

How to improve customer loyalty in the health industry?

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Abstract: Fitness clubs have emerged and become famous in response to Taiwanese health needs. Improving service quality and increasing customer loyalty to enhance competitive advantage in the market is a major topic for fitness industry owners. The purpose of this research is to verify the relationship between service quality and customer loyalty in the Taichung fitness club. This study adopted a questionnaire survey method. The questionnaire was developed based on previous studies. Respondents were selected by convenient sampling within large-scale chain fitness clubs, small gyms, and national sports centres. This study used online questionnaires and hard-copy questionnaires to collect data, and a total of ninety-four valid questionnaires were obtained. The collected data is analyzed by descriptive statistics, correlation analysis, and partial least square structural equation modelling. This study found that the service quality of tangibility, reliability, responsiveness, certainty, empathy are all significantly positively correlated with customer loyalty; responsiveness and empathy service significantly influence customer loyalty. The conclusions of this study indicate that although service quality has a positive correlation with customer loyalty, responsiveness and empathy are important factors to improve customer loyalty in fitness clubs.

Keywords: fitness club; service quality; customer loyalty

1. Introduction

Gyms have grown significantly in the past two years in Taiwan. The number of gyms in Taichung City has increased from 42 to 93 in 2019 to 2021, increasing 220%. Customer retention is essential for the gym owner. Reichheld and Sasser (1990) pointed out that keeping 5% of old customers can increase profits by 25% to 75% and reduce the cost by around 500% to finding a new customer (Wills, 2009). Service quality refers to the gap between the customer's expectations and feelings to evaluate its quality (Parasuraman et al., 1985). The practice of excellent service quality has been proven that customer satisfaction will significantly lead to customer loyalty (Caruana, 2000). Butcher et al. (2001) posited that loyalty essentially includes consumers repurchase intention and the positive word-of-mouth spread by the consumers advocating for the products and services, i.e., to recommend the products or services to others. It was univocally pointed that excellent service quality enhances customer loyalty and retains customers.

Previous studies examine customers behaviours and satisfaction in fitness services. The relationship between service quality and customer loyalty was under-explored, especially in Taichung. This research aims to verify the relationship between service quality and customer loyalty in the Taichung fitness club.

2. Materials and Methods

2.1. Respondents

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The primary study respondents were between 18 to 50 years of age and were gym members at least 3 months, training between once to seven times a week, with a median training frequency of 2 to 3 times per week.

2.2. Procedures

This study used online questionnaires and hard-copy questionnaires to collect data. SurveyCake was used for online questionnaire collections. The hard-copy questionnaires were distributed outside of the fitness centre while respondents after training. Online questionnaires were distributed on Facebook fitness groups. About 96 questionnaires were distributed. 94 valid questionnaires were collected, and the effective response rate was 97%.

2.3. Data processing

In this study, questionnaire survey to collect the various funding information package SPSS for Windows version 20.0 software into the conduct statistical analysis, and the use of Descriptive statistics, PLS-SEM.

3. Results

3.1. Demographic

Fitness center in Taichung city Customer background items descriptive results. Table 1 shows customer background items descriptive results. The following is a brief report of the basic statistics. Most respondents were male (59.4%), in the age range of 18-25 years(58.5%),had university-level education (76.6%),were currently students (31.9%),training 2-3 times per week (41.5%),generally visited to the gym between 6pm-10pm(46.8%),and mostly self-training(93.6%).

Table 1. Respondents.

Item	Content	n	%
Gender	Male	56	59.4
	female	38	40.4
Age	18 to 25 years old	55	58.5
	26 to 35 years old	32	34
	36 to 50 years old	7	7.4
Level of education	High school	2	2.1
	University	72	76.6
	Master's degree	20	21.3
Occupation	Services	26	27.7
	Students	30	31.9
	Faculty	11	11.7
	Business	11	11.7
	Others	16	17.1
Training frequency per week	0 to 1 time	28	29.8
	2 to 3 times	39	41.5
	4 to 6 times	24	25.5
	7 times or above	3	3.2
Time of visit	6 am to 10 am	4	4.3
	10 am to 2 pm	15	16
	2 pm to 6 pm	27	28.7
	6 pm to 10 pm	44	46.8
	10 pm to 6 am	4	4.3
Training class	Self-training	88	93.6
	Group class	2	2.1
	Personal training	4	4.3

3.2. Service quality and customer loyalty scale 66

Described by the mean and standard deviation of the service quality scale and customer loyalty scale analysis (refer with Table 2), found that service quality sort by tangibility, reliability, responsiveness, certainty, empathy. From the average of all levels with the overall service quality, the scale of the five other scales, the mean is 3.99. therefore, the service quality orientation is the above-average degree of tangibility(M=4.24) and reliability(M=4.04). Customer loyalty dimensions sort sequence for ‘customers repurchase willingness’ and ‘recommendations to others’. From the average of all levels and overall customer loyalty, the mean is 3.59. Customer repurchase willingness(M=3.63) is above the average level. 67
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Table 2. Service qualities and customer loyalty factors construct the surface of descriptive analysis. 76

<i>Scale content</i>		<i>N</i>	<i>M</i>	<i>S.D</i>	<i>Sequence</i>
Service quality	tangibility	94	4.24	0.61	3
	reliability	94	4.04	0.74	3
	responsiveness	94	3.96	0.74	3
	certainty	94	3.87	0.79	3
	empathy	94	3.81	0.83	4
Customer loyalty	Customers repurchase willingness	94	3.63	0.81	2
	recommendations to others	94	3.54	0.86	2

3.3. Fitness centers in Taichung city their differences in service quality and customer loyalty 77

Figure 1 implies the path coefficients of the five dimensions of service quality. Responsiveness ($\beta=0.308, p<0.05$) and empathy ($\beta=-0.158, p<0.05$) significantly influences customer loyalty. Tangibility ($\beta=0.077, p>0.05$), reliability ($\beta=0.197, p>0.05$), certainty ($\beta=0.377, p>0.05$) influences customer loyalty insignificantly. 78
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Customer loyalty ($R^2=0.544$) in a range of 0.330-0.670, indicated a moderated effect.(Chin, 2001) 82
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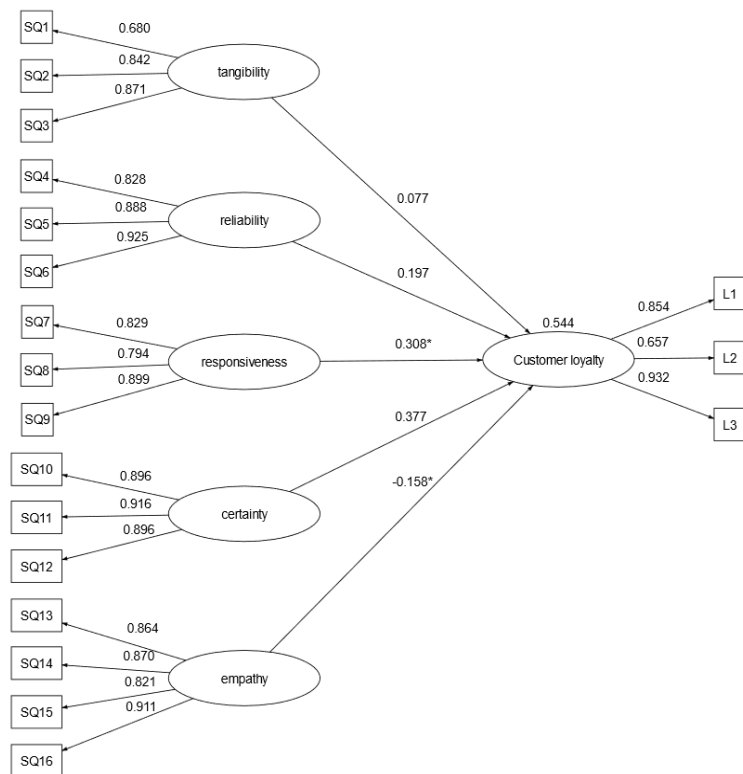


Figure 1. PLS-SEM.

Note: Statistical significance is indicated by *p<0.05

4. Conclusion

This research examined the relationships between service quality and customer loyalty using the PLS method. From the above analysis, the following conclusions are below:

- (1). The characteristics of service quality in responsiveness would positively affect customer loyalty.
- (2). The characteristics of service quality in empathy would positively affect customer loyalty. This evidence is supported by the findings by Marandi and Harris (2010) and Butcher et al. (2001). According to Marandi and Harris (2010), the importance of perceived service provider empathy in reducing customer anxiety, improving customer experience and having a positive impact on customer loyalty to health and fitness clubs. As suggested by Butcher et al. (2001), the friendship between customers and particular service employees has a major influence on the development of customer loyalty.

The managerial implication of this research is that fitness clubs need to provide effective services, pay more attention to customer needs and respond to customer enquiries quickly.

This study suffers the limitation that the backgrounds of respondents are insufficient of diversity. Further research should attempt to replicate the findings in a larger sample group.

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