

## DYNAMICS OF THE DEVELOPMENT OF THE BRANCH OF PRIVATE SPORT AND RECREATION ORGANISATIONS IN POLAND<sup>1</sup>

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**Abstract:** The branch of fitness services in Poland experiences an intensive development currently. Annual branch analyses indicate an increase of revenues from this sector as well as the higher number of participants of sport and recreation activities at fitness clubs. Due to available data evidencing the development of the branch of private sport and recreation services, the authors decided to analyse and discuss the dynamics of the fitness market in Poland. The authors determined the size and potential of this market in Poland in relation to other fitness markets in Europe. The desk research technique was used. Sources of information about the fitness market were national publications of statistical data and branch reports. Analysis results show that the Polish market is one of leading in Europe. What is more, Polish market of fitness clubs is fragmented and there are active many small organisations. The authors state that it seems that it is necessary to introduce systematic deepened research on the fitness branch in Poland, which has a significant development potential.

**Keywords:** fitness club, fitness services, fitness branch, market analysis.

### 1. Introduction

Beginnings of the development of commercial recreation services in Poland dates back to the collapse of the communism and systematic transformations. Kunicki, in his work dated 1997 (p. 157-169) already noticed the beginning of the development of the market of recreational equipment and services. According to Kunicki (1997, p. 161-162), an essential transformation of the functioning of recreation is the fact that physical activity stopped to be „imposed or even forced as in case of obligatory introduced at a certain period recreational exercises at work, that were explicitly contrary to the essence of recreation which is self-

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imposed. The place of that model, based on collective organised activities (...), is gradually replaced by a model promoting individual forms, selected for own needs and motor abilities". According to him, this was the cause to start the way of commercialisation of physical recreation. The author spotlighted „a rapid development of small specialised private facilities (gyms, fitness clubs, rejuvenation centres), or payable stationary activities (aerobics, callanetics, dancing)” (Kunicki, 1997, p. 162).

At the previous system, there was no way to speak about private sport organisations. Jankowski and Krawczyk (1997, p. 125) notice that only past 1984, after the acceptance of a new Act on Physical Culture in Poland, it was allowed to establish and run private services in the field of recreation. However, Krawczyk (1997, p. 16) states that the development of private organisations was relatively slow. Jankowski and Krawczyk (1997, p. 125) report that in 1998, there were only 21 private organisations active in the field of recreation. Thus, while the model of private business activity in the field of sport and recreation was developing for decades in western countries, we have been observing this phenomenon in Poland for slightly over 33 years. The branch of fitness services in Poland experiences an intensive development currently. Annual branch analyses indicate an increase of revenues from this sector as well as a higher number of participants of sport and recreation activities at fitness clubs (Rutgers et al., 2015; 2016).

Sport sociologists also notice that leisure time and sport are very important areas of consumption. The leisure time market includes sales and purchase of various goods and services for spending free time and sport became a very important product of this market and an essential object of consumption (Ritzer, 2009). This trend is also observed in a study by the Polish Central Statistical Office (2013). Considering the whole analysed population, 41,1% declared that have expenditures on recreation and sport activities. 29,9% persons spend funds on participation in sport and recreation activities. 19,4% of Poles spend money on purchasing, maintenance of sport equipment. Over a half of the average cost allocated in sport and recreation aims was spent on fees for participation in activities. Results show that the highest percentage of expenditures on sport and recreation aims was noted in cities over 500 thousand citizens (48,8%). The largest sums were spent on participation in sport and recreation activities (33,7%) (Polish Central Statistical Office, 2013). It also turned out that the highest expenditures were of households from the largest Polish agglomerations (Polish Central Statistical Office, 2013).

An intensive development of the fitness branch in Poland can be indicated also by data specifying places where Poles practice sports and recreate. In their article about changes in participation in sport of Poles, Lenartowicz, Dziubiński and Jankowski (2017, p. 10) notice that more persons practicing sport and physical recreation uses sport infrastructure (nevertheless, outdoor locations beyond sport facilities are dominating). Next, a report by TNS Polska (Gontarczyk, Dowbor, 2015) shows that people living in cities more often use

sport infrastructure, which is rarely available in villages (in particular, facilities such as swimming pools, gyms, fitness clubs), and persons who live in villages more often practice sports outdoors.

Due to available data evidencing the development of the branch of private sport and recreation services, the authors decided to analyse and discuss the dynamics of these organisations in Poland. They attempted to answer the following questions:

- What is the influence of sport on the Polish economy.
- What is the size and potential of the fitness market in Poland in relation to other fitness markets in Europe?

## 2. Methodology

A comparative analysis of the Polish fitness market vs. other markets in Europe was conducted in the period of July-October 2017. The authors used the desk research technique, consisting in analysing already existing secondary data obtained from various sources. Sources of information about Polish fitness market were statistical data published in:

- A report of the Ministry of Sport and Tourism, the Institute of Structural Studies (2016). Evaluation of social benefits of investments in sport in relation to born costs. Analytical report.
  - A report of the Polish Central Statistical Office (2017). Participation of Poles in sports and physical recreation in 2016.
  - A report of the Polish Central Statistical Office (2013). /Participation of Poles in sports and physical recreation in 2012.
  - Special Eurobarometer 412 Report (2014). Sport and physical activity.
  - A report prepared by order of the Ministry of Sport and Tourism (2012). Sport and recreation: Polish Nationwide Study.
  - A report from a study of TNS Polska (2015). Sport activity of Poles
- and branch reports The European Health and Fitness Market Report 2015, 2016, and 2017 prepared by EuropeActive and Deloitte.

Sources of data were analysed as far as their reliability was concerned.

The following measures were used in the evaluation of the fitness market:

- percentage of public expenditures on sport and recreation in relation to the gross national product,
- the number of clubs and their members in the years 2013-2016,
- penetration rate determining the percentage of population possibly using fitness services in relation to the overall population in the years 2013-2016,

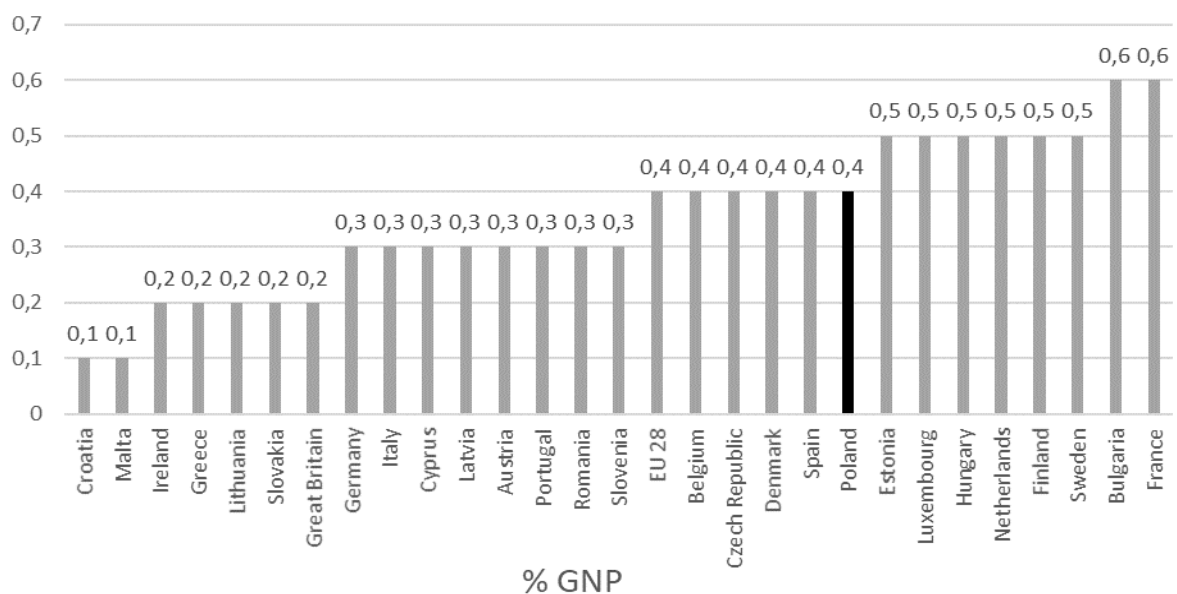
- the annual revenues of fitness clubs in the analysed markets in the years 2013-2016,
- the average membership fee in EUR in the years 2013-2016.

### 3. Results

#### 3.1. The influence of sport on the economy of Poland and other European countries

Currently, according to 2010 data published by the Institute of Structural Studies of the Ministry of Sport and Tourism (2016) the sector of sport in Poland has a contribution to the gross national product of 2,26%, i.e. 32,1 billion PLN. 2,1% of all people employed in Poland was then employed in the sector of sports.

The values seem to be impressive, especially when compared to data from other European countries. Thus, it turns out that the importance of the sport sector in Polish economy is at a percentage level comparable with the most developed European countries. Summary of public expenditures on sport and recreation in European states in relation to the gross national product shows that the percentage of public expenditures on sport and recreation in Poland is average when compared to other countries. A detailed comparison is presented in Fig. 1.



**Figure 1.** Public expenditures on sport and recreation, % GNP in 2014<sup>2</sup>. Source: A report of the Ministry of Sport and Tourism, the Institute of Structural Studies: Evaluation of benefits of investments in sport in relation to born costs. Analytical report, Warszawa, 2016, p. 14.

<sup>2</sup> These are the only data available on this subject in Poland.

### 3.2. Volume and potential of the fitness market in Poland and other European countries

Poland is regarded as the most rapidly developing market of fitness services when compared to all states of the European Union (Krupa, 2017). It was stated on the basis of an analysis of the measure of the volume and development potential of the fitness market in Poland (Rutgers et al., 2017). In this scope, Poland was placed among ten top European players of the whole fitness market.

The number of fitness clubs in Poland in 2016 amounted to about 2560, what is a growth by 1,6% (Tab. 1). Thus, we observe a very slow but constant growth during last years.

In the European market in 2016, there functioned 54710 fitness clubs, i.e. a year-to-year growth by 3,4%. The market leader position is still held by Holland with 1950 clubs (a growth by 2,6% in relation to 2015).

**Table 1.**

*Measures of market volume and development rate of fitness branch in Poland in 2013-2016*

	2013	CAGR (%)	2014	CAGR (%)	2015	CAGR (%)	2016
Number of clubs	2400	4,2	2500	0,8	2520	1,6	2560
Total membership (mln)	2,48	10,1	2,73	1,5	2,77	2,3	2,84
Penetration rate (%)	6,4	10,9	7,1	2,8	7,3	1,4	7,4
Revenue of fitness clubs in Poland (mln EUR)	834	3,1	860	1,3	871	-3,3	842
Average membership fee (EUR)	30,6	-3,9	29,4	-0,3	29,3	-5,5	27,7

CAGR – Compound Annual Growth Rate.

Source: Own study based on The European Health and Fitness Report (2015, p. 4-5; 2016, p. 122-123, 2017); Krupa P.: Polish fitness market most dynamic in Europe. Public Relations Office of the Ministry of State Treasury, [www.msp.gov.pl](http://www.msp.gov.pl), 10.07.2017.

In Poland, we note a constant growth of the number of people using services of fitness clubs (Tab. 1, 2). In 2016, 2,835 million people used these services (a growth by 2,3% in relation to the previous year), what corresponded to 10,8% of the whole population aged above 15 (n = 26,4 million).

It is currently estimated that 56,4 million of Europeans are members of fitness clubs, while this number can be 80 million in 10 years time (Rutgers et al., 2017). In 2016, Germany and the United Kingdom still remain leaders as far as the number of members of fitness clubs is concerned, while the largest increase was observed in Sweden – 27,6% in relation to 2015 (Tab. 2).

**Table 2.***Top 10 European fitness markets by numer of memebtrs and peneatration rate in 2014-2016*

Variable	Year	Germany	Great Britain	France	Italy	Spain	Russia	Netherlands	Poland	Turkey	Sweden
Number of fitness club members (mln)	2014	9080	8300	4960	4740	4891	2700	2700	2730	1782	1600
	2015	9460	8800	5200	5100	4940	2815	2770	2770	1833	1630
	2016	10080	9250	5460	5250	5060	2910	2840	2835	1900	2080
Penetration rate (%)	2014	11,2	12,9	7,5	7,8	10,2	1,9	16,0	7,1	2,3	16,6
	2015	11,6	13,6	7,8	8,4	10,6	1,9	16,4	7,3	2,4	16,7
	2016	12,3	14,1	8,2	8,7	10,9	2,0	16,7	7,4	2,4	21,1

Source: Own study based on The European Health and Fitness Report (2015, p. 4-5; 2016, p. 122-123, 2017); Krupa P.: Polish fitness market most dynamic in Europe. Public Relations Office of the Ministry of State Treasury, [www.msp.gov.pl](http://www.msp.gov.pl), 10.07.2017.

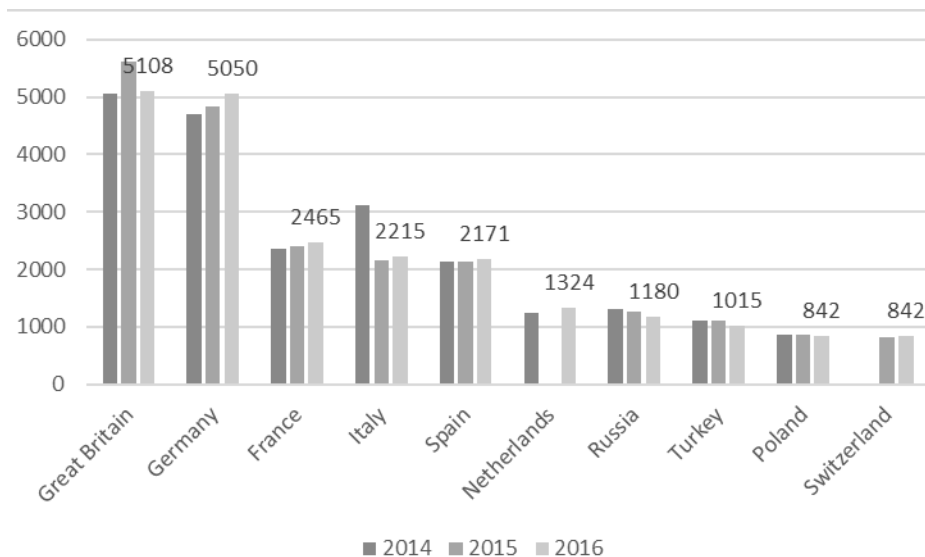
In case of the market penetration, Poland is among countries of an average level of this rate – 2017; 7,4% (Tab. 2). What is optimistic is a slow but stable increase of this measure in Poland since 2013 (Tab. 1). In 2016, the highest penetration rate was noted in Sweden (21,1%) and Netherlands (16,7%).

The 2013 revenues of the fitness sector in Poland amounted to 834 million Euro, while 860 million in 2015 (Tab. 1), what stands for a growth by 3,1%. Most recent data show that Polish market was worth 842 million Euros in 2016, and the branch noted a drop by 3,3%. However, it is explained by a negative influence of the currency exchange rate.

In 2016, the value of the European fitness market was 26,3 billion EUR, i.e. an increase by 0,5% in relation to 2015. In the absolute value of obtained revenues by fitness clubs, leaders remain United Kingdom (5108 million EUR), Germany (5050 million EUR), France (2465 million EUR), Italy (2215 million EUR), and Spain (2171 million EUR). In 2016, these five countries had a 65% share of the European market (an increase by 1%) (Fig. 1).

The last analysed parameter is the gross average membership fee for fitness services. Membership fees in Poland have been slightly decreasing in recent years. In 2016, an average amount spent by a participant of sport and recreation activities on the fitness club membership in Poland was 27,7 EUR, compared to 30,6 EUR in 2015 (Rutgers, 2016; 2017). A European average in the analysed countries in 2016 was 41,9 EUR.

Polish market of fitness clubs is fragmented and there are active many small organisations. Most of them are private companies. The share of the largest European chains in the Polish fitness market is at the level of 6%. Dominating foreign companies in the Polish market are Pure Jatomi and Calypso (Rutgers, 2016). Organisations offering fitness services in Poland are concentrated in large urban agglomerations (Meissner, 2013).



\* Switzerland in 2014 and Spain in 2015 were not included in the summary of the largest markets of fitness clubs in Europe due to achieved annual revenues.

**Figure 2.** Top 10 European fitness markets by revenue in million EUR in 2014-2016. Source: Own work on the basis of The European Health and Fitness Market Report 2016, p. 7.

#### 4. Summary and conclusions

Nowadays, sport has become one of the most essential elements of the healthy life style. As proved by the reports analysing the fitness branch mentioned in this work, practicing sport at facilities specially developed for this aim – fitness clubs – Is becoming more popular, and Poland is regarded as the most dynamically developing market of fitness services in Europe (Rutgers, 2015). Also scientists noticed the development of this type of services. For example, Hübner (Hubner, 2009) nearly a decade ago observed a trend of the sport development in the infrastructure especially created for this aim. In the same work, the author points also to the fact that fitness activities were becoming to dominate in Germany. Ernst and Pigeassou (2005, p. 65-74) notice the phenomenon of fitness clubs in sport consumption in the post-modern society, in which consumers strive to be a part of the society formed to achieve common aims (in case of fitness clubs, to achieve or improve physical ability), at the same time remaining anonymous and individual during activities. The authors call this phenomenon *alone together*. What is more, studies conducted in Germany (Hubner, 2009) show that the sport infrastructure in analysed German cities does not meet current needs of sport consumers. The author, e.g. pointed to a too large, in relation to the society needs, number of athletics stadiums or tennis courts, while there is a need for small sport facilities for fitness activities. There is also an observable diversification of the sport market, there are opened places addressed to only certain social groups (e.g. only for the elite, only for women, etc.) as well as

clubs for everyone. In the traditional media as well as in the Internet, we can observe in recreational physical activity (proved by, among other things, dedicated sport channels and portals, e.g. TVN Meteo Active). We are observing a popularisation of services of personal coaches. Several people preoccupied with this have become popular and known persons (e.g. Ewa Chodakowska). All these factors have an influence on the increasing popularity of fitness centres all over Poland. The same situation is in Europe, where more and more people states that participate in sport and recreation activities at such facilities.

Summarising the analysis of the branch of private sport and recreation organisations and considering the comparison of these data with other countries, we can conclude that consumption of sport and recreation in Poland undergoes changes, and the character of this consumption seems to tends toward the direction set by the western countries. This trend is noticed by global and international chains of fitness clubs, which are opening new branches in the largest Polish cities more often, being aware that they are entering one of the most prospective markets in Europe. Considering the branch development dynamics presented in the article, the authors state that it seems that it is necessary to introduce systematic deepened research on the fitness branch in Poland, which has a significant development potential.

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