

Factors affecting customer satisfaction in fitness clubs: Study from Kathmandu valley

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Abstract

This study examined the factors influencing consumer satisfaction in fitness clubs, focusing on affordability (price), location, advertising, and equipment quality. The objective was to provide fitness facility owners and managers with information to enhance their services and retain customers. Although equipment quality is essential, other factors may affect customer satisfaction. The regression analysis results indicate that affordability, location, and advertising significantly impact customer satisfaction, while equipment quality does not. These findings highlight the need for fitness clubs to prioritize accessibility, affordability, and effective advertising to increase consumer satisfaction. In a highly competitive industry, fitness clubs can optimize customer experiences and enhance overall business performance by understanding these factors.

Keywords: Marketing Strategies, Perceived Behavior, Physical Health, Success of Business

Introduction

In recent years, the fitness industry has experienced significant growth, with people increasingly recognizing the importance of maintaining a healthy and active lifestyle. Customer satisfaction is a complex and critical aspect across sectors, and the fitness industry is no exception (Patrick et al., 2022). The ability to effectively meet the needs and expectations of customers plays a vital role in the success and longevity of fitness clubs. This historical perspective highlights fitness's enduring appeal and relevance to promoting physical well-being (Addolorato et al., 2020; Van Hilvoorde, 2008). Barbosa et al. (2022) pointed out; Customers' opinions of the quality of the service they receive have a significant impact on their level of happiness, which in turn has a direct bearing on their level of commitment and longevity to the brand. Understanding these customer segments' unique characteristics and preferences is crucial for delivering tailored experiences and enhancing overall customer satisfaction. Customer satisfaction is paramount for any business organization's survival and growth (Dahal, 2019). Satisfied customers are likelier to become repeat customers, recommend the club to others, and contribute to positive word-of-mouth marketing (Do & Vu, 2020; Foroughi et al., 2019).

Thus, fitness clubs must prioritize customer satisfaction as a critical strategic objective. Pricing is a significant consideration among the factors influencing customer satisfaction in fitness clubs. Product and service pricing represents the overall cost to the customer and can significantly affect their perception of value. Ensuring affordability and offering competitive pricing can positively impact customer satisfaction (Dahal, 2021; Rynca & Ziaieian, 2021). Furthermore, the physical evidence of fitness clubs, including the quality and availability of equipment, plays a crucial role in shaping the customer experience. Customers expect well-maintained, up-to-date equipment that meets their fitness needs. The availability of a wide range of equipment options and the overall quality contribute to customer satisfaction (Do & Vu, 2020). In addition to pricing and equipment, the location of fitness clubs also affects customer satisfaction. Proximity to residential areas or workplaces, ease of access, and availability of parking facilities can significantly influence customers' convenience and satisfaction levels. Also, effective advertisement strategies can contribute to customer satisfaction by raising awareness, attracting potential customers, and creating positive brand perceptions. Clear and compelling communication about the club's offerings, amenities, and unique features can positively impact customer satisfaction (Do & Vu, 2020).

Understanding the relationship between affordability (price), location, advertisement, and equipment quality and their influence on customer satisfaction in fitness clubs is crucial for club owners and managers. By addressing these factors and meeting customer expectations, fitness clubs can enhance the overall customer experience, foster loyalty, and gain a competitive advantage in the increasingly crowded fitness industry. Despite the growing popularity of fitness clubs and the increasing emphasis on maintaining a healthy lifestyle, customer satisfaction in these establishments remains challenging for business owners. Understanding the factors influencing customer satisfaction in fitness clubs is crucial for improving the overall experience and retaining a loyal customer base. Hence, ascertaining which marketing factors affect customer satisfaction significantly for fitness clubs is vital for the growth and development of this sector.

The study has explored the following research questions:

- What are the factors related to fitness clubs affect customer satisfaction in fitness clubs in Kathmandu Valley?
- What is the effect of factors related to fitness centers on customer satisfaction in fitness clubs in Kathmandu Valley?

Earlier studies have highlighted various factors influencing customer satisfaction in different industries, and there is a need to specifically explore the factors that impact customer satisfaction in fitness clubs. The study's primary objectives were:

- To examine the factors related to fitness clubs that affect customer satisfaction in fitness clubs in Kathmandu Valley
- To analyze the effect of factors related to fitness clubs that affect customer satisfaction in fitness clubs in Kathmandu Valley.

The study can be relevant for the growing fitness club industry in Kathmandu Valley by ascertaining aspects of the marketing mix that significantly affect customer satisfaction. Fitness clubs will benefit from the study by getting information on the marketing mix that affects customer satisfaction the most so that they can manage growth strategies that is more suitable depending on the situation. All these factors influence the need to closely scrutinize consumer satisfaction to identify, understand, anticipate, and shape it.

Literature Review

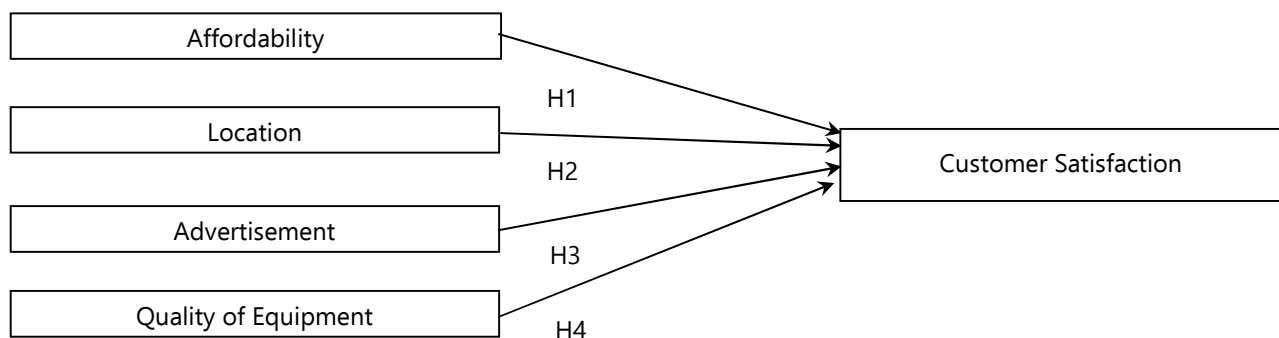
Customer satisfaction is a critical aspect of the success and sustainability of fitness clubs (Ong et al., 2021). Understanding customer satisfaction can help fitness club owners and managers improve their services and retain customers. This literature review explores the impact of affordability (price), location, advertisement, and equipment quality on customer satisfaction in fitness clubs. Previous theories, such as the Price-Quality-Value (PQV) model (Lee & Stoel, 2014) and the Expectancy Disconfirmation Theory (EDT), provide (Nwachukwu, 2018) insights into the impact of affordability on customer satisfaction. When affordable pricing aligns with customer expectations, it can improve customer satisfaction. Convenience theory suggests that; the notion of service convenience, therefore, provides a mechanism to involuntarily reduce a consumer's perceived time and effort expended on service acquisition and consumption (Berry et al., 2002; Colwell et al., 2008; Ghimire et al., 2021). As supported by convenience theory and marketing mix, physical locations of gyms and fitness clubs throughout Kathmandu. Convenience is the ability to reduce consumers' non-monetary costs (i.e., time, energy, and effort) when purchasing or using goods and services (Berry et al., 2002; Chang & Polonsky, 2012).

Furthermore, this study investigated whether sources of satisfaction differ in importance concerning gender and age, generally two critical variables for retail segmentation. Put location also suggests that the consumer will easily access the product (Jain & Jain, 2022). While selecting a strategic location for a business, numerous elements must be considered, including market research, trade region, access road, competition, and cleanliness (Anjelika & Sinaga, 2022). Also, good prices (according to quality, affordable, and competitiveness) significantly influence customer satisfaction (Dimiyati & Subagio, 2016). Service affordability and product testing are essential to customer satisfaction (Shinde et al., 2018). The study used affordability as the customer's capacity to use service cost. Advertisement and equipment quality is primarily based on the

cognitive processes and service quality model. Although similar in market penetration rate, voluntary and commercial organizations do not offer the same activities and levels of service quality that attract different types of public (Routier et al., 2020). Fitness clubs' equipment can attract customers and make them more pleasurable and satisfied. Maintenance of fitness equipment should be of prime importance (Teik, 2015). Additionally, such areas as finance, facilities and equipment, programme services, personnel, research, statistics, and organization administration require adequate planning (Bucher & Krotee, 2002).

This study of the literature looks at some of the most important things that affect customer happiness in exercise clubs. Price, position, advertising, and the quality of the tools all significantly impact how satisfied customers are. The owners and managers of fitness clubs should think about these things when setting prices, choosing sites, making advertising plans, and ensuring their equipment is in good shape. By taking care of these things, exercise clubs can make their customers happier, keep more of them, and be successful in the long run. Future studies should examine more factors and possible connections that affect customer happiness in the exercise club business. Based on previous studies and theoretical support, the conceptual framework presented in Figure 1 was used in the study. The dependent variable is customer satisfaction, and the independent variable comprises the marketing mix.

Figure 1
Conceptual Framework



The hypothesis has been framed to encompass the objectives of the study based on the conceptual framework of the study.

- H1: There is a significant relationship between affordability offered and customer satisfaction.
 H2: There is a significant relationship between location and customer satisfaction.
 H3: There is a significant relationship between the promotion activity of the club and customer satisfaction.
 H4: There is a significant relationship between the quality of the club's equipment and customer satisfaction.

Methodology

This study utilized the descriptive-causal comparative research design. The population of this study consisted of all the gym customers who live in Kathmandu Valley. Two hundred and seventy-three gym customers, as a sample for the study, were approached based on the convenience sampling technique. An organized survey questionnaire was constructed to generate the needed primary data. The questionnaire was composed of two sections. The first section dealt with the respondent profile (gender, age) of customers, and the last section consisted of fitness club factors (affordability, location, quality of equipment) with the dependent variable (customer satisfaction) of gym customers. All the questions in the last section were designed on a five-point Likert-type scale ranging from 1 to 5 (i.e., 1 = strongly agree; 2 = agree, 3 = neutral, 4 = disagree, and 5 = disagree strongly). The study employed Cronbach's Alpha to test the study variables' reliability and internal consistency. Table 1 shows the independent and dependent variables' Cronbach's Alpha coefficients. The results show that all the latent variables had a higher Cronbach's alpha value than 0.60, which is reliable and allow for processing for further analysis, as suggested by Thumboo et al. (2013). Furthermore, the study showed demographic information of the respondents, correlation analysis of the variables, and regression analyses of the independent and dependent variables.

Table 1
Reliability Test

Variables	Cronbach's Alpha	Number of Items
Affordability	.794	4
Location	.774	4
Advertisement	.694	4
Quality of Equipment	.803	4
Customer Satisfaction	.768	4

Presentation and Analysis

This section discusses demographic analysis and how survey-based primary data should be interpreted. This section goes into great detail about the respondents' demographic information.

Table 2
Respondents Profile

Group	Frequency	Percent	Group	Frequency	Percent
<i>Gender:</i>			<i>Age:</i>		
Male	174	63.7	Below 25 years	89	32.6
Female	99	36.3	26 to 40 years	121	44.3
			41 to 50 years	63	23.1
Total	273	100.0	Total	273	100.0

The information provided in Table 2 gives insights into the composition of the respondents in terms of gender and age. It indicates that the sample consisted of more male respondents than female respondents. Regarding age distribution, most respondents fell within the 26 to 40 age range, followed by those below 25 years and 41 to 50 years. These demographic details are essential to consider when analyzing the factors affecting customer satisfaction in fitness clubs, as they may influence the perceptions, preferences, and behaviors of different customer segments. The study tested the relationship between club customer satisfaction and the study's independent variable in Table 3.

Table 3
Correlation Results

Factors	Affordability	Location	Advertisement	Quality of Equipment
Customer Satisfaction	.911**	.924**	.862**	.908**

** Correlation is significant at the 0.01 level (2-tailed).

The correlation results indicate that affordability, location, advertisement, and equipment quality are all highly correlated with customers' satisfaction, and they significantly impact customer satisfaction in fitness clubs. Fitness club owners and managers should focus on enhancing these factors to ensure higher levels of customer satisfaction and ultimately improve the overall customer experience.

Table 4
Regression Results

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	.170	.076		2.231	.026
	Affordability	.260	.057	.270	4.550	.000
	Location	.318	.081	.349	3.939	.000
	Advertisement	.275	.040	.264	6.872	.000
	Quality of Equipment	.100	.083	.113	1.210	.227

Dependent Variable: Customer Satisfaction

Predictors: (Constant), Affordability, Location, Advertisement, Quality of Equipment

R = .948; R² = .899; Adjusted R² = .897; F = 593.348; P = .000

The regression results demonstrate that affordability, location, and advertisement have statistically significant and positive effects on customer satisfaction in fitness clubs. However, the equipment quality does not directly correlate with customer satisfaction. These findings suggest that fitness club owners and managers should prioritize affordability, convenient locations, and effective advertisement strategies to enhance customer satisfaction and overall club performance.

Discussion

Based on the results of the prior research and those of the current study, several important issues about the variables impacting consumer satisfaction in fitness clubs have emerged. Affordability (price), location, advertising, and equipment quality were all included in these considerations. These characteristics and their consequences for consumer happiness in fitness facilities were investigated throughout the conversation. According to Dahal et al. (2022) and Srivastava and Kaul (2014), a customer's delight with a product or service interacts with how convenient the product or service is. Dimiyati and Subagio (2016) found that a reasonable price substantially impacts the development of customer satisfaction. Affordability was shown to be a vital element in this research as well. The study came to the opposite conclusion of what Teik (2015) believes: that the equipment found in "fitness clubs" may attract clients and make their experience more pleasurable and satisfying. According to Teik (2015), keeping exercise equipment in good working order should be paramount, as the location is strongly associated with client satisfaction (Jain & Jain, 2022). It's believed that by understanding and addressing these factors, fitness club owners and managers can enhance the overall customer experience, attract and retain customers, and ultimately contribute to the success and sustainability of their business.

Conclusion

In conclusion, this study aimed to look into and assess the things about exercise clubs in Kathmandu Valley that affect customer happiness. The results show how important price, position, and advertising are to customer happiness. However, the quality of the tools did not show a significant link. The data showed that price plays a big role in how happy customers are, with lower fees or more cheap membership choices making customers more comfortable. Also, the ease and accessibility of the fitness club's site were found to be necessary, as customers were happier with clubs that were easy to get to. Effective advertising tactics that spread the word about the exercise club's services and made them look good also greatly affected customer happiness. But the study didn't find a statistically significant link between the quality of the tools and how happy the customers were. Even though the quality of tools may still be necessary for getting and keeping customers in exercise clubs, it may not be the main thing that makes customers happy. Overall, the regression model showed that the effects of price, position, and advertising together explained 89.7% of the variation in customer happiness. This shows how important these factors are to the general customer experience and how important it is to deal with them to make customers happier in fitness clubs.

Implications and Limitations

The findings of this study have practical implications for fitness club owners and managers. By focusing on these areas, fitness clubs can optimize customer satisfaction, improve customer retention rates, and gain a competitive advantage in the industry. It is essential to acknowledge the limitations of this study. The research was conducted within a specific context and with limited sample size. Future studies could explore factors influencing customer satisfaction, such as the range of services offered, cleanliness, staff competence, and social atmosphere within fitness clubs. Additionally, expanding the sample to include a more diverse range of demographics could provide a broader understanding of customer satisfaction in fitness clubs.

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