

The COVID-19 epidemic cost each fitness center an average of 12,300€.

One tenth of operators did not survive the crisis

Coronavirus restrictions cost each fitness center an average of more than 12,300 euros in the Czech Republic. The total losses of the fitness sector reach up to 1 500 000€. One tenth of operators had to close the business because of the lock down and up to 20 % of personal trainers and instructors did not come back to re-opened fitness centers. These are data resulting from the current survey of the Czech Chamber of Fitness that has monitored the economic impacts of the coronavirus crisis on the Czech fitness sector from March to mid-June 2020.

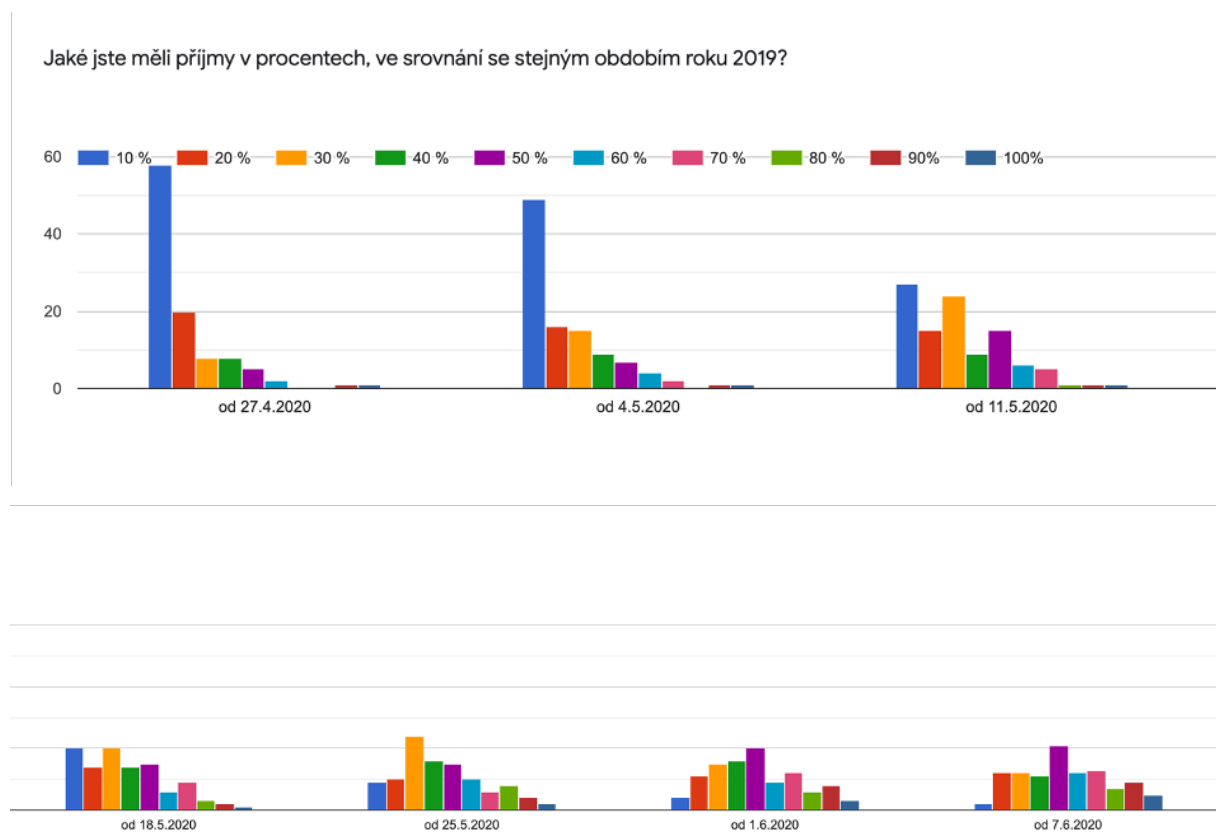
“103 operators from all over the Czech Republic took part in the survey. Most respondents took part from the capital city of Prague (25 % in total) and the South Moravian Region (20,4 %). Most of the involved fitness centers are located in the center or on the periphery of large city. Half of the respondents operate on the basis of individual entries or season tickets, almost 11 % offer only memberships and up to 36 % offer a combination of the above” Says Jana Havrdova, President of the Czech Chamber of Fitness

Salary cuts: 34 % of operators had to reduce salaries during the pandemic

In the reaction of the lock down more than half of the operators (55,3 %) set up a crisis plan with their employees and immediately started communication with their clients (48,5 %). The survey also shows that 34 % of the respondents had to reduce the salaries and remuneration for their personal trainers and instructors. 42 % of the operators temporarily stopped cooperation with their personal trainers and instructors and after re-opening of the fitness centers almost 70 % resumed cooperation.

Most of the operators opened in the first wave, even though it was 10 % of revenues compared to the same period in 2019. The first stage of opening was extremely weak in terms of revenue and only 20% of the operators were able to exceed the 10% revenue threshold. The situation improved with lifting some restrictions on 11 May. However, we are currently finishing the 8th week since re-opening and the situation is still not stable. Half of the operators report revenues between 70-100 %, the other half is between 20-50 % of revenues compared to the previous year.

Chart: What percentage of your income did you have compared to 2019?



Losses reach up to 14,8 million euros

52 respondents provided data in the voluntary part of the questionnaire. We asked about total costs and revenues for the period from March to May 2020. The total cost per one fitness center was around 28 000€. On the other hand, average revenues per one fitness center were only 16 000€.

“These data prove that coronavirus restrictions cost each fitness center an average of more than 12,300€. With an estimated total of 1,200 fitness centers in the Czech market, the total losses of the fitness sector reach almost 14,8 mil €. Moreover, our survey revealed another sad news, up to 10 % of the operators had to close their business due to the pandemic.”

Jana Havrdova, President of the Czech Chamber of Fitness

Rent the biggest financial burden

Fixed costs such as rent was the biggest burden for our operators. 76 % of respondents applied for rent reduction or remission, of which 44 % were successful. Approximately 30 % of the operators asked banking institutions to postpone their payments. Almost 20% of operators requested postponing of lease payments, in this case only 7 % were successful.

Slowly returning to normal operation

All fitness centers had to completely reduce their operation from 12 March 2020. Re-opening was possible from 27 April 2020 with significant capacity restrictions, use of protective equipment and closed facilities (showers, lock rooms). Nevertheless, up to 62% of operators decided to open. During this period, attendance ranged between 10 to 20 %. In the second wave, after 11 May 2020 the restrictions were lifted (possible to train without facemask) another 24,3% of operators opened their fitness centers, attendance ranged between 30 to 50%. The operators have seen a significant increase in attendance from 25 May 2020 when it was possible to open showers and lock rooms again. Since then, attendance at fitness centers has been rising. From 7 June 2020 half of the operators report 70 to 100 % attendance.

Face mask while exercising – the most restrictive measure

Wearing a face mask was considered as the most restrictive measure. Ban on the use of facilities (showers, lock rooms) is perceived as the most restrictive measure by 22,3 % of operators. 18,4 % of operators perceive the capacity restrictions as limiting, we can assume that this number is represented by instructors of group lessons (Yoga studios etc.). On the contrary, increased hygiene measures are no problem for operators. Since 22 June 2020 epidemiological measures are being further lifted. For example, for fitness centers it is now possible to open children's corners and from 1 July wearing a face mask indoor is only recommended.

Fitness goes digital during COVID-19 crisis

Up to 60% of operators used the closure of their business to carry out the necessary repairs and reconstructions. More than half (67 %) partially replaced their services with online programs, of which 44,7 % under the brand of their fitness center.

Source: www.komorafitness.cz