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Bio

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### Introduction

The fitness industry expanded rapidly during the 1980s and 1990s. Around this time, popular physical activity trends such as jogging and tennis were superseded by a highly competitive commercial gym market, previously having been largely the preserve of (male) bodybuilders (Maguire, 2001). A global fitness culture now exists whereby health clubs in urban settings have become the everyday centre of mass leisure activity for modern society (Andreasson & Johansson, 2014). In the western world, gyms are now often as ubiquitous as cafes, restaurants, and other popular retail outlets (Sassatelli, 2015). Additionally, governments have come to view the pursuit of fitness as a means of decreasing the burden of unhealthy lifestyles on health systems. The World Health Organization extols regular physical activity as being a fundamental preventative strategy in reducing mortality caused by noncommunicable diseases such as heart disease, diabetes and cancer (World Health Organization, 2020).

Modern full-service gyms typically include services such as strength training, cardiovascular-based training, aerobics and other high-intensity group fitness classes, one-on-one personal training sessions, and relaxation / wellness activities such as yoga. Recent trends

include the rise of specialised competitive, high-intensity functional workout programs, such as those under the CrossFit and F45 brands, which encompass elements of weightlifting, gymnastics, and calisthenics (Nash, 2018). The attractiveness of fitness as a lifestyle is highlighted by the increased popularity of “activewear” clothing for everyday use (Watts & Chi, 2019), the emergence of fitness influencers who make their living by endorsing products and services through social media platforms (Duplaga, 2020), and the explosion of the sport-related nutritional supplement industry amongst recreational gym users (Solheim et al., 2017).

The COVID-19 pandemic has had a dramatic impact on the fitness industry including health clubs, fitness and leisure centres, aquatic centres, franchise gyms, personal trainers, and wellness studios (such as yoga and pilates). This chapter explores the effects of the pandemic in three stages: the lockdown, re-opening under various levels of restrictions, and the lasting impact on the industry.

### Impact of the lockdown

The initial lockdowns in Australia which were implemented as the pandemic took hold in March 2020 shocked the \$3 billion fitness industry. Fitness Australia, the peak body for the industry, reported that upwards of 6,000 gyms across the nation were forced to close, affecting approximately 35,000 staff (Fitness Australia, 2020). The aquatics component of the fitness industry was also hit hard. Royal Life Saving Australia (RLSSA) estimated the original lockdown resulted in the immediate closure of more than 1,000 aquatic facilities, and a further 1,100 swim schools. The sector employs in the vicinity of 70,000 workers. While there are large corporations heavily invested in the industry, many gyms and small aquatic facilities are family owned or sole traders. At the peak of the mandatory shutdown in Australia, Fitness Australia reported up to 80% of instructors and trainers had lost their job or

the primary source of income and around 70% of gyms had no ongoing revenue or cash flow due to cancellations and membership suspensions. Fitness businesses were under severe financial pressure as they faced the prospect of meeting fixed costs and expenses with little or no income.

The mandatory closures of fitness services and facilities impacted around 3.7 million Australians consumers. Meanwhile, closing aquatic centres and swim schools meant the cessation of learn to swim lessons and squad swimming sessions for approximately 1.5 million children aged between 0-14. Water safety advocates were particularly worried at the impact this could have on the sector. The Australian Swim Schools Association estimated that up to 25% of privately owned swim schools may not survive the pandemic. Additionally, the RLSSA warned that the shutdowns could significantly impact the aquatic lifesaving skills of children and thus increase the risk of drowning, especially among the younger population.

### [Adapting to change](#)

As gyms were abruptly shuttered, home workouts suddenly became the norm for many people. In many cases children's playgrounds and outdoor public gym equipment were also closed in order to reduce virus transmission, further impacting fitness activity. Regular gym users scrambled to buy weights and other equipment from sports stores to hastily assemble makeshift home gyms. Indeed, while toilet paper in Australia was arguably the most publicised item for panic-buyers, evidently gym and fitness equipment was not that far behind in being rapidly purchased. The number of people searching online marketplace websites for second-hand weights reportedly surged by as much as 2000% (Pupazzoni, 2020). Others in the community turned to outdoor recreation and physical activity, with bicycle sales also increasing dramatically. Indeed, the pandemic triggered an overall increase in physical activity.

For instance, Sport Australia's AusPlay data showed that participation in sport or physical activity during April 2020 through to June 2020 increased when compared to the same period in 2019 (Sport Australia, 2021). This was likely driven by exercise being one of the few reasons people were allowed to leave their home during the lockdown. The largest increases in participation were seen in the activities of walking, running, and cycling. The data show that the number of people exercising five or more times per week jumped by 2%, and seven or more times by 3%. Unsurprisingly, statistically significant decreases were seen in those who exercise solely through an organisation or venue (i.e. fitness centres). Leading social platform for tracking fitness activities, Strava, found a worldwide increase in people using their services (Strava, 2020). Their user group grew by around 24 million during 2020, driving an increase of 33% in uploaded workouts. Longer-term users increased their workout frequency by 13%. Strava too saw large spikes in walking, running, and cycling.

Golf was another surprising beneficiary of COVID-19. In some Australian states golf courses were allowed to remain open, despite clubhouses and other facilities being closed. The sport of golf was viewed as particularly important especially for the wellbeing of older people (Bamford, 2020). In one of the larger states of Australia, the state of Victoria, the banning of playing of golf during an extensive lockdown in 2020 caused significant angst for golfers and supporters of the sport. To reduce virus transmission links modifications to how the sport operated were put in place such as no sharing of golf carts and groups being restricted to pairs instead of foursomes to ensure more effective social distancing. Golf Australia CEO, James Sutherland, said "It's sport, it's exercise and it's social. Those things make for a magical combination" (Berry, 2021). Research conducted also suggested that golf is a sport whereby transmission of respiratory diseases is minimal (Robinson, Foster, & Murray, 2021) and, further, can be modified so people can practice various aspects in their home environment in case of more stringent lockdowns (Robinson et al., 2021).

Meanwhile health clubs and gyms had to find innovative ways to engage with their members to maintain their customer relationship. Group fitness devotees attended classes conducted online through various social media or technology platforms like Zoom and Microsoft Teams. Previously underutilised, consumers drove a huge increase in the quantity and quality of virtual fitness classes. Therefore, unsurprisingly, the most popular classes have been those based on wellness such as yoga and pilates as participants have sought to improve their mental health, as well as their physical fitness. Social media content focussing on bodyweight only workouts also were extremely popular. Industry sources say that many consumers are working out more than they were before the pandemic. However, in other parts of the world, scholars believe COVID-19 may have exacerbated the gap between the “haves” and the “have nots” when it comes to exercise (Sher & Wu, 2021). Not all gym owners were willing to abide by the tight restrictions imposed by various governments though. As jurisdictions faced multiple lockdowns as COVID-19 cases ebbed and flowed, elements of the population began to resist. One business owner north of Sydney, whose social media feeds were dominated by anti-lockdown tirades, claimed he was trying to follow the guidelines despite being fined for openly flouting the rules (Wainwright, 2021).

Despite the pandemic, the Australian Government recognised the importance of staying active for physical and mental health. However, restrictions on how and when people were allowed to exercise varied between the six states and two territories. In August 2020, as case numbers surged dramatically, the Victorian Government implemented their Stage Four restrictions for the City of Melbourne, which included a daily curfew between 8pm and 5am. During the day residents were allowed to leave their home to exercise outdoors but only within 5 kilometres of their home and for a maximum of one hour. While wearing a mask was not required during strenuous exercise, people were required to have one with them. This would prove to be the harshest restrictions experienced in Australia during 2020. Where

curfews were not in effect, some local councils, including the Northern Beaches Council in Sydney, extended the lighting at sports grounds to as late as 9pm to allow people to exercise safely for longer periods of time (Northern Beaches Council, 2021).

### Impact of “JobKeeper”

During the mandatory lockdowns, the Australian Government implemented a program called “JobKeeper”. This \$90b wage subsidy was paid to businesses who were substantially impacted by the 2020 shutdown. Up to 40% of all Australian businesses were registered for the scheme. Up to one million workers reportedly remained employed throughout via this employment program. Fitness Australia claimed that as many as 60% of gyms and sole traders in the industry would fold within one month without the payment. However, the ending of the JobKeeper subsidy appears to have negatively impacted gym memberships as consumers found themselves in more precarious financial positions. Similarly, some former gym members now prefer to workout outside the confines of a public gym. Meanwhile ongoing snap lockdowns continued to put gyms and fitness centres under significant financial pressure. The owner of a small gym in Melbourne asked his customers if they would continue to pay 50% of their membership fees to assist him in paying ongoing rent and other fixed costs, in return for a reduced fee upon re-opening (Kollmorgen, 2020). Interestingly, as the scheme initially gave a flat \$1,500 per fortnight to all eligible staff, some workers felt aggrieved as their colleagues received the same pay as they did for doing less (Macmillan, 2021).

The aquatics component of the fitness industry also suffered significantly. Small aquatic centres and swim schools in Australia are often managed and owned as family businesses. As alluded to earlier in this chapter the Royal Life Saving Australia (RLSSA) estimated the original lockdown resulted in the immediate closure of more than 1,000 aquatic

facilities, and a further 1,100 swim schools. In 2020, the sector employed 67,000 workers. The JobKeeper program reportedly benefited 21,000 permanent staff and almost 15,000 casual staff. RLSSA also announced a moratorium on the renewal of mandatory qualifications which fell due during the lockdown. This included extending the expiration date of certificates in performing CPR, providing first aid, and lifeguarding. Austswim, a leading provider of swimming teacher qualifications, did the same. The lockdown saw water safety advocates warn of the lasting impact COVID-19 was likely to have on increasing drowning rates. Research found up to 50% of school aged children did not return to swimming lessons in September 2020 when the majority of Australia had re-opened. Spring typically sees a large jump in enrolments as the weather starts to warm. RLSSA CEO, Justin Scarr, stated “non-swimming children become non-swimming adults, and that is a ticking time bomb” (Power, 2020). While many children commence learn to swim lessons at a very young age, school-age programs are generally the largest component of swim schools. Gary Toner, General Manager of the Australian Swimming Coaches and Teachers Association (ASCTA), cautioned: “we may end up with a whole generation who may never learn to swim” (Power, 2020).

Pool managers also scrambled to minimise their costs in technical pool operations. For some, this means shutting down and potentially draining their pools. However, this can be problematic as maintaining water quality and balance on an ongoing basis is always preferable to stopping filtration and disinfection. Similarly, draining a pool risks impacting the structural quality of the shell. However, the pandemic saw the popularity of ocean swimming continue to rise. Ocean swims have grown exponentially in the past two decades. Anecdotally, once the pools closed, the jump in ocean swimmers was felt almost immediately – despite many beaches being closed (Mason, 2021). As formal events have restarted under

some restrictions, the number of competitors was limited, and the use of rolling starts has increased, a change welcomed by many participants (Maddox, 2021).

Fitness industry member organisations largely advocated on behalf of their members to re-open fitness and aquatic facilities where safe to do so, commonly highlighting the importance of exercise to physical and mental wellbeing, in addition to supporting small businesses and people's livelihoods. Gyms were certainly identified by medical experts as a high-risk environment for community transmission to occur. Professor Marylouise McLaws, an eminent epidemiologist from the University of New South Wales and an advisor to the World Health Organisation (WHO) cited the poor airflow and increased respiratory rate of those exercising as being of a major concern (Judd, 2020). However, larger chain operators such as Fitness First and Anytime Fitness argued that gyms abiding by hygiene and social distancing guidelines contained in mandatory safety plans were COVID-19 safe (Rachwani, 2020). Similarly, during a snap lockdown in Perth, Barrie Elvish, CEO of Fitness Australia, complained that gyms were safe and hygienic, and that governments "are operating on old, outdated perceptions" (Perpitch & Carmody, 2021).

However, the initial easing of restrictions, in many cases, saw gyms operating under tight hygiene regulations rather than returning to "normal". For instance, many businesses, especially 24-hour gyms which have significant unstaffed periods throughout the day, had to review their operating models to cater for increased cleaning schedules, designated COVID-19 marshals, and the like. Similarly, equipment was reconfigured and the obligatory 1.5m stickers placed on floors to ensure social distancing guidelines were met. Liberal use of hand sanitizer was also encouraged. Attendance was capped at 100 for large gyms and group fitness classes were limited to only ten participants. In some cases gym users were required to wear a mask whilst working out, and changerooms and showers were kept closed and off limits. Swimming pools and dance studios experienced similar regulations with lap swimmers



having to pre-book a lane for their sole use. While the aquatics sector was hit hard, demand for swimming lessons has gradually strengthened as lockdowns are eased. However, the supply of swimming instructors, already an issue for the sector (Butson, Tower, & Schwarz, 2021), has been exacerbated by COVID-19 with industry experts citing the cost of obtaining and renewing qualifications as a contributing factor (Preiss, 2021).

### Lasting impacts

Many in the fitness industry expect some of these trends to continue in some form. First, while a portion of consumers will no doubt be pleased to head back to their local gyms, others feel they no longer need the structure of a commercial gym to keep fit. Apparel giant Lululemon recently acquired home fitness company “Mirror” for \$500 million. Their signature product is billed as a “nearly invisible gym” and retails for approximately \$1,500. The Mirror is effectively a mirror-sized smart screen which delivers on-demand fitness classes across a range of genres. Virtual cycling company Zwift saw a doubling of subscribers and is now valued at more than \$1 billion (Collins, 2021). The online platform offers a sense of community and social connection, in addition to being an outlet for improving fitness. Popular U.S. company Peloton is also entering the Australian market in 2021. Their local CEO, Karen Lawson, noted that Australians were early adopters in this area, and justified expansion to the fact that “the growth of home fitness generally has exploded ... ” (Waters, 2021). Thus, it seems many people will adopt a hybrid model when it comes to their fitness. AusPlay data shows a significant increase in the number of people who source some, but not all, of their fitness needs through an organisation or venue (Sport Australia, 2021), and a decline in those who solely rely on facilities for their workouts. However, it appears as though women are more likely to continue to participate in fitness activities after the pandemic than men are.

As for more traditional gyms and health clubs, revenue across 2020-2021 is expected to be down at least 5%, following a significant decline in 2019-2020 (IBISWorld, 2021). In an industry that typically has a high churn rate, keeping members engaged has never been more important. Boutique fitness appears to be a trend that is here to stay. Gen Z and Millennials will pay a premium for health-related services where they see value in being part of a connected community, and in innovative approaches to overall wellness. However, group fitness classes may retain caps on class sizes to maintain social distancing in an environment which may otherwise post a respiratory disease transmission risk. Similarly, studios may schedule downtime rather than back-to-back classes to enable cleaning and disinfecting to take place. It also seems likely that participants will be asked to supply their own equipment wherever possible to minimise the cleaning burden on the studio. Lastly, as the science becomes clearer around transmission of COVID-19, there may be implications for the design of gyms and fitness centres. For instance, upgraded HVAC systems may improve the air turnover and ventilation within a building, in addition to adding filtration systems to remove aerosols (Blocken et al., 2020). However, such measures would see businesses absorb the cost of installing, operating, and maintaining these systems.

## Conclusion

In conclusion, the fitness industry was hit hard by the pandemic. Initial lockdowns forced facilities and related services to shut down, virtually overnight. This had an immense impact on fitness businesses with more than 100,000 Australians who work in gyms, studios, pools, and the like affected. Government support was able to keep many staff employed via the JobKeeper scheme, but the full impact of continuing rolling lockdowns has yet to be fully assessed. Somewhat paradoxically, lockdowns and business closures drove an increase in fitness activity. While some gymgoers attempted to construct weight rooms for home-use,

many people relied heavily on traditional outdoor fitness activities like walking, running, and cycling. Gyms and studios conducted online classes as a way of maintaining contact and engagement with members. Platforms such as Zwift and Strava saw large uptakes as people sought to retain a sense of community through their fitness activities. As fitness related businesses have progressively been permitted to re-open, many have adapted to incorporate social distancing and improved hygiene regimes. However, a hybrid virtual/in-person approach to fitness has remained popular among consumers. Industry experts anticipate a number of these trends will continue to impact the industry as we navigate our way into a living-with-COVID world.

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