

Currents

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MAY
2021

01

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The Evolved Consumer

KEY INSIGHTS

Consumer
Behavior

Digital
Adaptation

What's Next



Vaccinations are progressing well in the United States and various parts of the world. Increasingly, we are able to see what a post pandemic world will look like. As the world continues to slowly revert to its pre-pandemic economies, it will be welcoming a different type of consumer, an evolved consumer.

COVID-19 has changed consumer behavior now and forever. The evolved consumer has adapted their behavior throughout all areas of their life, from how they work, to how they shop, to how they entertain themselves and how they incorporate wellness. We have witnessed an unprecedented pace of consumer behavior adaptation.

Consider these acceleration trends from a recent McKinsey report that states how we ***“have covered a decade in days when it comes to adaptation of digital.”***

- Telemedicine saw a 10x increase in 15 days
- Remote working saw 20x participants on videoconferencing in 3 months
- Remote learning shifted to 250 million students in 2 weeks for students in China
- Online entertainment saw an adaptation pace increase from 7 years to 5 months - Disney+ achieved in two months what took Netflix 7 years
- Online deliveries saw their demand increase to their 10 year forecast in only 8 weeks
- 15% of US consumers tried grocery delivery for the first time in 2020. More than 80% were happy with experience with 40% continuing to keep the practice even after the crisis
- 55% of consumers who tried online fitness and 65% of those who tried connected fitness products say that they will use them even after gyms reopen

Three key areas for fitness brands to understand:

1. **COVID-19 has transformed consumer lives, we have covered a “decade in days” in the adoption of digital.**
 - a. People are shifting to digital platforms for day-to-day needs
2. **Behavior changes are not linear and their stickiness will depend on satisfaction of the new experiences.**
 - a. Stickiness = Forced Behavior X Satisfaction
 - b. Move to Value-Based purchases
 - c. Changes in mobility patterns
3. **The Future is NOW. Brands should prepare.**
 - a. Prepare for consumption declines
 - b. Address the new shopping experience
 - c. Realize consumer decision journeys have shifted

The Swiss Re Institute identified ‘on demand’ well-being as a permanent consumer shift along with other areas including food delivery apps, digital entertainment, cashless, online shopping and telemedicine.

The same study identified other temporary changes in consumer behavior including increases in divorce and pet adoption, mask wearing, lower use of public transportation and social media use for commerce.

Expected Permanence of habit changes from COVID-19				
Digital Adoption	Mobility	Personal Finance	Health	Interpersonal
TEMPORARY (towards top)				
			Wearing masks	
	Lower use of Public Transport			Increase in Divorce
Social Media use for commerce				Increase Pet Adoption
Online Education	Integrated Mobility	Shock to brand loyalty	Increased Hygiene	
Work from home and video enabled conferencing	Remote Work	Value based purchasing	Healthy Eating	
Use of Food Delivery Apps	Change in Commercial Real Estate Use	Online Shopping	Telemedicine	
Digital Entertainment		Move to Cashless Society	On Demand Well-Being	
PERMANENT (towards bottom)				

What does this mean for the wellness industry?

The post pandemic consumer has evolved to be more aware of their wellness, more comfortable with digital experiences, and able to connect with a digital community. More importantly, their daily preferences and schedules have adopted a new routine that will remain sticky.

In order for the wellness industry to continue its digital surge and stage a comeback to gyms and studios it needs to start with an innovative consumer experience.

For brands, this means that they have a broader base of consumers to reach for their product and services, however, how they interact and access those consumers will be different. The days where you could entice the consumer to an in-person visit with a tour of your facility and a free promo workout or day pass is waning.

Today's consumers expect their wellness experience to be connected, social, personalized, and interactive.

Creating a connection across various platforms can be challenging. However, in order to create a holistic experience for the consumer, digital value would need to be defined, whether that is providing a social community, a performance metric or lifestyle recommendations.

For brands that are primarily based on physical locations, it means creating a digital experience that is not only content driven, but addresses the new dynamics of the evolved consumer.

For brands that are digital first, it means connecting with your consumer outside of the digital offerings with IRL experiences, a strong retail strategy, local community engagement and even a flagship location.

The evolved consumer is one that values real life connection and personalization that can only come from other members and instructors. They also safeguard their time, flexibility and appreciate the value that comes from the effectiveness of digital. Both are here to stay.

In order for the wellness industry to continue its surge (if digital) and stage a comeback (if in real life), it needs to start with an innovative consumer experience... for the evolved consumer.

Reference sources

<https://www.mckinsey.com/industries/healthcare-systems-and-services/our-insights/beyond-coronavirus-the-path-to-the-next-normal>

March 23 2021