

The Economic Recovery of People in the Post-Pandemic Era: An Example of Online Fitness-Platform in Taiwan

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ABSTRACT

In the post-pandemic era, whether the global economy will recover in a U-shape, a V-shape, a K-shaped, or a L-shaped is still undecided. The economy of people livelihood has the most direct impact on the people and fitness industry has related to the mental and physical health of them. If it can attract the need for exercise of customers regardless of the pandemic, the fitness centers are expected to have business opportunities. Therefore, this article is a conceptual paper for business start-up and intends to start-up and innovate gyms, whether in the pandemic era or not, as well as to revive some of Taiwanese economy of people livelihood rapidly.

Keywords: *Fitness center, quality of service, customer loyalty, differentiation strategy, innovative online fitness platform*

1. INTRODUCTION

There are many countries which have adopted personal control to prevent the spread of Covid-19 disease, which severely damaged the economy. In the post-pandemic era, whether the global economy will recover in a U-shape or a V-shape, is still unknown in different countries. If it is a V-shape, that represents a rapid economic rebound, it may get better for a short term. If it is a U-shape, it may take a longer time for the economy to recover [1].

Due to the impact of the pandemic, there are many industries that are being in a downturn in Taiwan, but with the advent of vaccines and entering the post-pandemic era, there's a phase of K-type economy shown. The entities are at the lower-end of the economy and most people's consumption need to overcome various restrictions and variations under the era, such as connecting with e-commerce, and seeking to survive through creative transformation. The K-shaped recovery should be handled well, or the world head towards an L-shaped recession - the next decade will fall into a lost decade [2].

In fact, the economy of people livelihood has the most direct impact on the them. After all, people cannot do anything without life. The epidemic situation restricts people, such as life activities, economics, and physical and mental health. The people must adjust and return to the rhythm of life before the epidemic. The fitness industry is sufficient to bear this heavy responsibility and has unlimited development potential in the post-pandemic era. We found that, because of the epidemic, Taiwanese people can only stay at home

most of the time and cannot gather in physical gyms. As a result, some fitness centers quickly work out of business. At present, with the increase in vaccination rates and the frequency of people's interaction, the business opportunities of fitness centers have returned. However, we believe that the gym needs to take chance to be adjusted. If it can attract the need for exercise of customers regardless of the pandemic, the fitness center is expected to have business opportunities. Therefore, this article intends to start-up and innovate gyms, whether in the pandemic era or not, and to revive some of Taiwanese economy of people livelihood rapidly.

1.1. Introduction to Taiwanese Fitness Industry

The first fitness center of the world appeared in the Youth Association (YMCA) in the early twentieth century. YMCA provided various sports equipment and activities. It is the foundation of modern fitness clubs [3].

In Taiwan, the first fitness center was founded by Mr. Zhu in Taipei in 1953, called 'Jianermei Fitness Center', which provided bodybuilders and fitness athletes with professional guidance and training, such as simple mechanical equipment and barbell sets. Some other facilities were added gradually, such as aerobics classroom, steam room and sauna, etc., in order to provide customers with higher quality and more diversified values. The diversified equipment also provided part of the needs of women, and the coach courses were also more expanded. In addition to training courses, they also included rhythm dance, flywheel courses, yoga, and etc. [4].

Taiwan currently has two largest sports companies, which are 'Fitness Factory' and 'World Gym'. In 2006, 'Fitness Factory' was established in Kaohsiung, Southern Taiwan. It is the first-listed sports fitness-center in Taiwan. There are currently 52 branches with more than 200,000 members [5]. The World Gym fitness club was founded in 1976 in Venice Beach, California. From the 1980s to the 1990s, it successfully expanded rapidly in various cities of the United States and international markets, it then entered Taiwan in 2001 [6]. These two sports centers have increased the churn-rate of customers during the pandemic-term presently. Therefore, sports vendors need to attract their customers back by using some differentiation strategies, such as an integrated-reservation type.

We found out that there is no direct fitness course subscription platform in Taiwan at present, but only the Smart Life Move V opened by a telecommunications company AI-Technology Fitness Coach [7]. In the United States, there is a fitness-platform ClassPass, which was established in 2014, and it has become a popular fitness-course subscription-platform in the United States. On this platform, users can choose their favorite training courses from nearby gyms or fitness studios based on their locations. There is not only a wide variety of courses, but also a very complete range of programs. The courses include yoga, pilates, flywheel, aerobic boxing... etc. ClassPass currently provides services in a total of 2,500 cities around the world. In addition to major cities in North America, its branches also extend to overseas markets in South America, Europe, and Asia (including Hong Kong, Thailand, Singapore, India, and Indonesia) [8]. Our team will design an online fitness-platform, starting with basic fitness-courses from Tainan, and firstly market and promote this online platform, and then will slowly expand to other cities in Taiwan, perhaps in the future can develop into neighboring countries, such as Vietnam, Mainland China, and other countries.

1.2. Quality of Service

The quality of service in the service industry often becomes the basis for consumers to judge whether to consume. Consumers have the most direct perception of the attitudes of service personnel, and these attitudes include the willingness to serve, the spirit of dedicated-service sales, words and deeds, politeness and self-confidence. For example, the reception behavior at the gym counter, as well as the attitude, words and deeds taught by the fitness coach to the students, are included in the overall gym's first impression [9].

1.2.1. Tangible Service

Respect and value for customers, detailed and careful introductions, explanations before purchase, professional advice on fitness exercises after purchase, correct behaviors during exercise, and encouragement will all have a professional feeling for customers.

A fitness trainer can pay attention to a customer and his / her safety when exercising, and also stay nearby and give appropriate assistance at all times. When encountering a customer who does not understand, the trainer must also give patient explanations and careful observation to the customer.

1.2.2. Intangible Service

Services are not only used to provide attention to people by actions and behaviors, but also by the environment and space. Hygiene quality has always been the focus of gyms. Gyms will require members to use towels, but some members still fail to comply. Alcohol is placed next to users, before and after being used. The treadmill is also regularly wiped by the staff so that people can feel at ease in hygiene. Different types of machines can make users feel diverse and different. Quality will also affect people's psychology and increase satisfaction. The increased satisfaction can increase the popularity of the gym and build a good brand image. If the environment is cleaned up in normal times, it must be kept tidy every day, equipment is regularly maintained, alcohol and disinfectant are placed aside for customers to use, etc., to provide them with peace of mind in terms of hygiene, and then satisfaction can also be increased.

1.2.3. Promptness of Service

Since most of the services cannot be stored, whether the service can be provided immediately or in a timely manner, will be an important indicator of customers' assessment of the quality of the service and whether it is good. For example, when instructing on the side, the trainer may find if a customer needs the appropriate service immediately, and to ensure that the customer can use it safely [10].

1.3. Customer Loyalty

Customer loyalty refers to the degree to which customers have feelings for a certain company's products or services due to the influence of many factors, such as quality, price, service, etc., and form a preference and repeat purchases of the products or services over a long period of time. True customer loyalty is a permanent act [11].

A deeper analysis of the relationship between the customer and the company depends on the customer's satisfaction with the latest experience, perception of quality, commitment and investment in the relationship, and the connection between each other, such as contractual relations, psychological, cultural, and ethnic connection, etc. [12]. Usually, a disappointing experience and low satisfaction will not seriously affect the strength of the business relationship. After all, if a customer believes that the overall quality of the product or service is good enough, coupled with the high conversion cost and lack of other worth options to choose, then such customer should still continue to maintain the trade with vendors [13].

Regarding the customer loyalty to the gym, the higher the customer loyalty is, the higher the return-rate will occur, and the fixed source of customers will increase. The word-of-mouth marketing will also cause the rising flow-rate of the customer to the gym, and the relative service quality is good as well. On contrast, poor attitude and the lack of regular maintenance of equipment will result in low evaluations, which will affect the loyalty of the guests to this gym. Gradually, the reputation will be bad and the steady source of customers will be relatively lost.

Customers will choose company services and continue to communicate with the company, because it can provide the value of the services they want.

Nowadays, customers can search for relevant information on the Internet, so they are more in control of the main choice. Once customers are dissatisfied, they can easily choose other brands to obtain better service quality. Therefore, it is not sufficient to make customers feel about the good quality of service. The most important thing is to improve customer satisfaction so that they will think of the company's brand as soon as they choose the services [14].

Due to the regional nature of modern people, the choice of gym may be nearby and convenient. Of course, the price or equipment items also becomes the options to consider. We will use questionnaire analysis to understand the attributes of current customers and find out the value types that customers prefer. In the design of questionnaire, it is possible to introduce the service plans based on users' behaviors, such as preferences, status, influence, etc., to determine the consumption preferences.

1.4. Innovative Fitness Center

Usually, gyms are used to provide fixed facilities and convenience nearby for most people with a fixed lifestyle. However, for those who need to travel to different places, often or occasionally, they cannot maintain a fixed lifestyle or travel groups. Thus, a small and flexible fitness space in the subway and airport can be suitable for them to exercise. There's a fitness center in the airport. The American Website Entrepreneur has collected the fitness centers of the top-ten airports in the world. In addition to gyms, some airports also have yoga classrooms and swimming pools, high-end facilities, and great views of planes taking-off and landing [15].

The fitness space perhaps is about 15 square meters, the profit is between the passengers practicing yoga and advertisements. Some advertisements will be randomly played on the LCD TV. There are many small souvenirs, such as keychains on the gym table. Passengers who come to the gym can take it away. Of course, these small souvenirs are 'sponsored' by different businesses, and they will be flown around the world according to the different destinations of the passengers. These unique advertisements are exactly arranged the creativity of the merchants. Because opening a gym at the airport is special in the world, many merchants are willing to take the opportunity to advertise.

The advertising fee they pay is more than enough after paying the rental fee at the airport.

Another plan is a digital gym, which is also an innovative industry in this era of sharing economy. A stereo-type fitness requires personal guidance from coaches, consumers are willing to get vaccinated directly, or wear a mask, and choose to go to a physical fitness-center to receive personal guidance from a fitness instructor face-to-face in pandemic era. However, if people consider maintaining their health and fitness, whatever it is in the epidemic era or not, perhaps choosing a digital coach is a good deal.

2. BACKGROUND

2.1. Research Methodology

This is a conceptual paper. In order to understand the future development of fitness center in post-pandemic era, this paper uses a literature collection method and a quantitative questionnaire to obtain the necessary research results to facilitate future business start-up. We will first test the initial acceptance of the innovative fitness-center, and then correct the customer satisfaction and service-items offerings. Human and financial resources are still being sought, some fund-raising ways such as public sectors, private sectors, or angle fund organizations are suitable in Taiwan.

We used Google Form to conduct a web-based survey, which is divided into two parts. The first part is basic information and personal consumption behavior, and then the second part is the service type of the fitness center. This survey was conducted from March 24th to May 30th, 2021 and 100 online copies of responses were collected.

2.2. Basic Information and Personal Consumption Behavior

In Taiwan, the charging standard of World Gym ranges from NT\$25,000 to NT\$38,000 per year, and no extra membership fee is charged. The World Gym fitness equipment includes matrix-based fitness and aerobic equipment, and subsequently the introduction of hammer equipment, with large-group classrooms and flywheels. Classrooms will provide towels for members to use. The more special is SPA facility.

The Fitness Factory charges an annual fee ranging from NT\$13,000 to NT\$25,000, as well as a life-time membership fee of NT\$2,500. Health equipment is mainly hammer equipment, and aerobic equipment is mainly life fitness. There are large-group classrooms, flywheel, and aerobics classrooms, and there are also larger special sports-venues. Taiwanese personal-trainer charge ranges from NT\$1,000 to NT\$3,000 per hour. The following results from the questionnaire we issued are:

Most of the respondents in this survey were students; The average monthly income of the respondents ranged from NT\$18,100 to NT\$25,000; Most of the respondents were willing to do the exercise and hire a fitness coach for

one-on-one training; The average monthly expenditure on fitness ranged from \$2,001 to \$4,000; Most of the information on fitness products came from fitness center, friends, internet, and magazines; Most people are willing to consume online fitness-platform if it's available; Most people are reluctant to consume fitness centers that are lack of popularity. The survey results are shown in Table 1 at the end of this paper.

2.3. The Use of Services on the Platform

At the beginning of fund-raising period, we may start to release advertisements and use a large number of ads to attract customers' attention, input, and transactions to consume this start-up, as shown in Table 2 (also at the end of this paper).

The result of this survey is an uplifting news to the confidence of the entrepreneur, with a high percentage of positive messages. For example, most people are willing to try a simple and intuitive user interface, and flexible membership rules.

During the period of use, the monthly fee of regular members can also be adjusted, suspended, or cancelled at any time from the higher / lower level. If there are unused course points in the current month, they can be used in the next month. Conversely, if a customer wants to take a few more classes that month, he or she can also purchase additional classes.

Most of the respondents accept the digital fitness-center platform. They are willing to use and purchase the solutions provided by the platform. In addition to the fact that only 21% of people are reluctant to hire a fitness coach on this website, probably most of customers know the reputation of coaches and probably the platform will provide higher security for the customers.

Although customers are not yet convinced by this venture, we are confident that they will be willing to buy in the future. Because in the future, people will get used to the integration of the existing platforms. We will learn from ClassPass, USA, a digital fitness-platform. It has some useful strategies, such as users only need to download and install the official mobile APP to subscribe to become a member, and immediately enjoy a two-week free-trial period. After the trial-period, users can choose the corresponding paid-plan to become a full member according to the number of courses that they are expected to participate in each month in the future.

Just like they would if they went shopping in UNIQLO, they will get used to spending together. From trial purchase to the final subscription to become a paid member, ClassPass users do not have to bother to deal with business personnel. They also have various point card from diamond to gold cards in workshops, which will not let customers dazzle before joining. This allows customers to save a lot of time and energy, just focus on how to maintain their regular and quantitative fitness habits, and work hard on the way to get a perfect body.

3. CONCLUSION

This is a conceptual paper for business start-up. For modern office workers, in addition to facilitating exercise and networking, the fitness venues can allow office workers to have a comfortable place to exercise after off-duty. They can reach the basic threshold of 30 minutes of exercise per day and maintain their health.

Furthermore, the elderly people can also gain a sense of superiority in fitness. They can exercise with their relatives and friends at home. Running and cycling on the outside contains higher risk of traffic accidents. Exercising in the gym does not only reduce traffic accidents, but also provides complete equipment and professionalism. The fitness trainer can give the correct way of exercise, and also reduce the injury caused by exercise. Therefore, the gym and coach are good choices for elderly people.

At present, due to the epidemic prevention and limitation in the world, Taiwan is experiencing temporary close of cities. People have increased their distance from each other and reduced their movements. Many shops cannot survive. For example, movie theaters, KTVs, night markets, and meeting places are temporarily closed. This has also directly affected Taiwanese tourism, restaurants and snacks markets. The impact on the people's livelihood economy, such as catering and leisure industries that most need people's interaction, can be described as severe situation.

The establishment of practice to drive the regional sports atmosphere, starts from establishing the goal of professional and correct fitness concepts, and developing the human body studio SPA based on the concept of health and the children's club that roots down to cultivate sports interests, hoping to bring more diversity to the public services.

The creation of a good experience does not only come from satisfying customers' expectations of the product, but also trying to discover what customers really expect, and finally let them get surprises that exceed their expectations, and even start to expect different surprises every time. By doing this, customers can continue to purchase the company's products and services for new and different reasons.

The people's livelihood can be closely related to gym industry. In the past two years, the gyms belonging to the cluster have been quickly closed down. Fortunately, Taiwanese sports entrepreneurs are self-reliant and have creative thinking to improve their own businesses. They have begun to find ways to make people maintain their health and figure in this severe pandemic era, and can sustain business. As a result, some companies began to set-up web pages, and then digital gyms came into the industry. It can slightly improve the economy, rather than going recession.

According to the situations described above, the innovative sports-platform that we will establish soon, is expected to be a good achievement for uplifting the life and health of people and to recover some of Taiwanese economy of people livelihood rapidly, whether there's a pandemic or not.

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Table 1 Demographic Profile of the Respondents (N = 100)

		Number of People	Percentage
Gender	Male	67	67%
	Female	33	33%
Occupation	White collar	38	38%
	Faculty	25	25%
	student	37	37%
Been to fitness center	yes	81	81%
	never/don't want to	2	2%
	never/want to	17	17%
Are they willing to hire a fitness coach	yes	65	65%
	never/don't want to	2	2%
	never/want to	33	33%

How do they touch fitness center (multiple selection accepted)	Friends	102	46.58%
	Internet	68	31.05%
	Magazines	49	22.37%
What kind of sports they usually to choose	Weight training,	29	29%
	Aerobic training,	35	35%
	Interval training	36	36%
Where do they go to fitness center	Near home	59	59%
	Famous store	15	15%
	Anywhere convenient	26	26%
Frequency of going fitness center	Often	66	66%
	sometimes	16	26%
	rarely	4	4%
	Only on weekends	14	14%
How long to stay in fitness center	1-2 hours	65	65%
	2-3 hours	13	13%
	More than 3 hours	22	22%
Willingness to use websites that provide information on fitness	Willing	95	95%
	Unwilling	5	5%
You would recommend this site to your friends and family	Yes	100	100%
	No	0	0%
You are reluctant to use this site for the following reasons (multiple selections accepted)	Too troublesome	16	14.55%
	No Internet	2	1.81%
	Not practical	28	25.45%
	No popularity	64	58.18%
Are they willing to pay to join the network so you can enjoy the following discounts	1099	48	44%
	1299	30	28%
	1599	20	19%
	1999	10	9%
Average Monthly Salary	Below 18100	55	55%
	18100-25000	35	35%
	25001-35000	8	8%
	Above 35001	2	2%
Average monthly expenditure on fitness	2001-4000	60	60%
	4001-6000	30	30%
	6001-8000	8	8%
	Above 8001	2	2%

Table 2 Willingness to Use the Services of This Platform (N = 100)

		Number	Percentage
Are you willing to pay the membership fee to enjoy the online service	Yes	55	55%
	No	45	45%
Are you willing to experiment with the platform	Yes	97	97%
	No	3	3%
Are you willing to try service items on the websites	Yes	83	83%
	No	17	17%
Are you reluctant to access this website for your sport freely	Yes	5	5%
	No	95	95%
Are you willing to contact sales when you need on the website	Yes	66	66%
	No	34	34%
Are you reluctant to hire a fitness coach on this website	Yes	21	21%
	No	79	79%
Are you willing to use a point card in exchange for a gift or to use a roll	Yes	90	90%
	No	10	10%
Are you reluctant to use the service items wherever you are	Yes	3	3%
	No	97	97%
If there is a site like this one, are you willing to use it?	Yes	95	95%
	No	5	5%