

The Effect of Quality of Interaction, Physical Environment and Quality of Results on the Loyalty of ATHLETIC CLUB in Surabaya

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The Effect of Quality of Interaction, Physical Environment and Quality of Results on the Loyalty of ATHLETIC CLUB in Surabaya

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Abstract: The fitness centre is the rapidly growth industrial in providing a leisure time services (Industrial leisure). Specifically so many trade mark in fitness centre, like Olympic Gym, Fitness First, Celebrity Fitness, Fit By Beat, Gold's Gym, ATLAS Athletic, and Ade Rai's Club make the tight competition in the industrial leisure, so that it needs the optimal effort from every fitness centre to survive, so that a firm in the industrial leisure should make a strategic planning for getting the comparative advantages. By looking for a new customer, the fitness center takes so much time and human resource to simulate the customer's behavior. To attract a new customer, the fitness centre must design the interesting program for keeping the customer's loyalty effectively and efficiently. Simultaneously The customer retention reflects how much the customer's loyalty can attain, this retention gives a sign for management to build the brand image in customer's heart emotionally. Commonly The customer's behavior points how much their loyalty to take retention purchase. By increasing quality and services, absolutely the customer's loyalty can be maximized for getting this retention more and more. The important key for increasing corporate services is to design an interactive program between customer and employee. By firing the trouble maker employee, the management must improve the interaction quality. To keep an environment quality, the standard of services can be established objectively. By reviewing the customer's participant in daily activity, the management can structure the result's quality.

Keywords: Quality of Interaction, Physical Environment, Quality of Results and Loyalty.

INTRODUCTION

Based on the study from various parties, in general, Indonesia's economic prospects will improve again in the third quarter of 2015. Overall the Indonesian economy in 2015 will increase by 9.30%. Economic improvements will occur in line with the implementation of various government policies in the real sector supported by the maintenance of macroeconomic stability as well as improving business perceptions of economic actors and public confidence.

In general, Indonesia's economic growth is one of them supported by the service sector which contributed significantly to the growth of gross domestic product which increased by 2015 by 2.03% compared to the previous year (www.bps.co.id). The service sector here includes one of the leisure and sports industries, known as the leisure industry.

In big cities, sporting activity is no longer seen as a need to stay healthy but it has become a lifestyle [1]. For busy people, exercising becomes an important part of daily routine. They view this activity as relaxing the muscles and relaxing the mind. In addition, participating in a gym is also used as a place to build

social relationships. This is evidenced by the variety of sports activities that exist in the open space of the city. For people who have enough income, they choose to maintain a healthy body in the fitness center (fitness center) are widely spread in various corners of the city.

The fitness center industry is one of many industries engaged in leisure activities. Currently in Indonesia, especially Jakarta, fitness centers have mushroomed in various places. Starting from gym studio in residential complex, in shop, in mall, entertainment center, up to in star hotel. Some of the well-known fitness center names include Olympic Gym, Fitness First, Celebrity Fitness, Fit By Beat, Fitness Spa Fitness, Gold's Gym, ATLAS Athletic Club and Ade Rai Club. This makes competition between fitness centers inevitable.

Many companies, even fitness centers try to win the competition by spending a lot of time and resources available to find new customers. However, this is not enough. Attracting new customers without defending them is like pouring water into a leaky bucket [2]. This is due to the high level of customer switching.

A few years ago, research by the International Health, Racquet and Sports Association Association (IHRSA) found that 30% of new members would cease to be members in the fitness club only after the first three weeks [3]. Another study conducted by Tock [3] on several dozen health clubs in America found that within the first 45 days of membership, more than 80% of members who quit before their term of membership were exhausted, had low usage rates. In particular, the lowest level of usage and no use occurs at all between the 15th and 45th days of their membership. In the first two weeks, they are still at the club and show a fair amount of usage. This is due to the enthusiasm to fulfill their desire to improve health or because the club promises to accompany members with personal trainers. The circumstances at the beginning of this membership make the club think that they have done a good job in keeping the customer. However, in fact the initial three weeks of membership is only halfway to better customer retention.

With this increased competition, the gym should pay attention to the question, "How can we get members, and how will we keep them longer and expand our membership by recommending to their friends and family?" [4]. so it's important for the fitness center to keep customers.

There are two important things in customer retention [2]. First, it increases the high barriers to switching to competitors, raising capital costs, searching costs or communicating that they will lose the discounts that only loyal customers can get. Second, create a high level of customer satisfaction. The higher the customer satisfaction, the higher the level of their allegiance to the brand [5]. The second approach is a better approach because customers will have an emotional connection with the company's products or services so they do not choose brands rationally [5]. Emotional attachment and high satisfaction creates loyalty-behavior. This will further create a high level of customer loyalty, in the form of more frequent, longer and lasting use of the customer in the company or remain a member of the fitness club.

The important thing in building a high level of customer loyalty is to provide high value to customers [2]. Such increase in value can occur by improving the quality and services provided [6].

Quality is an important factor used by customers to compare the performance of services of a company with other companies. In reality, customers not only judge the quality of the services provided, but rather assess the quality of the service provider side and the physical environment in which the services are delivered [6] For service providers, building strong relationships with customers can help in creating customer loyalty that is fiercely belied by competing

brands [6]. Only by building a long-term relationship is a company can make a profit. This study is a scope of previous research in the form of a dissertation by Chia Ming Chang [7] "Examination of the relationship between perceptions of service quality and customer loyalty in Taiwanese Recreational sport / fitness clubs".

LITERATURE REVIEW

Quality of service is defined Parasuraman *et al.* [8] as an attitude derived from the comparison between expectations and performance. When a given performance meets customer expectations, then the service is perceived quality by the customer. This definition matches the quality concept approach based on the user proposed by Hope and Muhlemann

Consumption of services is different from consuming products. Consumption services occur together with the production. This is an inseparable part of the service. An example is in gymnastics classes. The gymnastics instructor produces services in the form of gymnastics training. The gymnastics exercise is directly consumed by the gymnastics participants by following the movement and direction of the instructor. Thus, service consumers are often physically present and have to interact with service providers in order to achieve optimal results. Customers assess service organizations based on service providers working in the organization [9]. Research conducted by Czepiel, *et al.*, Shostack, Surprenant and Solomon [9] found that interactions between customers and service providers play an important role in influencing customer ratings of the quality of the interaction, especially when the services categorized as interpersonal interaction with high level. For example, personal training services (personal training). Grönroos [10] refers to the quality of interaction as a functional quality, ie the comparison between the performance of service delivery and the customer's expectation of the interactions they need during consuming services. The performance of service delivery is assessed based on customer experience during interaction with service providers.

Mills [6] argues that if work in the fitness industry is part of a theater, then the club's fitness environment is the stage. Therefore the physical environment within the fitness club is a starting point in creating a supportive environment for members of the fitness club. In connection with this, Lori and Jeremy Lowell as quoted by Mills [6] suggest that the quality of fitness club studios has a significant effect on the experience perceived by customers today. The physical environment is defined by Zeithaml and Bitner [11] as the environment in which the services are delivered, and where companies and customers interact with each other. The physical environment is called Hawkins, *et al.* [12] as the atmosphere, or the outer layer environment. In relation to this definition managers must design the environment to create responses in the

form of a certain mood (mood) to the customer [12]. Wakefield and Blodgett [13] found that the physical characteristics, feelings and images created by the service company will be increasingly important when the motivation of customers to get pleasure, and time spent during service delivery increased. In the study they found that customers in the training center and gymnastics participants had a balanced goal of getting utilitarian and for getting hedonic in consuming services. The fitness center, just like resorts, conferences in hotels, sporting events and theaters, emphasizes the importance of physical features. In connection with this, Bitner [14] divides the physical environment within the service organization into three dimensions. These dimensions will affect the customer's perception of the company's physical environment. Such perceptions will then create responses that will influence the customer's assessment of the quality of his interactions with employees [11]. The first dimension is the surrounding conditions. The surrounding conditions herein include the characteristics of the background of the environment, such as air temperature, lighting, music, noise. All of these factors can influence a person in feeling, thinking and responding to the service. Indoor air temperature can affect customer comfort. Air temperature will increase as the number of customers and the level of indoor activity is higher. The higher the air temperature, the more customers will feel the discomfort in the room. The lighting that is usually most comfortable as a light source is natural light. However, natural light can cause problems. For example, the low intensity of sunlight during cloudy weather tends to make a person lazy to move. Therefore, an artificial lighting source is needed to adjust the service delivery situation. Music affects customers' moods, which will subsequently affect their consumption behavior [12]. Research conducted by Maister and Katz, *et al.* [15] show that music that is recognized and liked by customers will generate positive emotional responses to the service environment and during waiting time. This positive emotional response enhances the intentions of positive consumer behavior.

On the observation of the quality of service results there are measurable elements, which represent almost half of the factors cited by respondents in qualitative discussion. This theory advises customers that the use of any measurable evidence of service results as a proxy for value performance [14-18]. Research relating physical evidence to customer evaluation largely based on economic theory [19]. Parasuraman, Zeithaml, and Berry [18] shows that measurable evidence is a factor of service that customers consider when forming quality observations. Moreover, the measured variable is one of SERVQUAL [20]. In research done in the fitness center where gym members will see the physical changes they feel after using the services offered and the results they earn will

create satisfactory value that impacts the level of service quality that the gym offers. Surveys by researchers have indicated that waiting times influence the quality of results. In many cases, the response is negative, although some are positive for example when delivery of services takes place on time. Parasuraman, Zeithaml, and Berry [18]. Customers identify service timelines as an integral part of their overall evaluation, summarizing a negative relationship between waiting time and observation of the quality of outcomes, but this is only a handle if the wait is measured in absolute time, a longer waiting period has a negative response as a result Quality observations [21- 23]. In this study, however, the waiting time was not measured in absolute conditions, as this would require control linking to experimental conditions [21]. This condition was evaluated at a time similar to that used by Taylor and Claxton [23]. They suggest a positive relationship. Better observation of waiting time is related to observing the quality of results. Houston, Bettencourt, and Wenger [24] combined the waiting time into their analysis of qualities dealing with the services and findings of this on an important forecaster. Therefore, it is deemed that the waiting time is identified as a sub dimension of the quality of the results. Subdimensions of waiting time are implemented to the sub dimension of socialization which is the quality dimension of the results of the waiting time process. The process that resulted in consumer behavior while in the environment. For example Members of the gym can make community contact during practice at the gym. Socialization that exists in an environment can affect a person lasting long activities in the environment. If someone feels comfortable, where the place is when doing activities and meet with many different people from many aspects, it can be felt social or social life. The realization of a sense of kinship and friendship in the environment can make the environments entered more comfortable and can last long. In this research the gym members can socialize with other members and socialize with instructors and gym staff therefore socialization represents from the waiting time indicator described by Chang [7]. This study uses four components of loyalty arranged by Park and Chang to match their research on customer loyalty at fitness centers. From the above discussion can be concluded the definition of customer loyalty, namely the participation, subscription, the actual use of products / services of a brand longer, more frequent and sustainable all the time. The notion of loyalty of conduct has been mentioned above. From this definition it can be concluded that customer loyalty is a deeply held commitment to participate, subscribe or use products / services of a brand longer, more frequently and sustainably over time

STATEMENT OF THE PROBLEM

Based on the background described, formulations of the problem are as follows:

- Does the Quality of Interaction significantly affect on Loyalty?
- Does the Physical Environment significantly affect on Loyalty?
- Does the Quality of Results significantly affect on Loyalty?

OBJECTIVES OF THE STUDY

- To test and analyze the effect of the Quality of Interaction on Loyalty
- To test and analyze the effect of the Physical Environment on Loyalty
- To test and analyze the effect of the Quality of Results on Loyalty

HYPOTHESES

Ho 1: there is no significant influence on the dimension of the quality of interaction on loyalty

Ha 1: there is a significant influence on the dimension of the quality of interaction on loyalty

Ho 2: there is no significant effect on the dimensions of the quality of the physical environment on loyalty

Ha 2: there is a significant influence on the dimensions of the quality of the physical environment on loyalty

Ho 3: there is no significant effect on the quality dimensions of results on loyalty

Ha 3: There is a significant influence on the dimension of results toward loyalty

Conceptual Framework

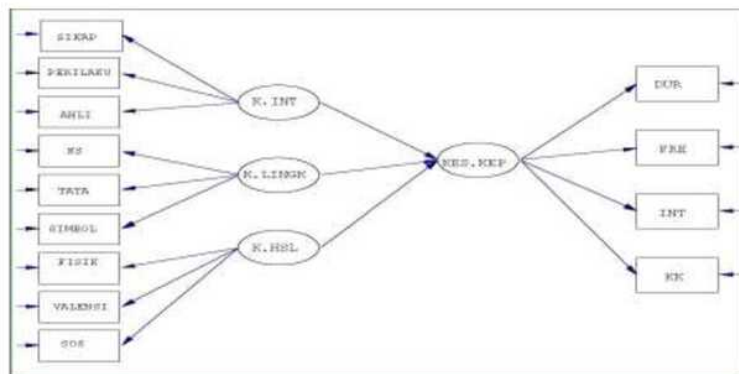


Fig-1: Interaction Quality Relationship Model, Quality of Physical Environment and Quality of Results with Loyalty

RESEARCH METHODS

This study is based on the research conducted by Chang [7]. This research is to test hypothesis influence of quality of interaction, physical environment, and result to fitness-keterlatan at fitness center. For measurement of variables using instrument chang [7] consisting of 4 dimensions are: (1) dimension of quality of interaction, (2) dimension of physical

environment quality, (3) dimension of result quality, (4) dimension of loyalty-behavior. Sampel Used in this study is a member of ATLAS Athletic Club fitness center in Surabaya. Sample taken as many as 320 respondents. Sampling procedure is done by judgment (purposive sampling) which is one of non probability sampling technique.

Table-1: Operational Dimensions of Variables of Love-Conduct

	<i>DIMENSIONS</i>	<i>INDICATOR</i>
Duration		The length of time someone has been a member at the gym from the beginning.
Frequency		Total purchase, use or participation during time period.
Intensity		The length of time per visit spent by members to buy, wear or participate in the fitness center.
Membership		The customer's desire to remain in the same fitness center after the membership deadline expires.

Table-2: Operationalization of research quality dimension variables interactions, quality of physical environment, and quality of results

<i>DIMENSIONS</i>	<i>SUB DIMENSIONS</i>	<i>INDICATOR</i>
	Attitude	Attentive and courteous attitude from employees.
	Behavior	Employee response to complaints and disappointments customers when there is a failure in service delivery, the ability of employees to adjust to customer needs, service delivery Which is good without being asked in advance by the customer
Quality Interaction		And provision of useful information to customers, Employee response to unwilling customers follow the rules.
	Expertise	The ability of employees in convincing customers believe
	Conditions around	The suitability of characteristics that are the background of the environment, such as air temperature, lighting, music, with the service delivery situation.
Physical Environment	Spatial layout and usability	Comfort perceived by customers from the way the arrangement of machinery, equipment and furniture, the distance between the goods, and the ability of these goods in facilitating the achievement of customer and employee goals.
	Symbols, signs and Artifacts	Positive impression that comes in the minds of customers to cues used by the fitness center is in communicating its image
	Tangible	Physical standards of members who have increased Member feel the result of exercise at the fitness center with proven health better
Quality of Results	Valence	The program (class) provided by this gym gives a lot Progress toward class, like Program Offered that creates a healthy lifestyle
	Socialization	Got many opportunities to make contact Community, enjoying social activities while practicing in the gym

RESULTS AND DISCUSSIONS

Based on the definition of service quality can be seen that service providers need to provide adequate service performance to meet the level of service expected by customers so that the services delivered will be perceived as quality services by customers. Services that customers expect are services that can meet their needs. However, the delivery of quality services to customers is not a simple matter. Research shows that customers assess the quality of services based on many factors related to the situation it faces [18]. It makes the quality of services complex. The

complexity is due to the experience it has with the company.

Data analysis techniques in this study using System Equation Modeling (SEM) where the system can measure two relationships simultaneously the structural relationship and the relationship measurement. The incorporation of structural model testing and measurement models allows researchers to test measurement errors as an integral part of SEM (Ghozali and Fuad, 2005). For this study, the author uses LISREL software.

Table-3: Respondent characteristics

INFORMATION	TOTAL RESPONDENTS	PERSENTAGE
Gender:		
1. Male	143 Respondents	45%
2. Female	177 Respondents	55%
Age:		
1. <20	83 Respondents	26%
2. 20 - 29	109 Respondents	34%
3. 30 - 39	68 Respondents	21%
4. 40 - 49	41 Respondents	13%
5. >50	19 Respondents	6%
Spending (billion)		
1. <1	42	13%
2. 1 - 1.9	76	24%
3. 2 - 2.9	124	39%
4. 3 - 3.9	35	11%
5. 4 - 4.9	27	8%
6. >5	16	5%

Table-4: Structural model quality interaction, quality physical environment, and quality of results on loyalty

RELATIONSHIP	Estimation of Parameters	t Value	Error Variance	Decision
Quality of Interaction	-0.33	-2.71	0.12	Significant
Physical Environment	0.13	1.28	0.10	Not significant
Loyalty	0.21	2.31	0.092	Significant
Epsilon	0.99			
R2	0.011			

Based on the above table it can be seen that t value variable quality interaction to variable loyalty-keperilakuan is equal to -2.71. Thus, any increase of 1 unit of interaction quality variable will decrease the loyalty-attitude variable equal to 2.71. The t-value obtained is greater than the theoretical t value for a significance level of 5%, ie 1.96. Thus, the first hypothesis in this study was empirically tested with a negative impact.

Based on the above table it can be seen that t value variable quality of the physical environment to the variables of loyalty-keperilakuan is equal to 1.28. Thus, any increase of 1 unit of physical environment quality variable will decrease the variable of loyalty-keperilakuan equal to 1.28. The t-value obtained is smaller than the theoretical t value for a significance level of 5%, ie 1.96. Thus, the second hypothesis in this study is not empirically tested.

Based on the above table it can be seen that the value of t value of the variable quality of results to the variable-keperilaku loyalty is equal to 2.31. Thus, each increase of 1 unit of quality variable results will raise the variable-keperilakuan loyalty of 2.31. The t-value obtained is smaller than the theoretical t value for a significant significance level of 5%, ie 1.96. Thus, the third hypothesis in this study is empirically tested.

CONCLUSION

In H1, it can be seen that the t-value obtained is greater than the theoretical value. That means H0 is rejected. The consequence is that the hypothesis is empirically tested. With other statements, the quality of interaction can have a significant effect on loyalty. The quality of the interaction shows that the service providers of a fitness center are able to interact well with their members by helping members in providing information about things that are not understood by members politely and kindly, and others [7].

In H2, it can be seen that the t-value obtained is less than the theoretical value. That means H0 is accepted. The consequence is that the hypothesis is not empirically tested. The causes of such discrepancies can be seen in terms of the weaknesses of the research methods and theories. In terms of the weaknesses of the research method, according to Kerlinger [21] there are a number of possibilities, one: the model is not suitable because the conceptualisation is bad and / or incorrect. Two, the model does not fit because the researcher made a mistake (maybe one or more) in using this system. Three, his computer analysis does not work because there are defects or deficiencies in the data, and four: the model does not match because the theory that the source is wrong or can not be applied to the problems encountered. With other statements, the quality of the physical environment can not have a significant effect on loyalty. Quality Dimension

Analysis (Gunawan and Kristaung) The quality of the physical environment in the form of a condition or physical condition that supports the fitness center is arranged in such a way, keeping the environment clean and other supporting facilities so as to generate interest and comfort for its members when exercising at the gym, with So members feel satisfied with the environment in which they exercise and spend their spare time [7].

In H3, it can be seen that the t-value obtained is greater than the theoretical value. That means H0 is rejected. The consequence is that the hypothesis is empirically tested. With other statements, the quality of outcomes can have a significant effect on loyalty. The quality of the results shows that service providers of a fitness center are able to create a good outcome to their members by means of programs that support their needs, create a comfortable atmosphere so as to create enjoyable experiences that are of course the members' desire to exercise and spend His free time [7].

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