

# Role of Service Quality Strategies on Satisfaction and Customer Loyalty and Enhance their Brand Strategic Position at Private Clubs: Present Model

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## Abstract

This research was done with the aim of investigate the role of service quality strategies on satisfaction and customer loyalty and enhance their brand strategic position at Private Clubs: Present Model was done. Methods this descriptive correlation studies that were conducted through a survey. The population of this researches all customers Private Clubs (5 years of membership) in 2016 to 750 people. According to Morgan table 254 students were selected as sample. In order to collect data from standard questionnaires (Mahmudi, 2015) Quality of Service (the tangible quality, reliability, responsiveness, assurance and empathy), customer satisfaction (appearance, staff, facilities, promotion and products), customer loyalty (attitudinal and behavioral) and a standard questionnaire (Malekakhlagh, 2011) to promote the brand's strategic location (trust and loyalty, quality and quantity of services, social and communicative approach, reputation and advertising and price) were used. After confirming the face validity by experts, the reliability of the questions was examined through Cronbach Alpha. The rate for questionnaires 0/90 service quality, customer satisfaction 0/90, 0/91 customer loyalty and enhance their strategic position 0/92 respectively. To analyze the findings of the t-test, t test and F and structural equation model was used for statistical comparison. The results showed that the impact of service quality on customer satisfaction, but customer loyalty and enhance their strategic position has no effect. Customer satisfaction and brand loyalty are affected, but the upgrade does not affect strategic position. Strategic location also has an impact on improving customer loyalty.

**Key words:** Brand, Customer loyalty, Satisfaction, Service quality, Strategic

## INTRODUCTION

In the recent decades sport industry experiences new era as sport is considered as economic part in product production & sport services & national economic & it is considered as the most profitable industry in 21 century (Salimi et al, 2015; 13-36). In an age of increasing globalization, competitiveness is a major issue among industrial movers in sport industry (purshafiee et al, 2016, 251-268). So can be stated that these days, brands are most important in ages, why in this era, the companies are successful that have plan which recognize their expectations & with

branding plan create & reply their needs & expectations (Behnam et al, 2014, 179-186). Therefore strongest brand has most important effects on services parts, when a gym can do innovative services that gym (includes customers & staffs & managers) do Integrated Marketing & obtain competitive advantage in long term (Shah Tahmasebi et al, 2014, 85-106).

Goal of most organizations is happiness among customers because customers' satisfaction change their sellers when face to better services or products. Customers will be satisfy & happy by buying product or service, less willing to change their service provider products & services & required to receive from another source. More satisfactions & happiness not only cause to the preference rational, but also cause to a kind of emotional relation to brand (Mahmudi, 2011, 115-136). Today, service quality is one of the formal subjects in service marketing & management, the word of "quality" is a part of managerial daily words. One of the

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most important issues in service survey is service quality that caused to customers' satisfaction. So it is affected on WOM, loyalty & customers' attitudes (Carrillat, 2007, 37).

In this regard, the searches showed that proper service quality & satisfaction are the most important factors on customers' loyalty. So there is relationship between the service quality of gyms & the level of customers' loyalty & satisfaction. The researchers believed that services quality effect on planning quality, Gym environments (saidi et al, 2015, 29-38, Mahmudi et al, 2015, 31-51). Pedragosa&Correia (2009) said; "Satisfaction is a variable that relates to customers & gyms tools" & it has important effect on the level of customers' loyalty. Mural, Pugazhendhi and Muralidharan (2016) considered the relationship between service qualities after selling & keeping & loyalty of customers.

As Ebrahimi et al (2014) stated the value proposition & service quality has effects on the brand value & the brand value effects in brand preferences & customers' purchase intentions. So creating a strongest brand is organizations' goal, & experts believe that brand can create value more than current values. Today, Brand is not just a effective tools for managers. The brand is a strategic imperative that organizations in order to create more value for customers as well as to create sustainable competitive advantage (Keller, 2001, 14-19). In the recent decades, researchers pay more attention to the brand in the services; It's worth noting that a typical asset value that has been created by professional financial activities beyond (Farahani et al, 2014, 51-65). Positive effects caused to satisfaction by Brand. As results, there is positive relationship between customers' satisfaction & trust (Aydin&Ozer, 2005, 486-504). Therefore, 4 functions are considered for a brand; warranty, personal identity, social identity & dignity (Rio et al, 2001, 65-81).

Currently, it seems to not to be enough the customers; satisfaction & the companies don't be happy just with it, the gyms must be sure more than customers' satisfaction, they are loyalty, too. In this paradigm, the goal is long-term & relationship & interaction with stockholder groups & customers as keep more customers & lost less of them so in long-term obtain more benefits & so increasing the profitability & market share (MalekAkhlaghi et al, 2011, 1-16). Since one of the private gyms' approaches is increasing the income by increasing the number of customers, so it seems traditional marketing & its strategies cannot make competitive advantages & must do this with modern marketing. Then, the businesses try to find new works with new strategies to increase their profitable more over market share & can obtain competitive advantages & distinguish others. Intense competition, a

dynamic market and high investment costs for entering new markets cause that companies use innovative brand strategies such as branding partnership (Dehdashti et al, 2012, 87-105). In the market competition situation, gain a proper position in the consumer memory, as he/she is loyal to you, has great importance & factors that effect on it, is the brand reputation. Brand reputation is a key factor in organizations' value & it is a power of a business to obtain a new customer & keeping them. Perhaps the most striking skills of a professional marketer, is to create a brand, protect it, strengthen it & its customers to be loyal (Maja, 2014, 102-129).

Today, brand management has a most customers in marketing world, & some of theorists, managers & researchers believe that the future of marketing is brand management & branding activities. Perhaps no capital more than a powerful name, reliable & value creation for organizations not work. Vulnerability less in terms of market competition, profit margins greater, more powerful communications are brand advantages. There are various researches in about brand such as Zhuowei (2015) he pointed that based on special brand value based on customers' views, two factors; brand image & brand awareness has positive effect on customers regarding to the brand value propositions. Strategic brand management is considered as a most important plan for each gym & it is a best way for expectations; as some times neglect cause to destroy brand & the opportunity will be irreparable. After careful analysis of stakeholder needs should be considered identity for brand, then driven brand strategy, measures to implement strategy, upgrade the company's performance in fulfilling the expectations of stakeholders (Kennelly&Toohey, 2014, 407-418). Brand is one of the biggest challenges for business & regarding to the importance of gyms, must be stated that brand has strategic value for organizations, brand can be considered as part of tangible assets for companies (Bodet&Chanavat, 2010, 8-24).

It seems that providing the area of Strategic Planning for Private Clubs is the first major step to organize & diverse efforts in field of gyms. With regard to the progress, development & people's interest in physical education & sport, on the one hand, & appropriate, high potentials in this sector on the other hand, need to the accurate recognition of current situation & also providing the basic strategy to determine the private gyms' strategy for short-term & long-term plans as the main goal of private gym of strategy is creating the perfect platform to enhance service quality & customers' satisfaction & loyalty. Regarding to the above sentences the value of brand is not specified among private gyms & not only it is an intangible asset but also it is an asset that not defined yet. Probably the achievements

of the present research model will be identified the factors affecting the strategic position of brand position & the gyms managers will be aware to identify strategic branding perspective view of service quality, customer satisfaction & loyalty. Determine appropriate strategy to provide better services to athletes; including sport facilities & equipment development is one of the ways of increasing customer satisfaction of services & sports organizations. According to the above sentences & done studies there is this questions that what the private gyms strategy is & how they can be obtain proper strategy?

Researcher seeks to answer the hypothesis that the role of service quality on customer satisfaction & loyalty strategies, enhance their strategic position private gyms look like?

## METHODOLOGY

The recent research is a practical research in term of goal because develop the practical knowledge in special area & the data collection is descriptive research & in term of nature it is correction ones because the goal of this research is finding the relationship between variables that will be done as surveying. Based on statistics provided by the General Administration of Sport and Youth Affairs Bureau clubs Esfahan number of customers Private Gyms (5 years subscribers) were 7500 persons, in 2016. The sampling is stratified random sampling (in Isfahan city) is proportional to the sample size, that selected 384 persons based on Cochran formula. For data collection was used service quality questionnaire (Mahmudi, 2015), customers' satisfactions (MalekAkhlagh, 2010), brand strategic positioning development (Ghavami&Nazari, 2015). After determining the face & content validity of questionnaires by experts, the durability of them are surveyed by Cornobach alpha (0.90, 0.91, 0.92). For analyzing the data was used univariate t, t test and F test to compare the mean and SEM. All data were analyzed by using the software package SPSS version 19 & LISREL software Version 54/8.

## FINDINGS

Customers' satisfactions have high mean 4.21 & brand reputation, advertising & brand strategic position development (promotion) has the less mean 3.11. In the first for normalizing was used Smirnov- colomogrov& for variance homogeneity was used Leven test ( $p \leq 0.05$ ). According to the results, sample followed have normal distribution & variance homogeneity.

According to the Figure 1 service quality of private gyms are considered as predictor variables with other components;

physical situation, level of trust, confident to services, replying to customers & gym sympathy & also customers' satisfaction & customers' loyalty are considered as latent or mediator variables such as; appearance, staffs, facilities, service promotion, equipment & customers' loyalty includes: attitude & behavior. The brand strategic position is considered as the criterion variable that measured the quality, approach, reputation & price.

Tables 1 shows the fit model indexes, as it is clarity & specify all the indicators at this stage & desirable requirements fulfilled & this model is meant to support data. In the other words, the researched model is acceptable with the recent graphic diagram & can be assessment hypothesis in the next step. After fitting the model to assess the suitability of the data, or in other words to examine whether the research questions been used to measure variables whether it selected correct or not, was used load factor of variable. Loaded factor shows the hidden levels variable load. This amount represents the change in the variance of each measure that its clear indicators that are explained by hidden variables. Compare this amount with the number at least 0.5 to decide in about sustainability of observed variable. In the other words, researcher decided in removing observed variables to less value than 0.5 & thus do assess the validity of their structures. LISREL software outputs at this stage can be seen in Table 1. One of the most important indicators of Absolute fit indexes AGFI that it is obtained as 0.91, & the most important indicators of comparative fit indexes is NFI normalized fit index model & its number is 0.96. There is two most important factors RMSEA with 0.09 & df 2.07 in the Thrifty fit indexes.

## DISCUSSION AND CONCLUSION

The findings of research showed that based on the modified main model, the service quality affected by customers' satisfaction, customers' loyalty & brand strategic position development (promotion) of private gyms. The results of research are same as; Emad Hosseini & Farzam (2015) research that they pointed that there is significant & positive relationship between service quality dimensions of gyms & the level of customers' satisfaction & loyalty. Also each of the service quality dimension lonely, predict level of customers' satisfaction & loyalty changes. According to the recent research results, the service quality has most important role in customers' loyalty & satisfaction. Also the results of this research is same as Moral, Pogajendi & Moraliidharan (2016) research that showed there is significant relationship between service quality after selling & customers' satisfaction & keeping them & their loyalty. This similarity can be because of the high effectiveness of service quality, but this research

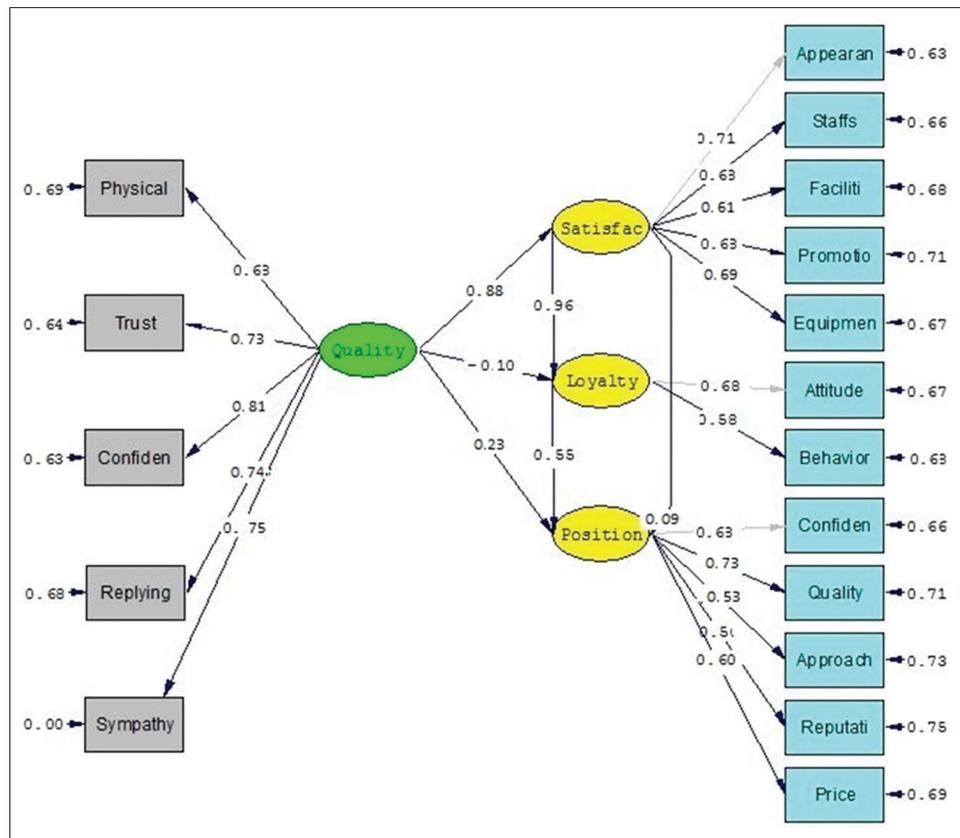


Figure 1: The main model of research

Table 1: Most important index of the fitness model

Indexes classification	Name of indexes	Abbreviation	Fit model index	Acceptable fit
Absolute fit indexes	Goodness of fit index	GFI	0.93	GFI>90%
	Modified goodness of fit index	AGFI	0.91	AGFI>90%
	Residual root mean square	RMR	0.038	RMR<5%
Comparative fit indexes	Tucker-Lewis index	NNFI (TLI)	0.97	NNFI>90%
	Normalized fit index	NFI	0.96	NFI>90%
	Comparative fit index	CFI	0.97	CFI>90%
	The incremental fit index	IFI	0.97	IFI>90%
Thrifty fit indexes	Root mean square error of estimate	RMSEA	0.09	RMSEA<10%
	p- value	p	0.00	-
	Freedom rate	df	113	-
	normal Chi-square to the degree of freedom	CMIN/df	2.07	3>CMIN/df>0
	Thrifty normalized fit index	PNFI	0.80	PNFI>0.05%

showed that service quality has effect on brand strategic position development, while these results research are similar to Ghorbani&Shabgomonsef (2011) research that showed there is significant differences between services quality & their dimensions; tangibles, reliability, responsiveness, assurance and empathy, as well as customer satisfaction in the private and public gyms as these factors in private gyms are more than public ones. The research showed that knowledge of service quality for profitability, long-term survival & efficiency is so important. Quality can be expended as awareness of scope of customers' satisfaction; this knowledge can be achieved expectations &

inferences that make up its customer base. Marketer achieve satisfaction by providing high level of expectation, thus they can find the level of service quality. The researchers understand that the customer attitude of service quality is about the current status of current service quality vs their expectations. So service quality can be defined based on customers' satisfaction as the difference level among customers' expectation & needs of the functions of service.

Regarding that satisfaction of service caused to customers' loyalty to gyms, this achievement can be similar to Pedragosa&Correia's(2009) research results that they

discuss customers' satisfaction from three perspectives: expectations, the equipment & the customer loyalty. According to that there is positive & strong relationship between customers' satisfaction & loyalty & satisfaction is the first needs of loyalty (in the other hand, some of customers that emphasis to the satisfaction yet used competitors' services). However, customers who are very satisfied, have little appetite to use other products in the market. The findings of research showed that the level of relation effect & also measured  $t$  (the criteria in more than 2) resulted that customers' satisfaction effects on the brand strategic position development. The results of research are same as Rashidi & Rahmani's (2013) research which named brand & its effect on customers' loyalty. Their research showed that a brand can satisfy persons in all dimension cause to their loyalty & this loyalty causes to development & success than competitors. So we can say that there is positive & significant relationship between brand & customers' loyalty. Brand loyalty, tend to search desired brand & are less susceptible to competitive advantage. The result is lower costs for distribution & marketing competition. Customers should be aware of the value of their respective clubs to be encouraged to operate the club in the coming months. For encouraging this process, the advertising strengths the customers' attitudes so these attitudes evolve & eventually become loyalty. Reinforcing behavior is easier than changing them & when sales begin that an athlete is to become a loyal customer. In this regard, Kennelly et al (2014) stated that the reasons of formation strategic alliance are desire to achieve common goals to improve the efficiency, environmental uncertainty, complexity, simplify management efficiency & competitive advantage. Regarding to the similarity among this achievement the reason of it is brand strategic alliance effect as an effectiveness tools in new markets & brand strategic position development. It can be interpreted if a brand is reliable in alliance (union), the understood quality of common brand & product is more & have positive effects on brand positioning. Brand credibility is effective on brand strategic position development (promotion) means the brand credibility effect on brand strategic position development, indirectly. So that the brand is forming more alliances & strategic position their brand value increases.

Regarding to the obtained results in modified main model of research, showed that service quality effects on brand strategic position development (promotion) by customers' satisfaction & loyalty in private gyms. It is important to note that one of the direct effects of providing quality services to improve effectively the ability to satisfy the needs of athletes in gyms because they understand the needs of athletes. Also providing the better services for athlete, causes to repeated coming back to gym, spreading positive

word of mouth advertising to potential customers & promote the gym brand position. The direct effect of service quality, increase the club's ability to provide efficient service for athletes, because gyms understand the athletes' needs. Therefore, unnecessary services reduced or removed. To increase efficiency & effectiveness of service delivery, increase gyms' profitability. Team managers of gyms should know that the service quality is a profit strategy for the gym. Managers must invest in service quality which led to profitability. So we must bear in mind that the relationship between service quality & profit is not a simple relationship. Researchers are distinguished to respond to service quality effect on profits, the aggressive effects (for example: to gain more market share) & defensive effects (retain customers, reduce costs, promotion). As the improvement service quality causes to new athletes' attraction (aggressive effect) & also led to strengthen the gym to keep current potential athletes (defensive effect).

It should be noted that customers' knowledge are more for gyms' products & services, & will increase their trends & demands of products & services. Increasing the awareness of gym brand happens by repeated exposure to it. It means that more consumers' experiences of brand will be increased by see, listen & think to it & will be memorable, so gym must be used proper marketing plans to increase the customers' brand awareness. Mental imagery refers to the intangible aspects & intangible brand & consumers acquire directly & indirectly mental images. Consumers think more to gyms' products & services & have more data, cause to relations between potential data of brand & his/hers strength mental imaginary of gym brand. Although customers have a set of attitudes towards the gym brand in the minds, but the attitude that perceived quality, customer value & satisfaction is closely related to it, plays a key role in brand equity. Customers towards their favorite team and the good feeling good feeling good feeling & positive intention of affecting the result of the judgment is positive towards their respective gyms. Perhaps acknowledged the strategic position of the brand, brand equity is the heart. Private gyms with design, production, marketing, sales, service & sports products in a manner that could create a positive image of their brand & making strong mental associations, causes to create a unique & desirable in consumers' minds. In this regards must be provided most important components such as; mutual trust among gym & audiences, pay attention to social & communicational approaches with advocators & regarding to the quantity & quality of services for customers. Besides the proper price & costs of products & services must be tried to create best feelings & emotions & experiences of brand & then improve the level of conformity with your brand why private gyms must be increase their brand values based on customers' visions & agreed their commitment in customers' attitudes. As

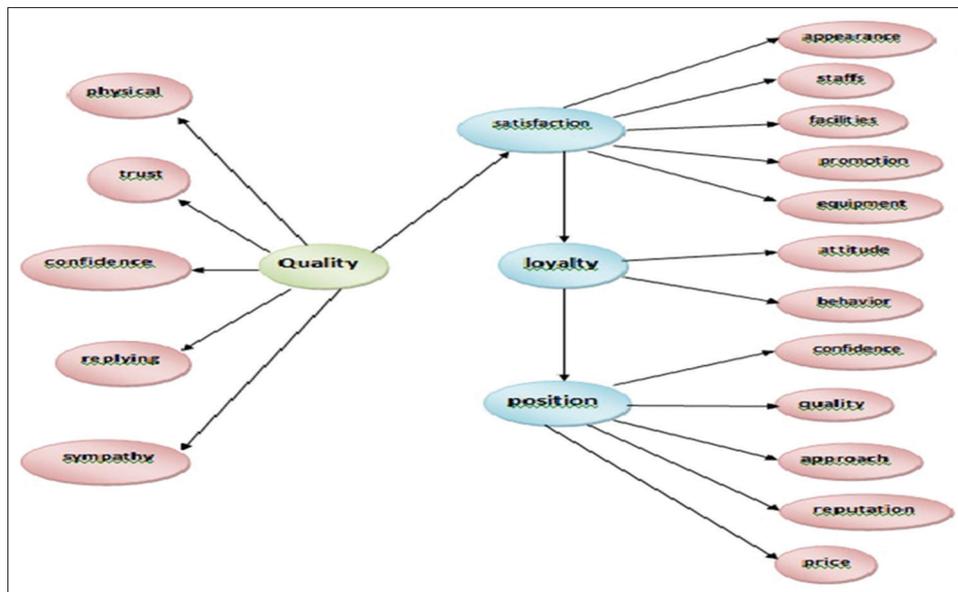


Figure 2: The proposed model research

most of researches emphasized to the importance of loyal customers & also believe loyal customers are assets of an organizations & loyalty is considered as most important dimensions in brand value.

It seems that private gyms can be used proposed model in Figure 2 & highlight the brand alliance (union) by other brands credibility in production & services can be led to brand strategic position development (promotion). Provided that the mutual trust between the club & the audience, according to social attitudes & communication with advocators, preserving the reputation acquired in a competitive environment may be of interest to strategic managers of the club.

The quality of private gyms is considered with components such as; responsiveness to customers and empathy club as predictor variable, variable customer satisfaction and customer loyalty as latent variables or mediation that customers' satisfaction components are; appearance, staff, facilities, equipment & customers' loyalty components include; behavior & attitude. The brand strategic position variable is considered as criteria variable in recent research that includes; rust, quality, attitude, reputation & price elements for the promotion of the private gym strategic.

It is suggested that the senior managers of private gym raise & improve the reliability, quality & innovation in products & services of your brand gym which led to increasing the brand credibility & then the customers recommended our products or services to others that in turn it is WOM advertising are for gyms. Brand marketing managers try to

create brand alliance by choosing validated partner brand with a high reputation stockholder to help the customers' positive evaluation of common brand credibility which obtained by brand alliances (Union). Thus, according to the results of research on the impact of service quality, private gym managers have always cycle in motion quality. Private gyms managers must pay more attention to athletes' needs & favorites. Also gym must be provide a total model of organization's functions for customers to they understood what to buy products Club to special features and unique compared to other clubs gain.

In fact, relying on television advertising, the Internet & virtual networks or training to advocators cause to development & promote the gym position.

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