

Factors Affecting Customer's Loyalty of Fitness Centers in Thailand

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Abstract: The purpose of this article is to investigate the determinants of customer's loyalty of fitness centers in Thailand. The conceptual framework is presented on how satisfaction, relationship marketing, habits, and service quality affect customer loyalty. The samples (n = 400) were collected from online and offline questionnaires by convenience sampling with the screening questions. The study applied Multiple Linear Regression (MLR) to analyze the data. The results indicated that satisfaction, relationship marketing, habits, and service quality have significant effect on customer loyalty. The researcher also found that service quality significantly had highest effect on customer's loyalty. Customer's loyalty is affected by service quality, habits, relationship marketing and satisfaction respectively. Hence, the businesses are recommended to elevate these instruments to enhance their customers' loyalty.

Keywords: customer loyalty, fitness center, Thailand

1. Introduction

Many people are looking for the ways to gain better and healthier lives; either by eating healthy food, doing regular exercises or reducing their stress levels. With these trends of lifestyle, fitness centers and gym services have become popular business in recent years, especially in Thailand. The growth rate of fitness centers in Thailand had rapidly increased in the past five years with the popular brands such as Fitness First, Jetts 24 Hour Fitness, Fitness24Seven, Fitness7, Virgin Active and many more. When the competition between gym services is high, customer loyalty has become an important factor of the business. Because the gym is not only a place for exercising but a place that creates communities for people who share the same healthy lifestyle and interests. Therefore, with the increasing competition in this business, it is essential for gym operators to understand the factors that determine the customer loyalty and gain customers' trust in order to enhance their advantage amongst current and future competitors.

Research Objectives

1. To identify factors affecting customer's loyalty of fitness centers in Thailand
2. To propose fitness centers alternative solutions in order to benefit from gaining more loyal customers

Research Questions

1. What are the factors affecting customer's loyalty of fitness centers in Thailand?
2. To what solutions could alternatively be proposing to promote the benefits of gym's services?

Limitations of the Research

The research was conducted from a total of 400 respondents who are mainly living in Bangkok, Thailand. And the amount of the respondents does not represent the total population of Thailand; therefore, it may not be able to represent as information at a global level.

2. Literature Review

Relationship Marketing

Relationship marketing is a marketing strategy designed to nurture and strengthen customer's loyalty, interactions and long-term engagement (Aydin & Ozer, 2005; Hirschman, 1970). The strategy aims to flourish a strong connection between the customers and the service provider by providing customers with tailored information and by promoting open communication between both sides (Anwar & Gulzar, 2011).

Service Quality

According to the Nordic School (Angelova & Zekiri, 2011), service quality can be seen as two basic dimensions which are 1) Technical Quality where customers receive as a result of an interaction with the service provider (for example, meals in restaurants or accommodation in a hotel), and 2) Functional Quality where customers receive service in a form of expressive manner (for example, courtesy, attentiveness and promptness) (Colwell & Hogarth-Scott, 2004; Gronroos, 2007; Julander & Soderlung, 2003). From a business point of view, service quality is an achievement in customer's satisfaction (Beerli et al., 2004). And customer's satisfaction also has a potential influence on future quality perception as well as positively relate to customer's loyalty (Auka, 2012; Bradley, 1999).

Customer Satisfaction

Customer's satisfaction is interpreted as the fulfillment of the customer with reference to their purchasing experience with a given service provider or merchandiser (Burnham et al., 2003; Hallowel, 1996). Customers will be satisfied if the products or services outcome has reached or exceeded their expectations and, in contrast, will be unsatisfied if the aforementioned product or services is below what they had expected (Bose & Rao, 2011).

Habit

A habit is an established custom or practice where it determines a person's tendency to act or react in a particular manner (Berry & Parasuraman, 1991; Buttle, 1998). It is an action that one often do regularly, sometimes without knowing and it is especially hard for one to give up on this particular action (Dagger & David, 2012; Jones & Earl Sasser, 1995).

2.1 Conceptual Framework

The conceptual framework of this analysis is based upon previous literatures on the factors affecting customers' loyalty in service businesses (Ariff et al., 2012; Berry, 1983; Bester, 2012; Fornell, 1992; Gilbert & Veloutsou, 2007; He & Song, 2009; Hsu, 2006; Jonathan et al., 2001). The researchers had considered the possible risk insights as part of the independent variables. The conceptual framework is thus constructed and consisted of 5 variables with 4 hypotheses as follows.

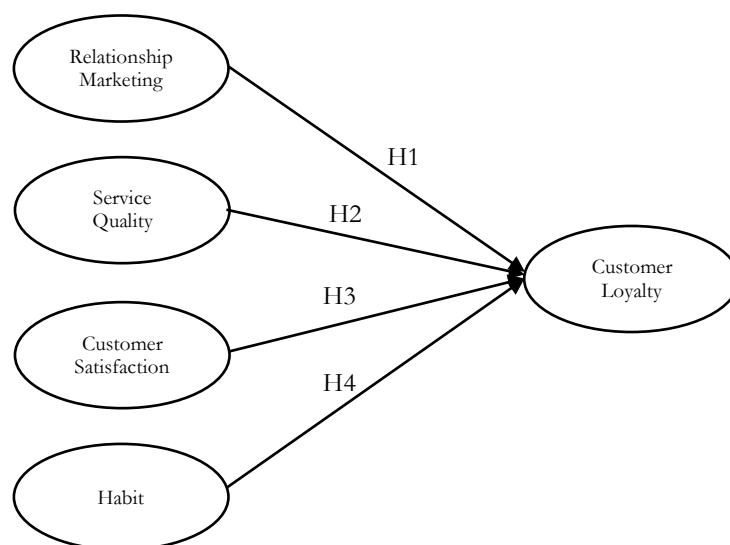


Figure 1. Conceptual Framework

H1: Relationship marketing significantly affects customer's loyalty of fitness centers in Thailand.

H2: Service quality significantly affects customer's loyalty of fitness centers in Thailand.

H3: Customer satisfaction significantly affects customer's loyalty of fitness centers in Thailand.

H4: Habit significantly affects customer's loyalty of fitness centers in Thailand.

3. Research Methodology

3.1 Research Design

Quantitative research was used to analyze the data gathered and aimed to identify customer's loyalty of fitness centers in Thailand. The theory of proposed research models was tested with the factors of relationship marketing, service quality, customer satisfaction, and habit as independent variables and customer's loyalty to a fitness center as a dependent variable.

An internal scale system was used to gather and collect the data from the questionnaire distributed to the target respondents. As well as the Cronbach's alpha which was tested before distributing the questionnaires to the group of respondents in order to measure the reliability and consistency of this research.

The target respondents were people who had direct experience with any fitness centers in Thailand. And lastly, the Mean, the Multiple Linear Regression (MLR), the descriptive statistics and the correlations were applied to the survey in order to analyze and summarize the causal relationships amongst these factors. The aim of this research is to provide information as well as propose possible solutions for gym service providers in Thailand in order to benefit from gaining more possible loyal customers to their businesses.

3.2 Respondents and Sampling Procedures

The target respondents were Thai people who had a membership with any fitness centers in Thailand during past 6 months. In total, there were 400 respondents whose data were collected for this research.

3.3 Research Instrument and Questionnaire Design

The instrument used in this research is 'Google Form', which is an online questionnaire survey platform used for data collection. The questionnaire design is categorized into three main parts as follows.

Part I: Screening Questions. This fragment helps to authenticate the target respondents from those that are not the target for this particular survey. The target respondent for this study must be of Thai citizen and fitness member during past 6 months; therefore, these questions were screened before moving on to the next part.

Part II: Demographic Information. This fragment is for gathering the respondent's information including age, gender, monthly income which had potential relations to the customer's loyalty.

Part III: Measuring Variables. This fragment measures the established variables in order to recognize the perspectives of Thai people with regards to gym services. The variables were evaluated using the Likert Scale where 1 = Strongly Disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; and 5 = Strongly Agree.

3.4 Reliability Analysis

A total of 30 reliability tests were allocated to 30 respondents as a study model to test out and evaluate the solidity of the questionnaires before final questionnaires were distributed to the targeted group of 400 respondents. The research results were analyzed using SPSS program as illustrated in the table below.

Table 1 Reliability Analysis

VARIABLES	NUMBER OF ITEMS	CRONBACH'S ALPHA
Relationship Marketing	4	0.897
Service Quality	4	0.974
Customer Satisfaction	3	0.913
Habit	6	0.914
Customer Loyalty	3	0.823

3.5 Statistical Treatment of Data

The Social Sciences Program (SPSS) is the statistical method used to analyze the raw data from these questionnaires which were responded by 400 Thai persons. To conduct the analysis, the primary data was converted to empirical and statistical results.

4. Representation of Data and Critical Discussion of Results

Social Sciences Program, also known as SPSS, was applied to this questionnaire to gather and determine results for farther study. The results are governed using Descriptive Statistical Analysis and Inferential Statistical Analysis in relation to the demographic information of the respondents. These methods include hypothesis testing, regression and correlation.

4.1 Descriptive Analysis of the Demographic Information

The questionnaire was collected from 400 respondents with non-probability methods such as snowball sampling through all fitness members. Thus, the results of two screening questions and demographic profiles are shown below.

Table 2 Results of the Screening Questions

		FREQUENCY (f)	PERCENTAGE (%)
Nationality	Thai	400	100
	Non-Thai	0	0
Membership	Yes	400	100
	No	0	0

Table 3 Results of the Demographic Profiles

		FREQUENCY (f)	PERCENTAGE (%)
Gender	Female	219	54.75
	Male	181	45.25
Age	Less than 20	7	1.75
	20 – 22	56	14.00
	22 – 24	93	23.25
	24 – 26	67	16.75
	26 – 28	73	18.25
	28 and above	102	26.00
Income (Baht)	0 – 15,000	27	6.75
	15,001 – 30,000	144	36.00
	30,001 – 45,000	176	44.00
	45,001 and above	53	13.25

4.2 Inferential Analysis and Hypotheses Testing

Table 4 Inferential Analysis and Hypotheses Testing

VARIABLES	P-VALUE (SIG.)	STANDARDIZED COEFFICIENT BETA (β)	VIF	RESULTS
Relationship Marketing (H1)	.000	.278	2.471	Accepted
Service Quality (H2)	.000	.487	2.515	Accepted
Customer Satisfaction (H3)	.006	.183	2.712	Accepted
Habit (H4)	.000	.304	2.329	Accepted
R Square	.653			
Adjusted R Square	.648			
Dependent Variable: Customer Loyalty				

As demonstrated in Table 4, R Square has a result of .653, meaning that 65.3% of the dependent variable (customer's loyalty) can be explained by all independent variables namely Relationship Marketing, Service Quality, Customer Satisfaction, and Habit. Another 34.7% can be described by other independent variables.

The Standard Coefficient (β) demonstrates which factors of the independent variables had impacts on the dependent variable. According to the results shown in Table 4, Service Quality ranks the highest at 48.7%, followed by Habit at 30.4%, Relationship Marketing at 27.8%, and Customer Satisfaction at 18.3% respectively.

The multicollinearity is tested using the Variance Inflation Factor (VIF), with the intention to determine whether all independent variables are corresponding to each other. If the VIF value is greater than 5, will cause a concern as it affects the significant value, and therefore, the results will not be reliable. However, the results of the VIF from this research are less than 5, which implies that there is no concern for the multicollinearity problem.

5. Summary, Conclusion, and Recommendation

5.1 Summary of the Research Findings

5.1.1 Summary of Descriptive Analysis

The research was collected from 400 Thai fitness members. Most of them were female (54.75%). Majority (26%) aged 28 years and above. 176 respondents out of 400 respondents received 30,001 – 45,000 Baht per month.

5.1.2 Summary of Inferential Analysis

Relationship Marketing, Service Quality, Customer Satisfaction, and Habit (as independent variables) had statistical causal relationships with Customer's Loyalty (dependent variable) as shown with the P-value less than 0.05. Service Quality had the highest causal relationship with Customer's Loyalty at 48.7%. Habit was in the second rank at 30.4% and Relationship Marketing was listed on the third rank at 27.8% while Customer Satisfaction had the least impact on Customer's Loyalty at merely 18.3%.

5.2 Conclusion

The intention of this research was to determine the factors influencing customer's loyalty of Thai people to choose the fitness centers. Using the Theory of Planned Behavior (TPB) to study how the relationship marketing, service quality, customer satisfaction, and habit could affect customer's loyalty. And the study results showed that service quality and habit had the most significant influence on customer's loyalty.

5.3 Managerial Implication and Recommendation

The research made advantages for fitness operators and gym service providers in Thailand by giving them a clearer understanding on the factors that can draw more loyalty to Thai customers. It is believed that to develop customer's loyalty, many strategies and efforts are needed to make an impression on consumers and give them awareness of what they will benefit by choosing a certain gym service provider. The study would also allow gym operators to understand and determine the root causes and important factors of consumer's perspective in choosing a specific gym service provider and allows them to use this information for further development on useful strategies.

Service Quality: according to the results, this variable has the most statistical influence on customer's loyalty. As a manager of a gym operator, he or she should concentrate on how to make Thai people more aware of their health and impressing them with good service quality. From the mean results between the four questionnaires of this variable, the answer of 'I feel comfortable with staff members' had the highest mean score. Therefore, it can be seen that staff members are the key factors of keeping loyal customers and also the root of providing best service quality. As a result, managers of a gym brand should empower their staffs, giving them more opportunity to make decisions and grow as well as trusting them.

From the attribute mean, habit also had a significant influence on customer's loyalty. From the mean results among the six questionnaires of this variable, the answer of 'You use services of the current gym because it has many services to choose from' had the highest mean score. Therefore, varieties of services give customers more choices to choose their favorite activities. It can develop customer's loyalty by providing exciting exercise classes or activities that they could not get elsewhere.

Relationship marketing is the third variable that had a high statistical effect on customer's loyalty. From the mean results among the four questionnaires of this variable, the answer of 'The current gym provides new services according to your needs' had the highest mean score. Therefore, it can be seen that new services can attract customers to enjoy the activities and as a result develop customer's loyalty. The researchers believe new services that satisfy customer's need and excite them is the key to draw customers to try new things and keep them coming back.

Customer satisfaction was the lowest variable that had statistical effect on customer's loyalty. From the mean results among the three variables, the answer of 'You are satisfied with both the tangible or intangible value that you have received in relation to the price you pay' had the highest mean score. Therefore, it can be seen that when customers buy something, they typically consider if it is worth the value for the money they are paying for. If customers are satisfied or content with the value that they get, there is a higher chance of repurchasing and, as a result, develop into customer's loyalty.

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