

## The role of intermediaries and aggregators in the fitness sector ecosystem post-covid19

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This webinar consists of an informed, insightful yet critical conversation on the role of intermediaries and aggregators as part of the future sectoral ecosystem of the fitness and physical activity sector.

With:

Andreas Paulsen, Executive Director, EuropeActive, Benjamin Roth, Co-Founder and CEO, Urban Sports Club, Pietro Carmignani, CEO Europe, Gympass

### Questions for Urban Sports Club

Based on my experience B2B aggregators bring new users and increase revenue. That is positive for the overall industry. My question is to B2C Aggregators where I am more uncertain:

- Are B2C aggregators aiming for the same members that gyms have?

For Urban Sports Club: do you think the B2C model competes with the regular members of the fitness providers?

No, we attract users who are looking for various types of sport (multisports) and need a range of different options and activities a single provider does not offer. Our main target groups in B2C are:

- Multisports people: users do sport in different categories, also depending on mood, weekday, interest e. g. they combine climbing, swimming, fitness and yoga.
- Users who want to work out and train depending on the season: SUP and surfing in the summer, skiing or gym during the winter
- Users who travel a lot (business or private reasons), national and international clients
- Users who want to stay flexible (monthly cancellation) and thus pay more for their membership than directly at a venue

Urban Sports Club users visit at least 2-3 different partners on a regular basis and other partners when they travel

### Can B2C aggregators explain their payment model to gyms?

Urban Sports related = payment model to gyms:

- fixed payouts per visit and sport category, contract based, based on the gym's own membership, so the pricing will be agreed on location, offer, types of sport offered
- monthly payouts to the partners
- Urban Sports covers the risks and costs of chargebacks / members not paying
- We only work on a success basis, so not costs for our partners
- Partners can introduce limits for the visits (check-ins) and we chose the appropriate membership together (S, M, L or XL) according to their offer

Members:

- All members can choose from 4 different memberships with different options and different premium tiers. Premium ports and wellness activities such as tennis, EMS or spa are only part of the more expensive L and XL memberships.
- All memberships allow members to do sports in all countries where we operate with the Urban Sports Club brand
- The 4 membership models: S, M, L, XL <https://urbansportsclub.com/en/prices>



TO B2B Can you explain how you add value bringing new users and new revenue?

- We focus on corporate clients that subsidize the sport and health of their employees to increase employee attractiveness and to reduce sick leaves
- With our corporate clients we agree on common goals for the collaboration to ensure high activation rates and a clear employer branding benefit. To reach individual company goals, common on-site and online measures will be defined, which help in combination with our huge amount of sports activities to be successful together.
- We believe the variety of activities is key, since we need to activate a broad range of people - many of them that have not found the right activity for them yet and need inspiration and motivation.
- We have nearly 2,000 corporate clients in Europe, such as: AXA, FreeNow, Delivery Hero, Lidl, N26 or BCG.
- Since corporate clients pay partially or fully for the memberships of their employees, sports and wellness activities become affordable for a large number of people.
- Team building and engagement between employees lead to more visits to our partners. In some countries, Urban Sports members can already motivate each other and do sports together using our app to coordinate.

What is the customer churn (after their contracts lapse) in your platform?

We do not publish our exact churn numbers, since they vary between B2C and B2B, but also sometimes from country to country. However, what might be helpful are the main reasons why members churn at Urban Sports Club. These are the following: no time to work out, the membership is too expensive or they have found a gym/studio, they want to go regularly and have signed up directly with it.

[A question for Benjamin: what is the member count today? Was it affected by COVID-19?](#)

In March we introduced the “instant pause” for COVID-19. Our action was clear: member and partner safety first. So from day to another, people could pause their membership.

In parallel, we introduced the live streaming classes for our partners within days and made sure they could use our platform to offer online classes and to reach and teach our members. Participating in Live Classes was and is optional for our partners. We have streamed more than 130,000 online classes since then and pay our partners for our participating members.

Still, more than half of our members paused their membership during the lock-down. Since we saw regulations being lifted in the markets that we operate in, we started large “Back to sports” campaigns, often together with our partners to reactivate members and increase traffic for our partner studios.

[How do Urban’s clients and members feel about them limiting gym visits? It seems to go against the stated mission of getting people active? And “helping them find an activity to love”?](#)

- We have visitation limits if our partners prefer these or maybe have limits also within their own membership plans. The limits help not to compete with each other.
- Our members understand and know the limits. In some markets, we have started to sell additional visits at the partner venue, if the limit has been reached and in alignment with our partners.
- Members can do unlimited sports with our M, L or XL membership (every day, several times in different venues). We just limit the number of visits in a specific venue based on our talks with our partners.

[Is the fact that Gympass are in the USA and South America a good thing or a bad thing? Benjamin seemed to suggest it was a bad thing? But I'm not sure why!](#)

I can only speak for Urban Sports Club. We are a European company, founded and headquartered in Berlin, Germany. We have local teams in Germany, France, Spain, Italy, the Netherlands, Belgium and Portugal. We also have offices in all the larger cities of those countries, since we believe personal and local relationships matter and are crucial for long-term relationships.

[Sorry, what is the for B2B member for Urban? I didn’t hear the answer to the question?](#)

About half of our members are B2B-members, and the number is growing. We have seen an increase in B2B members over the last six months, as we have gained more than 250 new

companies despite our countries in lockdown. We expect the proportion of members being on subsidized B2B membership plans to grow faster than on B2C also in the next months.

Question for Benjamin: There were some negative Feedbacks from owners of clubs about Urban Sports not respecting their payouts and contractual obligations in Germany. Can you comment on that?

We are not aware of complaints that Urban Sports Club is not respecting contractual obligations. There have been some discussions around our new Live Streaming offer, since we negotiated new contracts (only for online content) with our partners to make sure we have cooperation agreements that also cover Live Streaming classes. At the beginning, some studios thought we wanted to change our whole cooperation agreement. However, this misunderstanding has been sorted. Our partners have two different agreements, one for on-site visits and one for Live Streaming content.