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**The current state of the market  
of fitness services in the Republic  
of Kazakhstan and the city of  
Almaty**

The extensive growth in demand for fitness services in Kazakhstan, due to the promotion of healthy lifestyles, physical beauty, now an incentive to enhance the marketing activities of enterprises sports services. The study has the following objectives: to analyze the market of fitness services in the Republic of Kazakhstan and Almaty city; to study consumer preferences in the field of fitness services. The following methods were used for the task: collecting secondary data, SWOT-analysis. Also, the collection and processing of statistical data, publications, reports of foreign and domestic research and consulting companies, information-analytical portals. This paper presents an analysis of the main indicators of the Kazakhstan market of fitness services, namely supply and demand for fitness services (market size, growth rate, key players, market segmentation, etc.), as well as the current state of the market in the city of Almaty.

**Key words:** fitness services, market analysis, segmentation.

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**ҚР және Алматы қаласындағы  
фитнес-қызметтер нарығының  
қазіргі жағдайы**

Қазақстандағы салауатты өмір салтын, физикалық әсемдікті дәріптеуге негізделген фитнес-қызметтерге экстенсивті сұраныстың өсуі қазіргі таңда спорттық қызметтерді ұсынатын кәсіпорындардың маркетингтік қызметін активизациялайтын ынталандырушы болып табылады. Зерттеу кезінде келесідей міндеттер қойылды: ҚР және Алматы қаласы бойынша фитнес-қызметі нарығын болжамдау; фитнес-қызмет саласында тұтынушы талғамын анықтау. Қойылған міндеттерді шешу үшін келесідей әдістер қолданылды: екінші ретті ақпараттарды жинау, SWOT-талдау. Сонымен қатар, шетелдік, отандық консалтингтік және зерттеуші компанияларының есептері, ақпараттық-талдау порталдары, публикациялар, статистикалық мәліметтерді өңдеу және жинау жүзеге асырылды. Бұл жұмыста Қазақстан нарығындағы фитнес-қызметінің негізгі көрсеткіштері, соның ішінде, фитнес-қызметінің сұранысы мен ұсынысын, сонымен қатар, осы нарықтың Алматы қаласындағы қазіргі жағдайы ұсынылған.

**Түйін сөздер:** фитнес-қызметтер, нарықты талдау, сегменттеу.

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**Современное состояние рынка  
фитнес-услуг в РК и в городе  
Алматы**

Экстенсивный рост спроса на фитнес-услуги в Казахстане, обусловленный популяризацией здорового образа жизни, физической красоты, в настоящее время является стимулом для активизации маркетинговой деятельности предприятий спортивных услуг. В рамках исследования поставлены следующие задачи: проанализировать рынок фитнес-услуг в РК и в городе Алматы; изучить потребительские предпочтения в сфере фитнес-услуг. Для решения поставленных задач применялись следующие методы: сбор вторичной информации, SWOT-анализ. Также осуществлялся сбор и обработка статистических данных, публикаций, отчеты зарубежных и отечественных исследовательских и консалтинговых компаний, информационно-аналитические порталы. В данной работе представлен анализ основных показателей казахстанского рынка фитнес-услуг, а именно предложения и спроса фитнес-услуг (емкость рынка, темп роста, основные игроки, сегментирование рынка и т.д.), а также современного состояния данного рынка в городе Алматы.

**Ключевые слова:** фитнес-услуги, анализ рынка, сегментирование.

**THE CURRENT STATE  
OF THE MARKET OF  
FITNESS SERVICES IN  
THE REPUBLIC OF  
KAZAKHSTAN AND THE  
CITY OF ALMATY**

Physical culture and sport in modern society are the most important factor of maintaining and strengthening the health of the people, improving their culture, way of communication, leisure activities, an alternative to bad habits and addictions. However, physical education and sport intensively impact on economic life of the state and society: the quality of the workforce, on the structure of consumption and demand, consumer behavior, on foreign economic relations, and other indicators of the economic system and society in general.

Kazakhstan market of fitness services began its formation nearly 10 years ago, it is still very promising. Interest in this type of service is evident not only among young people, but also business people who want to be in shape and lead a healthy lifestyle. All this is due to the further prospects of development of the market of fitness services in Kazakhstan. This is indicated by the rapid growth of sports services.

Kazakhstan is ahead of leading fitness world powers according to the dynamics of growth in the number of fitness centers. Fitness industry in Kazakhstan is gaining strength by bringing different resources, in particular through the organization and holding of exhibition and festival projects, including, for example, Kazakhstan and Central Asia Bodybuilding and Fitness Championship and Strongman Cup.

Despite seeing an increase, a very small number of people (4%) is engaged in fitness in our country is still. If we compare the number of people engaged in the United States, Kazakhstan is considerably inferior to the percentage of the leaders not only Americans, but also less advanced in this matter to Europeans. These factors clearly demonstrate that the reserve in the Kazakhstan fitness market is very large. It is, certainly be noted that the domestic market of fitness services is concentrated in Almaty and Astana, while in the regions niche of fitness services is in its infancy. The most interesting remain the city, where infrastructure is well developed and has all the prerequisites for intensive development, and in all possible market segments. The business development of fitness clubs network mainly occurs due to intense regional expansion. Among the largest cities of Kazakhstan Shymkent, Ust-Kamenogorsk, Aktau, Atyrau and other major cities can be identified by turnover retail fitness services [1].

As a result of the deteriorating economic situation in the country at the end of 2008 there was a decline in incomes and rise in unemployment, which has led to a decrease in the share of Kazakh people, attending fitness clubs in 2009, to 0.81%. But 2010 was marked by the return to training of some corporate and private clients, as a result of which the market grew by 14.3% (Fig. 1). The greatest positive impact

on the market of fitness services has a level of income and, accordingly, the standard of living of the population. Considering these factors, as well as the promotion of healthy lifestyles, we can say that today the fitness industry in the Republic of Kazakhstan is in the growth stage. So, since 2011 the fitness industry in Kazakhstan is steadily growing on average by 20-30% per year, opening new clubs, new brands are coming.

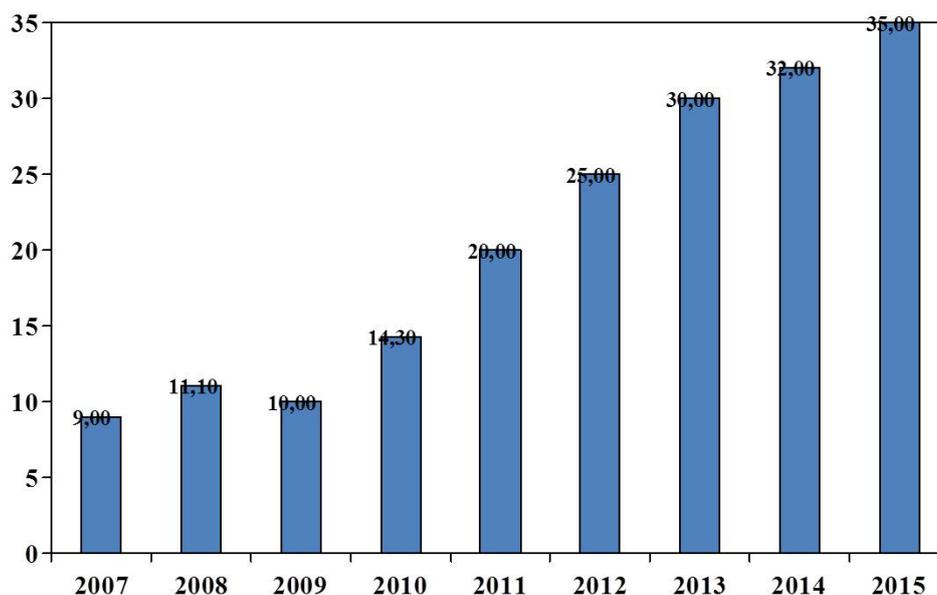


Fig. 1 – Dynamics of fitness services to Kazakhstan market for 2007-2015.

The volume of the Kazakhstan market of fitness services is about 1.5% of the world market and more than \$500 million. Even in 2005 this figure was at the level of \$100-150 mln., By 2015 it had increased almost three times [2]. It is expected that in the coming years, this market will grow at the expense of network players and fitness penetration in the regions. However, it is worth mentioning the main problems that hinder the penetration of fitness services in the regions. This lack of suitable for fitness centers (clubs) space and high rental rates. Among other barriers – a high threshold to enter the market, long-term payback fitness facilities, the lack of qualified personnel.

Today in the domestic market, there are about 3,500 sports and fitness centers. Astana now operates more than 200 institutions that provide fitness services, 30% of which fall to the share of network brands. [2] Astana market fitness services

is under active development and forms the core of all Kazakhstan trend: the emergence of first premium clubs and slower development of the niche of medium and economy class. The high concentration of clubs in the capital, forcing major players to explore new regions, to think through the strategy of development of the middle segment, and competition in the big cities – to think of new strategies club card sales. Also, the best prospects are clubs providing opportunities for family fitness, the new group and individual programs, exclusive design and equipment that meets international standards.

At present the market of fitness services in Kazakhstan are represented as network centers, and single-not network. As a rule, health clubs (centers) are located in the following objects: shopping centers, business centers, hotels, sports complexes, separate buildings. Speaking about the market trends

of fitness, of course, is to touch such a thing as the development of private, non-networked clubs. Their market share is 65% of the total number of fitness clubs (centers).

About a third of the Kazakhstan market of fitness services represented by network clubs. Large companies are now in the field: network «WorldClass», a network of «Fitnation», «Fidelity» network. It is also worth noting that the trend of formation of international

networks in Kazakhstan was not developed, and now the share of foreign companies in the health club segment (center) is 2% [3].

Staffing Astana market makes big players explore new areas, and competition in the big cities – to use different marketing tools to retain their positions. In this regard, as a comparison reference for further research will be considered marketing activities provided fitness clubs (Table. 1).

**Table 1** – The basic types of network fitness clubs (centers) in Kazakhstan and their share in the total market

Type of network	Description of network	Representatives	Share in total volume of Kazakhstan fitness market
International	The company operates in several markets, with the turnover of the network formed by a number of countries	«World Class», «Reebok»,	2%
Republican	Companies operating in several cities in Kazakhstan	«Fidelity», «Fitnation», «BeTurbo»	71%
Regional (local)	Companies operating on the market of one or more areas (cities)	Depending on the region	27%

Despite the fact that most analysts predict that the future of fitness development will depend entirely on the big players, such a thing as small clubs exist, and it requires their evaluation. The undoubted advantage of these clubs is their proximity to either the place of work or to the place of residence customers, as these fitness centers are designed for residents of a particular neighborhood or even a quarter, and do not pretend to do more. This club can be located in any remote area or from the center of the suburb, where the price of rent is much lower. These clubs are often in small rooms, not very adapted for the gym originally, but due to the efforts made by the owners, and often themselves

instructors, rather comfortable and easy to use, although, of course, do not have a close and that the equipment that is in the premium rooms-class. But this is offset by the high professionalism and the instructor is very careful attitude to the client. Another undoubted advantage of the small fitness clubs is their relative cheapness, and therefore accessibility. As mentioned above, these clubs can afford to work where rents are significantly lower, which can not afford a fitness club premium. Also reflected in the price of the minimum requirement of such clubs in the instructors, they are often bypassed by two experts, one of which is the master (tab. 2).

**Table 2** – Segmentation of prices for a class and saturation segments

Price segment	The cost of training a year, KZT	Market saturation, %
Premium segment (VIP)	300 000 – 800 000	28
The middle segment	90 000 – 200 000	12
Available segment (bottom)	90 000	60

The demand for fitness services has increased significantly in the last five years, when the culture of

consumption has changed, it has become fashionable to lead a healthy lifestyle, look good. If we talk about

market saturation, the major and emerging cities, these figures vary significantly. This is mainly due to the financial security of citizens. At the same time fully meet the demand for premium health clubs in the capital. This is due to the fact that Kazakhstan's fitness industry is developing in many ways similar to the English market, which also started with the upper segment, a very expensive club cards (about 40-45% of the network is developing brands in the premium class, since the greatest demand for healthy life is seen in the business of people aged 21-35 years who are ready to pay 500 thousand KZT per year for the comfort and professionalism of the staff).

In Kazakhstan, the cost of services in the VIP sector exceeds 60 000 KZT per month, or the cost of a club card exceeds 700 000 KZT in year. VIP-segment is already filled with more than 70-90%, however, the VIP-customer services rather unstable and disloyal. Two of these factors explains the high level of competition in the VIP-sector and not a very big potential for growth. The fierce competition in this segment is already pushing clubs to use various marketing moves, whether it is a unique exercise program or class at the exclusive equipment. Segment clubs for the middle class is quite clear, but it is becoming more attractive to investors from the premium in terms of business expansion and improve its profitability. Expanding business borders, fitness operators enter middle-segment in order to obtain a new target audience. To date, the road sector accounts for about three-quarters of the market of fitness services in terms of value. This is explained by this fact that initially all players in the fitness market rushed to get to the road segment, as it is for the sector in the early 1990s formed potential customers, able and willing to pay for their health and beauty. To this day, companies in this segment remain faithful to their expensive and demanding customers.

In the second of fitness services segment of the market prices fluctuate in the range of 15-20 thousand KZT per month, or 180-240 thousand KZT a year. The degree of saturation of the sector is equal to 50-60%. Elasticity and wherein the segment capacity is rather high. This segment focuses primarily on the emerging middle class. Of course, the annual income of the middle class has grown in recent years, and more people began to able to visit the clubs at these prices, but still the number of people receiving 60-100 thousand KZT, is very high in our country, and it is unlikely they are ready to pay for the club card from 15 to 30% of their annual income. It is in this sector of the market and is the

main battle for the final consumer, as the average price niche provides the greatest opportunities for business expansion.

In the lower segment of the cost of services is limited by a corridor 5-8 thousand KZT per month. However, in the bottom sector there is no culture of fitness and sports. Available (lower) segment served by the former Soviet sports and wellness centers and sports complexes. Such complexes specialize in only one form of physical training (by shaping or gyms training) and can take a very limited number of clients. Usually they work on the principle of one-time or subscription payment system, without a club membership. Such institutions, it is clear where affordable than fitness centers, but the service does not count here. Therefore, the capacity is 60%.

Thus, in the general market structure sports clubs services occupy approximately 40% and service road (28%) and the average (12%) segments. The remaining 60% of the market accounted for affordable (lower) segment, which is served by the former Soviet sports and wellness centers and sports complexes. [2]

Analyzing the demand for fitness services, it is worth mentioning the phenomenon of cyclical (seasonal). This fact means that at different times of the year the number of clients varies considerably: peak periods occur in autumn, winter and spring seasons in particular, and in the summer there is a significant outflow of consumer fitness services.

To compensate for the reduced demand for fitness services in the summer, when many potential and actual consumers go on vacation and travel, fitness clubs used sales tactics annual subscriptions. Paying upfront or in installments subscriptions, consumers thereby reduce the cost of commercial risks manufacturers of fitness services, raise the profitability and stability of their work.

Next, we consider the current state of the market of fitness services in the city of Almaty.

Market capacity of fitness services in Almaty is approximately 5 billion KZT. Fitness industry in this city is growing rapidly, with the market players to penetrate the network, creating competition for regional clubs.

For today in the city of Almaty, operates 125 fitness center, the largest of them «Fitnation», «Fidelity», «Banzai», «World Class», «Rakhat Fitness», «Dolphin», «Be Turbo», «Fitness Blitz», «Luxor Wellness Club», «TITAN GYM», «Adrenaline». However, the market town of fitness services is still far from saturation. The demand is satisfied only 60-70%. The lack of tough competition allows local operators to set prices

without regard to the cost of services rival clubs, but an acute shortage of qualified trainers holding back market development. The main problems hindering the development of the fitness industry in Almaty is still the financial component as well as unawareness of the potential clients of fitness of utility and all sports for the human body, laziness, a variety of entertainment and other places away from home, are still more attractive to people.

In Almaty the market of fitness services has formed a group of leaders, consisting of five players, which account for about 30% of the total turnover of the local fitness industry. Among them are: «Fidelity», «Fitness Blitz» and «World Class». The group includes leaders of major centers (the area up to 2000 sq. m.) that can provide the customer the widest possible range of services.

The remaining 70% of the market – it is smaller clubs, also owned mid-market and economy class places. Despite the increase in the number of major players, such customer's deficit sports clubs do not suffer: still great number of people who prefer modest and relatively cheap rooms.

Analysis of the current system of pricing and

discounts in this segment of the market of services of Almaty has shown that, in the first place, now the prices in many fitness clubs considerably overestimated; Secondly, many ordinary health clubs do not provide a sufficient number of services, do not have the proper equipment level, and the rooms themselves such clubs are not the best, but the price for their services is essential.

Thus, of the following the following main tendencies of development of fitness services in Kazakhstan in recent years due to the increased level of income dynamics of development of the fitness industry has been positive; demand for fitness services has increased significantly over the past few years, when to change the culture of consumption; given the interest in fitness in the elderly, sports clubs pay much attention to the development of specialized training programs for people aged. Also worth noting is that in Almaty at the moment there are all conditions for the further development of the fitness industry, evidenced by the high level of equipment of the clubs, a rich range of services. All this leads to good prospects for development of the market of fitness services in the region.

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