

MARKETING STRATEGIES TO RETAIN MEMBERS AT FITNESS CLUBS IN PORT ELIZABETH

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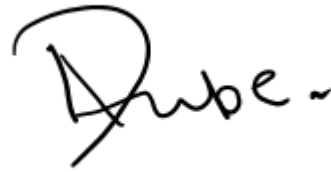
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DECLARATION

We, Jacolien Viljoen (215166191) and Ashel Dube (215269799), hereby declare that the content of this treatise, entitled "Marketing strategies to retain members at fitness clubs in Port Elizabeth", is our own original work; and that it has not previously been submitted for assessment of any postgraduate qualification at another university or for another qualification, and that all sources used or quoted have been acknowledged and indicated as complete references.

A stylized, handwritten signature in black ink, featuring a large, circular loop and a trailing flourish.**JACOLIEN VILJOEN**A handwritten signature in black ink, appearing to read 'Dube' with a small flourish at the end.**ASHEL DUBE**

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We would like to take this opportunity to convey our most heartfelt appreciation to the following individuals who have made an invaluable contribution towards the intellectual content of this research study and to those who have good-naturedly supported us throughout the completion of this study.

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ABSTRACT

The study revolves around the marketing strategies that are used by fitness clubs in Port Elizabeth to retain its members. Fitness clubs are vitally important to the general wellbeing and health of the community. However, for fitness clubs to survive in a struggling economy with many members leaving fitness clubs to save funds, is difficult. Fitness clubs can make use of marketing strategies to increase customer retention, this will increase the likelihood of the customers staying with their fitness clubs, instead of leaving their fitness clubs for new fitness clubs or discontinuing their membership.

In order to establish the influence of selected marketing strategies on customer retention of the fitness clubs, an empirical investigation was conducted. The primary aim of the study was to quantify statistically significant relationships among the selected marketing strategies and customer retention; therefore, the positivistic research paradigm was used. The samples of data consisted of individuals that were members of fitness clubs in Port Elizabeth. The study used snowball and convenience sampling to identify the respondents and the data collected from the 281 respondents was explored through statistical analyses.

The empirical investigation led to the dependant variable (customer retention) being split into two dependant variables (customer relationship building efforts and customer need customisation efforts). The empirical investigation also revealed two statistically significant relationships among the independent variables (customer relationship marketing and service quality) and the dependant variables (customer relationship building efforts and customer need customisation efforts).

The study revealed that members of the fitness clubs recognise customer relationship marketing and service quality as the main aspects of the fitness clubs ensuring efforts are customised to suit their needs and also set to build relationships with them.

The study indicated that there are marketing strategies like customer feedback, service quality, service offering types, customer relationship marketing, that will help fitness clubs improve their customer retention. In effect these strategies will not only help fitness clubs improve their customer retention rate but will also improve their overall profitability, as they will be able to retain more members.

TABLE OF CONTENTS	PAGE
DECLARATION	i
ACKNOWLEDGEMENTS	ii
ABSTRACT	iii
TABLE OF CONTENTS	iv
LIST OF TABLES	x
LIST OF FIGURES	xii

CHAPTER ONE

INTRODUCTION AND BACKGROUD TO THE STUDY

1.1	INTRODUCTION	1
1.2	PROBLEM STATEMENT	3
1.3	RESEARCH OBJECTIVES	6
1.3.1	Primary study objectives	6
1.3.2	Secondary study objectives	6
1.3.3	Methodological objectives	6
1.3.4	Research questions, proposed model and hypotheses	7
1.3.4.1	Research hypotheses	8
1.3.4.2	Research questions	8
1.4	RESEARCH DESGIN AND METHODOLOGY	9
1.4.1	Secondary data collection	9
1.4.2	Empirical investigation	9
1.4.3	Research design, paradigm and methodology	10
1.4.4	Population and sampling	11

	TABLE OF CONTENTS (CONTINUED)	PAGE
1.4.5	Design of the measuring instrument	11
1.4.6	Data analysis	12
1.5	SCOPE AND DEMARCATION OF STUDY	13
1.7	DEFINITION OF KEY CONCEPTS	13
1.7.1	Fitness clubs	13
1.7.2	Customer retention	14
1.7.3	Marketing strategies	14
1.8	STRUCTURE OF THE STUDY	14

CHAPTER TWO

LITERATURE REVIEW ON MARKETING STRATEGIES TO RETAIN MEMBERS AT FITNESS CLUBS

2.1	INTRODUCTION	16
2.2	CUSTOMER RETENTION	16
2.2.1	MEASURES OF CUSTOMER RETENTION	18
2.2.1.1	Customer loyalty	18
2.2.1.2	Customer satisfaction	19
2.2.1.3	Customer purchasing behaviour	20
2.3	MARKETING STRATEGIES	22
2.3.1	CUSTOMER FEEDBACK	23
2.3.2	CONTENT MARKETING	27

	TABLE OF CONTENTS (CONTINUED)	PAGE
2.3.3	DIGITAL MARKETING	30
2.3.4	TYPES OF SERVICE OFFERINGS	32
2.3.5	SERVICE QUALITY	35
2.3.6	RELATIONSHIP MARKETING	37
2.3.6.1	Trust	38
2.3.6.2	Dedication	39
2.3.6.3	Enjoyment	40
2.3.6.4	Strong relationships	41
2.3.7	REWARD PROGRAMS	41
2.4	SUMMARY AND CONCLUSIONS	44

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.1	INTRODUCTION	45
3.2	RESEARCH DESIGN	45
3.3	RESEARCH METHODOLOGY	46
3.3.1	Secondary data collection	47
3.3.2	Primary data collection	48
3.3.2.1	Population and sample frame	49
3.3.2.2	Sampling techniques	49
3.3.2.3	Research instrument	52
3.3.2.4	Questionnaire design	54
3.3.3	DATA ANALYSIS	57
3.4	ETHICAL CONSIDERATIONS	59

	TABLE OF CONTENTS (CONTINUED)	PAGE
3.5	SUMMARY AND CONCLUSIONS	59
	CHAPTER FOUR	
	EMPIRICAL FINDINGS	
4.1	INTRODUCTION	61
4.2	DEMOGRAPHIC PROFILE OF RESPONDENTS AND FITNESS CLUB MEMBERSHIP	62
4.3	RESULTS OF THE VALIDITY AND RELIABILITY ANALYSES	66
4.3.1	Results of factor extraction	66
4.3.2	Validity and reliability of the independent variables	69
4.3.2.1	Customer feedback	69
4.3.2.2	Customer relationship marketing	70
4.3.2.3	Service quality	72
4.3.2.4	Service offering types	73
4.3.3	Validity and reliability of the dependant variables	74
4.3.3.1	Customer relationship building efforts	74
4.3.3.2	Customer need customisation efforts	75
4.4	REVISED THEORETICAL FRAMEWORK AND HYPOTHESES	76
4.5	EMPIRICAL RESULTS OF THE DESCRIPTIVE AND INFERENTIAL STATISTICS	79
4.5.1	Descriptive statistics	79
4.5.2	Pearson's product moment correlations	80
4.5.3	Multiple regression analyses	82
4.5.3.1	Multiple regression analysis for Customer relationship building efforts	82

	TABLE OF CONTENTS (CONTINUED)	PAGE
4.5.3.2	Multiple regression analysis for Customer need customisation efforts	83
4.6	SUMMARY AND CONCLUSIONS	84

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1	INTRODUCTION	85
5.2	RESEARCH OBJECTIVES	85
5.2.1	Primary study objective	85
5.2.2	Secondary study objective	85
5.3	RESEARCH DESIGN	86
5.4	MAIN FINDINGS FROM THE LITERATURE REVIEW	87
5.5	MAIN FINDINGS FROM THE EMPIRICAL INVESTIGATION	89
5.6	CONCLUSIONS AND RECOMMENDATIONS	90
5.6.1	CONCLUSIONS AND RECOMMENDATIONS OF THE STATISTICALLY SIGNIFICANT RELATIONSHIPS	90
5.6.1.1	Customer relationship marketing	90
5.6.1.2	Service quality	93
5.7	SHORTCOMINGS OF RESEARCH	95
5.8	FUTURE RESEARCH	96
5.9	SELF REFLECTION	96

TABLE OF CONTENTS (CONTINUED)	PAGE
LIST OF SOURCES	97
ANNEXURE A: TURNITIN REPORT	
ANNEXURE B: ETHICS FORM	
ANNEXURE C: QUESTIONNAIRE	

LIST OF TABLES

	<u>PAGE</u>
Table 2.1: Service offerings of Fitness clubs in PE	34
Table 3.1: Advantages and disadvantages of close-ended and open-ended Questions	52
Table 3.2: Operationalisation definitions	54
Table 4.1: Demographic information pertaining to the respondents	64
Table 4.2: Eigenvalues of the valid constructs	66
Table 4.3: Factor matrix for the independent and dependent variables	67
Table 4.4: Validity and reliability of the customer feedback construct	70
Table 4.5: Validity and reliability of the customer relationship marketing construct	71
Table 4.6: Validity and reliability of Service quality construct	73
Table 4.7: Validity and reliability of Service offering types construct	74
Table 4.8: Validity and reliability of Customer relationship building efforts construct	75

LIST OF TABLES (CONTINUED)

	<u>PAGE</u>
Table 4.9: Validity and reliability of Customer need customisation efforts construct	76
Table 4.10: Reformulated operational definitions	77
Table 4.11: Descriptive statistics for factors	79
Table 4.12: General guidelines for Pearson correlation coefficient	81
Table 4.13: Pearson product moment correlation	81
Table 4.14: Multiple regression analysis for Customer relationship building efforts	83
Table 4.15: Multiple regression analysis for Customer need customisation efforts	83

<u>LIST OF FIGURES</u>	<u>PAGE</u>
Figure 1.1: Proposed hypothesised model	7
Figure 2.1: SERVQUAL Model	36
Figure 4.1: Information pertaining to fitness clubs used	62
Figure 4.2: Information pertaining to the number of years in a fitness club	63
Figure 4.3: Revised theoretical framework: The relationship between the independent variables and the two dependent variables	78

CHAPTER ONE

INTRODUCTION AND BACKGROUND TO THE STUDY

1.1 INTRODUCTION

Fitness' as a broad term is "a set of attributes that people have or achieve that relates to the ability to perform physical activity" (Newman, 2017). Cave men had to train or exercise in ways available to them to improve their physical abilities to hunt or build shelter to ensure survival. The modern-day world of fitness clubs is convoluted and since the late 1970's there has been a significant increase in the commercial fitness and recreational centres which have and will be continuing to present profitable and innovative fitness crazes (Bedford, 2014). These new presentations include the fact that gyms as they are generally referred to have been closely related with the "notion of 'fitness' and old labels have been replaced in professional text by neologisms such as 'fitness centres' and 'fitness clubs' and more recently as 'health centres' or 'wellness clubs' and even 'health clubs' (Bedford, 2014).

In 1960, only 24 percent of the Americans exercised, and that percentage increased over the next two decades after that (Stern, 2008:1). From the 1970's both American men and woman were joining fitness clubs. Although women were the intended target market of these fitness clubs they tended to be more difficult to retain as they would sign their membership, leave after a while and not return (Stern, 2008:1). Fitness initially erupted from an increasing realisation of health and physical problems of a notable number of Americans (Stern, 2008:3).

The Chinese came up with a lot of concepts on how to successfully maintain and sustain good health and they realised that exercise brings about a longer life, avoidance and curing of diseases, increased physical strength and minimal body fat accumulation (Deuster & Silverman, 2013:24). Individuals who are physically fit, keep a calm state of mind, are usually physically and mentally fit to deal with the problems they encounter in their lives and they are seldom affected by drastic life changes (HealthStatus Team, 2018). Although the evolution of the fitness industry is not secluded to the United States (US) and China, they can be used as an interesting example of how the fitness industry has developed into what we know it to be today.

Fitness clubs seem to have gained popularity due to their possibility to solve important issues such as the increase of obesity in most countries, blood pressure complications, and heart problems, amongst many other issues. Fitness centres have also become social spaces where people meet other people of the same or opposite gender (Stern, 2008:1). Although surprisingly, as the more people adopt the idea of keeping their bodies fit, many people in all age groups are still unhealthy and overweight (Stern, 2008:1).

South Africa (SA) is regarded as the country that generates the highest revenue in the fitness industry, generating over \$900 million annually (Owlhurst Communications, 2014). In general, fitness is important to different people for different reasons such as weight control, muscle building, to keep healthy, stress relief and plain old vanity (Dale, 2019).

Currently, fitness clubs in SA have adopted various marketing techniques as outlined next to make their services known to keep the existing members interested and loyal to them. Fitness clubs use websites because most people search online for a business as their first or second contact point (PerfectGym, 2018). Fitness clubs also use social media such as 'Facebook' and 'Instagram' as a platform for engaging their existing clients and showing potential customers what workout sessions are like in their clubs (SlideGeeks, 2019).

An integration of marketing tools such as customer feedback through their websites or other feedback mediums, content marketing, digital marketing, types of service offering marketing, service quality marketing, relationship marketing, loyalty and rewards program marketing, are some of the marketing strategies which fitness clubs seem to prefer to retain their members (SlideGeeks, 2019; Suwono & Sihombing, 2016:49). The aim of this study is therefore to find out which marketing strategies the fitness clubs in Port Elizabeth use to retain their members. The section to follow is therefore the problem statement, where the problems of this study will be stated.

1.2. PROBLEM STATEMENT

The South African fitness industry has experienced revenue growth since 2006, with Statista (2014) reporting that SA has the world's highest fitness club revenue, producing over \$900 million in revenue annually which is equivalent to R 12734 million annually. Despite studies indicating that SA is regarded as a country that generates the highest revenue from the fitness industry in the world contradicting information and statistics have been identified. According to a 2006 research study done by the Sport Science institute, the fitness industry in SA provided their services to less than two percent of the South African population implying that the majority the South African population were not members of fitness clubs (Draper, Grobler, Kilian, Micklesfield, Lambert & Noakes, 2006:95). A 2017 study confirms the still lack of fitness club membership of the South African population indicating that less than five percent of the South African population are members of fitness clubs (Rutgers, 2018:12). These contradicting statistics implies that although the number of South Africans that are members of fitness clubs are minimal, there is a potential for exponential revenue growth in SA's fitness industry. As the fitness industry secures investor attention, due to the profit potential of the industry, the competition in the fitness industry in SA has the inevitable opportunity for growth.

According to one of Virgin Active's health reports, SA is the third most overweight nation in the world (Virgin Active, 2017). This is also confirmed in a Discovery study where it is made clear that the South African population is very inactive and that most active individuals are residing in places such as Cape Town with PE ranking in 5th place of choice for active South African's to reside (Nossel, 2018). The answer to the question of why the South African population is so inactive, can be found by looking at social and psychological factors influencing behaviour (Nossel, 2018). The outcome varies with each individual's motive for participating in exercise and physical activity; it can be either health or weight related. Therefore, it can be interpreted that fitness clubs operating in the fitness industry in SA face the challenge of increased competition and finding innovative ways to motivate their target market to become loyal members. Furthermore, fitness clubs that wish to expand their target market and grow their market share are faced with the challenge of convincing the inactive

members of the South African population to change their attitude towards fitness and encouraging them to become loyal members of their fitness club.

Many of the existing competitors in the industry try to stay competitive by investing a substantial amount of time and energy in marketing campaigns and sales promotions to catch the attention of new members (McCarthy, 2007). However, a limited amount of fitness clubs is willing to invest the necessary capital and energy to retain their existing members (McCarthy, 2007) as they do not fully understand the value of customer retention or managers might avow their successful attainment of customers to mass marketing (Pine, Peppers & Rogers, 2009). Despite the fitness culture evolving and intensifying on a global scale (Andreasson & Johansson, 2014:91), many members of fitness clubs are always in search of better substitutes that will satisfy their requirements better, leading to members changing their choice of fitness club (Statista, 2014). Furthermore, the shocking statistics of an online survey suggested that 40 percent of respondents said that they could not afford the fitness club membership fees, 30 percent said that they were not using their membership on a regular basis, 19 percent felt that they could exercise at a different place for free and 9 percent of the respondents indicated that they felt out of place (Fricker, 2017:40). Due to the complexity of human behaviour fitness club owners might find it difficult to understand these reasons and find ways to solve these issues. Therefore, fitness club owners need to understand that customer retention is not a gamble but requires 'continuous effort' to ensure maximum benefit (Suwono & Sihombing, 2016:46).

According to a United Kingdom (UK) study, the fitness industry loses about 3.9 million members every year (Bedford, 2013). Furthermore, the UK's National Retention report based on 342,759-members records and conducted during a four-year period from 2009 to 2012 found that only 52 percent of members are continuing their memberships at fitness clubs within a period of twelve months (Olenski, 2013). Results from a 2017 survey of 708 current and potential fitness club users confirmed this statistic by revealing that 47 percent would consider ending their membership due to the availability of substitute exercise services (Fricker, 2017:40). The 2018 state of the UK fitness industry report, which conducted research over a twelve-month period ending March 2018, found that the UK fitness industry continues to grow, highlighting that the number of facilities increased by 4.6 percent, the number of members grew by two

percent and the fitness industry grew by 2.9 percent in market value (LeisureDB, 2018). Despite the growth of the industry it is clear that a huge number of members sign up for a gym membership but seldom visit the facility after their contracts end and choose not to renew their contract for various reasons.

Although there is an increase in the number of new fitness clubs opening across SA, which implies that individuals are starting to experience a mind shift towards taking their health and welfare more seriously, a lot of these newly opened fitness clubs seem to be closing down after a few years' operations due to various reasons. According to studies on health and fitness clubs in SA, the reasons fitness clubs are closing is due to there being inadequate services offered to members of these fitness clubs (Ngceba, 2017:15). The competitive pressures faced by the fitness industry in SA have the potential to increase rapidly making loyal customers an even greater asset than ever before. Reasons for the increase in competition amongst current industry rivals include the switching cost fitness club members face when switching from one fitness club to the next, the level of service differentiation, high diversity amongst competitor's business model and the barriers (such as high initial investment cost) they face when exiting the industry (Thompson, Strickland, Janes, Sutton, Peteraf & Gamble, 2017:72-73).

When looking at some of the marketing efforts of fitness clubs in the PE area it can be interpreted that fitness clubs in PE seem to gear their marketing strategies toward gaining new members, not making noticeable marketing efforts to retaining their current members. Despite the abundance of information and research available relating to marketing strategies, limited research has been conducted on the marketing strategies of fitness clubs and its impact on member retention in SA (Draper, *et al.*, 2006:94). There is limited information available relating to both larger and smaller fitness clubs marketing strategies in SA, with the latest study the researchers could find conducted during 2006 (Draper, *et al.*, 2006:94). Given the importance of marketing strategies with regards to customer retention for business continuity of fitness clubs, the problem investigated in this study is: What marketing strategies influence membership retention at fitness clubs in PE?

1.3 RESEARCH OBJECTIVE

To follow is a description of the primary, secondary and methodological study objectives of the research. Thereafter the proposed hypothesised model and research question will follow.

1.3.1 Primary study objective

The primary objective of this study is to identify the marketing strategies necessary to retain members at fitness clubs within the PE area.

1.3.2 Secondary study objectives

In order to achieve the primary objective of this study, the following secondary objectives have been formulated:

- To determine the current marketing strategies used by fitness clubs in PE and determine the reasons why customers would choose to continue their contracts;
- To establish the influence of marketing strategies on customer retention at fitness clubs in the PE area; and
- To provide conclusions and recommendations that both larger and smaller fitness clubs can utilise on how to market their business to improve membership retention.

Through studying the marketing strategies used by fitness clubs in the PE area, the most effective strategies for customer retention can be identified and recommendations can be provided on how to improve their marketing strategies and inspire members to renew their contracts.

1.3.3 Methodological objectives

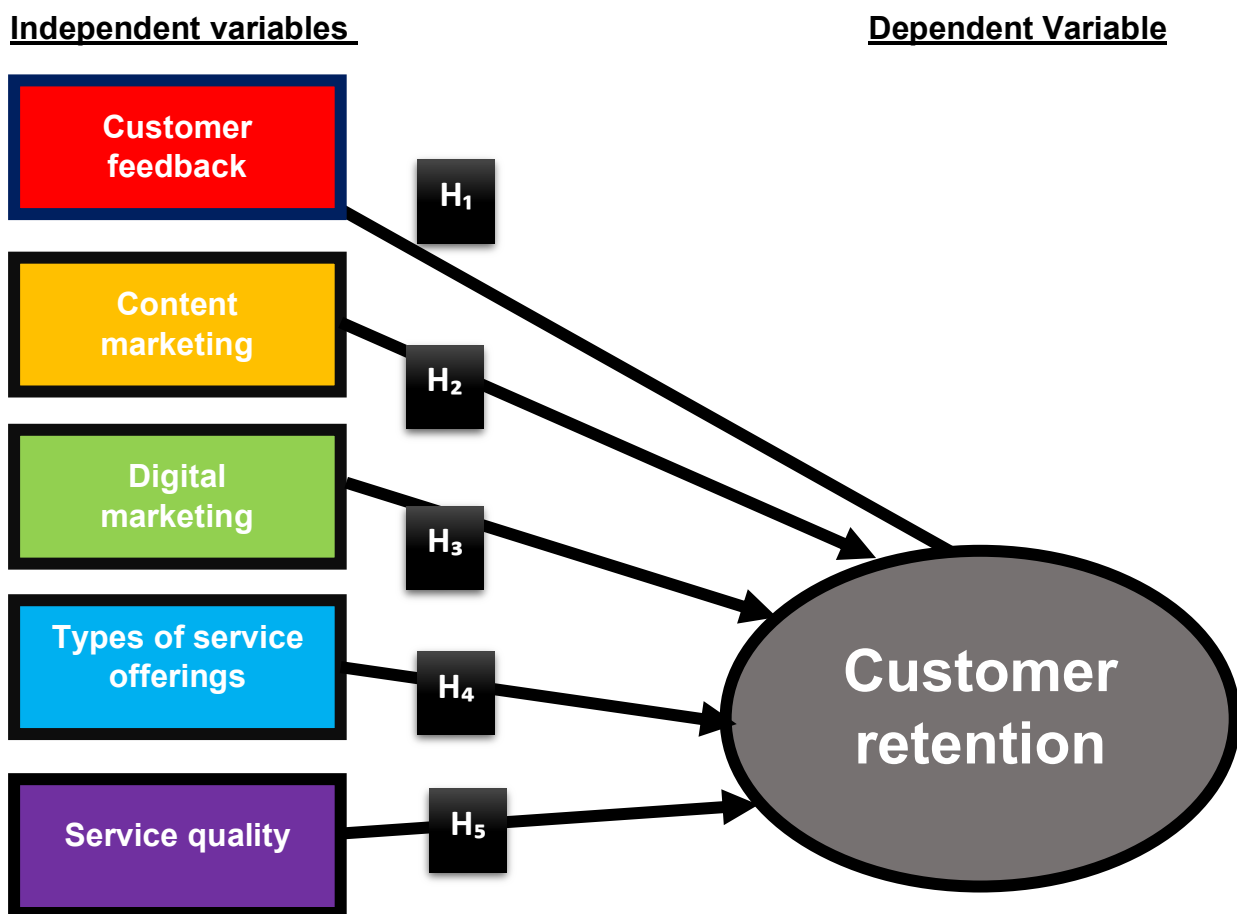
In order to achieve the above-mentioned primary and secondary objectives, the following methodological objectives have been identified:

- To conduct a comprehensive literature review about the nature and importance of marketing strategies for customer retention with specific focus on businesses operating in the service industries such as fitness clubs;

1.3.4 Research questions, proposed model and hypotheses

To follow is a proposed model of the marketing strategies that fitness clubs can use to possibly retain their members. These marketing strategies are depicted in Figure 1.1. These marketing strategies include; customer feedback, content marketing, digital marketing, types of service offerings, service quality.

Figure 1.1: Proposed hypothesised model of the marketing strategies used by fitness clubs to retain customers of fitness clubs.



Adapted from source: Suwono & Sihombing, (2016:49)

The proposed hypothesised model recognises the marketing strategies as the independent variables for this study, namely customer feedback, content marketing, digital marketing, type of service offerings, service quality, relationship marketing and reward programs while customer retention forms the dependent variable in this study.

1.3.4.1 Research hypotheses

In order to empirically test relationships between the chosen marketing strategies (independent variables) and customer retention (dependent variable) of the above conceptualised model illustrated in Figure 1.1, the researchers will attempt to satisfy the primary objectives of the study once a comprehensive literature review has been conducted and the empirical data has been collected and analysed. If relationships between these variables exists the researchers will identify them, indicate what the relationship is and if no relationship exist retest the hypotheses.

- H₁: Customer feedback influences customer retention.
- H₂: Using content marketing influences customer retention.
- H₃: Digital marketing influences customer retention.
- H₄: Service offerings types influences customer retention.
- H₅: Service quality influences customer retention.

1.3.4.2 Research Questions:

Given the problem statement and primary, secondary and methodological objectives, the following research questions are presented to determine the marketing strategies used by fitness clubs to retain their members in the PE area. The research questions are identified below:

- What are the marketing strategies used by fitness clubs?
- How do fitness clubs go about retaining their members?
- Do the marketing strategies investigated in this study influence the retention of fitness club members in PE?

1.4 RESEARCH DESIGN AND METHODOLOGY

Two types of data were collected in this study namely; primary and secondary data. The following section will describe the difference between these two data collection methods and discuss the data collection methods used in this study. Thereafter the research design, research methodology relating to sampling techniques to be used in this study and the statistical data analysis methods that was used throughout this study will be discussed.

1.4.1 Secondary data collection

Secondary data refers to the data from sources available to the researchers which is not gathered from the data collection tools designed (questionnaires) for this study (Struwig & Stead, 2013:82). Secondary data can be located reasonably fast and economically and can be defined as data that have been collected before researchers conduct their current study and for tenacities relating to problems other than the objective at hand (University of Porto, 2004). A comprehensive literature review were conducted to identify and determine the marketing strategies used by fitness clubs, and how these strategies contribute to customer retention of the fitness club members. The literature included concepts such as the importance of retaining customers and how customer feedback, content marketing, digital marketing, types of service offerings, service quality, relationship marketing and reward program marketing strategies can influence customer retention for which relevant secondary sources were obtained and utilised and formed the basis for the proposed hypothesised model shown in Figure 1.1. As far as can be ascertained, one similar research study has previously been undertaken relating to social and leisure clubs in general and does not specifically relate to fitness clubs in PE (Geel, 2011).

1.4.2 Empirical investigation (primary research)

Primary data refers to the new data collected for the purpose of this study (Struwig & Stead, 2013:82). Primary data can be defined as data collected by a researcher to address a particular problem the researcher is attempting to solve (University of Porto, 2004). The primary data for this study was collected using a structured questionnaire

by means of a survey to investigate marketing strategies used by fitness club owners for membership retention. The primary research was directed through the following three mechanisms, namely: identifying the most appropriate research paradigm and design, identifying the predetermined sample; sampling techniques used, and the collection of the empirical data as well as the design of the measuring instrument. Lastly, the collected data was tested after all three of the components have successfully been completed.

1.4.3 Research design, paradigm and methodology

A research design is defined as a framework of methods and techniques chosen by a researcher to combine various components of research in a reasonably logical manner, to efficiently handle the research problem (Bhat, 2019). Research methodology is the systematic, theoretical analysis of the methods applied to a field of study. It is made up of the theoretical analysis of the body of methods and principles associated with a branch of knowledge (Igwenagu, 2016:4).

In order to evaluate the marketing strategies used for customer retention by fitness clubs in PE a positivistic research paradigm, in concurrence with a quantitative research methodology was adopted, by means of a descriptive research approach. This approach was chosen to allow the researchers to evaluate outcomes without individual value judgement and to remove the likelihood of researchers' biases. Therefore, the empirical data required for the research will be conducted with the use of structured questionnaires which form the foundation for the empirical data collection. This data collection aimed to investigate the cause and effect relationship between the marketing strategies used by fitness club owners and what members value to remain at the clubs. Although the number of fitness clubs in the PE area is limited due to the small geographical area, the club members were plentiful therefore quantitative research can be used as the population size is large. The data collected from the relevant questionnaires was analysed and interpreted with the use of both descriptive and inferential statistical measures.

1.4.4 Population and sampling

When collecting primary data, researchers were required to identify the population, sample frame and sample. A population may refer to an entire group of people, objects, events, hospital visits or measurements, and thus can be said to be an aggregate observation of subjects grouped together by a common feature (Kenton, 2019). The population of this study was the members of the fitness clubs that reside in the PE area. A sample is a finite part of a statistical population whose properties are studied to gain information about the whole population (Yadav & Mishra, 2015:76).

The researchers attempted to use an investigation technique that will take the opinions of the sample that will be chosen. The respondents of this study were the active members of fitness clubs in the PE area. Questionnaires were distributed to the respondents to assess the current marketing strategies used by fitness clubs in PE for member retention and what will ensure they stay members of the club. A convenience sample of 281 members of fitness clubs was selected for the purpose of this study purely due to availability, accessibility and cooperativity of the respondents as well as the fact that the population has many similarities (Struwig & Stead, 2013:116). Other non-probability sampling methods include quota sampling (sample selected based on the distinctiveness of respondents) and snowball sampling (Struwig & Stead, 2013:117). These methods were not chosen due to the fact that the population identified did not have noticeable unique characteristics. The limitations of the sample identified include possible problems with convincing the fitness clubs' members to take the time necessary to accurately and honestly answer the questions posed in the questionnaires.

1.4.5 Design of the measuring instrument

In order to collect data and statistically test information gathered, a measuring instrument was developed. Existing measuring instruments used in similar studies which have been deemed both reliable and valid were used to source the items of the measuring instrument. Members of fitness clubs in the PE area were given self-administering questionnaires which were used to investigate the marketing strategies used by their fitness club of choice to retain members and what the members value to remain with the club. These questionnaires were used as the basis for empirical data collection. The measuring instrument (questionnaires) was used as a tool to evaluate

the relationship between the dependent (customer retention) and independent (marketing strategies) variables. The questionnaires were accompanied by a cover letter that will provide a brief introduction of the research topic, the objectives of the research and a covenant of confidentiality for the respondents. Furthermore, instructions on how to complete the questionnaires was provided along with the relevant details of Nelson Mandela University and the department responsible for the research (Business Management). The questionnaires consisted of three sections, namely: section A, which contained demographical information of respondents; section B, which contained questions relating to marketing strategies used by fitness club owners and finally Section C, which contained questions relating to member retention at the respondent's fitness club. In addition, the demographic information relating to participants was limited to gender, age, ethnicity, level of education, marital status, spoken home language and the number of years the respondent has been a part of a fitness club.

1.4.6 Data analysis

Data analysis is the process of reducing large amounts of collected data to make sense of them (Baška, Pondel & Dudycz, 2019:20). Primary data was collected and analysed using data entry, data cleaning and describing data (O'Gorman & Macintosh, 2016). For the purpose of this study, the researchers used the primary data collected from the questionnaires and captured it in Microsoft Excel. The data cleaning process then took place and thereafter the factor extraction testing with Exploratory Factor Analysis (EFA) validity took place which led to changes in marketing strategy variables and/or customer retention (Osborne, 2014:1). The reliability of the research instrument was assessed by means of Cronbach Alpha Coefficients for the valid factors and items. Data analysis methods include inferential statistics such as Pearson product moment correlation and Multiple regression analysis. After doing this, the researchers were able to analyse and interpret the data collected and was able to draw conclusions and make recommendations based on these findings.

1.5 SCOPE AND DEMARCATION OF THE STUDY

As discussed in the introduction, it can be observed that the global fitness industry is experiencing ground-breaking change and increase in competition and potential for growth and development. Therefore, given the increase in potential for improvement and win-win situations of fitness club member retention, this study intends to focus predominantly on marketing strategies used by fitness clubs to retain members of fitness clubs operating in the PE area. Although information on the marketing strategies of larger fitness clubs are readily available, limited information is available on the marketing strategies of smaller fitness clubs. The empirical research will be limited to members of fitness clubs operating in the PE area due to the accessibility of this sample to the researchers. Furthermore, only active members of fitness clubs and members who have chosen not to renew their membership but have been an active member within the last 12 months will be approached to participate in this study.

1.7 DEFINITION OF KEY CONCEPTS

To follow is the definitions of the key concepts of this study. These key concepts are fitness clubs, customer retention and marketing strategies.

1.7.1 Fitness clubs

A fitness club also known as a health club is a commercial establishment having members who pay a fee to use its health and fitness facilities and equipment (Merriam-Webster(a), 2019). A fitness centre is a place where you go to exercise, for example by lifting weights or using other equipment (Cambridge Dictionary, 2019). A fitness club is therefore an establishment where people use exercising equipment, health facilities like steam rooms and swimming pools to keep fit and healthy at a certain fee.

1.7.2 Customer retention

Customer retention refers to the longevity of the relationship between a customer and the relevant product or service providing firm (Rootman, 2011:86). Customer retention is the continuity of the relationship of the business between itself and its customers. (Khan, 2012:107). From the above definitions, customer retention involves the efforts and initiatives that business takes to persuade and convince customers to continue using their product or service and doing business with them rather than switching to competitors.

1.7.3 Marketing strategies

A marketing strategy is a business' overall game plan for reaching people and turning them into customers of the product or service that the business provides (Chen, 2018). A marketing strategy can be defined as a set of institutions and processes that creates value for the business; this can be maximised by having a plan that delivers and exchange value to the customers, that in turn is beneficial to the business (Liu, 2017:1). Therefore, given the two definitions above, a marketing strategy is essentially a business plan on how to attract customers towards their product or service so that the goals of that business such as making a profit and being a competitor in that industry are met.

1.8 STRUCTURE OF THE STUDY

Chapter one will serve as an introduction and orientation to the study and presents the purpose, objectives and hypotheses of the research. Furthermore, this study comments on the secondary and primary sources related to the treatise. Thereafter, the demarcation of the field of study is explained, followed by definitions of the most important terms used and an overview of the structure of the treatise. Chapter two contains the literature review of this study, which will entail the different marketing strategies available for customers in business.

Chapter three explores the methodology of the research and design in detail, the population and sample used. Chapter three also presents a critical assessment of factors that may influence the marketing retention strategies of fitness club in the Port Elizabeth area. The factors are analysed and portrayed based on the multiple levels at which they can influence customer retention.

Chapter four entails a presentation of the empirical results and the related outcomes. The empirical results were gathered from the questionnaires distributed by the researchers to the respondents chosen for this study. The findings of the research from the questionnaires were interpreted and clarified, including the reliability and validity of the study.

Chapter five includes the conclusions to the study and recommendations. The chapter was concluded by providing a brief overview of the findings of the previous chapters. Recommendations are provided to fitness club owners and managers on marketing strategies to retain fitness club members. The contribution to the study was emphasised and the limitations of the study elucidated on and finally suggestions for impending research were given.

CHAPTER TWO

LITERATURE REVIEW ON MARKETING STRATEGIES TO RETAIN MEMBERS AT FITNESS CLUBS

2.1 INTRODUCTION

The fitness industry in South Africa has unique characteristics. These characteristics are high revenue growth, a currently small yet growing target market and the possibility of increased competition due to differentiated service offerings in order to stay competitive or ensure continuity (Draper, Grobler, Kilian, Micklesfield, Lambert & Noakes, 2006:95; Ngceba, 2017:15; Owlhurst Communications, 2014; Rutgers, 2018:12; Statista, 2014; Thompson, Strickland, Janes, Sutton, Peteraf & Gamble, 2017:72-73). The primary objective of this study is to identify the marketing strategies to retain members at fitness clubs within the Port-Elizabeth area. Therefore, a comprehensive literature review was conducted to identify marketing strategies for customer retention. This Chapter will discuss how marketing strategies can be used to enable and enhance customer retention.

2.2 CUSTOMER RETENTION

Customer retention refers to the longevity of the relationship between a customer and the relevant product or service providing business (Rootman, 2011:86). Customer retention can also be defined as the continuity of the relationships of a business between itself and its customers (Khan, 2012:107). In the context of a service provider customer retention can further be summarised as the “observed behaviour” of customers (Ikhsan, Prabowo & Kurniawan, 2018:243).

It was said that “It costs six to seven times more to acquire new customers than it does to retain existing customers” (Ramees & Safeena, 2016:261). Therefore, businesses should do relevant research on ways to retain their customers instead of just focusing on gaining new members. Customer retention can have many benefits for a business, especially for a business operating in the fitness industry.

The main benefits are an increase in profits, decrease in advertising spending and positive word-of-mouth recommendations (Rootman, 2011:87). The realisation of the good effects of physical activity and of the interaction between exercise and risks related to not exercising, have been the reason why a lot of people are associating themselves with fitness clubs (Gonçalves & Diniz, 2015:68).

Most of the people who join fitness clubs have never been a member of one and a great percentage of that population give up attending the fitness club early, making it hard to attract and retain members (Gonçalves & Diniz, 2015:65). It is therefore evident that the growth of the fitness industry and the good health of members is reliant on the continuity of the membership (Gonçalves & Diniz, 2015:66). Fitness clubs thus need to implement retention marketing strategies.

Retention marketing encompasses the activities and strategies of businesses, centred on maintaining and nurturing their leads as they become customers as well as ensuring that they remain happy customers (Bernius, 2018). This means fitness clubs must first understand their customer's expectations and what satisfying their customers entails. By doing this fitness clubs are in a better position to market factors that will be attractive enough to the customer to keep the customer coming back to that fitness club. However, this approach may prove to be difficult as each customer is different and fitness clubs may need to find strategies that are holistically appealing to most customers to be able to retain those customers. There are many methods to measuring a business's customer retention. Generally, the literature refers to three main measures of customer retention namely measures of attitude (customer loyalty), convoluted measures (customer satisfaction) and behavioural measures (customer's purchasing behaviour) (Ikhsan, *et al.*, 2018:243). To follow is a discussion on how a business can use these measures to measure its customer retention.

2.2.1 MEASURES OF CUSTOMER RETENTION

Peter Ducker famous quote “what gets measured, gets managed” can have a significant impact on how owners and marketing managers of businesses view the task of measuring customer retention (Ghuman, 2014). Customer retention can be measured through customer loyalty, customer satisfaction and customer’s purchasing behaviour (Van Haaften, 2019). Various links between customer loyalty and customer satisfaction have also been identified throughout the literature (Khan, 2012:106). The interconnectedness of these measures has made it difficult for unexperienced business owners and managers to understand the importance of measuring customer retention (Patel, 2019). Therefore, when studying the abovementioned links researchers are advised to use measures of customers attitudes, behaviour and merged measures of these two tools when trying to get a better understanding of customer loyalty and its influence on customer retention (Khan, 2012:106). To follow is a discussion on these methods for measuring customer retention.

2.2.1.1 Customer loyalty

Customer loyalty can be said to specify a connection between customers attitudes (“emotional attachment”) towards how a business compares with other businesses and customers repeat purchasing or investment activities (Abu-Alhaija, Nerina, Hashim & Jaharuddin, 2018:67). Therefore, it can be said that customer loyalty is a complex concept, difficult to understand for each individual customer. Loyal customers tend to engage in regular purchasing activities from a business that has gained their loyalty (Polas, Majumder, Reza & Moin, 2018:41). These purchasing behaviour of customers lead to customer retention and therefore various studies have created a link between customer loyalty and customer retention (Polas, Majumder, Reza & Moin, 2018:41). Benefits of customer loyalty for businesses include increase in profits due to increase sales, less spending on advertisement to gain new members and being able to charge premium prices (Polas, Majumder, Reza & Moin, 2018:41).

Customer loyalty is proof that long-term customers are emotionally and financially invested in a business and its brand and therefore becomes loyal customers (Ikhsan, *et al.*, 2018:243). Furthermore, loyal customers are willing to make repeat purchases, are more willing to pay for new services offered by a business, stimulate demand for a business's service offerings (for example by using word-of-mouth) and are not as sensitive as new customers to price increases. All these benefits are very similar to the benefits of customer retention making it difficult to pinpoint how the one leads to the other for each individual business or industry.

2.2.1.2 Customer satisfaction

Customer satisfaction is a complex and difficult concept to define as it is uniquely related to an industry or business (Suchánek & Králová, 2018:1333). Furthermore, customer satisfaction is difficult to define and measure due to the fact that it is the customer who creates the criteria and who compares the businesses ability to satisfy them with other businesses. For the purpose of this study customer satisfaction can be defined as a subjective evaluation a customer makes of the actions a business takes to fulfil a customer's desires or expectations and their requirements or needs in a manner that creates an enjoyable experience for the customer (Suchánek & Králová, 2018:1333). Customer orientation is considered to be a pillarstone of customer satisfaction (Olsen, Witell & Gustafsson, 2014:556). According to Olsen, Witell and Gustafsson (2014:557) customer orientation is a set of beliefs that puts the customer first above everything else. If the business implements this customer orientation, they should also be aware of the underlying activities that are; designing, analysing, collecting, making decisions and improving their offerings based on customer satisfaction data collected from either reward programs or customer surveys (Olsen, *et al.*, 2014:558). According to Olsen, Witell & Gustafsson (2014:557) customer satisfaction measurement is typically the most expensive of all market research, as the business will want to always maintain and improve on its customer satisfaction.

Customer satisfaction has been realised as a key factor in measuring customer retention, as a customer will only purchase products or services, if they are satisfied with the product or service, satisfied with the experience they had from business and satisfied with the experience they had with the business's employees (Olsen, *et al.*, 2014:558). However, it has been noted by Olsen, Witell & Gustafsson, (2014:559) that although literature and businesses suggest that customer satisfaction takes up a large part of their market research budget, very limited research have been conducted in the field of customer satisfaction, especially customers' satisfaction direct influence on customer retention.

For many businesses' customer satisfaction is a key operational goal and can be seen in almost every business's mission statement, many businesses also invest heavily in improving customer satisfaction through investing in and improving service quality, reward programs and marketing, specifically through relationship marketing (Hill & Alexander, 2006:1). Despite these great investments many businesses are not measuring customer satisfaction or are measuring it inadequately (Hill & Alexander, 2006:1). Although many researchers agree that there is no direct, one size fits all method of identifying and measuring the direct influence customer satisfaction has on customer retention, there is still some agreement that customer satisfaction can effectively measure customer retention using customer feedback tools such as surveys (Hill & Alexander, 2006:5). Customer feedback tools can also be used in conjunction with other marketing strategies to improve customer retention (Grubor & Milovanov, 2016:1070). How satisfied customers are influence their purchasing behaviour as discussed next.

2.2.1.3 Customer's purchasing behaviour

Customer's purchasing behaviour or consumer buying behaviour refers to the purchasing behaviour of the consumer of the business's product or service offerings, the customer (Ramya & Ali, 2016:76). There are many factors in the business that can affect a customer's decision-making process and as such this will directly affect their purchasing behaviour (Ramya & Ali, 2016:76).

According to Ramya & Ali (2016:76) customer's purchasing behaviour is influenced by an array of factors such as:

- Internal or Psychological factors;
- Social factors;
- Cultural factors;
- Economic factors; and
- Personal factors.

The internal factors that influence a customer purchasing behaviour can be categorised into two subcategories of motivation and perception (Ramya & Ali, 2016:77). Motivation is described as an urge within oneself that moves the customer to make the purchase of the service or product to satisfy their primary wants and secondary wants (Ramya & Ali, 2016:77). Perception is affected by the feeling the customer has towards the business's products or services (Ramya & Ali, 2016:78). If the customer is content with a product or service offered by a business, they are more likely to keep on buying the particular product or service as the perception created by the business of the product or service is one of desire. This motivation and perception then allow the business to retain its customers, as the business will engage in activities that fosters a desire for their products or services with the same customers, thus retaining their customers (Ramya & Ali, 2016:78).

Social factors are used to identify which product or service a customer would purchase. In the fitness industry, a male for example will rather sign up for a powerlifting class, then aerobics one (Ramya & Ali, 2016:78). A business should thus use this factor to their advantage in an ethical manner to be able to retain their customer. The cultural factor looks at a customer's cultural heritage and is considered to be the most fundamental determinant of an individual's wants and behaviour (Ramya & Ali, 2016:79). If a business uses these cultural factors to their advantage and implement strategies that takes customers' cultures into consideration, it will have a positive effect on the customers purchase behaviour. The customer will feel that the business went the extra mile to cater for his or her unique cultural beliefs, thus enhancing customer retention, by fostering customer loyalty (Ramya & Ali, 2016:79).

According to Ramya and Ali (2016:79) the economic factors that influence a customer purchase behaviour is largely attributable to the customers income and savings. If customers know that they can get their products or services for a reasonable price without having to compromise on quality or value, when doing businesses with a particular business, they will engage in repeat purchasing behaviour, which influences a business's customer retention (Ramya & Ali, 2016:80). Personal factors are based on the customers personal characteristics and values, such as their age, occupation, income and lifestyle choices (Ramya & Ali, 2016:80). Customers are more likely to buy products and services that fit with their lifestyle, age and income, which can have a huge impact on a customer's final purchasing decisions and ultimately predict which products or services customers end up buying. If a business provides their customer with a particular service or product, they want to have due to personal factors, they will be more likely to come back to the business (Ramya & Ali, 2016:80).

2.3 MARKETING STRATEGIES

A marketing strategy is a business' overall game plan for reaching people and turning them into customers of the product or service that the business provides (Chen, 2018). Marketing strategies can be defined as a set of concepts and processes that creates value for the business, which can be maximised by having a plan that delivers and exchange value to the customers, that in turn is beneficial to the business (Liu, 2017:1). Therefore, given the two definitions above, a marketing strategy is essentially a business plan on how to attract customers towards their product or service so that the goals of that business, such as making a profit and gaining a competitive advantage in the industry in which it operates, are met. Marketing strategies play a vital role in retaining customers in the business services industry, particularly in the fitness industry.

Marketing strategies are one of the simplest approaches a business can take to retain its customers as marketing concurrently influences customer retention (Subram, Khan & Srivastava, 2016:46). Without the most appropriate marketing strategies there will be no customer retention, as the customers will only move on to a different business or find a substitute product or service offering (Subram, Khan & Srivastava, 2016:42).

According to Kreimer (2018) a business should focus on making more profits from their existing customers. Approaches a business can take when developing strategies for customer retention include focussing on marketing strategies that enable a business to defend itself against the competitive forces faced by businesses (Carelse, 2017:2). For example a business can engage and retain customers through sending helpful emails, answering support questions on social media, building a content hub to educate consumers as content hubs lead to customer engagement, asking for reviews to gain feedback to assist the business to surpass customer expectations and last but not least, designing a reward programs with 'cool perks' to show customers how the business appreciates their support (Price, 2016).

To follow is a discussion regarding the marketing strategies necessary for customer retention according to relevant literature. The marketing strategies to be discussed include customer feedback, content marketing, digital marketing, types of service offerings, service quality, relationship marketing and reward programs.

2.3.1 CUSTOMER FEEDBACK

Customer feedback is broadly recognised under strategic customer engagement marketing which can be defined as a businesses' actions intended to encourage, empower and evaluate customer's contributions to the businesses' marketing activities and can be said to symbolise the shift taking place in market research and business activities (Harmeling, Moffett, Arnold & Carlson, 2016:316). Customer feedback can simply be defined as information generated by customers about a business' brand and entails customers providing virtually unassailable feedback about their approval or lack

thereof with regards to their experience with a specific service or product (Wonderflow, 2016).

Businesses that regularly review their strategies and position themselves in the market tend to be more profitable and able to defend themselves against threats (Mackay & Zundel, 2017:175). Common sources of customer feedback are surveys, questionnaires, e-mails, letters, phone calls, call centre data and service reviews which includes verbal, written and electronic feedback (Wonderflow, 2016). Customer feedback can be categorised into two different categories namely feedback through solicited feedback which implies answering questions using for example surveys or interviews and unsolicited feedback or voluntary generated feedback using digital tools such as emails and online service reviews or non-digital tools such as written or verbal customer feedback and word-of-mouth (Nasr, Burton, Gruber & Kitshoff, 2014:533; Wonderflow, 2016). Word-of-mouth marketing is displayed through social statements of unsolicited customer feedback (Nasr, *et al.*, 2014:534). The fundamental concept of word-of-mouth is that customers make their decisions in a social environment and thus seldom make purchasing decisions solely based on their own judgement, but that they take other customers' opinions into account (Blazevic, Hammedi, Garnefeld & Rust, 2013:2). The potential negative impacts customer feedback can have on a business's brand necessitates the understanding of customer driven influences to combat the challenges brought on by the increase in connectedness of consumers, informed customer purchases and the changes in the purchasing process (Blazevic *et al.*, 2013:2).

All businesses are in danger of ignoring their unhappy customers. Even businesses that provide the best customer service in the world but ignore customer feedback or use lengthy, irrelevant customer feedback surveys, can lose up to nine percent of their customers to their rivals (Ramees & Safeena, 2016:262). The simple truth is that customers that feel satisfied with the services they pay for and receive as agreed upon, are more likely to repurchase the service offerings of the business that provided them with these services.

Customer experience management (CEM) should be implemented by businesses to ensure positive customer feedback and experiences (Gautam, 2017). CEM goes further than customer relationship management (CRM), as it does not only record interactions with customers but strategically manages customer experiences and harmonises the building of valuable relationships with customers (Gautam, 2017).

According to Kandampully, Zhang and Jaakkola (2018:25) CEM reflects the internal feelings of customers, when they are busy with various interactions and activities of the businesses, be it indirect (through online reviews) or direct (purchasing goods and/or a service). CEM evolves around the fact that every time a customer interacts with the business it must use CEM in such a manner as to find mutual benefits for both the customer and the business (Kandampully, Zhang & Jaakkola, 2018:25). Palmer (2010:198) indicated that CEM consists of three key concepts, namely; involvement, emotions and interpersonal relationships. CEM can also be implemented by the business to help manage and improve its customer feedback in an innovative and understanding manner (Jaakkola, Helkkula & Aarikka-Stenroos, 2015:190; Kandampully, Zhang & Jaakkola, 2018:25).

A business should therefore focus on improving a customer's perception and experience of their products or services in order to motivate the customer to be open to the business and provide valuable feedback should they feel unhappy with a business's conduct, or if they want to praise the business for one of their products or services (Kandampully, Zhang & Jaakkola, 2018:30). Furthermore, CEM is considered a difficult element to measure on its own. Customer feedback can thus be used to measure the experience of the customers, this data collected from the relevant feedback platform can then in turn be used by the business to improve and/or manage their customer experience, as they will receive valuable information as to how the customers feel about their products and services (Kandampully, Zhang & Jaakkola, 2018:31).

Businesses that wish to use customer feedback as a marketing tool to retain customers may choose to do so due to the well-researched fact that customers tend to remember negative experiences more vibrantly than positive experiences (Nasr *et al.*, 2014:4). In today's fast-moving digital era, it is important for the business's employees to provide quality services to ensure positive experiences and feedback about their services offered (Sacco, 2018). Customers that experience quality services from a service provider are more likely to write a positive review of the business, than a person that does not (Sacco, 2018). Customers that experience negative quality services, would not hesitate to share their negative reviews with other customers and potential customers, which weaken the public image of a business and lead to undesirable effects on both customer attainment and retention (Sacco, 2018).

According to Nasr *et al.* (2014:533), computer-mediated communication led to the increase and popularity of electronic word-of-mouth (eWOM). This subsequently provided a new pathway of feedback via social media platforms. Today customers are not hesitant to post their recent visits to a business on their Facebook wall either promoting the businesses or informing their friends about their negative experiences at a business (Nasr *et al.*, 2014:533). This has become one of the most popular marketing tools businesses use to gather and manage customer feedback (Nasr *et al.*, 2014:533). Furthermore, this marketing method has the potential to create a fatal disadvantage or threat for a business. This fatal disadvantage can materialise when a business does manage their customer feedback and make provisions for the potential threats. Therefore, businesses should understand although they have limited control over customers feedback, the rise of eWOM have led to businesses spending more time monitoring reviews posted on their websites and social media platforms and that businesses should make the necessary financial and managerial provisions for managing negative customer feedback and marketing positive customer feedback (Nasr *et al.*, 2014:543). There are numerous online review sites and applications that can be used to integrate customer feedback, relationship marketing and digital marketing strategies of service providers, such as: Google Maps Review, Yelp, Trip Advisor and Hellopeter (Nepal, Paris & Georgakopoulos, 2016:342).

2.3.2 CONTENT MARKETING

According to Linn (2018) content marketing can be defined as an approach that is of a strategic nature that is focused on creating and distributing business value, consistent and relevant content, whilst attracting a clearly defined audience, and drive profitable customer action. This implies that content marketing can not only be used to gain new customers but also to retain existing customers by identifying them as their intended target market and by devoting the required resources for retaining customers. Types of content marketing include blogs, video's, infographics, case studies, eBooks, white papers, checklists, interviews, newsletter, filmstrips, magazines, pamphlets, social media posts, GIF's and memes and other forms of public statements (Grubor & Milovanov, 2016:1064; Standberry, 2018).

The main characteristics of content marketing include putting an emphasis on “helping not hyping”- providing customers with helpful information, using “storytelling”/cases studies to enhance the brand image, gearing the businesses’ activities towards building long-term relationship with customers (customer retention) and attracting customers to engage with the business and its brand (Grubor & Milovanov, 2016:1068). The focus of using content marketing as a strategy to retain customers implies using content in conjunction with other media or marketing tools to integrate the marketing strategies used by businesses. Content marketing aims to gain ‘customer engagement’ which articulates improved customer satisfaction, empowerment, trust, commitment, brand differentiation for customer relations which ultimately leads to customer loyalty (Grubor & Milovanov, 2016:1070).

Content marketing’s role of improving customer retention lies in the focus on gaining “top-of-mind” and tip-of-tongue status with the intended target market (Gotkin, 2018). This is done by focussing on the use of relevant content that does not just grab the target market’s attention but that ensures that customers feel proud, content and involved when viewing a business’s marketing efforts such as a business’s digital advertisements. When businesses update the content published in their marketing and advertisements regularly, they entice customers to come back for more by continuing to add value (Peters, 2016).

Furthermore, businesses can invest in making the lives of their customers easier and entertaining by developing a digital application enabling them to provide customers with quality, updated and relevant content, which can help differentiate a business from rivals and increase customer retention. Perhaps the most agreed upon concepts of content marketing and how it relates to customer retention is using positive customer experiences (that provide valuable and informative information), as the content expressed in the marketing efforts of a business's service offerings (Peters, 2016; Walters & Rose, 2016:4; Grubor & Milovanov, 2016:1064). The following digital marketing tools can be used for content marketing to retain customers. According to Standberry (2018) video content marketing is a crucial method to remain competitive in the busy digital marketplace. The content of GIF's and memes can be used to create positive associations with a business and their brand by making use of funny content to make people laugh and ensure memory preservation of a business's brand (Fitzpatrick, 2010:10). Content marketer's videos can be shared or distributed cost-efficiently using social media/digital marketing strategies and create opportunities for integrated marketing communication to achieve the end goal of gaining loyal customers and achieving a favourable brand image. The content of a business' social media, blogs, websites and other non-digital advertisements can include customers experiences with the service offering of a business. By enabling customers to share their opinions of a business's brand customers feel heard, understood that they receive information that enables them to trust the business and find answers to potential questions they might have about the business (Andzulis, Panagopoulos & Rapp, 2012:306).

Content marketing can be viewed as an aspect of integrated marketing communications (IMC), since it helps businesses to communicate with a broad target audience, which then allow customers to use mediums such as word-of-mouth to create a "buzz" about a business (Human, Hirschfelder & Nel, 2018:1233). According to Human *et al.*, (2018:1233) content marketing consists of two portions of marketing namely push and pull marketing. It is a common occurrence that businesses of today shifting from the push marketing factor to the pull marketing factor (Human *et al.*, 2018:1233; Rimlinger, 2011:15).

Pull marketing is achieved when the business does not achieve customer loyalty through a single promotion or advertisement but is rather as a result of a process that is interactive and where the content is shared and freely available (Rimlinger, 2011:15). According to Holliman and Rowley (2014:273) the objectives and goals of content marketing must be part of a defined and thought out content strategy. The key objectives for content marketing as defined and identified by several authors (Holliman & Rowley, 2014:273; & Rose & Pullizi, 2011:56) are:

- Brand awareness;
- Conversation lead;
- Customer Service;
- Passionate customers; and
- Upselling customers.

These objectives are very similar to the objectives of social media/digital marketing; this can be due to the fact that with the changing times and increase in technological innovation, content marketing has evolved, become interlinked with social media marketing and shares the same foundation for success which is creating and sharing innovative and original content (Holliman & Rowley, 2014:273). Content marketing further assist to build the trusting relationship a customer has with a business, as trust is considered to be one of the key factors influencing the quality of content marketing (Holliman & Rowley, 2014:274). Peppers and Rogers (2011:145) identified four elements that must be present in a business's content marketing strategy for it to be able to enhance trust:

- Shared values with the customers;
- Mutual relationship with the customers;
- Good, quality communication; and
- Non-opportunistic behaviour.

If a business is able to implement these elements along with the key objectives for content marketing as described above, they will be able to create a robust content marketing strategy that build trusting relationships with their customers and that will eventually also

lead to customer loyalty and retention (Holliman & Rowley, 2014:274; Rizan, Warokka & Listyawati, 2014:4).

2.3.3 DIGITAL MARKETING

Digital marketing can be defined as the manipulation of digital technologies, using these technologies to generate channels to reach potential recipients and meet customer needs through more effectively satisfying customer needs and achieving the businesses' strategic goals (Sawicki, 2016:83). Digital marketing requires the business to always have a well-executed strategy, as to how it is going to be implemented and how is it going to be maintained to ensure that the business derives benefit from this important factor (Negoiță, Purcărea, Popeseu, Niculeseu & Coman, 2018:75). According to Smith (2012:86) millennials are the biggest generation group since the baby boomers. Therefore, millennials have or will have the greatest amount of buying power and as such successful businesses view these millennials as the perfect target market (Smith, 2012:86). A study conducted by Marketing Breakthrough (2008) estimated that almost half of all millennial's purchases happened due to a direct link to digital marketing.

Digital marketing can take place through a one-way communication channel or two-way communication channel (Taiminen & Karjaluo, 2015:635). One-way communication channel refers to websites and emails, as these digital resources are in complete control of the business at all time (Taiminen & Karjaluo, 2015:635). Two-way communication channel refers to all forms of social media, these forms are mainly used to communicate information about a business's products and services to their customers and enable customers to communicate with each other via social media without any input from the business (Taiminen & Karjaluo, 2015:636). There are numerous studies being done in the field of digital marketing. These studies focus on how businesses can build their brand awareness and more importantly, how these companies can use digital marketing as a method to retain customers (Negoiță, *et al.*, 2018:67). Social media marketing being one of the most frequently used digital marketing strategies, denotes "web-based and mobile technologies used to turn communication into interactive dialogue" (Shimp & Andrews, 2016:378). Social media marketing activities can be used by marketers to give customers

marketing responsibilities and allow them to become brand advocates by generating, adapting and sharing appropriate online information regarding a businesses' brand and their corresponding product and service offerings (Yadav & Rahman, 2018:3885).

This level of customer engagement can lead to customers feeling part of a brand and can lead to enhanced brand equity, customer loyalty and retention by creating a bond between the businesses and its customers by engaging in social media marketing activities (Yadav & Rahman, 2018:3890). To exploit the potential of social media marketing in enhancing customer relationships and ensuring customer retention, businesses are starting to integrate social media technologies and CRM activities (Kang & Kim, 2017:299). CRM is used in conjunction with social media technologies to interpret customer data and find ways to satisfy customer needs better and enhance businesses opportunity for customer relationship building and customer retention (Kang & Kim, 2017:299).

Through digital marketing marketers are now able to keep in contact with customers and the level of personalised communication and interactivity at a low cost has increased (Merisavo, 2008:3). It is claimed that frequent contact with customers can assist in reaching positive customer loyalty. Furthermore, customers can be offered more information and brand communication when buying or using products or services and this can be done through newsletters, maintenance and repurchase reminders. For example, Lensmart sends their customers email reminders at the time they expect their customers to start running out of their contact lenses (Merisavo, 2008:3). Such interaction and low-cost communication do not only help maintain satisfaction in customers and foster customer loyalty, but it also increases the effectiveness of marketing, unlike the traditional methods such as television, newspaper and radio advertisements (Merisavo, 2008:4).

2.3.4 TYPES OF SERVICE OFFERINGS

Service differentiation or customisation has been linked to increase customer loyalty by much of the research done on customer retention (Coelho & Henseler, 2012:337). The principle behind this is that businesses who differentiate their services offerings decreases the appeal customers have for substitute services offerings when customers are dissatisfied with an element of the services offered by a business (Coelho & Henseler, 2012:337). Therefore, it can be said that customers are more motivated to re-purchase a service they are not entirely satisfied with, when the business offerings provide them with need satisfying alternative services that cannot be produced by rivals.

According to Jegadeesan and Balasubramaniam (2010:24) it is important to note that in order for businesses to differentiate their service offerings, a business need to identify those differentiating aspects that can provide the business with a competitive advantage. Once the business has identified these differentiating features of their service offerings, the business should be able to determine which aspects of the service offering needs to be enhanced or changed in order to compete business offering with similar services (Jegadeesan & Balasubramaniam, 2010:24).

According to Jegadeesan and Balasubramaniam (2010:26) a service description must describe both the functional capability of a service as well as the non-functional capability of a service. For example, Virgin Active has the capability of offering their customers exercise equipment, functional classes and recreational facilities (Virgin Active, 2019). Smaller fitness clubs wishing to compete with Virgin Active are faced with the challenge of having to find innovative way to differentiate their service offerings from their competitors if they wish to stay competitive and ensure business continuity (Jegadeesan & Balasubramaniam, 2010:26). When businesses compete for the same market share, service offerings are similar. The main differentiation of services will be based on the customers perception of the attractiveness of the service offering and the different types of service offerings that meets their needs and wants (Erasmus & Grabowski, 2013:5).

Aspects such as costs of services, reward programs, availability of the service and quality of service will be key factors in determining customer retention in relation to the differentiation of services offerings (Jegadeesan & Balasubramaniam, 2010:26). Due to the fact that the services offered by fitness clubs require continues teamwork amongst clients and fitness club employees (for example fitness club instructors), the operations of fitness clubs are extremely unique and difficult to recreate or understand (Ngceba, 2017:15). Fitness clubs have the potential to differentiate their service offerings to such an extent that a sustainable competitive advantage is created, and that customers become dependent on the businesses' service offerings or cannot find a better substitute service provider and ultimately ensure customer retention and loyalty (Coelho & Henseler, 2012:336). Fitness clubs offer both primary and secondary services to their customers. Primary services are offered as the general business practice of the fitness club, whilst secondary services are considered value added services, that enhance a member's experience at the club (Coelho & Henseler, 2012:336).

A large amount of fitness club members value secondary services provided by the fitness clubs such as convenient operating hours, wide range of equipment, hygienic facilities, juice bars or health food stores and parking facilities (Macintosh & Doherty, 2007:276). Fitness clubs that can meet members' needs by providing these secondary services can stimulate members' behaviour and attitudes towards both joining and remaining members at the fitness club (Macintosh & Doherty, 2007:274).

Service differentiation or customisation has been linked to increase customer loyalty (Coelho & Henseler, 2012:337). The principle behind this is that businesses who differentiate their services offerings decreases the appeal customers have for substitute services offerings when customers are dissatisfied with an element of the services offered by a business (Coelho & Henseler, 2012:337).

Some of the primary services offered by fitness clubs in the PE area are indicated in Table 2.1. It should be noted that this is not completed list of all service offerings at fitness clubs in the PE area.

Table 2.1: Service offerings of fitness clubs in PE

Edge Fitness Clubs/ PE Wilmer	<ul style="list-style-type: none"> • Spinning studio • Group training • Personal training • Studio classes • Rehabilitation • Pilates • Yoga • Circuit training • Coffee bar • Steam room • Showers and lockers
Viva Gym Walmer	<ul style="list-style-type: none"> • Class finder applications • Bootcamps • Dance fitness • Functional training • Kick boxing • Spinning • Step classes • Strength training
Profiles health club	<ul style="list-style-type: none"> • Gym • Swimming pool • Squash • Fitness classes • Personal trainers
Virgin Active	<ul style="list-style-type: none"> • Variety of floor exercise classes • Personal trainers • Steam rooms • Showers and lockers • Swimming pool • In gym restaurant and smoothie bars • Squash courts

Sources: (Edge Fitness, (2018); Viva Gym, (2019); Profiles Health Club, (2019); Virgin Active, (2019)

When analysing fitness club's websites and marketing strategies it becomes clear that they are competing based on both the primary and secondary services they can provide to their customers. To ensure service quality, fitness clubs must satisfy their customers' needs and wants with customised primary and secondary service offerings.

2.3.5 SERVICE QUALITY

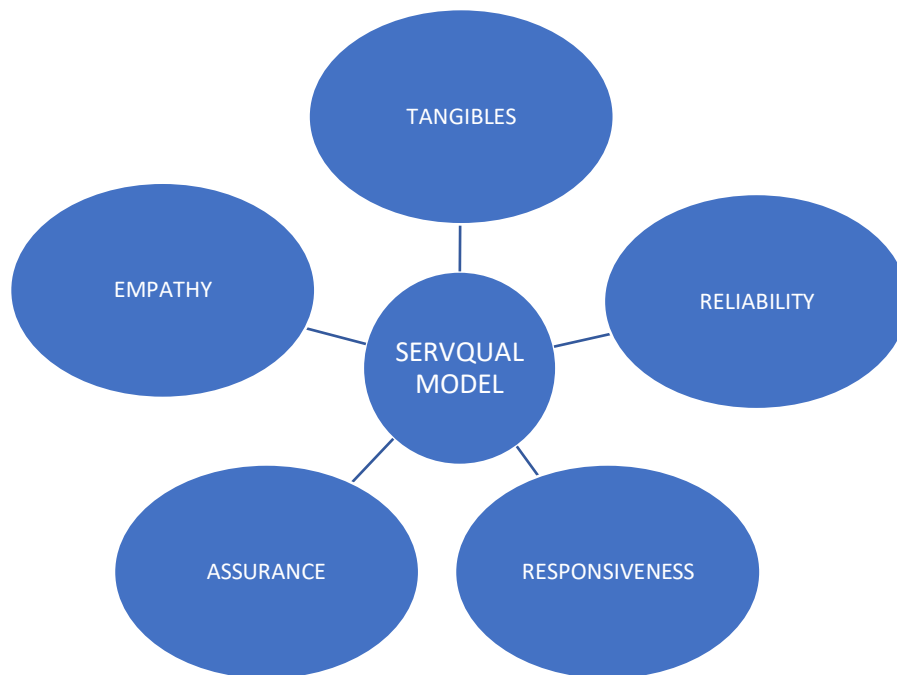
Service quality is mostly related to a customer's attitude towards a business's brand and can be defined as the customer's conscious and subconscious analysis of the services offered and provided and the comparative advantage or disadvantage that differentiate the businesses service offerings from other competitors service offerings (Prakash & Mohanty, 2012:6). There have been numerous studies done that found that supplying extraordinary quality service to customers delivers positive paybacks such as customer retention and financial performance (Polyakova & Mirza, 2016:361).

Many studies are also in agreement that providing excellent service quality poses a unique challenge to service providers as it requires them to simultaneously meet customers' expectations and established benchmarks (Jasinskas, Reklaitiene & Švagždiene, 2013:108; Prakash & Mohanty, 2012:6). Most marketing researchers agree that businesses that partake in activities that achieve enhanced service quality assessments will be rewarded with improved customer retention (Fullerton, 2014:658). This is motivated by the fact that those customers that experience service quality that does not measure up to customer's expectations are unlikely to return to a specific service provider and will look for a service provider that can better meet their needs and expectations (Fullerton, 2014:658). A study done on quality of recreation facilities found that customers deem factors such as clean restrooms, equipment and facilities as well as general upkeep of facilities and safety features as important, when assessing fitness clubs' services quality (Cavnar, Kirtland, Evans, Wilson, Mixon & Henderson, 2004:98). The key to providing excellent quality services is excellent human resource management (employing the right people, with the right skills, values, beliefs and attitudes), since no matter how great business strategies are, if the wrong people implement these strategies, they might end up doing more harm than good (McCrory, Pilcher & McMillan, 2017:263). Employees are at the heart of a business and are the individuals responsible for most relationship building within a business and therefore has a significant influence on customer retention.

The quality of services provided by fitness clubs seems to influence customer's attitudes towards a specific fitness club, purchasing behaviour and the fitness clubs overall competitive advantage. Therefor it can be concluded that to compete, ensure continuity and financial performance both primary and secondary services provided by fitness clubs needs to be of conceivable high quality and exceed customer expectations to ensure the retention of customers.

In the field of service quality, the SERVQUAL model (see Figure 2.1) is the most widely recognized and used model by far (Borgave, 2012:4).

Figure 2.1: SERVQUAL Model



Source: Parasuraman, Zeithaml & Berry (1988:14)

Tangibles is best described as a business's appearance, both its staff as well as its assets, such as the appearance of their staff, visually appealing materials connected with their services and products and the modern nature of their assets (Borgave, 2012:4).

Reliability is the customers perception that the business will be able to deliver a good enough service from the first visit to their premises as well as the helpfulness of the staff towards the customers (Borgave, 2012:4). According to Borgave (2012:4) responsiveness is the time it takes a business to deliver a product or service promised to the customer. The customer will also consider the staff knowledgeable if a good answer is received from the staff member and regard the business as responsive. The last dimension is empathy. A business can increase its service quality towards customers by understanding customers specific wants and needs as the customer will feel a sort of empathy from the business. Furthermore, the business could offer personal attention towards the customers, as this will make them feel special and part of the business. (Puscasu & Gheorghe, 2019:63)

These five dimensions that was first introduced by the creators of the model (Borgave, 2012:4; Parasuraman, Zeithaml & Berry 1988:25) were designed to apply to any service quality assessment, regardless of what industry the business is positioned in. It remains important for businesses to evaluate and review its service quality; this will allow the businesses to remain competitive in terms of having the best quality service in its field, as this is a key factor that customers use to gauge a business performance (Borgave, 2012:4; Parasuraman, Zeithaml & Berry 1988:25).

2.3.6 RELATIONSHIP MARKETING

Relationship marketing has three unique characteristics (Magasi, 2016:1759). Firstly, it is characterised as long term in nature, secondly it is characterised as a collaborative process and finally it is characterised as a relationship capable of benefiting all parties involved (Magasi, 2016:1759). These characteristic makes it clear that relationship marketing is the interactions with a customer, as well as a long-term goal of mutually beneficial and continuous gain. Relationship marketing also refers to both the past and future relationship growing activities that businesses engage in with customers in order to establish meaningful relationships with customers that generate value for them and enhances the financial business performance of the organisation through a series of value adding customer interactions (Kanagal, 2009:2).

Benefits of successful implementation of relationship marketing also include increased financial performance, customer loyalty and an enhanced sustainable competitive advantage (Lian & Liew, 2017:159). To understand how relationship marketing influences customer loyalty and retention one must understand the important role that relationship quality has on the successful implementation of relationship marketing. Relationship quality refers to a consumer's valuation of the relationship he or she has with a service provider and how strong they perceive this relationship to be (Lian & Liew, 2017:160). Businesses can enhance customer relationship quality by implementing customer relationship marketing (CRM) as a business strategy which is a more tactical approach compared to relationship management as it places the focusses on continuously enhancing customer relationships (Rahimi, Köseoglu, Ersoy & Okumus, 2017:210).

Businesses are expected to engage in activities that enhances consumer trust, improve communication and empathy as well as create joint values and mutual gain if they wish to effectively implement relationship marketing (Azizi, Bagherzadeh & Mombeini, 2014:730). This implies that if a business adopts relationship marketing as a strategy, it should build relationships through creating mutual trust, engraining the business's beliefs and values into the mind of the consumers using relationship building techniques, to ultimately achieve customer loyalty. According to a 2016 study done on CRM and its influence on customer retention, the antecedents of relationship marketing are trust, dedication, enjoyment and strong relationships (Magasi, 2016:1760). To follow is a discussion of the variables that could possibly influence the effect relationship marketing has on customer retention of a business.

2.3.6.1 Trust

Trust can be said to be the foundation of any and every relationship (Rizan, Warokka & Listyawati, 2014:3). Therefore, trust can be said to be the hypothetical glue that keeps the partners in a relationship strong. From a customer's perspective trust refers to the confidence a customer has in a business's ability to deliver a service or abide by an agreement in a reliable and honest manner (Rizan *et al.*, 2014:4). From the business perspective trust refers to the belief a business has in its customers to make good on their

agreements such as to make payments on time and to abide by the agreement made with the business (Rizan *et al.*, 2014:4).

According to Sarwar, Abbasi and Pervaiz (2012:33) trust from a customer's perspective can be seen as a mean to buy a service and in turn, this will then have a direct correlation towards customer loyalty and retention. Sarwar *et al.*, (2012:33), further state that there are several determinants to a business's customer retention, but that trust remains one of the most important factors with regards to customer retention. Relationships marketing has a very important role to play in improving the customers experience of a business's service offerings and places trust building at the top of marketing efforts to foster loyalty and commitment in the customers purchasing behaviour (Mandeep, 2019).

2.3.6.2 Dedication (commitment)

According to Gustaffson, Johnson & Roos (2006:211) commitment can be classified as another key potential driver of customer retention. Commitment refers to the customers willingness to stay with the particular service that the business offers (Taylor, 2019). Commitment can further be classified into two categories, namely: affective commitment and calculative commitment (Gustaffson *et al.*, 2006:211). Calculative commitment is the more rational type of commitment as it is driven by the fact that there is no other comparable service offering, or that the switching costs of the service is just too high (Gustaffson *et al.*, 2006:211). Affective commitment is based on the businesses feeling as a whole and not only on one service (Kumari & Afroz, 2013:27). Furthermore, it is stated that a business that has affective commitment rather than calculative commitment have a higher chance retaining customers, as the business offers all of its services to customers and not only one type of service. Relationship marketing requires the business to make sure that its customers remain committed towards the business and keeps on supporting the business, this commitment can either be of a calculative manner or of an effective manner (Kumari & Afroz, 2013:27).

2.3.6.3 Enjoyment (satisfaction)

Literature in marketing has focused for a long period of time, on how a business can improve its customers satisfaction (Khan, 2012:107). There is no true definition for satisfaction as it is interpreted in different ways, in different studies; however, it can be stated that satisfaction can be obtained because of what the customer expected (Khan, 2012:107).

According to Khan (2012:107) customer satisfaction is a necessary foundation for the business to be able to retain its customers. Customer satisfaction can be developed by the business on an internal, as well as an external level. Internally the business must assign funds, manage workloads and structure the business as such, so that customers can attain satisfaction, that in turn will have a positive effect on customer retention (Khan, 2012:107). Externally will be the customers feedback through their satisfaction towards the business's services, this information will then be shared by all stakeholders of the business (Khan, 2012:108). Customer satisfaction must be continuously developed in the business, as the business must not assume that satisfaction will last, if it is not properly developed.

According to Lin and Wu (2011:539), the best way to develop this customer satisfaction is to be reliable when providing the service while at the same time increase the customers future expectation. Relationship marketing plays a role in making sure that the customers are satisfied with the products or services they receive from the business, and if they are dissatisfied, the business can turn the dissatisfaction into satisfaction through its marketing efforts (Khan, 2012:108; Lin & Wu, 2011:539).

2.3.6.4 Strong relationships

Every business needs to know how to retain their customers, even if they appear to be satisfied or content (Magasi, 2016:1781). According to Magasi (2016:1781), a strong relationship leads towards a strong retention rate; this rate then increases the value of the business in terms of its customers. A study conducted by Weinstein (2002:10) determined that 75% of a business's marketing budget must be spent if they want to strengthen their relationship and increase the retention strategy whilst at the same time improving the customer-business relationship. Businesses should thus spend more time and funds towards strengthening their relationship with their customers as it will benefit them immensely not only in the short-term, but also in the medium and long-term (Magasi, 2016:1781). A strong relationship will directly affect customer retention and relationship management as it will increase the customers retention of the business whilst at the same time building a good, solid relationship with the customers (Magasi, 2016:1782).

2.3.7 REWARD PROGRAMS

Reward programs can be defined as long-term programs which allow consumers to accumulate some form of program currency, commonly in the form of an accumulative points system, which can be redeemed later for free rewards (Liu & Yang, 2009: 94). Reward and loyalty programs have been a marketing strategy that has been adopted by a lot of industries to retain their customers. In the previous years, loyalty card programmes were initiated by industries like the hotel-, air- and restaurant industry (Moktar Ali & Karim, 2011:142).

Customer loyalty programs may also be seen to form a large part of a business's platform to potentially strengthen or establish customer relationships. It has become increasingly important for businesses to gain an advantage over competitors operating in the same market, and many businesses have undertaken loyalty programs in the hope that more customers are attracted to the business and that current customers are incentivised to remain with the business (Dose, Walsh, Beatty & Elsner, 2019:439).

One method which a business can utilise to differentiate the business from competitors is to create a loyalty program which creates benefits through non-monetary incentives. Non-monetary benefits are established when a business invests in rewards such as personalised services or value-added information (Mimouni-Chaabane & Volle, 2011:13), which is highly beneficial to the business due to the fact that these non-monetary benefits are very difficult to replicate, therefore giving the business an important edge over any potential competitors.

Special treatments offered to customers by the business can include occasionally awarding members with nonprice-related special treatment benefits such as gifts, wedding or birthday cards or membership privileges (Backhaus, Blut, Evanschitzky, Ramaseshan, Richelsen & Woisetschläger, 2011:5). These awards show customers that the business regards customer loyalty very highly and will thus be beneficial to the business to maintain future and current customers, therefore ensuring a steady stream of profits from these loyal customers.

Business who provide customers with more value than competitors, creates feelings of being a preferred or special customer, and thereby further stimulates loyal behaviour (Leenheer, van Heerde, Bijmolt & Smidts, 2006:6). Therefore, it becomes apparent that when a business offers or creates incentives through loyalty programs, the business develops a stronger relationship with potential and current customers, thus creating a competitive advantage over competitors by offering better incentives than what the competitor is able to offer.

According to Hanzaee and Esmaeilpour (2017:143) the use of reward programs in the business can enhance customers cooperation. The goal for the business should be that reward programs should be used in order to maintain long-term relationships with customers, which in turn will lead to more profit being generated from the business (Park, Chung & Woo, 2013:230). Reward programs can also be positioned in the business to be able to be used as a sales promotion. (Hanzaee & Esmaeilpour, 2017:142).

This is due to the fact that reward programs have a positive influence over sales performance, if the business uses the reward program for the right type of product that is targeting the right target market (Hanzaee & Esmaeilpour, 2017:143). Customer retention is also further bolstered by reward programmes, as most reward programs offer benefits to customers, if the customers keep on buying their good or services from them (Noble, Esmark & Noble, 2014:364).

According to Hanzaee and Esmaeilpour (2017:143) reward programs have three main objectives;

- To protect the existing customers for customer retention to be able to maintain the businesses profitability level whilst also maintaining their sales output;
- To increase sales of products and services to current customers of the business by using incentives that increases a customer's willingness and satisfaction to remain faithful to that business; and
- To offering customers different services or products that they usually do not have access to.

Reward programs can also be used by the business to collect data from their current customers. This will allow the business to investigate and examine each individual customers' needs and wants, thus enabling the business to cater towards that individual customer. This will have a direct effect on customer satisfaction towards the business, which in turn will increase the customers retention towards the business, as they will feel that they are part of the business (Hanzaee & Esmaeilpour, 2017:143).

The success of a particular reward program will very much depend on the customers recognition of the benefits that are associated with the particular reward program. (Melancon et al 2011 144). According to Hanzaee and Esmaeilpour (2017:144) reward programs consist of five elements, these elements if correctly executed by the business will determine the value that reward programs have towards the business. These elements are namely: the cash value of the award, the range of choices of these awards,

the aspirational value of the rewards, the likelihood of getting the reward and how the rewards will be obtained (Hanzaee & Esmaeilpour, 2017:144).

According to Hanzaee & Esmaeilpour (2017:144) the framework of customer reward programs is divided into two categories namely; time of reward and the type of reward. The time of the reward can be identified as the decision by the business to decide on when and how frequent they want to make the reward available to the customers. (Hanzaee & Esmaeilpour, 2017:144). Studies previously done found that if a business delayed this incentives and rewards and rather focused on rewarding customers future purchase, this in turn will increase customer retention, as the customer would not switch to a competitor if they knew they would get a reward or incentive for a future purchase (Hanzaee & Esmaeilpour, 2017:145; Patel, 2019).

2.4 SUMMARY AND CONCLUSION

Customer retention as well as its measures was discussed in this chapter, along with the market strategies relating to customer retention. The chapter indicated the importance of customer retention for a business, as well as the importance of marketing strategies, and what effect it has on the business's customer retention. It was also concluded from this chapter that the successful and innovative implementation of marketing strategies, will lead to an increase in customer retention, which will lead to an increase in profit and revenue for the business. It was also discussed that relationship marketing, when looking in context of customer retention contains three key elements that needs to be satisfied for the business to achieve the level of relationship management that will help customer retention. These elements are trust, competitiveness, satisfaction and strength.

Chapter three will examine the research design and methodology of the study.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.1 INTRODUCTION

The literature review in Chapter two addressed the importance of customer retention and marketing strategies for customer retention. The marketing strategies discussed in Chapter two included customer feedback, content marketing, types of service offerings, and service quality along with other marketing strategies such as relationship marketing, reward programs and affiliated marketing.

This study aims to identify the marketing strategies used by fitness clubs to retain members at fitness clubs within the PE area and in the process possibly assist those fitness clubs that are struggling or finding it difficult to retain their members.

In this chapter, the researchers focused on the research design and methodology that was used and followed when conducting the study. Two types of data were collected in this study namely; primary and secondary data. There will be a section describing the difference between these two data collection methods and a discussion of the data collection methods used in this study. The research methodology relating to the sampling techniques to be used in this study and the statistical data analysis methods to be used throughout the study will also be discussed.

3.2 RESEARCH DESIGN

A research design is defined as a framework of methods and techniques chosen by a researcher to combine various components of research in a reasonably logical manner, to efficiently handle the research problem (Bhat, 2019). The research process often includes quantitative and qualitative methods or sometimes a combination of both.

Quantitative research is a form of conclusive research involving large representative samples and fairly structured data collection procedures (Struwig & Stead, 2013:3). Researchers partaking in quantitative research make use of independent and dependent variables to find the causal relationship between the constructs (Struwig & Stead, 2013:4). Furthermore, the quantitative approach to research is often positivist or neo-positivist. Positivism as a research paradigm combines a reasoned approach with a precise measurement of quantitative data to find the causal laws to assist in predicting human behaviour, while neo-positivism argues that it is not possible to understand reality perfectly and that it is acceptable to use qualitative and quantitative methods together (Struwig & Stead, 2013:5). The quantitative research design includes exploratory research and descriptive research. Exploratory research is used when the researcher desires to formulate an idea and develop a research question. Descriptive research which as the term suggests, seeks to describe something (Struwig & Stead, 2013:6).

Qualitative research which is associated with the interpretivism research paradigm, is concerned with several approaches like ethnography, symbolic interaction, ecological psychology, phenomenology and post-modernism. Furthermore, when conducting qualitative research, the researchers have to be more specific in their description of how they are using qualitative research in their research project as qualitative research can mean a lot of things (Struwig & Stead, 2013:10). Qualitative research employs data collection and analysis methods such as participant observation, archival source analysis, interviews, focus groups and content analysis (Struwig & Stead, 2013:10).

For this study, a positivistic research paradigm, in concurrence with a quantitative research approach was adopted. This approach was chosen to allow the researchers to evaluate outcomes without individual value judgement and to remove the likelihood of researchers' biases.

3.3 RESEARCH METHODOLOGY

Research methodology is the systematic, theoretical analysis of the methods applied to a field of study. It is made up of the theoretical analysis of the body of methods and principles associated with a branch of knowledge (Igwenagu, 2016:4). This study used

the descriptive research method. This method is committed to the gathering of information about the prevailing conditions or situations for the purpose of description and interpretation (Salaria, 2012:1). Therefore, the empirical data required for this research was conducted with the use of structured questionnaires, which formed the foundation for the empirical data collection. The data collection seeks to investigate the cause and effect relationship between the marketing strategies used by fitness club owners and what members value to remain at the clubs. There are two types of data that can be collected, namely secondary data and primary data (Kabir, 2016:202).

3.3.1 Secondary data collection

Secondary data refers to data that was collected by someone else for another primary purpose (Johnston, 2014:619). Secondary data can be located reasonably fast and economically and can be defined as data that have been collected before researchers conduct their current study and for tenacities relating to problems other than the objective at hand (University of Porto, 2014). When using secondary data, the researchers need to be careful as there may be some problems with the availability, format and quality of the data (Kumar, 2011:154). The issues as described by Kumar (2011:154) are:

- Validity and reliability as the validity of the data may differ from source to source, for instance information taken from a census stands a better chance to be more valid and reliable than information gathered from personal diaries;
- Personal bias as the use of information taken from personal diaries, newspapers and magazines may consist of personal bias as the writers are likely to display less rigorousness and objectivity than one would expect in research reports;
- Availability of data as it is not rare for startup researchers to make the assumption that the required data will be available, but however, this assumption cannot and should not be made as it is important to first make sure that the required data is available before proceeding further with their study; and
- Format as before making the decision to use data from secondary sources, it is important to make sure that the data is available in the required format. For instance, a researcher might need to analyse age in the categories 23 to 33, 34

to 38 but in the source the age may be categorized as 21 to 24, 25 to 29 and so on. The researchers did not encounter any problems with the availability, format and quality of the data as the secondary research of this study was gathered from the relevant sources both from national and international databases via Google Scholar, the Nelson Mandela University library and included databases such as Emerald, Eric database (via EBSCOhost), African Journals Online (AJOL) and other sources such as journals, Google searches and related books, journal and newspaper articles and papers on the topic researched via these databases. As far as can be ascertained, one similar research study has previously been undertaken relating to social and leisure clubs in general and does not specifically relate to fitness clubs in PE (Geel, 2011).

3.3.2 Primary data collection

Primary data refers to the new data collected for the purpose of the study (Struwig & Stead, 2013:82). Primary data can be defined as data collected by a researcher to address a particular problem the researcher is attempting to solve (University of Porto, 2014). The primary data for this study was collected using a structured questionnaire by means of a survey to investigate marketing strategies used by fitness club owners for membership retention.

The primary research was directed through the following three mechanisms, namely: identifying the most appropriate research paradigm and design, identifying the predetermined sample; sampling techniques used, and the collection of the empirical data as well as the design of the measuring instrument. Lastly, the collected data was tested after all three of the steps had been successfully completed.

3.3.2.1 Population, sample frame and sample

When collecting primary data, researchers are required to identify the population, sample frame and sample. A population may refer to an entire group of people, objects, events, hospital visits or measurements, and thus can be said to be an aggregate observation of subjects grouped together by a common feature (Kenton, 2019). Sampling frames are a list of all the sampling units in the population and the sample for the study is drawn from this list; it could be a class list, list of registered voters, a telephone book, an employee list or even a map (Struwig & Stead, 2013:115) and a sample is defined as a finite part of a statistical population whose properties are studied to gain information about the whole population (Yadav & Mishra, 2015:76).

The population of this study was the citizens of the PE area who are members of fitness clubs. The researchers attempted to use an investigation technique that took the opinions of the sample which was chosen. The sample of this study are the active members of fitness clubs in the last twelve months in the PE area. Questionnaires were provided to the respondents to assess the current marketing strategies used by fitness clubs in PE and what will ensure they stay members of the club. A convenience sample of 300 members of fitness clubs was selected for the purpose of this study purely due to availability, accessibility and cooperativity of the respondents, as well as the fact that the population has many similarities regardless of geographical area (Taherdoost, 2016:20).

3.3.2.2 Sampling techniques

There are two major categories of sampling namely; probability sampling and non-probability sampling. In non-probability sampling, the probability of any particular member of the population being chosen is unknown and the selection of sampling units is arbitrary as researchers rely heavily on personal judgement (Alvi, 2016:12). When conducting non-probability sampling there is convenience sampling which is selecting participants because they are often readily and easily available (Taherdoost, 2016:22). The respondents were chosen because of their ability to be accessible and cooperative and this method is only used in special cases like the population having a lot in common (Alvi, 2016:29). There is also judgement sampling which is the sample is chosen on basis of expert judgement and specialists in the subject of the survey choose what they believe to be the best sample for the study in question, meaning

respondent selection essentially depends on the researcher's judgement (Taherdoost, 2016:23). For instance if researcher wants to investigate future trends in the South African retail market, only the chief executive officers of the large retail chains will be interviewed as the researcher may consider these people to be the experts on future developments in the retail industry and are in a position to provide the appropriate information (Struwig & Stead, 2013:117).

Quota sampling is a non-random, non-probability sampling technique in which respondents are chosen based on the predetermined characteristics so that the total sample will have the same distribution of characteristics as the wider population (Taherdoost, 2016:22). For example, according to age, income and gender, to qualify under this type of sample, the respondent has to comply with certain criteria. The researcher will need to decide how many respondents should be included in each of the selected categories (Alvi, 2016:32). Lastly there is snowball sampling which is a non-random sampling method that uses a few participants to assist in encouraging other participants to take part in the study, thereby increasing sample size (Taherdoost, 2016:22).

Probability sampling also known as representative sampling or random sampling is when every member of the population has a known non-zero probability of being included in the sample (Alvi, 2016:12). In probability sampling there is random probability sampling, stratified random sampling, cluster sampling, systematic sampling and multi-stage area sampling (Showkat & Parveen, 2017:3). With random probability sampling the researcher needs a complete and accurate list of all items in the population. For instance, say the researcher wants to collect data from every SA student, they can compile a list of items by contacting all SA universities and asking them for a list of student numbers, names and addresses and from there draw up a single list from which a random sample will be taken. Random samples can be drawn up using tables of random numbers or using some statistical computer programs. Despite the simplicity of random probability sampling, it is not always appropriate, and the chosen sample might not always be a precise replica of the universe (Showkat & Parveen, 2017:3).

Stratified random probability sampling is where the population is divided into subgroups and a random sample from each subgroup (Taherdoost, 2016:21). Using the same above example from random probability sampling, the researcher could decide to select a specific number of first, second- and third-year students. The sampling of students within each academic year is then left entirely to chance, each student will have the same chance of being chosen for the sample but only a designated number of students in that academic year will be included in the final sample (Showkat & Parveen, 2017:4).

Thirdly there is cluster probability sampling which is where the whole population is divided into clusters or groups then subsequently a random sample is taken from these groups, all of which are used in the final sample (Taherdoost, 2016:21). For example if the researcher wishes to obtain data from SA students, he/she can group them according to their university of origin, that is, Nelson Mandela University, University of South Africa, University of KwaZulu-Natal, University of Cape Town, University of Pretoria, Rhodes, University of Johannesburg, University of the Western Cape, University of the Witwatersrand, Stellenbosch and so on, and then select any four or five of the universities at random. All students at the selected universities would then be sampled (Struwig & Stead, 2013:119).

Systematic probability sampling can also be used for a homogenous population and in this type of sampling the elements are selected at a regular interval, the interval may be in terms of time, space or order (Alvi, 2016:18). For instance, element appearing after every 30 minutes, or present at a distance of two meters, or every 5th element present on a list (Alvi, 2016:18). Lastly, multi-stage area probability sampling is a sampling technique that involves two or more probability techniques combines and is used when the elements of population are spread over a wide geographical region, making it impossible to obtain a representative sample with only one aforementioned technique (Alvi, 2016:24).

For the purpose of this study, the non-probability sampling technique was used and in particular the use of convenience sampling and snowball sampling as the respondents were members of fitness club in the PE area that have been a member of a fitness club in the last twelve months. Some of the above-mentioned methods were not

chosen since the population identified did not have noticeable unique characteristics. The limitations of the sample identified included possible problems with convincing the fitness club members to take the time necessary to accurately and honestly answer the questions posed in the questionnaires. Once the sample has been drawn, a research instrument has to be developed. More details on the research instrument will be provided in the following section.

3.3.2.3 Research instrument (questionnaire)

A questionnaire can contain either open-ended questions or close-ended questions. The difference between the two is that open-ended questions are questions that do not give the respondent a set of possible responses to choose from (Bryman & Bell, 2011:716) and close-ended questions present the respondent with a set of possible answers to choose from (Bryman & Bell, 2011:712). Hyman and Sierra (2016:2-3) give a discussion of the advantages and disadvantages of close-ended and open-ended questions as presented below in Table 3.1:

Table 3.1: Advantages and disadvantages of close-ended and open-ended Questions

Type of questions	Advantages	Disadvantages
Close-ended	<ul style="list-style-type: none"> • Communication skills required is less critical because respondents are merely just required to select from a set of given alternatives • Can be answered quickly, therefore speedy response time means there is room to ask more questions • Easy to answer meaning this will give the respondent enthusiasm for returning a completed questionnaire • Less skilled or no interviewer needed which is why such questions dominate self-administered surveys 	<ul style="list-style-type: none"> • Respondents merely read through alternative responses given and choose one most representative of their opinions and behaviors • There is an assumption that the interviewer already knows the likely response and respondents are just meant to pick one • Answer options may not fully reflect the respondent's attitude • Harder to write up as interviewer must anticipate all possible answers because respondents will abandon the question if they cannot find the most suitable answer

Type of questions	Advantages	Disadvantages
Open-ended	<ul style="list-style-type: none"> Respondent has the opportunity to provide a wide range of responses and because some of these questions will be unexpected, they will suggest follow-up questions 	<ul style="list-style-type: none"> Unintentionally weighted by responded articulateness, as when responses are entered into a computer, more words will count more than few words Best used with a live interview, that is, in person or over the phone as interviewers are not the same and these differences may introduce response bias More difficult to use for cross-study comparisons like cross-cultural studies because contexts and choices may change over time Hard to record answers as some respondents may not be comfortable with being audio or video recorded and this resulting in the interviewer having to scribble responses as fast as they can, creating room for errors

Source: Hyman & Sierra, (2016:2-4)

Given the above discussion, the type of questions most appropriate for this study would be the close-ended questions and this is because of the nature of the questions that were designed by the researchers based on chapter two, the literature review. The respondents were merely required to state whether they strongly agree, agree, are neutral, disagree or strongly disagree. This was easier, less time consuming for the respondents and less costly for the researchers.

Members of fitness clubs in the PE area were given a self-administering questionnaire which will be used to investigate the marketing strategies used by their fitness club of choice. The questionnaire that was given to the respondents will be shown in Annexure C. The data collected was used as the basis for the empirical discussion. The measuring instrument (questionnaires) was used as a tool to evaluate the relationship between the dependent (customer retention) and independent (marketing strategies) variables.

3.3.2.4 Questionnaire design

The items that formed the questionnaire were formulated from the marketing strategies discussed in chapter two, namely, customer feedback, content marketing, digital marketing, service quality, service offering types and the customer retention. Table 3.2 shows the operationalisation definitions of these factors.

Table 3.2: Operationalisation definitions

Factor	Operationalisation	Source
Customer Feedback	Customer feedback refers to a marketing strategy whereby fitness clubs encourage members to recommend family and friends to join the fitness club, have a service failure reporting system in the form of either a call centre, suggestion box or to lodge a complaint in-person, as well as an online presence where social media is utilised to share online comments about service delivery satisfaction or dissatisfaction with monitoring and prompt response to negative postings.	Harmeling, Moffett, Arnold & Carlson (2016:316); Kandampully, Zhang & Jaakkola (2018:30); Wonderflow (2016); Nasr, <i>et al</i> (2014:534).
Content Marketing	Content marketing refers to a marketing strategy whereby fitness clubs use websites to instil members' trust or to promote services of personal trainers, provide consistent relevant information, use newsletters to provide regular updates about future events and encourage members to be active on personal social media platforms by sharing upcoming events, what they enjoy as well as encourage members to exercise often and allow transparent interactive sharing of information while creating humour for members, share members' success stories or attract attention and instil brand name by use of top of the mind advertising or advertise products and service offerings through newspapers.	Grubor & Milovanov (2016:1064); Standberry (2018); Grubor & Milovanov (2016:1068); Peters (2016); Holliman & Rowley (2014:273).
Digital Marketing	Digital marketing refers to a marketing strategy whereby fitness clubs encourage members to join social media pages so they can be more informed, interact with each other or get encouragement through other members' photos, use text messages to remind and keep members up-to-date about product and service offerings and personalised emails to communicate the latest about member benefits or to acknowledge members' special occasions, make use of personalised messages for reminders and utilise Google reviews or other similar digital tools for member feedback evaluation.	Nepal, Paris & Georgakopoulos (2016:342); Taiminen & Karjaluoto (2015:635); Taiminen & Karjaluoto (2015:636); Shimp & Andrews (2016:378); Merisavo (2008:3); Merisavo (2008:4).
Service Quality	Service quality refers to a marketing strategy whereby fitness clubs prioritise service qualities such as hygiene by providing hygienic restrooms, by employing workers who provide quality services and are friendly and helpful, and managers who can handle members'	Jegadeesan & Balasubramaniam (2010:26); Virgin Active (2019); McCrory, Pilcher & McMillan (2017:263);

Factor	Operationalisation	Source
	issues, as well as to ensure that the premises have safe access control parking and safe exercise equipment with safety measures put in place for its members, in case of injuries and medical emergencies.	Cavnar, Kirtland, Evans, Wilson, Mixon & Henderson (2004:98); Borgave (2012:4).
Service Offering Types	Service offering types refers to a marketing strategy whereby fitness clubs offer members a wide range of family packages with children's day care facilities while they train, adequate fitness training equipment and a variety of group fitness classes for body conditioning, flexibility, strength, alignment and cardio, access to a personal trainer, onsite spa health and hygiene facilities and a restaurant for refreshments before or after training.	Lian & Liew (2017:159); Jegadeesan & Balasubramaniam (2010:26); Virgin Active (2019); Edge Fitness (2018); Virgin Active (2019); Viva Gym (2019); Profiles Health Club (2019); Macintosh & Doherty (2007:276).
Customer Retention	Customer retention refers to fitness clubs seeking for loyalty in members by responding promptly to their requests and questions, understanding their specific needs, offer affordable and non-comparable service offerings that are within members' budgets and lifestyles, continuously make efforts to motivate members to become fit and achieve their fitness goals, as well as maintain continuous communication with members for strong relationship building purposes, while making sure that they keep members interested through new activities and also seek to be viewed as honest in their intentions and trustworthy by always doing what they promise.	Van Haaften (2019); Holliman & Rowley (2014:274); Rizan, Warokka & Listyawati (2014:4); Coelho & Henseler (2012:337); Polas, Majumder, Reza & Moin (2018:41); Suchánek & Králová (2018:1333); Hill & Alexander (2006:1); Ramya & Ali (2016:77); Ramya & Ali (2016:80).

As shown in Annexure C, the questionnaire was accompanied by a cover letter that provided a brief introduction of the research topic, the objectives of the research and a covenant of confidentiality for the respondents. Furthermore, instructions on how to complete the questionnaire were provided along with the relevant details of Nelson Mandela University and the department responsible for the research (Business Management).

The questionnaire consisted of three sections, namely: section A, which contained the demographical information of respondents; section B, which contained questions relating to marketing strategies used by fitness club owners and finally Section C, which contained questions relating to relationship building activities to retain members at the fitness club. In addition, the demographic information relating to participants was

limited to gender, age, ethnicity, level of education, marital status, spoken home language and the number of years the respondent has been a part of a fitness club.

The marketing strategies discussed in the literature review of this study were used as the basis in which to develop the items of the measuring instrument and it is very important that the research instrument meets the criteria of reliability and validity. Reliability relates to the consistency, accuracy or stability of a measure (Heale & Twycross, 2015:66). If the reliability is inadequate, the validity will also be poor and there are various ways to determine the reliability of test scores (Heale & Twycross, 2015:66). There is test-retest reliability which determines the extent to which a test is reliable over a period of time. The test is administered twice to the same individuals over a specific time period and there is parallel-forms reliability which reduces the problem of the participant's reactivity to responses from the first testing (Mohajan, 2017:12). There is also split-half reliability which focuses on the internal consistency of the test. The test is split into two halves and the items are randomly allocated to each of the test and internal consistency reliability which is an index that calculates the extent to which the test items all reflect the same attribute. It also comprises the average correlation among the items and the length of the test (Mohajan, 2017:13). This study used the split-half reliability form.

According to Struwig and Stead (2013:271), the instrument's scores and observations are valid if they measure what they are supposed to measure, and an instrument cannot be valid but its scores can be. There are two types of validity, namely; external validity and internal validity. The internal validity of a research design instrument addresses the issue of whether the independent variables and no other extraneous variables are responsible for the variations in the dependent variable (Struwig & Stead, 2013:143). External validity refers to the extent to which the researcher can generalise the results of a study to other populations, settings, conditions, treatments or measurement devices (Struwig & Stead, 2013:143). For this study, the external validity was used.

Since the research design of this study was quantitative research design, the questionnaire was of great use, and it was of paramount importance that the researchers test the reliability and validity of the research instrument in this study in the form of a pilot study, where respondents were chosen to respond to the questionnaire before carrying out the complete study.

3.3.3 DATA ANALYSIS

Data analysis is one of the many steps that must be completed when doing research, but it assumes a special significance (Singh, 2015:50). Data analysis is the process of reducing large amounts of collected data to make sense of them (Baska, Pondel & Dudycz, 2019:20). Once primary data have been collected, it will be analysed using appropriate methods. These methods will be data entry, data cleaning and describing data (O’Gorman & Macintosh, 2016). Struwig and Stead (2013:157) and Kabir (2016:277) also discuss establishing categories, encoding, data entry and tabulation.

The researchers have to establish categories, particularly in the case of open-ended questions. The categories need to deal with the different dimensions of the problem and address the formulated research objectives (Kabir, 2016:277). After having established the categories, the next step would be for the researchers to encode the individual responses and each individual response is reviewed in order to identify its appropriate category (Kabir, 2016:277). Data entry comes after pre-coded questionnaire. The data are typed onto a computer file and at this point the researchers needs to identify which data entry format to use, free format, fixed format or spreadsheet format and what type of data entry programme suits their particular statistical programme, WordPerfect, Quattro Pro or Excel (Struwig & Stead, 2013:158). After data entry comes tabulation and the researcher needs to prepare a tabulation plan specifying the precise counts. This means that the researcher must organise and summarise the findings, so they support the study’s objectives and are within the list of the needed information developed at the beginning of the study (Kabir, 2016:277).

For the purpose of this study, the researchers used the primary data collected from the questionnaires and captured it in Microsoft Excel. The first step was data cleaning using the STATISTICA programme. The Exploratory Factor Analysis (EFA) was used to determine which items load on which factors (Osborne, 2014:1). Secondly the EFA was used to determine construct validity of the items and constructs with the cut-off point of 0.5 for factor loadings (Osborne, 2014:3). The factor extraction is the grouping of items in a factor (Wood & Kerr, 2011: 247). Construct validity states that at least three items load on a factor with factor loading being above 0.5 otherwise the factor will not be regarded as valid (Kasi, 2014:114).

In the next step, the reliability of the research instrument was assessed by means of Cronbach Alpha Coefficients which is a single number estimate of how closely components of an instrument correlate with each other, with cut-off point normally stated as 0.7 for inter-item consistency (Kasi, 2014:113). Data analysis can be categorised as descriptive and inferential analysis. Descriptive analysis focuses on the computation of items from raw data and establishing a relationship between two or more variables, whereas inferential analysis deals with the estimation of population parameters and the testing of statistical hypothesis or test of significance (Singh, 2015:50). With descriptive statistics, the items will be analysed within the factors and will be described by means of standard deviation, means and frequencies (Wood & Kerr, 2011: 249).

The researchers also conducted frequency counts of the demographical data. For inferential statistics, Pearson Product Moment Correlation testing was used, which is done by means of seeing the existing correlations between the variables. Multiple regression analysis was done to test relationships and hypotheses, that is, the influence of marketing strategies on customer retention. The p value expresses the probability of observing a result by chance, which is expressed as a proportion (Kasi, 2014:130). For instance, a probability of 5% corresponds to a p-value of 0.05 and similarly a probability of 10% corresponds to 0.10 (Kasi, 2014:130). The p value ranges from 0 to 1 and the lower the p value the less likely the result would be observed, assuming the null hypothesis to be true. Furthermore, if the p value is lower than the set threshold which is traditionally 0.05, it is assumed that the result is statistically significant and the null hypothesis is therefore rejected (Kasi, 2014:130).

After these steps, the researchers were then able to analyse and interpret the data collected and were able to draw conclusions and make recommendations.

3.4 ETHICAL CONSIDERATIONS

According to Parveen and Showkat (2017:2) ethical considerations have become important across the research community and researchers themselves are responsible for the ethical conduct of their research. The researchers have the responsibility to take care of the respondents' safety, dignity and well-being and they also have the obligation to make sure that the research is carried out with honesty and integrity (Parveen & Showkat, 2017:3). Researchers must seek consent from the respondents for their participation and make the respondents aware that they can choose to withdraw their participation in the study at any point with no explanation being required from them. In this study, the researchers sought consent from the respondents before engaging them in data collection. The researchers applied for ethical clearance from the Nelson Mandela University Ethics Committee before starting with data collection. The ethical clearance form is provided in Annexure B. Respondents were assured of anonymity and confidentiality about any information provided.

3.5 SUMMARY AND CONCLUSIONS

In this chapter it was indicated that a quantitative research methodology will be adopted for this study and the purpose of the study along with why it will be carried out was also stated. This chapter also discussed the concept research design and discussed which research paradigm will be best suited for this study along with the research approach that was chosen by the researchers. The concept research methodology was discussed, and it also explained how the research will be carried out.

Details on the population, sample frame, sample and research instrument were provided with the concepts open-ended questions and close-ended questions thoroughly discusses and the research instrument chosen for this study was indicated. Different types of sampling techniques were examined, and it was stated in this chapter why some of the sampling techniques were not chosen along with the limitations of the sample identified by the researchers in this study.

Data collection methods were discussed, with focus being placed on secondary and primary data collection methods. A thorough elaboration on these methods was given with a discussion of the issues associated with secondary data collection method being included. It was indicated that the primary data will be analysed by means of the different methods data entry, data cleaning and describing data.

The following chapter, chapter four, will entail a presentation of the empirical results and the related outcomes. The findings of the research from the questionnaires will be interpreted and clarified, including the reliability and validity of the study.

CHAPTER FOUR

EMPERICAL RESULTS

4.1 INTRODUCTION

In Chapter Three, an overview of the research design and methodology adapted for this study was presented. A discussion on the research paradigm and research approach, sample size and sampling techniques followed. Furthermore, several statistical methods that were used to analyse the collected data were elaborated on. The results obtained from the 281 fitness club members in the Nelson Mandela Bay will be presented in this chapter.

Firstly, Chapter Four will commence with a summary of the demographic data of the respondents who participated in the study. This will be followed by the results of the exploratory factor analyses that were used to assess the validity of the various constructs, while the reliability of the constructs was assessed using Cronbach's alpha coefficients. Based on the results of the exploratory factor analyses and Cronbach's alpha coefficients, the theoretical framework proposed in Chapter One, namely Figure 1.1, is revised and the hypotheses are reformulated. Thereafter, a discussion on the empirical results, including descriptive statistics such as the mean and standard deviation will be discussed, followed by a discussion on Pearson's product moment correlations that were used to establish the direction of the relationship between the dependent and independent variables. Lastly, this chapter will be concluded by discussing the results of the multiple regression analyses.

4.2 DEMOGRAPHIC PROFILE OF RESPONDENTS AND FITNESS CLUB MEMBERSHIP

The demographic data was collected from 281 respondents. Section A of the questionnaire required the respondents to complete eight questions relating to the demographic profile information of the respondent and the fitness club which they are a member of. A description will be given on the items listed under the demographic section of the questionnaire.

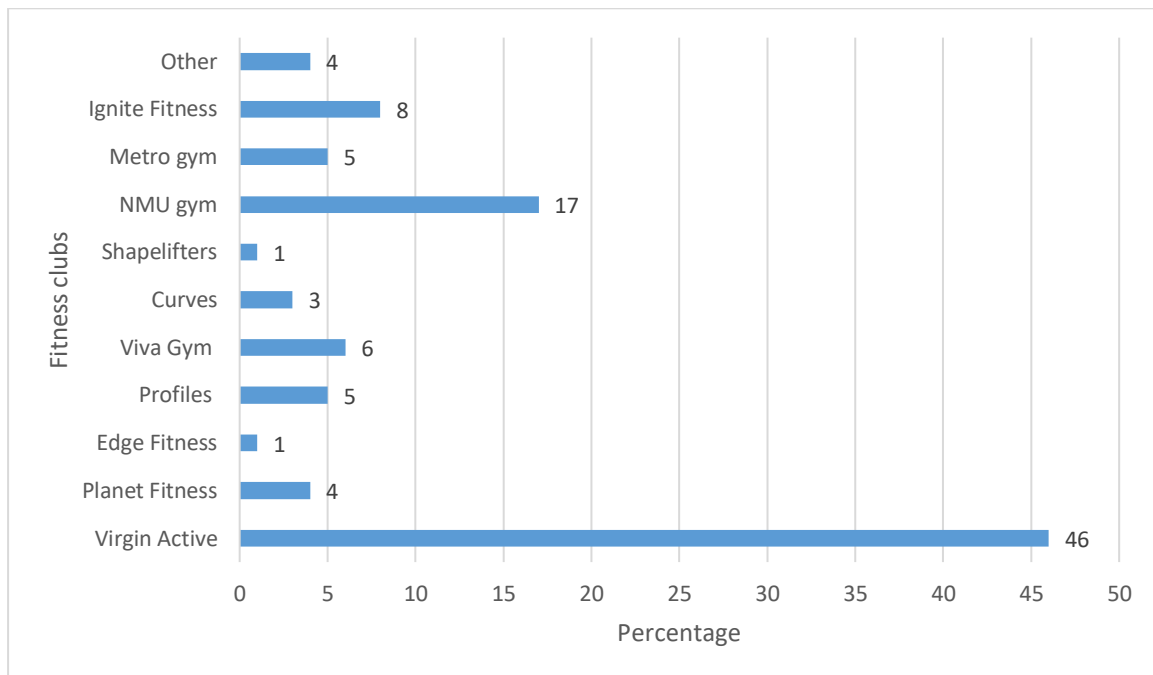
Figure 4.1: Information pertaining to fitness clubs used

Figure 4.1 shows the various fitness clubs in the Nelson Mandela Bay and the percentages of respondents who are members of those fitness clubs. Forty-six percent of the respondents indicated that they are members of Virgin Active, while 17% indicated that they are members of the Nelson Mandela University Gym, and 8% of the respondents indicated that they are members of Ignite Fitness. Furthermore, 6% of the respondents indicated that they are members of Viva Gym, while 10% of the respondents was evenly spread between Profiles and Metro Gym. In addition, 4% of respondents indicated being members of Planet Fitness.

Of the 4% that indicated “Other,” each of the respondents specified their fitness club as France Aquatics, Armour Fitness, Body20, Thee Gym Fitness, Algoa CrossFit (Newton Park), CrossFit Valley Road, Xiao-Long Kickboxing Club, VW Gym Uteinhage and Hard Bodies Gym Despatch, and one respondent did not specify their fitness club. Of the 281 respondents, 3% indicated that they are members of Curves, and Edge Fitness and Shapeshifters were chosen by 1% each respectively.

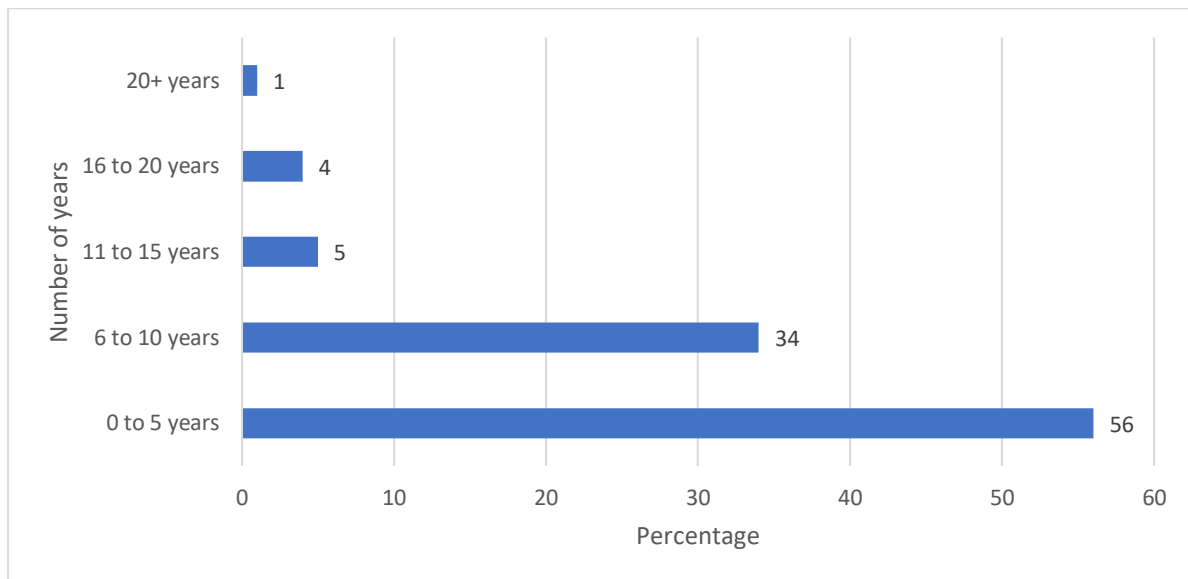
Figure 4.2: Information pertaining to the number of years in a fitness club

Figure 4.2 shows the number of years respondents that are a member of the fitness club. More than a half (56%) of the respondents were less than five years a member of their fitness club. Of the 281 respondents, 34% were between five and ten years a member of their fitness club and 10% were members for longer than ten years. This indicates that majority of the respondents have either recently been a member of their fitness club or have been a member for long.

Table 4.1 provides a summary of the demographic profile information pertaining to the respondents. The summarised information will be discussed in the paragraphs that follow.

Table 4.1: Demographic information pertaining to the respondents

Demographics	Specific Criteria	Frequency	Percentage (%)
Gender	Male	173	62
	Female	108	38
Ethnic affiliation	Black	143	50
	White	88	31
	Coloured	38	14
	Asian	10	4
	Indian	2	1
Age in years	18-25	148	53
	26-35	74	26
	36-45	35	12
	46-55	14	5
	56-65	8	3
	66+	2	1
Home Language	Afrikaans	63	22
	English	97	35
	Xhosa	74	26
	Sotho	13	5
	Zulu	21	7
	Ndebele	1	0.3
	IsiNdebele	1	0.3
	Shona	1	0.3
	Setswana	2	0.7
	Tonga	1	0.3
	Luganda	1	0.3
	French	1	0.3
	Portuguese	1	0.3
	Chichewa	1	0.3
	SiSwati	1	0.3
	Not specified	2	0.6
Highest level of education	Less than Grade 12	4	1
	Grade 12	100	36
	Certificate	29	10

Table 4.1: Demographic information pertaining to the respondents

Demographics	Specific Criteria	Frequency	Percentage (%)
	Diploma	53	19
	Degree	77	27
	Post-graduate diploma	13	5
	Honours	5	2
Marital status	Divorced	17	6
	Living with a life partner (not married)	19	7
	Married	37	13
	Unmarried	196	72
	Widowed	5	2

There were more male respondents (62%) than females (38%) particularly in the study. Half of the respondents were of Black ethnic affiliation, followed by 31% of the respondents being White individuals. Less Coloured (14%) and Asian (4%) respondents took part in the survey, with 1% of the respondents being Indian. More than half (53%) of the respondents were in the age group 18 to 25 years followed by the age group 26 to 35 years (26%) with fewer in the age groups 36 to 45 years (12%), 46-55 years (5%), and 56-65 years (3%) respectively. Only 1% of the respondents were 66 years or older. Of the 281 respondents used in this study, 35% were English speaking, followed by 26% of the respondents being Xhosa speaking, 22% were Afrikaans speaking and 7% of the respondents were Zulu speaking. Of the 13 respondents who indicated "Other," 2(0.6%) did not specify their home language spoken and from the remaining 11 respondents, Setswana, Ndebele, IsiNdebele, Shona, Tonga, Luganda, French, Portuguese, Chichewa and SiSwati were indicated. Just over one third (36%) of the respondents obtained a Grade 12 qualification, followed by 27% of the respondents indicating that they have a Degree qualification or 19% that have a Diploma qualification. Only 10% of the respondents indicated having a Certificate qualification and 5% of the respondents indicated having a Post-graduate diploma. It is also noted that only 1% of the respondents indicated that they have less than a Grade 12 qualification and of the 2% who indicated "other," all had obtained an honours qualification.

The majority (72%) of the respondents indicated that they are unmarried, which could be as a result that more than a half of the respondents are between 18 to 25 years. Furthermore, 37 (13%) respondents indicated that they are married, followed by 7% of the respondents who indicated that they are not married but are living with a life partner. It is also noted that 6% of the respondents indicated being divorced and only 2% indicated that they are widowed. The following section will present the results of the validity and reliability analyses.

4.3 RESULTS OF THE VALIDITY AND RELIABILITY ANALYSES

Validity is concerned with the meaningfulness of research components. In other words, the researchers are concerned with whether they are measuring what they intended to measure (Drost, 2011:114). The following section will be the results of the factor extraction.

4.3.1 Results of factor extraction

Using STATISTICA Version 13, Eigenvalues of the variables in the study were calculated. Table 4.2 shows the number of factors extracted with Eigenvalues above one and total variance explained.

Table 4.2: Eigenvalues of the valid constructs

Factors	Eigenvalue	% Total variance
Customer feedback	1.91	2.69
Customer relationship marketing	21.95	30.911
Service quality	4.17	5.876
Service offering types	5.45	7.676
Customer relationship building efforts	2.50	3.512
Customer need customisation efforts	1.70	2.389

As shown above, based on the principle component extraction six valid constructs were extracted with Eigen values above one. Exploratory Factor Analysis is used by researchers to explore the essential factor structure of a set of variables without imposing a predetermined structure on the possible outcome. (EFA) was also used to determine which items load on which factors (Osborne, 2014:1).

The EFA was conducted to determine construct validity of the items and constructs with a minimum of 0.5 for factor loadings (Osborne, 2014:3). Exploratory Factor Analysis attempts to uncover complex patterns by exploring the dataset and testing predictions (Yong & Pearce, 2013:79). The following section shows the results of the EFA independent variables in a matrix followed by each valid construct. Table 4.3 depicts the factor coefficients loading on the matrix for the independent and dependant variables.

Table 4.3: Factor matrix for the independent and dependent variables

ITEMS	CF	CRM	SQ	SO	CRB	CNC
CF1	0.451	0.215	0.005	0.288	0.268	-0.068
CF2	0.551	0.169	0.200	0.229	0.193	0.057
CF3	0.585	0.259	0.127	0.034	0.253	0.115
CF4	0.625	0.329	0.157	0.204	0.243	0.119
CF5	0.539	0.284	0.253	0.049	0.198	0.105
CF6	0.558	0.496	0.105	0.022	0.217	0.056
CF7	0.586	0.462	0.085	0.149	0.132	0.047
CF8	0.530	0.291	0.101	0.271	0.027	0.142
CF9	0.583	0.428	0.120	0.123	0.101	0.132
CF10	0.531	0.464	0.162	0.100	0.039	0.212
CM1	0.545	0.207	0.248	0.074	-0.062	0.184
CM2	0.495	0.363	0.187	0.283	-0.005	0.147
CM3	0.436	0.551	0.119	0.207	0.088	-0.044
CM4	0.401	0.541	0.222	-0.007	0.058	0.035
CM5	0.406	0.504	0.153	0.002	0.229	0.104
CM6	0.336	0.501	0.303	0.227	0.161	0.033
CM7	0.254	0.448	0.315	0.099	0.083	0.040
CM8	0.323	0.616	0.110	0.224	-0.002	0.171
CM9	0.215	0.720	0.126	0.172	-0.120	0.081
CM10	0.103	0.797	0.111	-0.037	0.008	0.215
CM11	0.127	0.738	0.155	0.012	0.057	0.207
CM12	0.185	0.677	0.145	-0.003	0.100	0.211
CM13	0.164	0.631	0.106	0.097	0.172	0.099
DM1	0.166	0.621	0.096	0.030	0.224	0.188
DM2	0.046	0.720	0.105	0.133	0.159	-0.010
DM3	0.025	0.678	0.079	0.123	0.243	-0.012
DM4	0.062	0.617	0.110	0.166	0.207	0.052
DM5	0.364	0.615	-0.035	0.009	0.400	0.020
DM6	0.337	0.571	-0.008	0.069	0.382	0.076
DM7	0.299	0.537	0.030	0.245	0.275	-0.060
DM8	0.287	0.653	-0.019	0.148	0.276	-0.076
DM9	0.428	0.450	0.078	0.368	0.197	0.020

ITEMS	CF	CRM	SQ	SO	CRB	CNC
DM10	0.388	0.538	0.058	0.261	0.173	-0.001
SQ1	0.270	0.080	0.546	0.133	-0.013	0.169
SQ2	0.254	0.121	0.675	0.109	0.021	0.182
SQ3	0.029	0.187	0.599	0.095	-0.016	0.186
SQ4	-0.059	0.223	0.791	0.034	0.066	0.040
SQ5	0.065	0.137	0.740	0.031	0.115	0.097
SQ6	0.199	0.213	0.699	0.022	0.202	0.022
SQ7	0.165	-0.042	0.659	0.142	0.163	0.086
SQ8	0.106	-0.093	0.585	0.172	0.163	0.100
SQ9	0.278	0.117	0.416	0.213	0.127	0.088
SQ10	0.194	0.243	0.489	0.217	0.185	-0.064
SQ11	0.215	0.389	0.422	0.181	0.328	0.040
SO1	0.132	0.175	0.346	0.358	0.306	0.102
SO2	0.107	0.004	0.386	0.241	0.288	0.241
SO3	0.200	0.227	0.010	0.619	0.103	-0.113
SO4	-0.084	-0.287	0.294	0.484	0.093	0.163
SO5	-0.134	-0.005	0.157	0.736	0.102	0.098
SO6	0.117	0.103	-0.026	0.851	0.041	0.069
SO7	0.115	0.072	0.060	0.862	0.025	-0.015
SO8	0.071	0.051	0.065	0.785	0.076	0.031
SO9	0.117	0.042	0.016	0.769	-0.015	0.066
SO10	0.139	0.267	0.246	0.623	0.019	0.073
SO11	0.104	0.200	0.132	0.666	-0.027	-0.056
SO12	0.088	0.048	0.110	0.676	0.006	0.023
CR1	-0.014	0.151	0.208	0.088	0.539	-0.055
CR2	0.182	0.094	0.240	0.193	0.625	0.147
CR3	0.162	0.401	0.159	0.051	0.666	0.193
CR4	0.237	0.223	0.185	-0.015	0.595	0.180
CR5	0.126	0.303	0.111	-0.004	0.684	0.252
CR6	0.135	0.048	0.086	0.196	0.458	0.283
CR7	0.205	0.132	-0.087	0.380	-0.014	-0.048
CR8	-0.044	0.048	0.035	-0.167	0.111	0.550
CR9	0.088	0.372	0.158	-0.034	0.385	0.518
CR10	0.157	0.440	0.183	0.061	0.340	0.469
CR11	0.227	0.419	0.170	-0.034	0.301	0.461
CR12	0.168	0.248	0.182	0.059	0.338	0.558
CR13	0.150	0.214	0.163	0.152	0.272	0.611
CR14	0.134	0.068	0.156	0.153	0.032	0.676
CR15	0.073	0.377	0.124	0.208	0.110	0.414
Explained variance	6.263	11.164	5.731	6.816	4.420	3.272
Proportion of total	0.088	0.157	0.081	0.096	0.062	0.046

Key: CRM = Customer relationship management; SO = Type of service offering; SQ = Service quality; CRB = Customer relationship building efforts; CF = Customer feedback; CNC = Customer need customisation efforts

As evident in Table 4.3 a total of six valid factors were considered for further analysis based on that the factor loadings were higher than 0.5. Items CF1, CM2, DM9, SQ9, SQ10, SQ11, SO1, SO2, SO4, CR6, CR7, CR10, CR11 and CR15 did not have factor loadings exceeding 0.5 and were thus regarded as not valid. Customer retention loaded onto two factors, *Customer relationship building efforts* and *Customer need customisation efforts*. Customer retention was viewed first from a customer need customisation point of view and then from a relationship building point of view. The *Digital marketing* (DM) items, all loaded together with the *Content marketing* (CM) items onto one factor and was consequently renamed to *Customer relationship marketing* (CRM).

The following sections discuss the results of the valid constructs as depicted in Table 4.2 in conjunction with Cronbach's alpha (α) coefficients for reliability.

4.3.2 Validity and reliability of the independent variables

Below is a discussion of the validity and reliability of the marketing strategies independent variables.

4.3.2.1 Customer feedback

Table 4.4 summarises the results of the EFA which extracted the construct *Customer feedback*, the items that loaded, the Eigenvalue of construct, as well as the Cronbach's alpha (α) of each item and the overall construct.

As is evident in Table 4.4, nine (CF1 to CF10) of the ten items intended to measure the construct, *Customer feedback*. One item from Content marketing, CM1 also loaded on to the *Customer feedback* construct. According to Wonderflow (2016), customer feedback is to provide consistently relevant information to all customers. All these items loaded onto the construct with factor loadings above the minimum factor loading coefficient of 0.50, ranging between 0.530 and 0.625. Therefore, sufficient evidence of the construct validity for *Customer feedback* is provided.

Table 4.4: Validity and reliability of the customer feedback construct

Eigenvalue: 1.91		% of variance = 2.69		Cronbach's alpha = 0.901	
Items	Statements	Factor loadings	Item Correlation	Cronbach's Alpha after deletion	
CF2	Encourages me to recommend friends or family to join the club	0.551	0.561	0.897	
CF3	Urges me to report if I am dissatisfied with their services	0.585	0.604	0.895	
CF4	Utilises several online methods/tools to enable members to provide online feedback	0.625	0.727	0.887	
CF5	Responds promptly to in-person complaints for service recovery	0.539	0.612	0.894	
CF6	Encourages me to share online comments about possible service improvements	0.558	0.701	0.888	
CF7	Conducts online surveys on customer service satisfaction	0.586	0.742	0.885	
CF8	Has a call centre to lodge service failures	0.530	0.618	0.894	
CF9	Responds promptly to online customer feedback	0.583	0.740	0.886	
CF10	Monitors reviews posted on their social media platforms	0.531	0.695	0.889	
CM1	Provides consistently relevant information for all members	0.545	0.520	0.900	

The *Customer feedback* construct had an Eigenvalue of more than 1 (1.91) and explained 2.69% of the variance of the data. *Customer feedback* returned a Cronbach's alpha coefficient of 0.901 which was much higher than the cut-off point of 0.70 suggesting that the items measuring this construct can be deemed highly reliable.

Due to the EFA, *Customer feedback* was re-operationalised to refer to a marketing strategy whereby fitness clubs provide relevant information to members, encourage members to recommend family and friends to join the fitness club, have a service failure reporting system, either a call centre, or to lodge a complaint in-person, as well as an online presence where social media are utilised to share online comments about service delivery satisfaction or dissatisfaction with monitoring and prompt response to negative postings.

4.3.2.2 Customer relationship marketing

Table 4.5 summarises the results of the EFA which extracted the construct *Customer relationship marketing*, the items that loaded, the Eigenvalue of the construct, as well as the Cronbach's alpha (α) of each item and the overall construct. As is evident in Table 4.5, ten (CM3 to CM13) of the thirteen items and nine (DM1 to DM8 and DM10)

of the ten items intended to measure content marketing and digital marketing and because these two variables loaded together, the construct was renamed to *Customer relationship marketing*. These items loaded onto the construct with factor loadings above the minimum factor loading coefficient of 0.50, ranging between 0.501 and 0.800. Therefore, sufficient evidence of the construct validity for *Customer relationship marketing* is provided.

Table 4.5: Validity and reliability of the customer relationship marketing construct

Eigenvalue: 21.95		% of variance = 30.91		Cronbach's alpha = 0.831	
Items	Statements	Factor loadings	Item Correlation	Cronbach's Alpha after deletion	
CM3	Sends monthly newsletters to all members about future events	0.550	0.665	0.944	
CM4	Encourages members to share upcoming events of the fitness club on their own personal social media platforms	0.541	0.646	0.944	
CM5	Encourages members to share what they enjoy about the fitness club on their own personal social media platforms	0.504	0.649	0.944	
CM6	Uses top of the mind advertising to attract my attention and remember their brand name	0.501	0.641	0.944	
CM8	Encourages me to attend the club more to exercise through their social media postings	0.616	0.682	0.944	
CM9	At times advertises their product and service offerings in newspapers	0.720	0.689	0.944	
CM10	Makes me laugh when using GIFS and memes to show case customers' funny experiences	0.800	0.715	0.943	
CM11	Uses story telling on their website to instil members' trust	0.738	0.711	0.943	
CM12	Shares members' success stories on their Facebook page	0.677	0.695	0.943	
CM13	Allows for transparent interactive information sharing on their social media sites	0.631	0.660	0.944	
DM1	Encourages me to join Facebook to interact with other members	0.621	0.644	0.944	
DM2	Sends me personalised emails of specific occasions e.g. birthdays	0.720	0.681	0.944	
DM3	Keeps me up to date with new products and service offerings via text message	0.678	0.652	0.944	
DM4	Sends me newsletters to remind me about new products and service offerings	0.617	0.629	0.945	
DM5	Encourages me to join their Facebook page to become a more informed member	0.615	0.739	0.943	
DM6	Engages with me by sharing photos of other members via their Instagram page	0.571	0.698	0.943	
DM7	Sends me via email detailed latest information about member benefits	0.537	0.654	0.944	

Eigenvalue: 21.95		% of variance = 30.91		Cronbach's alpha = 0.831	
Items	Statements	Factor loadings	Item Correlation	Cronbach's Alpha after deletion	
DM8	Sends me helpful personalised messages and reminders via WhatsApp or text messages	0.653	0.728	0.943	
DM10	Uses Google reviews or similar digital tools to evaluate their member feedback	0.538	0.664	0.944	

The *Customer relationship marketing* construct had an Eigenvalue of more than 1 (21.95) and explained 30.91% of the variance of data. *Customer relationship marketing* returned a Cronbach's alpha coefficient of 0.831 which was much higher than the cut-off point of 0.70, suggesting that the items measuring this construct can be deemed highly reliable. Due to the EFA, *Customer relationship marketing* was re-operationalised to refer to a marketing strategy whereby fitness clubs engage in non-digital marketing like use of websites to instil members' trust, newsletters to provide regular updates about future events and encourage members to be active on personal social media platforms by sharing upcoming events, what they enjoy as well as encourage members to exercise more and allow transparent interactive sharing of information while creating humour for members, share members' success stories or attract attention and instil brand name by use of top of the mind advertising or advertise products and service offerings through newspapers and digital marketing to encourage members to join social media pages so as to be more informed, interact with each other or get encouragement through other members' photos, use text messages to remind and keep members up-to-date about product and service offerings and personalised emails to communicate the latest about member benefits or to acknowledge members' special occasions, with use of personalised messages for reminders and utilise Google reviews or other similar digital tools for member feedback evaluation.

4.3.2.3 Service Quality

Table 4.6 summarises the results of the EFA which extracted the construct *Service quality*, the items that loaded, the Eigenvalue of the construct, as well as the Cronbach's alpha (α) of each item and the overall construct. As is evident in Table 4.6, eight (SQ1 to SQ8) of the eleven items intended to measure the construct *Service quality*. These items loaded onto the construct with factor loadings above the minimum

factor loading coefficient of 0.50, ranging between 0.546 and 0.791. Therefore, sufficient evidence of the construct validity for *Service quality* is provided.

Table 4.6: Validity and reliability of Service quality construct

Eigenvalue: 4.17		% of variance = 5.88		Cronbach's alpha = 0.868	
Items	Statements	Factor loadings	Item Correlation	Cronbach's Alpha after deletion	
SQ1	Makes hygiene one of their top priorities	0.546	0.542	0.861	
SQ2	Has frontline employees who provide quality services	0.675	0.689	0.844	
SQ3	Provides safe access control parking	0.599	0.556	0.860	
SQ4	Has employees who are always friendly	0.791	0.699	0.843	
SQ5	Has employees who are always helpful	0.740	0.689	0.844	
SQ6	Has managers capable of addressing members' issues	0.699	0.674	0.846	
SQ7	Provides hygienic restrooms	0.659	0.625	0.852	
SQ8	Provides safe exercise equipment	0.585	0.505	0.864	

The *Service quality* construct had an Eigenvalue of more than 1 (4.17) and explained 5.88% of the variance of data. *Service quality* returned a Cronbach's alpha coefficient of 0.868 which was much higher than the cut-off point of 0.70, suggesting that the items measuring this construct can be deemed highly reliable. Due to the EFA, *Service quality* was re-operationalised to refer to a marketing strategy whereby fitness clubs prioritise service qualities such as hygiene by providing hygienic restrooms, by employing workers who provide quality services and are friendly and helpful, and managers who can handle members' issues, as well as to ensure that the premises have safe access control parking and safe exercise equipment.

4.3.2.4 Service offering types

Table 4.7 summarises the results of the EFA which extracted the construct *Service offering types*, the items that loaded, the Eigenvalue of the construct, as well as the Cronbach's alpha (α) of each item and the overall construct.

As is evident in Table 4.7, nine (SO3, SO5, SO6 to SO12) of the twelve items intended to measure the construct *Service offering types*. These items loaded onto the construct with factor loadings above the minimum factor loading coefficient of 0.50, ranging between 0.619 and 0.862. Therefore, sufficient evidence of the construct validity for *Service offering types* is provided.

Table 4.7: Validity and reliability of Service offering types construct

Eigenvalue: 5.45		% of variance = 7.68		Cronbach's alpha = 0.910	
Items	Statements	Factor loadings	Item Correlation	Cronbach's Alpha after deletion	
SO3	Offers sauna and steam rooms	0.619	0.598	0.907	
SO5	Offers cardio group classes like aerobics and kickboxing	0.736	0.615	0.905	
SO6	Offers mind and body group classes like yoga and Pilates	0.850	0.807	0.891	
SO7	Offers group spinning cycling classes	0.862	0.823	0.889	
SO8	Offers strength and conditioning classes like boot camp, body conditioning or core express	0.785	0.730	0.897	
SO9	Offers group dance fitness classes like pound or Zumba	0.769	0.724	0.898	
SO10	Offers a wide range of family membership packages	0.623	0.660	0.902	
SO11	Offers children's day care facilities while I train	0.666	0.662	0.902	
SO12	Offers an onsite restaurant for refreshments after training for example Kauai	0.676	0.623	0.905	

The *Service offering types* construct had an Eigenvalue of more than 1 (5.45) and explained 7.68% of the variance of data. *Service offering types* returned a Cronbach's alpha coefficient of 0.910 which was much higher than the cut-off point of 0.70, suggesting that the items measuring this construct can be deemed highly reliable.

Due to the EFA, *Service offering types* was re-operationalised to refer to a marketing strategy whereby fitness clubs offer members a wide range of family packages with children's day care facilities while they train, a variety of group fitness classes for body conditioning, flexibility, strength, alignment and cardio, onsite spa health and hygiene facilities and a restaurant for refreshments before or after training.

4.3.3 VALIDITY AND RELIABILITY OF THE DEPENDANT VARIABLES

The dependant variable *Customer retention* originally had 15 items but due to the EFA split into two dependant variables, namely, *Customer relationship building efforts* and *Customer need customisation efforts*.

4.3.3.1 Customer relationship building efforts

Table 4.8 summarises the results of the EFA which extracted the renamed construct *Customer relationship building efforts*, the items that loaded, the Eigenvalue of the construct, as well as the Cronbach's alpha (α) of each item and the overall construct.

As is evident in Table 4.8, five items (CR1 to CR5) loaded onto the construct *Customer relationship building efforts*. These items loaded onto the construct with factor loadings above the minimum factor loading coefficient of 0.50, ranging between 0.539 and 0.684. Therefore, sufficient evidence of the construct validity for *Customer relationship building efforts* is provided.

Table 4.8: Validity and reliability of Customer relationship building efforts construct

Eigenvalue: 2.50		% of variance = 3.51		Cronbach's alpha = 0.831	
Items	Statements	Factor Loadings	Item Correlation	Cronbach's Alpha after deletion	
CR1	I am a loyal member	0.539	0.484	0.836	
CR2	I am satisfied with the services they offer	0.625	0.646	0.795	
CR3	They make a continuous effort to motivate me to become fit	0.666	0.734	0.766	
CR4	They promptly respond to my requests or questions	0.595	0.635	0.796	
CR5	They understand my specific fitness needs	0.684	0.662	0.788	

The *Customer relationship building efforts* construct had an Eigenvalue of more than 1 (2.50) and explained 3.51% of the variance of data. *Customer relationship building efforts* returned a Cronbach's alpha coefficient of 0.831 which was much higher than the cut-off point of 0.70, suggesting that the items measuring this construct can be deemed highly reliable.

Due to EFA, *Customer relationship building efforts* was re-operationalised to refer to fitness clubs promptly responding to member requests and understanding customer specific needs in order to win customer loyalty, keep the customer satisfied, and to ensure that the customer stays motivated to become fit.

4.3.3.2 Customer need customisation efforts

Table 4.9 summarises the results of the EFA which extracted the renamed construct *Customer need customisation efforts*, the items that loaded, the Eigenvalue of the construct, as well as the Cronbach's alpha (α) of each item and the overall construct. As is evident in Table 4.9, five items (CR8, CR9, CR12 to CR14) loaded onto the construct *Customer need customisation efforts*. These items loaded onto the construct with factor loadings above the minimum factor loading coefficient of 0.50, ranging

between 0.518 and 0.611. Therefore, sufficient evidence of the construct validity for *Customer need customisation efforts* is provided.

Table 4.9: Validity and reliability of Customer need customisation efforts construct

Eigenvalue: 1.70		% of variance = 2.39		Cronbach's alpha = 0.831	
Items	Statements	Factor loadings	Item Correlation	Cronbach's Alpha after deletion	
CR8	They offer affordable service offerings that fits my budget	0.550	0.332	0.775	
CR9	They continuously make an effort to motivate me to achieve my fitness goals	0.518	0.541	0.696	
CR12	I regard them as honest in their intentions with me	0.558	0.615	0.668	
CR13	I trust the club will do what it promises	0.611	0.617	0.669	
CR14	Their service offerings fit my lifestyle	0.676	0.501	0.712	

The *Customer need customisation efforts* construct had an Eigenvalue of more than 1 (1.70) and explained 2.39% of the variance of data. *Customer need customisation efforts* returned a Cronbach's alpha coefficient of 0.831 which was much higher than the cut-off point of 0.70, suggesting that the items measuring this construct can be deemed highly reliable.

Due to EFA, *Customer need customisation efforts* was re-operationalised to refer to fitness clubs that offer customised service offerings to fit the member's budget and lifestyle and motivate them to achieve their fitness goals, while proving to them that they are honest and trustworthy.

4.4 REVISED THEORETICAL FRAMEWORK AND HYPOTHESES

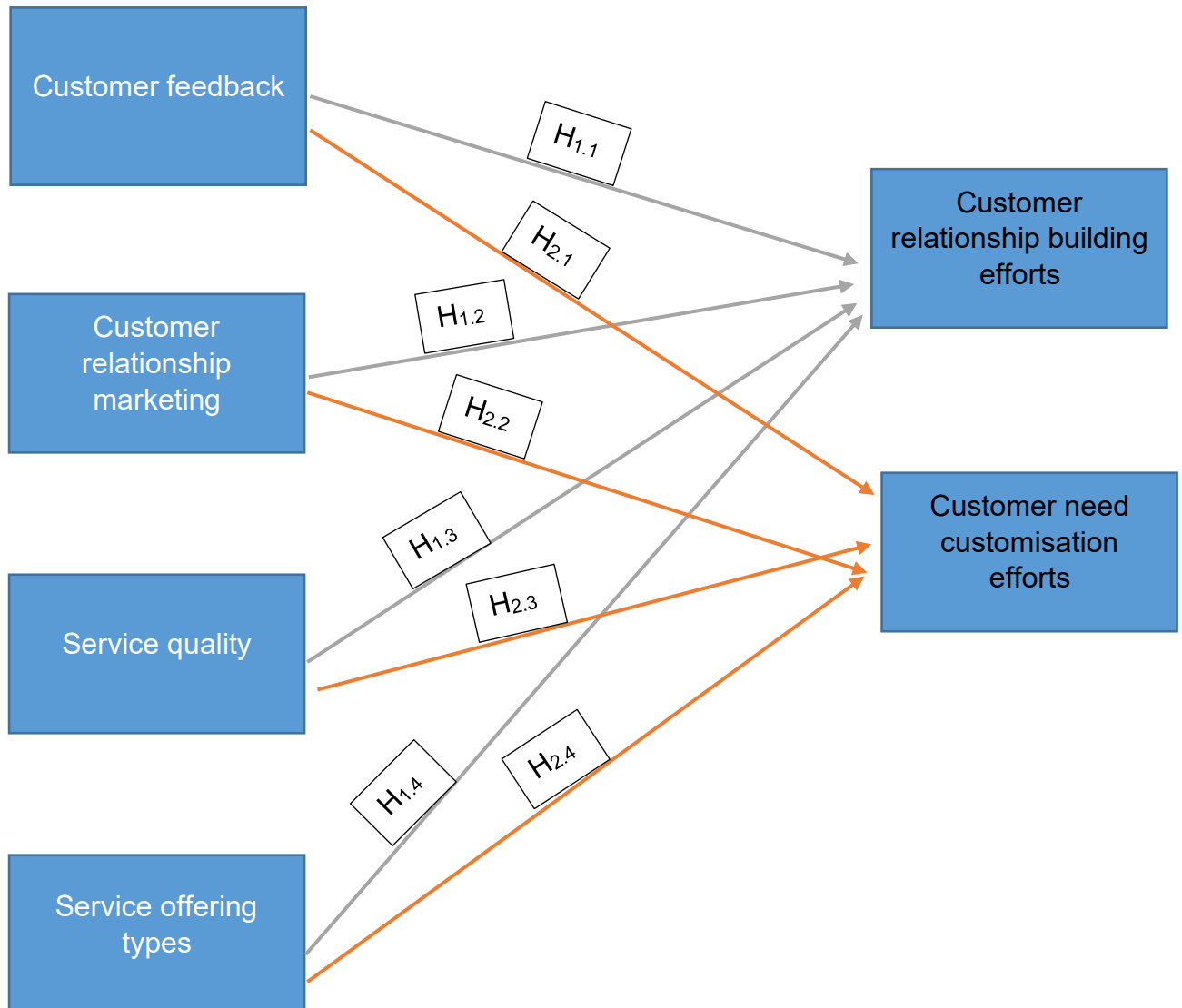
As a result of the exploratory factor analyses, operationalisation of the various constructs, as well as the theoretical framework were revised and reformulated. Table 4.10 summarises the reformulated operational definitions, while Figure 4.3 presents the reworked theoretical framework.

Table 4.10: Reformulated operational definitions

Factor	Operationalisation
Customer Feedback	<i>Customer feedback refers to a marketing strategy whereby fitness clubs provide relevant information to members, encourage members to recommend family and friends to join the fitness club, have a service failure reporting system, either a call centre, or to lodge a complaint in-person, as well as an online presence where social media are utilised to share online comments about service delivery satisfaction or dissatisfaction with monitoring and prompt response to negative postings.</i>
Customer relationship marketing	<i>Customer relationship marketing refers to a marketing strategy whereby fitness clubs engage in non-digital marketing like use of websites to instil members' trust, newsletters to provide regular updates about future events and encourage members to be active on personal social media platforms by sharing upcoming events, what they enjoy as well as encourage members to exercise more and allow transparent interactive sharing of information while creating humour for members, share members' success stories or attract attention and instil brand name by use of top of the mind advertising or advertise products and service offerings through newspapers and digital marketing to encourage members to join social media pages so as to be more informed, interact with each other or get encouragement through other members' photos, use text messages to remind and keep members up-to-date about product and service offerings and personalised emails to communicate the latest about member benefits or to acknowledge members' special occasions, with use of personalised messages for reminders and utilise Google reviews or other similar digital tools for member feedback evaluation.</i>
Service quality	<i>Service quality refers to a marketing strategy whereby fitness clubs prioritise service qualities such as hygiene by providing hygienic restrooms, by employing workers who provide quality services and are friendly and helpful, and managers who can handle members' issues, as well as to ensure that the premises have safe access control parking and safe exercise equipment.</i>
Service offering	<i>Service offering types refers to a marketing strategy whereby fitness clubs offer members a wide range of family packages with children's day care facilities while they train, a variety of group fitness classes for body conditioning, flexibility, strength, alignment and cardio, onsite spa health and hygiene facilities and a restaurant for refreshments before or after training.</i>
Customer relationship building efforts	<i>Customer relationship building efforts refer to fitness clubs promptly responding to member requests and understanding customer specific needs in order to win customer loyalty, keep the customer satisfied, and to ensure that the customer stays motivated to become fit.</i>
Customer need customisation efforts	<i>Customer need customisation efforts refer to fitness clubs that offer service offerings to fit the member's budget and lifestyle and motivated them to achieve their fitness goals, while proving to them that they are honest and trustworthy.</i>

Based on the EFA, a revised hypothesised model comprised of two dependant variables and four independent variables. The next page shows the revised theoretical framework.

Figure 4.3: Revised theoretical framework: The relationship between the independent variables and the two dependant variables



(Source: Researcher's own construction)

The two sets of reformulated hypotheses are:

- H_{1.1}: Customer feedback influences customer relationship building efforts.
- H_{1.2}: Customer relationship marketing influences customer relationship building efforts.
- H_{1.3}: Service quality influences customer relationship building efforts.

- H_{1.4}Service offering types influence customer relationship building efforts.
- H_{2.1}: Customer feedback influences customer need customisation efforts.
- H_{2.2}: Customer relationship marketing influences customer need customisation effort
- H_{2.3}: Service quality influences customer need customisation efforts.
- H_{2.4}: Service offering types influences customer need customisation efforts.

The following sections will be a presentation and discussion of the empirical results of the descriptive and inferential statistics.

4.5 EMPIRICAL RESULTS OF THE DESCRIPTIVE AND INFERENTIAL STATISTICS

The results of the statistical analysis will be presented in this section. The results include the descriptive statistics, the Pearson's product moment correlations, and lastly, a discussion on the results of the multiple regression analysis will follow.

4.5.1. Descriptive statistics

Descriptive analysis focuses on the computation of items from raw data and establishing a relationship between two or more variables (Singh, 2015:50). Furthermore, descriptive statistics is whereby the factors will be described by means, standard deviation and frequencies (Wood & Kerr, 2011: 249). Descriptive statistics relating to the sample were calculated, these included the mean and standard deviation, as indicated in Table 4.11.

Table 4.11: Descriptive statistics for factors

Variables	Means	Standard Deviation
Customer feedback	3.615	0.756
Customer relationship marketing	3.260	0.815
Service quality	4.117	0.648
Service offering types	3.549	0.950
Customer relationship building efforts	3.900	0.733
Customer need customisation efforts	3.875	0.644

As shown in Table 4.11, the independent variable, *Customer feedback* returned a mean score of 3.615 indicating that respondents tend to on average provide customer

feedback to the fitness clubs. In other words, the second independent variable in the table, *Customer relationship marketing* returned a mean score of 3.260, which was the lowest mean score, indicating that the respondents were on average uncertain whether their fitness clubs engage in digital and non-digital marketing efforts such as sending personal emails or text messages or share information on online platforms. The third independent variable, *Service quality* returned a mean score of 4.117, which was the highest mean score, indicating that the respondents on average were of the opinion that the managers and employees of the fitness clubs were friendly and helpful and that they were provided with hygienic facilities and safe equipment. The independent variable *Service offering types* returned a mean score of 3.549. This indicated that on average the respondents of this study were in agreement that their fitness club offers a variety of services like fitness classes, family packages, refreshments and child day care facilities.

Customer relationship building efforts returned a mean score of 3.900, which indicates that the respondents agree they are loyal to their fitness clubs because efforts are made towards paying attention to their requests and understood their specific fitness needs. *Customer need customisation efforts* returned a mean score of 3.875. This indicated that on average, the respondents of this study regarded their fitness clubs as trustworthy and make an effort to offer customised services to satisfy member needs.

The standard deviations range from 0.648 to 0.950, indicating that there was much dispersion amongst the customer responses. *Service offering types* returned the highest standard deviation of 0.950 and this makes sense because different fitness clubs offer different services; a larger fitness club will most likely offer more services than a smaller fitness club.

4.5.2 Pearson's product moment correlations

Pearson product moment correlation is the most commonly used measure of association and is denoted as 'r' which is a measure of the strength, direction and probability of the linear association between two interval or ratio values (Chee, 2015:2). Therefore, in order to determine the correlation between all the variables, a Pearson product moment correlation was undertaken.

A coefficient of correlation varies between -1 and +1, for the study a value of 0.500 and above shows strong relationship and anything below 0.300 is deemed weak relationship. The magnitude of the Pearson correlation coefficient determines the strength of the correlation. Although there are no hard-and-fast rules for assigning strength of association to particular values, some general guidelines are provided by Cohen (1988) as shown in Table 4.12.

Table 4.12: General guidelines for Pearson correlation coefficient

Coefficient Value	Strength of Association
$0.1 < r < 0.3$	Small correlation
$0.3 < r < 0.5$	Medium/moderate
$r > 0.5$	Large/strong correlation

The correlation between the different variables under investigation in this study are presented in Table 4.13.

Table 4.13: Pearson product moment correlation

Variables	CF	CF	CRM	SQ	SO	CRB	CNC
Customer feedback (CF)		1.000					
Customer relationship marketing (CRM)		0.765	1.000				
Service quality (SQ)		0.445	0.359	1.000			
Service offering types (SO)		0.363	0.309	0.246	1.000		
Customer relationship building efforts (CRB)		0.523	0.564	0.407	0.203	1.000	
Customer need customisation efforts (CNC)		0.451	0.470	0.410	0.138	0.556	1.000

From Table 4.13, it can be seen that the independent variables, *Customer feedback* shows strong correlations with *Customer relationship marketing* ($r = 0.765$) and *Customer relationship building efforts* ($r = 0.523$) and moderate correlations with *Service quality* ($r = 0.445$), *Service offering types* ($r = 0.363$) and *Customer need customisation efforts* (0.451). *Customer relationship marketing* shows moderate correlations with *Service quality* ($r = 0.359$), *Service offering types* ($r = 0.309$) and *Customer need customisation efforts* ($r = 0.470$) and a strong correlation with *Customer relationship building efforts* ($r = 0.564$). *Service quality* shows a weak correlation with *Service offering types* ($r = 0.246$) and moderate correlations with *Customer relationship building efforts* ($r = 0.407$) and *Customer need customisation efforts* ($r = 0.410$). *Service offering types* shows weak correlations with *Customer*

relationship building efforts ($r = 0.203$) and *Customer need customisation efforts* ($r = 0.138$). *Customer relationship building efforts* has a strong correlation with *Customer need customisation efforts* ($r = 0.556$). The weakest is observed between *Service offering types* and *Customer need customisation efforts* ($r = 0.138$), implying that there is not much association between the types of services offered at fitness clubs and the efforts made by fitness clubs to customise their offerings to meet customer needs. Four strong positive correlations are identified and are supported by Wonderflow(2016) and Khan (2012:107), namely between *Customer feedback* and *Customer relationship marketing* of $r = 0.765$, as well as between *Customer relationship building efforts* and *Customer feedback* ($r = 0.523$), *Customer relationship marketing* and *Customer relationship building efforts* ($r = 0.564$), and as well as between *Customer relationship building efforts* and *Customer need customisation efforts* ($r = 0.556$).

4.5.3 Multiple regression analyses

As defined in Chapter Three, multiple regression analysis is done to test relationships and hypotheses, that is, the relationship between the marketing strategies (independent variables) on the dependant variables, namely *Customer relationship building efforts* and *Customer need customization efforts*. The p value expressed in multiple regression expresses the probability of observing a result by chance, which is expressed as a proportion (Kasi, 2014:130).

A beta coefficient is calculated for each variable within the theoretical framework. According to Acock (2008:225), $\beta < 0.20$ is considered a *weak* effect, β between 0.2 and 0.5 is considered a moderate effect while effects of $\beta > 0.50$ are considered a *strong* effect. In order to assess the influence of various independent variables under investigation in this study, multiple regression analyses were undertaken.

4.5.3.1 Multiple regression analysis for Customer relationship building efforts

The results of the multiple regression analyses for the dependant variable *Customer relationship building efforts* can be found in Table 4.14.

Table 4.14: Multiple regression analysis for Customer relationship building efforts

Dependant variable: Customer relationship building efforts				Hypothesis number	Hypothesis outcome
R ² = 0.374					
Independent variables	Beta	T-value	p-value		
Customer feedback	0.140	1.789	0.075	H _{1.1}	Not Accepted
Customer relationship marketing	0.388	5.241	0.001*	H _{1.2}	Accepted
Service quality	0.210	3.922	0.001*	H _{1.3}	Accepted
Service offering types	-0.019	-0.377	0.706	H _{1.4}	Not Accepted

*p<0.05

The results of the multiple regression analyses show that the independent variables explain 37.4% of the variance in *Customer relationship building efforts*. Two of the four variables, *Customer feedback* and *Service offering types*, were found to have a statistically insignificant influence on *Customer relationship building efforts*. *Customer relationship marketing* ($\beta = 0.388$; $p = 0.05$) and *Service quality* ($\beta = 0.210$; $p = 0.05$) were found to have a statistically significant positive influence on *Customer relationship building efforts*. *Customer relationship marketing* and *Service quality* have beta values between 0.2 and 0.5, therefore, the two variables have a moderate effect on *Customer relationship building efforts*.

4.5.3.2 Multiple regression analyses for Customer need customisation efforts

The results of the multiple regression analyses for the dependant variable *Customer need customisation efforts* can be found in Table 4.15.

Table 4.15: Multiple regression analysis for Customer need customisation efforts

Dependant variable: Customer need customisation efforts				Hypothesis number	Hypothesis outcome
R²= 0.297					
Independent variables	Beta	T-value	p-value		
Customer feedback	0.133	1.603	0.110	H _{2.1}	Not Accepted
Customer relationship marketing	0.295	3.760	0.001*	H _{2.2}	Accepted
Service quality	0.261	4.605	0.001*	H _{2.3}	Accepted
Service offering types	-0.066	-1.211	0.227	H _{2.4}	Not Accepted

*p<0.05

The results of the multiple regression analyses show that the independent variables explain 29.7% of the variance in *Customer need customisation efforts*. Two of the four variables, *Customer feedback* and *Service offering types* were found to have a statistically insignificant influence on *Customer need customisation efforts*. *Customer relationship marketing* ($\beta = 0.295$; $p = 0.001$) and *Service quality* ($\beta = 0.261$; $p = 0.001$) were found to have a statistically significant positive influence on *Customer need customisation efforts*. The two variables have a moderate effect on the dependant variable *Customer need customisation efforts*.

4.6 SUMMARY AND CONCLUSION

In this chapter, the empirical results of the study were presented. A summary of the demographic profile of the respondents and the fitness clubs attended was provided. The results of the validity and reliability of the measuring instrument were given, and six valid constructs were extracted. Based on the factor analysis, the operational definitions of the factors under investigation in this study were changed, the hypotheses reformulated and the proposed model for this study was also revised by expanding the dependant variable which was initially customer retention, to two dependant variables, namely customer relationship building activities and customer need customisation activities. All variables provided satisfactory evidence of construct validity and reliability.

The results of the correlation and regression analyses were also presented. There were four strong positive correlations noted and two statistically significant relationships were also noted between each of the two dependant variables, *Customer relationship building efforts* and *Customer need customisation efforts*. *Customer relationship marketing* and *Service quality* had beta values that showed moderate effect on *Customer relationship building efforts* and *Customer need customisation efforts*.

In Chapter Five, a brief summary of various chapters in the study will be provided. Thereafter the empirical results will be concluded, and recommendations provided. The contributions and limitations of the study will be discussed and recommendations for the future research presented.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 INTRODUCTION

This chapter will present, firstly a brief summary of the research objectives, followed by the main findings of the literature and empirical sections, as well as the conclusions derived from the empirical findings.

The effect of the findings on the research objectives given in Chapter one, the acceptability of the research design and the overall integration into the empirical results will be discussed in this chapter. The main findings will also be briefly discussed. Various recommendations will be given that will be drawn from the below mentioned conclusions. This chapter will conclude with the limitations on the study and possible areas for future research.

5.2 RESEARCH OBJECTIVES

To follow is a description of the primary, secondary and methodological study objectives of the research.

5.2.1 Primary study objective

The primary objective of this study was to identify the marketing strategies to retain members at fitness clubs within the PE area.

5.2.2 Secondary study objectives

In order to achieve the primary objective of this study, the following secondary objectives were formulated:

- To determine the current marketing strategies used by fitness clubs in PE and determine the reasons why customers would choose to continue their contracts;

- To establish the influence of marketing strategies on customer retention at fitness clubs in the PE area; and
- To provide conclusions and recommendations that both larger and smaller fitness clubs can utilise on how to market their business to improve membership retention.

Through studying the marketing strategies used by fitness clubs in the PE area, the most effective strategies for customer retention were identified and recommendations were provided on how to improve their marketing strategies and inspire members to renew their contracts.

5.3 RESEARCH DESIGN

Two types of data were collected in this study namely; primary and secondary data. In this study the research design, research methodology relating to sampling techniques used in this study and the statistical data analysis methods used throughout this study were discussed. A comprehensive literature review was conducted in Chapter two to identify and determine the marketing strategies used by fitness clubs, and how these strategies contribute to customer retention of the fitness club members.

The primary data for this study were collected using a structured questionnaire by means of a survey to investigate marketing strategies used by fitness club owners for membership retention. In order to evaluate the marketing strategies used for customer retention by fitness clubs in PE a positivistic research paradigm, in concurrence with a quantitative research methodology were adopted, by means of a descriptive research approach.

The researchers used the primary data collected from the questionnaires and captured it in Microsoft Excel. The data cleaning process took place after the data was captured and thereafter the factor extraction testing with Exploratory Factor Analysis (EFA) validity were done which led to some changes in marketing strategy variables and/or customer retention of the study. The reliability of the research instrument was assessed by means of Cronbach Alpha Coefficients for the testing of valid factors and items. Data analysis methods used include inferential statistics such as Pearson product moment correlation and Multiple regression analysis. After doing this, the

researchers were able to analyse and interpret the data collected and be able to draw the below conclusions and make recommendations on the research findings.

5.4 MAIN FINDINGS FROM THE LITERATURE REVIEW

Chapter two discussed the marketing strategies to retain members at fitness clubs, looking at different strategies as well as how these strategies apply to fitness clubs, where possible. Customer retention were defined as the longevity of the relationship between a customer and the relevant product or service providing business (Rootman, 2011: 86), and examples were giving on how businesses can implement marketing strategies to retain their customers. The fitness industry in South Africa were identified to be characterised with various unique characteristics which implies that businesses operating in this industry have the potential to benefit from marketing efforts that focus on concepts such as diversification, differentiation and customisation.

Various measures of customer retention were defined namely: customer loyalty, customer satisfaction and customer purchasing behaviour. It was also discussed as to how these measures could affect a business's customer retention. It was found that focussing on improving customer retention and its related concepts can have positive effects on sales growth and continuity of a businesses and should thus be considered to be used as a viable business strategy with the aim to improve it on a continuous basis, if a business wishes to grow their customer base and increase customer loyalty. Marketing Strategies discussed in Chapter two were: customer feedback, content marketing, digital marketing, types of service offerings, service quality, relationship marketing and reward programs. Customer feedback was defined as information generated by customers about a business's brand and entails customers providing virtually unassailable feedback about their approval or lack thereof with regards to their experience with a specific service of product (Wonderflow, 2016). Content marketing was described as an approach that is of a strategic nature that is focused on creating and distributing business value, consistent and relevant content, whilst attracting a clearly defined audience, and drive profitable customer action. This implies that content marketing can not only be used to gain new customers but also to retain existing customers by identifying them as their intended target market and by devoting the required resources for retaining customers (Linn, 2018).

Digital marketing was defined as the manipulation of digital technologies, using these technologies to generate channels to reach potential recipients and meet customer needs through more effectively satisfying customer needs and achieving the businesses' strategic goals (Sawicki, 2016:83). Types of service offerings was termed as a principle, that indicates that businesses who differentiate their services offerings decreases the appeal customers have for substitute services offerings when customers are dissatisfied with an element of the services offered by a business (Coelho & Henseler, 2012:337). Service quality was defined as a customer's attitude towards a business's brand and the customer's conscious and subconscious analysis of the services offered and provided and the comparative advantage or disadvantage that differentiate the businesses service offerings from other competitors service offerings (Prakash & Mohanty, 2012:6). Relationship marketing was outlined as having three unique characteristics, firstly, it was characterised as being long term in nature, secondly it was characterised as being a collaborative process and finally it was characterised as being a relationship capable of benefiting all parties involved (Magasi, 2016:1759).

The last marketing strategy, reward programmes were defined as long-term programs which allow consumers to accumulate some form of program currency, commonly in the form of an accumulative points system, which can be redeemed later for free rewards (Liu & Yang, 2009: 94). A business can implement these marketing strategies to improve customer retention. It was concluded when analysing the literature that customer retention as well as good marketing strategies are important tools which fitness clubs can utilise to keep and retain their members, as the competition in the fitness industry continuous to grow. It seems that although various literature findings confirm that the marketing strategies aimed at customer retention mentioned in this study have positive effects on sales and business growth, a significant number of business owners and managers still prefer to turn their attention and focus to gaining new customers.

5.5 MAIN FINDINGS FROM THE EMPIRICAL INVESTIGATION

Chapter four presented the data obtained from primary data collection of this study. The relationship between the independent and dependent variables were empirically tested. The data was presented in a clear form and in table format. The different variables that were present in the questionnaire were first tested for validity and reliability.

EFA was then selected to extract all the factors with Eigenvalues greater than one, and it was also used to confirm construct validity based on a cut-off point of 0.5 for the minimum factor loadings. Retained factors also had to achieve Cronbach's alpha coefficients with a cut-off point of 0.7 to be deemed reliable to demonstrate inter-item consistency. Correlations were calculated on the retained variables. This was done to measure the associations between the dependent and independent variables. After testing the validity and reliability of the data, four independent variables were retained, namely the four marketing strategies; customer feedback, customer relationship marketing, service quality and types of service offerings and two dependent constructs were retained namely customer retention which were divided into; customer relationship building efforts and customer needs customisation efforts. These four independent factors (marketing strategies) proved to provide construct validity with factor loadings > 0.5 , as well as a high reliability with Cronbach alpha's well above 0.7. The two dependent variables provided statistically accepted Beta and p-values, with p-values < 0.05 .

Descriptive statistics were calculated, and it was found that of the six valid constructs customer relationship marketing were deemed as less utilised by fitness clubs whereas providing service quality was deemed to be the focus of most fitness clubs. The descriptive statistical findings designated that the majority of the fitness club members agreed that although their fitness club utilised customer retention efforts, there is still room for improvements.

The inferential statistics were calculated using Pearson's product moment correlations and Multiple regression analysis. For the Pearson's product moment correlations, the least correlations were between customer customisation efforts and service offerings

and the highest correlations were between customer relationship marketing and customer feedback. Most of the correlations were moderate to strong. Thereafter, two multiple regression analyses were conducted for the two dependent variables. It was found that; customer feedback and service offerings did not have statistically significant relationships with customer relationship building efforts and customer needs customisation efforts of fitness clubs. Furthermore, it was established that marketing strategies such as customer relationship marketing and service quality both have a statistically significant relationships with customer relationship building efforts and customer need customisation efforts of fitness clubs.

5.6 CONCLUSIONS AND RECOMENDATIONS

The preceding sections presented an overview of the chapters and how the objectives of the present study were met. The outcome of the study was to identify which dependent and independent variables influences the retention of customers in the fitness club industry. The following sections present the conclusions and recommendations for the above discussed empirical findings.

5.6.1 CONCLUSIONS AND RECOMMENDATIONS OF THE STATISTICALLY SIGNIFICANT RELATIONSHIPS

Two statistically significant relationships were found between customer relationship management, service quality and customer relationship building efforts. Two statistically significant relationships were found between customer relationship management, service quality and customer needs customisation efforts. To follow is a discussion of these statistically significant relationships.

5.6.1.1 Customer relationship marketing

It seems customer relationship management presented weak statistically significant relationships with two customer retention efforts namely; customer relationship building efforts and customer needs customisation efforts. The statistics indicated that fitness club members regard customer relationship marketing as influencing customer relationship building efforts and customer needs customisation efforts of fitness clubs.

The empirical findings suggest that fitness clubs are sending their members personalised messages and reminders via WhatsApp or text messages, sending their members personalised emails of specific occasions for example birthdays and try to make their members laugh by using GIFS and memes to show case their customer's funny experiences such as silly mistakes made while at the fitness club. This indicates that fitness clubs can benefit from using digital and non-digital mass marketing tools such as the ones mentioned above to their advantage.

It can therefore be concluded that the empirical findings suggest that if fitness clubs sends their members monthly newsletters about future events, send them personalised emails of specific occasions for example birthdays and keep their members up to date with new products and service offerings fitness club members will perceive their fitness club as committed to building a lasting relationship with them and trust their fitness club to deliver on what they promise. This is confirmed by literature as it was found that relationships marketing has a very important role to play in improving the customers experience of a business's service offerings and places trust building at the top of marketing efforts to foster loyalty and commitment in the customers purchasing behaviour (Mandeep, 2019).

For fitness clubs to ensure member retention through customer relationship building efforts, the following customer relationship marketing strategies are suggested:

- Fitness clubs should establish a better personal relationship with its customers, by asking their members how the members feel the fitness club can improve on their service offerings and service quality and by initiating customer feedback strategies aimed at finding out what their member's current fitness needs and wants are for example having suggestion boxes or making use of online review websites;
- The fitness clubs should host monthly prize giving's for members who post their personal fitness goal progress on social media, and by doing so aim to encourage their members to share their positive experiences at the fitness club via the fitness club's social media pages so that the fitness club can make use of digital word of mouth and top-of-mind marketing strategies;

- The fitness clubs should offer loyal members discounts if they share and market the fitness clubs to other people. The clubs can give each loyal member a reference code. The loyal members can then share these codes with their friends and family, and even post it online. If a new member signs up to the fitness club and uses this reference code, the member whose code it is, will receive a small discount on their membership fee e.g. 5 % for that month; and
- The fitness clubs should post motivational messages of before and after photos of fitness club members who have reach their fitness goals or who are working hard towards reaching their fitness goals on their social media pages to inspire their members to reach their fitness goals. These messages should motivate their members to become fit and live a healthier life and to remain loyal fitness club members.
- Fitness clubs can further exploit the potential of social media marketing activities by integrating their social media technologies with their customer relationship marketing activities by making their committed fitness club member social media brand ambassadors that can promote their fitness club brand, share their experiences and help the fitness club build lasting relationships with their members.

Furthermore, the empirical findings suggest that if fitness clubs utilise digital marketing for example by using Google reviews or similar digital tools to evaluate and respond to their members feedback or encouraging members to share what they enjoy about the fitness club on their own personal social media platforms, members will perceive their fitness club as dedicated to *customer needs customisation efforts*. This is confirmed in the literature where social media marketing activities were identified a possible tool which can be used to give customers marketing responsibilities and allow them to become brand advocates by generating, *adapting* and sharing appropriate online information regarding a businesses' brand and their corresponding product and service offerings (Yadav & Rahman, 2018:3885).

For fitness clubs to ensure member retention through their customer needs customisation efforts, the following customer relationship marketing strategies are suggested:

- The fitness clubs can conduct market research through its social media channels to determine what type of marketing methods and marketing medias such as personalised messages and message medias or channels such as WhatsApp, Facebook messenger or SMS their members prefer. The fitness clubs can ask its members if it would rather want to receive communication via email or telephone; and
- The fitness clubs should have a system in place, where its members can display or write down their fitness goals. The fitness clubs can also set predetermined goals for its members. The members can then keep track of their goals while they are busy training. The fitness clubs can use a computer program to track and log the members performance towards their goals. The system should verify the goals set by the members and the progress towards, completing these goals. Should the members then reach all the goals set by the fitness club, they can reward them by giving them Kauai vouchers or discount on health and fitness products for their continued effort in achieving their fitness goals.

5.6.1.2 Service quality

It seems service quality presented weak statistically significant relationships with two customer retention efforts namely; customer relationship building efforts and customer needs customisation efforts. This indicate that fitness club members regard service quality as influencing customer relationship building efforts and customer needs customisation efforts of fitness clubs. The empirical findings suggest that fitness clubs' employees were always friendly and always looks to help the customers, should they acquire any assistance. The fitness club members also indicated that their fitness clubs, provide safe exercise equipment and focus on maintaining their hygiene standards at fitness club restrooms. Furthermore, the respondents also regard their fitness clubs as having managers that can address any issues the members may have. Literature further confirms these views that service quality is related to a customer's attitude towards a business's brand and can be defined as the customer's conscious and subconscious analysis of the services offered and provided and the comparative advantage that differentiate the businesses service offerings from other competitors service offerings (Prakash & Mohanty, 2012:6).

There have been numerous studies done that found that supplying extraordinary quality service to customer's delivers positive paybacks such as customer retention and financial performance (Polyakova & Mirza, 2016:361).

It can be concluded that if fitness clubs provide their members with safe exercise equipment and make maintaining hygienic restrooms and facilities one of their top priorities for excellent service delivery they will be engaging in customer relationship building efforts which will instil a sense of trust with their members implying that members will have increased confidence in their fitness club's ability to deliver a service as promised. This was confirmed by literature as it was found that fitness clubs can through providing value adding secondary services such as hygienic facilities stimulate member's behaviours and attitude towards remaining members at a fitness club ((Macintosh & Doherty, 2007:274).

For fitness clubs to ensure member retention through customer relationship building efforts, the following service quality marketing strategies are suggested:

- The fitness clubs should monitor hygiene in their restrooms. Specific times can be scheduled, and the staff member will have to sign a register in the bathroom that indicates that the bathroom has been checked and cleaned, that cleans the bathrooms at least four times a day. This will show the fitness club members that the fitness clubs value their basic need of a clean hygienic area;
- The fitness clubs should invest in CCTV equipment and other various security equipment that can be placed outside, to make sure the fitness club, provides a safe parking area for its customers;
- The fitness club can provide a pre-booking system that allows the members to book for classes offered by the fitness club; and
- The fitness club can provide an application, which the members can install on their smartphone devices. This application can then be used to book classes in advance or contact the fitness club if needed.

Furthermore, it can be concluded from the empirical findings that if fitness clubs have managers that can address member's issues and provide their members with safe access control parking at the fitness club, they will be engaging in customer needs customisation efforts which can positively influence customer loyalty. This is confirmed by literature as it was found that service customisation can decrease the appeal customers have for substitute service offerings when customers are dissatisfied with an element of the services offered by a business (Coelho & Henseler, 2012:337).

For fitness clubs to ensure member retention through customer needs customisation efforts, the following service quality marketing strategies are suggested:

- Offer frequent refresher courses on the general and safety information on how to correctly and safely use the fitness club's equipment, to minimise possible injury and inform the members, as to how the equipment works;
- Frontline staff, working at the front desk, can greet the fitness club members by their names;
- The fitness clubs should offer smaller group classes, so the staff of the fitness club will then have a more personal relationship with the fitness club members;
- The fitness club can place staff members on the fitness club's floor, that will be able to assist its members, should they require any assistance with the exercise equipment; and
- The fitness club can offer repeat classes, if that class is popular. If for example; if the yoga class is overcrowded in the mornings, the fitness club can re-run the same class in the afternoon or when it's convenient for their members. This will be able to assist their members to attend classes, they previously could not attend, due to the time the class took place.

5.7 SHORTCOMINGS OF THE RESEARCH

A limitation of the study was that it was only conducted in the Port Elizabeth area. Another limitation is that only a small sample size of 281 respondents were used to derive the empirical results. Due to the small size of Port Elizabeth, compared to other cities and the lack of respondents willing to participate, the data collection period took longer than expected.

Another limitation was that the majority of the respondents willing to participate were members of one specific fitness club although the questionnaires were handed out at multiple locations/fitness clubs in the Port Elizabeth area.

5.8 FUTURE RESEARCH

Future research can be conducted in a broader area, and not only in the Port Elizabeth area. The research can focus on a bigger sample size to get more accurate answers as to all the different variables that was tested in this research.

Future research can also be conducted using the same type of research that is marketing strategies to retain customers, but this can be applied to a different sector, for example to study the marketing strategies to retain customers in the grocery sector.

5.9 SELF REFLECTION

This study has posed an in-depth perspective of how fitness clubs in Port Elizabeth retains its members through customer retention and marketing strategies. It is encouraging to note that there were both statistical and practical significant relationships between the dependent and independent variables, as well as the demographical variables. The researchers had the opportunity to explore the fields of the fitness world as well as the fields of marketing.

The researchers gained significant amount of knowledge in the marketing field, and this can be further used in future studies of a similar topic. This knowledge can be uses if the researchers decided to pursue a master's degree in business management. On an academic level, this study challenged the researchers to think outside the box, and to use prior gained knowledge to yield a good acceptable research piece.

This research opportunity afforded the researchers an irreplaceable experience in gaining more knowledge in the field of marketing. The researchers furthermore developed their academic writing and analytical skills, through completion of an in-depth literature review, as well as an empirical data analysis.

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ANNEXURE B:

NELSON MANDELA UNIVERSITY

FACULTY OF BUSINESS AND ECONOMIC SCIENCES

ETHICS CLEARANCE FOR TREATISES / DISSERTATIONS / THESES

Instructions:

- Should be completed by supervisor and student
- Must be signed off by student, supervisor and HoD
- Submit completed form to Ms Lindie van Rensburg
- Please ensure that the research methodology section from the proposal is attached to this form
- *Please note that by following this Proforma ethics route, the study will NOT be allocated an ethics clearance number*

FACULTY: Business and Economic Sciences

SCHOOL / DEPARTMENT: Business management

I, (surname and initials of supervisor) Perks, Sandra

the supervisor for (surname and initials of candidate) Viljoen J.S. (student number)
215166191
215269799 and Dube A.

a candidate for the degree of B Com Honours

with a treatise/dissertation/thesis entitled (full title of treatise/dissertation/thesis):

Marketing Strategies to retain members at
fitness clubs in Port-Elizabeth

Considered the following ethics criteria (please tick the appropriate block):

		YES	NO
1.	Is there any risk of harm, embarrassment of offence, however slight or temporary, to the participant, third parties or to the communities at large?		X
2.	Is the study based on a research population defined as 'vulnerable' in terms of age, physical characteristics and/or disease status?		X
2.1	Are subjects/participants/respondents of your study:		

2.1.1	Children under the age of 18?		X
2.1.2	NMMU staff?		X
2.1.3	NMMU students?		X
2.1.4	The elderly/persons over the age of 60?		X
2.1.5	A sample from an institution (e.g. hospital/school)?		X
2.1.6	Handicapped (e.g. mentally or physically)?		X
3.	Does the data that will be collected require consent of an institutional authority for this study? (An institutional authority refers to an organisation that is established by government to protect vulnerable people)		X
3.1	Are you intending to access participant data from an existing, stored repository (e.g. school, institutional or university records)?		X
4.	Will the participant's privacy, anonymity or confidentiality be compromised?		X
4.1	Are you administering a questionnaire/survey that:		
4.1.1	Collects sensitive/identifiable data from participants?		X
4.1.2	Does not guarantee the anonymity of the participant?		X
4.1.3	Does not guarantee the confidentiality of the participant and the data?		X
4.1.4	Will offer an incentive to respondents to participate, i.e. a lucky draw or any other prize?		X
4.1.5	Will create doubt whether sample control measures are in place?		X
4.1.5	Will be distributed electronically via email (and requesting an email response)?		X
	<p>Note:</p> <ul style="list-style-type: none"> If your questionnaire DOES NOT request respondents' identification, is distributed electronically and you request respondents to return it <i>manually</i> (print out and deliver/mail); AND respondent anonymity can be guaranteed, your answer will be NO. If your questionnaire DOES NOT request respondents' identification, is distributed via an email link and works through a web response system (e.g. the university survey system); AND respondent anonymity can be guaranteed, your answer will be NO. 		
5.	Do you wish to publish an article from this study and submit to an accredited Journal?		X



and hereby certify that the student has given his/her research ethical consideration and full ethics approval is not required.

S. Pals
SUPERVISOR(S)

25/04/2019
DATE

[Signature]
HEAD OF DEPARTMENT

29/04/2019
DATE



[Signature] Dube
STUDENT(S)

15 April 2019
DATE

ANNEXURE C:



Summerstrand South Campus
DEPARTMENT OF BUSINESS MANAGEMENT
5 June 2019

MARKETING STRATEGIES TO RETAIN MEMBERS AT FITNESS CLUBS IN PORT-ELIZABETH

We are Honours students conducting research on marketing strategies to retain members at fitness clubs in Port-Elizabeth. We are collecting information in the form of a survey to understand and quantify how fitness clubs can use marketing strategies to retain its members. All sources will be treated as confidential and will be used for research purposes only. The majority of the data will be reported in statistical form and no individual respondents will be identified. The questionnaire is to be completed anonymously.

The questionnaire comprises of the following three sections:

- Section A: Demographic Information
- Section B: Marketing Strategies of my fitness club
- Section C: Customer retention and relationship building activities of my fitness club

Your cooperation is greatly appreciated.

Sincerely

Ms Jacolien Viljoen & Ms Ashel Dube

Students

Prof S. Perks

Supervisor

SECTION A: DEMOGRAPHIC INFORMATION

Participation requirement: You must have been a member of a fitness club in the last 12 months to complete this questionnaire.

Instruction: Please indicate your response by making a cross {X} in the appropriate block.

1. Number of years in a fitness club?

0-5	1	16-20	4
6-10	2	20+	5
11-15	3		

2. Gender?

Male 1 Female 2

3. Ethnic affiliation?

Black 1 Coloured 3
White 2 Asian 4
If other, please specify: 5

4. Age in years?

18-25	1	36-45	3	56-65	5
26-35	2	46-55	4	66+	6

5. Home Language?

Afrikaans	1	Xhosa	3	Zulu	5
English	2	Sotho	4	If other, specify:	6

6. Highest level of education?

Less than Grade 12	1	Certificate	3	Degree	5
Grade 12	2	Diploma	4	Post-graduate diploma	6
If other, specify:			7		

7. Marital status?

Divorced	1	Unmarried	4
Living with a life partner (not married)	2	Widowed	5
Married	3		

8. What fitness club are you a member of?

Virgin Active	1	Viva Gym	5	Nelson Mandela University Gym	8
Planet Fitness	2	Curves	6	Metro Gym	9
Edge Fitness	3	Shapeshifters	7	Ignite Fitness	10
Profiles	4	If other, specify:			11

SECTION B: MARKETING STRATEGIES

	My fitness club ...	Strongly agree	Agree	Uncertain	Disagree	Strongly disagree
CF1	Has a suggestions box for feedback from members	5	4	3	2	1
CF2	Encourages me to recommend friends or family to join the club	5	4	3	2	1
CF3	Urges me to report if I am dissatisfied with their services	5	4	3	2	1
CF4	Utilises several online methods/tools to enable members to provide online feedback	5	4	3	2	1
CF5	Responds promptly to in-person complaints for service recovery	5	4	3	2	1
CF6	Encourages me to share online comments about possible service improvements	5	4	3	2	1
CF7	Conducts online surveys on customer service satisfaction	5	4	3	2	1
CF8	Has a call centre to lodge service failures	5	4	3	2	1
CF9	Responds promptly to online customer feedback	5	4	3	2	1
CF10	Monitors reviews posted on their social media platforms	5	4	3	2	1
CM1	Provides consistently relevant information for all members	5	4	3	2	1
CM2	Promotes services of personal trainers via a link on their website to their instructor's blog	5	4	3	2	1
CM3	Sends monthly newsletters to all members about future events	5	4	3	2	1
CM4	Encourages members to share upcoming events of the fitness club on their own personal social media platforms	5	4	3	2	1
CM5	Encourages members to share what they enjoy about the fitness club on their own personal social media platforms	5	4	3	2	1
CM6	Uses top of the mind advertising to attract my attention and remember their brand name	5	4	3	2	1
CM7	Provides members with regular updates about relevant information	5	4	3	2	1
CM8	Encourages me to attend the club more to exercise through their social media postings	5	4	3	2	1
CM9	At times advertises their product and services offerings in newspapers	5	4	3	2	1
CM10	Makes me laugh when using GIFS and memes to show case customers' funny experiences	5	4	3	2	1
CM11	Uses storytelling on their website to instil members' trust	5	4	3	2	1
CM12	Shares members' success stories on their Facebook page	5	4	3	2	1
CM13	Allows for transparent interactive information sharing on their social media sites	5	4	3	2	1
DM1	Encourages me to join Facebook to interact with other members	5	4	3	2	1
DM2	Sends me personalised emails of specific occasions e.g. birthdays	5	4	3	2	1
DM3	Keeps me up to date with new products and service offerings via text message	5	4	3	2	1
DM4	Sends me newsletters to remind me about new products and service offerings	5	4	3	2	1

	My fitness club ...	Strongly agree	Agree	Undecided	Disagree	Strongly disagree
DM5	Encourages me to join their Facebook page to become a more informed member	5	4	3	2	1
DM6	Engages with me by sharing photos of other members via their Instagram page	5	4	3	2	1
DM7	Sends me via email detailed latest information about member benefits	5	4	3	2	1
DM8	Sends me helpful personalised messages and reminders via Whatsapp or text message (SMS)	5	4	3	2	1
DM9	Encourages me to consult their website for information about group classes offered	5	4	3	2	1
DM10	Uses Google reviews or similar digital tools to evaluate their member feedback	5	4	3	2	1
SQ1	Makes hygiene one of their top priorities	5	4	3	2	1
SQ2	Has frontline employees who provides quality services	5	4	3	2	1
SQ3	Provides safe access control parking	5	4	3	2	1
SQ4	Has employees who are always friendly	5	4	3	2	1
SQ5	Has employees who are always helpful	5	4	3	2	1
SQ6	Has managers capable of addressing members' issues	5	4	3	2	1
SQ7	Provides hygienic restrooms	5	4	3	2	1
SQ8	Provides safe exercise equipment	5	4	3	2	1
SQ9	Has safety measures in place to deal with injuries or medical emergencies	5	4	3	2	1
SQ10	Offers new members an introduction orientation on how to use the equipment	5	4	3	2	1
SQ11	Keeps up to date with changing customer needs and wants	5	4	3	2	1
SO1	Offers a personalised fitness training service	5	4	3	2	1
SO2	Has adequate training equipment	5	4	3	2	1
SO3	Offers sauna and steam rooms	5	4	3	2	1
SO4	Offers restroom facilities with showers and toilets	5	4	3	2	1
SO5	Offers cardio group classes like aerobics and kickboxing	5	4	3	2	1
SO6	Offers mind and body group classes like yoga and Pilates	5	4	3	2	1
SO7	Offers group spinning cycling classes	5	4	3	2	1
SO8	Offers strength and conditioning classes like bootcamp, body conditioning or core express	5	4	3	2	1
SO9	Offers group dance fitness classes like pound or Zumba	5	4	3	2	1
SO10	Offers a wide range of family membership packages	5	4	3	2	1
SO11	Offers children's day care facilities while I train	5	4	3	2	1
SO12	Offers an onsite restaurant for refreshments after training for example Kauai	5	4	3	2	1

SECTION C: CUSTOMER RETENTION AND RELATIONSHIP BUILDING ACTIVITIES

	I will renew my fitness club membership contract as ...	Strongly agree	Agree	Undecided	Disagree	Strongly disagree
CR1	I am a loyal member	5	4	3	2	1
CR2	I am satisfied with the services they offer	5	4	3	2	1
CR3	They make a continuous effort to motivate me to become fit	5	4	3	2	1
CR4	They promptly respond to my requests or questions	5	4	3	2	1
CR5	They understand my specific fitness needs	5	4	3	2	1
CR6	I enjoy the fitness activities they offer	5	4	3	2	1
CR7	Their cancellation fees are too high	5	4	3	2	1
CR8	They offer affordable service offerings that fits my budget	5	4	3	2	1
CR9	They continuously make an effort to motivate me to achieve my fitness goals	5	4	3	2	1
CR10	They keep my interest by engaging in new activities	5	4	3	2	1
CR11	They make an effort to continuously communicate with me to build a strong relationship	5	4	3	2	1
CR12	I regard them as honest in their intentions with me	5	4	3	2	1
CR13	I trust the club will do what it promises	5	4	3	2	1
CR14	Their service offerings fit my lifestyle	5	4	3	2	1
CR15	No other fitness club offers a comparable service offering	5	4	3	2	1