Customer Retention in Participant Sport Industry: A General Equation Model of Service Quality, Emotion, Satisfaction, and Repurchase Intention

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The rate of sport participation which had been increasing gradually since the 1980s started to decrease from the year 2000. This phenomenon is due to sport facilities, constructed according to the demands of sport customers, not being efficiently operated (Jun & Ha, 2002). Therefore, the key resolution to raising overall sport participation rate is maintaining effectively the original sport customers. Up to date, many scholars from the marketing field have emphasized on the importance of customer maintenance (Ang & Buttle, 2006; Weinstein, 2002; Venetis & Ghauri, 2004). In addition, there have been plentiful researches done regarding the relationship between variables that influence customer maintenance. Thus, studies have revealed that service quality (Venetis & Ghauri, 2004) and customer satisfaction (Kotler, 2000) greatly influence customer maintenance. Consumption emotion was also confirmed that it is an important variable within the customer decision making process (Kim & Kang; 2006).

This study attempts to explain the customers’ intention to continuously take part in participation sport through service quality, customer satisfaction, and purchase emotion, especially explaining the role of consumption emotion in the consumption environment.

Based on the preliminary literature reviews, we proposed the following model: service quality has direct effects on positive/negative emotion, customer satisfaction and repurchase intention, and positive/negative emotion has direct effects on customer satisfaction and repurchase intention, and customer satisfaction has direct effects on repurchase intention.

Data were collected from the fitness center of a university in Seoul Korea. Through convenience sampling method, a total of 437 samples responded to the survey and 416 were the valid samples. Instrument of the study consisted of four sections: service quality, consumption emotion, customer satisfaction, and repurchase intention. Service quality scale developed by Hur (1997) was modified into 5 sub-variables and 17 questions. Emotion was measured with 4 positive emotion words and 4 negative emotion words (Kang, 1996; Kim & Kang, 2006; Laros & Steenkamp, 2005). Customer satisfaction and repurchase intention were measured with 3 questions respectively. Confirmatory factor analysis was performed to confirm the validity of the instruments and structural equation modeling was used to develop the model. Cronbach's alpha of the measures ranged from .67 to .94. CFAs for the measurement model of service quality, emotion, customer satisfaction, and repurchase intention yielded a satisfactory fit, (df=419) = 1051.45, p <.01, Root Mean Square Residual(RMR) = .06, Root Mean Square Error of Approximation(RMSEA) = .06, Comparative Fit Index(CFI) = .93, Tucker-Lewis Index(TLI) = .92. Thus the overall fit of the CFA model was acceptable. The second-order factor was introduced for service quality variable. Service quality was a higher order latent variable encompassing main facility, subsidiary facility, employee, instructor and program. The purpose of introducing the second-order factor was to examine the significance of overall service quality in decision-making process. The proposed model fit indices ( χ²=1067.14, df=420, p<.01; RMR=.06; RMSEA=.06; TLI=.92; CFI=.93) indicated that the proposed model was significant. However, three path coefficients (service quality, positive emotion and negative emotion - repurchase intention) were insignificant. Therefore, we deleted the three insignificant path coefficients and re-specified the model. The modified model fit indices ( χ²=1070.14, df=423, p<.01; RMR=.06; RMSEA=.06; TLI=.92; CFI=.93) indicated that the model was acceptable. The findings of this study have several theoretical implications. First, it has been recognized that consumption emotion takes the role of a mediator between service quality and customer satisfaction. Thus, service quality has more indirect effect through emotions than direct effect on customer satisfaction. The results represent that emotion of customers' consumption in participant sport was a very important variable. Second, positive emotion effects more strongly than negative emotion on satisfaction. Third, satisfaction has the role of mediator between service quality and repurchase intention, and between emotion and repurchase intention. Also, the result confirms that satisfaction is a strong antecedent of decision to repurchase a membership.