

## **THE EFFECT OF SERVICES QUALITY ON LOYALTY AND SATISFACTION OF SPORT CUSTOMERS IN ORUMYAH (BASED ON SERVQUAL MODEL)**

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### **ABSTRACT**

Nowadays, competition for improving services quality has been considered as a key strategic issue for organizations active in service sectors. Organizations which attain a higher level of service quality will have higher levels of customer satisfaction as an introduction for accessing sustainable competitive advantage. The objective of the present study is to investigate the effects of services quality on the loyalty and satisfaction of sport customers based on SERVQUAL Model. The population of the present study includes those customers who used sport clubs (volleyball, aerobics, pools, Taekwondo) of Orumeh City. 240 participants were selected as the sample using stratified random sampling. Research instrument of services quality was SERVQUAL Model designed by Parasuraman *et al.*, the level of customer satisfaction was measured by Overall Customer Satisfaction (OCS) questionnaire, in addition, for measuring customers' loyalty, a 12 question questionnaire of customer loyalty were used. To analyze of data, this research used Kolmogorov–Smirnov test, normality of data distribution, Pearson correlation coefficient, and multivariate regression with a step-to-step method were used and the data analyzed using SPSS 20. The results indicated that services quality and each of its five components (reliability of services, responsibility of the staff, empathy, services guarantee, dimensions and appearance of services) have positive effects on loyalty and satisfaction of sport customers and all of them predict significantly the customers' loyalty.

**Keywords:** *Services Quality, Customers' Loyalty, Customers' Satisfaction, Servqual Model*

### **INTRODUCTION**

Keeping profound commitment to re-purchase or re-selection of products or services is necessary, in spite of the fact that the situational effects and efforts of marketing potentially can cause variation in customers' behaviors continuously in future. In fact, commitment a customer is the result of the issue that an organization creates some advantages for customers in such a way that they keep increasing purchase from that organization. If the organization keeps continuing the realization of customers' needs, and provides its services in methods which always enjoy demands of customers, there will be a mutual value and the final objective which is customers' dependency or relations with customers will be attainable. Therefore, supplying services quality is the main and future challenge of companies active in this domain. However, the realization of customer satisfaction particularly in the field of services depends qualified services. Researches indicate that in the recent two decades, interests to services quality has been extended to sport industry in such a way that nowadays, services quality is one of the most important themes in the field of services management and sport marketing (Robinson, 2006). In the world of today, the principle of competition requires that the attention of managers be focused on enhancing customers' satisfaction, reducing costs of production and providing services with high quality level of. Therefore, investigating and identifying indices of customer satisfaction and measuring customer satisfaction are important because at last, the level of customer satisfaction determines organizations' successes or failures (Jones and Taylor, 2007).

One of the ways of increasing the efficacy of organizations is to improve their services quality; whose objective is to realize needs and expectations of customers. Doming is one of the forerunners of the movement of Total Quality Management takes quality the same of customers' satisfaction. In other words, according to Doming, services quality results in customer satisfaction (Prentice, 2013).

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In recent years, different economic firms, from small newly established firms to transnational corporations have found out the importance of customer loyalty. All of them have understood as appropriate that keeping current customers is more profitable than attracting new ones; as a result, marketing units have left up spending time and money on untargeted advertisement and have focused on the techniques of keeping and maintaining customers (Jones and Taylor, 2007). The importance of customers and their needs is something refers to competition at a global level. Customer satisfaction is a collective experience of purchase and consumption of commercial customers. Customer satisfaction is influenced by two factors of expectations and performance of the experienced services. Customers, not due to plans of progressing purchase and marketing, but due to the value they receive, remain loyal. This value results from the arrangement of representations such as services quality, after sales service and its accessibility (Agustin *et al.*, 2005).

Quality is one of the most important factors in decisions of purchasing. In addition, quality like the reduction of operationalize costs and the growth of productivity, has a significant role in increasing the market share and return on investment. That service is qualified which can realize the needs and wants of customers and be consistent with the levels of customers' expectations. Customers' expectations are related to what customers want and what they feel that the service providers should provide for them (TesoKatous *et al.*, 2006).

The main objective of the management of sports clubs is to attract customer satisfaction and have a good relationship with them. If sport organizations have appropriate understanding of factors affecting customers' satisfaction, they can better use the positive results of the statuses of satisfied customers because realizing customers' expectations regarding the features of services quality results higher satisfaction and causes that customers be loyal and even suggest other customers to join them (Kim *et al.*, 2010). Sei *et al.*, (2006), in his research investigated the relationship between services quality and customers satisfaction in sport events and concluded that the quality of sport services have a positive significant correlation with customer satisfaction and customer satisfaction results in their loyalty. Perdagusa (2009), in his research evaluated the issue of customer satisfaction with expectations, equipment and the degree of customer satisfaction and concluded that satisfaction is a variable which is significantly correlated with customer satisfaction and the equipment of clubs and have a very high importance in determining the degree of customers' loyalty to these clubs. Huklee *et al.*, (2010) regarding the effect of services quality on satisfaction and the intention of re-purchase, occluded that for female golfers, the quality of services of clubs, cleanness and newness of equipment of clubs are more important than for male golfers. Huklee *et al.*, (2010), in his research titled as "the effect of services quality on satisfaction and return of customers to business golf clubs" concluded that the tangibility and sympathy are two important services for determining satisfaction of both groups of females and males. Female gofers have more consideration for physical appearance and cleanness of facilities. Bodet (2011), in a research titled as "investigating customer satisfaction in health clubs of France" concluded that human factors and services quality of human factors have effective roles in shaping satisfaction. Most of conducted researches which have investigated the discussion of customer loyalty and satisfaction or services quality are conducted in non-sport industries and services. The place of researches on the field of the services of sport clubs is empty; therefore, the main question of the present study is that whether services quality is effective on customer satisfaction and loyalty?

## **MATERIALS AND METHODS**

### **Methods**

The method of the present research is descriptive and correlational. In terms of objective, the present research is considered among applied studies. The population of the research includes customers who used sport clubs (volleyball, aerobics, pools, Taekwondo) of Orumyeh City. 240 participants were selected as the sample using stratified random sampling. Among these 240 participants, there were 110 women and 130 men. Firstly, Orumyeh were divided into four parts of north, south, east and west and from each region, simple random sampling was conducted.

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The measurement instrument of service quality known as SERQUAL model developed by Parasuraman *et al.*, (1985) was presented for measuring services quality in 1988. In 1991 and in 1994, it was revised and amended. Five dimensions of SERQUAL, in fact, construct a summary of the most important criteria which customers apply in case of evaluating services quality.

This instrument arepresented in the form of two 22 question sets for measuring received services quality ranked using Likert scale. The first 22 options were used for evaluating customers’ expectations of services and the next 22 options were designed for measuring the perceived level of received services. The degree of customers’ satisfaction was measured using OCS designed by Victor (2002) in five sub-scales of the appearance of clubs, staff, facilities, promotion and available equipment based on 7 point Likert scale.

In addition, to evaluate customer loyalty, the 12 item questionnaire of customer loyalty (Moghimi and Ramezan, 2011) was used.

To analyze the data of the research, in descriptive statistics, tables and graphs are used for summarizing and representing data and mean, SD, the maximum and minimum were used. In inferential statistics, Kolmogorov–Smirnov test, normality of data distribution, Pearson correlation coefficient, and multivariate regression with a step-to-step method were used and the data analyzed using SPSS 20.

**RESULTS AND DISCUSSION**

**Results**

The findings of the descriptive statistics indicated that the total of 240 subjects participating in the present study, there were 110 women (44 percent) and 130 men (55 percent). The results of descriptive statistics related to the age of subjects indicate that 31 participants (about 13 percent) were less than 20 years old. 117 participants (53 percent) were 21-30 years old; 67 participants (22 percent) were 31-40 years old and 25 participants (11 percent) were 41-50 years old.

Services quality has a significant effect on the degree of sport customer loyalty.

**Table 1: Correlation between services quality and customer satisfaction**

Name of the two variables	Pearson correlation coefficient (r)	p-value	Error value	Conclusion
services quality and customers’ loyalty	0.57	0.000	0.05	The existence of significant correlation

As table 1 indicates, regarding the significance level, it can be said that there is a significant correlation between sport services quality and customer loyalty; therefore, the null hypothesis is rejected. In other words, the quality of provided services has a significant and positive effect on the degree of sport customer loyalty.

Services Quality has a Significant Effect on the Degree of Sport Customer Satisfaction.

**Table 2: Correlation between services quality and customer loyalty**

Name of the two variables	Pearson correlation coefficient (r)	p-value	Error value	Conclusion
services quality and customer loyalty	0.78	0.011	0.05	The existence of significant correlation

As table 2 indicates, regarding the significance level, it can be said that there is a significant correlation between sport services quality and customer satisfaction; therefore, the null hypothesis is rejected. In

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other words, the quality of provided services has a significant and positive effect on the degree of sport customer satisfaction.

The five factors of services quality are predictors of the significance for sport customer loyalty.

**Table 3: Significance multiple regression**

Model	Sum of squares	Mean square	f-value	Sig.
<b>Regression</b>	698.476	151.601	34.231	0.000
<b>Remainder</b>	81.231	4.136		

Regarding the obtained significance level, it can be concluded that the five components of services quality are predictors of sport customer loyalty. Therefore, the null hypothesis is rejected and there is a significant correlation.

The five factors of services quality are predictors of the significance for sport customer satisfaction.

**Table 4: Significance of multiple regression**

Model	Sum of squares	Mean square	Value F	Sig.
<b>Regression</b>	765.631	164.321	41.114	0.000
<b>Remainder</b>	69.540	3.973		

Regarding the obtained significance level, it can be concluded that the five components of services quality are predictors of sport customer satisfaction. Therefore, the null hypothesis is rejected and there is a significant correlation.

**Discussion**

Keeping current customers enjoys more profitability than attracting new customers does. As a consequence, marketing units have left up spending time and money on untargeted advertisement and have focused on the techniques of keeping and maintaining customers. Loyalty, creating commitment in customers for doing exchanges with a particular organization and purchasing goods and services are repeatedly defined but there is no comprehensive definition of loyalty.

The results of the present study indicated that services quality and its five components (reliability of services, responsibility of the staff, empathy, services guarantee, dimensions and appearance of services) have positive effects on loyalty and satisfaction of sport customers and all of them predict significantly the customers' loyalty. These findings are consistent with those of the researches done by Bagheri (2012), Favor *et al.*, (2008), Bodet (2011), Ying (2009) and Huklee *et al.*, (2010), Mosohab *et al.*, (2010), Bodet (2011), Mozahid *et al.*, (2009), Pedragusa and Coria (2009), Ying (2009), Ghazizadeh *et al.*, (2010), Aminuddin *et al.*, (2008), and Farrington *et al.*, (2009). In other words, in all these researches, there is a positive and significant correlation between services quality presented in the studied industries with customer loyalty and satisfaction. Customer satisfaction depends on services quality and it can be probable that by increasing services quality, customer satisfaction increases. This attitude results in customers' commitment, his tendency to return, the stability in purchasing services, expansion in commercial relations between customers and service providers, increase in customers' tolerance against potential deficits in future services, and their positive publicity about organizations. In general, customer loyalty is important from different perspectives. Loyal customers help organizations in determining the predictable flow of purchasing and increasing profits. In addition, customers who are familiar with organizations' brands, most likely they introduce the organizations to their friends and relatives and influence the feedback and evaluation cycle of organizations' products. These cases are highly important in the business of today. The art of marketing is that customers of an organization are advocates of the organization both inside and outside the organization. Nowadays, making customers committed to organizations has a particular status. Customer loyalty is a kind of profound and internal commitment which results in re-purchase of a particular product or service. However, the situational effects and suggestions of marketing are potentially effective on the changes in customers' behaviors. The concept of

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loyalty in customers and creating loyal customers in the framework of business are described in the form of creating commitment in customers for conducting an exchange with a particularly organization and purchasing goods and services regularly. Loyalty occurs when customers strongly feel that desired organizations realize their needs in the best way possible in such a way that they leave up the rival organizations and exclusively do their purchases from the desired organizations.

As a conclusion, it can be stated that providing highly qualified services in the field of sport services causes increasing customer loyalty. Therefore, the managers of this industry should try to increase the quality of sport services.

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