Japan

REVERSING THE PHYSICAL INACTIVITY CRISIS

Fitness Affordability as Strategic Policy

HEALTH & FITNESS ASSOCIATION

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HEALTH & FITNESS ASSOCIATION

About the Health & Fitness Association

The Health & Fitness Association (formerly IHRSA), a global community of industry leaders, is the only worldwide trade association providing a unified voice for the community of leaders who operate health and fitness facilities, offer professional guidance on physical activity, and provide the tools and equipment to do so to the millions of fitness facility members who understand that exercise improves their physical and mental health.

Through advocacy, education, and research, the association speaks to opportunities, challenges, and changes that are moving the industry into a new era.

Founded in 1981, the association publishes a monthly magazine, Club Business International, and operates The HFA Show and the European Congress.

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About Portas Consulting

Portas is the leading global strategy consultancy dedicated exclusively to sport and physical activity. It provides independent advice to senior executives on their most critical, urgent, and complex challenges worldwide, combining unparalleled expertise in sport and physical activity with top-tier management consulting credentials.

With over 150 consultants and offices in London, Dubai, Riyadh, Singapore, and Tokyo, Portas has a history of impacting sport at the highest level.

Over the past 20 years, it has delivered more than 800 projects, covering a wide range of topics including strategy, insights, organization, governance, project management, and implementation.

Foreword from the Health and Fitness Association

The world faces a growing public health crisis. Chronic diseases such as heart disease, type 2 diabetes, and obesity are rising at alarming rates, with alarming trends emerging across populations. Among children and adolescents, obesity rates have also reached unprecedented levels, significantly increasing their risk of developing chronic diseases later in life.

Physical inactivity has emerged as a key driver of this crisis, contributing to preventable diseases and premature mortality worldwide. The World Health Organization (WHO) reports that nearly one in three adults globally fails to achieve the recommended 150 minutes of moderate-intensity physical activity per week, while only a small proportion of children meet daily activity guidelines.

The consequences of this inactivity are significant—not only for individual health but also for economies and societies as a whole. Healthcare systems are burdened by escalating costs, while communities suffer from diminished well-being and productivity.

Yet, the solution is clear: increasing access to physical activity can combat these trends, improve public health outcomes, reduce healthcare costs, and improve public health outcomes.

Reversing the Physical Inactivity Crisis: Fitness Affordability as Strategic Policy demonstrates that the health and fitness industry must be recognized as a vital partner in addressing these challenges. Fitness facilities offer professionally guided, evidence-based exercise programs proven to reduce the risk of chronic disease, improve mental health, and build stronger communities.

Importantly, the fitness industry provides an incredibly diverse suite of offerings, ensuring that every person—regardless of age, fitness level, or experience—can engage in physical activity that meets their needs and preferences. From group fitness classes and strength training to yoga, swimming, personal training, and functional fitness, fitness facilities offer accessible, scalable, and effective solutions proven to deliver measurable health benefits.

The findings of this report are both compelling and actionable: a 10% reduction in membership fees, supported by strategic public policies, could provide access to structured exercise for millions of people currently priced out, preventing hundreds of thousands of disease cases annually, saving billions in healthcare costs, and delivering significant improvements in mental well-being and community trust.

The Health & Fitness Association believes fitness facilities must be at the forefront of the nation's health strategy. Our facilities are not merely places to work out – they are critical health infrastructure with the capacity to reverse the trajectory of physical inactivity, chronic disease, and obesity.

This report provides policymakers with the evidence needed to act decisively. By prioritizing affordability and expanding access to structured exercise, we can deliver meaningful change: healthier individuals, reduced healthcare spending, and a more connected, resilient society.

Now is the time to recognize the health and fitness industry as an essential part of the solution to some of the world's most pressing public health challenges. Together, we can unlock this untapped potential to build a healthier, stronger future for all.

Liz Clark, President and CEO,
Health & Fitness Association

Foreword from Portas Consulting

Modern societies face unprecedented challenges in promoting citizens' well-being. The compounding pressures of public health challenges[1], social fragmentation, and global economic slowdown[2] demand innovative solutions that can deliver impact at scale. While the critical role of physical activity in addressing these challenges is well established, the question of how to enable it systematically across urban populations remains.

The health and fitness industry has evolved significantly over the past decades. What began as a niche market serving fitness enthusiasts has transformed into a sophisticated ecosystem serving diverse communities with expanded offerings from mass-market fitness facilities and boutique studios to online fitness. By 2019, the global market size for health and fitness had reached 184 million[3]. Today, health and fitness facilities are not just places for physical exercise—they are community hubs that foster social connections, well-being, and health in our increasingly isolated urban environments.

This presents a significant opportunity. With its extensive infrastructure, professional expertise, and community reach, the fitness ecosystem has the potential to be a powerful force for positive change in our cities. Yet, despite this promise, its full potential remains untapped, hindered by barriers—chief among them, affordability.

The research presented in this report examines whether price reduction could help unlock this potential and evaluates the potential societal returns from such an intervention. Our analysis illuminates the potential scale of the opportunity and provides early evidence of the potential societal returns from such an intervention. The findings call for a shift in perspective: to view investment in physical activity not as a cost but as a strategic initiative capable of generating meaningful returns across multiple dimensions of society: health, social cohesion, and economic resilience.

Realizing this vision, however, will require bold and collaborative action. Public and private stakeholders must adopt fresh thinking, explore new models of support, and forge partnerships that prioritize long-term societal gains. If we get this right, the reward will be significant: healthier, more connected, and more resilient communities for generations to come.

This report provides the evidence and insights to spark this critical conversation. The question now is whether we have the collective vision, courage, and determination to seize the opportunity.

Asahi Takano, Partner, Portas Consulting

Chen Li, Associate Partner, Portas Consulting

EXECUTIVE SUMMARY

Japan faces the dual challenge of combating physical inactivity — a leading contributor to preventable diseases — while managing constrained healthcare and public budgets.

Physical activity delivers fundamental benefits across health, social and economic dimensions. As a key enabler of regular physical activity, health and fitness facilities play a pivotal role in delivering these benefits at scale, particularly in urban environments. Survey data shows that customers of such facilities are considerably more physically active and healthier than non-customers. In Japan, customers are 1.5x more likely to meet the WHO's recommended activity levels. Facility users also report higher life satisfaction and greater trust in their communities, highlighting the broader social benefits of structured exercise. With substantial room for growth worldwide, the health and fitness industry holds tremendous potential to positively impact a broader spectrum of communities.

Despite these benefits, cost remains the primary barrier preventing broader participation. Survey data reveals that 63% of Japanese non-customers cite affordability as a main reason for not joining a health or fitness facility. This presents a clear opportunity: Addressing affordability can provide a direct path to increasing participation in structured exercise. Importantly, most markets have sufficient capacity to accommodate new participants, making price reduction a viable strategy to expand access.

This study seeks to answer a critical question: can the societal benefits of reducing fitness facility costs—measured as social return on investment (SROI)—justify the hypothetical financial investment required?

Using data from a nationwide consumer survey and Portas Consulting's proprietary SROI model, this study examines the potential impacts of targeted price reductions.

The findings are both compelling and actionable: Supported by strategic public policies, a 10% reduction in the price of fitness facility memberships could provide access to structured exercise for up to 1.8 million new customers, preventing around 68,000 disease cases annually, saving 12,000 disability-adjusted life years (DALYs), and more than 400 deaths each year. These improved health outcomes could translate into ¥114 billion in annual health savings—representing a 1.5x return on a hypothetical ¥75 billion investment.

Additionally, this modest reduction could improve life satisfaction for 391,000 Japanese and enhance community trust for 441,000 individuals in urban areas alone. It could also stimulate ¥111 billion in additional consumer spending and create 29,100 new jobs.

Investing ¥75.0 billion into a 10% price reduction in Japan can achieve up to...

HEALTH

¥114 BILLION in health savings, consisting of:

- **¥28.6 BILLION** in healthcare savings
- **¥85.8 BILLION** in productivity savings

SOCIAL

+391 THOUSAND people who are more satisfied with their well-being

+441 THOUSAND people who have more trust in community

ECONOMIC

+¥111 BILLION additional consumer spending on gyms

+29.1 THOUSAND additional employment opportunities created

GLOSSARY

Cases prevented

Measure of reduced prevalence of a particular disease from increase in physical activity.

Community Trust

Individual self-perceived level of trust for people in their local area.

Customers

People who have purchased a membership, package, or classes in a fitness facility.

Disability-adjusted life years (DALY)

Measure of increased number of healthy life years due to prevalent cases of a particular disease from increase in physical activity.

Deaths prevented

Measure of decreased number of deaths from reduced mortality risk from physical activity.

Healthcare savings

'Direct' cost savings for a healthcare system.

Insufficiently active

Taking part in moderate intensity equivalent physical activity for less than 150 minutes per week, according to World Health Organization (WHO) guidelines.

Moderate intensity equivalent

A standardized measure of physical activity intensity based on METs (metabolic equivalents of task, where 1 MET is the energy used when sitting quietly). Moderate intensity activities (3-6 METs, like brisk walking) count as one minute, while vigorous intensity activities (more than 6 METs, like running) count as two minutes when calculating total activity time.

Price elasticity

Measure of how many additional people would be willing to purchase membership to a fitness facility in response to different levels of price reduction.

Productivity savings

Measure of economic savings from having a healthier workforce and reducing informal care, i.e. unpaid care provided by family, friends, or neighbors to people with disabilities, chronic illnesses, or other care needs.

Social Return on Investment (SROI)

Measure of the health, social, and economic value and outcomes generated from physical activity.

Sufficiently active

Taking part in moderate intensity equivalent physical activity for at least 150 minutes per week, according to World Health Organization (WHO) guidelines.

INTRODUCTION

31%
GLOBAL PHYSICAL INACTIVITY RATE

The global rise in physical inactivity (31% inactivity rate globally[4]) poses significant challenges for public health, economic sustainability, and societal well-being. Insufficient physical activity is a major contributor to preventable diseases, increased healthcare costs, and reduced productivity.

Structured exercise, delivered through fitness facilities, offers a safe, accessible, and effective solution to address these challenges. By helping individuals achieve recommended activity levels, fitness facilities not only improve health outcomes but also foster stronger, healthier communities.

However, affordability remains a major barrier to broader adoption of fitness facilities. For many individuals, cost prevents access to structured exercise opportunities, limiting the potential societal benefits these resources can deliver.

This report investigates whether targeted price reductions for fitness facilities can increase physical activity levels across the population. It places particular emphasis on the societal benefits of such interventions—exploring how greater participation in structured exercise can improve public health outcomes, reduce the economic burden of inactivity-related diseases, and strengthen social cohesion.

1. The opportunity for broader societal impacts through health and fitness

Physical activity delivers transformative benefits across three key dimensions: health, social, and economic.

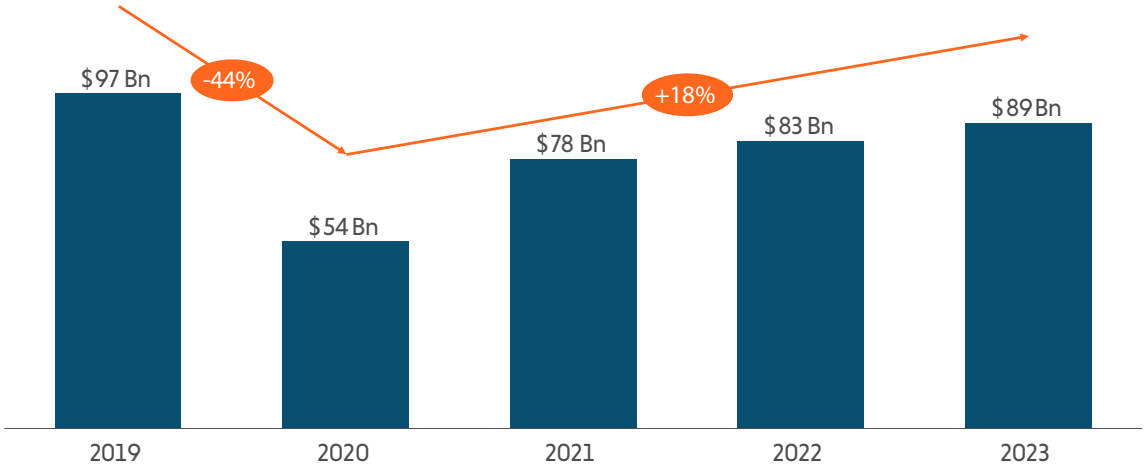
From a health perspective, regular physical activity reduces the risk of at least 10 physical and mental health conditions, with the World Health Organization recommending 150 minutes of moderate-intensity equivalent (MIE) exercise per week to achieve these benefits, as well as at least two days a week of muscle-strengthening activities involving all major muscle groups for additional health benefits[5]. Socially, physical activity creates opportunities for positive community interaction and connection, strengthening societal bonds and fostering healthier, more cohesive communities. Economically, a healthier population reduces healthcare costs, enhances workforce productivity, stimulates consumer spending, and generates employment opportunities across multiple sectors.

The health and fitness industry plays a pivotal role in delivering these benefits at scale. Through a nationwide network of facilities, professional guidance, and community spaces, the Japanese fitness ecosystem is uniquely positioned to advance public health objectives. By partnering with governments, civil society, and private stakeholders, fitness facilities can help address the growing crisis of physical inactivity. Unlike unstructured forms of exercise, fitness facilities offer guided, evidence-based programs that effectively engage individuals who may lack the knowledge, confidence, or motivation to exercise independently.

Although the COVID-19 pandemic disrupted the market's historical growth trajectory, rising consumer awareness of health and wellness[6], combined with varying market penetration rates across countries[7], suggest strong potential for accelerated growth *(Figure 1)*. This growth opportunity represents a chance to deliver physical activity benefits to a much wider community.

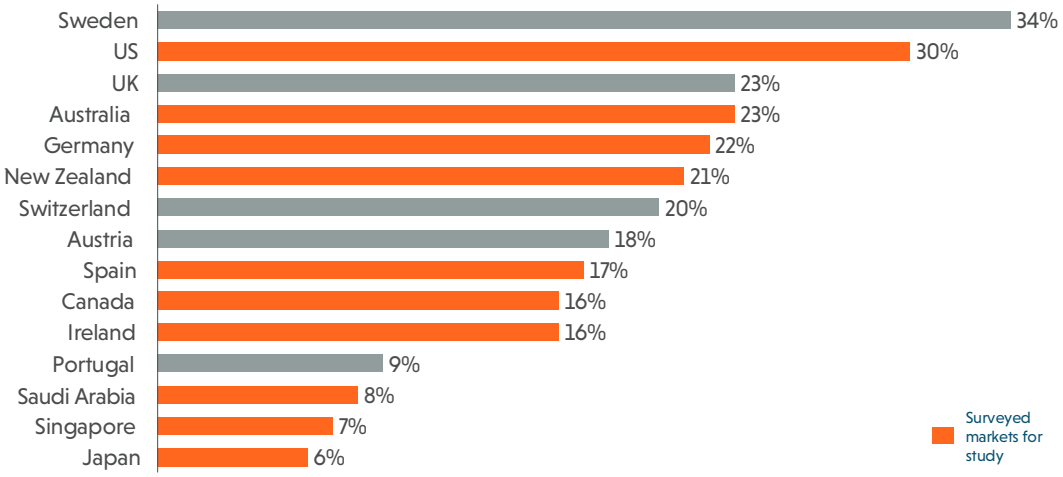
FIGURE 1. HEALTH AND FITNESS MARKET SIZE

Global health and fitness industry annual revenue 2019-23, USD $Bn



FITNESS MARKET PENETRATION

% of urban adult population who are fitness facility customers in selected markets

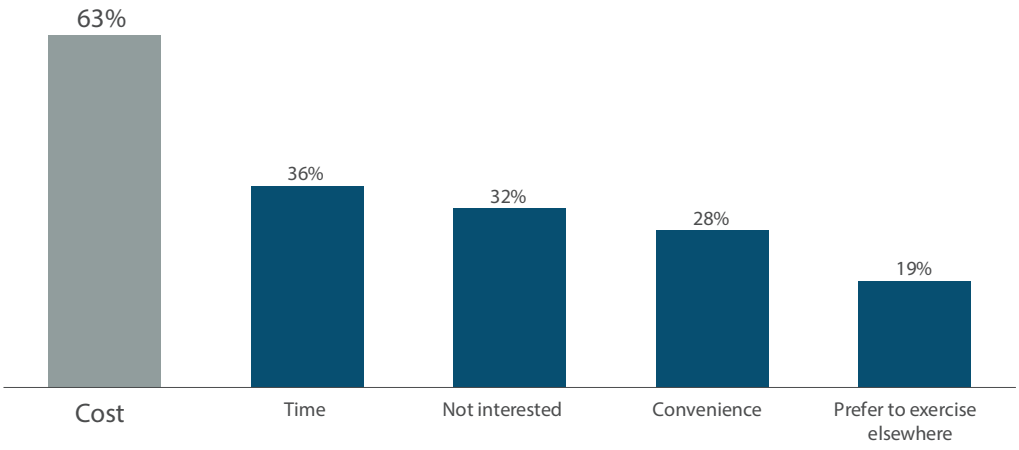


Despite the proven benefits, cost remains the top barrier preventing broader participation in structured exercise.

Survey data reveals that 63% of Japanese non-customers cite affordability as a primary obstacle to joining a fitness facility *(Figure 2)*. Addressing this barrier presents a unique opportunity to expand participation, enabling fitness facilities to deliver measurable societal benefits at scale. Importantly, many facilities already have the capacity to accommodate new participants, but success will depend on aligning investments with measurable societal returns.

FIGURE 2. JAPAN: TOP BARRIERS TO BECOME FITNESS FACILITY CUSTOMER

% of non-customers who selected each response as a top 3 barrier



By addressing three critical questions, this report highlights the potential of price reductions for fitness facility memberships to drive meaningful change *(Figure 3)*:

FIGURE 3. RESEARCH QUESTIONS

1

Comparison between customers and non-customers:
Are individuals who engage with fitness facilities more physically active, satisfied with their life, and socially connected than those who do not?

2

Price elasticity:
Can financial incentives, such as reduced pricing, substantially increase participation in structured exercise?

3

SROI impact:
What broader health, social, and economic benefits can be generated from the increase in physical activity through financial incentives in structured exercise opportunities?

2. The societal impact vs. investment through pricing strategies

ANALYSIS 1: COMPARISON BETWEEN CUSTOMERS & NON-CUSTOMERS

Are individuals who engage with fitness facilities more physically active, satisfied with their life, and socially connected than those who do not?

For any pricing strategies to generate societal return, it is first necessary to evaluate whether fitness facilities can serve as a meaningful catalyst for healthier lifestyles and improved well-being. Specifically, do customers of fitness facilities exercise more and report greater life satisfaction and social trust compared to non-customers? To answer this, a structured survey was conducted to evaluate differences between the two groups across three dimensions: intensity-adjusted physical activity levels, life satisfaction, and community trust.

The analysis reveals substantial differences between fitness facility customers and non-customers, underscoring the role of structured exercise in fostering healthier, more connected communities *(Figure 4)*.

Physical Activity Levels – Fitness facility customers are significantly more active. Among Japanese adults in urban areas, 56% of customers achieve sufficient physical activity—defined as 150+ minutes of moderate-intensity equivalent (MIE) exercise per week—compared to just 22% of non-customers. This 34-percentage-point difference translates to customers being, on average, about 1.5x more likely to meet the WHO's recommended activity levels. For simplicity, the definition excludes additional requirements on muscle-strengthening activities. These findings highlight the critical role of fitness facilities in supporting regular, structured physical activity.

Life satisfaction – Customers also report higher levels of well-being. When asked to rate their life satisfaction on a scale of 10, fitness facility customers scored an average of 6.5, compared to 5.2 for non-customers—a 24% higher rating. This notable difference suggests that regular engagement with fitness facilities contributes to greater personal well-being.

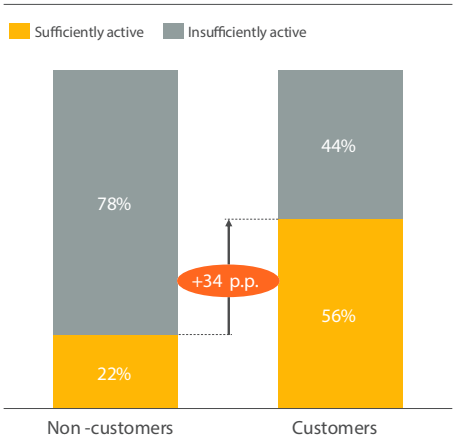
Community Trust – The social benefits extend beyond individual well-being. Fitness facility customers rated their trust in the community 15% higher than non-customers (3.15 vs. 3.62 on a scale of 5). This pattern reinforces the role of fitness facilities as community hubs that foster social connections and trust.

The gap in activity levels and well-being underscores the potential of fitness facilities to serve as hubs for promoting healthier, more connected communities.

FIGURE 4.

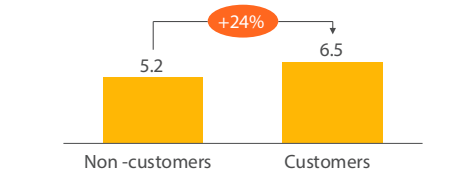
JAPAN: PHYSICAL ACTIVITY LEVELS

% of population by activity level for customers vs non-customers

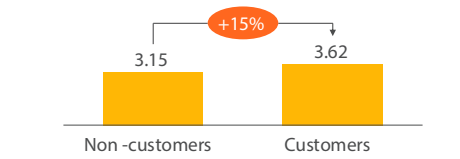


JAPAN: SOCIAL ATTITUDES

Average life satisfaction score (rated 1-10) for customers vs non-customers



Average community trust score for customers vs non-customers

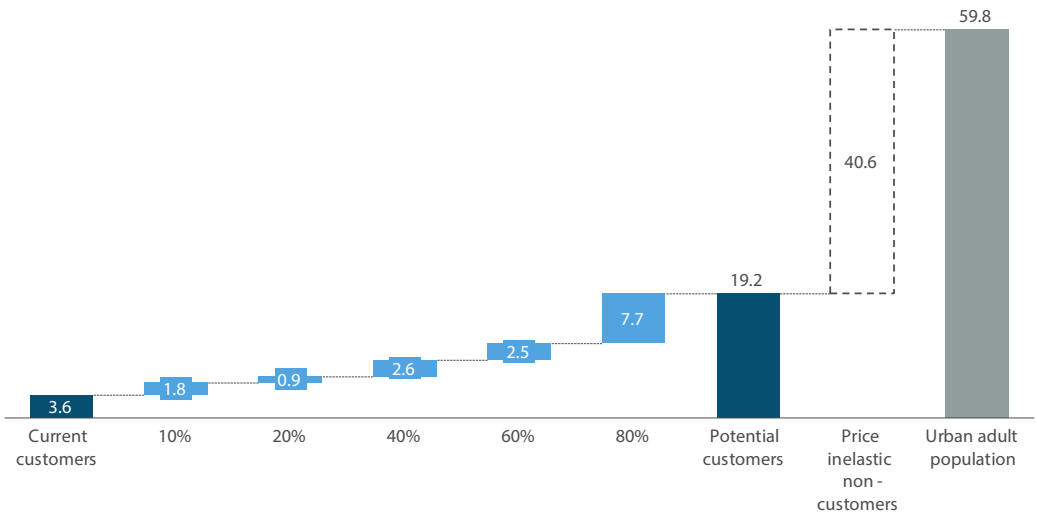


ANALYSIS 2: PRICE ELASTICITY

Customers are indeed more active, have higher satisfaction, and are more socially connected compared to non-customers, but can financial incentives, such as reduced pricing, substantially attract more customers to participate in structured exercise?

FIGURE 5. JAPAN: PRICE ELASTICITY CURVE

Additional customers at different price reduction levels (in millions)



In Japan, there are approximately 3.6 million fitness facility customers among adults living in urban areas, representing roughly 6% of this population. For the remaining non-customers, 63% cited cost as a primary barrier preventing them from joining a fitness facility. This translates to an estimated 35.3 million non-customers for whom affordability is a key obstacle.

To explore the relationship between pricing and participation, non-customers identifying cost as a top barrier were asked about their willingness to purchase a membership for a standard mass-market fitness facility product at various levels of price reduction.

The survey results demonstrate that a 10% price reduction could attract up to 1.8 million additional Japanese to fitness facilities *(Figure 5)*. This substantial increase in participation highlights the potential for modest financial incentives to unlock the benefits of structured exercise for a significant portion of the population.

While larger price reductions could theoretically attract more customers, the data suggests diminishing returns beyond the 10% discount level. This threshold appears to offer the optimal balance between the financial investment required and the societal benefits generated.

The price elasticity analysis confirms that targeted financial incentives, such as a 10% price reduction, can substantially increase participation in structured exercise. By strategically addressing cost, fitness facilities can unlock their untapped potential to drive meaningful improvements in public health, economic outcomes, and social well-being.

ANALYSIS 3: SOCIETAL IMPACT MODELING

How does the increase in physical activity, social attitudes, and well-being associated with broader engagement with fitness facilities translate into quantifiable societal benefits and outcomes?

The societal benefits of increased physical activity were quantified across three key dimensions: health, social, and economic outcomes. This analysis focused on understanding the broader impact of a 10% reduction in fitness facility pricing by examining its effects on preventable diseases, individual well-being, and economic contributions.

The health benefits – The health impact of increased physical activity was assessed by examining 10 preventable diseases with proven links to physical activity levels[8]. **For each disease, four key metrics were modeled:**

1. cases prevented
2. disability-adjusted life years (DALYs) saved
3. increased productivity
4. deaths prevented

Using a prevalence-based approach, the reduced number of cases was calculated by combining data on population incidence rates, the observed differences in activity levels between customers and non-customers, and relative-risk rates. This approach allowed for estimation of both the direct healthcare cost savings from prevented cases and the indirect benefits from improved productivity.

The Societal benefits analysis focused on individual well-being and community trust.

The survey gathered data on how both customers and non-customers rated their life satisfaction and trust in their community. Improvements in social outcomes were estimated by taking the difference in proportion of both groups who are more satisfied or more trusting.

This approach allowed for quantification of otherwise intangible social benefits in terms of increases in population reporting higher life satisfaction and stronger community trust.

The Economic benefits analysis focused on additional consumption effects on exercise and employment opportunities. For consumption, the potential direct expenditure from new customers was calculated based on observed spending patterns of current customers (¥60,000 annual median spend).

Employment opportunities were then modelled by examining both direct jobs (within health and fitness facilities) and indirect employment (in supporting industries) created per customer, scaled to the projected number of new customers.

The analysis assumed an additional direct employment opportunity for every 90 new customers and an additional indirect employment opportunity for every 217 new customers[7].

In summary, the research demonstrates that a 10% reduction in fitness facility membership costs has the potential to unlock substantial gains across health, social, and economic dimensions. By addressing affordability, up to 1.8 million new participants could gain access to structured exercise, leading to the prevention of nearly 68,000 disease cases and saving 12,000 disability-adjusted life years (DALYs) and preventing 453 deaths each year *(Figure 6)*.

These health improvements alone translate into ¥28.6 billion in direct healthcare savings and ¥85.8 billion in productivity gains.

Beyond health, the societal benefits are equally compelling. A 10% price reduction could improve life satisfaction for up to 391,000 Japanese and strengthen community trust for 441,000 individuals, fostering healthier and more connected communities.

Economically, increased participation in fitness facilities could generate an estimated ¥111 billion in additional consumer spending and create 29,100 new jobs across the Japanese economy *(Figure 7)*.

The combined health savings of ¥114 billion alone represent a 1.6x return on a hypothetical ¥75 billion investment in price reduction, before even considering the additional social and economic benefits.

These findings present a clear and compelling case for affordability as a lever to increase physical activity and drive meaningful societal progress.

FIGURE 7. JAPAN:
SOCIAL RETURN ON INVESTMENT

Investing ¥75.0 billion into a 10% price reduction in Japan can achieve up to...

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¥114 BILLION in health savings, consisting of:

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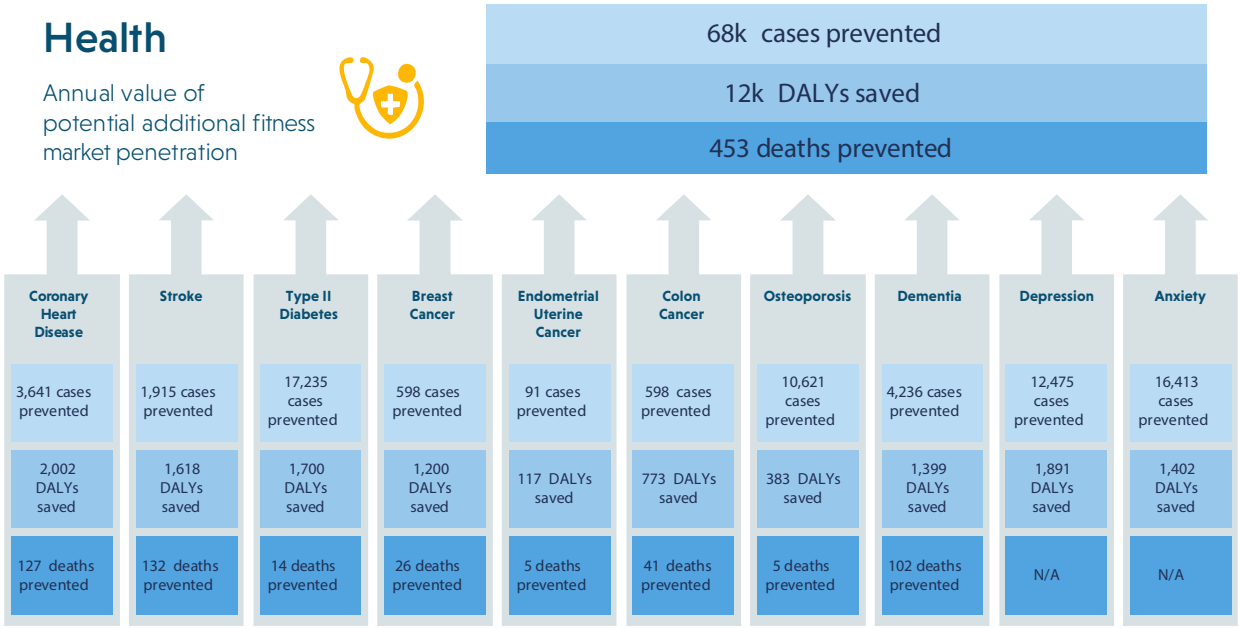
ECONOMIC

+¥111 BILLION additional consumer spending on gyms

+29.1 THOUSAND additional employment opportunities created

FIGURE 6. JAPAN: ANNUAL HEATLH VALUE OF POTENTIAL ADDITIONAL FITNESS MARKET PENETRATION



These findings present a clear and compelling case for affordability as a potential lever to increase physical activity and drive meaningful societal progress.

3. Translating findings to opportunities

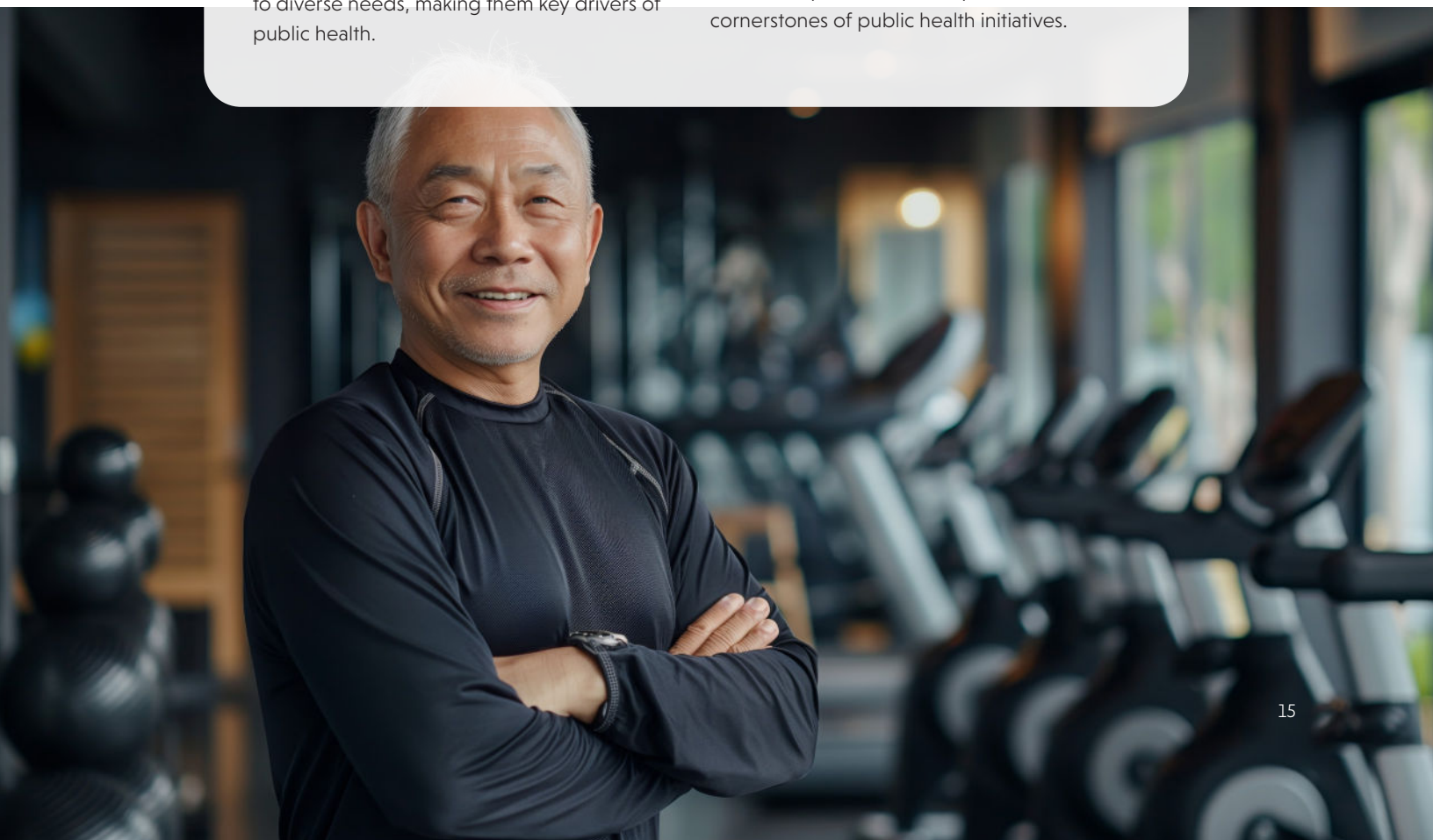
This report has demonstrated that targeted price reductions for fitness facility memberships can serve as a lever to address physical inactivity, generating measurable benefits across health, social, and economic dimensions. A 10% price reduction has the potential to significantly increase participation in structured exercise, resulting in tangible societal returns.

For policymakers and other stakeholders, these findings provide an evidence base to reframe affordability as a public health intervention. By viewing price reductions as strategic investments rather than financial outlays, stakeholders can unlock substantial long-term benefits that improve public health, strengthen communities, and drive economic growth.

Fitness facilities are uniquely positioned to play a central role in a broader ecosystem of solutions aimed at combating physical inactivity. These facilities provide scalable, evidence-based exercise programs tailored to diverse needs, making them key drivers of public health.

However, affordability represents just one part of the solution. Addressing physical inactivity requires a multi-faceted approach. While price reductions for fitness facilities can make structured exercise more accessible, converting individuals into active participants also requires addressing other critical barriers: capabilities (e.g., knowledge of how to use fitness equipment), motivations (e.g., confidence in exercising), and opportunities (e.g., access to convenient facilities). Price reductions should therefore be seen as one component of a holistic approach to increasing participation and improving health and social outcomes.

This study marks an important first step in understanding how affordability can help create more active, healthier, and connected communities. The challenge now is to translate these insights into action through coordinated efforts among policymakers, fitness providers, and community organizations, ensuring affordability and accessibility become cornerstones of public health initiatives.



APPENDIX – Research Methodology

1. Overarching Approach

THE STUDY COVERED 10 MARKETS (UNITED STATES, CANADA, SINGAPORE, JAPAN, IRELAND, SPAIN, GERMANY, SAUDI ARABIA, AUSTRALIA, AND NEW ZEALAND).

Analysis 1: Comparison between customers and non-customers

Understanding differences between customers and non-customers is essential for assessing the impact of potential new customers. The analysis focused on two aspects: physical activity levels (proportion meeting WHO guidelines of 150+ minutes of moderate intensity equivalent activity weekly) and social attitudes (individual well-being and community trust). This comparison enabled quantification of potential health and social benefits achievable with price reduction through converting non-customers to customers.

Analysis 2: Price elasticity

Understanding price elasticity is required to assess additional potential new customers at different price reduction levels as well as the associated price of investment. There are two components to understanding the price elasticity. First, the study established the proportion of non-customers who are price elastic. These are the non-customers who could be potentially moved by price reduction. Then, the price reduction level at which they would change their gym purchasing decision was examined.

Analysis 3: Social impact modeling

Establishing SROI impact quantifies the benefits of potential price reduction for the investment case. SROI impact was evaluated across three key dimensions. Health impact was assessed through prevented disease cases, saved disability-adjusted life years (DALYs), and prevented deaths, alongside associated healthcare and productivity savings for 10 diseases. Social impact was measured through increases in population more satisfied and more trusting of community. Economic impact was quantified through additional consumer spending and employment opportunities created.

A consumer survey was developed for inputs into analyses 1 and 2 while Portas' proprietary SROI model was leveraged for analysis 3.

6 KEY UNDERLYING ASSUMPTIONS WERE MADE IN CONDUCTING THE STUDY.

To assess price reduction potential:

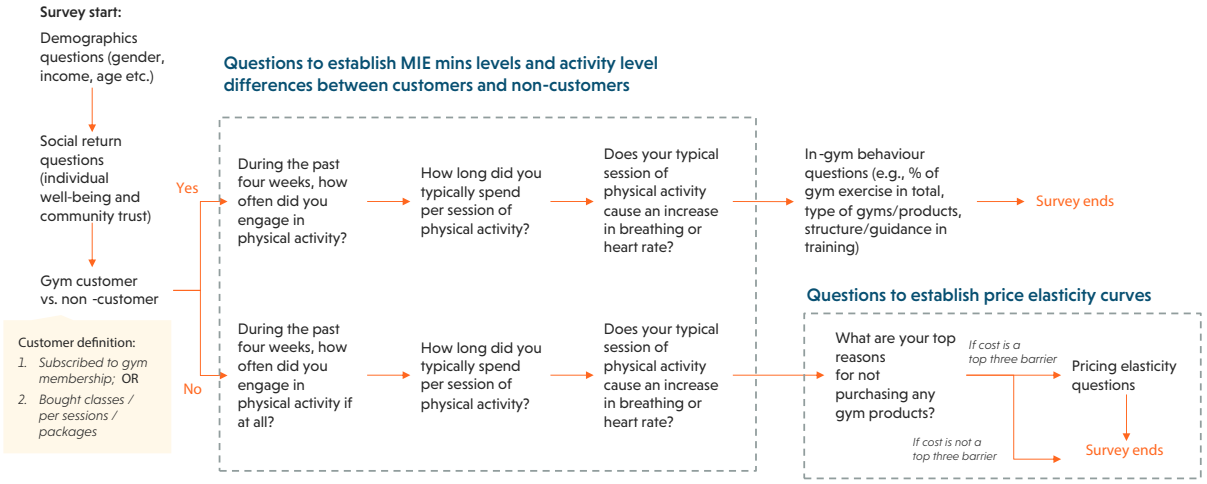
1. Respondents considered price inelastic if price is not a top three barrier
2. All other variables impacting fitness facility consumption decision are held constant
3. Price reduction would start from standard mass-market fitness facility product
4. Price reduction given cannot discriminate against current customers

To model potential benefits:

5. Non-customers adopt physical activity, social attitudes, and fitness consumption behaviors of customers upon conversion
6. Price reduction would not change activity levels for current customers

2. Survey

FIGURE 9.



- Survey was conducted by an external engaged vendor covering urban populations aged 16-65
- 1,095 individuals were sampled
- 17 cities were covered (Sapporo, Sendai, Tokyo, Yokohama, Kawasaki, Saitama, Chiba, Nagoya, Niigata, Hamamatsu, Osaka, Kyoto, Kobe, Hiroshima, Okayama, Fukuoka, Kitakyushu)
- Non-customers with cost as a top three barrier were considered to be price elastic
- Price elasticity was tested by asking for willingness to buy a standard fitness facility product at five price reduction intervals (10%/20%/40%/60%/80%)

3. Social Return on Investment model

HEALTH

Healthcare savings from reduction in 10 diseases across four metrics were modeled. Health outcomes were valued using a prevalence-based approach. Reduced number of cases of disease through additional penetration was estimated using the relative risk of disease, the population incidence rate, and activity differences between customers and non-customers.

FIGURE 9.

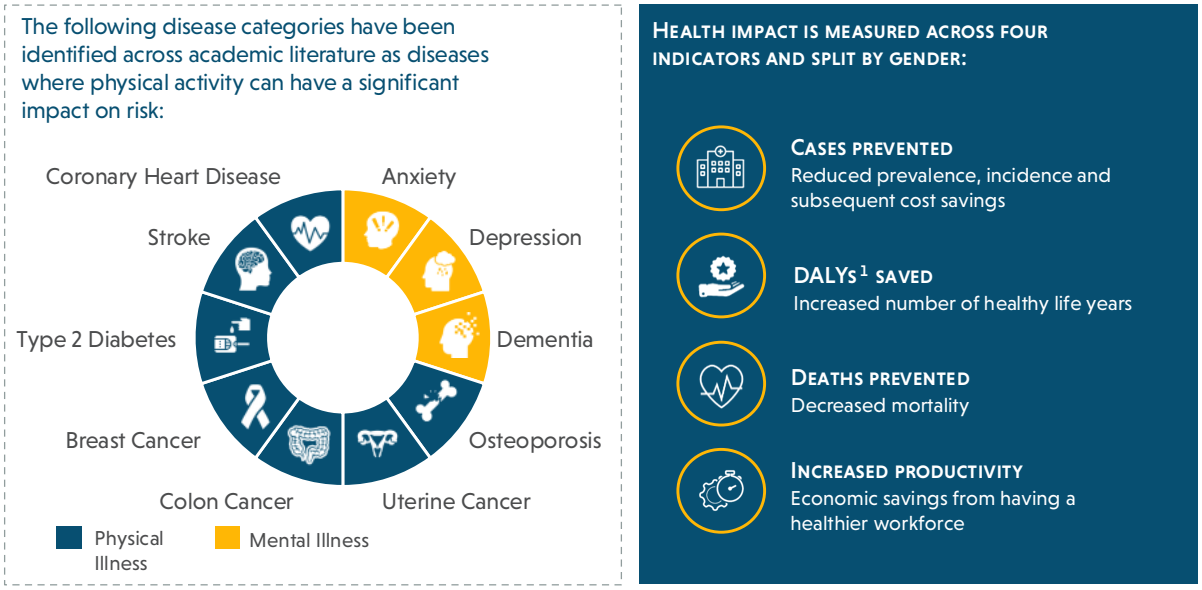


FIGURE 10.

SOCIAL

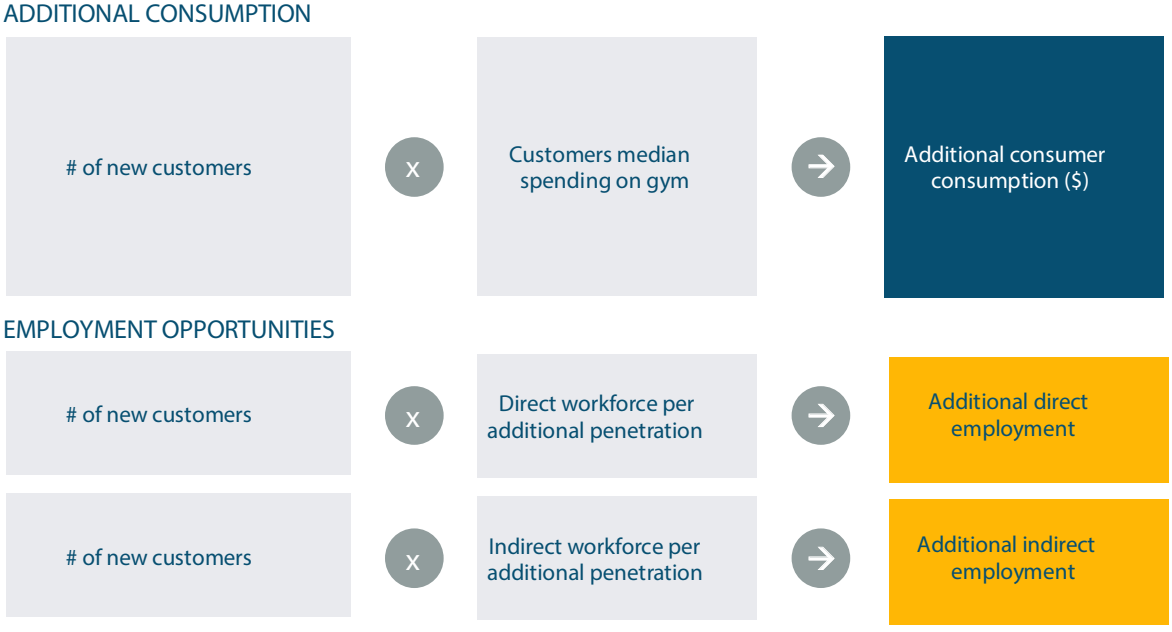
Social impact of new customers was modeled for two metrics: (1) increase in population who are more satisfied with their well-being, and (2) increase in population who have more trust in the community.

FIGURE 11:

ECONOMIC

Economic impact of new customers was modeled for two metrics: (1) additional consumption from new customers, and (2) additional employment opportunities from new customers.

FIGURE 12:



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