# The Influence of Perceived Service Quality on Fitness Membership Renewal of XYZ Fitness

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## Abstract

The purpose of this paper is to 1) study the service quality of XYZ Fitness by using SERVQUAL model; 2) and study the most influential service quality dimension for renewal of membership at XYZ fitness.

The methodology employed both qualitative and quantitative approaches. The qualitative approach was the compilation of a literature review, field study, non-participatory observation and semi-structured interview. The SERVQUAL model has been adopted and adjusted to suit the service environment in fitness industry. The service quality factors have been validated through confirmatory factor analysis by using a data of 420 members. Also, these service quality factors have been specified as a second - order factor that is determined by first-order dimensions.

A 20 - item scale covering five dimensions of the service quality found that the most important model suggests that membership renewal is most influenced by the empathy dimension, followed by assurance, reliability, responsiveness, and tangible dimension, respectively. The results from both convergent and discriminant validity indicate the construct validity of this study model is supported. A second-order measurement model showed a good model fits with the following values: x2/df = 2.659, GFI = 0.908, AGFI = 0.876, CFI = 0.958, NFI = 0.934, RMR = 0.036, and RMSEA = 0.063. The result of this study would enable management in fitness industry to achieve an effective and efficient integrated business planning with the aim to provide superior services for the member.

**Keywords:** Perceive service quality, Fitness, Customer Retention, Confirmatory Factor Analysis

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# อิทธิพลเชิงสาเหตุของการรับรู้ถึงคุณภาพการให้บริการในการต่ออายุสมาชิกฟิตเนส XYZ

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## บทคัดย่อ

การศึกษาวิจัยในครั้งนี้มีวัตถุประสงค์เพื่อ 1) ศึกษาการรับรู้ต่อการบริการที่ดีของ XYZ ฟิตเนส โดยใช้แนวคิด SERVQUAL โมเดล และ 2) ศึกษามิติด้านการบริการที่มีอิทธิพลต่อการเป็นสมาชิกของสถานออกกำลังกาย XYZ Fitness

การศึกษาครั้งนี้ใช้วิธีการผสมผสานระหว่างการเก็บรวบรวมข้อมูลทุติยภูมิ การทบทวนวรรณกรรมร่วมกับการออกภาคสนาม สำรวจ จดบันทึกด้วยการสังเกตแบบไม่มีส่วนร่วมและการสัมภาษณ์แบบกึ่งโครงสร้าง พร้อมทั้งนำโมเดล SERVQUAL มาประยุกต์ปรับทฤษฎีตัวแบบที่มีคุณลักษณะที่สมบูรณ์ตามบริบทของธุรกิจฟิตเนส โดยใช้เทคนิคการวิเคราะห์องค์ประกอบเชิงยืนยันของสมาชิกผู้ที่ใช้บริการในสถานออกกำลังกาย XYZ จำนวน 420 คน นอกจากนี้ ได้นำตัวบ่งชี้ (ปัจจัย) ด้านคุณภาพบริการตามแนวคิดข้างต้น ทำการทดสอบด้วยวิธีการวิเคราะห์องค์ประกอบเชิงยืนยันอันดับที่สองอีกครั้งหนึ่ง

ผลการศึกษา จากการวิเคราะห์ตัวแปร 20 ตัว ซึ่งครอบคลุมปัจจัย 5 ด้าน เกี่ยวกับความสำคัญของคุณภาพการบริการที่ได้รับ พบว่า ปัจจัยสำคัญที่สุดที่มีอิทธิพลต่อการต่ออายุสมาชิก ได้แก่ ด้านความเอาใจใส่ต่อสมาชิก ความเชื่อมั่นในบริการ ความน่าเชื่อถือ การตอบสนอง และการบริการที่เป็นรูปธรรม ตามลำดับ ผลการศึกษาจากการทดสอบความเที่ยงตรงเชิงเหมือนและความเที่ยงตรงเชิงจำแนกของตัวแปร พบว่า สนับสนุนความเที่ยงตรงเชิงโครงสร้าง นอกจากนี้จากการวิเคราะห์องค์ประกอบเชิงยืนยันอันดับที่สอง พบว่า มีความเหมาะสม ตามค่าทางสถิติที่ได้ดังนี้ $x^2/df = 2.659$, GFI = 0.908, AGFI = 0.876, CFI = 0.958, NFI = 0.934, RMR = 0.036, and RMSEA = 0.063 ผลลัพธ์ที่ได้จะทำให้ผู้ใช้บริการรับรู้ถึงความแตกต่างเชิงคุณภาพบริการที่เหนือระดับ ทั้งนี้ จะทำให้ผู้ประกอบการหรือผู้บริหารในภาคธุรกิจฟิตเนสสามารถนำไปเป็นแนวทางการวางแผนเชิงบูรณาการของกิจกรรมทางธุรกิจ ที่มีประสิทธิภาพและประสิทธิผล

**คำสำคัญ:** รับรู้คุณภาพการให้บริการ ฟิตเนส การรักษาลูกค้าเดิม การวิเคราะห์องค์ประกอบเชิงยืนยัน

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## 1. Introduction

The fitness industry market has grown almost up to a hundred percent in size over the last ten years. Due to the current Thai society needs for the experience benefits of exercise, the increase rose from 5.6 billion Baht in 2006 (positioning, 2008) to an estimate of 10 billion Bath in 2017 (prachachat turakij, 2016). According to National Statistical Office of Thailand, the record of Thai population for the concerns of fitness (people who 'work-out') has significantly increased from 2% in 2007 to 16% in 2011 at the age of 15 to 59 years old. People are more focused on well-being and changes in lifestyles to relief from work stress, therefore, the health and fitness industry has become more and more essential in providing some these remedies. Fitness programs which are designed to meet the individual needs and physical abilities are significantly associated with improved cardiovascular and metabolic outcomes in both healthy populations and those at risks. Metsios, et al, 2014; Shirave & Barclay, 2012 has shown that there are lasting benefits of excise for physical and psychological functioning. Exercise training can yield important improvements in physiological activities such as walking and balance. For cognition, these are such as neuropsychiatric disturbances, fatigue and depression. And overall it can help improve the quality of life (Motl & Sandroff, 2015).

There are three major Fitness chains in the the market industry, these are namely; Fitness First, Virgin Active, and WE Fitness Society. These major brands capture about 80 to 90% of market value and the rest are possessed by local brands (manager online, 2016). In this highly competitive arena, membership retention is essential for a company to obtain market superiority. Fitness providers need to deliver the best service to its members to gain their satisfaction for retention of membership. In this study, the Researcher focus on the key service factors for retaining existing memberships to keep from switching over to other fitness providers. Thus, membership retention is the most sustainable factor. The number of investments in the health and fitness industry has often failed due to deficiency its membership retention (Hurley, 2004). Therefore, the need for better understanding of these variables will likely to determine the success of new ventures. The key perceived service quality membership retention has to be measured and reacted properly. In the absence of an analysis in service quality, Fitness providers can diminish their competitiveness, whereas confronted with competitors who are recognized for excellence in their services.

## 2. Research objectives

1. To identify the most influential service quality dimension for renewal of membership *(Due to confidentiality purposed company information in this research cannot be disclosed. Therefore, researcher named it as XYZ fitness).*

2. To develop the perceived service quality construct and assess its validity and reliability for membership renewal at XYZ Fitness.

## 3. Literature Review

### Service Quality

Perceived quality is defined as a customer's evaluation about a product or service entire superiority or excellence (Zeithaml, 1988; Aaker & Jacobson, 1994). Recent literatures in the past decade suggests that perceived quality is not the real quality of the product or brand, but rather it is the consequence of a customer's subjective judgment about a product's or service's overall performance (Parasuraman, Zeithaml, and Berry, (1985); Cronin & Taylor, (1992). Service quality is also regarded as the customer's impression of the relative inferiority or superiority of a service provider and its services (Tsoukatos & Rand, 2006). Some researchers believe that service quality is a difference between customers' expectations and perception of services (GrÖnroos, 1984, 1990; Oliver, 1980; Parasuraman, et al., 1994). While others suggested that the differences could be measured through differences of scores which is calculated from both expectation and perception (Parasunaman et al., 1985, 1994).

### The SERVQUAL Model

Parasuraman et al. (1985) has suggested the ten dimensions of service quality, later in 1991, Parasuraman, Berry, and Zeithaml introduced the well-known five dimensions of the SERVQUAL model. These five dimensions have been the dominating keys of the fitness industry which are characterized and listed by the following (Chelladurai et al., 1987; Kim and Kim, 1995; Lam et al., 2005; Albayrak et al., 2017);

1) Tangibles are the dimension that refers to the physical facilities, equipment, appearance of staff, and communication materials in service process. For fitness industry, these variables include modern equipment, well designed club, neat and well-dressed staffs, and variety of class exercises.

2) Responsiveness can be defined as the willingness to provide timely and efficient service for customers. This dimension is associated with the employees' ability and attitude for solving requests, questions, and complaints of member promptly and attentively.

3) Reliability is related to the ability to deliver service dependably and accurately. Reliability of XYZ Fitness involves on time performance, dependable service, understand members need, and keep accurate records of their members.

4) Assurance could be explained by the ability of conveying trust and confidence to members, such as knowledge and competences to answer questions. This dimension means member can perceive courtesy and credibility of staffs.

5) Empathy is associated with the treatment that is individualized care and attention provided to members, such as personalized attention, staff understand needs of members. Empathy is regarded a very important factor in competitive market of fitness provider.

SERVQUAL model has been used extensively for decades to measure service quality in the hospitality industry. For example, in recreational services (Sari, Bulut, and Pirnar, 2016), in travel and tourism industry (Nelson, Louisa, and Hailin, 2015), in retailing stores (Ivanauskienė & Volungėnaitė, 2014), in banking (Ali and Raza, 2017), in hospital service environment (Lonial, Menezes, Tarim, Tatoglu, and Zaim, 2010), in health care and nursing (Kitapci, Akdogan, Dortyol, 2014), in leisure (Howat, Crilley, and McGrath, 2008), in shopping and dining (Wu, 2014), as well as in spa and wellness (Albayrak, Caber, and Öz, 2017). The SERVQUAL instrument is practical for exploring customers' satisfaction in the service industry. The opinions from customers will be the best source of information for service enhancement.

## 4. Methodology

The study uses both qualitative and quantitative approach. The design of questionnaire to proper suit the fitness industry was a qualitative study that based on the SERVQUAL model as well as integrated documentary research, field study, non-participatory observation, and key informant interviews. Methodological triangulation method was employed in which data was collected based on purposive sampling technique. The key informants consist of three academic experts, two management from fitness industry, and four fitness members. The interviews were conducted in semi-structured. The use of note taking and/or the tape recorder were used as tools for data collection.

As for the quantitative approach, the target population of this study was members of XYZ Fitness who has renewed their membership at least once. By choosing this specific target group, the researcher can identify the key service dimensions that are important influences for renewing membership. Convenience sampling was employed to the target group during March 1$^{st}$ to 31$^{st}$ 2017. The sample size was chosen based upon general guidelines for sample size depending on the number of variables involved in the study. As the instrument used in this study has 20 items

(statements). The required sample size should be 20 times of total number of items (Kline, 2015). Therefore, the minimum requirement of sample size should be 400 samples. A total of 420 samples were corrected which matched the predetermined criterion of at least 400 samples. The questionnaire for the main study contains two parts, which were demographic information section and research framework section with five variables measuring customer perception. In research framework part, a total of 20 scale items were used to measure the five variables (four items for each dimension: tangibility, reliability, responsiveness, assurance, and empathy), as presented in Table 1. The measuring scale was five-point Likert response scale, ranging from 1 (strongly disagree) to 5 (strongly agree). Finally, there were seven items in the demographic information section.

**Table 1** Composition of Questionnaire

| Items | Supporting References |
|---|---|
| Tangible (TAN)<br>TAN1: XYZ Fitness has modern equipment.<br>TAN2: XYZ Fitness provides a variety of class exercises.<br>TAN3: The design of XYZ Fitness facilities are striking.<br>TAN4: Employees of XYZ Fitness are neat appealing. | Parasuraman, et al., (1985)<br>Zeithaml, et al., (1990)<br>Javadein & Estiri, (2010) |
| Responsiveness (RES)<br>RES1: XYZ Fitness Employees handle your problems immediately.<br>RES2: XYZ Fitness Employees are eager to listen and solve problems.<br>RES3: XYZ Fitness employees pay attention to your concerns and understand your problems.<br>RES4: XYZ Fitness employees have never be too busy to respond to your requests. | |
| Reliability (REL)<br>REL1: XYZ Fitness counselors always stick to their words and serve you based on the special offers on the application date.<br>REL2: When you have a problem, XYZ Fitness staffs show a sincere interest on solving it.<br>REL3: XYZ Fitness staffs are reliable in providing service to member.<br>REL4: XYZ Fitness keeps members' record accurately. | |

**Table 1** Composition of Questionnaire (continue)

| Items | Supporting References |
|---|---|
| Assurance (ASR)<br>ASR1: XYZ Fitness staffs are consistently courteous.<br>ASR2: XYZ Fitness staffs have knowledge, capability, and skill in their job responsibilities.<br>ASR3: Class instructors are always aware of members' safety while class exercises are being conducted.<br>ASR4: You will safe while attending class exercises under class instructor's supervision. | |
| Empathy (EMP)<br>EMP1: XYZ Fitness give you personalized attention while providing services.<br>EMP2: XYZ Fitness has operation hours convenient to all their customers.<br>EMP3: XYZ Fitness has staffs who give member personal attention.<br>EMP4: XYZ Fitness staffs understand the specific needs of their customers | |

As for the quantitative data analysis, the Statistical Package for the Social Science was employed in this study. The descriptive statistics used to analyze the data were frequency, percentage, mean, and standard deviation. Commercial software AMOS was used to analyze the CFA measurement model.

## 5. Result and discussion

### 5.1 Results of the Study

The demographic profile comprises of gender, age, monthly income, occupation, education, membership duration, and exercise frequency per week. The total of 420 surveys were equally distributed at each branches of XYZ Fitness. The collected sample consists of 47.6% males and 52.4% females, which considered as equally distributed in gender. There were totally four age groups: 18 - 30; 31 - 40; 41 - 50; Over 50 years old. Majority of respondents, 43.60%, were between 18 and 30 years old, 23.30% were in range of 31 to 40 years old, 17.40% were in range of 41 to 50 years

old, and 15.70% were over 50 years old. For monthly income, 22.90% of the respondents earned less than 25,000 THB, 41.10% of respondents earned 25,001 to 45,000 THB, and 36.00% of respondents earned more than 45,000 THB.

The demographic analysis of the result shows that 12.10% of the respondents were students, 15.00% were government officer, 45.50% were private sector employee, 22.10% were business owners, and 5.20% of respondents were engaged in other works. More than 90% of the respondents held at least Bachelor's degree. About 74.50% of respondents were the member of XYZ Fitness for at least 2 years. Most of the respondents, 51.40%, exercised 4 to 6 times per week, 43.30% of respondents exercised 1 to 3 times per week, and only 5.30% of respondents exercised more than 6 times per week.

**Table 2** Service quality dimensions

| Variables | Mean | SD | $R^2$ | Standard first-order loading[a] | CR | AVE | MSV | α n=30 | α *n=420* |
|---|---|---|---|---|---|---|---|---|---|
| Tangible | 3.60 | 0.79 | | | 0.903 | 0.701 | 0.429 | 0.867 | 0.882 |
| TAN1 | 3.77 | 0.90 | 0.74 | 0.86 | | | | | |
| TAN2 | 3.60 | 0.92 | 0.78 | 0.89[b] (23.934) | | | | | |
| TAN3 | 3.63 | 0.91 | 0.81 | 0.90 (24.321) | | | | | |
| TAN4 | 3.41 | 0.93 | 0.46 | 0.68 (13.222) | | | | | |
| KMO: 0.811, Barlett's Test of Spherical: 1070.18, p < 0.000 | | | | | | | | | |
| Responsiveness | 3.58 | 0.79 | | | 0.898 | 0.689 | 0.558 | 0.913 | 0.889 |
| RES1 | 3.77 | 0.91 | 0.53 | 0.73 | | | | | |
| RES2 | 3.60 | 0.89 | 0.82 | 0.91[b] (18.464) | | | | | |
| RES3 | 3.59 | 0.92 | 0.76 | 0.88 (17.858) | | | | | |
| RES4 | 3.38 | 0.95 | 0.62 | 0.79 (14.842) | | | | | |
| KMO: 0.820, Barlett's Test of Spherical: 1032.02, p < 0.000 | | | | | | | | | |
| Reliability | 3.67 | 0.69 | | | 0.891 | 0.673 | 0.596 | 0.895 | 0.884 |
| REL1 | 3.61 | 0.86 | 0.47 | 0.69 | | | | | |
| REL2 | 3.67 | 0.76 | 0.78 | 0.89[b] (16.229) | | | | | |
| REL3 | 3.72 | 0.78 | 0.77 | 0.88 (15.094) | | | | | |
| REL4 | 3.68 | 0.79 | 0.65 | 0.81 (15.020) | | | | | |
| KMO: 0.803, Barlett's Test of Spherical: 10259.80, p < 0.000 | | | | | | | | | |

**Table 2** Service quality dimensions (continue)

| Variables | Mean | SD | $R^2$ | Standard first-order loading[a] | CR | AVE | MSV | α n=30 | α *n=420* |
|---|---|---|---|---|---|---|---|---|---|
| Assurance | 3.54 | 0.63 | | | 0.833 | 0.556 | 0.546 | 0.887 | 0.861 |
| ASR1 | 3.40 | 0.72 | 0.51 | 0.72 | | | | | |
| ASR2 | 3.44 | 0.75 | 0.52 | 0.72[b] (20.686) | | | | | |
| ASR3 | 3.64 | 0.76 | 0.62 | 0.79 (15.487) | | | | | |
| ASR4 | 3.68 | 0.77 | 0.56 | 0.75 (14.795) | | | | | |
| KMO: 0.788, Barlett's Test of Spherical: 826.39, p < 0.000 | | | | | | | | | |
| Empathy | 3.55 | 0.70 | | | 0.800 | 0.506 | 0.496 | 0.857 | 0.827 |
| EMP1 | 3.36 | 0.92 | 0.28 | 0.71 | | | | | |
| EMP2 | 3.51 | 0.88 | 0.34 | 0.69[b] (15.741) | | | | | |
| EMP3 | 3.61 | 0.90 | 0.33 | 0.60 (11.846) | | | | | |
| EMP4 | 3.74 | 0.73 | 0.57 | 0.81 (11.143) | | | | | |
| KMO: 0.754, Barlett's Test of Spherical: 697.03, p < 0.000 | | | | | | | | | |

Notes: [a] Standard first-order loading is the standard regression weight of the individual variables' loading on to one of the component factors. Figures in parentheses are critical ratios from the unstandardized solutions; [b] The critical ratio is not available, becaurse the regression weight of the first variable of each component factor is fixed at 1; Composite Reliability (CR); Average Variance Extracted (AVE); Maximum Shared Variance (MSV)

**Source:** Author's calculation

**Psychometric properties of the first-order model**

Table 2 contains mean, standard deviation, R2, factor loadings, composite reliability, average variance extracted, maximum shared variance, KMO of each construct as well as its reliability. Cronbach's alpha values ranged from 0.827 to 0.913 for all variables. Many previous studies suggest that Cronbach's alpha values must be above 0.7 and could prove the scales have internal consistency (DeVellis, 2012; Hair et. al, 2009). Thus, all constructs of this study were accepted for internal consistency. The results showed that participants were satisfied with the service received from XYZ fitness (i.e. mean of the factors was between 3.54 to 3.67). KMO value of each construct was above 0.5 threshold value (i.e. KMO was between 0.754 to 0.820). It implied that underlying common

variance was significant. Bartlett's Test of Sphericity of each construct was less than 0.05 which implies that data employed in this study was suitable for factor analysis, as significance level value was 0.000. The factor loading for all scale items were well loaded from 0.60 to 0.91.

As for the construct validity defined by Hair et al. (2009), the convergent and discriminant validity were determined in order to establish the construct validity. The acceptable threshold level for convergent validity, as suggested by Hair et al. (2009), should be where CR is greater than AVE (CR>AVE), and AVE above 0.5. Table 2 specifies that CR values of each construct was larger than AVE values, and AVE values were above the minimum threshold level. Fornell and Larcker (1981) suggested that in order to assess the discriminant validity the AVE of each construct should be greater than maximum shared square variance (MSV). The AVE values of each the construct was larger than MSV values, which confirm the discriminant validity. Thus, the results from both convergent and discriminant validity indicated the construct validity of this study model is supported.

**Testing the first-order measurement model**

The 20-item scale was developed to test the measurement model with its five factors (i.e. tangible, responsiveness, reliability, assurance, empathy). The Confirmation Factor Analysis (CFA) was employed using maximum likelihood estimate method to verify how well these tested items represent the latent variables in the current study. The results of CFA model were evaluated using multiple indices such as Chi-square value ($x^2$), degree of freedom (df), goodness of fit index (GFI), adjust goodness of fit index (AGFI), normal fit index (NFI), comparative fit index (CFI), root mean square residual (RMR), and root mean square error of approximation (RMSEA) (Hair et al., 1998). The first-order measurement model indicated a good model fits with the following values: $x^2$/df = 2.287, GFI = 0.927, AGFI = 0.898, CFI = 0.968, NFI = 0.946, RMR = 0.032, and RMSEA = 0.055, as shown in Table 3.

**Table 3** The CFA fit summary

| Fit indices | Acceptable Threshold Levels[a] | First-order CFA | Second-order CFA | Pass |
|---|---|---|---|---|
| $X^2$/df | < 3 | 2.287 | 2.659 | ✓ |
| GFI | ≥ 0.9 | 0.927 | 0.908 | ✓ |
| AGFI | ≥ 0.8 | 0.898 | 0.876 | ✓ |
| CFI | ≥ 0.9 | 0.968 | 0.958 | ✓ |
| NFI | ≥ 0.8 | 0.946 | 0.934 | ✓ |
| RMR | < 0.08 | 0.032 | 0.036 | ✓ |
| RMSEA | < 0.08 | 0.055 | 0.063 | ✓ |

[a] References: Hair et al., 2009; Kline, 2015

**Source:** Author's calculation

**Testing the second-order measurement model**

The second-order measurement implies a causal flow from the main construct to the first-order factors. This also helps in estimating the structural relationship between the construct and the underlying sub-constructs (Hair et al., 2009). In this study, the theory of SERVQUAL suggested that the service factors consists of five underlying sub-constructs, namely: tangible, responsiveness, reliability, assurance, and empathy. Each sub-construct was measured by certain variables/items. Thus, the second-order measurement model was developed. According to Kline (2015), a good model fits of the first-order measurement model is a pre-requisite for constructing the second-order model. Figure 1 displays the second-order CFA, as explained by the five first-order constructs.

The second-order measurement model showed a good model fits with the following values: $x^2$/df = 2.659, GFI = 0.908, AGFI = 0.876, CFI = 0.958, NFI = 0.934, RMR = 0.036, and RMSEA = 0.063, as shown in Table 3. The results indicate that the five first-order factors loaded well on the model, as shown in Table 4 and Figure 1. The results confirm the existence of the second-order model of the perceived service quality.

**Table 4** Loading of the second-order confirmatory factor analysis

| Factor | $R^2$ | Standard second-order loading[a] |
|---|---|---|
| **Tangible** | 0.430 | 0.65[b] |
| **Responsiveness** | 0.664 | 0.82 (10.860) |
| **Reliability** | 0.813 | 0.90 (10.907) |
| **Assurance** | 0.838 | 0.92 (11.433) |
| **Empathy** | 0.940 | 0.97 (11.388) |

Notes: [a] Standard second-order loading is the standard regression weight of the individual variables' loading on to the overall key perceived service quality factors construct. Figures in parentheses are critical ratios from the unstandardized solutions; [b] The critical ration is not available, becaurse the regression weight of the first component factor (i.e. key perceived service quality factors ⟶ tangible) is fixed at 1.

**Source:** Author's calculation

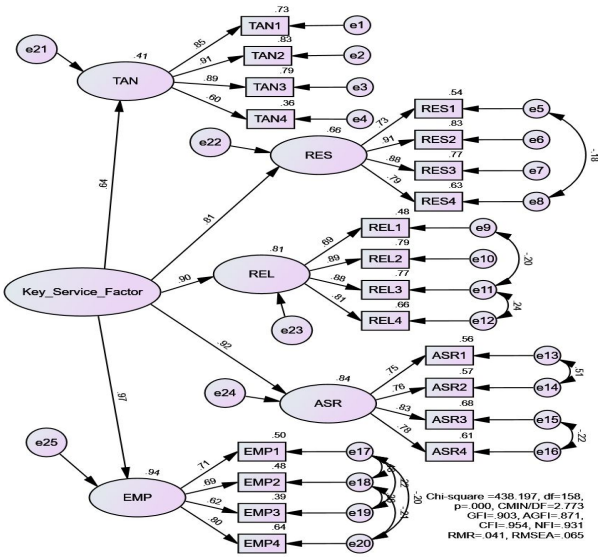


**Figure 1** Second-order CFA

**5.2 Discussion**

The objective of this study was to identify the most influential service quality dimension of why members keep on renewing their membership at XYZ Fitness. To achieve this objective, the study applied the theoretical framework of Parasuraman et al (1991), namely SERVQUAL instrument.

The Empathy dimension is one of the most significant dimension ($\gamma$ = 0.97). This indicates that individualized care and attention provided to members have the tremendous impact on membership renewal decision. Members are highly satisfied with XYZ Fitness staffs who understand their specific needs and able to provide personalized attention. As suggested by Kim et al. (1995), service provider empathy significantly influenced client satisfaction. Even sometimes, staff couldn't accommodate a member's request but member still has a good feeling because staff genuinely cared about helping. Improving service providers' empathic communication skills should increase client satisfaction.

Next, assurance is the second most important dimension influencing the key perceived service quality factor ($\gamma$ = 0.92). Members are very pleased with class instructors who are always aware of members' safety while class exercises are being conducted, which leads to members' confidence in instructors. Confidence is one of the most important factors for assurance (Kumar et al., 2010). Furthermore, members feel assured about the competence of the staffs. The higher client appreciation with staff interaction, the higher evaluation of service quality (Ndubisi, 2004).

"Reliability" is the third most important dimension that influences the key perceived service quality factor ($\gamma$ = 0.90). Sincerity of staffs in solving members' problems as they arise is the most important in this dimension followed by dependable service, keeping members' records correctly, and keeping promise to do something. Yang et al. (2003) and Afthinos (2001) mentioned that service reliability is one of the key factor in service industry. Keeping services as promise is a must for enhancing customer satisfaction.

"Responsiveness" is the fourth most important dimension the influence the key perceived service quality factors ($\gamma$ = 0.81). Staffs' willingness to listen and solve members' problem is the most significant for the responsiveness dimension followed by staff attention to member concern and problem, never be too busy to respond member request, and immediately handle member problems. Afthion et al. (2001) supported that service quality and customer satisfaction are positively related with responsiveness.

Last but not least, "Tangible" is the least influential dimension of the key perceived service quality factor ($\gamma$ = 0.64). The variety of class exercises is the most important factor in tangible dimension followed by striking design of facility, modern equipment, and staffs' appeal. Smith et al.

(2014) suggested that customer appreciation on the physical aspect and environment are positively related with customer loyalty.

## 6. Conclusion and Implication

In conclusion, it was found that empathy is the most important dimension for membership renewal followed by assurance, reliability, responsiveness and tangibility, respectively. The results indicated that members were very satisfied with XYZ fitness's staffs' services. Management of XYZ Fitness should be able to provide the optimum levels of customer service for their members. Determining optimum levels of customer service depends on accurately assessing customer perceptions. Hence, the following suggestions need to be maintained/improved in the interest of managements to enhance members' satisfaction:

• Personalize customer experiences. The individualized care and attention definitely have tremendous impact on members' satisfaction. The aim of developing personalized member services is to create higher level of satisfaction and engagement.

• Interpersonal skills training for all staff services. Interpersonal skills are very important for this kind of service-oriented business. Therefore staffs need to be equipped with essential skills which can lead to providing good services.

• Increase staff availability during peak hours in order to meet the demand of members' needs. Create professionalism and improve timeliness in serving members as well promote team working environment to provide exceptionally high standard services.

• In order to members to engaged and interested, fitness centers should increase the number of special class offerings to serve member need. Adding or modifying classes, bringing in guest instructors, and creating special promotions.

• Fitness centers should consider adding retail offerings like dietary supplements or logo apparel. Members will buy supplements so selling high-quality products or providing promotional offers will increase variation in product services.

Overall, these recommendations of this study would enable management of XYZ Fitness to improve their service and design better customer service strategies, possibly making XYZ Fitness more competitive.

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