THE RETENTION OF COLLEGE STUDENTS MEMBERSHIP BASED ON RELIABILITY AND TANGIBLES OF SERVICE QUALITY ON FITNESS CENTER IN MANADO

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ABSTRACT

The reasons why fitness is important for college students are to keep in shape and exercising, but for college students it can be an especially important part of their college years and their overall health, this research is to explore the effect of two important variables that according to author gives significant effect on retention of college students membership in fitness center Manado, the two variables are: reliability and tangibles. This research is tried to prove that the two variables are the most suitable variables to explain the retention on fitness center. Research method that had been used for this research is associated with multiple linear regression analysis technique. The population is college students in Manado, observed based on gender, age, marital status and income rate with sample as many as 100 respondents. The result of this research shows positive impact for these two variables which are reliability and tangibles generally give the significant influence for the customer retention for college students in Manado. This shows that the quality of service in the fitness center greatly affect a students decision to visit a fitness center. Company must improve their service quality to improve students intention to come in the fitness center.

Keywords: *customer retention, reliability, tangibles*

INTRODUCTION

Fitness is important for college students are to keep in shape and exercising, but for college students it can be an especially important part of their college years and their overall health. Some people may not know that fitness is the foundation of a good health. The most immediate benefit of physical activity is that you will feel better, Every person with an aerobic regular training program knows that physical activity has many beneficial effects for the body for example Strengthen the immune system, Lower incidence of high blood pressure, Reduced risk of heart attack, Reduced cholesterol level, Reduce stress and depression and much more, because of that the fitness canter need a retention program to attract a college students to do exercise in fitness center.

The health and fitness industry is a growing service industry that requires continued customer patronage to assure its ongoing success. (Surujlal & Dhurup, 2011) The sole purpose of a commercial organization was initially to create a customer. However, retaining the customer has since become regarded as equally, if not more important. This is because it has become increasingly difficult for organizations to assume that there exists an unlimited customer base prepared to maintain patronage. To achieve a competitive advantage, it has become necessary for organizations to differentiate themselves in the minds of customers. Important factors for fitness center customers are programs, personnel and physical environment, but also the staff can involve a crucial role in the implementation of retention strategies. (Hurley, 2005) By increasing the number of points of contact with customers, employing personal methods to develop customer relationships, providing for social activities,

tracking non-attending members, and completing exit analysis reports, employees can contribute greatly to improving customer service elements. As a result of a properly executed customer service policy, customer retention and referrals may follow thereby increasing the lifetime and financial value of retained and loyal members in an increasingly competitive health and fitness market arena.

Retention requires building a relationship with customers, monitoring the benefits that customers seek and continually marketing those benefits back to customers. The organization must continually deliver if the requisite trust is to be established. In order to retain customers, it is important for marketers to have in depth knowledge of what each individual customer wants and the capacity they have to continue to add value to the needs of the customer. While it is important to acknowledge that despite doing this not all customers are guaranteed to return, it is almost certain that customers whose needs are not met are unlikely to return their members to renew their membership there is a great chance that their members would defect to their competitors. (Surujlal & Dhurup, 2012) Effective and efficient management of customer relationships makes it possible to plan and provide for the needs of customers, thereby strengthening the relationship and protecting customers against predatory competition practices. Having an in-depth knowledge of what each individual customer wants, monitoring the benefits that customers seek and continually marketing those benefits back to customers will assist health and fitness centers to retain customers more easily.

The Fitness Industry need to increase revenues in the short and medium term, because of that the customer retention levels must be increased with a range of marketing and service provision initiatives, It presents an outline of how they should direct their resources and become customer centered service providers that enjoy high rates of customer retention. (Oliver, 2003) Customer centric strategy focusing on the organization and how it manages its resources, employees and customers. Customer retention is considered to be one of the key areas for most service providers in the Health and Fitness Industry. Much of the existing research and activity concerning customer retention is considered at a tactical, operational level with little emphasis being placed on the strategic considerations that an organization needs to consider in order to move toward a customer-centred philosophy.

Research Objective
The objectives of this research are:
1. To analyze the influence of service quality on college students retention at fitness center in Manado.
2. To identify variable of service quality that has the most significant influence on college students retention at fitness center in Manado.

THEORITICAL FRAMEWORK

Marketing
Kotler and Amstrong (2012:29) define marketing is the process by which companies create value for customers and build strong relationship in order to capture value from customer in return. The marketing process involved five steps. The first four steps create value for customer. First, marketers need to understand the market place and customer needs and wants. Next, marketers design a customer -driven marketing strategy with the goal of setting, keeping, and growing target customer. In the third step, marketers construct a marketing program that actually delivers superior value. All these steps form the basis for the fourth step, building profitable customer relationship and creating customer delight. In the final step, the company reaps the rewards of strong customer relationships by capturing value from customers.

Consumer Behavior
Consumer behavior is the study of how individuals, groups, and organizations select, buy, use, and dispose of goods, services, ideas, or experiences to satisfy their needs and wants (Kotler & Keller, 2009:160). Peter & Olsen (2005:5) Consumer behavior involves the thoughts and feelings people experience and the actions they perform in consumption process. These include comments from other consumers, advertisements, price information, packaging, product appearance, and many others.

Customer Retention

Kotler (1994) in Thurau and Klee (1997), the key of customer retention is customer satisfaction. Farquahar (2003) in Sarwar et al. (2012) defined customer retention as a serious business intention because it requires more finance as cost to sell the products or services to fresh customers rather than selling these products or services to the existing customers. King (2005) in Ghavami and Olyaei (2006) stated that customer retention is important to most companies because the cost of acquiring a new customer is far greater than the most maintaining a relationship with current customers.

Service Quality

Service quality is based on five dimensions of service quality (Lovelock & Wirtz, 2011:406):

Tangibles   : Appearance of physical elements. the physical surroundings represented by objects (for example, interior design) and subjects (for example, the appearance of employees).
Reliability   : Dependable and accurate performance. the service provider's ability to provide accurate and dependable services.
Responsiveness : Promptness and helpfulness. a firm's willingness to assist its customers by providing fast and efficient service performances.
Assurance   : Credibility, security, competence, and courtesy. diverse features that provide confidence to customers (such as the firm's specific service knowledge, polite and trustworthy behavior of employees).
Empathy   : Easy access, good communications, and customer understanding. the service firm's readiness to provide each customer with personal.

Research Hypothesis

H_1: Reliability and Tangibles influence Customer Retention of college student membership on fitness center in Manado simultaneously.
H_2: Reliability influence Customer Retention of college student membership on fitness center motorcycle in Manado partially.
H_3: Tangibles influence Customer Retention of college student membership on fitness center in Manado partially.

Conceptual Framework
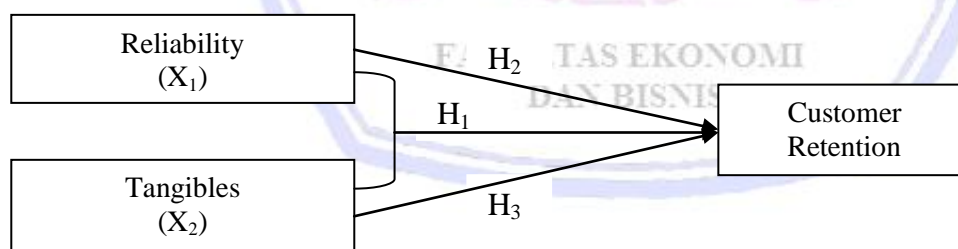
Figure 1. Conceptual Framework
Source : Theoretical Review

RESEARCH METHOD

Type of Research

This research uses causal type of research. This type of research also determines if one variable causes another variable to occur or change. In this research is to investigate the Retention of college students membership based on reliability and tangibles of service quality on fitness center in Manado.

Place and Time of Research

The study was conducted in Manado between November-December 2013.

Population and Sample

The population refers to the entire group of people, events, or things of interest that the researcher wishes to investigate (Sekaran & Bougie, 2009:262). The population in this research is young consumer in Manado, North Sulawesi who buys, understand and interest to luxury fashion brands. The random sampling is from the questionnaire survey where the respondents were asked to fill the questionnaire directly. The sample of this research is the buyers of luxury fashion brands as many as 100 customers or respondents.

Data Collection Method

Primary data means data gathered for research from the actual site of occurence of events (Sekaran & Bougie, 2009:37).Researcher collect the primary data of research by do survey (spread questionnaires) and to collect the secondary data, this research browsed the information through internet, marketing books and marketing journal. Much of primary data collection required for solving marketing problems involves asking questions to respondents and recording their response. To collect primary data, this research does survey by spreading questionnaires to gather information. A questionnaire is a formal framework consisting of a set of questions and scales designed to generate primary raw data.

Data Analysis Method
Validity and Reliability Test

To analyze the validity of questionnaire, Pearson Product Moment is used. Validity is a test of how well an instrument that is developed measure the particular concept it is intended to measure (Sekaran & Bougie, 2009:157). An instrument measure is valid if the instrument measure what is supposed to be measured . Reliability is a test of how consistently a measuring instrument measures whatever concept it is measuring (Sekaran & Bougie, 2009:157). Alpha Cronbach is reliable coefficients that can indicate how good items in asset have positive correlation one another.

Multiple Regression Analysis Method

Linear regression is used to model the value of a dependent scale variable based on its linear relationship to one or more predictors. Cooper and Schindler (2001:767) stated that multiple regression analysis is a technique to observed value of more than one X to estimate or predict corresponding Y value. Multiple linear regressions involves more than one predictor variable the model is defines as:

$$Y = a + \beta_1 X_1 + \beta_2 X_2$$

Where:

Y = Customers Retention
a = The constant, when all the independent variable equal to 0

β^1, β^2 = The regression coefficient of each variable
X^1 = *Reliability*
X^2 = *Tangibles*.

RESULT AND DISCUSSION

Result
Validity and Reliability Tests

The Reliability result shows that the instrument is acceptable because the Alpha Cronbach coefficient has a value of 0.924; it proves that the data is up to standard and can move forward to the next step. The Validity result shows that the validity for each variable are good where the values are above minimum level of 0.30. It means that all independent variables in are above the minimum level.

Classical Assumptions Test
Normality Test

Normal P-P Plot of Regression Standardized Residual
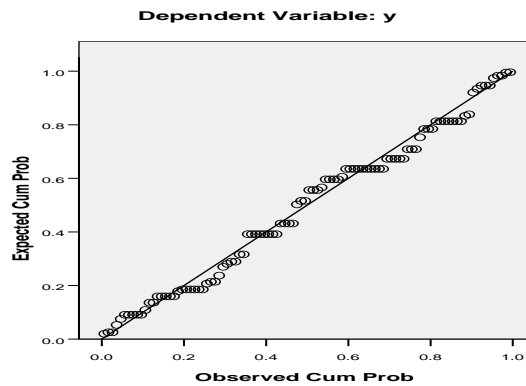
Figure 2. Normality Result
Source: SPSS Data Analysis

Can be seen in the p-plot diagram of regression standardized residual that the dots are spread around the diagonal line along the spreading follows the diagonal line direction. So it can be said that the data distributed normally and regression model are proper to used for predicting customer retention based on its free variable.

Multicolinearity Test
Table 1.Multicolinearity Test Table

| Model | Collinearity Statistics | |
	Tolerance	VIF
1 Reliability	.658	1.520
Tangibles	.658	1.520

a. Dependent Variable: Employee Performance

The results in the table above can be seen by SPSS output does not occur because the symptoms of multicollinearity VIF value of role variable as a housewife (X_1) and as an employee (X_2) is < 10 (Below 10), this means that there is no connection between the independent variables. Thus, multicollinearity assumptions are met (free of multicollinearity).

Heteroscedasticity Test

Scatterplot

Dependent Variable : Customer Retention
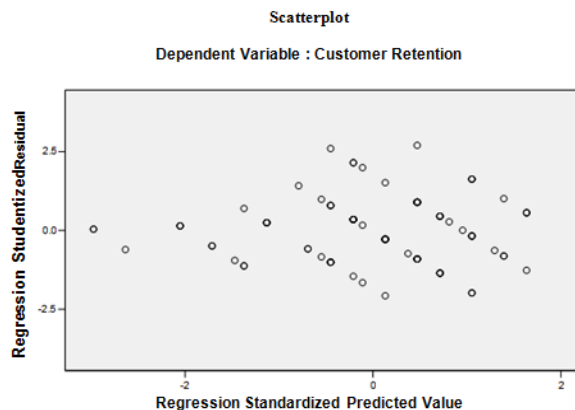
Figure 3.Heteroscedasticity Result
Source: SPSS Data Analysis

Can be seen in the scatterplot picture, plot above that the residual dots are randomly spread and did not form a clear particular form. This thing can be said in regression model there is noHeteroscedasticity,so regression model are proper to useto predict customer's retention based on its independent variable output.

Multiple Regression Analysis
Table 2. Multiple Regression Result

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	.554	.361		1.535	.128
Reliability	.348	.053	.395	6.617	.000
Tangibles	.595	.060	.587	9.839	.000

a Dependent Variable: y

Constant (b_0) 0.554 shows the effect of relationship between Reliability (X_1) and Tangibles(X_2) to the Customer Retention (Y). It means if all independent variables are equal to zero then the Customer Retention (Y) is predicted to be 0.554
a)   Consider other variables are constant or equal to zero, if there is one unit increasing in X_1 (Reliability) then the customer retention (Y) will increase 0.348.
b)   Consider other variables are constant or equal to zero, if there is one unit increasing in X_2 (Tangibles) then the customer retention (Y) will increase 0.595.

Table 3. Table R and R^2

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.879(a)	.773	.768	.56048

a. Predictors : (Constant), Reliability, Tangibles
b. Dependent Variable: Y

The value of R is 0.879 indicating a substantial positive relationship between independent and dependent variable. From the table above, the coefficient of determination (R^2) of 0.773 shows that the linear relationship in this model is able to explain the customer retention (Y) for 77.3% while the rest 22.7% is explained by other factors not discussed in this research.

Hypothesis Testing
Table 4. F-test Result

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	103.488	2	51.744	164.717	.000(a)
Residual	30.472	97	.314		
Total	133.960	99			

a. Predictors: (Constant), Reliability, Tangibles
b. Dependent Variable: Customer Retention

The level of significant of 0.05 (α = 0.05) and degree of freedom (df) of 2; 97, the F $_{table}$ from F distribution table is $F_{2; 97; 0.05}$ = 3.090, while F $_{count}$ from Table above is 164.717. The result is F $_{count}$> F $_{table}$= 164.717> 3.090. So, it obviously shows that there is linear relationship in this multiple regression model. Based from the F-test result, is obtained that F $_{count}$> F $_{table}$ = 164.717> 3.090. Based on F $_{test}$ so free variable x1 and x2 simultaneously has effect toward y as attached variable.

Table 5. T-test Result

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	.554	.361		1.535	.128
Reliability	.348	.053	.395	6.617	.000
Tangibles	.595	.060	.587	9.838	.000

a Dependent Variable: Customer Retention

The partial influence for each independent variable will be explained as follows

a) t_{count} for Reliability (X_1) 6.617 greater than the value of 1,313 t_{table} means Reliability in partial has positive significant influence on Customer Retention (Y).
b) t_{count} for Tangibles (X_2) 9.838 greater than the value of 1.313 t_{table} means Tangibles in partial has positive significant influence on Customer Retention (Y).

Discussion

This research was conducted in manado, especially in fitness center. The total number of questionnaires is 100 derived from 100 respondent. The 100 questionnaires have been distributed among college students that exercise in fitness center. The period of this research is between November-December 2013. The questionnaires were distributed to 100 respondents of male and female respondent. there are more male respondents and less female respondent. The result indicates that male college students are mostly college students who visiting the fitness center. In this research conducted with multiple linear regression model where this research has indentified customer retention as the dependent variable and other characteristics such as reliability and tangibles as the independent variables. From this research shows that all independent variables have a positive relationship with the customer retention as the dependent variable. Based on the Hypothesis Test, it clearly proves that independent variable simultaneously influences dependent variable.

The result of this research has proved that both reliability and tangibles influencing customer retention. For the fitness center to be successful in the competitive environment, improving the service quality in which there is reliability and tangibles are important. This result has same result with Surujlal & Dhurup (2011) that employed by health and fitness organizations to retain their customer base, improving service quality was the strategy employed by most organizations to retain customers.

CONCLUSION AND RECOMMENDATION

Conclusion

Results of the research, it can be drawn conclusions as follows :

1. Reliability influences customer retention partially and significantly
2. Tangibles influences customer retention partially and significantly
3. Reliability and tangibles influences customer retention simultaneously and significantly

Recommendation

The results and conclusion in this research, here are the recommendations for fitness center in Manado: For further research, need to examine the quality of service provided in the fitness center and the relationship with the decision of choosing a fitness center in Manado. The variables are to be observed as well as a larger sampling, may show a real picture of how big the influence of all variables on the selection decision for consumers. For the owner of a fitness center to give more attention to reliability and tangibles to further increase the number of visitors that would come to fitness center, especially in this research that both the reliability and tangibles have a very significant effect on the variable Y or in this case customer retention.

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