Factors Affecting Satisfaction and Loyalty of Health and Fitness Club Customers

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Abstract

Competition between companies increases rapidly and continuously, so it is important to always evolve. The purpose of this study was: (1) to test the impact of word of mouth, price, and service quality on the satisfaction and loyalty of customers of health and fitness clubs in Klaten and Yogyakarta; (2) to provide a sports management guide to these companies; and (3) to evaluate the third-party complaints in the context of these clubs. A descriptive survey method was used with a quantitative approach. The research sample consisted of 200 subjects from 10 Klaten and Yogyakarta health and fitness clubs recruited by random sampling. Data were collected through a questionnaire. Data were analyzed using structural equation modeling to test the similarity and relationships between all variables. The results showed that loyalty and satisfaction were significantly influenced by word-of-mouth, and service quality had a positive effect. Price had a significant effect on customer satisfaction and loyalty as well. A company's customer satisfaction and loyalty are very important for increasing profits, so it is crucial for companies to always maintain good relations with their customers.

Keywords: health and fitness club, service quality, word-of-mouth, satisfaction, loyalty

1. Introduction

In today's world where technology growth is changing more rapidly, it is necessary to properly maintain any service skills to properly maintain and increase customer flow. Therefore, four points are very important to know: (1) quality of service, (2) satisfaction, (3) loyalty, (4) price and management in Sports health clubs. Outstanding management in a company such as a sports club, health is one of the biggest and beneficial social events. Increased competitiveness among service providers has made customers today more demanding with quality service and less tolerant of poor service provision. In the highly competitive service sector, providing exceptional services is a prerequisite for the survival and success of an organization [1].
Service quality has been recognized as one of the main factors affecting customers and leads to organizational profitability in the long run. Quality of service is determined by the customer and changes the size of the difference between the customer’s expectations or desires and their perceptions. In research [2] shows that consumers form expectations based on past experience, about complaints by word of mouth and marketing communication efforts made by companies.

The most desirable service aspects are: modern facilities, employee attitudes and skills, membership offers and price packages, programs, hours of operation, security of personal items and consistent service provisions [3]. Customer assessment of product quality services provided. Satisfaction is seen as a cumulative evaluation of purchasing and consumption experiences [4]. Meeting customer expectations and satisfying their needs are important elements in an organization’s efforts to retain customers and gain a competitive advantage over competitors [5]. Recognition of a positive relationship between satisfaction, retention and repurchase intentions emphasizes the importance of identifying and explaining the conditions in which satisfaction is developed [6].

Loyalty is recognized as an important strategy for the success of any organization. Loyalty as “a firm commitment to repurchase or a product or service that is consistently favored in the future, resulting in repeated purchases of the same brand, regardless of situational influence and marketing efforts potentially causing a shift in behavior [7]. The most common steps related to attitude loyalty are word-of-mouth generation.

Consumer reactions are classified to dissatisfaction as exit, vote or loyalty. So, when a customer experiences a dissatisfaction situation, the answer can be: switch to a new service provider (exit), try to resolve the problem by complaining (voice) or stay with the same provider hoping things will improve. Price as the amount of value exchanged by consumers for the benefit of owning and using a product or service that enables a company to get a reasonable profit by being paid for the value of the customer it creates [8]. Price is the determination of prices is a critical decision that supports the success of a company [9].

Based on the existing research related to service quality, customer satisfaction, loyalty, word-of-mouth and Health Club Price. In the klaten and Yogyakarta fitness health club; the fitness and health clubs have been no studies on the company management. Own company in Yogyakarta do not yet know whether the customers are satisfied or not, the feeling of fitness services in all still unknown in its important points and weak points. To know the current situation in Klaten and Yogyakarta fitness Health club Fitness a research will be conduct on: The Effect of Word of mouth, price, and quality of service on
the customer satisfaction and loyalty club Health and Fitness in Klaten and Yogyakarta. More specifically, this research will examine if:

Hypothesis 1:

Word of Mouth has a positive and significant effect on Service Quality in Health and Fitness Clubs in Klaten and Yogyakarta.

Hypothesis 2:

Price has an impact on Customer Satisfaction in Health and Fitness Clubs in Klaten and Yogyakarta.

Hypothesis 3:

Service Quality has a positive effect on the Customer Satisfaction in Health and Fitness Clubs in Klaten and Yogyakarta.

Hypothesis 4:

Customer Satisfaction was strongly significant on the Behavior Loyalty in Health and Fitness Clubs in Klaten and Yogyakarta.

Hypothesis 5:

Service Quality was highly influenced the Customer Behavior Loyalty in Health and Fitness Clubs in Klaten and Yogyakarta.

2. Material & Methodology

The research method uses a descriptive survey method with a quantitative approach. The research sample of 200 subjects from 10 fitness clubs in Klaten and Yogyakarta in ten Gym health club (fitness center) Klaten and Yogyakarta, namely DM Fitness, Rock Fitness, Master Gym, Western Gym, Sazkia Gym, Mars Gym, Empire Gym, Stars Fitness, BK Fitnes, and Soen Fitness were taken by random sampling. Collecting data using a developed questionaires to assess valid and reliable. Developing a valid and reliable questionaire is very important to reduce measurement errors, which is the difference between respondent attributes and their survey responses [10]. While validity means that we measure what we claim, its reliability is related to size consistency. In this study, the difficulty of developing a valid and reliable questionaire was overcome by switching to a previously tested and validated scale. The model was tested using a questionaire.
The items used to measure each construct were adopted from existing research to ensure content validity, although some were adapted to better suit the health club context. Service quality and dimensions are evaluated using SQAS [11]. SQAS is based on six dimensions: staff, programs, changing rooms, physical facilities, training facilities and child care. Of the six initial dimensions proposed in the SQAS, child care was dropped, because the service was not provided by the health club where the study was conducted. The SQAS scale was tested with positive results in the healthcare industry [12].

Analysis of the data used to prove the hypothesis is the calculation of the Structural Equation Model (SEM) with AMOS 23. The sequence of steps for the analysis includes:

Step 1: Model Development Based on Theory

The development of models in this study is based on the concept of data analysis. In general the model consists of exogenous variables namely Word of Mouth (WOM), Price (P) and Service Quality (SQ). The endogenous variables in this study are Satisfaction (S) and Loyalty Behavior (LB). Test results instrument validity and reliability of all indicators in this study using the AMOS 23. instrument validity testing using a sample of 200 people. This instrument reliability testing technique uses analytical techniques already developed.

Steps 2 & 3: Arrange Structural Pathways and Equations

The next step is to arrange causality relationships with a path diagram and arrange structural equations. There are 2 things that need to be done, namely structuring the structural model by connecting between endogenous and exogenous latent constructs and determining the model that is connecting endogenous and exogenous latent constructs with indicator variables.

Step 4: Select the Type of Input Matrix and Estimated Proposed Model

The structural equation model is different from other multivariate analysis techniques. SEM only uses input data in the form of variance or covariance matrices or correlation metrics. The estimated model used is the maximum likelihood (ML) estimate.

Steps 5 and 6: Modify the Model and Test the complete GOF model.

Step 7. Hypothesis testing

The next analysis is a full model Structural Equation Model (SEM) analysis to test the hypotheses developed in this study. To find out the relationship between variables and indicators. To determine the relationship between variables and indicators, this study will mention the research paradigm as follows:
3. Results & Discussion

Based on the below Figure 1 the researchers will seek to ensure that the data were normality distributed. The normality assumption has been tested and data can be further processed for SEM modeling. In multivariate normality test is to observe the value of Critical Ratio (CR) if the data from CR value is between the range of ± 2.58, then the research data can be considered normal.

In the above table 1, normality test results showed the following value 1.459 cr in multivariate this value is already included among the range of ± 2.58 and research data can be considered normal. Therefore, the data in this study can be analyzed using Structural Equation Modeling (SEM).

3.1. Outliers

Outliers are observations or data that have unique characteristics that look different from the observations of others, and appear in the form of extreme value, either for a variable or variables combination. The outliers can be evaluated using multivariate outliers based on Mahalanobis Distance.
Figure 2: The research structural equation modeling

| Variable | Min | Max | Skew  | CR   | Kurtosis | CR |
|----------|-----|-----|-------|------|----------|----|
| P1       | 2,000 | 5,000 | -1.002 | -5.489 | 552 | 1.512 |
| P2       | 2,000 | 5,000 | -1.053 | -5.766 | 427 | 1.169 |
| P3       | 2,000 | 5,000 | -1.048 | -5.739 | 451 | 1.234 |
| P4       | 2,000 | 5,000 | -.794  | 4.349  | 547 | 1.497 |
| P5       | 2,000 | 5,000 | -.795  | 4.356  | 027 | 0.73  |
| WOM4     | 1,000 | 5,000 | -.486  | -2.659 | 431 | 1.179 |
| WOM3     | 1,000 | 5,000 | -.333  | -1.824 | 134 | 1.367 |
| WOM2     | 2,000 | 5,000 | -.130  | -1.710 | 533 | 1.460 |
| WOM1     | 1,000 | 5,000 | -.642  | -3.514 | 899 | 2.463 |
| LB1      | 2,000 | 5,000 | -.845  | 4.628  | 432 | 1.182 |
| LB2      | 2,000 | 5,000 | -.722  | 3.957  | 129 | 0.352 |
| LB3      | 2,000 | 5,000 | -.795  | 4.353  | 045 | 0.123 |
| S2       | 2,000 | 5,000 | -.774  | 4.242  | 232 | 0.634 |
| S1       | 2,000 | 5,000 | -1.060 | 5.808  | 595 | 1.628 |
| SQ1      | 2,000 | 5,000 | -.795  | 4.356  | 027 | 0.073 |
| SQ2      | 2,000 | 5,000 | -.798  | 4.372  | 207 | 0.566 |
| SQ3      | 2,000 | 5,000 | -.767  | 4.200  | 242 | 0.662 |
| multivariate |       |     | 5.530  | 1.459  |     |     |

Test Mahalanobis Distance is calculated using the chi-square value padad degree of freedom for 17 indicators at the level of p <0.001 by using the formula $X^2 (17; 0.001) = 33.408$. The results of multivariate analysis showed that there is not outliers.
3.2. Confirmatory Analysis

Confirmatory analysis was used to test the concept that was built by using several measurable indicators. In a confirmatory analysis are first seen loading factor as the value of each indicator. Loading factor can be used to measure the construct validity of a questionnaire which is said to be valid if the question is able to express something that is measured. The minimum number of loading factor is ideally $\geq 0.7$. Whether a value which still below under 0.5 then it will be removed from the analysis [13].

Further confirmatory testing the suitability of the model was tested using Goodness of Fit Index. GOFI criteria (Goodness of Fit Index) in three types of criteria: absolute fit indices, incremental fit indices and parsimony fit indices. Of the three types of GOFI as a whole there are 25 criteria, in the analysis of SEM-Amos does not require that all the criteria only from 4-5 are enough as long as the criteria represented the three types of criteria GOFI [14].

In this study were taken two criteria of each type of GOFI namely CMINDF and represent absolute fit indices GFI, CFI and TLI represents the incremental fit indices then PGFI and PNFI represent parsimony fit indices.

| Table 2: Value loading factors |
|-------------------------------|----------------|
| Factors                     | Estimate   |
| SQ3 $\leftarrow$ SQ          | 0.974      |
| SQ2 $\leftarrow$ SQ          | 0.961      |
| SQ1 $\leftarrow$ SQ          | 0.665      |
| P5 $\leftarrow$ P            | 0.752      |
| P4 $\leftarrow$ P            | 0.514      |
| P3 $\leftarrow$ P            | 0.585      |
| P2 $\leftarrow$ P            | 0.308      |
| P1 $\leftarrow$ P            | 0.549      |
| S1 $\leftarrow$ S            | 0.663      |
| S2 $\leftarrow$ S            | 0.684      |
| LB3 $\leftarrow$ LB          | 0.760      |
| LB2 $\leftarrow$ LB          | 0.776      |
| LB1 $\leftarrow$ LB          | 0.745      |
| WOM1 $\leftarrow$ WOM        | 0.666      |
| WOM2 $\leftarrow$ WOM        | 0.654      |
| WOM3 $\leftarrow$ WOM        | 0.784      |
| WOM4 $\leftarrow$ WOM        | 0.929      |

Table 2 showed that Loading factor was found that all of the indicator value have reached a loading factor of 0.5 except P2 so that P2 indicator should be discarded. After
the P2 indicator discharged then all the indicators in this study were valid. Furthermore, the goodness of fit test confirmatory analysis with the following results.

### Table 3: Analysis of confirmatory test GOF

| Fit Index            | Goodness of Fit | Criteria | Cut-off Value | Information |
|----------------------|-----------------|----------|---------------|-------------|
| Absolute Fit         | RMSEA           | ≤ 0.08   | 0.042         | Fit         |
| Incremental Fit      | TLI             | ≥ 0.90   | 0.920         | Fit         |
| parsimony Fit        | PGFI            | ≥ 0.60   | 0.655         | Fit         |
|                      | PNFI            | ≥ 0.60   | 0.734         | Fit         |

Table 3 showed that all goodness of fit criteria have been met, so it can be concluded that the model in this study had been fit.

### Table 4: Test of reliability

| Indicator | Loading Standards | Loading Standards² | Measurement Error | CR | VE |
|-----------|-------------------|--------------------|-------------------|----|----|
| SQ3       | .974              | .607               | .393              | 0.8| 0.6|
| SQ2       | .961              | 0.496              | 0.504             |    |    |
| SQ1       | .665              | .498               | 0.502             |    |    |
| P5        | .752              | 0.687              | 0.313             | 0.8| 0.7|
| P4        | .514              | .584               | 0.416             |    |    |
| P3        | .585              | .588               | 0.412             |    |    |
| P1        | .549              | .615               | 0.385             |    |    |
| S1        | .663              | .581               | .419              | 0.9| 0.5|
| S2        | .684              | .619               | .381              |    |    |
| LB3       | .760              | .590               | .410              | 0.7| 0.6|
| LB2       | .776              | .411               | .589              |    |    |
| LB1       | .745              | .661               | .339              |    |    |
| WOM1      | .666              | .585               | .415              | 0.8| 0.5|
| WOM2      | .654              | .648               | .352              |    |    |
| WOM3      | .784              | .386               | .614              |    |    |
| WOM4      | .929              | .411               | .589              |    |    |

The table 4 showed that the reliability coefficients ranged was from 0-1, so the higher coefficient (close to 1), the more reliable measures. Reliabilitas construct good if the value of the construct reliability > 0.7 and extracted its variance value > 0.5 (Yamin & Kurniawan, 2009). From the results of the calculation of the obtained results as Table 4.
The result from table 4 showed that the reliability of the construct of all the variables was already met with value $\geq 0.7$. For extracted variance the value is above 0.5. It can be concluded that the questionnaire used for this study stated reliable.

Step 7 Hypothesis

Subsequent analysis is the Structural Equation Model (SEM) as a full model to test hypotheses developed in this study. The test results regression weight in this study is shown in table 5:

| SQ   | WOM   | Estimate | SE  | CR   | P    | Label |
|------|-------|----------|-----|------|------|-------|
| S    | P     | 0.123    | 0.060 | 2.052 | 0.040 |        |
| S    | SQ    | 0.738    | 0.113 | 6.511 | ***  |        |
| LB   | S     | 0.255    | 0.053 | 4.860 | ***  |        |
| LB   | SQ    | 0.705    | 0.121 | 5.810 | ***  |        |

The table 5 showed how hypothesis is accepted or rejected. Based on the value of Critical Ratio (CR) and the probability (P) of the data processing the test shown that the value of CR is above 1.96 and a probability value (P) was below 0.05 / 5% then the research hypothesis proposed is accepted. In detail, the research hypothesis testing are discussed in stages according to the hypothesis that has been proposed. In this study, the hypothesis proposed five further deliberations would be described as following:

Based on the processing of the data in Table 5, noted that the value of CR was 2.052 and P value was 0.040. These results suggest that CR value above 1.96 and a P value below 0.05. Therefore it can be concluded that WOM has significant effect on Service Quality. So H1 in this study was accepted.

Based on the processing of the data in Table 5, The CR was 6.511 and P value was 0.000. These results indicate that the CR value is negative and the P value below 0.05. Therefore it can be concluded that Price has a strongly influence on the Customer Satisfaction. So H2 in this study was accepted.

Based on the processing of the data in Table 5, it is noted that the value of CR was 4,860 P value of 0.000. These results suggest that above CR value of 1.96 and P value below 0.05. Therefore it can be concluded that the Service Quality has significant effect on Customer Satisfaction. H3 so that in this study has been accepted.

Based on the processing of the data in Table 5, the value of CR was 5.810 with P value 0.000. These results suggest that above CR value of 1.96 and P value below 0.05. Therefore it can be concluded that the Customer Satisfaction has a high impact on the Behaviour Loyalty. H4 is accepted.
Based on the processing of the data in Table 5. With CR = 5.059 and P value of 0.000. These results suggest that CR above 1.96 and P value below 0.05. Therefore it can be concluded that the Service Quality has significant effect on Behaviour. H5 in this has been accepted.

3.3. Discussion

The results found above indicate that word of mouth has a positive effect on service quality. A company also needs a network cable to advertise its services so that buyers or consumers can be interested. The more word of mouth towards something sweeter the more something or object of interest by the buyer. The public satisfaction with the quality of dental and oral health services is a comparison between perceptions of services received with expectations before getting service [15]. If expectations are fulfilled, it means that the service has provided an extraordinary quality and will also lead to high satisfaction. The level of patient satisfaction is one indicator in assessing the success of dental and oral hospitals in providing quality health services [16]. The assessment aspects of the level of satisfaction are assessed based on five dimensions of service quality namely assurance, empathy, reliability, responsiveness, physical appearance [17].

Around the world there is higher competition, the reason why the price must be adjusted to the degree that can be achieved by buyers. In this study, price is an important thing that has increased customer fitness in Yogyakarta compared to fitness in the vicinity. People from afar can come to train in Yogyakarta fitness because the quality of service, price, facilities, training tools, comfort, air in the workspace, information, toilets, hydrography, health tools all increase community interest in Fitness Yogyakarta.

One of the secrets of business success is to determine the selling price of your product correctly. Determining the exact selling price of your product can increase the number of sales of your product, creating a foundation on which your business will succeed [18]. Strategies for determining the wrong product sale price will create problems that your business may not be able to overcome going forward. Determining the selling price of your product accurately is crucial at every point in the economic cycle, but many businesses mistakenly assume that pricing below the actual price of their product is a good thing.

This study showed that all customers were very satisfied with the services in Yogyakarta fitness as a result of exceptional service. In the Yogyakarta fitness the staff, programs, working hours and facilities of the employees are very satisfying to customers. The good things that have been conveyed have passed by word of mouth
customer. In the business world, it is not only the product / service that is noticed. In terms of business quality of service must also be considered. Because service quality is a way to retain customers. With quality, the company must meet customer expectations and satisfy customer needs [19].

In fitness Yogyakarta loyalty is defined as customer satisfaction that comes from facilities, low prices, programs and hours of work, exceptional fitness equipment, training rooms that are immediately lit, room temperature, drinks, and coaching from staff. In this very competitive business condition, where the level of competition is high with the diversity of products and services that are so diverse, then customer satisfaction and loyalty becomes a very important thing. At the company customer satisfaction and loyalty become very important to increase profits so the company always maintains a good relationship with customers. Companies that have a customer focus program expect customers to be loyal to the company.

4. Conclusion

The company is also very concerned to frequently measure customer satisfaction by measuring the variables that affect customer satisfaction: products, equipment, facilities, hours of work, coaching, prices and others. The program is a big picture of customer focus regarding customer satisfaction and loyalty. Proactive programs provide high quality products or services besides communication is very important for all companies.

Customers want to communicate directly with the company, and also customers ask to be heard. Through customer communication channels, companies can get direct feedback from customers, this feedback is important and accurate. Channels of customer communication can be done through customer surveys both at the time of the transaction and periodically. This customer communication channel can also be used to measure customer satisfaction and loyalty.

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