Customer loyalty of fitness centers: A model of creation and perception of value

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Background

The growth of cardiovascular disease in developed countries caused by inactivity, poor eating habits, and stress at an early age has caused the proliferation of urban sport centers to improve psychological and physical aspects thus becoming fitness centers. These facilities are constantly becoming more sophisticated and high tech. The coming together of public and private management has brought about a number of sport facilities in which physical activity can take place in a controlled manner.

In this growing sport market, as of 2008, Europe has spent more than 22.000 million Euros, developing national and international franchises with dimensions varying between 2.000 y 15.000 m². These franchises have become a direct competition to small and medium-sized enterprises (SMEs) with less entrepreneurial vision.

The growth of these franchises and the high turnover of clients natural to this market caused a rise in cost to draw new clients instead of developing loyal customers which is more cost effective to. This industry is starting to implement business models of consolidated markets in search of the "magic potion" that will increase the longevity of clients in their organization. The literature suggests that a loyal client is more likely to consume products and services of greater profit to the organization, offers positive references to other possible products and has better communication. Therefore it is important to investigate and understand how to improve the loyalty of Fitness Center clients.

Objective

The objective of this study is to create a theoretical framework through the review of organizational theories related to business and marketing that reflect the variables and constructs involved in the relationship of consumers of a sport facility (in this case fitness centers) through the creation and perception of value.

Theoretical model

The theories and constructs that have been revised are: Resource Based-view, Intellectual Capital Theory, Dynamic Capabilities, Knowledge Management, Perceived Value, Satisfaction, and Loyalty.
These theories together with constructs carefully explained and studied in other industries offer a model consisting of four parts. First is the explanation of variables that create value; second, the components that determine the perception of value; third, the relationship between satisfaction and loyalty; finally, the evaluation of loyalty followed by feedback.

**Conclusion**

The conclusion will highlight that the creation of value is determined by organizational routines provoked by the coming together of strategic resources. The majority of strategic resources are intangibles although the sector studied in this investigation has tangible resources that create value. Intellectual capital is divided in human capital, structural capital, and relational capital. Components of benefits are sacrifices and service experiences that determine the client's perception of value. Creation of value precedes perception of value; benefits come together through the image of the brand, quality and related benefits. Sacrifices are composed of monetary and non-monetary factors. Service experiences can be related to pleasure or quality; if needs are met the customer is satisfied. Perceived value precedes satisfaction which precedes customer loyalty. Finally there exists feedback which re-starts the creation of value.

The practical implication of this model is the ability to apply it to the management of fitness centers due to the fact that managers and directors of these facilities must take into account the complete process of customer loyalty and the intervening factors in this complex process.