Factors relating to Brand Loyalty of a Fitness Health Club Franchise Business in Vienna, Austria

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Abstract

This study focused on brand loyalty for an international, franchised Fitness Health Club in Vienna, Austria. The researcher found six independent variables in order to analyse customers' brand loyalty towards the above mentioned Fitness Health Club. The data was collected through 366 useful questionnaires from the Fitness Health Club and its day-to-day customers and members in Vienna, Austria. The research tested the relationship between brand loyalty and seven variables, which were advertising spending, brand image, brand trust, customer orientation, corporate social responsibility (CSR), satisfaction and overall valuation of services. The researcher finds that all null hypotheses were rejected through the Pearson Correlation technique, which showed that there were statistically positive relationships among the variables.

Keywords: advertising spending, brand image, brand trust, customer orientation, corporate social responsibility (CSR), satisfaction and overall valuation of services

Introduction

Brand loyalty is basically the habit of a customer or consumer to keep purchasing the same product or service from a specific brand rather than choosing one of the competitors. Kabadayi and Kocak (2012) stated that nowadays, in the steadily expanding market, there are more and more enterprises competing with each other, which means that the brand of a company is becoming more and more critical and important. Brand loyalty basically is the most perceived and valuable strategic benefit a company can have, since customers for both, products and services, decide to purchase from a brand they like or at least think is superior to others. Hence, one of the main factors in marketing strategies is therefore brand loyalty.

This research aimed to analyse the various determinants that affect brand loyalty for the Fitness Health Club in Vienna, Austria. Health and sports have become very important to human beings of all ages around the globe, especially due to its health benefits. Fitness clubs or fitness health clubs in Europe are social networking places, where international members and employees come together and make new friends or relax after a hard day at work or even during their lunch break.

The growth in the number of health clubs has made the fitness industry a gigantic global business. Austria has seen the same growth happen scaled down, but large in the small market that it is. The researcher highlights the development of the fitness industry into becoming a multi-billion dollar business (IHRSA, 2013)

Review of Literature

Advertising Spending

Yoo et al., (2011, p. 675) states that advertising spending itself can be defined as "consumer perceptions on advertising spending as measured by their perception of advertising frequency and expenditure." Agrawal (1996) communicates that advertising can be considered as a both, defensive strategy, which is basically supportive when it comes to keeping loyal customers and offensive strategy, which is rather used to keep the customers with attention towards the offensive method away from the competitors, in order to create and maintain customer loyalty.

Brand Image

Brand image is the customer's imagined picture of the offering which would include symbolic meanings which the customer associates with certain characteristics of the specific product or service (Salinas and Pérez, 2009; Bibby, 2011). Brand image can as well be defined as a series of brand association, which is kept in the customer's memory, which leads to perceptions of that particular brand (Sääksjärvi and Samiee, 2011).

Brand Loyalty

Oliver (1999, p. 34) states that "a deeply held commitment to re-buy or re-patronize a preferred product or service consistently in the future causing repetitive same-brand or same brand-set purchasing, despite situational influences and marketing efforts having potential to cause switching behaviour" would be defined as brand loyalty.

Brand Trust

Chaudhuri and Holbrook (2001, p. 81) have realized that there is "the willingness of the average customer to rely on the ability of the brand to perform its stated function". They furthermore mentioned that it can generate a very high valued relationship. In addition to the aforementioned, scientists have determined that brand trust is definitely needed in order to create brand loyalty (Delgago and Munuera, 2001; Wu et al., 2008 and Berry, 1983).

Customer Orientation

Gatignon and Xuereb (1997) and Vargo and Lusch (2004, p. 333) have communicated that customer orientation is basically considered as "how well employees partake activities to identify, analyse, understand and answer customer needs." The definition above is supported by the same researchers, Vargo and Lush (2004) who have mentioned that the word service itself reflects the provision of benefit as well as assistance and therefore is more consistent with the idea of customer orientation.

Corporate Social Responsibility (CSR)

Maignan and Ferrell (2001) have explained that corporate social responsibility or CSR can be seen as a large concept, which is containing the whole set of philosophical and normative factors, which are related to the role of business in a society. The aforesaid has the meaning that all moral obligations can expand a positive impact of the social environment of the association but can as well reduce the negative impacts. Carroll's model (1979, 1991) demonstrates that there are four significant factors, which are: economic, legal, ethical and philanthropic. Firms which are more related to CSR activities and of course also practise the aforementioned, are rather prone to loyal customers, who

purchase their products or services (Smith and Alcorn, 1991; Ross et al., 1992 and Ellen et al., 2000).

Satisfaction

The scientist have clarified that a "summary affective response of varying intensity with a time-specific point of determination and limited duration directed toward focal points of product acquisition and consumption" is defined as customer satisfaction. This basically has the meaning that people, who are willing to purchase a product or service, which is needed and expected by them, has already been met by the certain service or product (Giese and Cote, 2000, p. 15).

Overall Valuation of Services

Sen and Battacharya (2001), on the other hand have expressed that the consequence of a firm's social association with regards to a product or service's evaluation is constrained by the purchaser's assistance for these performances. Parasuraman et al., (1994) and Anderson et al., (1994), in turn have announced that the valuation of a service from a purchaser results on a product's or service's quality but also on the price.

Advertising Spending and Brand Loyalty

Agrawal (1996) recommends that advertising is a necessary tool in protecting the loyal customers, who buy from one particular firm, from their competitors and also that it is a "defensive" strategy for constructing brand loyalty. Whereas Johnson (1984) negotiates that there is no direct consequence of advertising spending towards brand loyalty, but it can be indeed used to keep and maintain brand loyalty.

Brand Image and Brand Trust

Lee and Tan (2003) state that brand image can repeatedly be recalled by perceptions of a certain brand and brand associations with it, which are in customers' minds. Regarding to Pavlou et al., (2007, p. 105 - 136) brand image may serve as an important surrogate for intrinsic product attribute information, which in turn fosters customers' confidence in a brand. The customer is more likely to purchase a service or product of the same brand again, when there is more confidence in the brand.

Brand Trust and Brand Loyalty

Casalo et al., (2007) examines buyer's engagement towards a web site and the person's satisfaction, perceived reputation and trust. The researchers have revealed that a buyer's mental perceptions, including responses, which are emotional, result from brand trust. Delago and Munuera (2001) have discovered that brand trust leads to brand loyalty. Also Chaudhuri and Holbrook (2001) who have mentioned that brand loyalty is promoted by the ability of brand trust to create a highly valued relationship are the same opinion.

Customer Orientation and Satisfaction

Henning-Thurau (2004) have stated that regarding of how service workers, who are confronted with situations with real interactions behave, different visitors expect different things, if it then reaches the expectations or even more, the customer satisfaction level with the service provider is related in a positive way. Krepapa et al., (2003) has shown that a companies' customer orientation, regarding their customer perception, has an important impact on overall levels of customer satisfaction.

Corporate Social Responsibility and Overall Valuation of Services

Sureshchander et al., (2001) has acknowledged that social responsibility, which means in this case the ethical behaviour of a company, can be considered as an additional element of service quality. Regarding to the above mentioned, if there is a company being recognized in behaving ethically legitimate, it conducts trust to consumers and also of course influences their overall quality evaluation or the service which buyers gain. This means that that a relationship between perceptions of social responsibility and service valuation most likely exists.

Satisfaction and Brand Loyalty

Tepeci (1999) has described satisfaction is one of the element of brand loyally in the hospitality. Whereas Bloemer and Kasper (1995) and Giese and Cote (2000) also show that high brand loyalty is the result of consumer's satisfaction with the brand exclusively with the attitudinal form. Jones and Sasser (1995) discovered that the relationship between satisfaction and brand loyalty is rather inconclusive.

Overall Valuation of Services and Brand Loyalty

Liljander and Stradvik (1995, p. 373) states that loyalty "tends to be defined as an observed behaviour" in the service market. Day (1969) has studied that there are dimensions of loyalty based on behaviour. He used the example that the continuance of repeat-purchase is very little, which can be caused by circumstances outside the company (unavailability, barriers to change or lack of alternatives – which is partly service as well). Biong (1993) mentioned that loyalty is considered as an attitudinal construct.

Research Framework

The researcher constructed a conceptual framework, which describes the framework of theoretical thinking and the relation of customer orientation, advertising spending, brand image, brand trust, satisfaction, CSR – corporate social responsibility and overall valuation of service as independent variables and brand loyalty as the dependent variable.

Here it is important to mention that the conceptual framework is designed, based on five previous studies by Ha et al. (2011), Chinomona (2016) , Kadabayi and Alan (2012, Ha et al. (2009),Salmones et al. (2005).
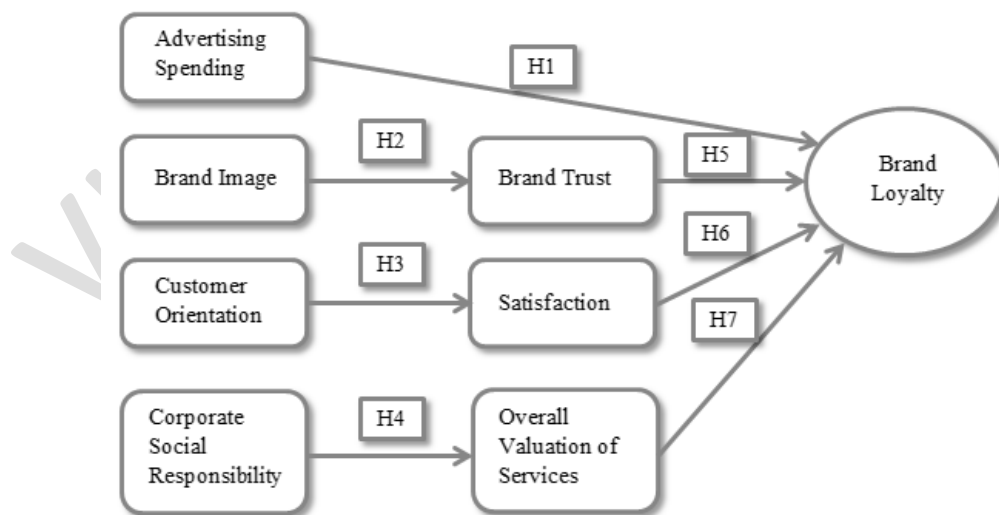

Figure 1. Conceptual framework of the study

Source: Created by the author of this study

The following hypotheses were obtained from the framework:

$H1_a$: There is a relationship between advertising spending and brand loyalty

$H2_a$: There is a relationship between brand trust and brand loyalty

$H3_a$: There is a relationship between customer orientation and satisfaction

$H4_a$: There is a relationship between corporate social responsibility and overall valuation of services

$H5_a$: There is a relationship between brand trust and brand loyalty

$H6_a$: There is a relationship between satisfaction and brand loyalty

$H7_a$: There is a relationship between overall valuation of services and brand loyalty

Research Methodology

The quantitative approach has been chosen for this study. The data for this study has been collected by a survey method. The sampling frame of this study included the customers and members of the Fitness Health Club in Austria. The researcher used two different techniques from the non-probability sampling in order to obtain the sampling unit. The two different options were purposive or judgement sampling and convenience sampling. A sample of 366 usable questionnaires out of 385 respondents were collected.

In this research project, the investigator designed the questionnaire, which was divided into three parts. Part one was about the screening question, whereas part two was about the independent and dependent variables which consisted of advertising spending, brand image, brand trust, customer orientation, corporate social responsibility (CSR), satisfaction, overall valuation of services and brand loyalty. Part three was on the demographic factors.

The researcher used the Pearson Correlation Analysis (inferential analysis) in order to show the results.

Research Findings

Primary data was collected from the representative sample of the target population in the Fitness Health Club in Vienna, Austria. The investigator analysed the data from a sample of 366 respondents out of 385 total surveys. The data was interpreted and evaluated by using the Statistical Package for the Social Science or SPSS software.

Table 1

Summary of Demographic Factors using Frequency and Percentage

DemographicFactors	HighestFrequency	Percentage
Gender (Female)	209	57,1
Age (21 – 31)	222	60,7
Education Level (Bachelor Degree)	206	56,3
Sport Orientation (Cardio)	112	30,6
Frequency of Visits (2 times/week)	157	42,9
Length of Stay in each Session (2 hours)	179	48,9
Lengthof Membership (12 month)	96	26,0
Experience of other Clubs (Others)	138	37,7

Table 1 shows the demographic factors and the majority of the respondents in each group, which shows that the majority of respondents were female, between 21 and 31 years old, had a bachelor degree and preferred to do cardio. It also indicated that majority of the respondents visited the Fitness Health Club two time per week, for two hours and had membership for twelve months. Most of the respondents had previous experience in other locations.

Table 2
Summary of Descriptive Analysing of Variables using Mean and Standard Deviation

Variables	Highest Mean	Standard Deviation	Question
Advertising Spending	2,74	0,885	The ad campaigns are frequently seen
Brand Image	3,49	1,105	The brand has personality and distinguishes itself from competitors
Brand Trust	2,84	0,995	I feel I can trust the FHC completely
Customer Orientation	3,13	0,913	Employees understand what products/services attributes customers

			value most
CSR	3,11	0,869	Sponsors or finances social events
Satisfaction	3,26	1,021	Overall, I am satisfied with specific customised experiences
Overall Valuationof Services	3,52	0,964	Friendlytreatmentfromstaff
Brand Loyalty	3,22	1,073	I say positive things about the FHC

(CSR = Corporate Social Responsibility, FHC = Fitness Health Club)

Table 2 highlights the highest mean values as well as the standard deviation of various questions to measure the

Table 3
Summary of hypothesis testing

Hypothesis	Relationshipbetween Variables	r	Relationship Type
H1	Advertising Spending→ Brand Loyalty	0,281	weak positive
H2	Brand Image → Brand Trust	0,686	strong positive
H3	Customer Orientation → Satisfaction	0,705	strong positive
H4	CSR → Overall Valuation of Services	0,878	very strong positive
H5	Brand Trust → Brand Loyalty	0,564	strong positive
H6	Satisfaction→ Brand Loyalty	0,825	very strong positive
H7	Overall Valuation of Services → Brand Loyalty	0,859	very strong positive

(CSR = Corporate Social Responsibility)

Table 3 represents the results of the Pearson Correlation Analysis shows that all seven null hypotheses have been rejected, which means that there is a statistically significant relationship, as the sig. level is equal to .000, which is less than .01 (.000<.01). The researcher can conclude that the two variables of all seven hypotheses are moving in the same direction.

Figure 2 shows the determinants of brand loyalty for the Fitness Health Club in Vienna, Austria. The research examined seven hypotheses based on seven variables. Separately, some variables have a very strong relationship, strong relationship and one has a weak relationship.
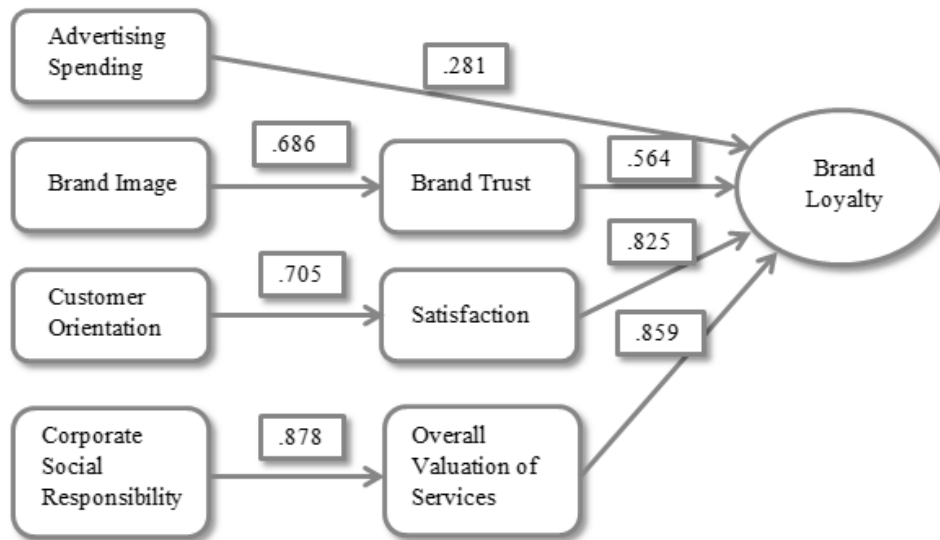

Figure 2. Conceptual framework of the study and the relationship shown with the
Correlation Coefficient (r)

Source: Created by the author of this study

Conclusion and Recommendations

The main purpose of this study was to determine the relationship between advertising spending, brand image, brand trust, customer satisfaction, corporate social responsibility, satisfaction, overall valuation of services and brand loyalty towards customers who have experience in the Fitness Health Club in Austria, Vienna. The data

was examined through the Pearson Correlation Coefficient Analysis. The research discovered that all seven null hypotheses were rejected.

This research confirms and explains the relationships between the various variables and brand loyalty. Growing consideration of brand loyalty is considered as one of the most important factors for a performance of a business in the long-term. Further it is also a very important measure in order to secure brand loyalty. Service providers are constantly researching and therefore also implementing new strategies in order to keep the commitment of their customers. This is being done to keep long term relationships.

Hypothesis one shows that there is a weak positive relationship between advertising spending and brand loyalty. As customers know that the Fitness Health Club is not the best in advertising spending, the scientist would like to suggest the Fitness Health Club to better advertise their products and services in a more cost effective way. Since, the Fitness Health Club is a franchise it can therefore produce the advertising for all the clubs together and amend the information slightly depending on the location of the club and save costs and at the same time gain attention from their customers instead of advertising every club separately.

Based on the findings from hypothesis two, the researcher discovered that there is a strong positive relationship between brand image and brand trust, it is recommended that the brand image should be kept positive by listening to their customers and keeping the club clean and the machines updated and well maintained. In order to also maintain brand trust, the club can keep inviting celebrities and interviews at the club in order to show that these people are happy and satisfied with the product and services. This will attract new customers and will help maintain old customers.

The results from hypothesis three show that there is a strong positive relationship between customer orientation and satisfaction. It is suggested that the Fitness Health Club and their top managers focus on the improvement of a new atmosphere with different attractive wallpapers such as nature and keeping a lot of light in the club with low volume music depending on the room the customers are in. In addition to this, it should also open a healthy fruit shake bar in order to keep their customers satisfied and positive, which would also improve the atmosphere of being healthy and fit and keep a higher number of members or day to day customers satisfied.

Based on the result from hypothesis four the researcher discovered that there is a very strong relationship between corporate social responsibility and overall valuation of services. The researcher recommends that the Fitness Health Club should increase the awareness of the environment in order to gain attention from new, but also old customers who are aware of the environmental sustainability.

The results from hypothesis five show that there is a very strong relationship between brand trust and brand loyalty. Therefore the researcher would like to suggest that the Fitness Health Club should keep their customers' trust in order to maintain customers' loyalty. This can be done by changing the system, when it happens that one of the group exercise classes is going to be cancelled and another trainer has to help out in order to keep the customers happy. There are a lot of classes being cancelled without any information sent to the customers or any trainer being present to help out. The customers would like to trust the Fitness Health Club that the scheduled classes will be taking place when announced.

The findings from hypothesis six show that there is a very strong relationship between satisfaction and brand loyalty. It is suggested that the top management of the Fitness Health Club should keep both, products and services in a high quality and be willing to answer the customer's questions at the reception to solve the customers' problem in an accurate and timely manner. It would help to hire more of the receptionists, especially during lunch hours as the work for one is simply too much and will not be able to handle all customer queries in the expected way. Another very critical point would be to hire top managers who are able to also communicate in German rather than English only, as the Austrian customers do not expect to speak in a language other than their mother tongue in their home country.

Hypothesis seven shows that there is a very strong relationship between overall valuation of services and brand loyalty. The investigator would like to suggest that the Fitness Health Club should give more promotions in order to keep customer loyalty, but keep them fair and every customer deserves the same instead of giving out random promotions, which the customers will talk about and find out afterwards. Moreover, the Fitness Health Club can offer memberships to their customers with benefits such as: the gold membership for long and consistent members and silver membership for customers training every day.

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