



## **Media Q and A**

**August 7, 2018**

Wellbeats is fitness made easy. The company offers on-demand exercise classes that make fitness affordable, easy, and accessible. Workouts appeal to all ages and fitness levels and can be used at work, at home, or while traveling. The workplace options and mobile platform make Wellbeats easy to implement, easy to administer, and easy to monitor for tracking progress.

### **How did the company get its start?**

Wellbeats started with the simple act of paying attention to how people work out. The idea for Wellbeats arose in 2008 when a group of fitness club owners noticed members were bringing their own workout videos into the club's multi-purpose room to create a do-it-yourself "club within a club." Recognizing the opportunity, those club owners formed a company called Fitness on Request that sold kiosks with custom-created, on-demand, fitness video content. The company changed its name to Wellbeats in 2014 and changed its focus from providing kiosks and content to fitness centers, to becoming a content and software-as-a-service (SaaS) company. This shift allowed Wellbeats to expand beyond fitness centers to a broader customer base.

### **Who are the primary purchasers?**

The primary purchasers of Wellbeats' licensed content include workplace wellness vendors and employers, fitness and health clubs, hospitality companies, colleges and universities, and multi-family housing. Wellbeats is also the exclusive on-demand fitness provider for the United States military. Wellbeats currently has more than **2,200 commercial clients** in all 50 states and 19 countries.

### **How does it work?**

Wellbeats makes fitness easy by creating opportunities that fit into the consumer's life. Customers pay a licensing fee and a per-member/per-month fee for access to more than **350 virtual fitness classes**, workout plans, and assessments. Content is available via numerous platforms, which allows employers to give employees and their families access to virtual fitness classes. Wellbeats can be used by employers as part of an onsite fitness center or by remote employees who work out at home or while traveling for work.

### **What does it cost?**

Cost can vary based on industry and size of company, but pricing is typically based on a per-user/per-month fee for streaming content. The average cost is less than \$1 per employee, per month. Investing in Wellbeats is a fraction of the cost of alternative options for employers, such as monthly fitness center reimbursement.

### **How does utilization compare to on-site fitness classes?**

Wellbeats has a broad appeal and has demonstrated long-term engagement. In fact, Wellbeats users on average record **more than 2.5 million activity minutes per month**. That's an average of **212 minutes for each engaged user**, each month. By comparison, [43.7 percent](#) of gym members work out fewer than four times per month after six months of membership, and [67 percent](#) of gym memberships go unused entirely.

### **What impact do employers see on workforce well-being?**

Numerous industry studies have demonstrated a correlation between physical activity and movement in the workplace and positive business outcomes, such as improved employee engagement and productivity, strong financial performance, and a decrease in health risk factors. More specifically, Wellbeats customers have seen consistent engagement as measured in activity minutes -- real hard work and sweat -- versus clicks. Seagate, for example, which makes Wellbeats available to its 5,100 employees, has reported an average of 377 activity minutes per engaged, per month user over the last year.

### **Why does it matter?**

- Lack of physical activity contributes to numerous [health risks](#) or [conditions](#), which can lead to increased [healthcare costs](#) and [lost productivity](#). Physical activity has also been found to have a positive impact on mental health and well-being – both in the workplace and in our personal lives. Some of the primary [roadblocks](#) to getting consistent physical activity or exercise include lack of time, lack of access to a facility or gym, and concern about working out with other people around.
- More than [38 percent](#) of people work remotely, including 35 percent who work from home. Those people do not have access to a gym or fitness center through their employer.
- On the flip side, **64 percent of people say they would use on-demand classes** if their employer offered them, and 66 percent of people cite home as their most common exercise location. However, less than 1 percent of corporations offer on-demand classes, which creates a significant opportunity for employers to support employee health.
- Recent research predicts that the virtual fitness market is expected to reach [\\$2.6 billion by 2022](#), up from \$849.5 million in 2017.
- The global digital fitness market is expected to reach [\\$27.4 billion](#) by 2022.

### **What's next for the company?**

Wellbeats has introduced a new brand identity and is focused on marketing its content and capabilities to the employer market, as companies of all sizes continue to realize the benefits of investing in the health and well-being of their employees. Wellbeats has increased staff by 30 percent in the last year and we expect to add more employees in the areas of sales and marketing, technology, content development, and client services.