

The Digital Transformation of the Fitness Sector

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The Digital Transformation of the Fitness Sector: A Global Perspective

EDITED BY

JERÓNIMO GARCÍA-FERNÁNDEZ

Universidad de Sevilla, Spain

MANEL VALCARCE-TORRENTE

Valencian International University, Spain

SARDAR MOHAMMADI

University of Kurdistan, Iran

and

PABLO GÁLVEZ-RUIZ

Valencian International University, Spain;

BeOne Fitness & Sport, Spain



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About the Editors

Jerónimo García-Fernández is an Associate Professor in Sports Science at the University of Seville. Currently, he is a Professor and Researcher in the Physical Education and Sport Department at the University of Seville, Spain, where he teaches Bachelor- and Master-level courses in Sport Management and Marketing. He is a member of Fitbe Spin-off, a technological start-up focussed on consumer management in fitness centres. He has published more than 80 articles indexed in international journals as well as various book chapters. His main research topics are sport management, sport technology, fitness apps, customer loyalty and satisfaction at fitness services.

Manel Valcarce-Torrente is the Chief Executive Officer of Valgo Sports Consulting and the Chief Marketing Officer of the technology company Valte, spinoff of the University of Seville. He is currently a teacher in several master's degrees and postgraduate courses at national and international universities such as Valencian International University, University of Alcalá de Henares, University of Seville or INEFC Catalonia. He is an Expert and a Researcher in Sports Marketing and Technology Applied to Sports. He has published several books, articles and reports on the sports and fitness sector.

Sardar Mohammadi is an Associate Professor in Sports Management and Sport Marketing at the University of Kurdistan. Currently, he is a Professor and Researcher in the Physical Education and Sport Department at the University of Kurdistan, Iran, where he teaches Bachelor-, Master- and PhD-level courses in the Sport Management and Sport Marketing Programme. His research areas are sport management and marketing, specifically digital transformation in sport. He is also interested in sport website, information technology in the sport and technology acceptance model and published more than 40 articles in international journals.

Pablo Gálvez-Ruiz holds a PhD in Physical Education from the University of Málaga. Currently, he is a Professor and Researcher at Valencian International University (Spain) and Club Manager in BeOne Fitness & Sport. His research is primarily focussed on sports management, specifically quality of service, consumer behaviour, satisfaction, customer loyalty, job satisfaction and organisational culture. He contributes substantially to literature on low-cost fitness centre, and he has published articles in journals such as *Sport Management Review*, *International Journal of Sport Management and Marketing*, *Journal of Sport Marketing and Sponsorship*, *Economic Research*, *Sport in Society*, *Sustainability*, *International Journal of Environmental Research and Public Health* and *Current Psychology*.

About the Contributors

Ray Algar is the Managing Director of Oxygen Consulting, a UK-based company that provides strategic insight for organisations connected to the global physical activity economy. He is a long-term strategic adviser to organisations whose everyday mission is to help people to experience the benefits of a healthier and more physically active life. He has an MBA from the University of Surrey, MA Marketing from the University of Greenwich and a BA in Sports Psychology from the University of Kent. He is presently exploring PhD research in the area of healthy longevity.

Nawaf Almohaimed is an experienced management consultant with exposure to sports, culture and lifestyle industries. For the past 10 years, he has assisted government, right holders, organisations and private entities in the areas of growth strategy, mass participation and public engagement.

Devin J. F. Anderson is a PhD student and Graduate Teaching Assistant at the University of Georgia. His prior interests were on the consumption patterns of e-sports consumers. His current research investigates the post-athletic career management of elite athletes focussing on athlete brand, sponsorships, endorsements and team management.

Helena Ferreira Barbosa has a PhD in Strategic Management and International Business at the University of Seville. She is an invited Assistant Professor at the School of Education - Polytechnic Institute of Beja, Portugal (Escola Superior de Educação - Instituto Politécnico de Beja), and a fitness group class Instructor and Coordinator at a fitness centre. Her research interests are in consumer behaviour, satisfaction and retention in fitness industry. She is author of scientific articles, book chapters and communications in international conferences.

Flávia da Cunha Bastos is an Associate Professor at Sport Department and teaches at undergraduate and postgraduate programmes. She has a Master's degree in Physical Education and a Doctorate in Education. She is the Leader of the Group of Studies and Research in Sport Management and Laboratory of Management, Policies, Marketing and Communication in Sport and Physical Education.

Alexios Batrakoulis is a Teaching Assistant in Personal Fitness Training as well as Strength and Conditioning in the University of Thessaly. He has authored over 40 international peer-reviewed publications on exercise, including research

articles, abstracts and textbook chapters. He also was named as the Personal Trainer of the Year thrice (IDEA 2018, NSCA 2020 and PFP 2021) and was also a finalist for the 2021 ACSM Certified Professional of the Year.

Hannah H. Bo is a PhD student and Graduate Research Assistant at the University of Georgia. Her current research focusses on sport spectator's perception and experience of artistic entertainment in live sporting events and programming artistic entertainment to improve game-day and in-stadium service quality.

Isela Guadalupe Ramos Carranza has a PhD in Physical Culture Sciences, Master's degree in Physical Activity and Sports with a focus in Sports Management and Bachelor's degree in Physical Education and Sports. She is a Full-time Research Professor at the School of Education Sciences of the University of Colima. She is the Leader of the academic body UCOL-85 'Education and Movement'.

Khaled Ebada is a Professor of Weightlifting Training at Faculty of Physical Education, Vice-Dean of Faculty Management Technology and Information Systems at Port Said University. He is the Head Coach for Egyptian Team Blind powerlifters He is a Member of Editorial Board and Reviewer in international scientific journals and also a Member of the Permanent Committee for Promotion of University Professors.

Edvinas Eimontas is a Phd student in Social Sciences, Education. Currently, he is a Head of Sports Department at Vilnius Municipality and a Lecturer at the Lithuanian Sports University, Department of Sport and Tourism Management. His research fields are business management, entrepreneurship and innovations in sport.

Pablo Gálvez-Ruiz holds a PhD in Physical Education from the University of Málaga. Currently, he is a Professor and Researcher at Valencian International University (Spain) and Club Manager in BeOne Fitness & Sport. His research is primarily focussed on sports management, specifically quality of service, consumer behaviour, satisfaction, customer loyalty, job satisfaction and organisational culture. He contributes substantially to literature on fitness centre low-cost, and he has published articles in journals such as *Sport Management Review*, *International Journal of Sport Management and Marketing*, *Journal of Sport Marketing and Sponsorship*, *Economic Research*, *Sport in Society*, *Sustainability*, *International Journal of Environmental Research and Public Health* and *Current Psychology*.

Jerónimo García-Fernández is an Associate Professor in Sports Science at the University of Seville. Currently, he is a Professor and Researcher in the Physical Education and Sport Department at the University of Seville, Spain, where he teaches Bachelor and Master level courses in Sport Management and Marketing. He is a Member of Fitbe Spin-off, a start-up focussed on consumer management in fitness centres. He has published more than 80 articles indexed in international journals as well as various book chapters. His main research topics are sport management, sport technology, fitness apps, customer loyalty and satisfaction at fitness services.

Simon George is a Professor at TA Pai Management Institute (TAPMI), Manipal. He was a former Dean at TAPMI. His areas of interest in teaching and research are in Brand Management, Services Marketing and Blue Ocean Strategy. He has published several papers and cases. He is an expert on the case method of teaching. He has successfully guided six research scholars for their PhD. He is a member of the American Marketing Association.

Guy Griffiths founded GGFit in 2008 to improve people's health and fitness. GGFit has worked with hundreds of clubs on retention strategies, boosting member engagement and reducing attrition. Recently, he has been working with clubs focussing on health measurements and coaching, to broaden the membership base, and diversify clubs service offering. He has worked in IT banking systems and coaching and has a B.Eng. (Hons) in Aeronautics and Astronautics from the University of Southampton. His book *Stick Around* has 4.8 stars on Amazon.

Edwin Román Albarrán Jardón has a PhD in Education, Master's degree in Management Sports, Bachelor's degree in Administration and Bachelor's degree in Sports Training. He is a Full-time Research Professor at the Faculty of Behaviour Sciences and a Member of the academic body 'Investigation and multidisciplinary intervention in contemporary social problems'.

Margaret Gathoni Kinuthia is the Co-Founder and Fitness Instructor at Total Body Transformation Personal Training Center, Nairobi. She is a certified life-guard and swimming instructor. Her interests are injury rehabilitation, sports and nutrition coaching. She is also a field hockey player in the Kenya Hockey Union women's premier league.

Stanley Kagunda Kinuthia is a Fitness Instructor at the Kenyatta University Health and Fitness Centre. He also teaches at the Department of Physical Education, Exercise and Sport Science Kenyatta University, Kenya. His research interests are health and sports fitness, physical activity surveillance, injury prevention and exercise therapy, outdoor adventure and leadership.

Hamdy Mansour is the Dean of the Faculty of Physical Education at Fayoum University. He published his works in top-tier journals and supervised many Masters and PhDs. He also trained many professional volleyball teams and is a Member of the Permanent Committee for the Promotion of University Professors.

Linsy Mathew is currently working as Assistant Professor – Senior Scale and pursuing research in healthcare informatics and marketing at Manipal Academy of Higher Education Manipal, India. She is having rich industry experience in the banking sector and academic experience in teaching and guiding graduate and postgraduate students in marketing, management and banking specialisations.

Paolo Menconi is the President of IFO International Fitness Observatory and CEO and CoFounder of Egeria. He has gained his experience in management and business intelligence in different sectors: fitness, communication, marketing,

editorial. He has published several books and an essay on the successful management of negotiations and created various marketing material. He is called by many 'the man of numbers'.

Sardar Mohammadi is an Associate Professor of Sport Marketing for the Physical Education School at University of Kurdistan, Iran. She holds a PhD in Sport Management from Kharezmi University and has published in international academic journals such as *International Journal of Sports Marketing and Sponsorship*, *Sport Society*, *Annals of Applied Sport Science*, *New Trends in Sport Management* and *Sport Management Review*.

Paolo Monesi is a Senior Executive Partner who has extensive experience from all system integration areas with over 25 years of experience in Program Delivery and Client Management. He has developed expertise in recovering off-track complex transformation programmes. He has accumulated broad experience managing programmes in North America, Asia, Oceania and Europe.

Guilherme Moscardi Monteiro is a Researcher at the Group of Studies and Research in Sport Management/Laboratory of Management, Policies, Marketing and Communication in Sport and Physical Education. He works as Gym Manager and Gym Consultant.

Duncan Murray is a Senior Lecturer in UniSA Business at the University of South Australia. His research interests are in consumer behaviour in sport, leadership, academic capitalism and gender.

Raquel Vieira Nakamura has a Master degree in Sciences with focus on Sport Management . She is Researcher at the Group of Studies and Research in Sport Management/Laboratory of Management, Policies, Marketing and Communication in Sport and Physical Education and a International sports event specialist.

Vera Pedragosa has a PhD in Sport Sciences (Sport Management). She is the Scientific Coordinator, Integrated Member of Research Center in Economic and Business Sciences (CICEE), collaborator on the Psychology Research Centre (CIP) and Associate Professor at the Universidade Autónoma de Lisboa. Her research interest is on consumer behaviour in fitness industry. She is the author of scientific papers, books, books chapters and communications at peer-reviewed conferences and ad hoc peer-review in scientific journals.

Marta Pérez-Villalba has over 15 years of experience as a Sport Management Consultant. She is active in conducting research on the sports fitness industry and women and sports. She worked as a Consultant assisting in the design and implementation of the Saudi National School Sports Strategy. Currently, she works as a Consultant for sports-related projects in Saudi Arabia and as an Associate Professor at Johan Cruyff Institute.

Ciria Margarita Salazar has a PhD in Physical and Artistic Education from the University of Extremadura, Master's degree in Social Sciences and Diploma in

Healthy Eating and Research Psychology in Social Sciences. She is a Full-time Research Professor at the School of Education Sciences of the University of Colima. She is a Member of the National System of Researchers.

Ali Sevilmiş is a Lecturer of Sport Management at the Karamanoğlu Mehmetbey University, Faculty of Sports Sciences. His primary research interests are applied measurement and/or applied studies examining sport consumer and organisational behaviours. His main field of study is on customer behaviour in fitness centres.

Mojtaba Ghasemi Siani graduated from the University of Kurdistan in 2020 with a PhD in Sports Marketing Management. He is currently a Postdoc Researcher at this university. His main interests are marketing, advertising and sponsorship, and he has articles in domestic and international journals.

Erkan Faruk Şirin is a Professor of Sport Management at Selcuk University, Faculty of Sports Sciences. His work areas are related to fitness centres. Service quality, perceived risk, customer behaviour are some of the study topics.

Inga Staskeviciute-Butiene has a PhD in Social Sciences, management. She works as an Associate Professor at the Department of Sport and Tourism Management at the Lithuanian Sports University and belongs to the scientific team 'Sport and Leisure Management' and the main research areas are leadership, entrepreneurship and organisational intelligence.

Toshie Takahashi is a Part-time Lecturer in the Faculty of Health and Sports Science at Juntendo University, Japan. She has a Master's degree in Policy Sciences. Her main areas of research interest include sport facility management and community sport management.

Efi Tsitskari is currently an Associate Professor in Sports Marketing in Democritus University of Thrace, where she teaches Bachelor- and Master-level courses in Sports Marketing. She has published more than 60 research publications, as long as book chapters and congress proceedings. Her main research interests concern the understanding and satisfaction of the sports consumer, especially the consumer of fitness services. She has been a marketing consultant of a few sports organisations and fitness centres in Greece.

Ziqing Tuo is a Master student and Undergraduate Teaching Assistant in the College of Sport Management and Leisure at Guangzhou Sport University, China.

Irena Valentine holds a PhD in Social Sciences, education, sport. She is a Professor at the Department of Sport and Tourism Management at the Lithuanian Sports University. She leads a group of researchers 'Sport and Leisure Management'. Her research field mainly covers sport entrepreneurship, sporting events, leadership and good governance in sport.

Manel Valcarce-Torrente is the CEO of Valgo Sports Consulting and the CMO of the technology company Valte, spinoff of the University of Seville. He is currently an Assistant Professor and Researcher at Valencian International University and a teacher in several master's degrees and postgraduate courses at national and international universities. He is an Expert and Researcher in Sports Marketing and Technology applied to Sports, publishing several books, articles and reports on the sports and fitness sector.

Korosh Veisi received his PhD in Sports Management from Tarbiat Modares University, Iran. His research interest includes sports marketing, sports law and risk management in sports. He is currently an Assistant Professor in Sports Management, Department of Physical Education and Sports Sciences at the Islamic Azad University, Sanandaj Branch, Iran.

Guillermo Vélez is Journalist, Entrepreneur, Mentor and Networker, with more than 20 years of experience in the fitness, health and sports industry, Co-founder and Director and Editor of Mercado Fitness (2002).

Yasuhiro Watanabe is an Associate Professor of Sport Management in the Department of Sport Business Administration at Hiroshima University of Economics, Japan. His main areas of research interest include sport marketing and community sport management. He has committed to a Visiting Scholar at International Center for Sport Management, the University of Georgia since 2017.

Karen Williams is a Lecturer and Course Co-ordinator at the University of South Australia. Her research interests are in management and marketing, sport and events, with a specific focus on gender, inclusion and disability.

Michelle Zacharko is a PhD student and part-time Lecturer at the University of South Australia in UniSA Business; a former fitness instructor and group fitness manager; her research focusses on workplace harassment and virtual reality.

James J. Zhang is a Professor of Sport Management at the University of Georgia. His primary research interests are applied measurement and/or applied studies examining sport consumer and organisational behaviours. He has published extensively and is a frequent presenter at international and national conferences.

Troy T. Zhao is a PhD student and Graduate Research Assistant at the University of Georgia. His research interests are technology in sport management and urban planning in sport events.

Liangjun Zhou is a Professor of Sport Management and Dean of Graduate School of Guangzhou Sport University, China. He has published more than 60 articles indexed in international and national journals as well as various book chapters. His main research topics are sport consumer behaviour and sport facility management. He is a consultant expert of General Administration of Sport of China.

Chapter 1

The Challenges of Digital Transformation in the Fitness Industry in the World

Jerónimo García-Fernández, Manel Valcarce-Torrente, Pablo Gálvez-Ruiz and Sardar Mohammadi

1. Introduction

On March 11, 2020, the largest pandemic in recent years was declared worldwide, causing important and structural changes in sectors such as education, politics, health, or sports, among others, emerging the importance of technology and digitisation given the temporary confinement of the population. Specifically, in the fitness sector, and from that moment on, many of the professionals and academics in these sports sub-industry wondered, is technology and digitisation an opportunity or a problem? The answer could have a quick solution; it is a great opportunity. In fact, digitisation has made the ways of working, communicating, optimising time, interacting with consumers, co-creating value, or creating new digital business models more flexible.

Indeed, the fitness sector is a sub-sector of sport that in the past years has been a great growth in number of sports facilities, consumers, and economic impact worldwide. In the same way, it is a sector that has adapted to the needs of consumers in terms of digitisation. However, technological changes, their use, and the pace of adaptation have been different depending on the geographical area.

In this way, depending, for example, on the socio-cultural aspects of a country, the needs of its inhabitants, the culture or sports tradition, or simply on the purchasing power of the regions, the digitalisation of the fitness centres could have some peculiarities that would make them different between different regions. In fact, the tools and the digitalisation in the fitness sector could differ according to the countries and therefore also the service offer they promote and the impact they have on loyalty. Likewise, these differences would also have an impact on innovations in sports services and therefore on the gap between consumers who attend sports facilities.

The analysis of the differences between regions on digitisation, the offer of sports services, and the impact they have in a new scenario that has conditioned both organisations (how they develop their services) and users (how they carry out activities) could help to better understand the sector, and therefore they would help to have a global vision of the digital transformation, the behaviour of its consumers and its marketing actions aimed at both acquisition and loyalty.

For this reason, the aim of the book is to show the digital transformation in the fitness sector and what are the latest technological trends applied in the global fitness sector. The content provides knowledge about the current situation and what are the challenges of the technologies and digitalisation in the future. In particular, this book describes the status of digital transformation, the type of technologies, and how fitness centres communicate/relate to different countries. In short, this is a book that shows the globalisation of the fitness industry, and its different digital transformation to different countries.

For an introduction to the chapters included in this book, the contents are divided into four parts. Each part includes different relevant countries in the fitness sector from each of the main regions of the world: Europe, the North–South America, Asia-Pacific, and Africa and Middle East.

The first block of chapters, the Europe industry, provides data of interest from United Kingdom, Spain, Portugal, Greece, Turkey, Italy, and Lithuania. The second part, the North–South America industry, includes four chapters of interest about the countries of the United States, Mexico, Brazil, and Argentina. The third part, the Asia-Pacific industry, provides information from countries such as India, Australia, Japan, and China. Finally, the last part, the Africa and Middle East industry, shows the fitness sector from Saudi Arabia, Egypt, Kenya, and Iran.

In relation to the structure of each chapter and for a better understanding of the contents, it has been decided to divide all the chapters into equal blocks, facilitating the understanding of what the differences are between regions and countries, and above all, it provides knowledge of what are the actions to be developed by countries with a more professionalised sector.

For these reasons each chapter is divided into six sections. The first introductory section shows a contextualisation on the use of technology, innovation, and digital transformation in the sports sector (global) and fitness (particular) in each country. The second section aims to show how the fitness centres in each country use technology and digitisation in their management, for example, facilities and spaces, software and indicators, control and evaluation, or energy efficiency. The third section of each chapter aims to show how the fitness centres of each country use technology and digitisation in the offer of services and activities, as well as in the development of training, include examples of innovation that are being applied. The fourth section has the objective to show how the fitness centres in the countries use technology and digitisation in customer management processes, both commercial and marketing, digital marketing, social media, as well as communication and interaction to promote their loyalty. The fifth section of each chapter includes a case study example of success in digital transformation and the use of technology in the fitness sector in the countries. Finally, the sixth section

aims to be a concluding text with which the authors of each chapter show what the fitness sector in their country contributes, and what it can teach professionals from other countries.

Definitely, this is a book that provides knowledge of the reality and current affairs of digital transformation in the global fitness sector, and what are the technologies that managers and consumers use in different countries.

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Part I

The European Industry

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Chapter 2

The Digitally Enabled UK Fitness Sector

Ray Algar and Guy Griffiths

1. Introduction

The UK comprises the four nations: England, Scotland, Wales and Northern Ireland. Its population is estimated to be 67.1 million people in mid-2020 compared with 58.7 million people 20 years earlier. This represents a Compound Annual Growth Rate (CAGR) of 0.67% over 20 years. For comparison, the 28 countries that comprise the European Union (EU) saw their population growth of 0.28% over the same period.

The UK has the second-largest economy in Europe, which was valued at £1.9 trillion (€2.2 trillion) in 2020 (Office for National Statistics, 2021). Its economy had been growing steadily, before the Covid-19 pandemic, at a CAGR of just over 1% over the 20 years 2000 to 2020.

1.1. UK National Digital Strategy

In 2017, the UK government published its digital strategy, which outlined how it would ‘develop a world-leading digital economy that works for everyone’. Ten core priorities underpin this ambition, which begins with the rolling out of world-class digital infrastructure across the entire nation. Linked to this is building population-level digital literacy to avoid a ‘digital divide’, supporting a vibrant start-up ecosystem, unlocking the power of data and harnessing the potential of artificial intelligence. This is the future arena in which the UK fitness sector will be operating, which represents a dramatic change from its ‘analogue’ beginnings in the 1980s.

1.2. Defining Digital Transformation

Most people would agree that a core part of any digital transformation is to convert an analogue or physical process to a digital one. For example, only a few

years ago, it would have been necessary to visit a health club to join and complete necessary paperwork such as a membership application and a physical activity readiness questionnaire, but now these processes are often digitised and can be completed remotely. However, digital transformation goes beyond mere digitisation of processes and can also lead to the unlocking of new customers, commercial opportunities and even spark entirely new businesses. Furr and Shipilov from the INSEAD business school define digital transformation as:

- Doing things differently – i.e. transforming core activities with digital.
- Doing different things – i.e. discovering new business opportunities.

A more effective digital project will start by first defining the primary business objective before selecting a digital solution. Fig. 2.1 illustrates a potential process.

Understanding that digital transformation does not change the reason your business exists will help you identify the technologies you should focus on. Managers who believe that digital disruption requires wholesale reinvention of the core business end up running in a thousand directions (Furr & Shipilov, 2019).

1.3. Doing Different Things

Peloton Interactive, Inc., is a relevant example of doing different things. Founded in 2012, the company has transformed in-home exercise and now has 5.9 million connected and digital subscribers (at June 2021). The core challenge with home exercise is that although convenient it can be solitary, lacks feedback and is often constrained by limited workout options and little sense of progression. Co-founder John Foley and his colleagues pondered what an experience could be if elements of the very best boutique fitness studios could be married with Apple-grade technology and live-streamed Netflix-style exercise content. If you

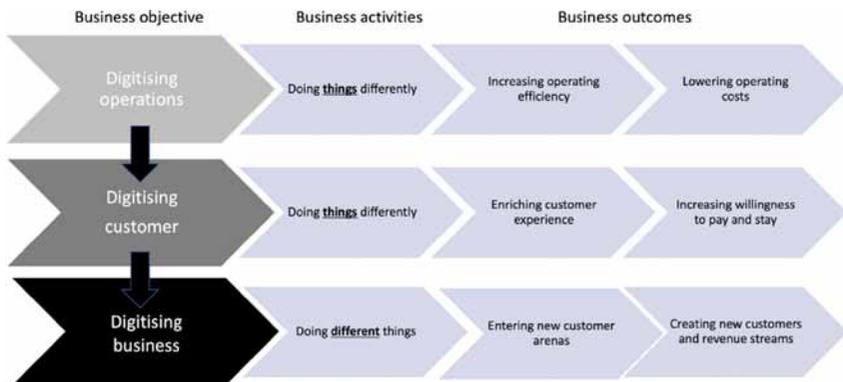


Fig. 2.1. Digital Transformation Framework (Oxygen Consulting, 2021).