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# Customer loyalty in the sport services industry: the role of service quality, customer satisfaction, commitment and trust

Seyed Reza Seyed Javadein, Amir Khanlari\*, Mehrdad Estiri

School of Management, University of Tehran, Iran

#### **Abstract**

Despite the fact that customer loyalty is essential for business survival, the relationship between perceived service quality and customer loyalty remained relatively underdeveloped and a review of these studies indicates that validity and reliability issues have yet to be fully addressed. This shortage is more intense in the context of sport and there have been very limited attempts to investigate the relationship between service quality and loyalty in the context of sport. This study examined the generalizability of a previously validated model concerning how customer perceptions of quality of services provided affect customer loyalty in the sport services industry. For this, data were collected from 437 sport service users include some different sport area. The a priori proposed model concerning service quality perceptions and customer loyalty was tested using structural equation modeling techniques. The proposed model was determined to fit the data reasonably well. These results indicate that customer loyalty can be explained by customers' perceptions of the service quality of sport services provider. The theoretical and practical implications of the model within the framework of sport services management are discussed.

**Keywords:** Service Quality, Customer Satisfaction, Customer Loyalty, Sport Services

<sup>\*</sup> Correspondent Author: Email address: khanlari@ut.ac.ir

#### 1. Introduction

In the past two decades interest in service quality has strengthened as research has shown how improvements in quality can lead to improved organizational performance and competitiveness (Douglas & Connor, 2003; Rosen, Karwan & Scribner, 2003). To evaluate how well their companies are meeting customer needs, service managers often use measurements of service quality and customer satisfaction (Dabholkar, 1995). Therefore, service quality and customer satisfaction have received much attention from service marketers and academic researchers (Spreng & MacKoy, 1996). In addition, Taylor (1997) has noted that the two constructs (service quality and customer satisfaction) have became very important for marketing theory and practice, since many researchers have indicated their relationship to desirable consumer outcomes (Spreng & MacKoy, 1996; Zeithaml et al., 1996).

The majority of services, including sport services, have helped create more demanding and discerning customers. Increasing expectations of sport services have led managers to become customer focused, which in turn has resulted in the introduction of customer care initiatives in order to improve the quality of service provision (Guest & Taylor, 1999; Robinson, 1995, 1999).

A sport service provider can reduce the detrimental impact of effective factors by first ensuring that its customers are as highly satisfied with its services as possible.

Sport organizations are better positioned to reap the positive outcomes associated with having a largely satisfied customer base if they have an understanding of those factors that contribute to their customers' satisfaction because meeting customers' expectations for key service quality attributes should lead to satisfied customers who, in turn, will remain loyal to the service and recommend it to other potential customers.

In summary, sport managers should be interested in understanding what it is about their service that specifically influences their customers' behavior. They need know that, what specific aspects of their services influence customers in terms of their satisfaction and their perceptions of service quality, which, in turn, lead to behavioral loyalty? Examination of the critical incidents associated with the service is one approach that may help address such a question. Unfortunately, the work that integrates the role of service loyalty within the context of service marketing variables like service quality and customer satisfaction has received less attention. There have been very limited attempts to investigate the relationship between service quality and loyalty in the context of sport.

In this paper, we examined the relationship between service quality, loyalty, and also satisfaction as a mediator variable. For achieving this goal, paper is organized as follows. First, all constructs include service quality, customer satisfaction, and loyalty will be described. Then, related work in this area and in the context of sport will be presented. This section followed by the presentation of methodology and empirical results and finally, the last Section establishes the conclusion giving general remarks on this work, limitations of the study and directions for future research.

#### 2. Service quality, customer satisfaction and loyalty: a brief review

# 2.1. Service quality

A service is an economic activity that produces time, place, form, or psychological utility. The main features of a service, which distinguishes it from a product, are intangibility,

heterogeneity, and inseparability of production and consumption (Parasuraman et al., 1985, 1988). Quality has been defined (Taylor & Baker, 1994) as superiority or excellence (Zeithaml, 1988), or as the consumer's overall impression of the relative inferiority/superiority of a service provider and its services (Bitner & Hubbert, 1994; Keiningham et al., 1994/1995).

The construct of service quality as conceptualized in the service marketing literature centers on perceived quality, defined as a consumer's judgment about an entity's overall excellence or superiority (Parasuraman et al., 1988; Zeithaml, 1988; Bitner, 1990). In other words, Service quality can be defined as a measure of how well the service delivered matches the customer expectation of the service Gronroos (1982) considers services as products requiring, to a large extent, the consumer's involvement in the process of production and consumption; during which consumers compare their expectations about the service with what they actually receive. The result of this comparison is perceived service quality (Parasuraman et al., 1985, 1988).

Therefore, it is how customers perceive the quality of service that should be of key concern to managers. To assist managers in understanding their customers' perceptions of quality, Parasuraman et al. (1988) devised the SERVQUAL instrument. This instrument is intended to capture the range of attributes important to consumers of a service. Originally Parasuraman et al. (1985) identified ten general dimensions of service quality but, as a result of succeeding research, these were collapsed into five categories: tangibles, reliability, responsiveness, assurance and empathy (Parasuraman et al., 1988, 1991). The SERVQUAL scale could be used in different service industries and contexts. However, in later work (Parasuraman et al., 1993), they did acknowledge the need for context-specific tailoring of the instrument. Such context-specific tailoring of the SERVQUAL instrument is supported by a number of other researchers (Babakus & Boiler, 1991; Carman, 1990; Cronin & Taylor, 1992; Gagliano & Hathcote, 1994; Howat et al., 1999; Johnson et al., 1995; Wright et al., 1992). The popularity of SERVQUAL is due to a number of advantages that it has been recognized for (Buttle, 1996):

- It is accepted as a standard for assessing different dimensions of service quality.
- It has been shown to be valid for a number of service situations.
- It has been demonstrated to be reliable, meaning that different readers interpret the questions similarly.
- The instrument is parsimonious in that it has a limited number of items this means that customers and employees can fill it out quickly.
- It has a standardized analysis procedure to aid interpretation of results.

#### 2.2. Customer Satisfaction

Oliver's (1997) definition of customer satisfaction as "a judgment that a product or service feature, or the product or service itself, provided (or is providing) a pleasurable level of consumption-related fulfillment" (p. 13)

Customer satisfaction is the feeling you have when your needs as a customer are fulfilled and meeting the customer's expectations for key service quality attributes lead to overall satisfaction with service. Satisfied customers will be more likely to use the service again, or will tell other potential customers positive things about the service (Patterson & Spreng, 1997). Consequently, satisfaction is considered an antecedent of future intentions (Cronin et

al., 2000; Soderlund, 1998). In turn, measuring customer satisfaction can provide managers with relatively reliable indicators of future customer support for their services.

Customer satisfaction has been the focus of considerable marketing research, theory and practice across many industries. Consequently, there is no shortage of literature addressing the notion of the satisfied customer (Anderson & Mittal, 2000; Iacobucci, et al., 1994; McCollough et al., 2000; Patterson, 1995; Patterson & Spreng, 1998; Spreng et al., 1996).

### 2.3. Customer loyalty

The conceptualization of the loyalty construct has evolved over the years. In today's changing global environment, every organization is searching for innovative ways to achieve competitive advantage, increase customer loyalty, and improve efficiency without sacrificing quality of service (Javalgi & Moberg, 1997).

Service loyalty, with its final effect on repurchasing by customers, is perhaps one of the most important constructs in service marketing. Indeed, loyal customers that indulge in repeat purchases are the base of any business (Caruana, 2002). Some have tagged customer loyalty as a key source of competitive advantage (Bharadwaj et al., 1993) and a key to firm survival and growth (Reichheld, 1996). However, how "loyalty" has been conceptualized and measured has varied considerably across studies, resulting in calls for more research into the fundamental meaning of loyalty (Oliver, 1999).

Three conceptual viewpoints have been suggested to define customer loyalty: the behavioral perspective, the attitudinal perspective and the composite perspective (Bowen & Chen, 2001; Zins, 2001). The behavioral perspective, "purchase loyalty", strictly looks at repeat purchase behavior and is based on the customer's purchase history. Here, the emphasis is on past -rather than on-future actions. Moreover, no other loyal behavioral actions such as price tolerance, word of mouth, or complaint behavior can be interpreted. Concentrating on the behavioral aspect of loyalty could overestimate true loyalty. The attitudinal perspective, in contrast, allows gain in additional understanding of loyal behavior (Zins, 2001). Here, customer loyalty is approached as an attitudinal construct. Attitude denotes the degree to which a consumer's tendency towards a service is favorably inclined. This inclination is reflected by activities such as the customers recommending service providers to other consumers or their commitment to repatronize a preferred service provider (Gremler & Brown, 1996). Based on a favorable attitude towards a service provider, customers may improve "preference loyalty" (De Ruyter et al., 1998). Lastly, the composite perspective combines attitudinal and behavioral definitions of loyalty. The composite perspective might be considered as an alternative to affective loyalty since using both attitude and behavior in a loyalty definition disputably increases the predicting power of loyalty (Pritchard & Howard, 1997). In the present study "loyal" are defined those customers who hold favorable attitudes toward an organization, recommend the organization to other consumers and exhibit repurchase behavior.

#### 2.4. Relationship between Service quality, Customer satisfaction and Loyalty

Although some practitioners and researchers have used the terms "service quality" and "satisfaction" alternately, most researchers seem to agree that the two constructs are distinct, although related (Parasuraman et al., 1988; Spreng & Mackoy, 1996; Taylor & Baker, 1994). According to Zeithmal and Bitner (2003), satisfaction is a broader concept than service quality. It includes both cognitive and affective evaluations, while service quality evaluations are

mainly a cognitive procedure (Tian-Cole & Crompton, 2003). A number of studies in the services marketing literature have reported that these two constructs are strongly related (e.g., Alexandris et al., 2001; Caruana, 2002; Spreng & Chiou, 2002).

On the other hand, Loyalty is often included in service quality models as an outcome variable (Cronin & Taylor, 1992; Boulding et al., 1993), one area that has remained relatively underdeveloped, however, is the relationship between evaluations of service quality and loyalty of service customers (Gremler & Brown, 1996), notwithstanding that loyalty is essential for service business survival (Reichheld, 1993).

It would be of both theoretical and managerial interest to see how service quality and service loyalty are related at the level of individual dimensions, rather than the perspective of their overall assessments (Zeithaml et al., 1996). Similar to service loyalty, service quality has also been acknowledged as a multi-dimensional construct. Linking both constructs at their dimensional level increases the diagnostics of explaining service loyalty.

Oliver (1997) suggested that profit for a company (purchase/repurchase behavior by the consumer) was dependent on a sequence of three factors: Quality, satisfaction, and loyalty. Quality has a direct influence on consumer satisfaction, which can be both a cognitive and affective dimension according to Oliver. Satisfaction, in turn, has a direct influence upon the loyalty of the consumer.

An overview of the current state of service quality and satisfaction research is provided, as each construct is more comprehensively discussed elsewhere (Brady & Robertson, 2001; Howat et al., 1999; Johnston, 1995; Jones & Suh, 2000; Oliver, 1997). There is strong support that service quality and satisfaction are distinct constructs and that there is a causal relationship between the two (McDougall & Levesque, 2000).

Madrigal (1995) used some aspects of Oliver's (1997) consumer satisfaction theory to examine the relationship between disconfirmation of expectancies and enjoyment, and enjoyment to satisfaction. He found that expectancy disconfirmation described about 16% of the variance in enjoyment and enjoyment explained a little over 12% of the variance in satisfaction.

Trail et al. (2003) tested the same sequence of variables that Oliver (1977) originally suggested: (dis)confirmation of expectancies to affective mood to behavioral intentions. They found that (dis)confirmation explained a fair amount of the variance in affective state and affective state explained 11% of the variance in behavioral intentions. Madrigal (1995) used some aspects of Oliver's (1997) consumer satisfaction theory to examine the relationship between disconfirmation of expectancies and enjoyment, and enjoyment to satisfaction. He found that expectancy disconfirmation explained about 16% of the variance in enjoyment and enjoyment explained a little over 12% of the variance in satisfaction.

# 3. Service quality, customer satisfaction and loyalty in the sport services industry

Sports services lend themselves to an examination of critical incidents and their influence on customer behavior. Knowledge of what customers expect and the level of their expectations from sport organizations allows service marketer to determine whether the service received is of an acceptable level of quality (Robledo, 2001; Walker, 1995; Bolton & Drew, 1991; Parasuraman et al., 1985; Gronroos, 1988).

The measurement of service quality in the sport services industry is still a controversial issue (Williams, 1998). As Robinson (2006) have stated, Sport organizations have a number of characteristics that distinguish them from other service organizations. First, disbursement on sport activities is discretionary and can be viewed as a luxury. Second, customers usually engage with sport organizations during their leisure time-their 'time off' and third, there is

often an emotional investment in the activities of the sport organization, such as supporting a sport team, belonging to a club, or going swimming to improve health. These factors are likely to lead to much greater expectations of sport organizations than of many other service providers.

Under these situations recently, a growing body of literature has emerged from the field of sport consumer behavior that seeks to apply the concepts and techniques of service quality and customer satisfaction to sport (Howat, et al., 1999; Kim & Kim, 1995; McDonald et al., 1995; Lentell, 2000; Woratschek, 2000; Theodorakis et al., 2001). A comparatively number of researchers has offered studies from a customer perspective (Alexandris, et al., 2004; Burns, et al., 2003; Crompton & Mackay, 1989; Lentell, 2001; Woratschek, 2000).

Most of the published studies have focused on determining what service quality means to customers, and developing strategies to meet customer expectations. There have been, however, very limited attempts to investigate the influence of service quality on customer maintenance (Alexandris, et al.,2001) Examples of published studies are the QUESC, developed by Kim and Kim (1995), the CERM, developed by Howat, et al. (1996) in the context of sport clubs in Australia, the REQUAL developed by MacKay and Crompton (1990), in the field of sport services, and the TEAMQUAL (McDonald et al., 1995) developed to measure service quality in professional sports.

Service quality and consequences of perceived service quality are the concepts investigated in the present study. More particularly, the purpose of this study was to assess the effect of participants' perceptions of service quality on their satisfaction and loyalty in professional participant sports.

#### 4. Conceptual model

This study proposes a research model (Fig. 1) that helps in identifying the relationship between service quality measures, customer satisfaction and customer loyalty in sport services industry. This model is based upon Caceres and his colleague' work (Caceres and Paparoidamis, 2007). They have been applied such a model in business to business setting. Furthermore, the constructs of this study constitute an extended version of Caruana (2002), Tsoukatos and Rand (2006), Sivadas and Baker-Prewitt (2000), Donio' (2006) and Ismail and Haron (2006) that reworded to apply to sport context.

The model specifies five factors that together comprise different aspects of functional quality. Based on Parasuraman and their coworkers' model of SERVQUAL, functional quality and technical quality comprise service quality perception. As mentioned earlier, we used this model as a part of conceptual model. In this specific case, technical service quality is measured based on sport industry variables. The second component is customer satisfaction that measured based on some variables described afterwards. Customer satisfaction directly and indirectly affects customer loyalty. Two variable trust and commitment play intermediates to satisfaction affect loyalty indirectly. A questionnaire was designed based on factors that mentioned above and consists of a series of statements (49 statements), respondents may either agree or disagree with these statements to varying degrees (using a five-point Likert scale). These questions extracted from reliable and valid instruments; we customized some statements regarding to sport setting as mentioned in appendix. In testing the proposed model, we used only those observed variables that were identified conceptually related with the various constructs in our model. The appendix provides summary information about the observed variables used and grouped according to the constructs (latent variables) they measure.

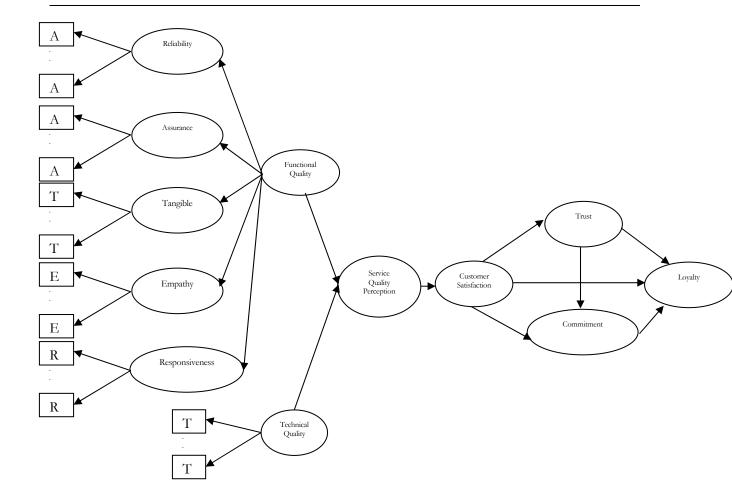


Figure 1. Proposed model of service quality, customer satisfaction and loyalty

#### 5. Sample

Enghelab sports complex (ESC) is one of the largest sports complexes in Iran. This sport service provider was selected for this study due to its size and long-term activities. This sport complex has different sport sites and salons and numerous centers and departments which were established in this site in order to materialize its envisioned sports, recreational and cultural objectives. Table 1 depicts some specifications of this sport complex. Because of the ESC size, numerous and varied sport services and also different socio-economic status of service users, it is attractive case for sport service studies. Based on this reason, complete data were examined from 437 sport service users include different sport areas. Descriptive background data on the sport service users who participated in the study are as follows:

- Mean age: 20.4 years old;
- Gender: female 29.6 percent, male 70.4 percent; and
- Mean years of service usage: 1.9 years.

Table 1: Specifications of Enghelab sports complex						
<b>Specifications</b>	Remark					
Number of members	52083					
Number of employees	310					
Total area of complex (Hectares)	95					
Number of Sport fields	13					

# 6. Results

# **Exploratory factor analysis**

We used exploratory factor analysis (EFA) in validating the measurement of the multiitem constructs. The reason for conducting EFA is that the EFA procedure allowed us to drop some invalid items from the scale and group valid items to relevant groups. Varimax rotation was employed to derive a simple structure, and factors with eigen-values less than 1 were screened out. Using this approach, 11 irrelevant variables deleted (See appendix). The factor structure that emerged was more or less consistent with the initial conceptualization of the dimensions of model – with the exception that loyalty factor loaded on four dimensions (See Table 2). These results did not prevent a continuation of the analysis – because the discriminating validity between these concepts could be later checked to confirm.

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Table 2- Exploratory factor analysis with varimax rotation

	Mean	Std. Deviation	Reliability	Responsiveness	Assurance	Empathy	Tangible	Tech. Service quality	Satisfaction	Trust	Commitment	WOM	communications	Purchase intentions	Price sensitivity	Complaining behavior
RELI1	3.2288	1.13848	.577													
RELI2	3.0160	1.15624	.576													
RELI4	3.5217	1.17020	.570													
RES1	3.2426	1.05392		.865												
RES2	2.9886	1.04590		.858												
RES3	3.1236	1.00609		.864												
ASS1	3.3318	1.06754			.865											
ASS2	3.1968	1.06560			.864											
ASS3	2.9542	1.03725			.859											
EMP2	3.1330	1.7598				.760										
EMP3	3.2380	1.08920				.759										
EMP4	3.2197	1.18565				.761										
TANG1	3.6247	1.19292					.547									
TANG3	3.2906	1.09008					.549									
TANG4	3.0549	1.09700					.547									
TECH1	3.1213	1.08002						.596								
TECH2	3.1304	1.08320						.567								
TECH3	3.1442	1.08357						.558								
SATIS2	3.2906	1.06454							.539							
SATIS3	3.2883	1.06408							.543							
SATIS4	3.2906	1.06454							.561							
TRUST1	2.9542	1.16040								.540						
TRUST2	3.3707	1.16125								.544						
COMM1	3.2380	1.12850									.567					
COMM3	3.4485	1.12120									.565					
COMM5	3.0412	1.11625									.576					
LOYAL1	3.2746	1.12829										.53				
LOYAL2	2.8924	1.10664										.54	40			
LOYAL4	3.3089	1.08079												.546		
LOYAL5	3.3799	1.10974												.580		
LOYAL6	3.9199	1.13755												.871	0.50	
LOYAL7	3.9176	1.13638													.852	
LOYAL8	3.9199	1.13755													.862	
LOYAL9	3.9062	1.12840													.840	071
LOYAL10	3.9199	1.13755														.871
LOYAL11	3.9176	1.13638														.852
LOYAL12	3.9199	1.13755														.871
LOYAL13	3.0893	1.11325	621	2 1 4	4.20	2 47	1 65	7.00	7.06	7.00	<b>5</b> 90		27	5.60	<i>5</i> 21	8.32
Explair	ned Varianc	e (%)	6.34	3.14	4.29	3.4/	4.65	7.08	7.06	7.98	5.89	6.3	) /	5.69	5.31	3.82

# **Confirmatory factor analysis**

Then, the proposed model was tested by using LISREL 8.5 (Jo¨reskog and So¨rbom, 1993). Since we posited an a priori defined model to be tested, our first interest lies in determining model fit. Once model fit is determined, the significance of the various parameter estimates can be ascertained. Several indices can be used to determine the fit of the data to the model. These include the goodness of fit index (GFI), the root mean square error of approximation (RMSEA) and its 90 percent confidence interval, Normed Fit Index (NFI), Comparative Fit Index (CFI), Relative Fit Index (RFI), and the chi-square to degrees of freedom ratio ( $\chi^2$ /df), although it is well known that with large sample sizes, such as that used in this study, the size of the  $\chi^2$  coefficient has a tendency to reject models, even if they are only marginally inconsistent with the data (Raykov and Marcoulides, 2000).

Table 3- measures of model fit

Chi-square/degree of freedom (73.91/56)	1.32		
Goodness-of-fit index (GFI)	0.98		
Normed Fit Index (NFI)	0.98		
Comparative Fit Index (CFI)	1.00		
Relative Fit Index (RFI)	0.98		
Root mean square error of approximation	0.023		
(RMSEA)			
90 percent confidence interval for RMSEA	(0.0; 0.036)		

Table 3 presents the fit indices obtained for the proposed model. The fit indices all indicate good model fit to the data. It is generally recognized that a GFI value of 0.98 indicates a satisfactory model fit. On the other hand, an RMSEA value of less than 0.05 and an interval not too wide is considered an indication that the model is a plausible means of describing the data. Also, NFI, CFI and RFI are higher than 0.9 that indicates a satisfactory model fit. And finally, a chi-square to degrees of freedom ratio of below 2 is generally judged to indicate a reasonable fit of the model.

Because the model was determined to fit the data reasonably well, we can now assess more thoroughly the significance of the empirical validation of the proposed model. Figure 2 presents the LISREL parameter estimates of the model tested. These parameter estimates are indices that represent the simultaneous contribution of each observed and latent variable to the overall model. Overall, the set of latent variables in the model accounted for 71 percent of the variance in customer loyalty.

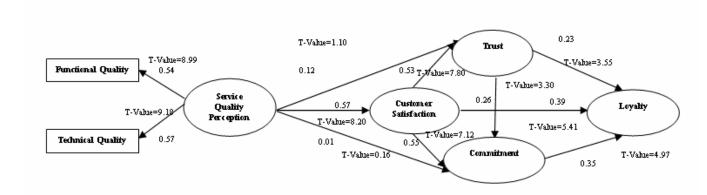


Figure 2- complete model with parameter estimates

The standardized path diagrams in Figure 2 summarize a number of relevant findings between how customer are being loyal to a sport service provider. The model therefore provides a glimpse of how these various service processes combine to influence customer loyalty.

T-values should be more than 1.96 or less than -1.96. T-values showed in above figure indicate that all relations except effect of service quality perception on trust (T-value=1.10) and commitment (T-value=0.16) are meaningful. The strongest direct effect on customer loyalty outcomes in the present study was through customer satisfaction (0.39). This variable was comprised of a variety of attitudes customers hold about sport services provider in contrast their expectations; that is, less satisfaction about services were associated with lower customer loyalty. The results further indicate that customer satisfaction was partially explained from customer perceptions about the quality of services (0.57). On the basis of conceptual model, service quality perception comprised of functional quality and technical quality. The results indicate that service quality perception was explained from functional quality (0.54) and technical quality (0.57); that is, technical quality (e.g., the quality of exercises) is more important than functional quality in the sport industry.

Customer loyalty was also related to trust (0.23) and commitment (0.35); that is, commitment to service provider as a behavioral reaction has more effects than trust which derive from attitudes about services provider. Since, loyalty itself is a behavioral outcome, therefore these results are reasonable. Also, Trust affected commitment positively (0.26) and so indirectly affect on loyalty through commitment. Customer satisfaction affects on trust (0.53) and commitment (0.55). That is, satisfaction has stronger relation with trust and commitment in contrast of weak relation between service quality perception and these two variables (0.12 with trust and 0.01 with commitment). The results indicate and emphasize that customers compare service quality perception with their expectation and they satisfy if perceived service quality be more than expected quality. Therefore, the perception of service quality has a weak direct effect on trust and commitment.

#### 7. Discussion

In this article we proposed a model about how several variables thought to represent aspects of service quality could be summarized and their effects on customer loyalty in the sport services. We were interested in determining whether the model previously tested by researchers with a variety of product and service organizations would describe relationships

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in data collected within sport services. Our purpose was to identify variables in the sport environment that contribute to customer loyalty.

As aforementioned, there are very limited attempts to investigate the influence of service quality on customer retention, or to identify the behavioral consequences of service quality perceptions (Alexandris, et al., 2001) and they have focused on determining what service quality means to customers, and developing strategies to meet customer expectations. In contrast to those models and researches, our model focuses on customer loyalty or retention and how customers affected with services quality and intermediates such as satisfaction, trust and commitment.

We proposed that SERVQUAL type scales can be used to measure service quality in a sport setting such as that of given case. Nevertheless, the five-dimension structure of service quality was based on research mostly in business settings. Customers in other settings may perceive service quality differently. Most published studies on service quality, customer satisfaction and loyalty refer to the relationships between the constructs in the aggregate. We have extended our model to include the dimensions of service quality and loyalty. Indeed the path service quality and customer satisfaction exists, and the two service dimensions equally influence customer satisfaction. The relation customer satisfaction and Loyalty is also confirmed. Our findings confirm that the relation between loyalty and satisfaction is mediated by two factor commitment and trust as consequences of service quality and customer satisfaction.

Our findings demonstrate that customers' loyalty-based behaviors are multidimensional. In particular, no one metric best predicts all behaviors associated with customer loyalty. This implies that firms must balance and manage different aspects of the customer experience simultaneously if they are to optimize the loyalty behaviors they desire from their customers. For researchers, this implies that holistic models of loyalty will need to be developed to model the impact of these various dimensions of customers' loyalty behavior on firm financial outcomes. The impact of these dimensions is likely to vary by industry and customer characteristics. Furthermore, our research implies that each dimension is likely to be affected by differing aspects of the customer experience. Of research and managerial interest is the extension of the model to include the cultural characteristics of customers. This will contribute towards the understanding of how culturally different customers perceive service quality and how they link this to satisfaction and loyalty. It will also be interesting to expand the model to include the economic consequences for sport services providers.

This study suffers the limitation that it tests the fit of the model within the limits of a single service provider. Further research should attempt to replicate the findings in other contexts and more sport services provider. Availability sampling is another limitation of the study. However, availability sampling is quite common in the service-quality – customer-satisfaction literature (e.g. Brady et al., 2002; Chang et al., 2002; Wang et al., 2004; Semeijn et al., 2005). Despite these limitations, the satisfactory fit of the estimated model allows for the study to be a reliable comparison basis for future research. Also, some of the key measures we used in the study were single item measures. While we believe that these global measures do an adequate job of capturing consumers' feelings and intentions and are quite reliable in this stream of research, we do acknowledge the superiority of multiple item measures.

Managers have traditionally focused on customer satisfaction and service quality. Sport industry represents a unique managerial challenge in that consumers patronize multiple service providers at the same time. This study suggests a need to go beyond the measurement of satisfaction and service quality and indicates that neither has a direct effect on loyalty. The

key to customer creation and retention appears to be the fostering of a favorable relative attitude among service providers. Thus it is not merely enough to satisfy a customer, the customer's attitude towards a specific club or sport complex should be more favorable as compared to competing ones; and a favorable relative attitude can be created by satisfying the customers and improved service quality. Service quality, satisfaction, and fostering a favorable relative attitude have a positive effect on consumers' likelihood of recommending the service provider to others. Recommending the club or sport complex to others results in increased reuse intentions, which fosters sport services provider loyalty. Thus managers should design programs that increase consumer likelihood of recommending them to others. Incentive programs (free tickets or special discounts or bring a friend to the club program) or advertising that encourages consumers to recommend them to their friends is key.

# **Appendix**

Items used to measure constructs. Respondents were asked to rate on a scale of 1-5 their agreements with the following statements.

#### **Service quality**

Parasuraman et al. (1988)

#### Reliability

- RELI1. Providing services as promised
- RELI2. Dependability in handling customers' service performed
- RELI3. Performing the services right the first time <sup>a</sup>
- RELI4. Providing services at the promised time
- RELI5. Maintaining error-free records <sup>a</sup>

# Responsiveness

- RES1. Keeping customers informed about when services will be performed
- RES2. Prompt service to customers
- RES3. Willing to help customers
- RES4. Readiness to respond to customers' requests <sup>a</sup>

#### Assurance

- ASS1. Employees who instill confidence in customers
- ASS2. Making customers feel safe in their transaction
- ASS3. Employees who are consistently courteous
- ASS4. Knowledgeable employee to answer customer questions <sup>a</sup>

# **Empathy**

- EMP1. Giving customers individual attention <sup>a</sup>
- EMP2. Employees who deal with customers in a caring fashion
- EMP3. Having the customer's best interest at heart
- EMP4. Employees who understand the needs of their customers
- EMP5. Convenient business hour <sup>a</sup>

# **Tangible**

- TANG1. Modern equipment
- TANG2. Visually appealing facilities <sup>a</sup>
- TANG3. Employees who have a neat, professional appearance
- TANG4. Visually appealing materials associated with the service

#### **Technical quality**

TECH1. It is successful to complete exercise

TECH2. The exercise can be completed without the interruption

TECH3. The coach's experience is good and his (her) exercise is excellent

# **Customer satisfaction**

Hennig-Thurau (2004)

SATIS1. I am fully satisfied with club/sport complex "X" a

SATIS2.Club/sport complex "X" always fulfills my expectations

SATIS3.My experiences with club/sport complex "X" are excellent

SATIS4.Club/sport complex "X" has never disappointed me so far

# **Customer commitment** b

Fullerton (2005)

COMM1. I feel emotionally attached to club/sport complex "X"

COMM2.Club/sport complex "X" has a great deal of personal meaning for me a

COMM3. I feel a strong sense of identification with club/sport complex "X"

Hennig-Thurau (2004)

COMM4. My relationship with club/sport complex "X" is important to me <sup>a</sup>

COMM5. If club/sport complex "X" were no longer to exist, this would be a significant loss for me

# Trust b

Caceres and Paparoidamis (2007)

TRUST1. Club/sport complex "X" really takes care of my needs as a customer Donio (2006)

TRUST2. I feel that I completely trust this club/sport complex' activities and its services

#### Lovaltv

Zeithaml et al. (1996)

# **Word-of-mouth (WOM) communications** b

LOYAL1. Say positive things about club/sport complex "X" to other people

LOYAL2. Recommend club/sport complex "X" to someone who seeks your advice

LOYAL3. Encourage friends and relatives to do business with club/sport complex "X" a

# **Purchase intentions** b

LOYAL4. Consider club/sport complex "X" your first choice to use sport services

LOYAL5. Use more services of club/sport complex "X" in the next few years

LOYAL6. Use less services of club/sport complex "X" in the next few years a

# **Price sensitivity** b

LOYAL7. Get some of your services to a competitor that offers more attractive prices

LOYAL8. Continue to use services of a competitor that offers more attractive prices

LOYAL9. Pay a higher price than competitors charge for the benefits you currently receive from club/sport complex "X"

# Complaining behavior b

LOYAL10. Switch to a competitor if you experience a problem with club/sport complex X's service

LOYAL11. Complain to other consumers if you experience a problem with club/sport complex X's service

LOYAL12. Complain to external agencies, if you experience a problem with club/sport complex X's service

LOYAL13. Complain to club/sport complex X's employees if you experience a problem with their services

Note: <sup>a</sup> represents an item removed after CFA (Extraction<0.5)

Note: b in the questionnaire club/sport complex "X" was replaced by the name of the service provider visited by the consumer

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