The Coming Gamification of Fitness

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Fitness Crisis

We want to be more fit, but are not being very successful at it

- 51% want to lose weight
- 79% don’t get min. exercise

Americans are overweight and paying the consequences
The Evolution of Fitness*

Past: Working Out

45M+ members

$27 Billion

2014 revenue of gym, health & fitness clubs

Present: Tracking Fitness

10% of US Adults owns an activity tracker (9/2013)

Future: Play (fitness games)

$27 Billion

10% of US Adults

43% more steps per day

1 Billion points earned by FuelBand users each day

*USA-based data
Issues of Long-Term Engagement

Past: Working Out

Present: Tracking Fitness

Future: Play (fitness games)

Usage:

67% of people with gym memberships never use them.

50%+ activity tracker owners no longer use them.

?
Examples of Fit-Tech Today

Wearable Activity Trackers

Over 2.7 million wearable bands shipped globally in Q1-2014 alone (roughly half FitBit)

Consumer Issues
Not sticky. ⅓ of consumers who have owned a device, stopped using it within first 6 months.

Business Issues
Overcrowded marketplace, lack of differentiating features.
Examples of Fit-Tech Today

Leader-board Exercise Apps

Strava alone has 6 million monthly pageviews and 14k App reviews

Consumer Issues
Appeals principally to those who already like to run or bike.

Business Issues
Poor monetization via “pro” version.
All these issues stem from a failure of available products to motivate and engage users.
Central Question

What could successfully motivate human being to engage in physical activity?
Hypothesized Solution
Fun, competitive, collaborative games.
Why Fitness Games?

3 behavioral factors for long-term engagement*:
● habit formation
● social motivation
● goal reinforcement

Multiplayer fit-tech games address all of these AND they are:
● fun
● playful
● competitive

*Endeavor Partners report (Jan 2014):
“Inside Wearables: How the Science of Human Behavior Change Offers the Secret to Long-Term Engagement”
The Need
Wait, why not just play team sports?

Real-world sports demand players be:
● in the same location
● at the same time
● of roughly similar skill & fitness level

As a business opportunity:
People spend real money on sports/fitness
People spend real money on social games (e.g., CandyCrush)
Healthcare providers will pay for better fitness (e.g., Humana)

Fit-tech games could relax any or all of these constraints.
Early Fit-Tech Gamifications

Zombies, Run!
Launched exer-tainment
Social, but non-competitive, non-collaborative
Gaining popularity, 800k downloads.

Run An Empire
KickStarter; in private beta
Competitive and collaborative: basically Risk for runners
How could this happen?

(1) Game studio launches a blockbuster fit-game title
(2) Cross device fit-game platform, seeded with a few game titles
(3) Wearable company invests seriously in fit-game development for their products
Summary

79% don't get min. exercise

Less active consumers need extrinsic motivation to be more active

Fitness gamification offers a flexible solution for fitness activity at any time, any place

Fitness gamification has business value for app developers, fitness device makers and healthcare providers
Questions?
Backup Slides
Fitness Crisis

- 34.9% of Americans are overweight
- Estimated annual healthcare cost of obesity: $147B
- Obesity rate in adolescents quadrupled in past 30 years
- 51% of Americans say they want to lose weight
- 79.4% of Americans do not get the American Heart Associations recommend minimum level of exercise
- Annual gym & health club industry revenue: $27B
- 67% of people with gym membership never use them
Summary

● 79%+ of Americans do not get the minimum exercise set by the AHA
● Less active consumers need **extrinsic motivation** to be more active
● **Fitness gamification** offers a flexible solution for engaging consumers **any time, any place**
● Such games have **business value** for app developers, fitness device makers and healthcare providers