

Factors Influencing Customer Purchase Intention of Fitness Center Membership:

A Case Study of MBA Students at Assumption University City Campus

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Abstract

The increase of fitness center market attracts the investors as the health conscious trend of Thais that boom in last couple years. Numerous new health care businesses are coming to the industry. To keep the leader status in the industry and achieve business goal by increasing profit, the existing companies need to know their customers very well and serve their needs completely. This study aims to determine which factors and criteria influence customer intention to purchase in fitness center membership in central Bangkok area which has three brands, namely Fitness First, TRUE Fitness and Virgin Active. The variables in this conceptual framework are purchase intention (dependent variable) and number of branches, brand image, activity class, facility, staff service quality, price and demographic factors (independent variable). This present study uses quantitative research method and used data gathered from survey questionnaire from 152 respondents who are MBA students at Assumption University City Campus. The multiple linear regression is used for analyzing the statistical relationship between independent variables and dependent variable. The results of the study shows that price is the most influencing factor toward customer purchase intention in fitness center membership, followed by facility and number of branches. The management team can use this results for improving their products and services to be top of mind brand and compete in the intense competition.

Keywords: purchase intention, fitness center membership, Central Bangkok Area, exercise, number of branches, brand image, activity class, facility, staff service quality, price, demographic factors

Introduction

Health consciousness is a hot topic around the globe, and they have been for years (www.nielsen.com, 2015). The Global Burden of Disease Study in 2013 shows that around 2.1 billion people or nearly 30% of world population, were overweight. The good news is that people are trying to take care of their health. Nielsen Global Health & Wellness (2015) states that three quarters of respondents around the world are trying to lose weight plan, and 72% plan to exercise. The highest region doing physical exercise is Asia-Pacific. However, the research of Sun Life Asia Health Index 2015 shows that 94%

of the respondents know the importance of being healthy but half of them still did not exercise regularly.

Nowadays, there are numerous health and fitness clubs which provide space and equipment for workouts, together with the activity class. More than 80 billion U.S. dollars can be generated annually in global fitness and health club industry. In 2015, more than 186, 000 fitness & health clubs have been worldwide and more than 150 million people are health/fitness club members (Statistics and facts on Health & Fitness Clubs, 2015). The fitness center market in Thailand in 2015 was valued at 9,000 million baht with 10% growth which is very interesting and attracts the investors. Furthermore, the International Health Racquet & Sports Club Association (2015) said that the ratio of Thais who are the members of fitness centers is only 0.6% which is very low rate compared to the Singapore and Australia (Marketeer, 2016). The National Statistical Office of Thailand poll in 2011 shows that the top reason why Bangkok people do not work out regularly is that they have no time to exercise.

The behavior of people has changed in the recent years. They take care of themselves more. They start choosing the food that is good for their health and do exercises because the information around tries to convince educates people to take care of their health (Assawan, 2014) The health consciousness trend of Thais gives more opportunities for fitness centers to increase in market value (Boom Fitness Center Market, The Players Accelerate Branches Expansion, 2016)

Literature Review

The previous studies provide the useful information which shows the relationship between independent variables and dependent variable.

Number of Branches (Availability)

Customers use various channels to search information on varieties of products offered in the market which motivate purchase decision of the customers (Nguyen & Gizaw, 2014). Paul and Rana (2012) found that product availability is the factor affecting customer purchase intention. Furthermore, Steinhart, Mazursky and Kamins (2013) stated that product availability and lack of product availability influence purchase intention.

Brand Image

Brand image can drive brand equity which refers to consumer's perception and feeling toward a brand and influence consumer behavior (Zhang, 2015). In the study of Akbariyeh(2015), Shah et al.(2012) and Arslan(2014) are result in the same finding that brand image has a significant relationship with purchase intention.

Activity Class Offered (Product Quality)

Group exercise program is one of the criteria that customers use as a basis of their decision making in choosing fitness center (Wang et al., 2008). Well-structured and supervised exercise are provided as group exercise which are the option for the people who may not interest in sport or individual activities (Ntoumania et al., 2016) In the study of Akbariyeh(2015) and Paul and Rana(2012), results showed that the quality of product is very important, also a key factor influencing customer purchase intention. Shaharudin et al.(2011) presented that positive or negative perception of the product quality can drive purchase if the expectation on products are similar among the brands

Facility

Pervaiz and Khan (2015) stated that various elements of store image influence purchase intention. Physical facilities is one of the factors that have significant impact on youths' purchase intention in Pakistan. Zhang and Li(2014) also stated that facilities are one of the factors that influence purchase intention. Furthermore, Haussain and Ali(2015) study proved that atmosphere influences purchase intention. Cleanliness, music, scent, lighting and product display/layout have significant impact to purchase intention. However, Shah et al.(2012) stated that there is negative relation between environment and purchase intention.

Staff Service Quality

Service quality is a critical component for sport facilities. It can increase number of customers, generate competitive advantage and increase sustainable revenue (Yu, Hyun Soon, Zhang et al, 2014). The study of Arslan (2014) also shows that service quality has a significant relationship with purchase intention.

Price

Price is a very important factor for consumers in selecting a fitness club. The customers will compare the price and the experience they would gain (Wang, Wu & Quan, 2008). Paul and Rana(2012) found that high price is one of the reasons for not purchasing the product. Zhang and Li (2014) also stated that price is the factor that affects purchase intention. However, Akbariyeh (2015) and Arslan (2014) found the opposite result that price has no significant effect on purchase intention.

Demographic Factors

Paul and Rana (2012) determined the demographic factors affecting purchase intention on organic food then stated that educational level and location are positively related to the quantity of organic food purchased. Other demographic factors such as gender, family members and household income are not significant. The study of Madahi and Sukati (2012), Zhang and Li (2014) and Nguyen and Gizaw (2014) also showed that demographic factors such as gender and income have positive impact to customer purchase intention.

Conceptual Framework

This conceptual frame work is structured based on the previous studies from several sources. There are seven independent variables and one dependent variable in this framework. The independent variables are number of branches (availability), activity class offered (product quality), facility, which are tangible factors and brand Image, staff service quality, price, demographic factors which are intangible factors.

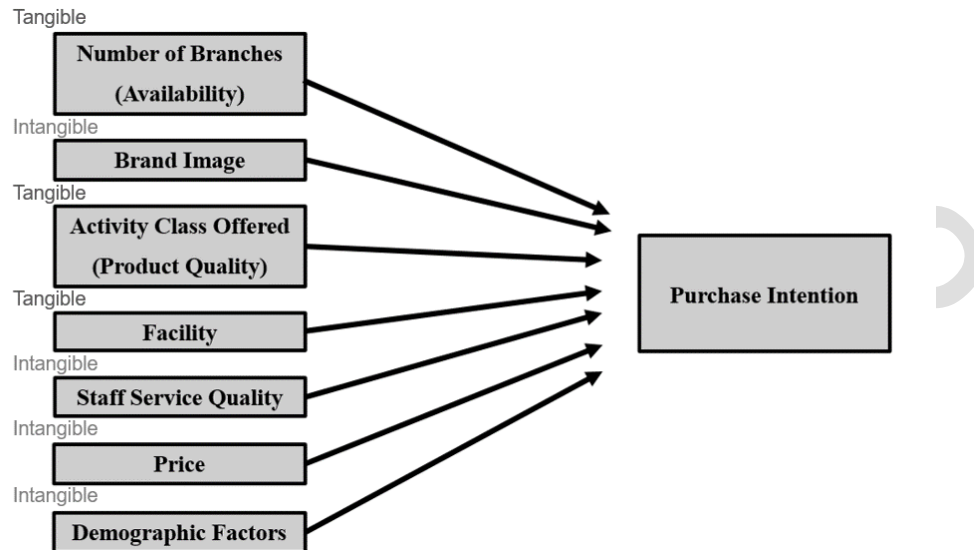


Figure1: The conceptual framework of the study

Hypotheses

- H1o: Number of branches has no significant relationship with customer purchase intention in fitness center membership
- H2o: Brand image has no significant relationship with customer purchase intention in fitness center membership
- H3o: Activity class has no significant relationship with customer purchase intention in fitness center membership
- H4o: Facility has no significant relationship with customer purchase intention in fitness center membership
- H5o: Staff service quality has no significant relationship with customer purchase intention in fitness center membership
- H6o: Price has no significant relationship with customer purchase intention in fitness center membership

- H7o : Demographic Factors has no significant relationship with customer purchase intention in fitness center membership

Method of Research

The quantitative approach was utilized in this study. This study used statistical analysis program to complete the data analysis by using correlation and multiple regression.

Target Population

The respondents of this study were the MBA students at Assumption University because the age of students is in range of fitness center target customers. Furthermore, they frequently go to Zen@Centralworld, Central Bangkok area which has three brands of fitness center in walking distance; Fitness First at Siam Paragon, TRUE Fitness at Zen@Centralworld and Virgin Active at Siam Discovery

According to the number of MBA students at Assumption University in October 2016, the total target population for this study is 250 respondents

Sample Size

To ensure that this study is reliable, the sample size is determined by using Krejcie and Morgan table (www.kenpro.org) at confidence level 95%. The total population is 250 respondents. From the table, sample size of this study is 152 respondents

Sampling Procedure

This research used both online and offline questionnaires due to the limited time. For online questionnaires, the researcher used Google Survey as the tools to gather the information. For offline questionnaires, the researcher distributed the questionnaires to the MBA students at Assumption University City Campus in late October to early November 2016. The sampling procedure for this study was convenience random sampling to collect the data.

Pretest

Pretest is a trial survey to examine reliability. The research used Cronbach's alpha coefficient to test the reliability of the questionnaires. The respondents for trial survey were randomly picked and they were 30 MBA students at Assumption University City Campus. A statistical analysis program is applied to test the reliability. The results of reliability are shown in table1, indicating that all the questions in this questionnaire are reliable.

Table1

Reliability of Pretest (N=30)

Variables	Number of Items	Cronbach's Alpha
Number of Branches (Availability)	4	0.748
Brand Image	4	0.691
Activity Class Offered (Product Quality)	4	0.671
Facility	4	0.672
Staff Service Quality	4	0.816
Price	4	0.668
Purchase Intention	4	0.847
All variables	28	0.906

Data Analysis

This research gathered the information from 152 MBA students at Assumption University City Campus. There are 106 females (69.7%) and 46 males (30.3%). Most of the respondents are in the age group 21-28 years old which are 106 respondents (69.7%). The rest of respondents are in the age group 29-36 years old (30.3%). Furthermore, most of the respondents' income level are in range of 15,000-25,000 baht which are 50 respondents (32.9%), followed by 25,001-35,000 baht range for 44 respondents (28.9%). Moreover, the researcher asked the respondents about the fitness center brand that they would like to purchase membership. The result shows that 67 respondents (44.1%) choose Fitness First, followed by Virgin Active for 50 respondents (32.9%) and TRUE Fitness for 35 respondents (23.0%).

Table2

Gender Descriptive Analysis

Gender	Frequency	Percentage
Male	46	30.3%
Female	106	69.7%
Total	152	100.0%

Table3

Age Descriptive Analysis

Age	Frequency	Percentage
21-28 years	106	69.7%
29-36 years	46	30.3%
Total	152	100.0%

Table 4

Income Descriptive Analysis

Income	Frequency	Percentage
≤15,000 baht	3	2.00%
15,001-25,000 baht	50	32.9%
25,001-35,000 baht	44	28.9%
35,001-45,000 baht	33	21.7%
≥45,001 baht	22	14.5%
Total	152	100.0%

Table5

Chosen Fitness Center brand Descriptive Analysis

Chosen Brand	Frequency	Percentage
Fitness First	67	44.1%
TRUE Fitness	35	23.0%
Virgin Active	50	32.9%
Total	152	100.0%

Correlation Analysis

To investigate the relationship between dependent variable and independent variables, correlation analysis method was applied for this study. Correlation analysis shows the strength of relationship between two variables which can be classified by the

value 0.00-0.19 meaning very weak relationship, 0.20-0.39 meaning weak relationship, 0.40-0.59 meaning moderate relationship, 0.60-0.79 meaning strong relationship and 0.80-1.00 meaning very strong relationship.

Table 6

Summary of Pearson's Correlation Coefficient (N=152)

Factors	Levels	Correlation Coefficient
Number of Branches	0.273**	positive weak relationship
Brand Image	0.294**	positive weak relationship
Activity Class	0.235**	positive weak relationship
Facility	0.448**	positive moderate relationship
Staff	0.462**	positive moderate relationship
Price	0.600**	positive strong relationship

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

Hypotheses Testing

Multiple Linear Regression Analysis

To test the hypothesis, multiple linear regression is conducted in this study. The adjusted R Square value at 0.443 indicating that 44.3% of the variation in purchase intention can be explained by number of branches, brand image, activity class, facility, staff service quality and price. Furthermore, VIF is applied to check multicollinearity problem in a set of independent variables. The result shows that there are no multicollinearity problem in this analysis

Table 7

Summary of Multiple Linear Regression Analysis (N=152)

Factors	B	SE B	Beta (β)	Sig. Value	VIF
Number of Branches	.162	.081	.133	.047	1.197
Brand Image	.136	.078	.113	.082	1.135
Activity Class	.093	.081	.074	.249	1.103
Facility	.298	.084	.241	.001	1.263
Staff	.023	.084	.022	.787	1.800
Price	.478	.085	.433	.000	1.610

For the significant level of independent variables, it shows that three out of six independent variables have significant relationship with customer purchase intention in fitness center membership. The most influencing factor is price, followed by facility and number of branches.

Independent Sample T-Test

To find the significant difference among gender group and purchase intention of fitness center membership, independent sample t-test is conducted in this study. The significance level for this study is 0.05. The result shows that gender has no significant relationship with customer purchase intention in fitness center membership

Table8

Independent Sample T-Test

		Sig. Value
Purchase Intention	Equal variances assumed	.844
	Equal variances not assumed	

One-Way Anova

To find a significant difference among age group, income range and purchase intention of fitness center brand, one-way anova is conducted in this study. The significance level for this study is 0.05. The result shows that age group and income range have no significant relationships with customer purchase intention in fitness center membership.

Table 9

One-way Anova (age)

	Sig. Value
Between Groups	.259
Within Groups	

Table10

One-way Anova (income)

	Sig. Value
Between Groups	.068
Within Groups	

According to the result of independent sample T-Test and one-way anova, demographic factors have no significant relationship with customer purchase intention in fitness center membership.

Table 11

Hypotheses Testing Summary

Hypotheses	Results
H1o: Number of branches has no significant influence on customer purchase intention in fitness center membership	Reject H1o
H1a: Number of branches has a significant influence on customer purchase intention in fitness center membership	
H2o: Brand image has no significant influence on customer purchase intention in fitness center membership	Failed to reject H2o
H2a: Brand image has a significant influence on customer purchase intention in fitness center membership	
H3o: Activity class has no significant influence on customer purchase intention in fitness center membership	Failed to reject H3o
H3a: Activity class has a significant influence on customer purchase intention in fitness center membership	

For the findings of hypotheses testing, there are two tangible elements and one intangible element that have significant influence on dependent variable as shown below;

- **H1a:** Number of branches (tangible) has a significant influence on customer purchase intention in fitness center membership
- **H4a:** Facility (tangible) has a significant influence on customer purchase intention in fitness center membership
- **H6a:** Price (intangible) has a significant influence on customer purchase intention in fitness center membership

Discussion and Conclusions

This study aims to determine which factors and criteria influence customer intention to purchase in fitness center membership in central Bangkok area with three brands, namely Fitness First, TRUE Fitness and Virgin Active located very closely within walking distance. To determine the factors influencing customer purchase intention, the researcher studied the previous findings then structured the conceptual framework which has seven independent variables; number of branches, brand image, activity class, facility, staff service quality, price, demographic factors and purchase intention as a dependent variable. However, the findings of this study do not support all the previous findings. The detail comparison between present study and previous findings is as follows.

Number of Branches (Availability)

The result of present study shows that number of branches has a significant relationship with customer purchase intention in fitness center membership, which supports the previous findings from Paul and Rana (2012). They found that product availability is a factor affecting the customer purchase intention. Steinhart, Mazursky and Kamins (2013) also stated that product availability has a potential influence on purchase intention. Furthermore, the findings of Nguyen and Gizaw (2014) show that options available in the market encourages purchase intention as well.

Facility

Facility is the second influencing independent variable having a significant relationship with customer purchase intention in fitness center membership. The previous study from several researchers also shows the same result. Pervaiz and Khan(2015) stated that physical facilities is one of the factors that has a significant impact on youths' purchase intention in Pakistan. However, the result of present research does not support Shah et al.(2012) who stated that there is negative relation between environment and purchase intention.

Price

Price is the independent variable that has the highest significant level in this study indicating that price is the most influencing factor on customer purchase intention in fitness center membership. This supports the findings of Zhang and Li(2014) and Wang,

Wu and Quan(2008). Furthermore, Paul and Rana(2012) found that high price is one of the reasons for not purchasing the product. However, the result of present study does not support Akbariyeh(2015) and Arslan(2014) that price has no significant effect on purchase intention.

The results of this research do not support all the previous studies because this research gathered the information in a different society and culture from the previous one. Also the respondents of this study is MBA students at Assumption University City Campus only where the criteria that influence purchase intention in fitness center membership of respondents in other areas might be different.

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