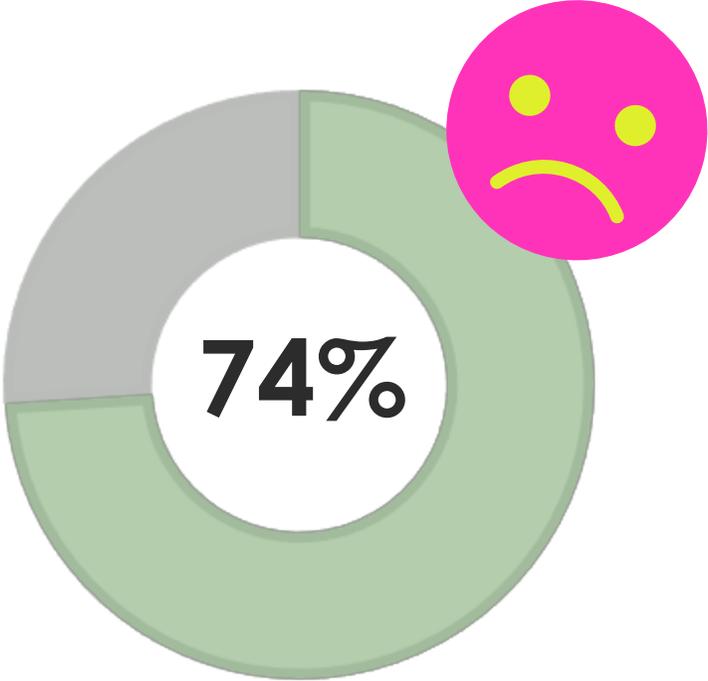
Inflation rate over last 12 months



Consumers are planning to make fewer purchases

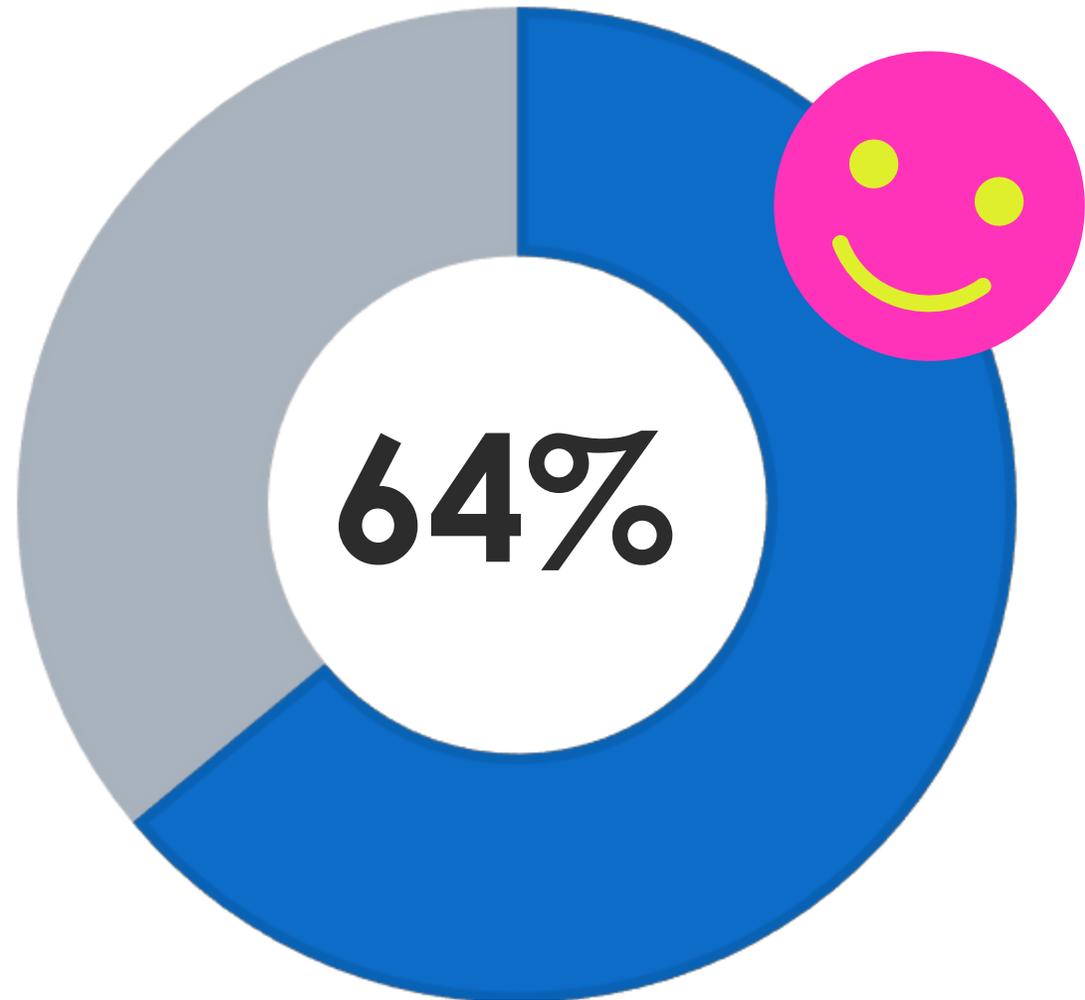


are currently or planning to make fewer purchases

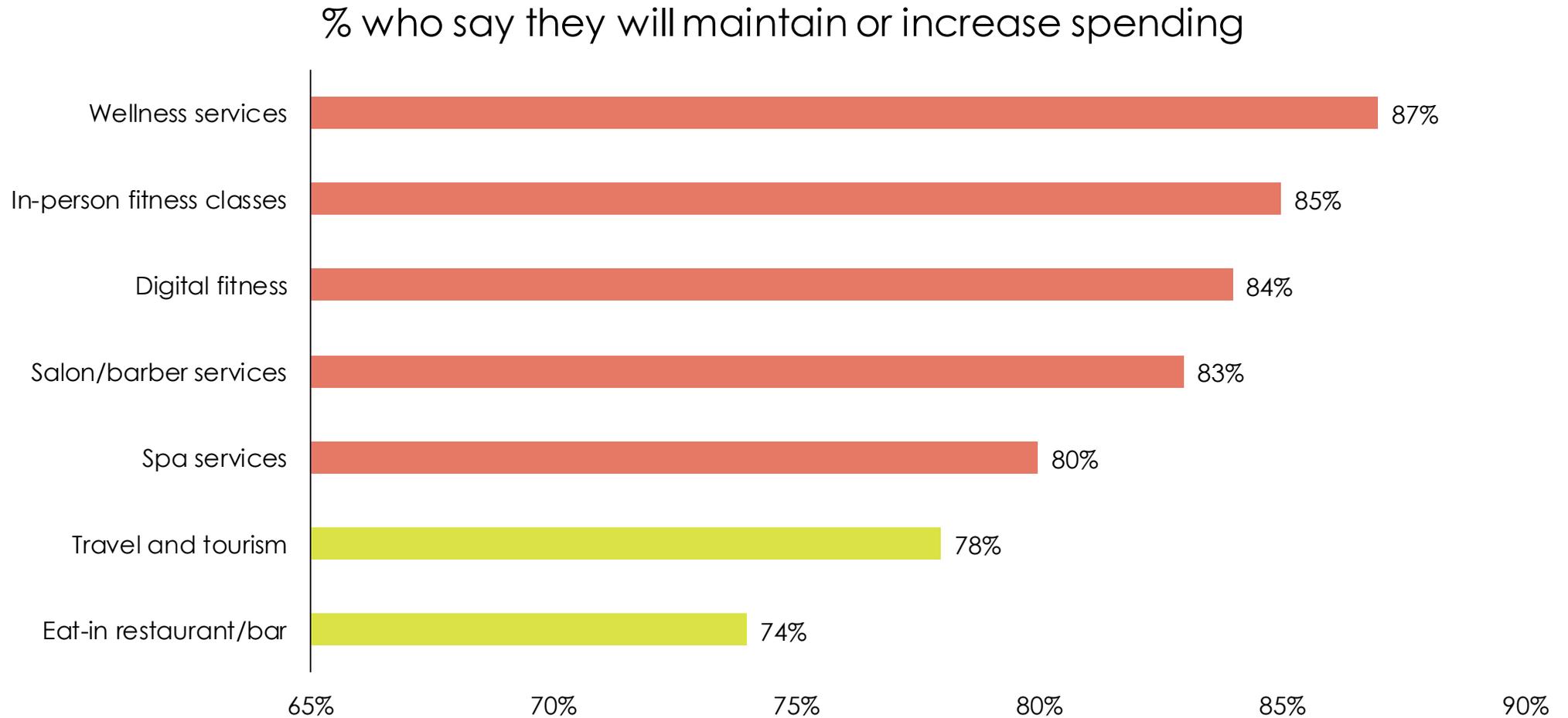


are currently or planning to bargain hunt for price changes before making a purchase

BUT...64% say
**wellness is more
important** than
other leisure
expenses

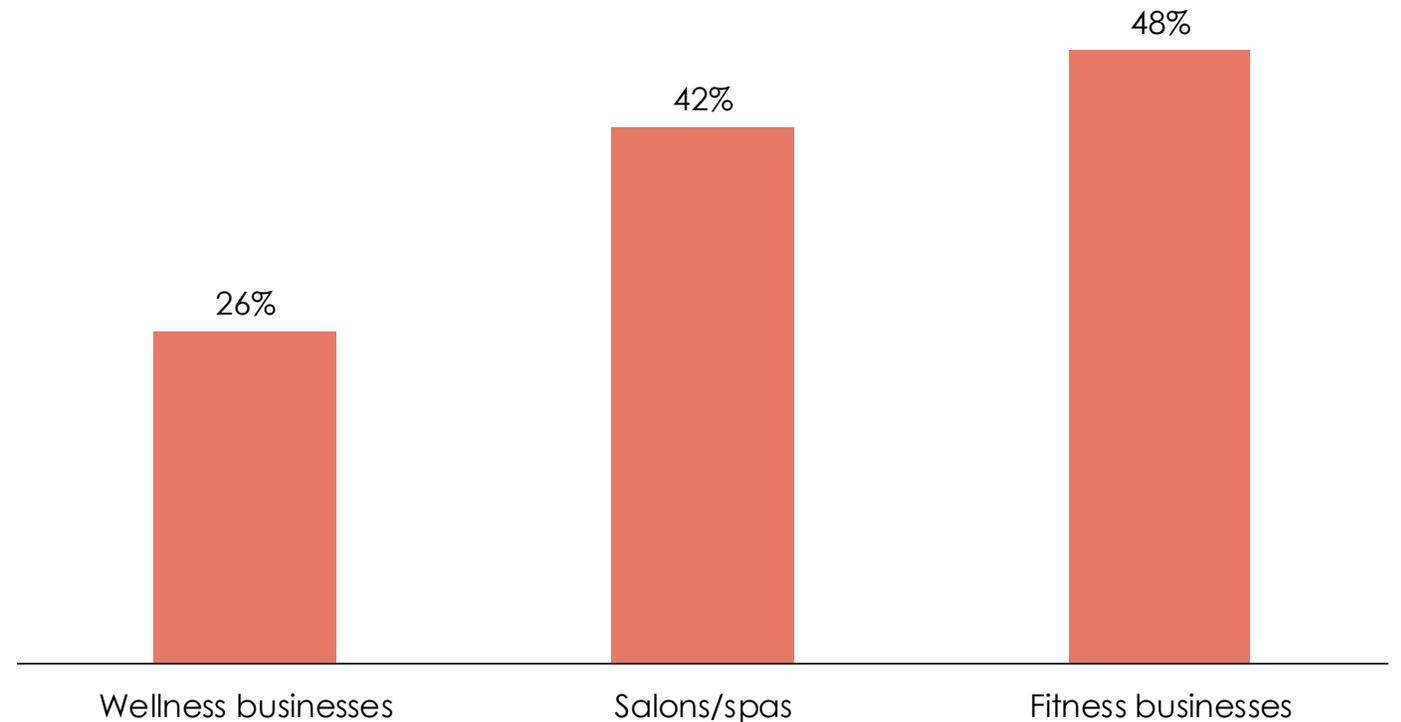


...and they are prioritizing wellness spending



Businesses are responding to inflation with price increases

% of businesses that increased prices in last 12 months



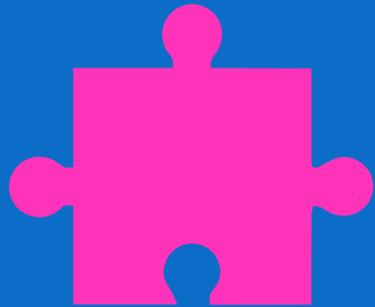


Price is still a
barrier for many

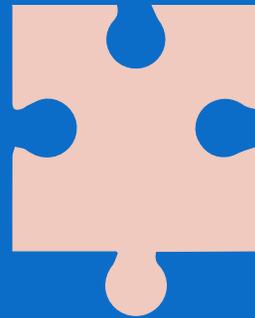
25-50%

of people we surveyed
report attending fewer
classes at fitness studios
today because it's too
expensive

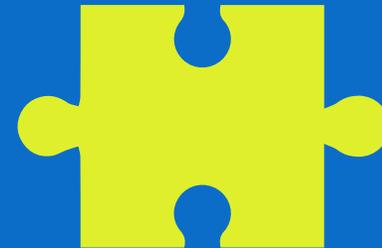
How do we solve this puzzle?



Competitive
differentiation



Price
discrimination



Service
expansion

Upcoming tech trends



Robots, touchless technology...

How will you respond?

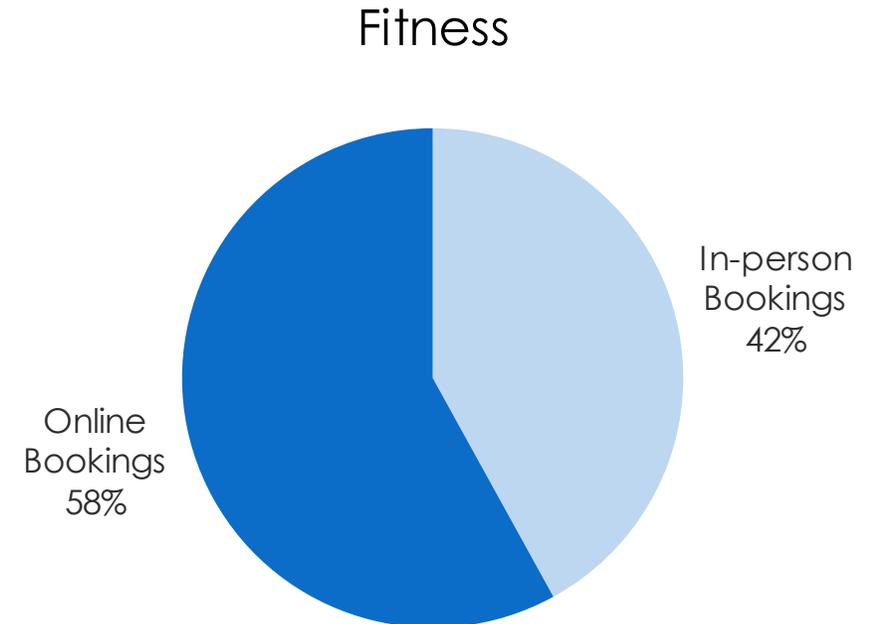
- Robots for massage, lashes, permanent makeup
- Touchless wellness treatments
- Printed nails



The future is coming fast

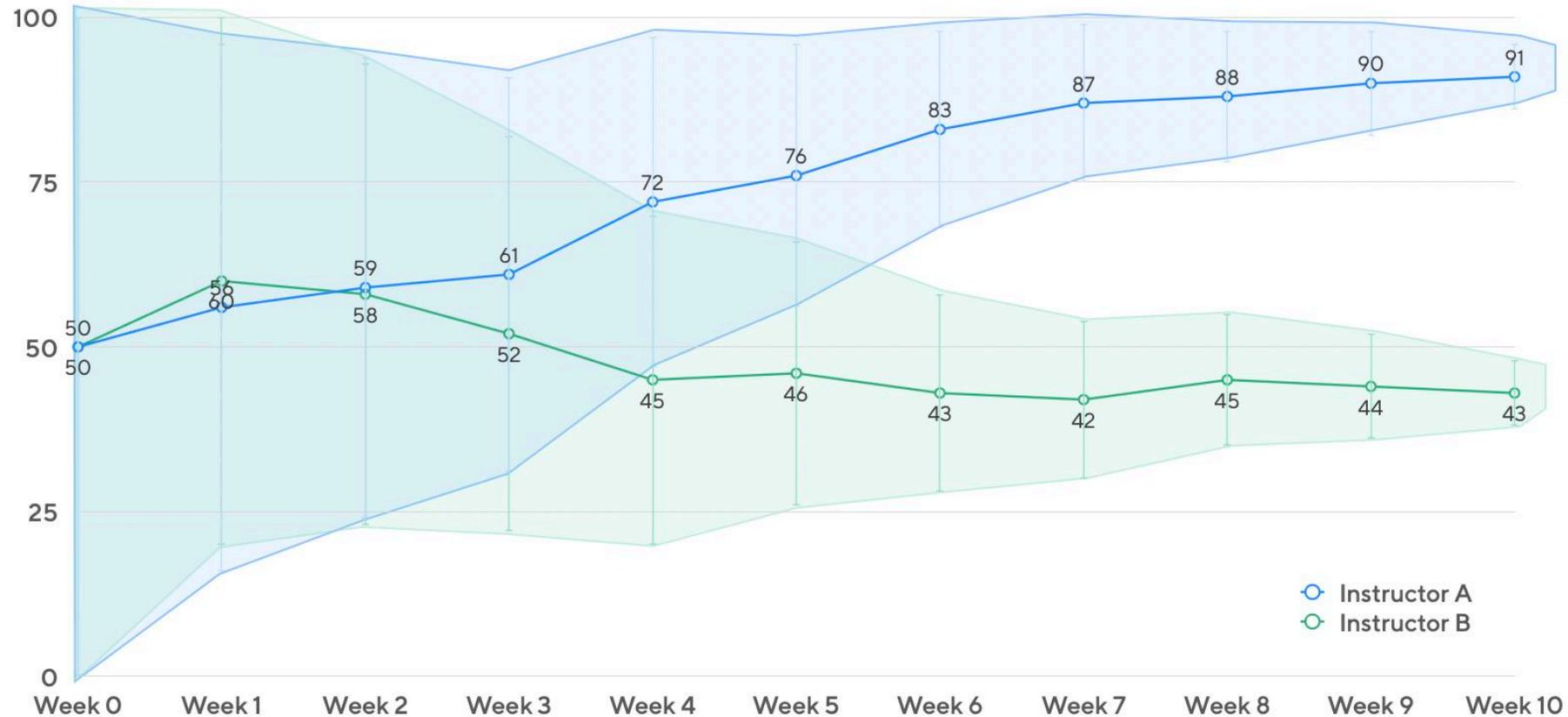


Every offline business is becoming an ecommerce business...



...and the use cases for AI/ML are exploding

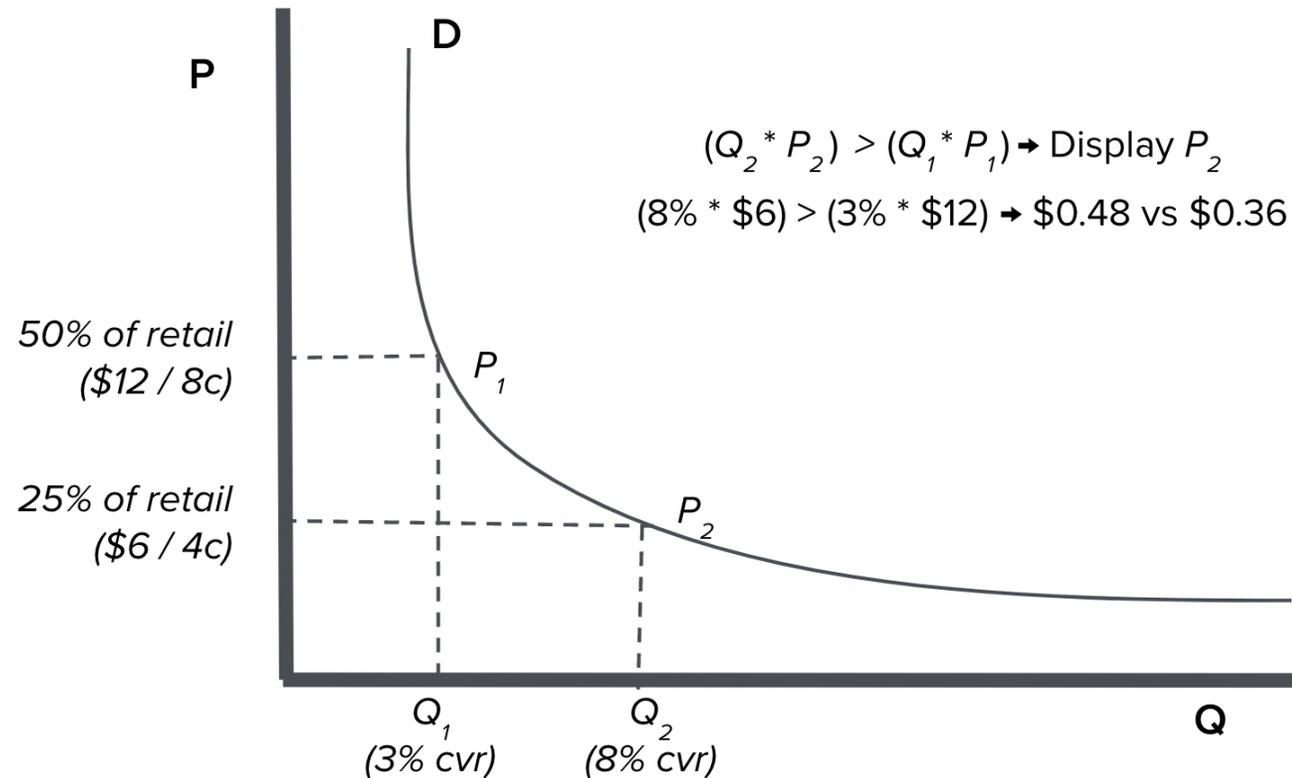
“Can I predict who my next great instructor is likely to be?”



...and the use cases for AI/ML are exploding

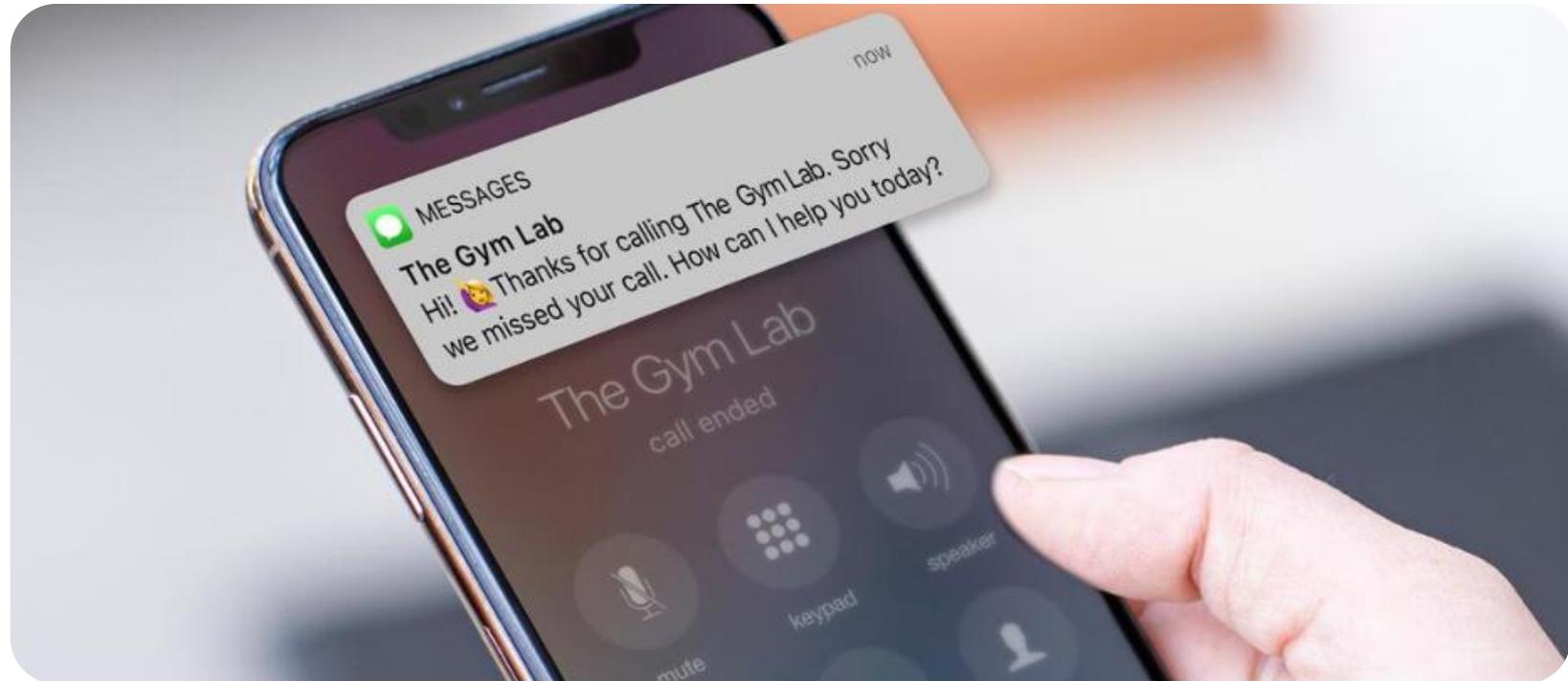
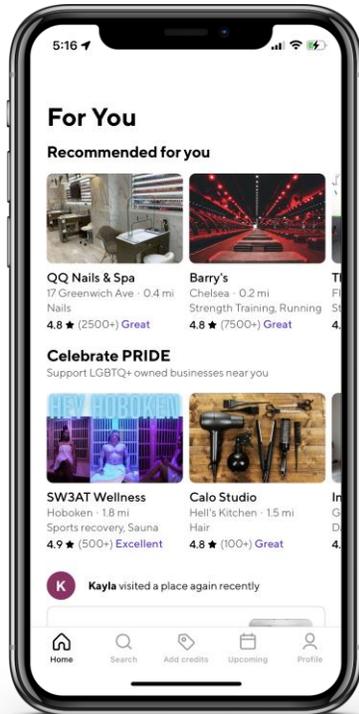
“How do I price my inventory in order to maximize my revenue?”

Friday, Morning-Peak, 6ds Before Class



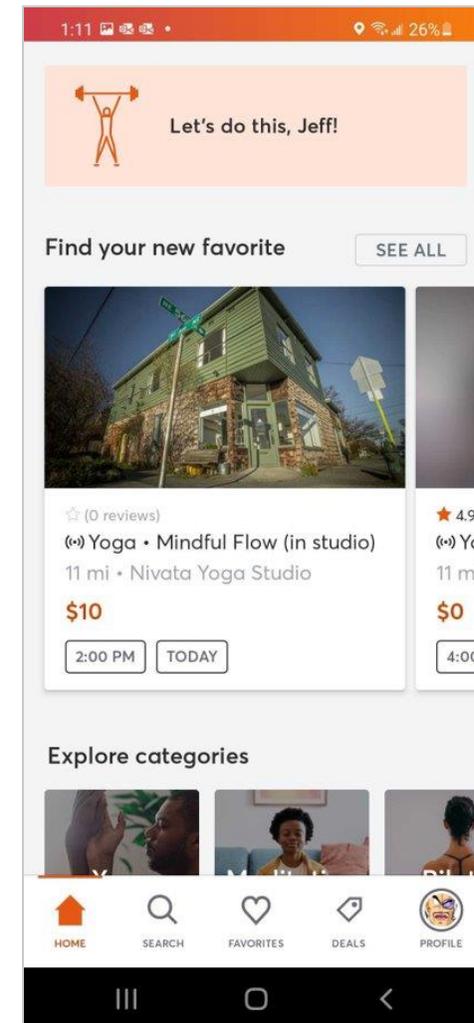
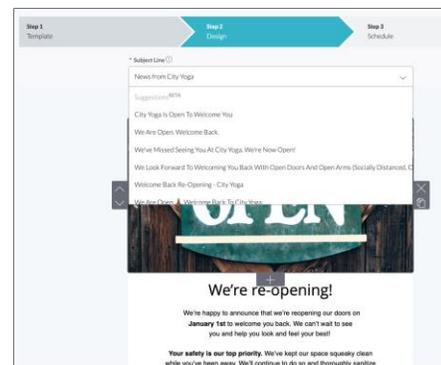
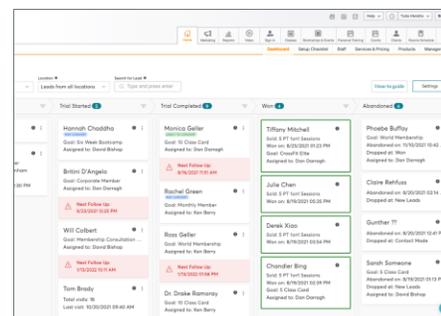
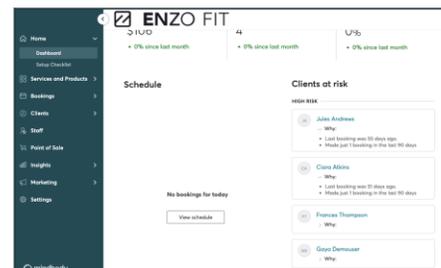
...and the use cases for AI/ML are exploding

"How do I provide a customized, personalized experience for my clients?"



We've invested in tools that bring you the best of AI/ML right inside of Mindbody

- **Personalized** class recommendations and last-minute offers
- **Lead management** (conversion rates increase 30%)
- **Clients at risk** churn module (cost to acquire a customer decreases 16x and sale rate increases 70%)
- **Smart scheduling** (bookings increase 16%, revenue increases 37%)



Takeaways



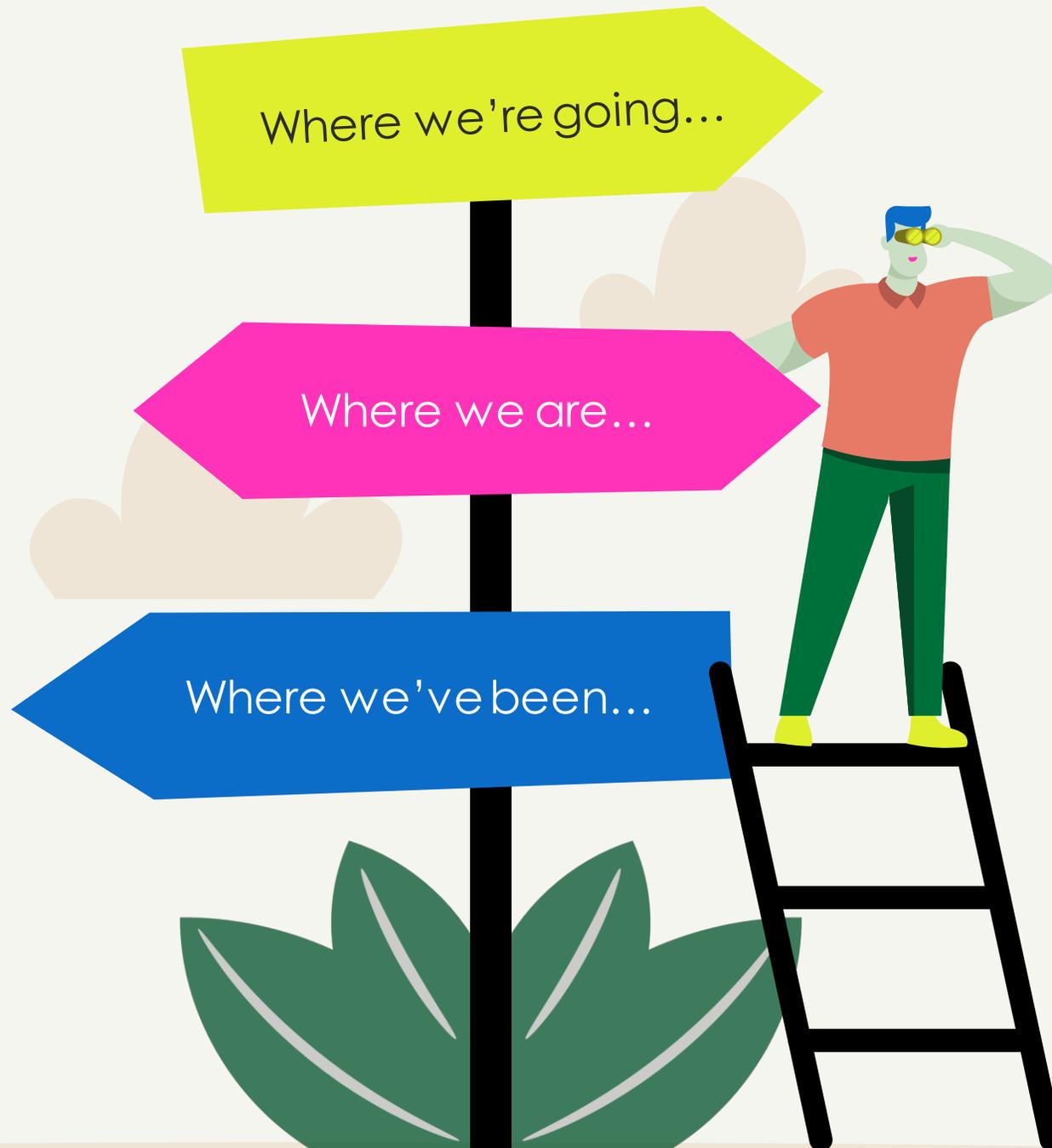
How well do you rate yourself as an “ecommerce business”?



Do you see any opportunities to use AI/ML to boost your performance?



Where can you use technology to drive competitive differentiation?



Where we're going...

Where we are...

Where we've been...



Thank you.

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Wellness Index](#)



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