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Is F45 Fit To Compete?
A Market Landscape Study

Strategic Research For Capital Investments

www.TheLangstonCo.com

Fit-to-Field Research: What is it and why do it?

A Simple Investment Principle

The decision to add a company to your portfolio is all about your belief in that asset's ability to win and maintain loyal customers. The best way to evaluate a business's prospects for winning profitable customers is to gather data directly from them.

But There's A Problem…

You are often unable to leverage consumer research in investment decisions because it takes too long, costs too much, and provides a host of "soft metrics" that don't stand up next to financial performance data.

The Solution: Fit-to-Field Research

We developed Fit-to-Field Snapshots specifically for equity and portfolio clients. We combined our most successful methodologies with our research technology stack to provide market snapshots specifically for asset and portfolio managers.

We commissioned this study to give investors and analysts a peak into our process for evaluating brands in a pre-investment scenario.

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As you peruse the slides that follow, imagine that you are considering making an investment in the functional fitness brand, F45, or one of its competitors.

Important Caveats and Disclaimers

This study was conducted independently by The Langston Co. and is not associated or affiliated with any of the brands analyzed.

We collected data using survey sampling through panel providers that we work with often. Data of this nature can be collected on nearly any consumer brand without tapping the brand's own customer records.

In addition to following industry best practices for survey design, sampling, and analysis, Langston conducts ongoing "research on research" through which we refine our understanding of various research practices' impacts on data robustness and reliability. Nonetheless, survey data represents a sampling of the total population and is thus subject to statistical error and reasonable variance from the full population.

The information in this slide deck reflects Langston's assessment of the fitness class market overall, including F45's brand and market position, based on our independent research. This is just one lens through which a business and a market should be evaluated, and it is not a comprehensive assessment of F45's business or any of its competitors. This information does not speak to the soundness of any brand's operating practices, underlying financials, liabilities, intellectual property, or other important factors. The Langston Co is a market research consultancy, not an investment advisor, and will not be liable for any loss or damage caused by a reader's reliance on this research, which has been provided free of charge for informational and illustrative purposes.

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We collected robust consumer data on F45 and nine key competitors

F45 — 45-minute workouts which the brand describes as "a mix of circuit and HIIT style workouts geared towards everyday movement."

Orangetheory Fitness — Tech-enabled, high-intensity interval training featuring rowing, running, and weight training.

Barry's Bootcamp — Boutique fitness brand combining high-intensity strength training and cardio workouts.

CrossFit — Dynamic HIIT program that exploded in popularity in the 2000s.

CorePower Yoga — Largest yoga studio chain in the United States offering all types of yoga practices.

Pure Barre — High-intensity, low impact exercise studio that focuses on strength, flexibility, and cardio.

Beachbody On Demand — Online streaming subscription program with thousands of workout possibilities.

SoulCycle — Cycle-based fitness classes set to high-energy music and inspirational instructors.

Peloton — Subscription service offering interactive, engaging class-based workouts.
Note: in this study we only examined Peloton Digital and NOT other Peloton products

Fitbit Coach — A personalized training app featuring a library of adaptive video workouts and audio coaching exercises.

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1,500+ fitness enthusiasts in 10 major US cities passed through survey modules that give a 360 degree view of F45 and competitors

1. Funnel Analysis & Brand Barriers

How many consumers know the brand? How many would consider buying from it? How many already have? Understanding a brand's customer funnel and the most common barriers to conversion from each funnel stage to the next gives you an instant picture of its status in the market.

2. Promotors, Detractors, & Value Drivers

Every industry has a few key purchase criteria that determine which brands consumers prefer. How important is each driver of customer value, and how do consumers perceive the brand's performance on each one? These metrics are so endemic to customer loyalty and growth that they can literally predict financial outcomes.

3. Brand Positioning

Every brand has a reputational position within its market. Is it "the high-end trend-setter" or "the effective cheaper alternative?" Mental models of each industry drive the way consumers categorize brands along key elements of their reputation. In some markets, customers perceive a spectrum from effective-to-useless. In others, it might be traditional-to-trendy, or even proven approach-to-cutting edge.

4. Behavioral Funnel

Business success is influenced by the degree to which its product and service offerings align with customer trends. For smaller assets, the impact of changing consumer behaviors can literally make or break the business. In the fitness space, the popularity of HIIT workouts can create or destroy a hospitable environment for a young chain of studios.

Which consumer behaviors are integral to the success of this asset, and are they on the rise or facing decline? What are the key barriers to consumer adoption of the critical behaviors for this brand?

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Summary of Findings
# for F45 and Key Competitors

Summary of Findings: Market Outlook for F45

Funnel Analysis & Brand Barriers
What is the brand's awareness, consideration, and adoption in the market?

-F45 has considerably lower awareness (19%) than juggernauts like CrossFit (83%) or Peloton (68%), yet very strong conversion rates among those who are aware. <u>This creates a tremendous opportunity for the brand to grow through top-of-funnel marketing</u>.

-The brand comes out in the <u>#1 spot of the brands studied</u> when it comes to acquisition and retention outlooks, signaling that aware never-subscribed consumers have a relatively high likelihood of converting in the future, and already converted users have a strong likelihood to remain.
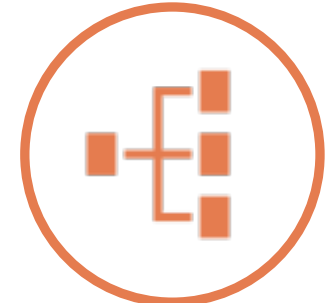
Promotors, Detractors, & Value Drivers
What drives value in the fitness space? How is F45 performing along these value drivers relative to competition?

-When it comes to drivers of quality perceptions in this market, *effectiveness* is most important, followed by *fun & engaging workouts* and *community*. <u>F45 outperforms its competitors on all of these metrics</u>.

-On the cost side, *monthly membership fees* are the largest drivers of value, yet *contract length/flexibility* and *other fees (add-ons, sign-up, etc.)* also play a huge role. Again, <u>F45 outperforms most competitors on these dimensions,</u> in part (we suspect) because of a "brand halo effect" it has created with its customers.

Brand Positioning
What is the reputational position of F45 and competitors?

-F45 is perceived as *trendy*, *effective*, and *approachable*. This triad <u>gives the F45 a highly favorable position in the market</u>.

-Barry's Bootcamp also ranks highly on the *effective* index while the digital competitors in the study (Peloton Digital, Beachbody OnDemand, and Fitbit Coach) join F45 in being *approachable.*

Behavioral Funnel
Do broader consumer behaviors & attitudes in fitness present F45 with tailwinds or headwinds?

-Functional movement as a concept has relatively low awareness (<25%) and even lower adoption (<10%).

-F45 is successful because of the brand they have built, not because consumers are seeking out functional movement training. That said, <u>we did not find evidence that consumers actively avoid or mistrust the concept of functional movement or functional training</u>, indicating this is also not a headwind for the F45's growth.

Section I: The Funnel & Barriers

Before consumers become customers, they must pass through a series of stages, from awareness to adoption to repeat purchase.

The number of people who have crossed each stage for each brand tells us a lot about the competitive landscape and the ingredients for future growth.

- Peloton and 24 Hour Fitness dominate unaided awareness among the brands in this study. F45 was mentioned just four times. This indicates low top-of-mind awareness for the brand that can be addressed with an increased national footprint and awareness advertising.

- This remains true even when we provide F45 as a member of a list of fitness brands. The company has low top-of-funnel metrics (awareness & familiarity), suggesting opportunities to scale the brand from low baseline.

- Yet conversion rates between funnel stages are very strong among F45's small base of aware consumers, suggesting that those who do get exposed to the brand's message and product find it appealing and convert to loyal users at a high rate. Segmenting the funnel by gender reveals softness for F45 among women when compared to male consumers in the same market.

- On average, F45's has highly attractive growth prospects from both an acquisition and retention standpoint. Expense and convenience are the two biggest reasons why consumers refuse to consider class-based programs.

- When it comes to F45 in particular, "friends not participating" accounts for 15% of why considerers have not converted to F45. Convenience and money represent about 40%.

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Methodology Overview – Brand Funnel Analysis & Brand Barriers

What this Data Measures

On their way to becoming loyal customers, people must pass through a series of stages that describe their relationship with a brand and its products. First, they must become aware that the offering exists. Then, they need to build a general familiarity with the offering, including a sense of what it is, how it works, and how much it costs. Next, people need to consider the product as something they would potentially buy before, finally, they make the decision to try it. At the bottom of the funnel – where people have tried the product and thus turned into customers – they then decide whether they will buy it again and whether they will become a frequent customer.

At each of these stages, would-be customers might "fall out" of the funnel. They be familiar with the product but, for some reason, would not consider trying it. Or perhaps they would consider trying the product but, for some reason, they haven't actually taken the step to purchase it. Each of these *for-some-reason*s is called a barrier for that customer's conversion to the next stage of the funnel.

How the Analysis is Done

We ask customers a series of questions about the brands in this space that they have heard of, are familiar with, would consider, have tried, and would try again. By aggregating this data, we capture a representative picture of each brand's brand funnel among the population we're studying. Further, we use logic-based survey programming to identify which stage a respondent has fallen out of the funnel and trigger a question to uncover the barrier to their conversion at that stage.

Why it Matters

Understanding a brand's customer funnel gives you an instant picture of its status in the market. It also shines a spotlight on which parts of the customer acquisition and retention processes the brand has found success and challenges. By examining data on the barriers to conversion at each stage, you can begin to understand how difficult it may be to improve the brand's funnel metrics. For example, barriers such as "I'm not sure where to buy it" are considered *soft barriers* because they are easier to overcome whereas barriers such as "I don't like the way products like that make me feel" are considered *hard barriers* because they are rooted in the product itself and would be difficult to resolve.

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We captured funnel statistics for every brand in the survey, including unaided awareness

AWARENESS
Have people ever heard of your product?

FAMILIARITY
Do people know what your product is and how it works?

CONSIDERATION
Do they consider buying it?
Do they see how it fits their lives?

ADOPTION
Do people buy your product?

REPEAT PURCHASE, RETENTION & LOYALTY
Do they buy again?
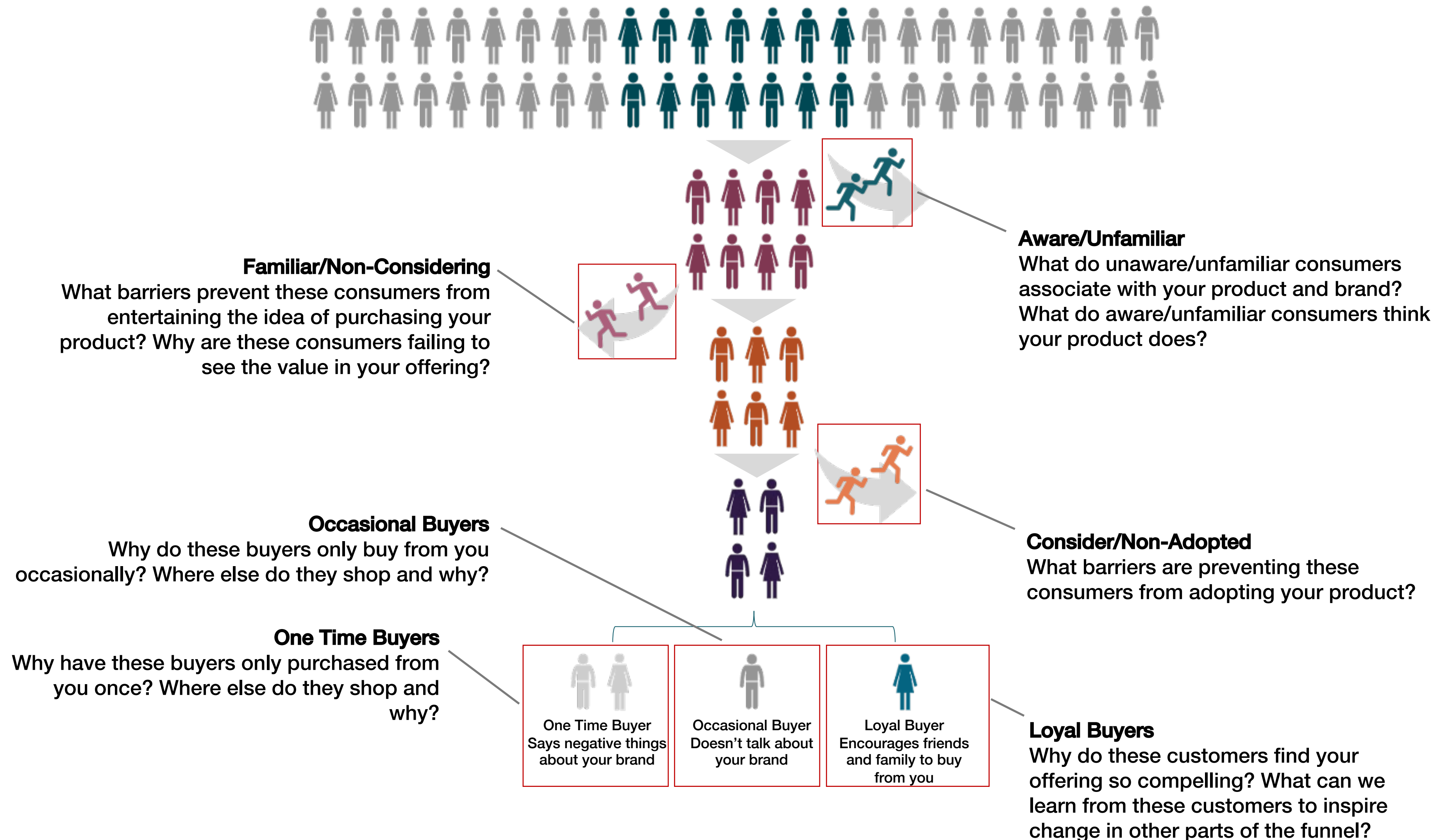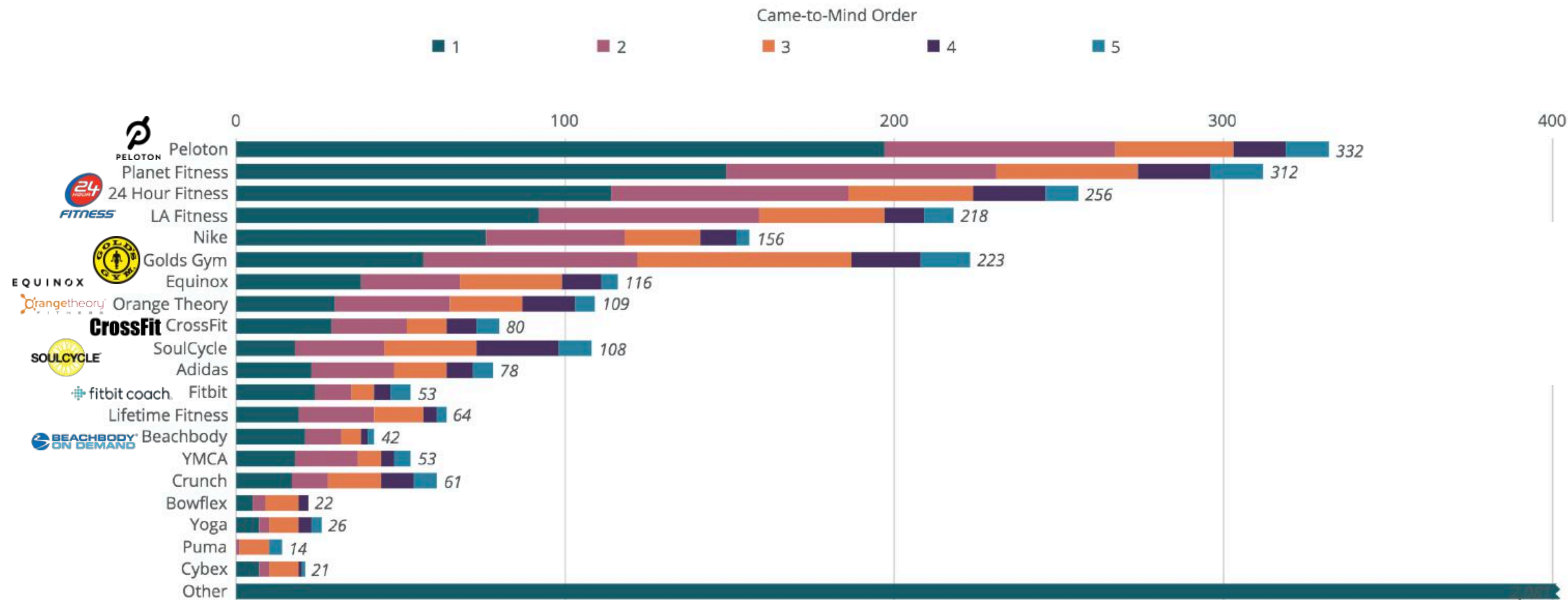Do they stay subscribed?
Do they advocate for your product?

One Time Buyer
Says negative things about your brand

Occasional Buyer
Doesn't talk about your brand

Loyal Buyer
Encourages friends and family to buy from you

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Funnel fall-off questions quantify barriers to purchase & reasons for favorite brand choice

Aware/Unfamiliar
What do unaware/unfamiliar consumers associate with your product and brand? What do aware/unfamiliar consumers think your product does?

Familiar/Non-Considering
What barriers prevent these consumers from entertaining the idea of purchasing your product? Why are these consumers failing to see the value in your offering?

Consider/Non-Adopted
What barriers are preventing these consumers from adopting your product?

Occasional Buyers
Why do these buyers only buy from you occasionally? Where else do they shop and why?

One Time Buyers
Why have these buyers only purchased from you once? Where else do they shop and why?

Loyal Buyers
Why do these customers find your offering so compelling? What can we learn from these customers to inspire change in other parts of the funnel?

One Time Buyer
Says negative things about your brand

Occasional Buyer
Doesn't talk about your brand

Loyal Buyer
Encourages friends and family to buy from you

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Peloton and 24 Hour Fitness dominate unaided awareness among the brands in this study. F45 was mentioned just four times

Peloton's enormous top-of-funnel marketing plays have paid off: their digital ubiquity earns them the top spot in consumers' minds when it comes to fitness brands. 24 Hour Fitness and Planet Fitness enjoy #2 and #3 spots, thanks to their physical ubiquity in the cities we studied.

Came-to-Mind Order
1   2   3   4   5

Brand	Value
Peloton	332
Planet Fitness	312
24 Hour Fitness	256
LA Fitness	218
Nike	156
Golds Gym	223
Equinox	116
Orange Theory	109
CrossFit	80
SoulCycle	108
Adidas	78
Fitbit	53
Lifetime Fitness	64
Beachbody	42
YMCA	53
Crunch	61
Bowflex	22
Yoga	26
Puma	14
Cybex	21
Other	

Mentioned Less Than 10 Times

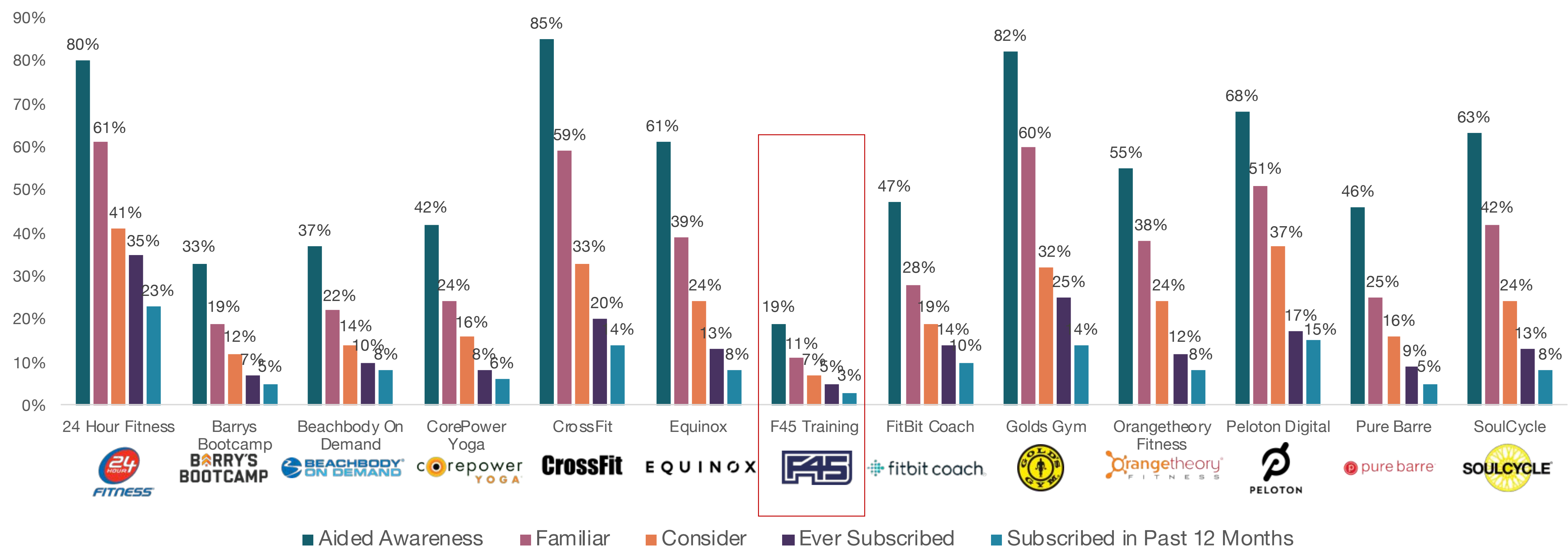BARRY'S BOOTCAMP   corepower YOGA   F45   FREELETICS   pure barre

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F45 has low top-of-funnel metrics (awareness & familiarity), suggesting opportunities to scale the brand from low baseline

Fewer than 20% of fitness-oriented consumers have even heard of F45; ~10% are familiar with what it is.
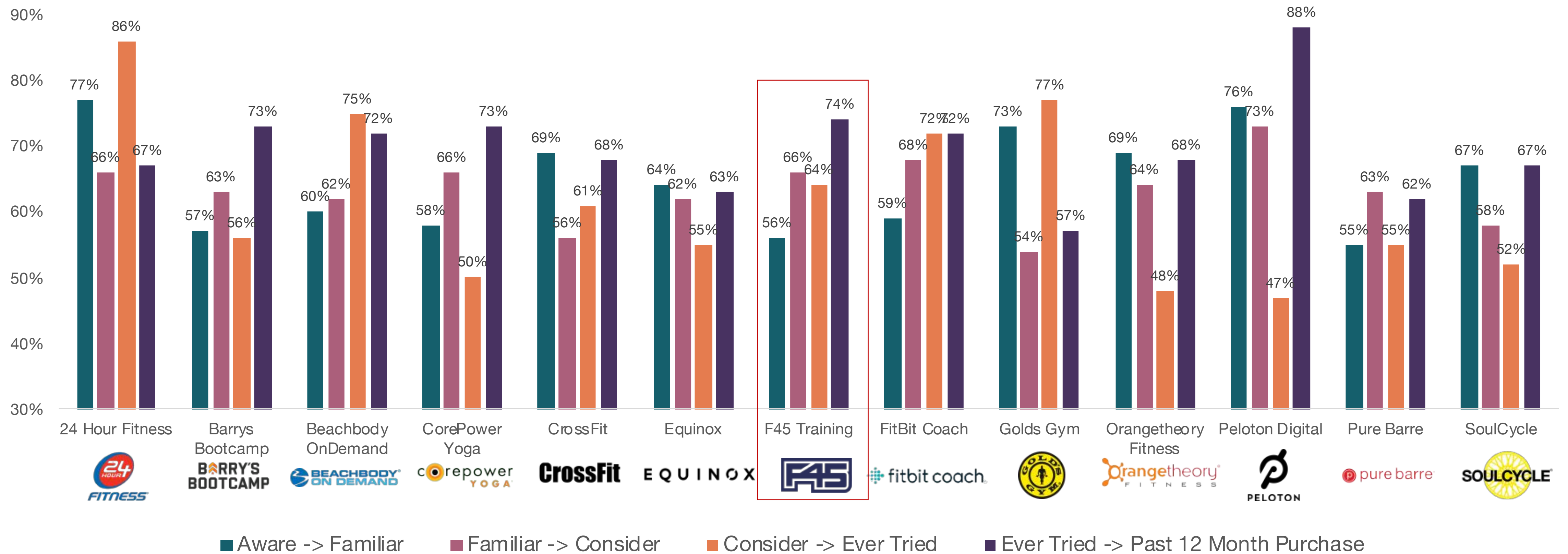
Absolute Funnel

Legend: Aided Awareness · Familiar · Consider · Ever Subscribed · Subscribed in Past 12 Months

Brand	Aided Awareness	Familiar	Consider	Ever Subscribed	Subscribed in Past 12 Months
24 Hour Fitness	80%	61%	41%	35%	23%
Barrys Bootcamp	33%	19%	12%	7%	5%
Beachbody On Demand	37%	22%	14%	10%	8%
CorePower Yoga	42%	24%	16%	8%	6%
CrossFit	85%	59%	33%	20%	4%
Equinox	61%	39%	24%	13%	8%
F45 Training	19%	11%	7%	5%	3%
FitBit Coach	47%	28%	19%	14%	10%
Golds Gym	82%	60%	32%	25%	4%
Orangetheory Fitness	55%	38%	24%	12%	8%
Peloton Digital	68%	51%	37%	17%	15%
Pure Barre	46%	25%	16%	9%	5%
SoulCycle	63%	42%	24%	13%	8%

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Yet conversion rates between funnel stages are very strong among F45's small base of aware consumers

This is excellent news for F45. It means that growth in awareness (via top-of-funnel marketing) can be captured as value through trial and retention. It indicates there are not additional problems with the product or availability that indicate weakness in the brand's growth prospects.
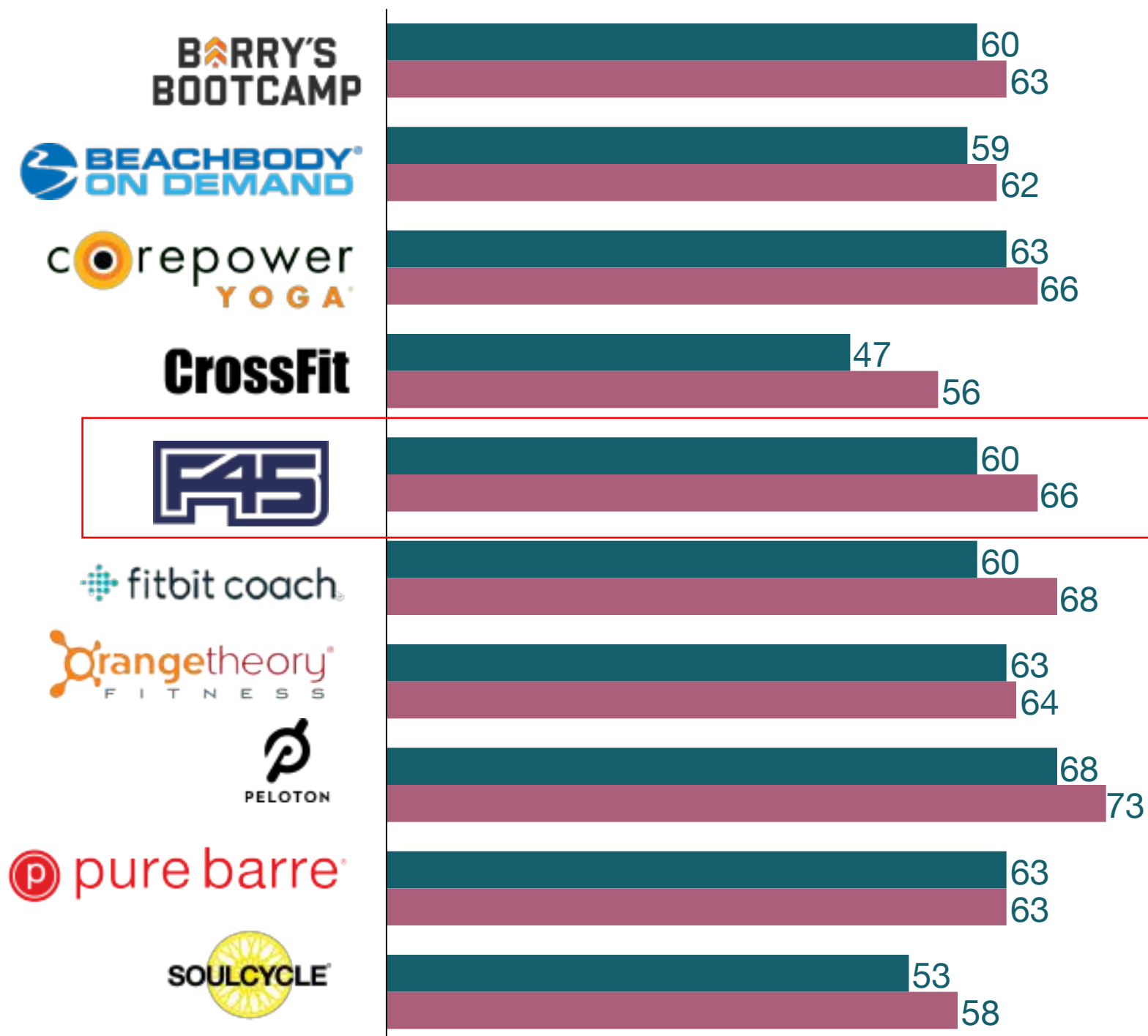
Relative Funnel

Legend: Aware -> Familiar, Familiar -> Consider, Consider -> Ever Tried, Ever Tried -> Past 12 Month Purchase

Data by brand:

- 24 Hour Fitness: 77%, 66%, 86%, 67%
- Barrys Bootcamp: 57%, 63%, 56%, 73%
- Beachbody OnDemand: 60%, 62%, 75%, 72%
- CorePower Yoga: 58%, 66%, 50%, 73%
- CrossFit: 69%, 56%, 61%, 68%
- Equinox: 64%, 62%, 55%, 63%
- F45 Training: 56%, 66%, 64%, 74%
- FitBit Coach: 59%, 68%, 72%, 72%
- Golds Gym: 73%, 54%, 77%, 57%
- Orangetheory Fitness: 69%, 64%, 48%, 68%
- Peloton Digital: 76%, 73%, 47%, 88%
- Pure Barre: 55%, 63%, 55%, 62%
- SoulCycle: 67%, 58%, 52%, 67%

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Segmenting the funnel by gender reveals softness for F45 among women

Familiar → Consider

% of those who are familiar with brand who would consider subscribing

Brand	Women	Men
BARRY'S BOOTCAMP	60	63
BEACHBODY ON DEMAND	59	62
corepower YOGA	63	66
CrossFit	47	56
F45	60	66
fitbit coach	60	68
Orangetheory FITNESS	63	64
PELOTON	68	73
pure barre	63	63
SOULCYCLE	53	58

Men somewhat more likely to consider F45 than women; much more likely to convert

Consider → Ever Tried

% of those who would consider subscribing to brand who have ever tried it
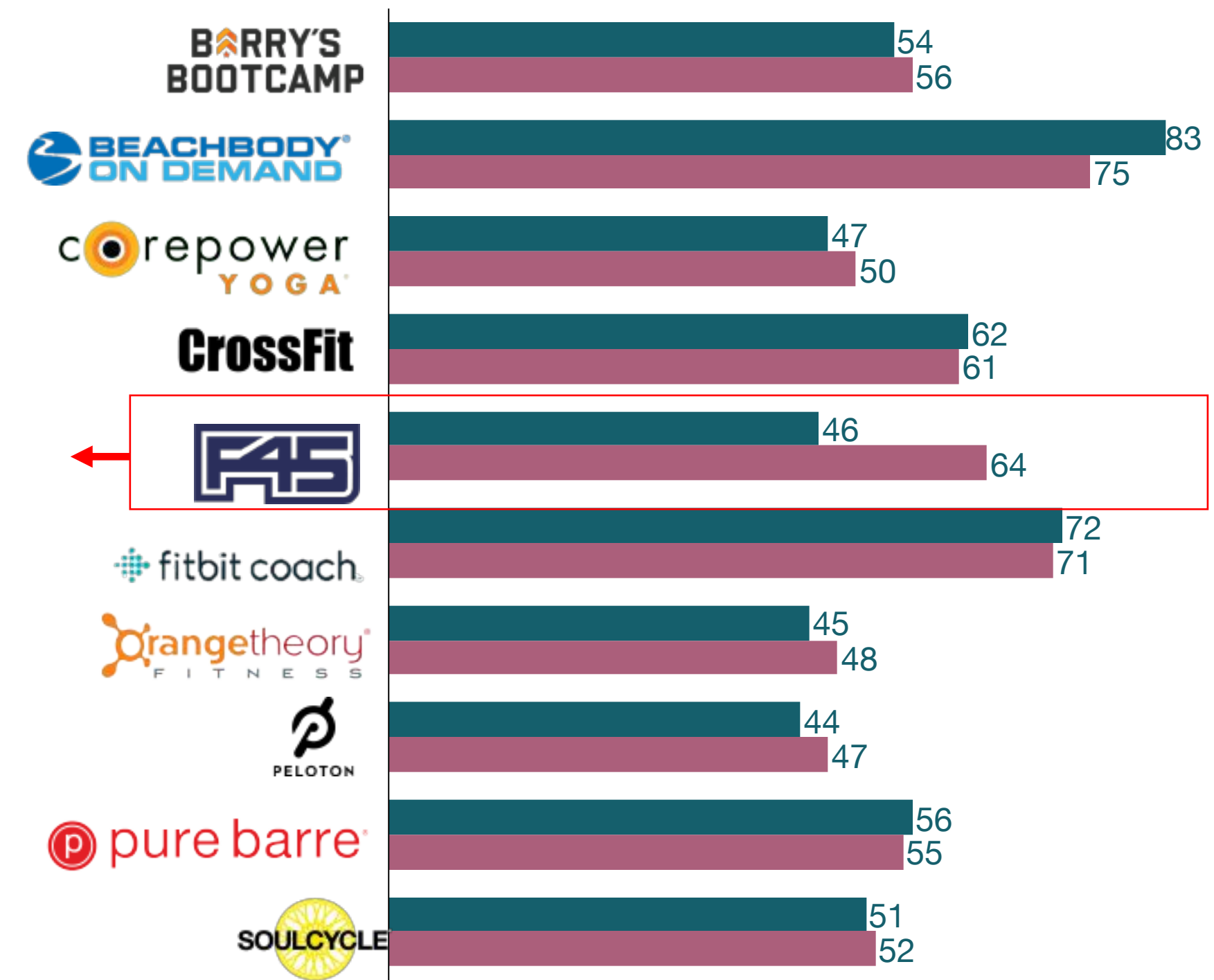
Brand	Women	Men
BARRY'S BOOTCAMP	54	56
BEACHBODY ON DEMAND	83	75
corepower YOGA	47	50
CrossFit	62	61
F45	46	64
fitbit coach	72	71
Orangetheory FITNESS	45	48
PELOTON	44	47
pure barre	56	55
SOULCYCLE	51	52

Women ■ Men ■

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On average, F45's has highly attractive growth prospects from both an acquisition and retention standpoint

Acquisition Outlook

% Likely To Subscribe In Next 6 Months Among Those Who Have NEVER Subscribed

Brand	%
F45	27%
corepower YOGA	16%
BARRY'S BOOTCAMP	16%
fitbit coach	14%
CrossFit	14%
pure barre	12%
Peloton	11%
BEACHBODY ON DEMAND	11%
SOULCYCLE	10%
Orangetheory FITNESS	9%
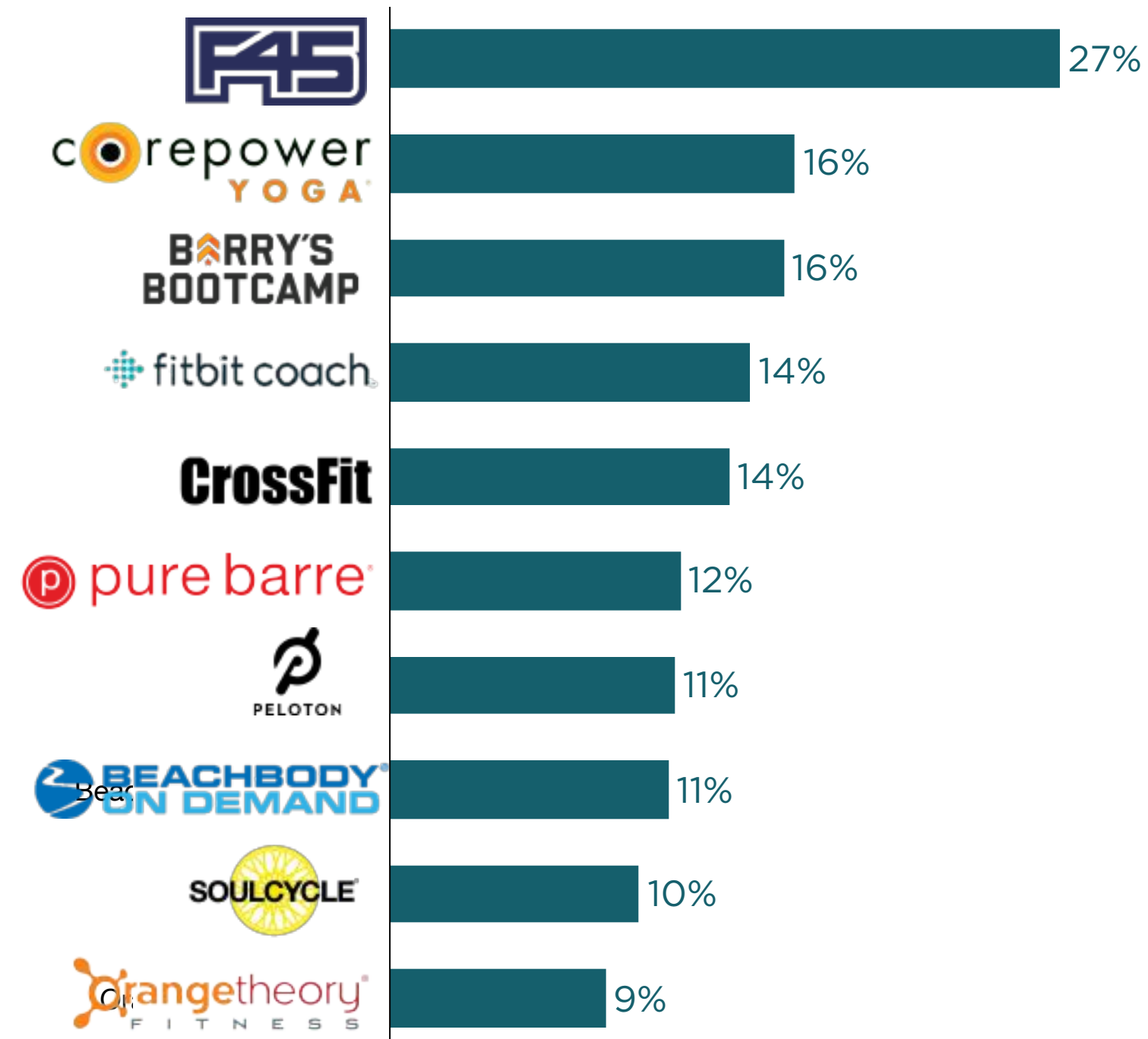
Retention Outlook

% Likely To Subscribe In Next 6 Months Among Those Who Have EVER Subscribed

Brand	%
F45	62%
Peloton	61%
CrossFit	51%
BEACHBODY ON DEMAND	48%
corepower YOGA	44%
BARRY'S BOOTCAMP	44%
fitbit coach	40%
Orangetheory FITNESS	34%
pure barre	33%
SOULCYCLE	32%
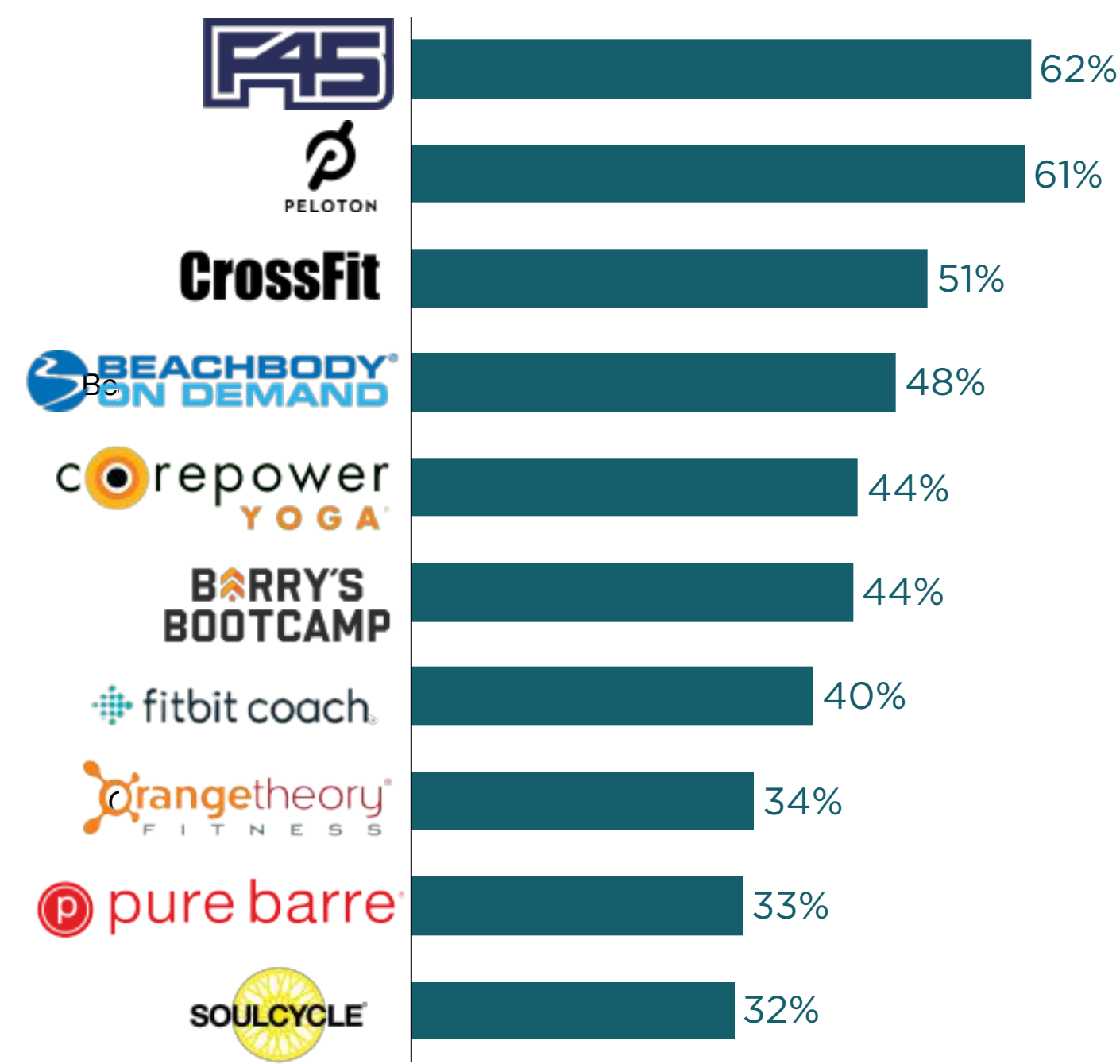
Favorite Brand

% Of Those Aware Who Select Brand As Their Favorite
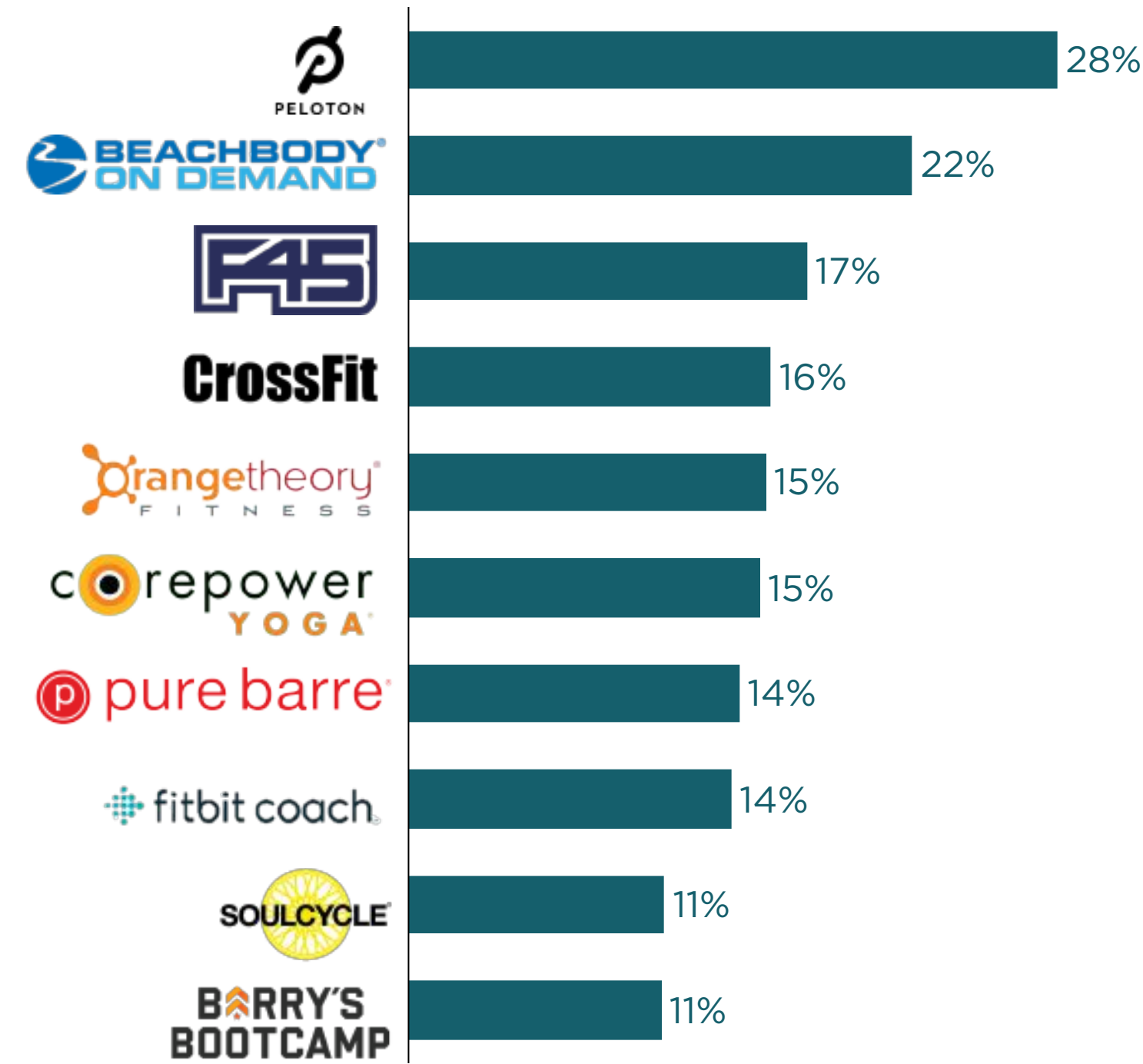
Brand	%
Peloton	28%
BEACHBODY ON DEMAND	22%
F45	17%
CrossFit	16%
Orangetheory FITNESS	15%
corepower YOGA	15%
pure barre	14%
fitbit coach	14%
SOULCYCLE	11%
BARRY'S BOOTCAMP	11%

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Expense and convenience are the two biggest reasons why consumers refuse to consider class-based programs

Familiar but Would <u>Not Consider</u>
You indicated that you would NOT consider subscribing to [brand]. Why not?

Legend:
- I simply have not thought about it much
- My friends don't participate in it
- I've been meaning to subscribe and simply haven't
- Skeptical that it works
- Takes too much time
- Not convenient
- Too expensive

Brand	Too expensive	Not convenient	Takes too much time	Skeptical that it works	I've been meaning to subscribe and simply haven't	My friends don't participate in it	I simply have not thought about it much
Barry's Bootcamp	33%	26%	3%	16%	4%	3%	14%
Beachbody On Demand	23%	10%	8%	18%	2%	11%	29%
CorePower Yoga	32%	16%	7%	18%	8%	7%	13%
CrossFit	21%	19%	5%	17%	13%	5%	21%
F45	28%	22%	3%	9%	16%	7%	15%
fitbit coach	20%	12%	10%	7%	14%	8%	28%
Orangetheory Fitness	35%	20%	3%	14%	8%	4%	16%
pure barre	24%	12%	5%	20%	8%	12%	20%
SoulCycle	35%	19%	6%	17%	4%	5%	15%

Friends not participating accounts for 15% of why considerers have not converted to F45; convenience/money represents ~40%

Never Subscribed But Would Consider
You indicated that you have never subscribed to [brand] but you'd consider subscribing in the future. Why?

Legend:
- I simply have not thought about it much
- My friends don't participate in it
- I've been meaning to subscribe and simply haven't
- Skeptical that it works
- Takes too much time
- Not convenient
- Too expensive

Brand	I simply have not thought about it much	My friends don't participate in it	I've been meaning to subscribe and simply haven't	Skeptical that it works	Takes too much time	Not convenient	Too expensive
Barry's Bootcamp	16%	10%	5%	11%	8%	25%	24%
Beachbody on Demand	27%	11%	15%	15%	4%	7%	22%
CorePower Yoga	21%	9%	16%	6%	4%	23%	20%
CrossFit	19%	12%	11%	6%	6%	18%	28%
F45	18%	15%	11%	7%	6%	22%	21%
Fitbit Coach	23%	12%	10%	15%	6%	11%	24%
Orangetheory Fitness	19%	10%	10%	6%	2%	21%	32%
Pure Barre	15%	10%	12%	6%	5%	26%	26%
SoulCycle	17%	10%	11%	5%	5%	24%	29%

Section II: Value, Value Drivers, and Loyalty

The simple truth of value: people buy things that they perceive are <u>worth what they pay</u>.

In this section, we dissect and quantify the drivers of value in this market. We analyze how much each value driver impacts overall satisfaction and loyalty, and we measure how each brand performs relative to the rest of the market.

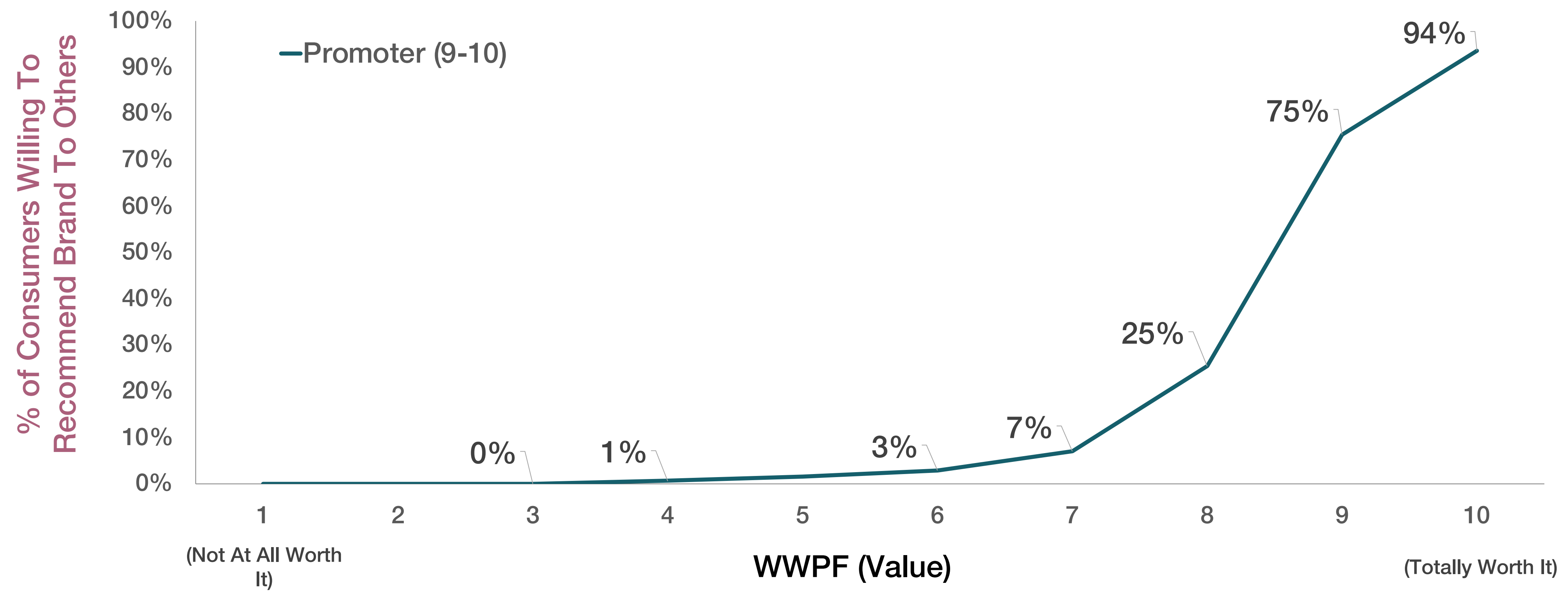# Summary of Findings – Value, Value Drivers, and Loyalty

- Value driver analysis is built around "The Simple Truth of Value," and there is a very strong correlation between profit outcomes and perceived value (Worth What Paid).
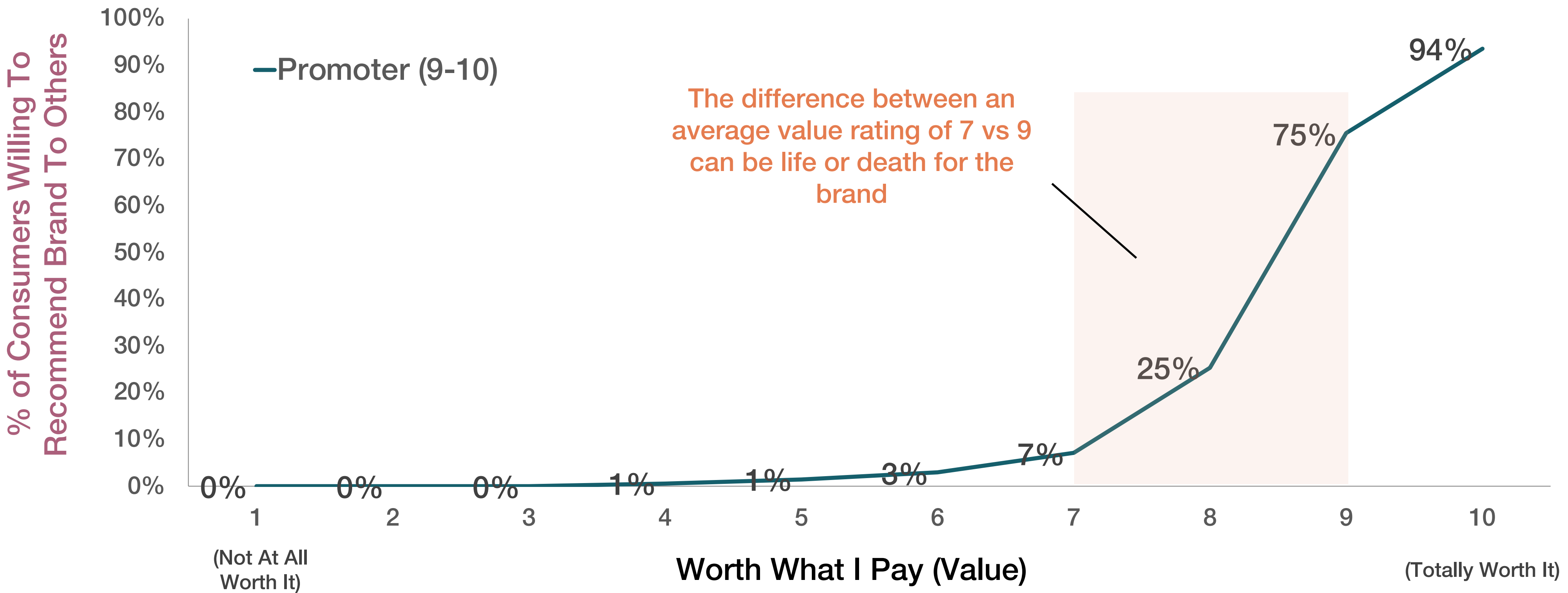
- Overall satisfaction and loyalty levels are low across the market, with average *Worth What Paid* scores from 6.2 to 7.8

- Perceptions of effectiveness, fun, and community are the most important drivers of overall quality for consumers in this space. Consumers are more sensitive to financial costs than they are to time and contract length.

- Community drives more importance for male consumers than women in this space while instructors are more important among women.

- F45 scores higher than the market average on every key value driver in the market and receives higher marks among men, even when accounting for "ever purchased" status.

- F45 leads the field in perceived value while other major brands lag on both cost and quality scores.

What this Data Measures

While a brand's funnel describes the way that new customers come to its product offering, value perceptions and loyalty metrics are the way to understand how well it retains those new customers. We measure customer satisfaction by examining users' statements about a product or service's *value* – that is, the degree to which they believe the product or service is *worth what they paid*.

The drivers of value in any given market are unique, but they almost always break down into elements of quality and elements of cost. By dissecting the individual elements of quality and cost, you can begin to understand how much each specific value driver matters when consumers make a purchase decision. You can also determine how well each brand is performing along each metric, which enables you to uncover not just *how* each brand is performing with customers, but also *why* their performance is so.

Many researchers have uncovered the links between customer satisfaction with value, willingness to recommend the product, and their propensity to do take profit-creating action (such as buying products without a discount). The analysis in this section illustrates the relationship between perceived value, drivers of value, customer promoters/detractors, and customer loyalty in the specific industry under study.

How the Analysis is Done

We model value drivers by categorizing *key purchase criteria* for consumers in the target market, then use this model as the basis for a series of questions that ask respondents to rate their overall satisfaction with each key purchase criteria. We also ask for ratings about overall value, willingness to purchase again, and willingness to recommend. Langston uses regression analysis to reveal the statistical linkages between underlying value drivers and overall loyalty behaviors, which removes a critical layer of respondent bias when determining what matters to customers in the market.

Why it Matters

This information allows you to summarize success drivers in a given market at a glance. You can quickly understand which elements are driving customer loyalty, how the company is performing on each driver, and how this performance compares with its key competitors? These metrics are so endemic to customer loyalty and growth that they can literally predict financial outcomes.

Value Driver Analysis is built around "The Simple Truth of Value"
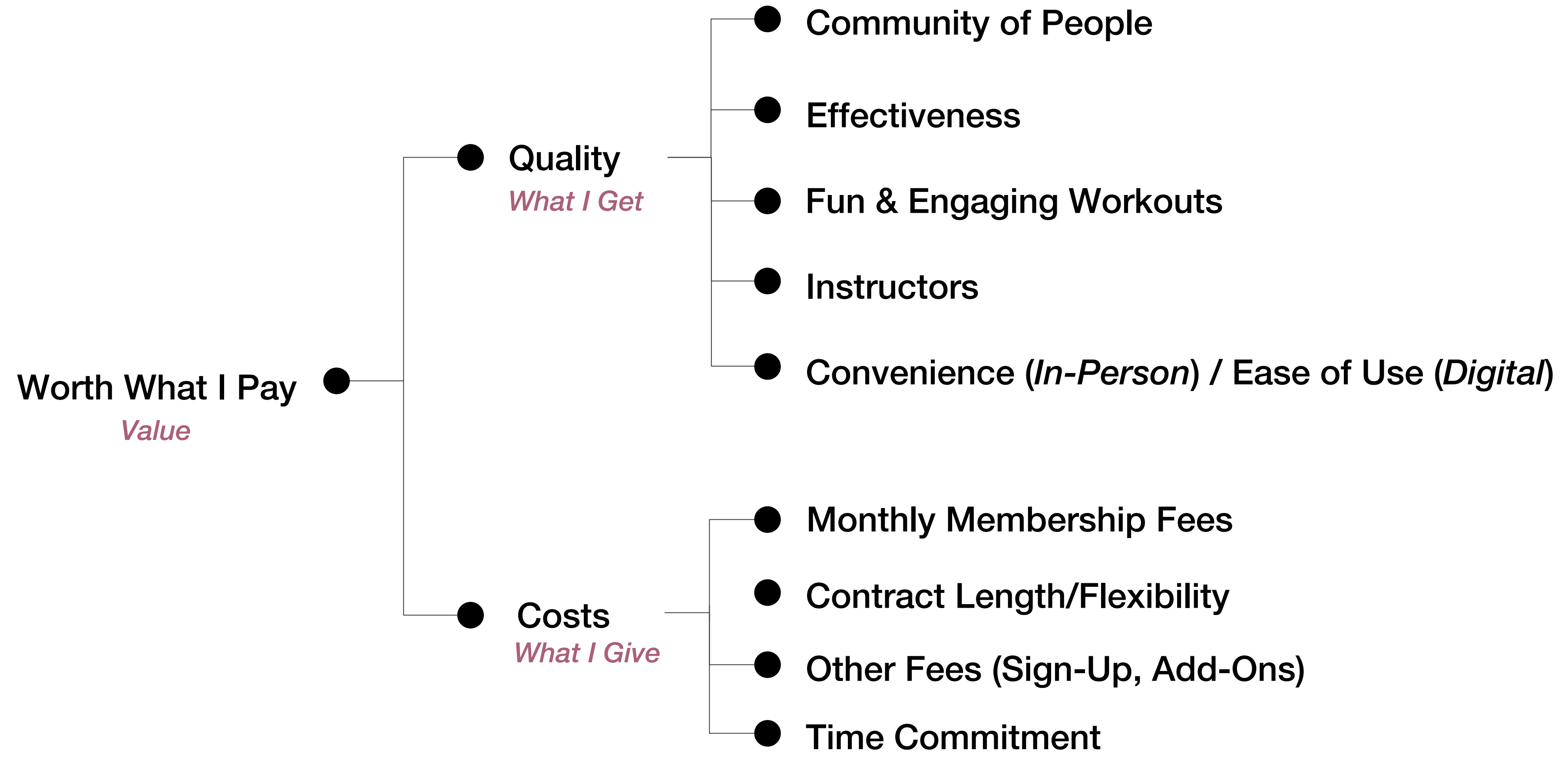
- Community of People
- Effectiveness
- **Quality**
  What I Get
- Fun & Engaging Workouts
- Instructors
- Convenience (*In-Person*) / Ease of Use (*Digital*)

Worth What I Pay
Value

- Monthly Membership Fees
- Contract Length/Flexibility
- **Costs**
  What I Give
- Other Fees (Sign-Up, Add-Ons)
- Time Commitment

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There is a very strong correlation between profit outcomes and perceived value (Worth What Paid)

Worth What Paid (*WWPF*) vs. Willingness to Recommend

% of Consumers Willing To Recommend Brand To Others

— Promoter (9-10)

94%

75%

25%

7%

3%

0%   1%

WWPF (Value)

1 (Not At All Worth It)   2   3   4   5   6   7   8   9   10 (Totally Worth It)

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Yet the relationship is not linear. It is exponential, with most of the "action" in this market happening between scores of 7 and 9

WWPF vs. Willingness to Recommend

% of Consumers Willing To Recommend Brand To Others

— Promoter (9-10)

The difference between an average value rating of 7 vs 9 can be life or death for the brand

0% 0% 0% 1% 1% 3% 7% 25% 75% 94%

Worth What I Pay (Value)

(Not At All Worth It)

(Totally Worth It)

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Value Drivers

Respondents give us simple performance ratings (1-10) for each value driver in a structured random order..

Value drivers are followed by 1-10 rating questions for likelihood to purchase (or re-purchase) and recommend (which is the main question used in the Net Promotor Score system).

We derive relative importance of each value driver using regression analysis

By searching for correlations in satisfaction on value drivers with overall satisfaction and loyalty, we understand which factors are actually driving consumer choices in the market. This reduces bias and creates leverage for making difficult decisions about business priorities.

We capture all statistics for your brand(s), as well as competitor brands, and we know the main drivers behind the ratings.

In other words, we know _why_ loyalty and satisfaction move up or down.

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Perceptions of effectiveness, fun, and community are the most important drivers of overall quality for consumers in this space

Community of People — 23%

Effectiveness — 25%

Fun & Engaging Workouts — 24%

Quality
What I Get

Instructors — 15%

Convenience (*In-Person*) / Ease of Use (*Digital*) — 13%
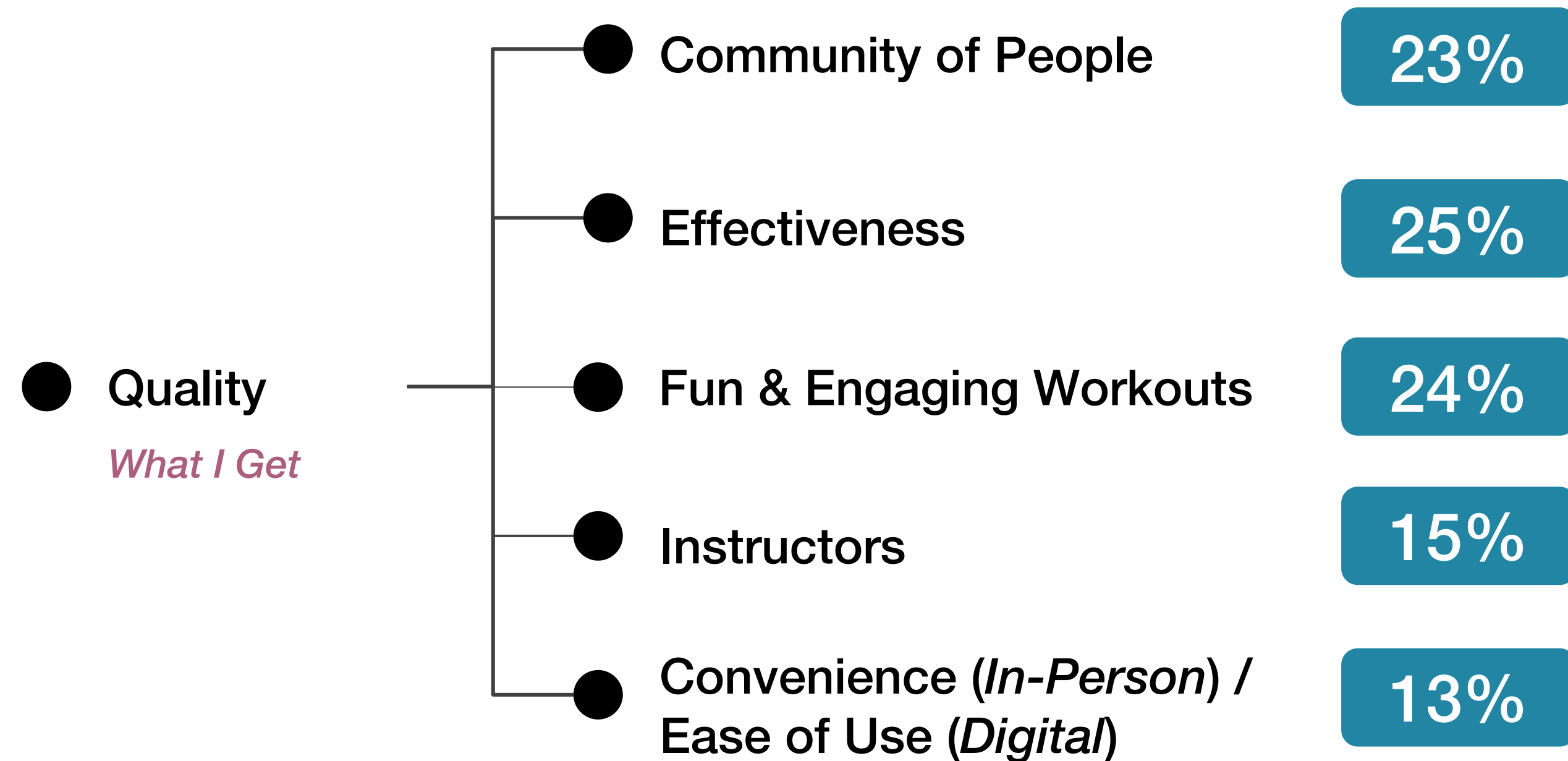
Remember that the impact weights shown in this diagram are derived using regression modeling techniques – they are not the self-stated importance from consumers. This provides a view of value drivers that is less subject to natural biases of people that give high ratings to factors they think should be important.

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Consumers are more sensitive to financial costs than they are to time and contract length

Put together, financial costs represent 68% of the impact on consumer perceptions on the overall costs of joining a fitness brand. That said, nearly a third of perceived cost is still driven by non-dollar factors like contract length and time commitment.

Costs
What I Give

Monthly Membership Fees   **41%**

Contract Length/Flexibility   **20%**

Other Fees (Sign-Up, Add-Ons)   **27%**

Time Commitment   **12%**

Given the strong ties between F45's brand and the time commitment, it will be important to monitor perceptions of the program's actual dollar cost to ensure consumers perceive it as reasonable. The 45-minute time cap may be less important than competitive monthly fees.

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Community drives more importance for men consumers than women in this space; Instructors more important among women

Quality Sub-Attribute	Women	Men
● Community of People	20%	28%
● Effectiveness	27%	23%
● Fun & Engaging Workouts	20%	24%
● Instructors	18%	11%
● Convenience (*In-Person*) / Ease of Use (*Digital*)	11%	16%

This may be an indicator that men look to interactive fitness experiences as ways to socialize, or that their fitness goals are best supported when a community of workout partners can help them maximize effect. Women, on the other hand, may be more likely to evaluate a workout's quality based on its leader's knowledge, motivation, and entertainment.

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After considering relative importance of each value driver, we turn our attention to the performance of each brand

Value Attribute	Impact Weight	Market	Average Scores - Considerers Only									
			F45	CrossFit	Orangetheory	SoulCycle	Barry's Bootcamp	Pure Barre	CorePower Yoga	Beachbody	Peloton Digital	Fitbit Coach
Overall "Worth What Paid For" (WWPF)												
WWPF		6.9	8.2	7.5	7.1	7.0	7.5	7.1	7.5	7.9	7.6	7.5
Overall Quality	48%	7.5	8.6	8.0	7.9	7.7	8.2	7.7	7.9	8.4	8.1	7.8
Overall Costs	52%	6.7	8.1	7.3	6.5	6.7	7.3	6.7	7.3	7.8	7.1	7.5
Drivers of Quality Satisfaction												
Community	23%	7.2	8.4	7.8	7.4	7.3	8.0	7.7	7.7	7.7	7.7	7.4
Effectiveness	25%	7.5	8.4	8.0	7.8	7.8	8.2	7.9	8.0	8.2	8.0	7.8
Fun & Engaging	24%	7.4	8.5	7.9	7.8	7.8	8.3	7.9	7.9	8.2	8.1	7.7
Instructors	15%	7.4	8.4	7.9	7.7	7.6	8.1	7.8	8.0	8.1	8.1	7.5
Convenient (In-Person) / Ease of Use (Online)	13%	6.9	7.9	7.4	7.2	6.9	7.3	6.9	7.3	8.3		
Overall Quality		7.5	8.6	8.0	7.9	7.7	8.2	7.7	7.9	8.4	8.1	7.8
Drivers of Price Satisfaction												
Monthly membership fees and/or per-class fees	41%	6.4	7.9	7.0	6.1	6.4	6.9	6.4	6.9	7.4	6.8	7.1
Contract length/flexibility	20%	6.6	8.0	7.3	6.6	6.7	7.3	7.0	7.2	7.5	7.2	7.1
Other fees (sign-up, add-ons, etc)	27%	6.4	7.8	7.0	6.1	6.4	6.9	6.6	6.9	7.3	6.8	7.0
Time commitment	12%	7.0	8.4	7.4	7.3	7.1	7.6	7.4	7.5	7.9	7.6	7.3
Overall Costs		6.7	8.1	7.3	6.5	6.7	7.3	6.7	7.3	7.8	7.1	7.5

These are the same impact weights shown on three diagrams in previous slides

These scores reflect average satisfaction across the entire market on a scale from 1-10

These scores show satisfaction with each brand on the same 1-10 scale.

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To ease interpretation, we convert scores into ratios against the market average (See next slide for takeaways)

Value Attribute	Market-Wide Metrics		CVA Ratios									
	Impact Weight	Market Avg Score	F45	CrossFit	Orangetheory	SoulCycle	Barry's Bootcamp	Pure Barre	CorePower Yoga	Beachbody	Peloton Digital	Fitbit Coach
Overall "Worth What Paid For" (WWPF)												
WWPF		6.9	1.13	1.01	0.94	0.91	1.00	0.96	1.03	1.04	1.01	1.04
Overall Quality	48%	7.5	1.09	0.99	0.98	0.94	1.04	0.97	1.01	1.02	1.03	1.00
Overall Costs	52%	6.7	1.15	1.00	0.92	0.90	1.01	0.95	1.03	1.05	0.97	1.08
Drivers of Quality Satisfaction												
Community	23%	7.2	1.11	1.01	0.97	0.93	1.03	1.00	1.03	0.97	1.01	1.00
Effectiveness	25%	7.5	1.07	1.00	0.99	0.96	1.05	0.97	1.01	1.00	1.01	0.98
Fun & Engaging	24%	7.4	1.09	0.98	0.98	0.96	1.04	0.98	1.01	1.01	1.02	0.99
Instructors	15%	7.4	1.08	0.99	0.98	0.96	1.03	0.99	1.02	1.01	1.04	0.98
Convenient (In-Person) / Ease of Use (Online)	13%	6.9	1.10	0.98	0.95	0.91	0.98	0.95	0.99	1.10		1.09
Overall Quality		7.5										
Drivers of Price Satisfaction												
Monthly membership fees and/or per-class fees	41%	6.4	1.17	0.99	0.90	0.90	1.00	0.96	1.02	1.05	0.98	1.09
Contract length/flexibility	20%	6.6	1.14	0.99	0.92	0.91	1.02	0.98	1.02	1.05	1.00	1.04
Other fees (sign-up, add-ons, etc)	27%	6.4	1.15	1.00	0.90	0.90	1.00	0.98	1.03	1.04	0.98	1.08
Time commitment	12%	7.0	1.12	0.96	0.96	0.94	1.02	0.98	1.01	1.04	1.02	1.02
Overall Costs		6.7										

A CVA Ratio of 1.00 is exactly equal to the market average.
A ratio of 0.99 or lower indicates the brand performs worse than the overall market.
A ratio of 1.01 or higher indicates the brand performs better than the overall market.

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F45 scores higher than the market average on every key value driver in the market.

Value Attribute	Market-Wide Metrics		CVA Ratios									
	Impact Weight	Market Avg Score	F45	CrossFit	Orangetheory	SoulCycle	Barry's Bootcamp	Pure Barre	CorePower Yoga	Beachbody	Peloton Digital	Fitbit Coach
Overall "Worth What Paid For" (WWPF)												
WWPF			1.13	1.01	0.94	0.91	1.00	0.96	1.03	1.04	1.01	1.04
Overall Qu...			1.09	0.99	0.98	0.94	1.04	0.97	1.01	1.02	1.03	1.00
Overall Cost...			1.15	1.00	0.92	0.90	1.01	0.95	1.03	1.05	0.97	1.08
Drivers of Quality Satisfaction												
Communit...			1.11	1.01	0.97	0.93	1.03	1.00	1.03	0.97	1.01	1.00
Effectiven...			1.07	1.00	0.99	0.96	1.05	0.97	1.01	1.00	1.01	0.98
Fun & Eng...			1.09	0.98	0.98	0.96	1.04	0.98	1.01	1.01	1.02	0.99
Instructors			1.08	0.99	0.98	0.96	1.03	0.99	1.02	1.01	1.04	0.98
Convenient (In-Person) / Ease of Use (Online)	13%	6.9	1.10	0.98	0.95	0.91	0.98	0.95	0.99	1.10		1.09
Overall Quality		7.5										
Drivers of Price Satisfaction												
Monthly m...			1.17	0.99	0.90	0.90	1.00	0.96	1.02	1.05	0.98	1.09
Contract l...			1.14	0.99	0.92	0.91	1.02	0.98	1.02	1.05	1.00	1.04
Other fees...			1.15	1.00	0.90	0.90	1.00	0.98	1.03	1.04	0.98	1.08
Time com...			1.12	0.96	0.96	0.94	1.02	0.98	1.01	1.04	1.02	1.02
Overall Co...												

Callout 1: F45 has the highest score of any brand for WWPF (or "Worth What I Paid For", the strongest measure of perceived value)

Callout 2: F45 ranks especially high community, signaling this as a main source of competitive advantage for the brand

Callout 3: While still a high score, F45's score for time commitment is the least above market of all its cost factors. This indicates the time-specific message of the brand may not be its best competitive advantage.

It is common for smaller brands to have very high satisfaction with value drivers because of the small, highly targeted audience that they enjoy. While these scores will likely fall as the brand expands its reach further from the core customer base, their extraordinary strength is a great starting point for growth. These dynamics indicate that current users perceive superior value from the brand after experiencing F45's offering.

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F45 receives higher marks among men, even when accounting for "ever purchased" status

Investment theses often rely on growth from overlooked or underpenetrated segments of the market. Segmenting average scores gives us a peak into how consumers within these groups perceive a brand, shedding light onto the potential lift associated with acquiring them in the future.

Value Attribute	All Respondents		Men		Women	
	Impact Weights	Average Scores	Average Scores: Ever Tried F45	Average Scores: Never Tried F45	Average Scores: Ever Tried F45	Average Scores: Never Tried F45
Overall "Worth What Paid For" (WWPF)						
WWPF		7.8	1.13	1.06	0.97	0.87
Overall Quality	48%	8.2	1.10	1.03	0.98	0.91
Overall Costs	52%	7.7	1.14	1.05	0.98	0.86
Drivers of Quality Satisfaction						
Community	23%	8.0	1.11	1.03	0.96	0.91
Effectiveness	25%	8.0	1.10	1.02	0.97	0.92
Fun & Engaging	24%	8.1	1.10	1.03	0.96	0.92
Instructors	15%	8.0	1.10	0.99	0.99	0.92
Convenient (In-Person) / Ease of Use (Online) Overall Quality	13%	7.6	1.16	1.07	0.97	0.85
Drivers of Price Satisfaction						
Monthly membership fees and/or per-class fees	41%	7.5	1.18	1.04	0.94	0.85
Contract length/flexibility	20%	7.6	1.14	1.04	0.96	0.89
Other fees (sign-up, add-ons, etc)	27%	7.4	1.17	1.08	0.97	0.83
Time commitment Overall Costs	12%	7.9	1.12	1.10	0.96	0.88

Men rate F45 as providing significantly higher value than women. The gap is so large that even men who have never tried F45 rate it higher than women who have tried the product.

This finding corroborates and partially explains the observation of softness in F45's funnel among women relative to men.

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Overall satisfaction and loyalty levels are low across the market, with average WWPF scores from 6.2 to 7.8

WWPF vs. Willingness to Recommend
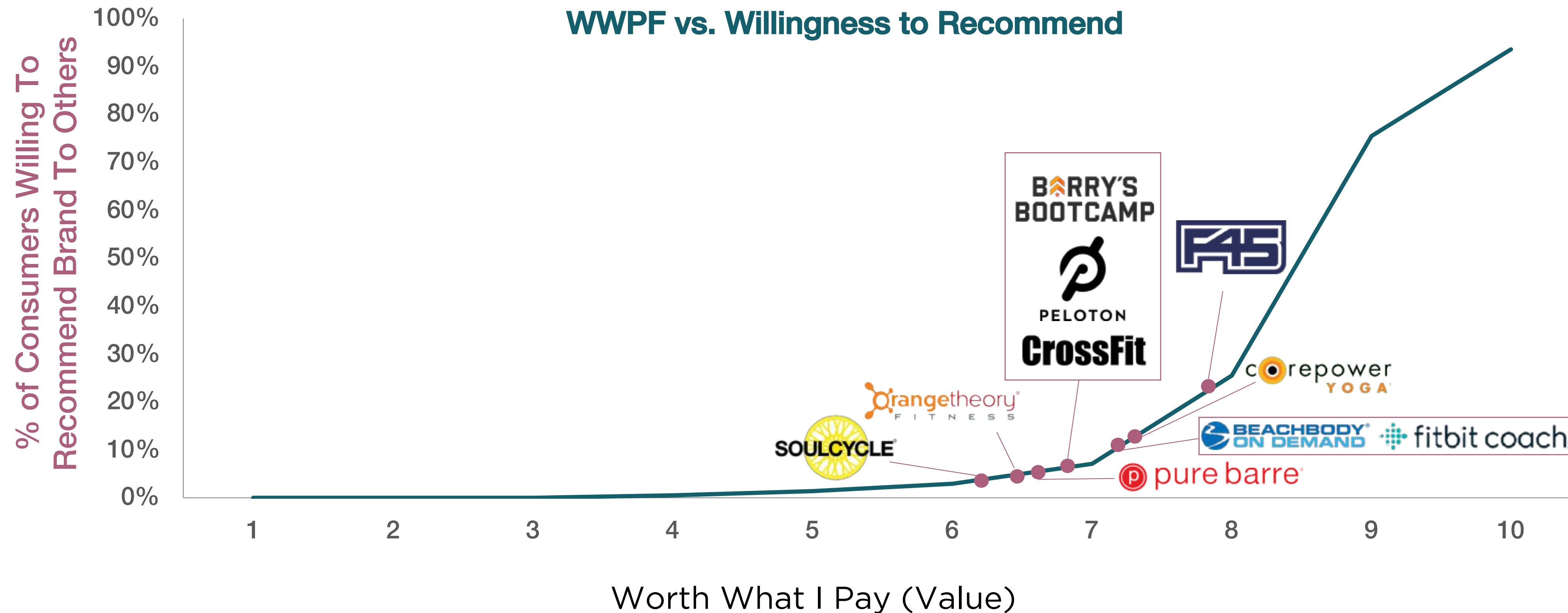
This means that customer loyalty is relatively low across the market. While there may be small groups of loyalists for each brand, the broader market remains "up for grabs." F45's perceived value scores position it well to capture market share if it can maintain that edge while it scales.

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Value Map

Value Drivers

This diagram allows us to visually represent the perceived value of each brand in the market

- By plotting each brand's average satisfaction with *price* and *quality*, we can map out their position relative to the field of competitors.

- Traditional models tell us that brands should cluster in the **Fair Value Zone** with offerings that are inexpensive and low quality (economy), expensive and high quality (premium), or somewhere in between.

- Brands that offer above-average quality *and* above-average price satisfaction occupy the **Better Value Zone** in the bottom-right quadrant of the chart.
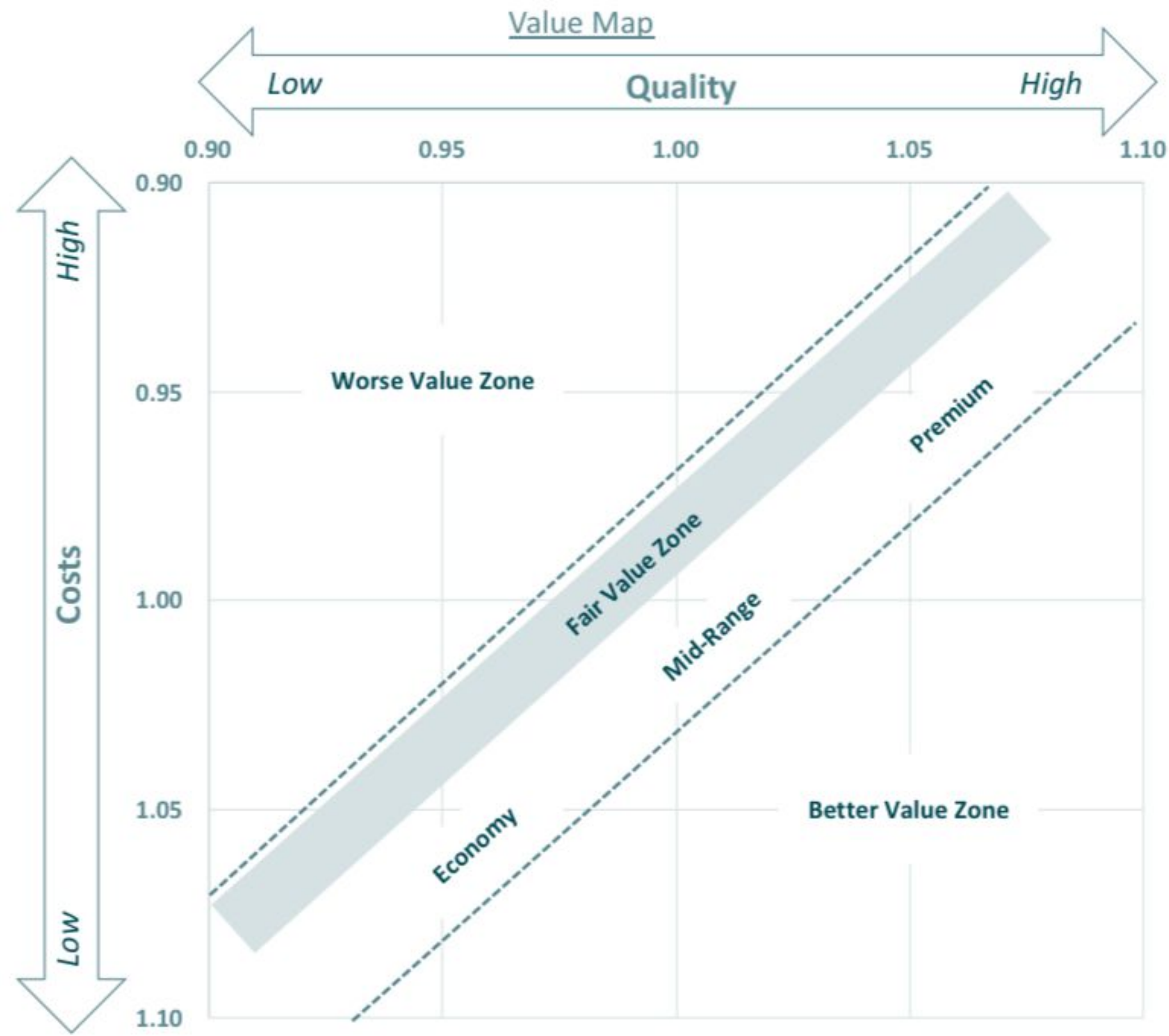
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F45 leads the field in perceived value while other major brands lag on both cost and quality scores

Value Map
Quality vs Cost
Bubble Size Corresponds to Market Share

Price Satisfaction
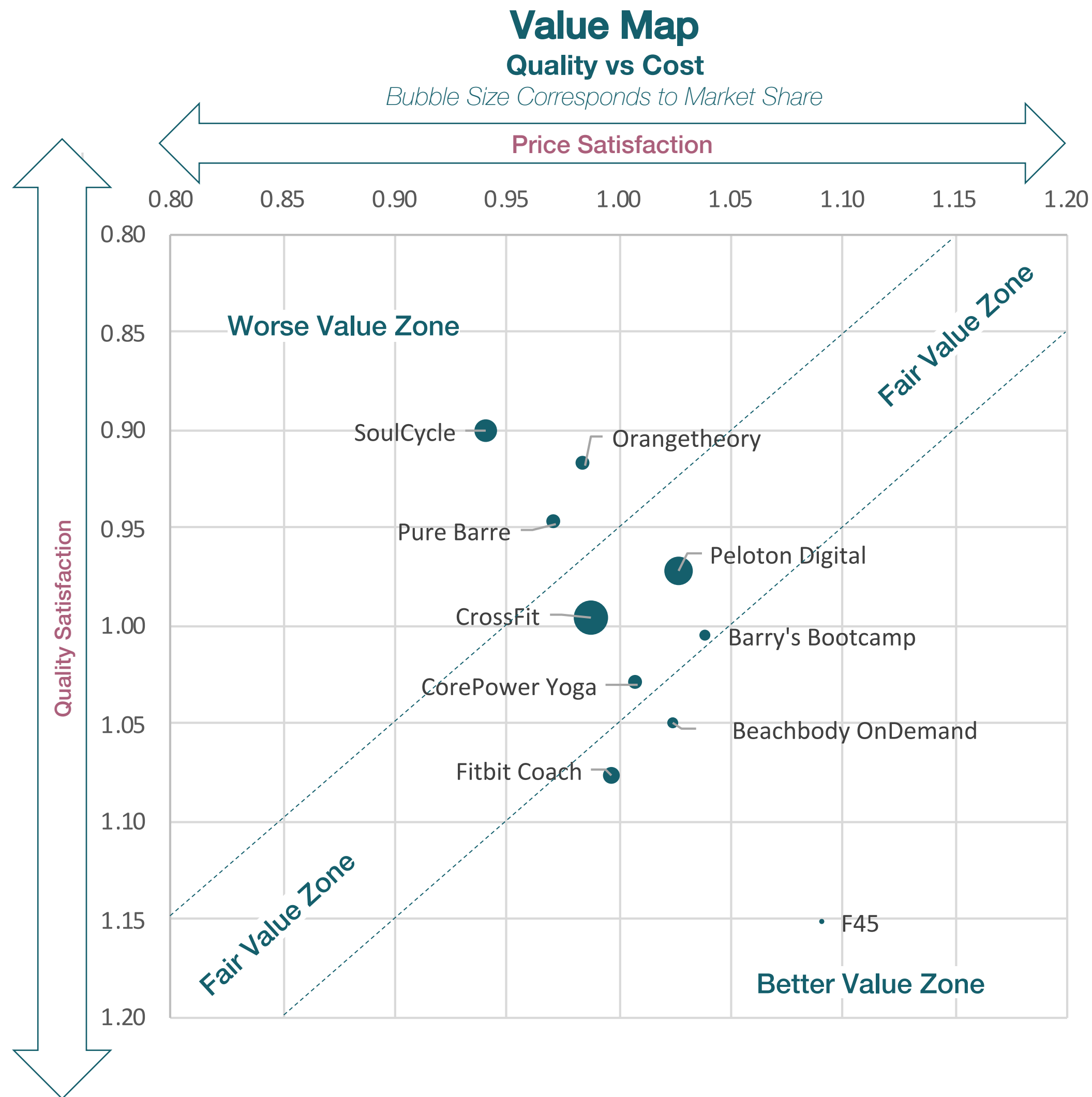
Key Takeaways

- F45 falls clearly in the Better Value Zone, signaling both high consumer satisfaction with quality and cost

- Digital favorites Beachbody and Fitbit Coach also fall in the Better Value Zone

- SoulCycle, Orangetheory, and Pure Barre sit in the Worse Value Zone

Reminder: These scores represent averages of current and past subscribers as well as familiar/never purchased consumers. Some brands, like SoulCycle and Orangetheory, might have very high quality/cost scores among a small group of users but low overall scores in the market. Brands in this situation may be well-positioned to run a profitable business but without changing overall market perceptions, will have a tough time unlocking step-change growth.

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Section III: Brand Positioning

Premium. Cheap. Trendy. Old-school.

The ideas and associations that consumers have about a brand are crucial indicators of its current health and important factors in its ability to acquire and retain customers over time.

- In addition to value drivers, consumers organize markets into mental "buckets" based on their perceptions of brands. One brand might be seen as "best for beginners" while another is seen as "only appropriate for serious experts."

- Brands that are seen as trendy may experience faster rises and falls than those seen as having a legacy of success.

- Some brands enjoy being "loved" or "trusted" by consumers while others have not earned these emotional associations.

- F45 enjoys strongly favorable associations as being both approachable and effective. It is also viewed by consumers as trendy, joined by Barry's Bootcamp and Peloton.

- SoulCycle, Pure Barre, and Orangetheory sit in the least desirable quadrants (ineffective, intimidating, and in the case of Pure Barre and SoulCycle, off-trend). Remember: these are perceptions of the entire market, not just their loyal brand followers.

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What this Data Measures

While the Funnel and Value Drivers analyses provide robust and reliable data about a company's performance in winning and retaining customers, investors and analysts should also develop an understanding of how consumers categorize brands in their "mental model" of the marketplace. Sometimes, brands that offer equally high value occupy very different positions in the market landscape, and these positions are determined by a host of perceptions that consumers carry about a brand's reputation, style, and personality.

For each market studied, you can illuminate the degree to which brands are associated with meaningful product and service categories, such as trendy, traditional, effective, approachable, intimidating, modern, traditional, flavorful, creative, fresh, innovative, and so on. The categories that matter may differ widely from one market to the next, but your ability to capture and quantify consumer attitudes about them spans all types of markets.

How the Analysis is Done

Langston's survey design team crafts a series of statements that are associated with meaningful categories in any given industry. For example, the the category of *Approachable<>Intimidating* might include statements such as "The brand is for people of all ability levels," "The brand is easy to learn," and "The brand is inviting for newcomers." Survey respondents rate the degree to which they agree or disagree with each of these statements using a Likert scale.

Langston compiles the scores on each of these statements into a composite index that describes each brand's position along the spectrum of each category. We can then show how each competitor stacks-up in terms of customers' mental model of the market.

Why it Matters

Brand associations of this nature weight heavy on consumer decision-making and are very hard for brands to change. Because humans naturally rely on heuristic mental models to remember and categorize information, a brand's reputation and associations may pre-determine which product and marketing strategies can be within reach for any given brand. Furthermore, this type of analysis can quickly illuminate a new type of clustering and whitespace in markets, which can reveal competitive opportunities for a brand that is willing and able to invest in re-positioning to an underserved market segment.

In addition to value drivers, consumers organize markets into mental "buckets" based on their perceptions of brands

One brand might be seen as "best for beginners" while another is seen as "only appropriate for serious experts"

Brands that are seen as trendy may experience faster rises and falls than those seen as having a legacy of success

Some brands enjoy being "loved" or "trusted" by consumers while others have not earned these emotional associations

Langston uses a likert-style methodology for gathering associations like these that allow us to measure brand heat, brand love, market niche, brand values, brand purpose and other consumer associations relevant to the space.

Please indicate the degree to which you agree/disagree with the following statements about **F45 Training**. *

	Strongly disagree	Disagree	Neither disagree nor agree	Agree	Strongly agree
F45 Training is trendy	○	○	○	○	○
F45 Training is approachable	○	○	○	○	○
F45 Training motivates me to push myself	○	○	○	○	○
F45 Training is for people of all fitness levels	○	○	○	○	○
F45 Training helps me reach my fitness goals (e.g., weight management, bodybuilding, toning)	○	○	○	○	○
F45 Training provides me with a supportive and inclusive community	○	○	○	○	○
F45 Training is intimidating	○	○	○	○	○
It's easy to start doing F45 Training	○	○	○	○	○

In the Survey
Respondents answer Likert-scale questions for a select set of core competitors

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Based on consumers' answers to brand positioning questions, we built three composite indices

F45 comes out <u>on top on all three indices</u> (see next two slides)

Approachable <> Intimidating Index

Brand	Score
F45	96
fitbit coach	95
PELOTON	95
corepower YOGA	95
BEACHBODY ON DEMAND	93
pure barre	89
orangetheory FITNESS	89
SOULCYCLE	84
BARRY'S BOOTCAMP	84
CrossFit	83

Effective <> Ineffective Index

Brand	Score
F45	96
BARRY'S BOOTCAMP	93
PELOTON	92
corepower YOGA	91
CrossFit	90
fitbit coach	89
orangetheory FITNESS	89
BEACHBODY ON DEMAND	87
pure barre	87
SOULCYCLE	86

Trendy <> Off-Trend Index

Brand	Score
F45	94
BARRY'S BOOTCAMP	93
PELOTON	92
SOULCYCLE	91
fitbit coach	90
CrossFit	90
orangetheory FITNESS	89
pure barre	88
BEACHBODY ON DEMAND	88
corepower YOGA	85

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F45 enjoys strongly favorable associations as being both approachable and effective

APPROACHABLE/EFFECTIVE BRAND MAP

- All three digital platforms in this study are perceived as approachable. This should come as little surprise given the fact that their workouts can be done in the comfort of one's own home and without strangers watching

- SoulCycle, Pure Barre, and Orangetheory sit in the least desirable quadrant – both intimidating and ineffective.

- CrossFit and Barry's Bootcamp, notorious for their high intensity workouts, are perceived by fitness-oriented consumers as intimidating

Note: Brand positioning can be charted as a cross-section and/or timeseries to show changes in perceptions over time

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F45 is also viewed by consumers as trendy, joined by Barry's Bootcamp and Peloton

TRENDY/EFFECTIVE BRAND MAP
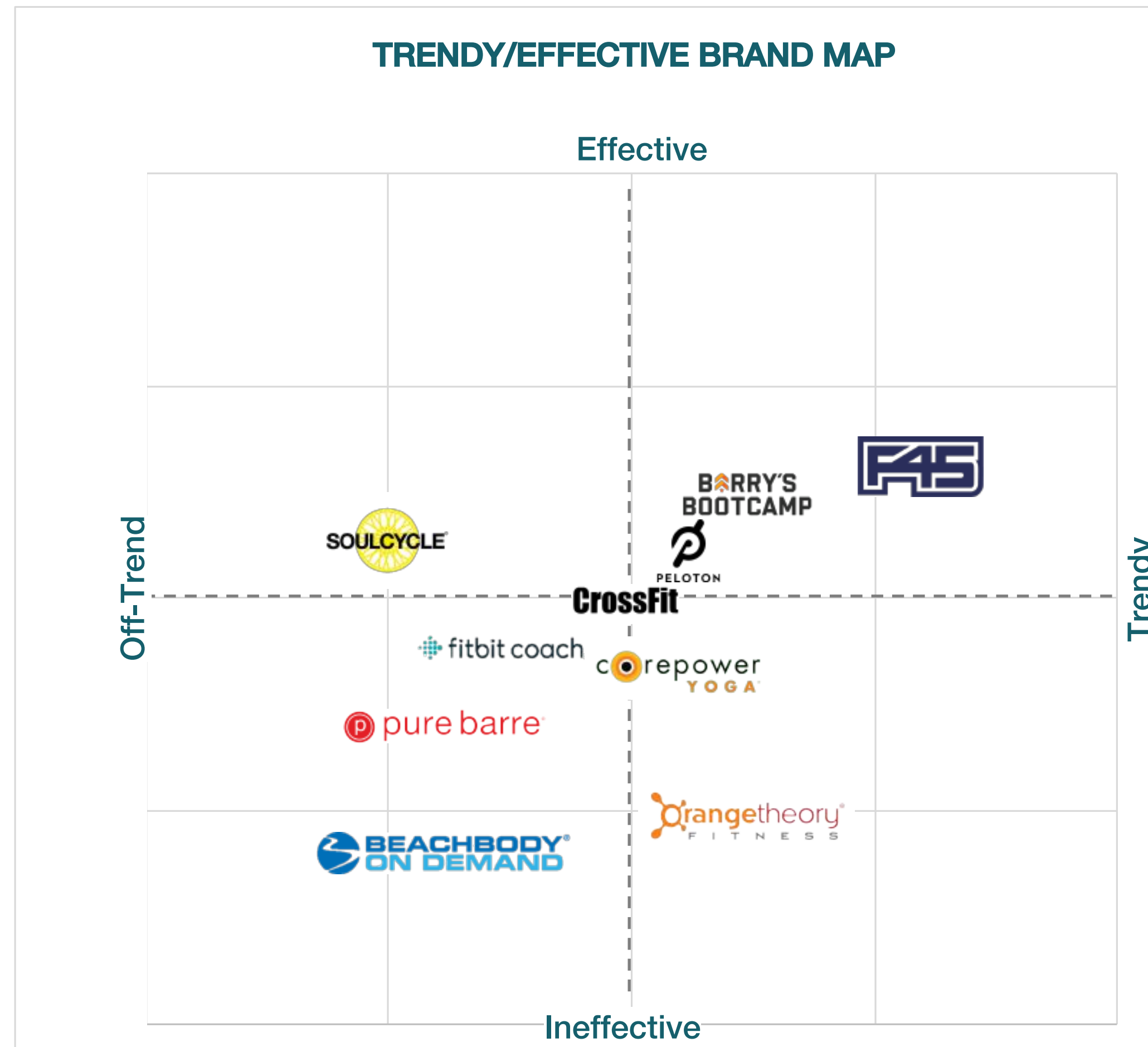
- SoulCycle, BeachBody OnDemand, and Pure Barre perceived as off-trend

- Orangetheory perceived as trendy (though ineffective)

- CrossFit sits squarely in the middle of the chart – neither effective nor ineffective, off-trend nor trendy

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Section IV: Behavioral Funnel

In almost all markets, the prevalence of certain behaviors, ideas, ingredients, and technology bear heavily on the prospects of each competitor. Some competitors' models are well positioned to capitalize on behavioral trends while others may be dependent on fading consumer preferences.

The process of adopting a new behavior or attitude is strikingly similar to that of adopting a new product. In the following section, we take a funnel view to behaviors that drive consumer choices in this market.

Summary of Findings – Behavioral Funnel

- The same familiar funnel model applies to nearly all human behaviors, ideas, product categories, and ingredients; and funnel fall-off questions illuminate why consumers adopt or resist the behavior, category, ingredient, etc

- Functional Movement is the least known fitness activity in the study, indicating it is not a tailwind for F45's growth.

- Of those who are aware of Functional Training, a large portion would consider the exercise type, and a small number of people would avoid it. The takeaway is that, while the trend of Functional Training may not be a tailwind for F45, it is also very likely to not be a barrier to growth.

- Among those aware of it, functional movement is perceived as a practical, efficient, and sustainable way to exercise

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What this Data Measures

While much of a business's success is determined by its own product and service offering, the fact remains that overall trends in society and consumer behavior can have a massive influence. For example, the degree to which consumers believe in the effectiveness of certain exercise types – like Pilates or barre - can make or break the prospects of a fitness brand that specializes in that exercise.

Just as we use the model of a funnel to understand how consumers move through the stages of adopting a brand's *product or service offering*, we can also use that model to illustrate how consumers adopt a *new behavior or idea*. From the perspective of human behavior, all such adoption cycles tend to be similar in that people must first become *aware* of a behavior or idea, then get *familiar* with it before they *consider* participating and, eventually, *try* the behavior for themselves. After trying it out, they decide whether to keep doing it, as well as whether they will become promoters of that new concept to others.

How the Analysis is Done

Langston's smart survey technology allows us to execute behavioral funnel analysis just like brand funnel analysis, capturing both funnel metrics and barriers to conversion for critical behaviors in the study. We can compare the degree to which consumers have become users and proponents of various behaviors – such as the exercise method critical to a brand's success – or whether they would consider giving it a try. Going a step further, the analysis reveals *why* consumers would or would not be open to the key behaviors so we can understand whether the brand is facing "soft barriers" that simply require some marketing/education investment or "hard barriers" that run counter to consumers' most fundamental beliefs and desires.

Why it Matters

The degree to which a brand's product or service offering aligns with broader consumer trends is often the difference between explosive growth and total collapse. While brands certainly have the ability to influence market trends, they must be prepared to face the challenges that exist. If consumer trends present substantial headwinds to the mass adoption of a company's offering, investors should understand this challenge and evaluate whether the company has the right resources and team to overcome it. On the other hand, identifying market trends that intersect with a company's offering can enable investors and analysts to be more confident that the company is aligned with tailwinds in the broader market that will multiply its efforts in the short- and medium-term.

The same familiar funnel model applies to nearly all human behaviors, ideas, product categories, and ingredients

AWARENESS

Have people ever heard of you're the idea, behavior, product category, ingredient, problem, or solution that is integral to your product?

FAMILIARITY

Do people know what that idea/category/ingredient/behavior is? Do they understand how it works and why it matters?

CONSIDERATION

Do they consider buy/doing/using it?
Do they see how it fits in their lives and addresses their problems?

ADOPTION

Do people believe in the idea? Do they try the behavior? Do they buy in the product category? Do they purchase products with the ingredient?

SEEK-OUT, AVOID, SPREAD THE WORD

Do they continue to do the behavior, buy in the category, and use products with the key ingredient?
Do they seek out products that align with this behavior? Or do they avoid it?
Do they advocate for the idea, category, or ingredient?
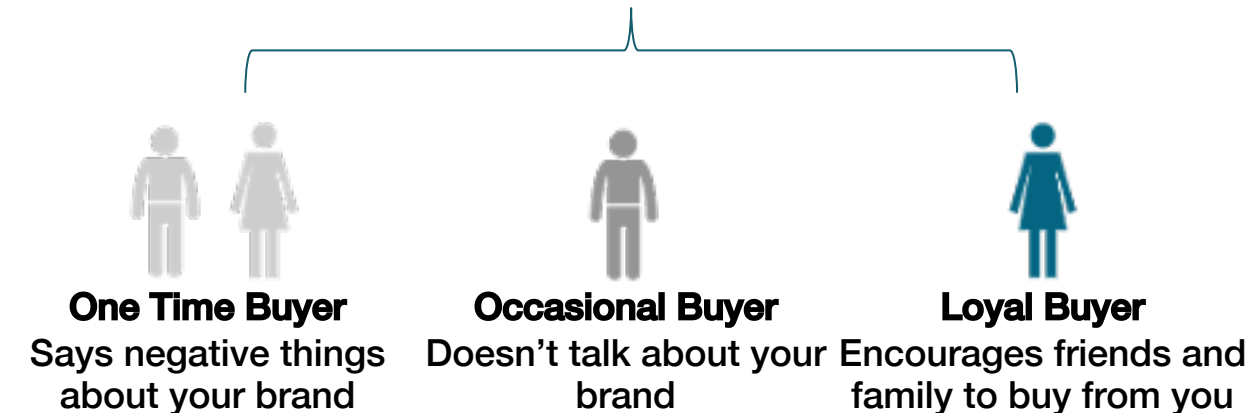
One Time Buyer
Says negative things about your brand

Occasional Buyer
Doesn't talk about your brand

Loyal Buyer
Encourages friends and family to buy from you

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Funnel fall-off questions illuminate why consumers adopt or resist the behavior, category, ingredient, etc

Familiar/Non-Considering

Aware/Unfamiliar

Consider/Non-Adopted

Occasional Participant

One Time Participant

Loyal Participant

One Time Buyer
Says negative things about your brand

Occasional Buyer
Doesn't talk about your brand

Loyal Buyer
Encourages friends and family to buy from you
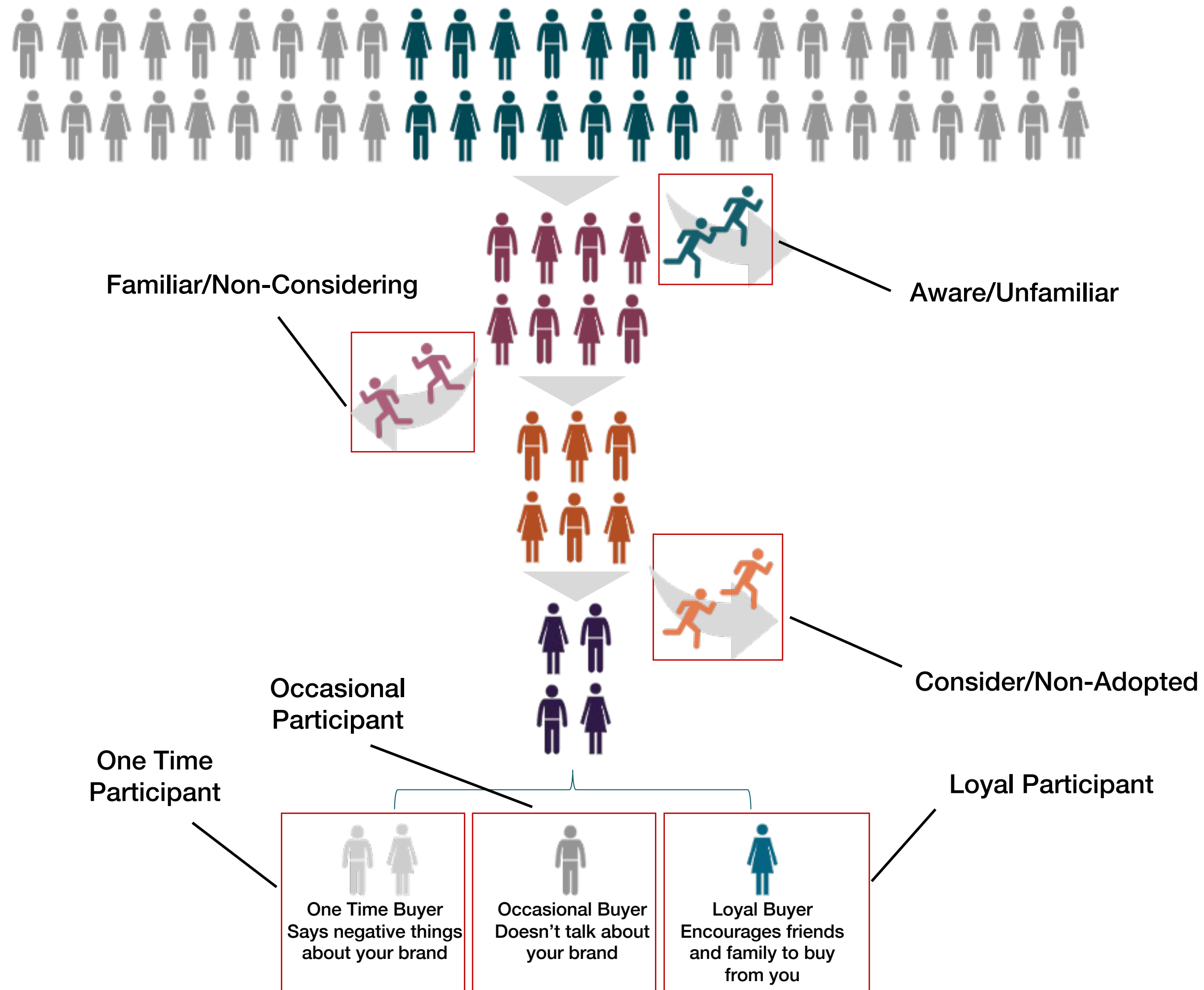
Headwinds and tailwinds dramatically influence brand performance.

Understanding the reputation and funnel of behaviors, ingredients, or product categories that are highly relevant quickly illuminates headwinds and tailwinds.

Measuring the reasons that people progress or fall out of the funnel for these concepts lets us quantify the magnitude of headwinds/tailwinds and estimate their relevance to the brand's future.

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Functional Movement is the least known fitness activity in the study, indicating it is not a tailwind for F45's growth

Behavioral Funnel (Absolute)

Legend: ■ Aware ■ Ever Done ■ Consider ■ Do Regularly ■ Avoid ■ Seek Out

Activity	Aware	Ever Done	Consider	Do Regularly	Avoid	Seek Out
HIIT	61%	36%	42%	21%	11%	26%
Foam Rolling	43%	23%	25%	9%	5%	11%
Yoga	86%	61%	60%	33%	13%	41%
Meditation	78%	45%	48%	24%	11%	28%
Weight lifting	85%	65%	59%	43%	14%	40%
Long-distance / endurance running	71%	30%	32%	15%	27%	18%
Group fitness classes	79%	59%	52%	27%	12%	31%
Biking / Cycling / Spinning (either indoor or outdoor)	83%	64%	58%	36%	13%	32%
Pilates / Barre	76%	37%	45%	15%	13%	27%
Functional Movement Training	28%	12%	19%	7%	5%	12%

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Once people try Functional Training, they repeat it at a high rate

Of those who are aware of Functional Training, a large portion would consider the exercise type, and a small number of people would avoid it. The takeaway is that, while the trend of Functional Training may not be a tailwind for F45, it is also very likely to not be a barrier to growth.

Behavioral Funnel (Relative)

Legend: ■ Aware → Consider   ■ Aware → Ever Done   ■ Aware → Seek Out   ■ Aware → Avoid   ■ Ever Done → Do Regularly

Category	Aware → Consider	Aware → Ever Done	Aware → Seek Out	Aware → Avoid	Ever Done → Do Regularly
HIIT	68%	59%	43%	18%	58%
Foam Rolling	58%	53%	26%	12%	41%
Yoga	70%	71%	47%	16%	54%
Meditation	62%	58%	36%	14%	54%
Weight lifting	70%	77%	47%	17%	67%
Long-distance / endurance running	45%	42%	25%	37%	49%
Group fitness classes	66%	74%	38%	15%	47%
Biking / Cycling / Spinning (either indoor or outdoor)	69%	76%	39%	15%	57%
Pilates / Barre	59%	48%	35%	17%	40%
Functional Movement Training	67%	44%	42%	18%	57%

LANGSTON

Among those aware of it, functional movement is perceived as a practical, efficient, and sustainable way to exercise

Open-ended responses shed important qualitative light on the why behind the numbers

"Functional movement training is something that you can do lifelong it keeps your body flexible and mobile without overdoing it. It's better to learn proper movement and not injure yourself."

"Makes you stronger while also making it easier to perform daily tasks."

"Functional movement training is helpful in maintaining my flexibility, mobility and balance. It's the perfect workout for aging."

"I want to keep all of my muscle groups strong and flexible, for balanced fitness."

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Detailed Summary of
Brand Insights and Observations

Poised For Growth

F45 is an extremely healthy brand with relatively low awareness and high growth prospects. Among current subscribers, F45 is perceived as offering a compelling value proposition relative to competition. Among familiar non-users, the acquisition outlook is higher than any other brand in our study – that is to say, the percent of non-users who are open to trying the brand is higher than any of its competitors' numbers on the same metric. Fitness-oriented consumers view F45 as approachable, effective, and trendy. Concept tests with current users suggest F45 has room to expand its offering with services like unlimited access passes and on-demand coaching. With the right focus and commitment to top-of-funnel marketing, F45 could sweep America's fitness in the same way CrossFit did in the 2000s.

GROWTH PROPSECTS
Promising

AWARENESS
Low
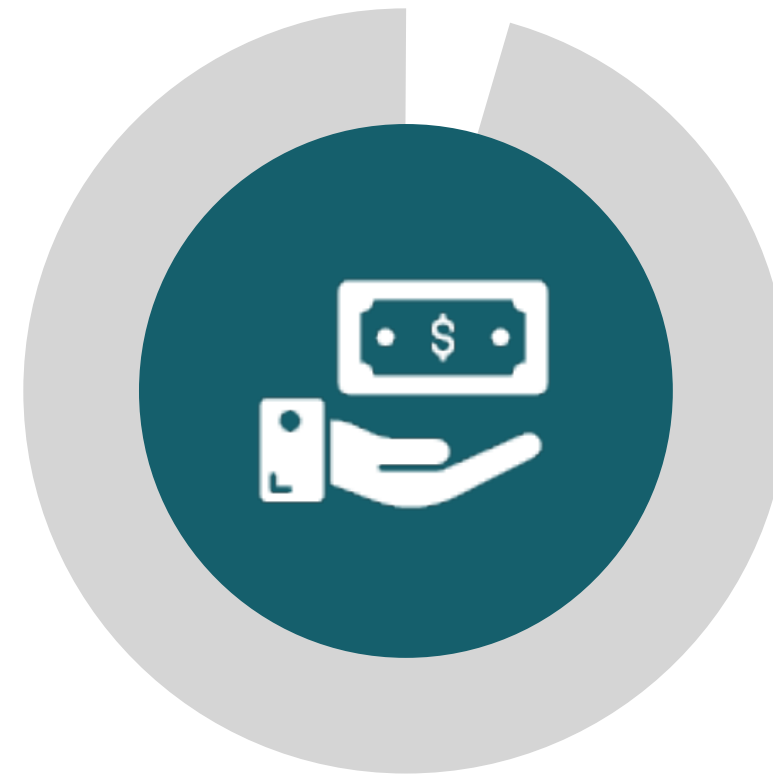
VALUE
Very High

BRAND POSITIONING
Strongly Favorable

High Value Digital Alternatives

Peloton Digital, Fitbit Coach, and Beachbody OnDemand are all perceived as offering high value while being approachable and trendy. Although elements of perceived quality (e.g., instructors, effectiveness of workouts, and convenience) are just slightly above parity with the market, they are perceived as both time- AND money-saving ways to exercise. This should come as no surprise – their monthly and yearly membership plans cost about 10% of those at competitors like CrossFit and Orangetheory while their workouts have been optimized to fit into consumers' busy days.

Peloton is the strongest of the three brands, in part because it enjoys the number 1 mental slot in consumers' minds when they think about fitness brands – an ultra-impressive feat they have achieved through aggressive top-of-funnel marketing and buzz among consumers and media outlets. Peloton is seen as the most effective and trendy, followed by Fitbit Coach and finally Beachbody OnDemand.

GROWTH PROPSECTS	AWARENESS	VALUE	BRAND POSITIONING
Strong	**High**	**High**	**Favorable**

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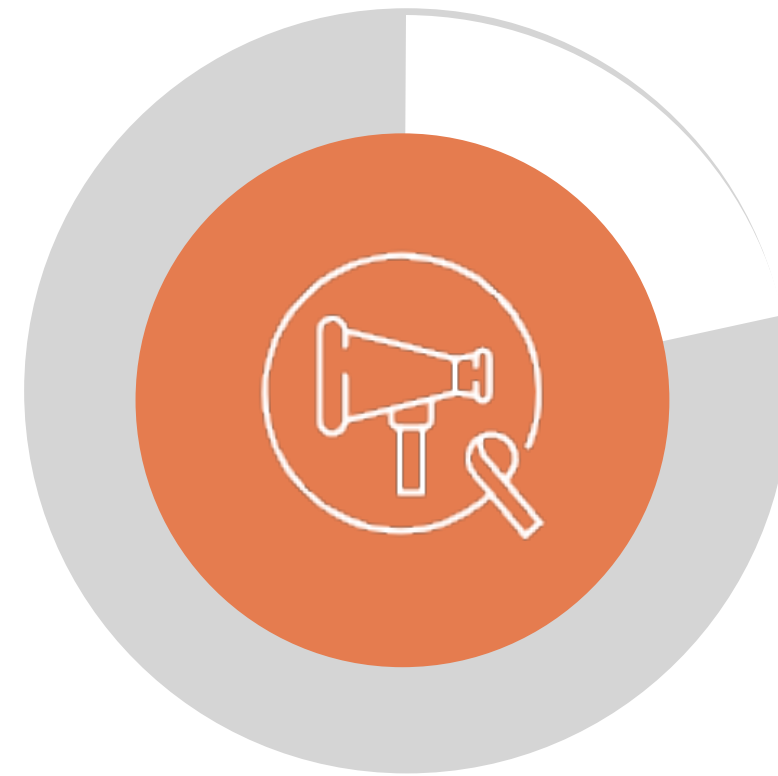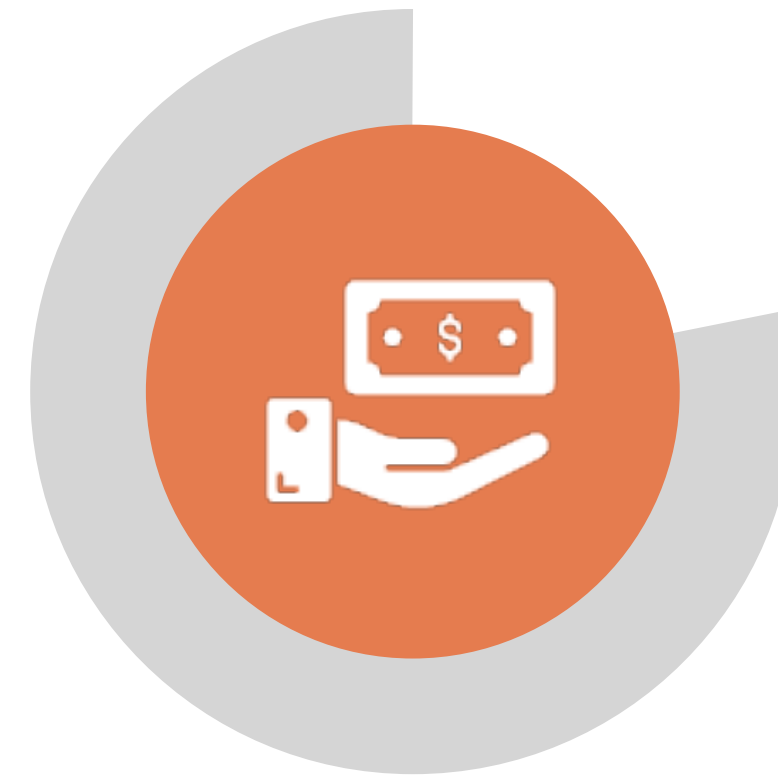
Brand Health Diagnosis (F45 Competitors)

SOULCYCLE **orangetheory** FITNESS

pure barre

Lackluster

SoulCycle, Pure Barre, and Orangetheory do not appear to be favorable brands for most investors. While these brands have found loyal evangelists that might fuel sustainable profits under the right management approach, they do not show healthy brand perceptions among the broad market and are therefore unlikely to grow significantly in the future without substantial product and marketing innovation.

The brands are perceived as less effective and intimidating, they rank below the market on most of the value drivers we measured, and they perform poorly on both acquisition and retention outlooks. The independent franchise owner may find an attractive lifestyle business in one of these brands but an investment firm looking for high-yield returns should heed these results as red flags.

GROWTH PROPSECTS	AWARENESS	VALUE	BRAND POSITIONING
Weak	Medium	Low	Not Favorable

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Healthy Brand In A Tough Position

CorePower Yoga is interesting. As our behavioral research component suggests, it owns a category in which nearly 33% of consumers participate and even more consider trying. However, the brand's "consider→conversion" funnel stage suggests consumers are aspirational about joining while many never do.

The reason? Yoga is a category that consumers want to do more of but tend to de-prioritize for higher-intensity exercises. The brand is seen as approachable, and sits almost in the middle of the effective-ineffective axis, as well as the trendy-off-trend axis. It receives slightly higher-than-market scores for perceived value and performed well in concept tests, with nearly a third of consumers choosing CorePower over competitors.

GROWTH PROPSECTS
Decent

AWARENESS
Medium-Low

VALUE
Above Average

BRAND POSITIONING
Mildly Favorable

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Good, But Not Great

Finally, CrossFit and Barry's Bootcamp. These brands are notoriously connected with high-intensity exercises, which is probably why they are perceived as two of the three most intimidating brands.

Between the two, Barry's Bootcamp is seen as providing slightly more value (on both quality and cost metrics), and is rated as trendier than CrossFit. That, combined with moderately healthy conversion rates and low market awareness leads us to believe Barry's Bootcamp has decent growth potential in its future. CrossFit may continue to enjoy a deeply loyal audience of users but will likely face a need for some level of reinvention if it is to reignite the rapid growth that it has enjoyed in the past.

GROWTH PROPSECTS
Good
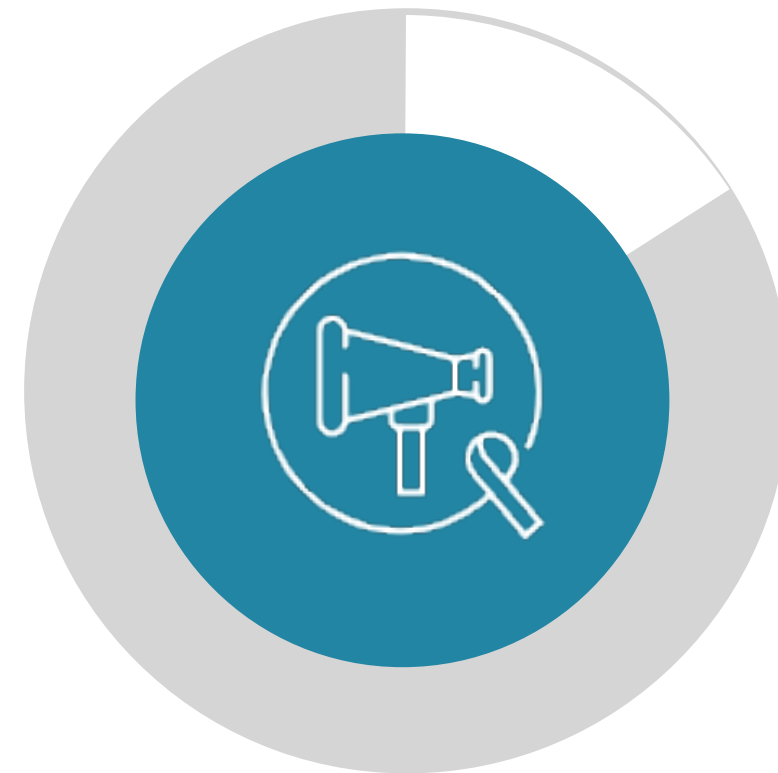
AWARENESS
High

VALUE
Average

BRAND POSITIONING
Variable

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Get in Touch

We publish research like this to create dialogue with colleagues and counterparts. We'd love to hear your thoughts, reactions, and questions.

research@thelangstonco.com
(970) 363-4921

Appendix I: Overview of Sampling Approach and Study Components

We interviewed more than 1,500 fitness-oriented consumers in 10 US Cities

Fitness-Oriented Consumers
N=1,571
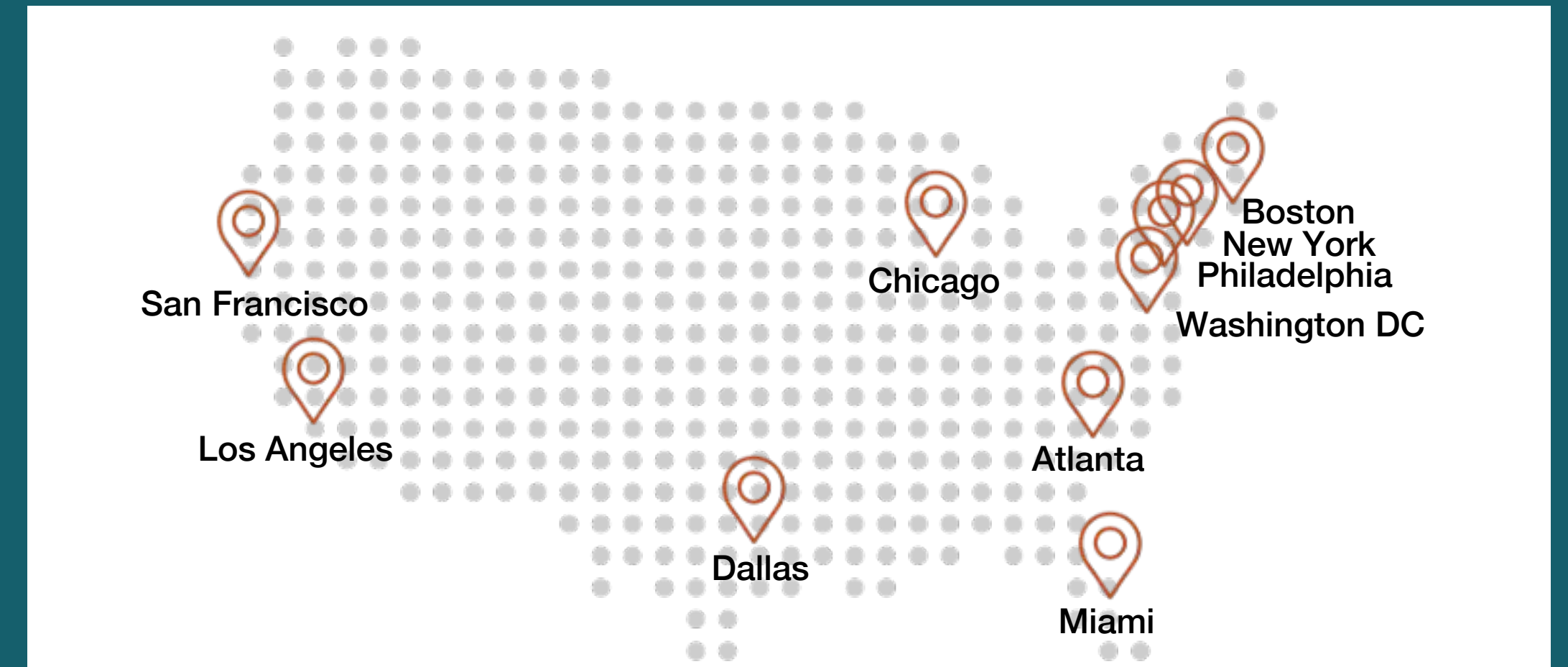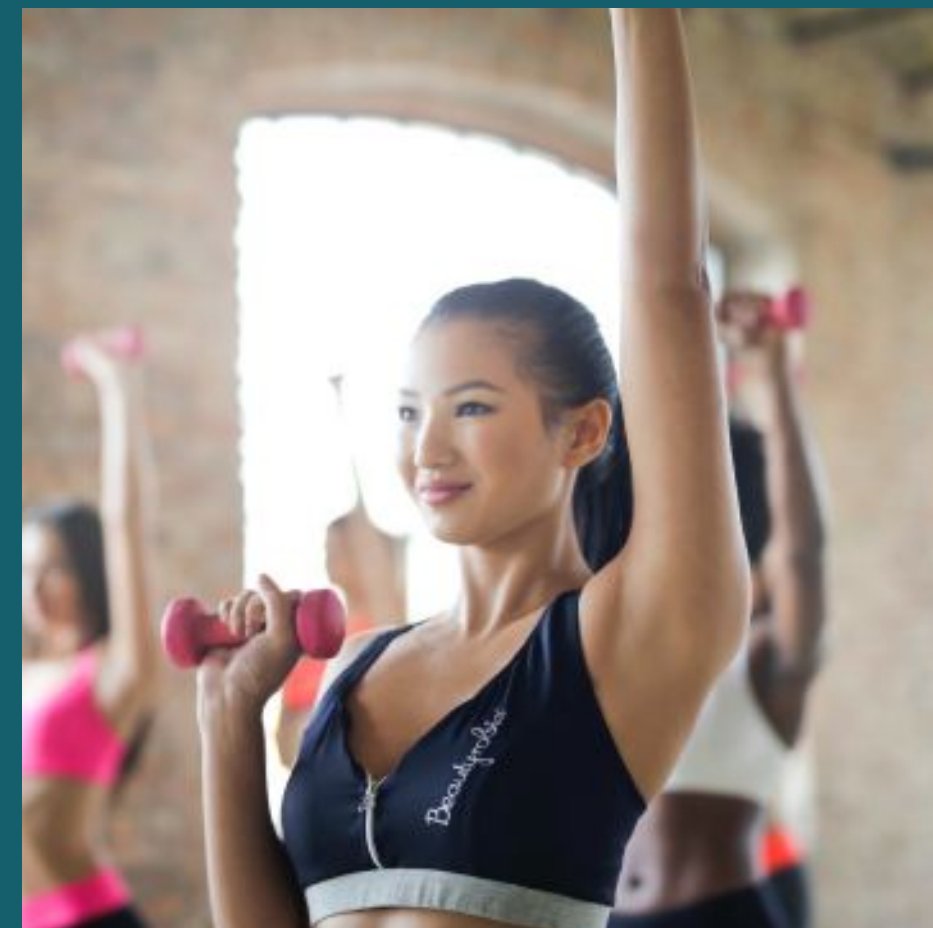
HH Income $35k+

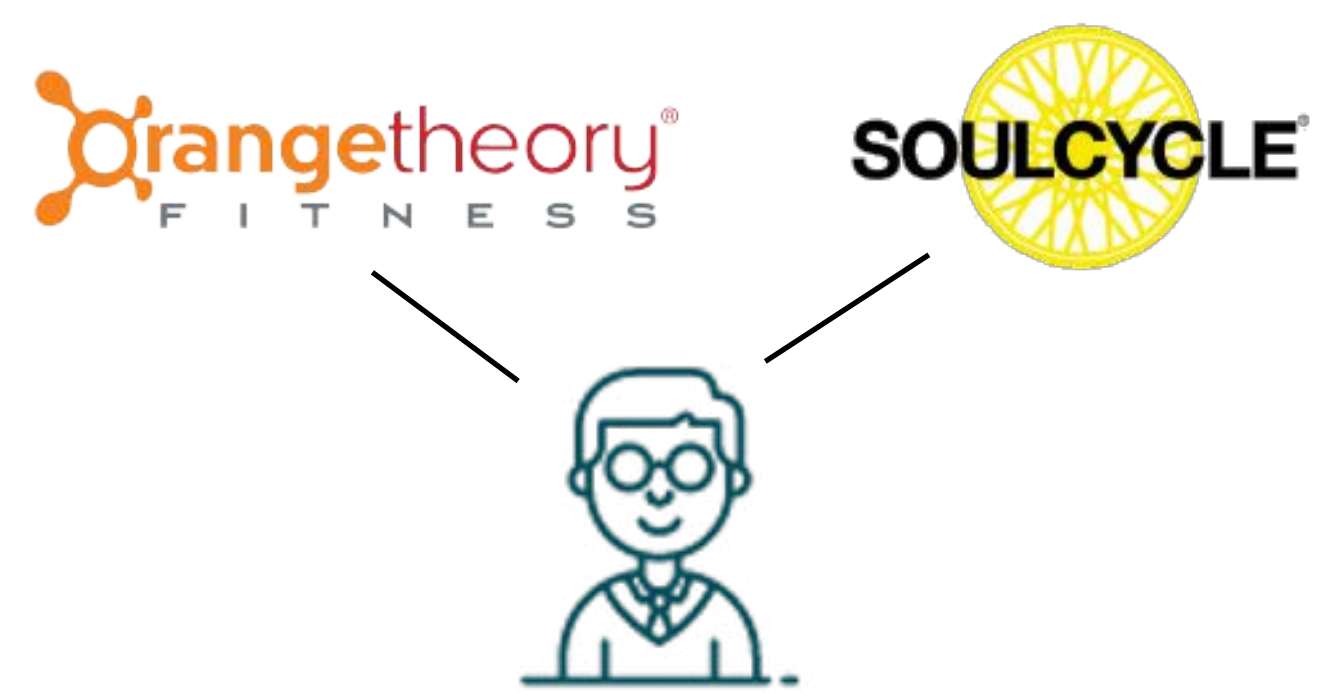Exercise must fall in core values set.

18-59 years old
(80% of sample below 49)

Minimum exercise spend of $30/yr on fitness.
(75% of sample spent over $150)

Sample balanced against Census to ensure representativeness.

San Francisco

Chicago

Boston
New York
Philadelphia
Washington DC

Los Angeles

Atlanta

Dallas

Miami

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Fit-to-Field© surveys – like this one – collect data on two brands in each survey response
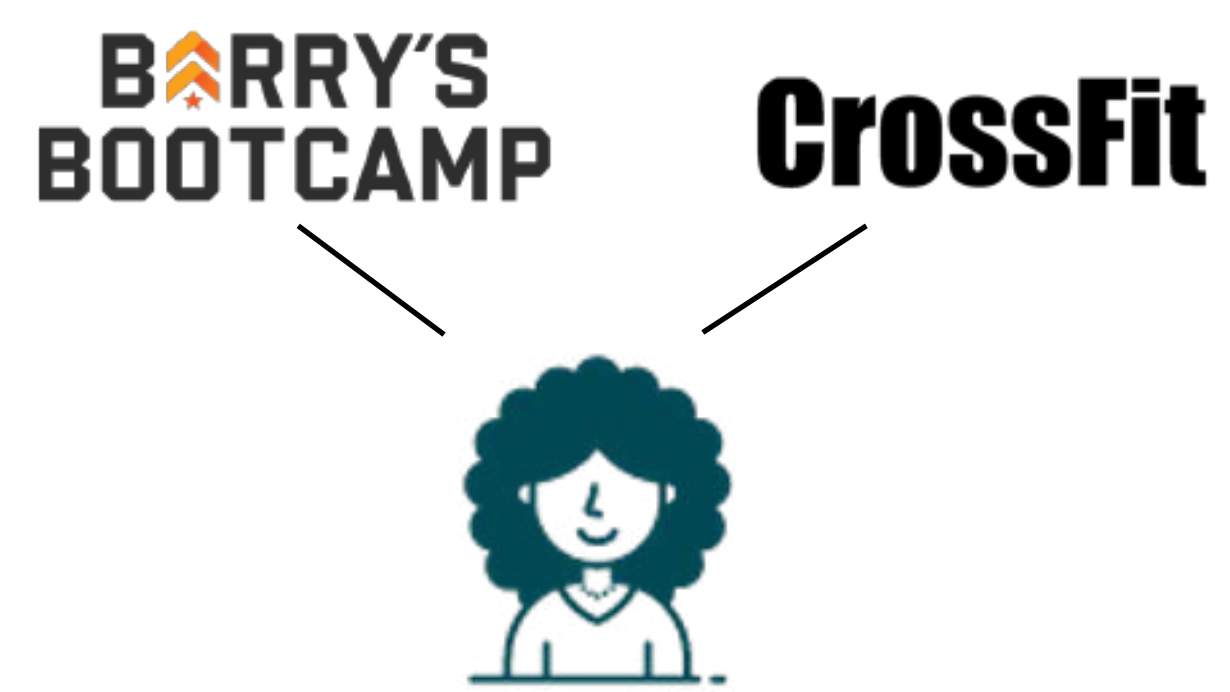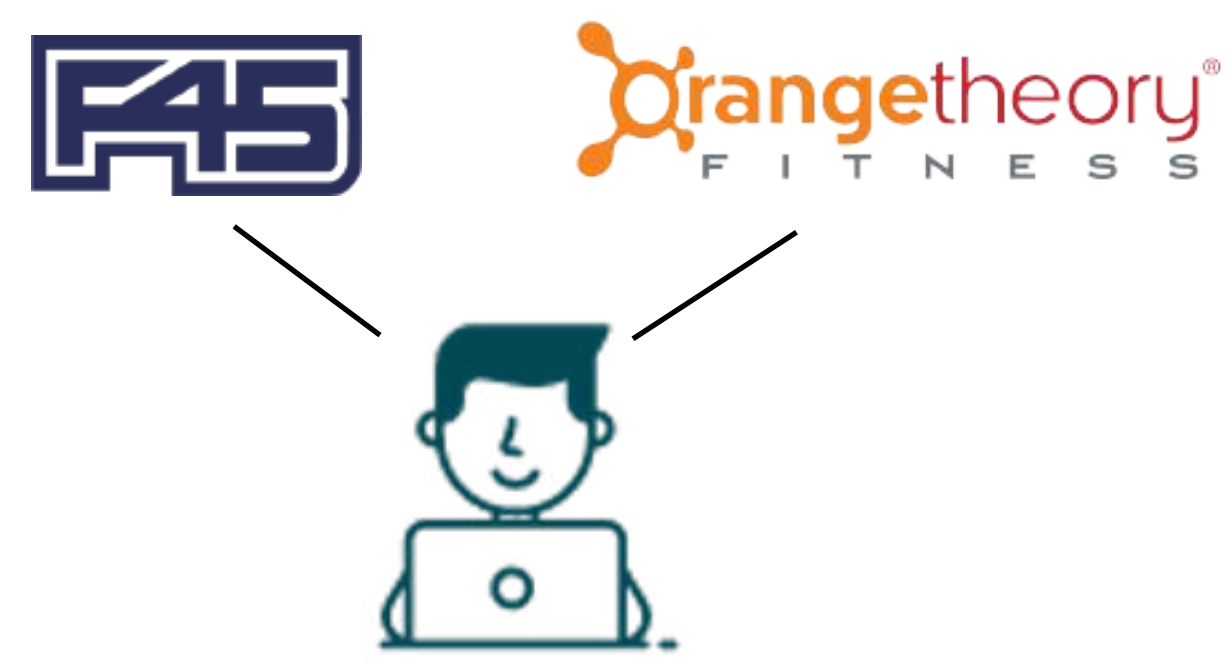
This approach has multiple benefits:

- It reduces the total sample required to return statistically significant results on multiple brands.

- It opens the door to collect data on smaller brands without having to sample specifically for them.

- It provides within-person comparisons of brand performance that are very useful for calibrating results.

- It allows capture of data on direct competitors without paying for responses just for those brands. This is a CRITICAL missing piece of many brand health measurement methodologies.

A representative sample is pushed through our screener, funnel evaluation, and brand-balancing logic to achieve a robust data set

Category Screener & Funnel

Unqualified Respondents

Representative Market Sample (Qualified Respondents)

Least fill logic manages brand allocation based on respondent's funnel outcomes. It does this on the fly, helping to minimize total number of survey completes purchased.
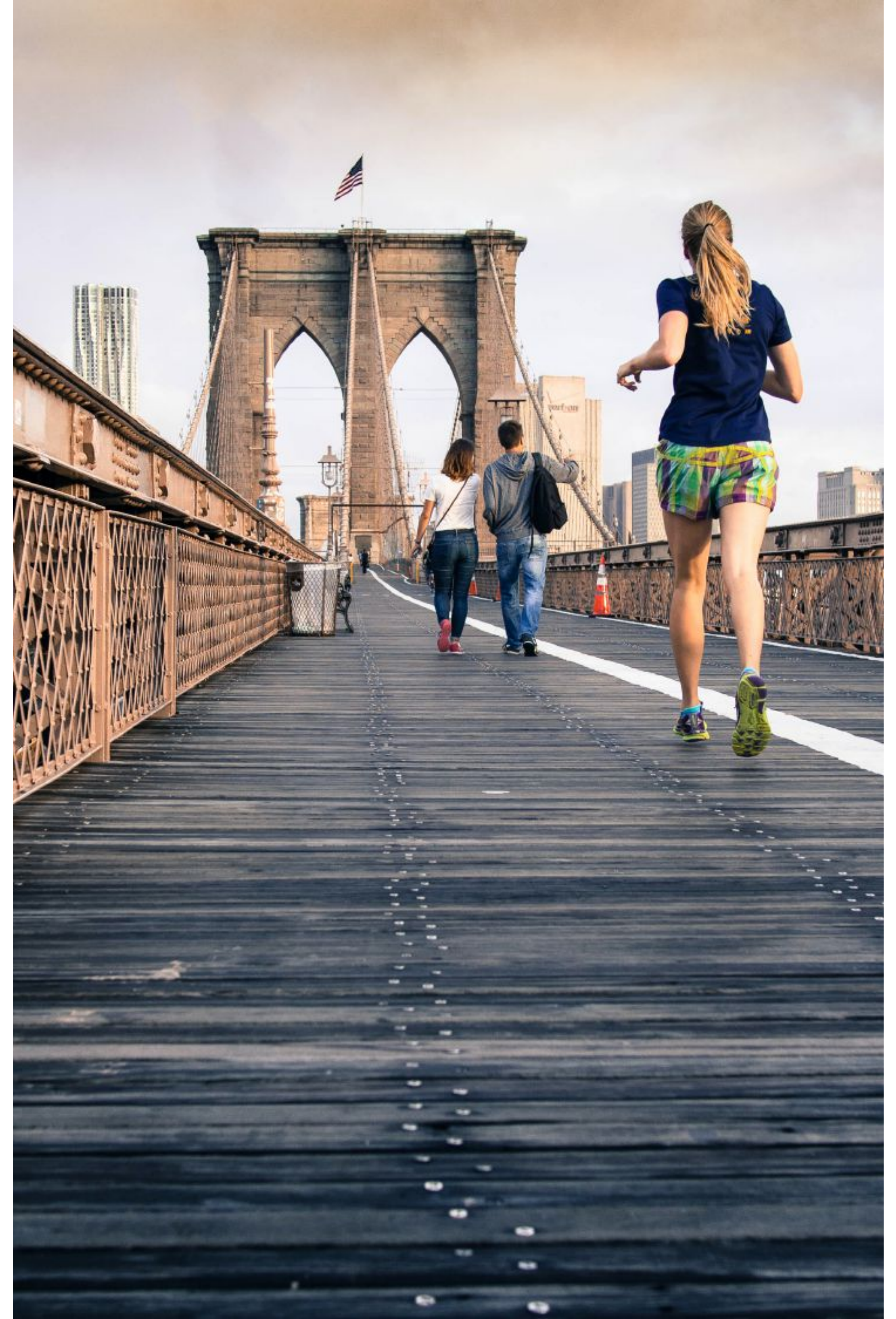
Survey Selects Two Brands for Remainder of Questions

Appendix II: Cities Analysis

While the focus of this study was to assess the market landscape of the fitness industry in the US, we also crunched numbers on how fitness consumers vary across cities.
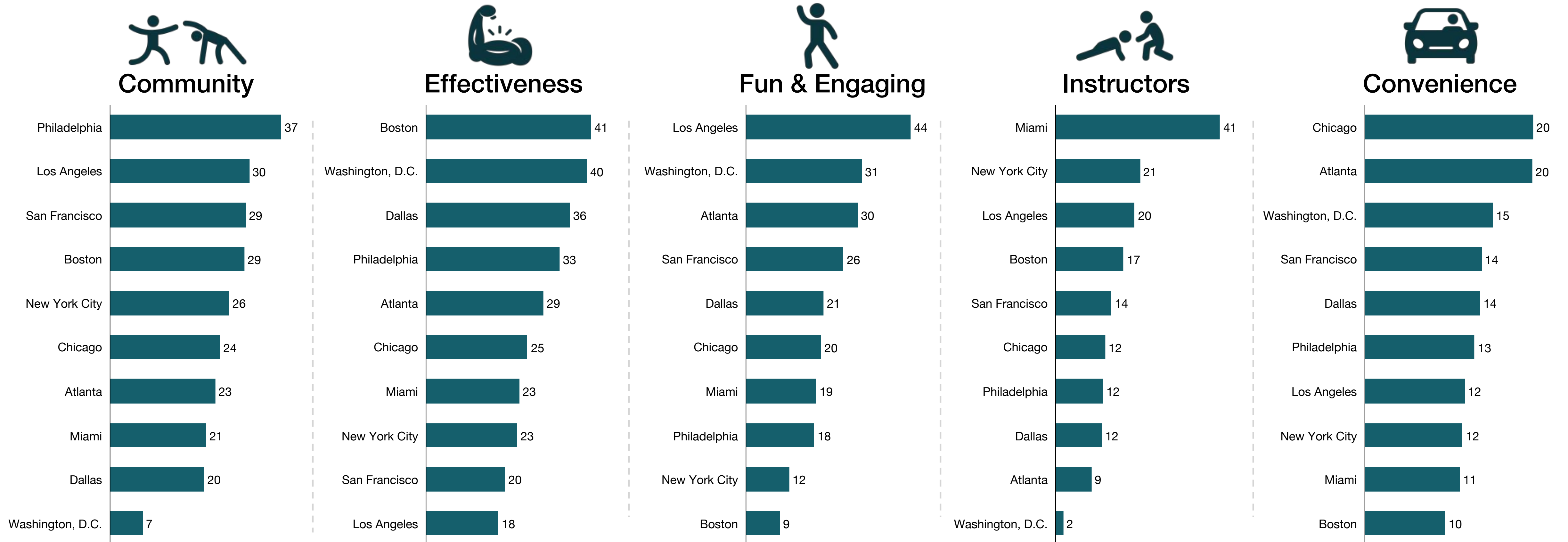
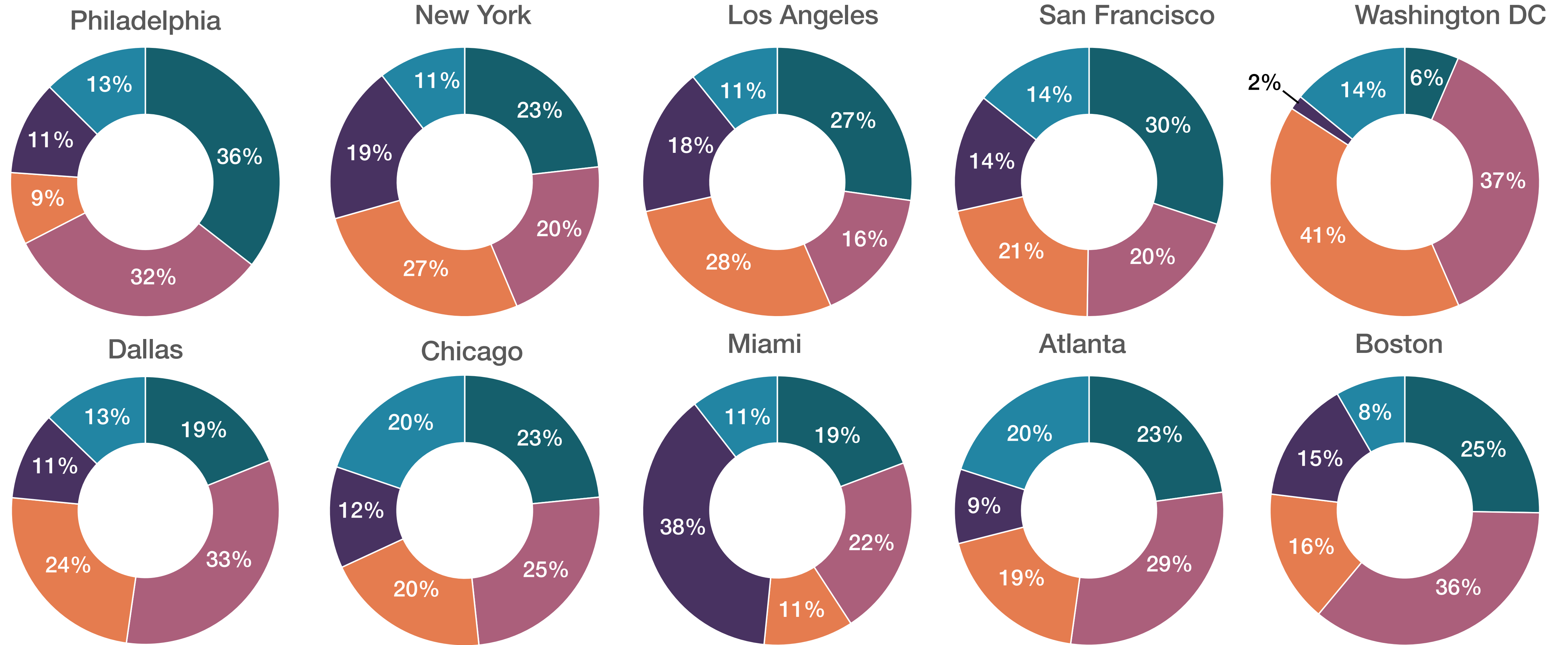# What matters to fitness enthusiasts varies substantially across cities

Impact weights tell us how important the following elements are for fitness-oriented consumers across different US cities. They are derived by analyzing

Community

City	Value
Philadelphia	37
Los Angeles	30
San Francisco	29
Boston	29
New York City	26
Chicago	24
Atlanta	23
Miami	21
Dallas	20
Washington, D.C.	7

Effectiveness

City	Value
Boston	41
Washington, D.C.	40
Dallas	36
Philadelphia	33
Atlanta	29
Chicago	25
Miami	23
New York City	23
San Francisco	20
Los Angeles	18

Fun & Engaging

City	Value
Los Angeles	44
Washington, D.C.	31
Atlanta	30
San Francisco	26
Dallas	21
Chicago	20
Miami	19
Philadelphia	18
New York City	12
Boston	9

Instructors

City	Value
Miami	41
New York City	21
Los Angeles	20
Boston	17
San Francisco	14
Chicago	12
Philadelphia	12
Dallas	12
Atlanta	9
Washington, D.C.	2

Convenience

City	Value
Chicago	20
Atlanta	20
Washington, D.C.	15
San Francisco	14
Dallas	14
Philadelphia	13
Los Angeles	12
New York City	12
Miami	11
Boston	10

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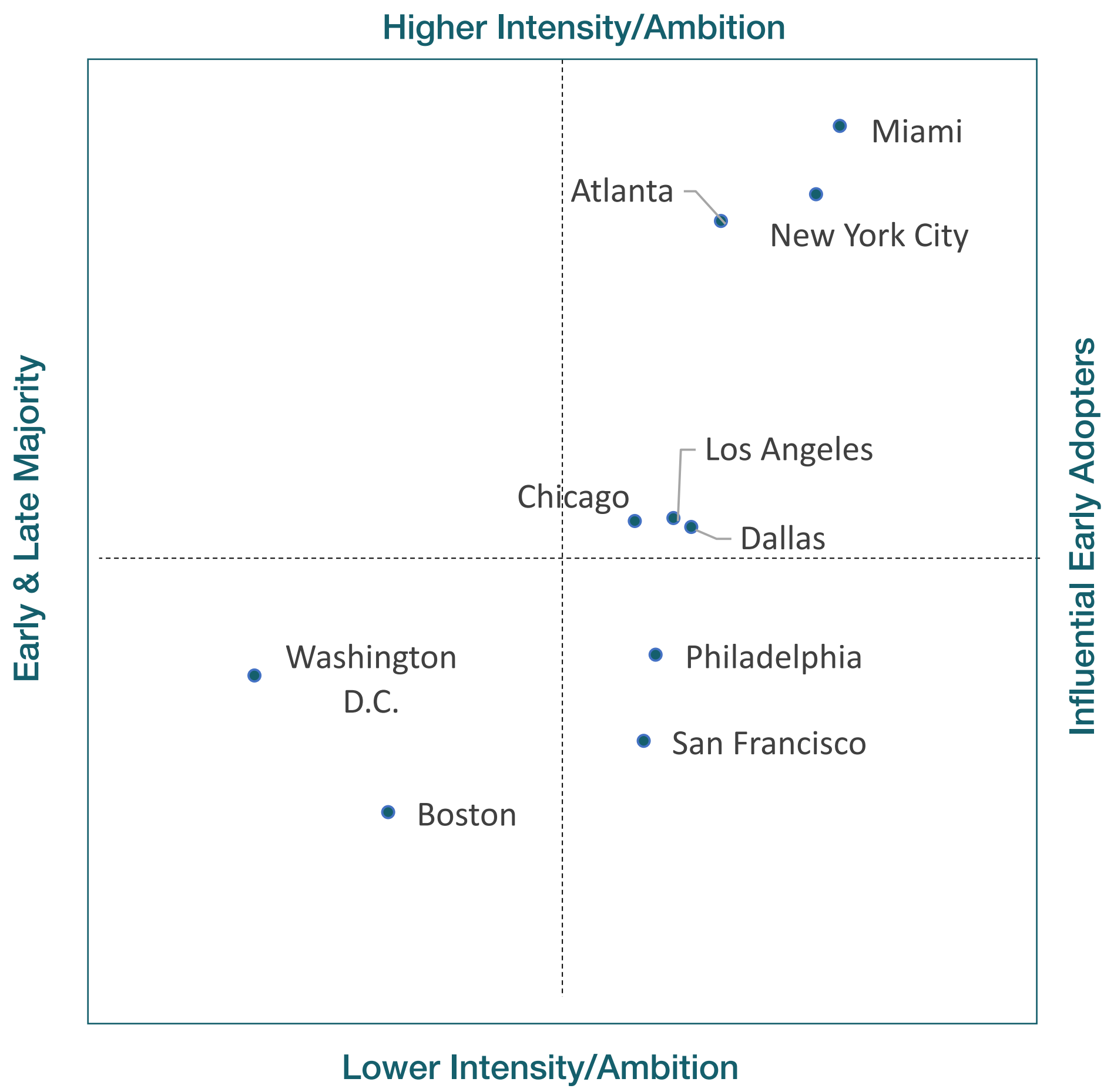# What matters to fitness enthusiasts varies substantially across cities

Philadelphia

- 13%
- 36%
- 32%
- 9%
- 11%

New York

- 11%
- 23%
- 20%
- 27%
- 19%

Los Angeles

- 11%
- 27%
- 16%
- 28%
- 18%

San Francisco

- 14%
- 30%
- 20%
- 21%
- 14%

Washington DC

- 2%
- 14%
- 6%
- 37%
- 41%

Dallas

- 13%
- 19%
- 33%
- 24%
- 11%

Chicago

- 20%
- 23%
- 25%
- 20%
- 12%

Miami

- 11%
- 19%
- 22%
- 11%
- 38%

Atlanta

- 20%
- 23%
- 29%
- 19%
- 9%

Boston

- 8%
- 25%
- 36%
- 16%
- 15%

Community | Effectiveness | Fun & Engaging | Instructors | Convenience

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Atlanta, Miami, and New York are highly clustered with higher intensity, ambitious consumers who fit the profile of early adopters

PSYCHOGRAPHIC ORIENTATION MAP ACROSS CITIES

Higher Intensity/Ambition

Early & Late Majority

Influential Early Adopters

- Miami
- Atlanta
- New York City
- Los Angeles
- Chicago
- Dallas
- Washington D.C.
- Philadelphia
- San Francisco
- Boston

Lower Intensity/Ambition

Influential Early Adopters = *"When I discover new products I like, I tell my friends about them."* + *"I'm always looking to try new products, services, or experiences."*

Intense/Ambitious = *"I am constantly striving to improve myself."* + *"I am an intense person."*

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Who does what where?

Index numbers in parentheses next to each city indicate how far each city is from the average (100)

YOGA

Most Engaged
New York City (122)
Boston (115)
Miami (111)

Least Engaged
Chicago (83)
Atlanta (84)
Dallas (85)

WEIGHT LIFTING

Most Engaged
Miami (117)
DC (110)
Boston (107)

Least Engaged
Atlanta (78)
San Fran (82)
Dallas (94)

GROUP FITNESS

Most Engaged
New York City (119)
DC (118)
Dallas (115)

Least Engaged
Philadelphia (67)
San Fran. (84)
Chicago (92)

HIIT

Most Engaged
New York City (119)
DC (118)
Dallas (115)

Least Engaged
Philadelphia (67)
San Fran. (84)
Chicago (92)

ENDURANCE RUNNING

Most Engaged
Philadelphia (134)
Los Angeles (117)
Atlanta (110)

Least Engaged
Chicago (75)
Dallas (78)
San Fran. (87)

BIKING/CYCLING

Most Engaged
San Fran. (134)
New York (110)
Miami (110)

Least Engaged
Atlanta (78)
Boston (90)
Dallas (91)