

**CUSTOMER SERVICE QUALITY AT SELECTED COMMERCIAL HEALTH AND
FITNESS CENTRES IN KWAZULU-NATAL**

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I, Colleen Lynn Lotz, hereby declare that the work in this dissertation represents my own work and findings except where indicated, and that all references, to the best of my knowledge, are accurately reported.

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ABSTRACT

Interest in the quality of the health and fitness industry has grown considerably over the last decade. Gymnasiums are increasingly placing greater emphasis on meeting members' expectations and needs. As more competition enters this industry, members' perceptions of gymnasiums facilities and services are becoming more important. It is apparent that there is a need to measure members' expectations and perceptions of service quality at Virgin Active gymnasiums in the greater Durban area.

The aim of this study was to investigate customer service quality at commercial health and fitness centres. The four objectives of this study were: firstly, to identify members' expectations in terms of the delivered services provided at Virgin Active gymnasiums; secondly, to ascertain the perceptions of members towards the services provided at Virgin Active gymnasiums; thirdly, to measure the gaps between members' expectations and perceptions of service quality, using a modified version of the SERVQUAL model, and fourthly, to calculate and measure the score of the SERVQUAL dimensions.

The instrument used to assess the members' expectations and perceptions of service quality was the SERVQUAL questionnaire, measuring expectations and perceptions according to five quality dimensions. Four hundred and fifty members were surveyed using the SERVQUAL questionnaire. The respondents were selected through non-probability sampling within which convenience sampling was applied. Data were analyzed using descriptive and inferential statistical techniques. Conclusions and recommendations were thereafter drawn from the literature and the findings of the study.

The study shows that members' expectations of service quality exceeded their perceptions on the five service quality dimensions used in the SERVQUAL questionnaire. The smallest dimension gap score proved to be tangibles, while the largest gap score of the study proved to be empathy followed by responsiveness.

Therefore, it is recommended that Virgin Active gymnasiums in the greater Durban area attend to these gaps and ensure that necessary strategies are implemented so that members receive a high level of service quality in all areas of the service dimensions.

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"For I know the plans I have for you," declares the LORD, "plans to prosper you and not to harm you, plans to give you hope and a future." (Jeremiah 29:11)

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CHAPTER ONE

INTRODUCTION

1.1 Introduction

This chapter highlights the rationale for the study and provides an overview of the research problem, the research objectives and the research methodology that guided the study. The limitations of the study are also outlined in this chapter.

1.2 Background to the study

Due to the focus on recreation and wellness, Virgin Active opened gymnasiums throughout South Africa. Many health and fitness centres have tried and failed to make a success in Durban, while Virgin Active gymnasiums have grown and prospered over the past few years. Virgin Active has gained more members by providing the latest technological equipment and exercise practices to meet their customers' expectations of service quality. Customer service quality is critical at Virgin Active gymnasiums for their sustenance and growth. The health and fitness movement is a rapidly growing industry worldwide. It is a competitive industry, and there is an increase of customer power and managers need to focus on customer service (Afthinos, Theodorakis and Nassis, 2005: 246).

Interest in service quality has grown over the last decade due to increasing competition, which has led managers into finding ways to improve profitability. Service quality attracts more and better customers to the business which, in turn, leads to increased profits (Zeithaml, Bitner and Gremler, 2006: 547).

Harris (2003: 148) believes that customers in the 21st century are more sophisticated in the way they search for and make purchases. Customers want stress-free experiences that are user friendly and validate their choice.

Virgin Active gymnasiums need information to help them monitor and improve their equipment and exercise practices to meet their members' expectations of service quality. Customer service is the most effective and least expensive way to market a business. Providing a product or service alone is not enough in today's competitive economic environment (Harris, 2003: 2). According to Berry and Parasuraman (1991: 5), strong service quality comes from inspired leadership throughout an organization.

The focus of this research study is to determine members' perceptions of service quality at Virgin Active gymnasiums. The aim of this research is to offer management insight into improving the efficiency and effectiveness of service quality and the opportunity to address any issues impacting the delivery of quality service at Virgin Active gymnasiums. In doing so, Virgin Active gymnasiums will increase their retention of existing members and signing up new members to acquire a larger share of the market.

1.3 Problem statement

According to Lagrosen and Lagrosen (2007: 41), the fitness industry has received little research attention from a service quality perspective. Knowledge of service quality assessments made by members at Virgin Active gymnasiums would enable managers to track their members' perceptions over time and to direct resources in areas which are important to them.

According to Zeithaml, Bitner and Gremler (2006: 141), if an organization does not do market research on the topic of customer expectations, it may fail in providing customer requirements.

Whilst research has been conducted on general aspects of customer service quality in various industries, there appears to be no significant study on how customer service quality impacts on commercial health and fitness centres. Members are primary consumers of Virgin Active and are becoming more conscious of their consumer rights and of the gaps between their expectation of service delivery and the actual delivered service.

The basis of this research is to determine if a gap exists between members' expectations of service quality and the actual service delivered at Virgin Active gymnasiums selected in the greater Durban area.

1.4 The goal and objectives of the study

- The goal of this study is to assess customer service quality at Virgin Active gymnasiums in Kwazulu- Natal.

The objectives of the study are as follows:

- To identify members' expectations in terms of the delivered services provided at Virgin Active gymnasiums;
- To ascertain the perceptions of members towards the services provided at Virgin Active gymnasiums;
- To measure the gaps between members' expectations and perceptions of service quality, using a modified version of the SERVQUAL model; and
- To calculate and measure the score of the SERVQUAL dimensions.

1.5 Rationale for the study

For Virgin Active gymnasiums in the Durban area, service quality plays a critical role in the performance of the business and provides an important part in developing a competitive advantage. Therefore, the improvement in service quality will sustain effectiveness and induce long-term success for Virgin Active.

The findings of this study will contribute towards the improvement of quality service delivered to customers, to identify existing problems and to ensure sustainability and induce long-term success within Virgin Active gymnasiums. Virgin Active could then use the recommendations and develop strategies to adapt appropriate customer service techniques.

The research could evoke awareness amongst managers with regard to the opportunities and advantages of finding the gaps between the actual and perceived services delivered to members.

Although Harris (2003: 52) points out that customer service is rare and that the average person and organization are unwilling to commit to spending money on research or to take action, this study could assist Virgin Active managers to convert negative perceptions to positive impressions. Consequently, members will benefit from the improved outstanding customer service.

1.6 Limitations

This study is limited to commercial health and fitness centres in Durban, of Virgin Active gymnasiums. Budget, time constraints and convenience compel the study to be restricted to the Durban area. The findings of the study will describe only service quality of this population and cannot be generalised to service quality of other commercial health and fitness centres or populations outside Virgin Active gymnasiums in Durban.

1.7 Research methodology

Descriptive and inferential statistical techniques were used to evaluate and analyze the data to reach conclusions. The study was quantitative and cross sectional in nature. The research evaluated the customer service quality at Commercial Health and Fitness gymnasiums in the greater Durban area. Quantitative methods are generally concerned with counting and measuring (Blaikie, 2000: 232). Malhotra (2001: 87) defines descriptive research as a type of decisive research which has, as its major objective, the description of something.

The convenience sampling method was used and applied in all nine gymnasiums in Durban: Westville, Pinetown, Kloof, Amanzimtoti, La Lucia, Bluff, Durban, Kingspark and Mount Edgecombe Virgin Active gymnasiums. Respondents were chosen by the convenience method.

The target population in July 2008 was 74 000 members, who belonged to Virgin Active gymnasiums in the greater Durban area.

Data was collected through the use of questionnaires which were administrated by the researcher to respondents during November 2008. The data was analyzed by means such as frequencies and Chi square tests using the Statistical Package for the Social Sciences (SPSS).

1.8 Chapter outline

The report on this study is made up of five chapters. These chapters cover the following areas;

CHAPTER 1: INTRODUCTION

This chapter focused on the introduction and rationale to the study and will provide an overview of the research problem, the research objectives and the research methodology that guided the study. The limitations of the study will also be outlined in this chapter.

CHAPTER 2: LITERATURE REVIEW

This chapter will provide the literature review of published materials relative to the study to establish a theoretical foundation for the study. This chapter will cover service quality literature in commercial health and fitness centres.

CHAPTER 3: RESEARCH METHODOLOGY

This chapter will provide insight into the research design, questionnaire design and various techniques used to analyze the data.

CHAPTER 4: PRESENTATION AND ANALYSIS OF RESULTS

This chapter will include a descriptive statistical presentation of the key demographic characteristics of the respondents, followed by an analysis of the findings. The data will be processed into meaningful results that the reader will be able to interpret and understand.

CHAPTER 5: CONCLUSIONS AND RECOMMENDATIONS

This chapter will focus on the conclusions and recommendations derived after the empirical study has been completed.

1.9 Conclusion

Chapter one focused on the background to service quality at Virgin Active gymnasiums. This chapter also outlined the rationale for investigating members' perceptions of service quality at Virgin Active gymnasiums and listed the objectives that guided the study.

Chapter two contains a literature review of service quality at health and fitness centres.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

In Chapter One, the reasons for the study, objectives and the research design were discussed. This chapter focuses attention on the current situation in the South African Commercial Health and Fitness Centres specifically looking at Virgin Active, followed by the discussion of customer service of gymnasiums in the health and fitness industry. The literature review also highlights that customer service is a key issue to induce customer satisfaction and sustain the gymnasiums' profitability in the long-term.

The aim of this chapter is to explain the importance and critical factors of customer service with regard to the health and fitness industry. This chapter provides an overview of customer service. The meaning of customer and service and the linkage between them will be defined first. Customer service in terms of its meaning, importance, components, and key issues concerned with customer service will be discussed. This chapter also presents the five service quality dimensions, developed by Parasuraman, Zeithaml and Berry (1988: 13), which members can use when measuring service quality at a Virgin Active gymnasium. The next section identifies customer satisfaction as a result of customer service in the health and fitness industry. The final section in this chapter deals with the gaps model and shows how Gap 5, the difference between customers' expectations and perceptions, is the main focus.

2.2 Customer

Definitions (2009) describe a customer as a person, company, or entity which buys goods and services produced by another person, company, or other entity. A customer is someone who purchases or rents something from an individual or organization.

In this study, the customer refers to all members who belong to Virgin Active gymnasiums in the greater Durban area. The basic needs of customers and their attributes will be discussed below.

2.2.1 Basic needs of customers

Harris (2006: 5) states that all customers have the following five basic needs:

- **Service:** Customers expect the service that they think is fitting for the level of purchase that they are making. A small, impulsive purchase may have a smaller service need than a larger purchase that has been carefully planned and researched;
- **Price:** The cost of everything customers purchase is becoming more important. People and businesses want to use their financial resources as efficiently as possible. Many services previously considered unique are now considered commodities. This consideration makes the component of price even more important to the customer;
- **Quality:** Customers want the services that they purchase to be durable and functional until the customer decides to replace them. This requirement of quality mandates that distributors produce services that live up to the customers' expectations of durability. Customers are much less likely to question price if they are doing business with a company that has a reputation for producing a high quality product or service;

- **Action:** Customers need action when a problem or question arises. Many companies offer toll-free customer assistance telephone lines, flexible return policies, and customer carryout services in response to the need for action. Customers are human beings and like to think that they are an important priority and that, when a need or question arises, someone will be ready and waiting to help them; and
- **Appreciation:** Customers need to know that customer service providers appreciate their business. Customer service providers can convey this appreciation in many appropriate ways. Preferred customer mailing lists, informational newsletters, special discounts, courtesy, and name recognition are good beginnings to showing customers the appreciation. Additionally, letting customers know that the service providers are glad that customers have chosen to do business with the latter conveys a positive message.

2.2.2 Customer attributes

Each customer is unique. Identifying customer attributes may allow an organization to better understand “who” its customers are. Harris (2006: 8) states that customer attributes are characteristics that allow customers to be categorized according to demographic, psychographic, or firmographic information. Businesses frequently attempt to group their customers to enable the business to serve the customer more appropriately. Businesses need to understand exactly what “customer service quality” means and how to provide the best “service quality”.

The definitions of “customer service quality”, “service” and “service quality” are presented in the following sections.

2.3 Customer service quality

Literature advocates that health and fitness centres can gain a competitive advantage by improving the service quality that is offered to members. Therefore, it is important that Virgin Active understand members' expectations and perceptions of service quality at gymnasiums.

Harris (2006: 2) suggests that customer service is anything done for the customer that enhances the customer experience. Customers have varying ideas of what they expect from customer interaction. The customer service provider must get to know his or her customers and strive to provide them with excellent customer service.

Customer service quality is critical at Virgin Active gymnasiums for their sustenance and growth. The health and fitness movement is a rapidly growing industry worldwide. It is a competitive industry, and there is an increase of customer power. Consequently, managers need to focus on customer service (Afthinos, Theodorakis and Nassis, 2005: 246).

2.4 Meaning of service

Service refers to all the activities which create a bond between organizations and their clients or customers. The extent of the service component varies from organisation to organisation, but everyone ultimately has a role in service (Blem, 2000: 6). Services are deeds, processes, and performances (Zeithaml and Bitner, 2003: 2). Services are produced not only by service businesses, but are also integral to the offerings of many manufactured-goods producers. Brink and Berndt (2004: 3) define service as any activity or benefit that one party can offer to another that is essentially intangible and does not result in the ownership of anything. Zeithaml, Bitner and Grenler (2006: 4) define services as all economic activities that take place in an interaction process for creating customer satisfaction, although this interactive consumption does not always lead to material possession.

Lovelock (2001: 3) explains that services are economic activities that create value and provide benefits for customers at specific times and places as a result of bringing about a desired change in the recipient of the service. Brassington and Pettitt (2000: 941) point out that tangibility is not the only way of classifying service products, and that there are several other ways of grouping services along dimensions that might have implications for the marketing mix employed in designing and delivering the service. Zeitham, Bitner and Gremler (2006: 24) explain that services cannot be stored, saved, resold or returned. In the case of a fitness instructor at Virgin Active gymnasium assisting a member with training, the member will not be able to return the service provided by the instructor as the service is transitory.

2.5 Meaning of service quality

Ganesan-Lim, Russell-Bennett and Dagger (2008: 551) define perceived service quality as the customer's judgment of, or impression about, an organization's overall excellence or superiority. According to Futrell (2004: 52), service quality, from an organization's perspective, means establishing requirements and specifications. If organizations want a satisfied customer to continue with the service, the former must provide an excellent level of service quality. Zeithaml, Bitner and Gremler (2006: 82) state that customer expectations are beliefs about service delivery that functions as standards against which performance is judged. Knowledge about members' expectations and perceptions of Virgin Active gymnasiums is critical to the service managers. If managers know what their members want, they can provide the corresponding service the first time to save money, time and other resources.

Yeo (2008: 267) mentions that the rapid competition in the service industry has led many organizations to focus on providing outstanding service to its customers. He believes that service quality is far more complex; it is concerned with the physical, institutional and psychological aspects of the service industry. Literature advocates that service quality deals with the environment, corporate image and interaction among people.

Customers distinguish between processes and output quality, where it is believed the former is judged by customers during the service and the latter, after the service. Therefore, it is believed that emphasis on continuous improvement is crucial to the sustainability of service quality. Service quality requires a constant negotiation of deep-rooted values as a result of the changing needs and expectations of customers. Bloise and Tankersley (2004: 77) state that in both profit and non-profit organizations, service quality has grown more importantly as service providers face more efficient and effective market competition, both locally and globally.

Due to the increased competition, organizations have begun to realize that offering high service quality is a vital skill necessary for creating and maintaining a competitive advantage.

2.6 Characteristics of service quality

Woo and Ennew (2005: 1180) state that in order to define services clearly, many early investigations focus on finding the differences between services and consumer goods. These differences are referred to the “characteristics of services”. These characteristics of service also make service different from goods.

According to Kurtz and Clow (2002: 10), services possess four inherent characteristics not found in goods: intangibility, perishability, inseparability and variability. Kotler and Keller (2006: 406) suggest that no “service” will be precisely the same because services are produced by humans. There will always be variability because services depend on who provides them and when and where they are provided. Even fitness instructors at Virgin Active gymnasiums will not deliver the same fitness workouts and members will not receive the service delivery in the same way.

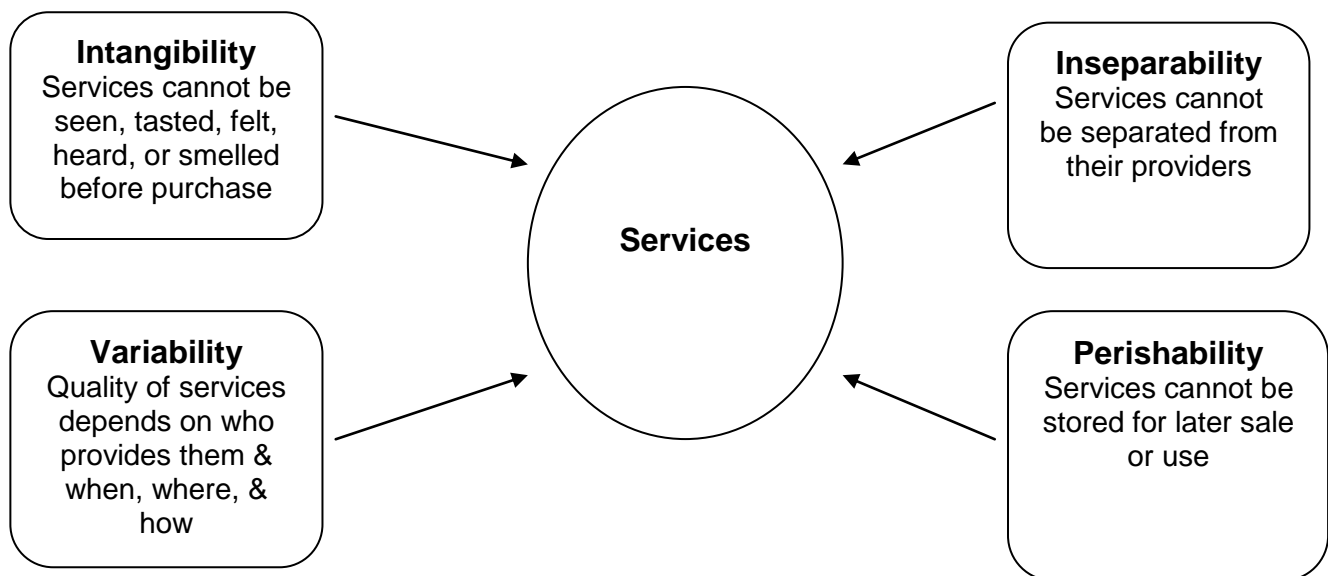
Brink and Berndt (2004: 55) state that service quality involves all the activities that organizations and their employees conduct or perform to satisfy customers. Services are intangible, they are performances or actions rather than objects that can be felt or seen as with tangible goods (Zeithaml, Bitner and Gremler, 2006: 22).

The tangible component for the members at Virgin Active will be the venue and other facilities and equipment at the gymnasiums. Kotler and Keller (2006: 406) state that most services are typically produced and consumed simultaneously.

Virgin Active gymnasiums, however, provide inseparable services, as members join the gymnasium, fitness classes commence and instructors provide fitness instructions virtually simultaneously. According to Bruhn and Georgi (2006: 13), services possess characteristics not found in goods. The key characteristics are intangibility, perishability, inseparability and variability. These characteristics create unique challenges for services.

To attract new customers and to keep current customers coming back, service organizations must find ways to meet these challenges. Figure 2.1 highlights the four service characteristics.

Figure 2.1 Four service characteristics



Source: Armstrong and Kotler (2006: 223)

Intangibility refers to the lack of tangible assets which cannot be seen, touched, smelled, heard, or tasted prior to purchase (Bruhn and Georgi, 2006: 13). Fitzsimmons and Fitzsimmons (2006: 24) state that organizations always try to make their intangibility offer as tangible as possible, while many manufacturers try to create an image for their products instead of focusing on the tangible aspects of their products in advertising. According to Dhurup, Singh and Surujlal (2006: 40), unlike conventional business products, services provided by gymnasiums are intangible and highly subjective and buyers look at evidence of service quality to reduce uncertainty. Armstrong and Kotler (2006: 223) suggest reducing uncertainty; buyers seek certain conclusions of service quality from the place, people, equipment, and communications they receive from the service provider. Chowdhary and Prakash (2007: 496) state that an intangible service may require the customer to be mentally or physically present to receive the services offered. In the case of a gymnasium, the customer would need to be physically present to receive the intangible service.

Ganesan-Lim, Russell-Bennett and Dagger (2008: 554) believe that customers find it difficult to determine the technical quality of the service and turn to the more easily evaluated tangible and physical aspects of the environment as substitute indicators of quality. Virgin Active gymnasiums would need to ensure that the physical appearance of the facilities and equipment is maintained at a high standard to ensure high levels of technical quality. Armstrong and Kotler (2006: 223) state that because services cannot be seen, tasted, felt or heard, customers look for 'signals' of service quality to reduce uncertainty. Customers draw conclusions about quality from the place, price, equipment and communications that they can see. Therefore, the service provider must ensure the service is tangible in one or more ways and to send the right signals about quality (Armstrong and Kotler, 2006: 224). Virgin Active gymnasiums could apply these conclusions to their marketing strategies in order to maintain service quality.

Perishability of a service means the service cannot be inventoried or stored. The degree of perishability in the quality of service is affected by the degree of intangibility (Bruhn and Georgi, 2006: 14). The perishability characteristic means that the service providers have only one way that they should provide the right service the first time, every time. This provision also makes it impossible to have a quality check before the service can be sent to the customers. Dhurup, Singh and Surujlal (2006: 41) state that services provided by gymnasiums do not have a shelf life. Therefore, managers at gymnasiums need to provide the service right the first time. Armstrong and Kotler (2006: 224) believe that some doctors charge patients for missed appointments because the service value existed only at that point and disappeared when the patient did not arrive. In the case of Virgin Active gymnasiums, personal trainers would charge members for sessions that are not cancelled in time. If demand is high, perishability of a service is not a problem. Should demand fluctuate, service organizations often face problems (Armstrong and Kotler, 2006:224).

Inseparability is the simultaneous production and consumption of services. Goods can be produced and then sold at a later time; services cannot (Bruhn and Georgi, 2006: 14). According to Dhurup, Singh and Surujlal (2006: 40), many of the personnel involved in the production at gymnasiums, such as instructors and administrators, are also consumers simultaneously. Armstrong and Kotler (2006: 224) suggest that services cannot be separated from their providers, whether the providers are people or machines, such as the case of gymnasium equipment. If a service employee provides the service, then the employee becomes part of the service. Since the customer is also present as the service is produced, both the provider and the customer affect the service outcome. Perez et al. (2007: 136) state that the service is produced and consumed at the same time in most of the service industries. This kind of personal contact is referred to as “interactive consumption” and “interactive process” in the definition of services. It includes physical environment (e.g. gymnasium equipment), behaviour of personnel, and the customer’s mood and needs.

Inseparability of the service itself from the service provider highlights the role of people in the service transaction, and their influence on quality levels. Therefore, it is difficult for the service providers to hide mistakes or quality shortfalls of the service (Perez et al., 2007: 136).

Variability refers to the unwanted or random levels of service quality that customers receive when they patronize a service because they are produced by humans (Bruhn and Georgi, 2006: 14). Dhurup, Singh and Surujlal (2006: 40) explain that the quality of service performance is inconsistent and unpredictable which leads to inconsistency and non-standardization of a gymnasium's output. According to Armstrong and Kotler (2006: 224), the quality of services depends on who provides them as well as when, where, and how they are provided. According to Ganesan-Lim, Russell-Bennett and Dagger (2008: 554), human interaction in services can increase the level of variability, which then affects the service delivery. High-contact services involve human interaction, such as the trainers at Virgin Active gymnasiums, and this leads to the potential for both negative and positive service experiences.

Ganesan-Lim, Russell-Bennett and Dagger (2008: 554) also believe that high-contact services require greater investment in relationship building and offer higher levels of familiarity, confidence, trust and rapport, which imply that interaction quality will be higher compared to a low-contact service. Fitzsimmons and Fitzsimmons (2006: 25) state that the customer is an essential part of the service process; he/she actively participates in the process of producing the service. The customer uses objective and subjective criteria to evaluate service quality. The moods and needs of the customer may lead to their different performance in similar situations. This tendency means that standardizing services is quite difficult on many occasions. The chance of variability in the final output of service delivery processes will still be at large.

From an organization's perspective, service quality is about establishing requirements and specifications. A service encounter in a sports context can be very complex in that it often takes place over an extended period of time and can be influenced by a wide variety of factors.

Factors that can influence the quality of a service encounter in service settings include dimensions such as reliability, responsiveness, assurance, empathy and tangible factors (Dhurup, Singh and Surujlal, 2006: 40). These dimensions are presented in the next section.

2.7 Service quality dimensions

Parasuraman, Zeithaml and Berry (1988: 27) state that the five specific dimensions of service quality that apply across a variety of service contexts, including commercial health and fitness centres. Silvestro (2005: 216) states that the only criteria that count in evaluating service quality are those defined by the customer. The five dimensions include reliability, responsiveness, assurance, empathy and tangibles. These five dimensions are found relevant for various business services.

Customers will use all or some of the dimensions to determine service quality perceptions. Research suggests that cultural differences will also affect the relative importance placed on the five dimensions. Tangible features, such as personnel's or exhibition's appearance, are relatively easy to assess. However, intangible features, such as safety and understanding customers' needs, may be very difficult for the professional and the customer to evaluate. Customers do not perceive quality in a one-dimensional way, but rather judge quality on multiple factors relevant to the context (Zeithaml, Bitner and Gremler, 2006: 117).

Lagrosen and Lagrosen (2007: 41) explored the dimensions of service quality and examined the prominent aspects of the quality-management practices of fifteen organizations in Swedish commercial health and fitness centres. The study adopted a qualitative approach to measure service quality. The study recommended that managers in commercial health and fitness centres adopt a systematic view of their organizations in future developments.

They mentioned that the design of actual services should take into account three quality dimensions; physical change, mental change and pleasure. Knowledge of both the quality dimensions and the enablers, indirect and direct, will provide managers with valuable insight into how quality is created in the commercial health and fitness industry. With this insight, managers will be equipped to design their services and make decisions regarding alternatives and priorities (Lagrosen and Lagrosen, 2007: 41).

Dhurup, Singh and Surujlal (2006: 39) noted that there has been interest shown in the research of service quality in various industries, but little has been reported in South Africa on commercial health and fitness service quality. Their study focused on identifying dimensions that influence service quality in commercial health and fitness centres in South Africa. Service quality was measured using a combination of SERVQUAL, QUESC, RECQUAL, SAFS and the CERMCSQ instruments. Data revealed that the most pertinent dimension found by patrons of service quality in commercial health and fitness centres is the personnel dimension. The study was designed to measure service quality in a South African context only. Therefore, variations may be different in other countries. The study provided managers with an invaluable assessment tool for service quality in the health and fitness centres in South Africa. The instrument allows for an assessment of important service attributes, which can be incorporated in the measure of service quality at commercial health and fitness centres.

Customer service quality is critical at Virgin Active gymnasiums for their sustenance and growth. Most studies have focused on service dimensions of service quality in commercial health and fitness centres. This research will focus on the gap between perceived service and expected service in commercial health and fitness centres. According to Zeithaml, Bitner and Gremler (2006: 4), intrinsic differences exist between goods and services, resulting in different management challenges for service businesses, such as Virgin Active gymnasiums, which sell services as their core offering.

Listed below are the five dimensions that exist in the delivery of service quality.

2.7.1 Reliability: Delivering on promises

Zeithaml, Bitner and Gremler (2006: 117) describe reliability as the ability to perform the promised service dependably and accurately. They further mention that reliability is the most important determinant of perceptions of service quality among United States customers. According to Kim and Kim (1995: 210) and Dhurup, Singh and Surujlal (2006: 42), reliability can be staff's ability to perform the promised services dependably and accurately within gymnasiums. Bruhn and Georgi (2006: 52) suggest that reliability designates the seller's capability to supply the promised output as the stated level.

Yeo (2008: 271) states that a discrepancy between promise and delivery can be largely the result of inaccurate communication from advertisements and roadshows. Yeo mentions that some organizations oversell their services, leading to promises that misrepresent their actual potential. Virgin Active gymnasiums could boast about their state of the art equipment and not possess such latest equipment. The study found that service quality in organizations are not limited to experiences that take place in the confines of the facility, but involve such facilities as laboratories, libraries and cafeterias. Similarly, Virgin Active gymnasiums offer facilities such as coffee shops, computer access and social areas for members to interact. The overall reliability of a service organization is likely to be determined by both the facilities and people of the support services.

Blose and Tankersley (2004: 78) suggest that reliability refers to the extent to which the service provides what was promised when it was promised. The extent to which provision of service is continuous should be a good indicator of reliability. They suggest that providing a service timeously and meeting commitments, with respect to the promised service date in a highly professional manner, will influence a customer's perception in an important way. Virgin Active gymnasiums provide reliability in the form of being in existence for a number of years and have proven their high level of service delivery in the health and fitness industry.

The extent to which Virgin Active personnel consistently, and conveniently, arrive and carry out their duties as scheduled should impact positively on members' perceptions of service reliability. According to Chowdhary and Prakash (2007: 495), reliability is the most important dimension of service quality attributes. They state that reliability affects the assessment of quality dimensions in the case of capital intensive services, such as the instructors' knowledge at Virgin Active gymnasiums. Reliability is a key dimension that customers can evaluate the quality between what they receive and what the provider promises during the delivery process (e.g. service provision, problem resolution, and pricing).

2.7.2 Responsiveness: Being willing to help

Zeithaml, Bitner and Gremler (2006: 117) state that responsiveness is the willingness of employees to help customers and to provide prompt service. This dimension emphasizes attentiveness and promptness in dealing with customer requests, questions, complaints and problems. They suggest that service providers should be active and voluntary in helping their customers and to provide prompt service. This dimension demands that the service provider should be more flexible in solving their customers' problems and requests. Organizations should even have the capacity to customize services for dealing with their customers' special needs. According to Kim and Kim (1995: 210) and Dhurup, Singh and Surujlal (2006: 42), responsiveness, in terms of gymnasiums, refers to the prompt attention and willingness of the staff to help the service users.

Bruhn and Georgi (2006: 52) believe that responsiveness refers to the organization's capability to respond to and satisfy the customer's wishes. A willingness to react and the reaction speed play a vital role here. Bloise and Tankersley (2004: 80) believe that personal interactions appear to be a key determinant of perceived service quality. In the case of Virgin Active gymnasiums, instructors would provide personal interactions by instilling confidence in members and taking a personal interest in their achievements. They further state that personal interactions allow employees to demonstrate their ability to help the customer with questions or problems.

They suggest that it is from these interactions that customers judge the extent to which the organization cares about them and values their business.

It is imperative that staff is knowledgeable about the service they represent as it provides an opportunity for customers to talk. Bloise and Tankersley (2004: 80) suggest that whether these interactions occur face-to-face or telephonically, the extent to which the service personnel exhibit the ability to handle such matters effectively, and whether they appear to care about attending to the customers request, should impact perceptions of service quality.

It is, therefore, important for Virgin Active gymnasiums' personnel to be knowledgeable and courteous to members at the gymnasium. According to Yeo (2008: 270), organizations should be responsive to the shifting needs of their customers in providing up-to-date information and any new materials relevant in the service provided. Virgin Active could be responsive by instructors providing training programmes relevant to the various fitness classes. Fitness classes should be rigorous, yet flexible, in areas pertaining to assessments. Yeo (2008: 270) suggests that with the advent of technology, design and delivery of services are expected to be progressive.

2.7.3 Assurance: Inspiring trust and confidence

Zeithaml, Bitner and Gremler (2006: 119) define assurance as employees' knowledge and courtesy and the ability of the organization and its employees to inspire trust and confidence. According to Kim and Kim (1995: 210) and Dhurup, Singh and Surujlal (2006: 42), assurance represents courtesy, credibility and competence on the part of the staff at gymnasiums.

Bruhn and Georgi (2006: 52) state that assurance relates to the seller's capability to deliver the output, specifically in terms of the knowledge, politeness and trustworthiness of the employees.

According to Yeo (2008: 271), judgement of service quality depends on how the customer perceives the actual performance based on their expectations. The level of tolerance in service standards differs across all areas. Customers' willingness to modify expectations of service standards can be managed through the availability of choices. Yeo believes that these should diversify the expectation levels of customers in a way that the shortcomings of one service can be offset by the strengths of another. In the case of Virgin Active, support services and facilities should play an equal role in contributing to the overall high standard of service quality in gymnasiums. Yeo (2008: 281) points out that issues associated with assurance is often that adequate facilities and support services are provided by the service organization but the level of utilization by customers is low. They suggest that the two possible reasons would be the availability of facilities after hours and the availability of staff on duty.

If the administrative staff cannot handle the floods of queries during peak hours, Virgin Active gymnasiums might need to ensure that more support is available at those peak times and operating hours would need to be convenient for members. According to Yeo (2008: 281), assurance in a service organization is determined by adequate guidance given to customers in all aspects. Assurance can be found in employees' knowledge, courtesy and the ability of the organization and its employees to inspire trust and confidence. This dimension consists of four determinants: competence, courtesy, credibility and security. This guidance would include encouragement of members to develop good training skills to improve their health and fitness levels (Yeo, 2008: 281).

2.7.4 Empathy: Treating customers as individuals

Zeithaml, Bitner and Gremler (2006: 120) state that empathy is the caring, individualized attention that an organization provides its customers. The essence of empathy conveys the message that customers are unique and special. Kim and Kim (1995: 210) and Dhurup, Singh and Surujlal (2006: 42) suggest that empathy relates to care and individual attention given by staff at gymnasiums to members, while purchasing the service.

According to Bruhn and Georgi (2006: 52), empathy characterises both the seller's willingness and capability to respond to individual customer desires.

Yeo (2008: 271) suggests that it is sometimes a challenge for organizations to exceed customer expectations and demands. The number of customers that the service provider has to deal with at one given time has an impact on the level of individual attention and empathy given to each customer. Further, when the service provider is expected to assume multiple roles, the level of service quality may become less standardized and desirable over time. The type of perception given to customers determines the affective relationship between customer and service provider. Yeo (2008: 275) states that there is a greater need for managers to adopt a customer-orientation by demonstrating a human dimension to their interaction with customers. The simple act of listening to the customers would be perceived as a type of implicit service. Communication and understanding the customer are merged into empathy. The basic target of the dimension is to afford more facilities for the current or potential customers and enhance the services capacity, through personalized or customized service.

2.7.5 Tangibles: Representing the service physically

Zeithaml, Bitner and Gremler (2006: 120) define tangibles as the appearance of physical facilities, equipment, personnel and communication materials. Tangibles provide physical representation or images of the service that customers will use to evaluate quality. It is usually the first impression that is the lasting impression.

Tangibles and visual elements of an organization will be critical to the efficiency as well as to the overall perceptions of the organization and the brand. Service organizations are likely to use tangibles to enhance their image and convey quality service to customers (Zeithaml, Bitner and Gremler, 2006: 122). In the case of Virgin Active gymnasiums, it would be imperative that the equipment and facilities are tidy and in working order at gymnasiums.

According to Kim and Kim (1995: 210) and Dhurup, Singh and Surujlal (2006: 42), tangibles refer to the facilities, equipment and the personal appearance of staff at gymnasiums. Bruhn and Georgi (2006: 52) believe that tangibles comprise the seller's outward appearance, in particular the room furnishings and appearance of personnel.

Chowdhary and Prakash (2007: 499) state that tangibility is an important issue with services that require a more visible action that is people-processing and possession-processing services. Customers need more tangibility to identify with services where value is created in their physical presence on the service process.

As in the case of Virgin Active gymnasiums, the equipment and facilities would need to provide the value for members. The above authors further conclude that the need for tangibility is more important for services with more tangible actions. The importance reduces as one shifts from services targeted at people to services targeted at possessions. Yeo (2008: 271) states that the challenge for service organizations is to ensure that service specifications meet the expectations of their customers consistently. Virgin Active gymnasiums would need to ensure that their instructors deliver a high standard of professionalism when conducting fitness classes. Service performance should go beyond tangible forms and not necessarily lead to outcomes that are strictly quantifiable. Members at Virgin Active gymnasiums would need to understand that the tangibility of the change of body shape takes time and can only be evaluated a few months after training has occurred.

Blose and Tankersley (2004: 80) suggest that tangible features of the service experience could be used in solving problems for the customer. This dimension can be achieved at Virgin Active gymnasiums if complaints are handled in a proficient and professional manner by the staff. Prompt attention by Virgin Active staff members can resolve issues satisfactory.

Perceptions and expectations, which are important components of customer service quality, are discussed in the following sections.

2.8 Customers' perceptions

When one interacts with others, one must be aware of his/her perceptions of situations, experiences and people. A perception is the way that one sees something based on his/her experience. Everyone's perception of a situation will be slightly different; customers may share the same experience and then describe it differently.

Perceptions are frequently developed over a period of time and reflect the ways that one has been treated, his/her values, priorities, prejudices, and sensitivity to others (Harris, 2006: 16). The customer service provider should anticipate customer resistance based on the customers' prior interactions and work at providing the customers with excellent service so that their current perception is a positive one. Customers may not remember every detail of an experience, but, if left with a positive feeling in combination with other experiences, their perception of the company will be retained (Armstrong and Kotler, 2006: 139).

Due to the focus on recreation and wellness, Korea saw an explosive growth in their commercial health and fitness centres. Kim and Kim (1995: 208) measured service quality in Korean commercial health and fitness centres using the QUESC instrument. The instrument consisted of thirty-three items, comprising eleven dimensions focused on customer needs to identify the kinds of services that customers want. The study found that Korean commercial health and fitness centres were lacking in delivering customer expectations.

Data extracted from the study of Kim and Kim (1995: 208) showed that while both private and public commercial health and fitness centres performed poorly, private commercial health and fitness centres generally performed better. The instrument was found to not only serve as a measure of customers' perceptions of service quality, but also to serve as an important part of a quality improvement programme.

Customers' perceptions of the quality of service one offers is what determines success (Quintana, 2006). According to Parasuraman, Zeithaml and Berry (1988: 28), perceptions are relative to expectations. Customers perceive service in terms of the quality of the service they receive and whether or not they are satisfied with their experiences. Kotler and Keller (2006: 141) suggest that customer satisfaction is influenced by specific service or product features and perceptions of quality. Satisfaction is also influenced by customers' emotional responses, their attributes and their perceptions of fairness. For members at Virgin Active gymnasiums, the facilities at the gymnasiums, the helpfulness of instructors, and the manner in which they assist, will determine the level of customer satisfaction and the perceptions of quality provided.

According to Bodet (2006: 153), service consumption in gymnasiums is a process that implies an interaction between the gymnasium and a member. Consequently, the members' perceptions of interaction with employees or managers will affect the members' perceptions of the gymnasium. The study found that staff appears to be a key element in the service encounter and their capacity to answer or solve problems encountered by the member on the premises. Bodet (2006: 157) used the Tetraclass model to measure satisfaction in health and fitness centres in France. The study found a few service attributes that played a significant role on both satisfaction and dissatisfaction. The number of instructors, fees, quality versus price ratio, facilities, cleanliness and the temperature in the club were identified as key attributes.

2.9 Customers' expectations

Every customer walks into a known or unknown situation with a set of expectations. Expectations may be positive or negative. Sometimes, companies or individuals wrongly assume that they cannot live up to their customers' expectations. This assumption frequently stems from a misconception of what the customers expect (Harris, 2006: 16).

Zeithaml, Bitner and Gremler (2006: 81) state that expectations are beliefs about service delivery that serve as standards against which performance is judged. Customer expectations are critical to service marketers and will deeply influence customer behaviour. These authors further mention that customer expectations are not stable and are human perceptions based on verbal information, personal needs, experience and commercial information.

Coye (2004: 54) states that the concept of expectations plays an important role in most discussions of service quality. The study was applied in a variety of areas such as job satisfaction, satisfaction with leader performance and satisfaction with service performance. The author mentioned that there is still much to learn about exactly what expectations are, what role they play, and how managers can address their influence. An expectation is the subjective probability that a behaviour will be followed by a certain outcome.

Expectations are what customers' ideally want, for example, what customers wish for, what they expect from an excellent service provider, what the customer hopes for, and what they think should happen in their next encounter.

The study of Coye (2004: 54) concluded that it is incumbent on managers of service operations to be aware of the factors that influence both customers' desires and customer expectations and the potential opportunities for interventions that could lead to more effective management of these relationships.

Afthinos, Theodorakis and Nassis (2005: 245) examined whether the desires for service delivery of members differed according to the type of gymnasiums they use as well as according to certain demographic and motivation patterns. The study was based on the QUESC instrument. The purpose of the study examined members' expectations of service in Greek gymnasiums.

The findings showed members desired the tangible elements of the facilities, the personnel attributes and abilities, attributes related to the cost of participation and items related to the programming and scheduling of services provided. Findings also suggested differences between males and females. The authors state that members' expectations of a service organization are considered to be of primary importance in assessing quality. These expectations can be influenced by factors such as word-of-mouth, communication from service providers, past experience and the price-quality relationship. Meeting members' expectations and satisfying their needs are an important element in a gymnasium's effort to retain its members and gain a competitive advantage.

The study of Afthinos, Theodorakis and Nassis (2005: 245) found significant differences between males and females with regards to expectations of service quality. Members also emphasized the importance of the physical elements of service provision and of the interaction with employees. The study concluded that people with different motivations for using gymnasiums expressed essentially the same desires and the most important variable affecting members' expectations is gender. Afthinos, Theodorakis and Nassis (2005: 256) mention that further research is required to address the effect on customers' desires of other demographic variables and patterns of use such as educational levels and frequency of participation.

2.9.1 Levels of expectations

Harris (2006: 17) believes that customer service providers must recognize that customers have different levels of expectations. Expectations can be divided into two distinct categories: primary expectations and secondary expectations. A customer's expectations change constantly and each customer will have his/her own unique set of expectations. This set provides a unique opportunity for service providers to strive consistently to be what the customers want them to be.

Bruhn and Georgi (2006: 54) classify customer expectations into predictive and normative expectations. Predictive expectations have a preventative nature in that the customer states in advance the level of output foreseen which is taken for granted or considered likely to be delivered by the service provider.

Normative expectations represent a demand for the service provider and characterise the output level required by the customer from the organisation. Metters et al. (2006: 83) suggest that customers have different types of expectations about service. Research has proven two types of customer expectations, desired service and adequate service. Desired service reflects the hopes and wishes of consumers. Adequate service represents the minimum level of performance customers are willing to accept.

2.9.2 Techniques for exceeding customers' expectations

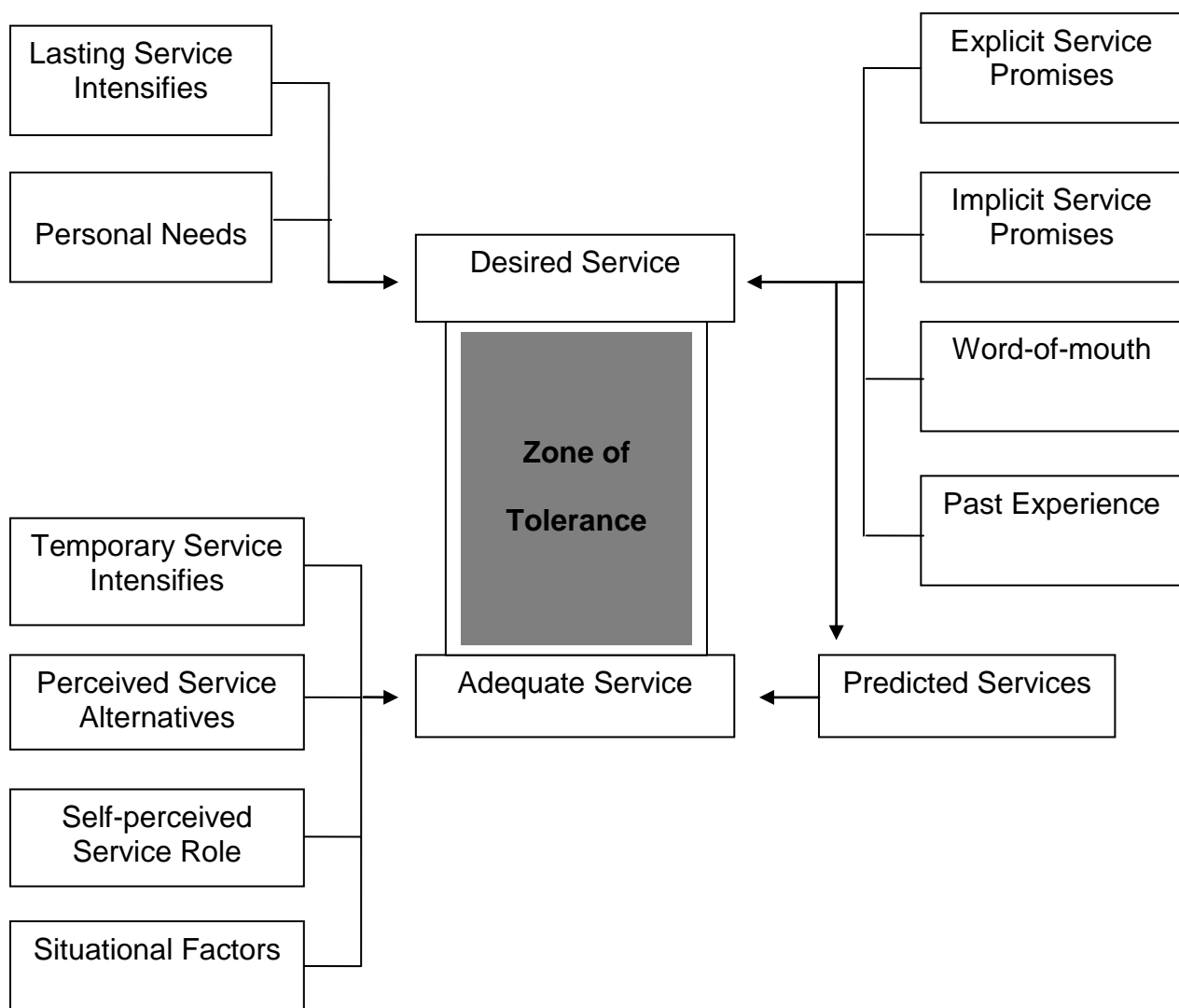
Harris (2006: 20) suggests that to exceed customers' expectations, service organizations can try the following:

- Become familiar with customers;
- Ask customers what their expectations are;
- Tell customers what they can expect;
- Live up to their expectations; and
- Maintain consistency.

One important key to exceeding customers' expectations is to remember that expectations are always changing. If organizations fail to stay current with their competition, they may fail to live up to their customers' current expectations (Harris, 2006: 20). Zeithaml, Bitner and Gremler (2006: 88) state that desired service expectations are driven by more lasting factors, which tend to be high to demands on primary service and remain high.

As figure 2.2 reflects, personal needs and lasting service intensifiers are the two largest factors that influence desired service levels and elevate the level of desired service. Metters et al. (2006: 88) indicate that lasting service intensifiers are individual, stable factors that lead the customer to a heightened sensitivity to service. Desired service expectations and personal service philosophy are two important factors of the lasting service intensifiers.

Figure 2.2 Factors that influence desired and predicted service



Source: Zeithaml, Bitner and Gremler (2006: 93)

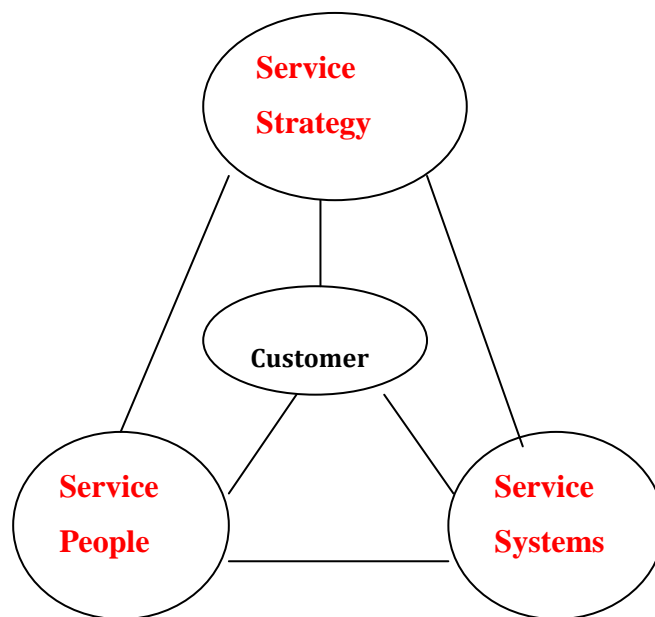
Figure 2.2 shows that there are five important factors that influence adequate service (Zeithaml, Bitner and Gremler, 2006: 90). These factors are presented below:

- Temporary service intensifiers include short-term and individual factors that make a customer more aware of the need for service;
- Perceived service alternatives mean that other competitors, who obtain the same service, can influence the customers' choice and decisions;
- The customers' self-perceived service role is the third factor affecting the level of adequate service. Since customers expectations are partly shaped by how well they believe they are performing their own role in service delivery, one role of the customer is to state the level of service expected;
- Situational factors indicate factors that customers perceive but that are beyond the control of service providers; and
- Predicted service is an estimate of the service that a customer will receive in an individual transaction with a service provider. Since customers are always likely to predict what will happen in the next service encounter or transaction in terms of their experience, predicted service is viewed in this model as an influencer of adequate service.

2.10 The service triangle

The service triangle in figure 2.3 illustrates the theme of customer service. It emphasizes the role of service systems, service strategies and service people in any successful organization. Each of these elements works together and revolves around the customer.

Figure 2.3 The service triangle



Source: Bruhn and Georgi (2006: 77)

As shown in Figure 2.3, the service triangle focuses on the most important elements to succeed with customers. In becoming a customer oriented business, top level management, supervisors, middle management and front line employees need to be familiar with each of the elements (Bruhn and Georgi, 2006: 77).

2.11 Reasons for the importance of customer service

One of the most effective and least expensive ways to market a business is through excellent customer service. Customers are an obvious requirement for doing business. The importance of customer service is at an all-time high. Businesses are realizing that providing a product or service alone is not enough in today's competitive economic environment. Issues like reliability, warranties, punctuality, and flexibility of delivery, personal rapport and ease of ordering can all make a significant impact on the buyer's sense of the value of money (Bruhn and Georgi, 2006: 9).

Customers are much more sophisticated than they were five years ago. They are informed about how products should perform and know that if they are dissatisfied with the service they receive, someone else probably sells it and will provide greater service. They may also expect that if they express their unhappiness with a situation, a positive result will occur (Harris, 2006: 4). In today's volatile economy, providing excellent customer service can be the critical difference in a company's success.

2.12 Excellent customer service is so rare

Many organizations have yet to get the simplest aspects of customer service right, for example, getting through on the telephone quickly, or answering letters promptly, or getting a service engineer to arrive punctually (Freemantle, 2003: 5).

Harris (2006: 3) points out that customer service are rare because it requires two things that the average person and organization are unwilling to commit to: spending money and taking action.

In business, everyone talks about how important customer service is, but most people don't really know how to provide outstanding customer service. Customer service is much more than having a great attitude or being a people person. To provide excellent customer service, one must develop the skills to be successful (Harris, 2006: 3).

Harris (2006: 4) state that in addition to developing skills, organizations must assess their current level of customer service and determine if they appropriately meet their current customers' needs. Customers are changing all the time. In addition to the people, the circumstance, in which customers and organizations are required to operate, may change. Employees must be empowered to make decisions to benefit their customers. The challenge of providing excellent customer service never ends. Individuals must periodically examine their performance to ensure that they are continuing to practise the positive skills that make providing customer service enjoyable and efficient. Management must periodically measure customer satisfaction.

Just because an organization thinks that its customers are pleased with what the organization is doing for them doesn't mean that customer service is excellent. The customer must be asked a question concerning what is being done well and what could be improved (Harris, 2006: 4).

2.13 The cost of bad customer service

Delivering of bad service is costly. Costs arise in handling complaints; in paying refunds or handling returns; in legal action dealing with customer protection bodies; and in the necessary corrective public relations. Indirect costs could be far higher from lost sales to the cost of acquiring new customers to replace those lost. The cost of replacing lost customers can be ten times greater than the cost of retaining existing customers through good service. The greatest cost of all is the cost of lost opportunities (Blem, 2000: 7).

2.14 Service organizations

Kotler and Keller (2006: 225) suggest that services differ from tangible products and, therefore, often require additional marketing approaches. In a service organization, the customer and the front-line service employee interact to create the service. The service provider must, therefore, interact effectively with customers to create superior value during service encounters. They go on to mention that effective interaction depends on the skills of front-line service employees and on the support processes assisting these employees.

Successful service organizations focus their attention on both their customers and employees. Some organizations make use of the service-profit chain, which links service organization profits with employees and customer satisfaction. The chain consists of five links (Armstrong and Kotler, 2006: 225) and are listed below:

- **Internal service quality:** superior employee selection and training, a quality work environment, and strong support for those dealing with customers, results in...
- **Satisfied and productive service employees:** more satisfied, loyal, and hardworking employees, results in...
- **Greater service value:** more effective and efficient customer value creation and service delivery, which results in...
- **Satisfied and loyal customers:** satisfied customers who remain loyal, repeat purchase, and refer other customers, which results in...
- **Healthy service profits and growth:** superior service organization performance.

Armstrong and Kotler (2006: 225) conclude that reaching service profits and growth goals begins with taking care of those who take care of customers. This idea creates greater customer satisfaction.

2.15 Customer satisfaction

Keeping customers happy is good for business. The marketing concept has proven that companies do not have to sacrifice profitability to keep customers happy. According to Armstrong and Kotler (2006: 10), the marketing concept holds that achieving organizational goals depends on knowing the needs and wants of target markets and delivering the desired satisfactions better than competitors do. In fact, organizations, which consistently rank high on customer satisfaction, also rank high in profitability; these companies have more loyal customers. The happier their customers are with a product or service, the more likely they are to buy it again, and the less likely they are to switch to competitors' products (Armstrong and Kotler, 2006: 145).

Bodet (2006: 149) believes that customer satisfaction is recognised as a key construct for both managers and researchers interested in service relationships. The author has based his assumption on numerous frameworks which demonstrate several positive outcomes leading to profitability in service organizations when customers are satisfied. Although overall satisfaction is a predecessor for positive outcomes in gymnasiums, there is an important need to define which service attributes should be improved to increase satisfaction and which should be reduced.

The author further mentions that all service attributes do not have the same weight and, therefore, these attributes do not have the same influence on satisfaction. The purpose of his study was to categorize service attributes according to their relationship with customer satisfaction in a sports gymnasium. Bodet's study found that it is relevant for gymnasium managers to focus on satisfaction (2006: 150).

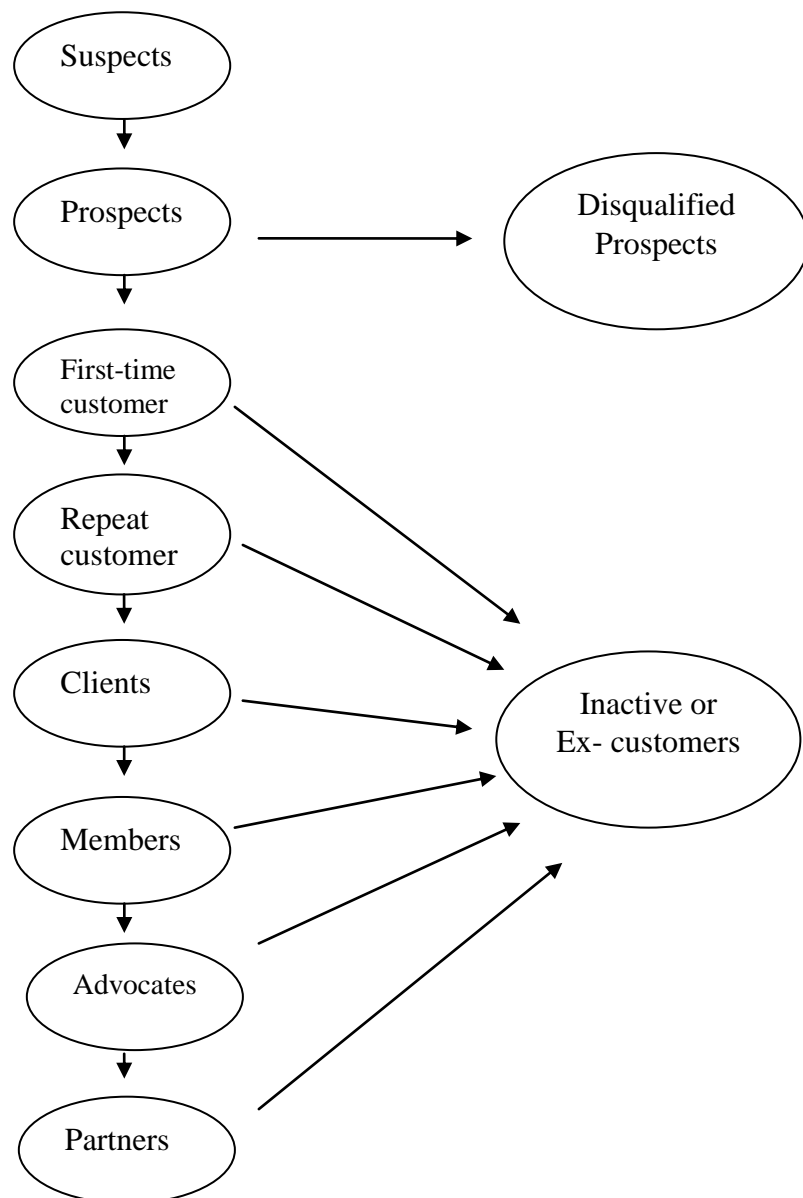
Customer satisfaction is created by correctly matching the needs of customers with the information, goods, and services that organizations offer. By focusing on customer satisfaction, organizations will enhance the lifetime value of customers as they continue to patronize their gymnasium for years to come and refer friends or family members (Kotler and Keller, 2006: 144).

Glossary of Business Terms (2009) state that customers, who are dissatisfied with the level of service they have received, will be less likely to return in the future, or if they do return, they will do less frequently than they did in the past. Conversely, customers, who are extremely satisfied with their service experience with a given organization, will, most likely, continue to return to that organization at the same frequency or even more frequently.

Consumers may be satisfied or dissatisfied with the contact person, the core service product or any of its attributes, the surroundings or any part of the services and with the service organisation overall. As a result, satisfaction can be conceptualised as a state of mind that can constantly change and be reassessed over the encounter, or a series of encounters, and is not static even within one encounter. By creating customer satisfaction, an organisation can retain their existing customers and attract new business, thus improving market share (Gabbott and Hogg, 2002: 105).

Kotler and Keller (2006: 156) state that attracting and keeping customers is a process. The starting point is that all, who might conceivably buy membership, are suspects. From these suspects, the organization determines the most likely prospects, which it hopes to convert into first-time customers, and then into repeat customers, and finally into clients. Clients are people to whom the organization gives very special and knowledgeable treatment. Organizations then need to turn clients into members by starting a membership programme that offers benefits to customers who join, and then into advocates, i.e., customers who enthusiastically recommend the organization and its products and services to others. The ultimate challenge is to turn advocates into partners. Figure 2.4 illustrates the customer development process.

Figure 2.4: The customer development process



Source: Kotler and Keller (2006: 157)

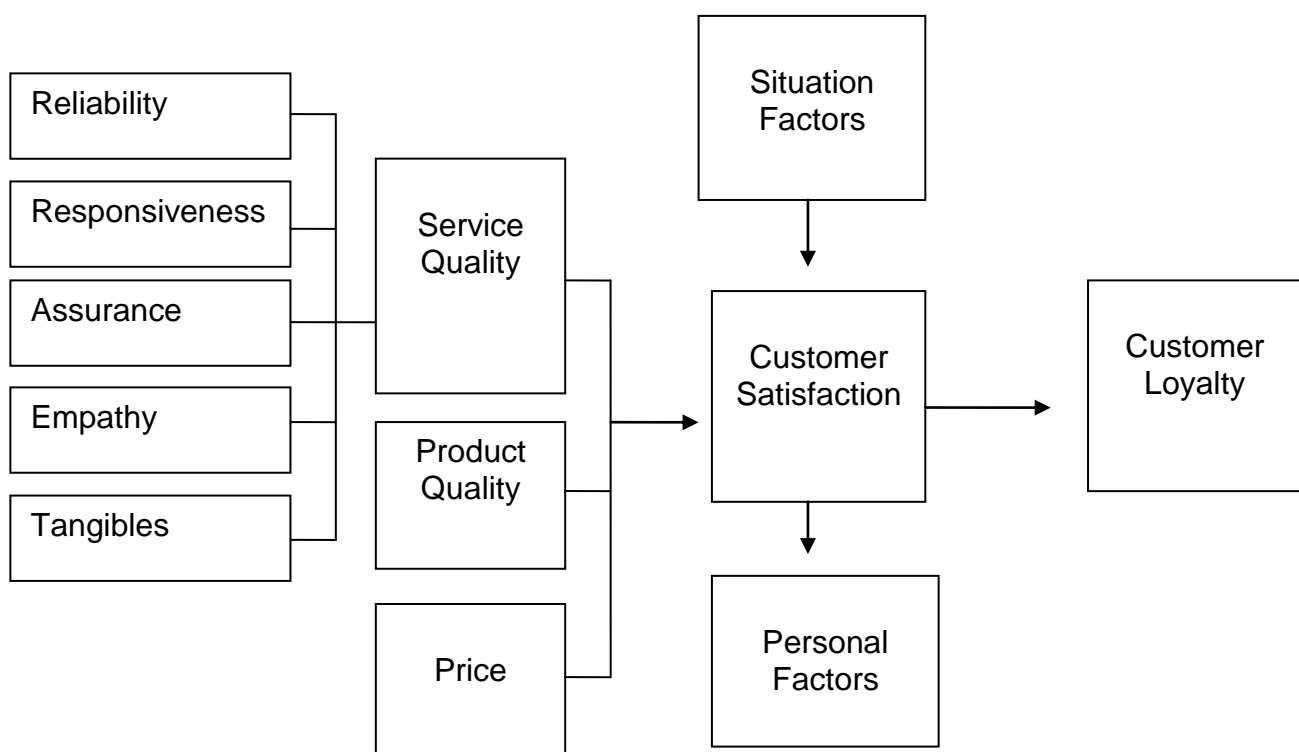
2.15.1 Relationship between service quality and customer satisfaction

Metters et al. (2006: 110) indicate that satisfaction is the customers' fulfillment response. Satisfaction is the customer's evaluation of a product or service in terms of whether the product or service has met the customer's needs and expectations (Bruhn and Georgie, 2006: 443).

According to Truong and Foster (2006: 843), customer satisfaction takes place in two situations. One is the result of a product or service that meets the customer's expectations and the other is the result of exceeding the expectation. Dissatisfaction will occur when the actual service is below the expected level. Zeithaml, Bitner and Gremler (2006: 107) suggest that customer satisfaction with a service is related to the perceived discrepancy between actual and ideal levels of service delivery.

If the experience of the service greatly exceeds the expectation the customer has of the service, then satisfaction will be high and visa versa. Service quality should be seen as an antecedent of customer satisfaction (Zeithaml, Bitner and Gremler, 2006: 107).

Figure 2.5 Customer perceptions of quality and customer satisfaction



Source: Zeithaml, Bitner and Gremler (2006: 107)

Figure 2.5 shows the relationship between customer perceptions of quality and customer satisfaction. As the figure shows, satisfaction and service quality have certain things in common. Satisfaction is generally viewed as a broader concept and service quality focuses specifically on the dimensions of service. As shown, perceived service quality is a component of customer satisfaction. The above figure shows how service quality is a focused evaluation that reflects the customer's perception of: reliability, assurance, responsiveness, empathy, and tangibility.

Satisfaction is influenced by perceptions of service quality, product quality, and price as well as situational factors and personal factors (Zeithaml, Bitner and Gremler, (2006: 107). For example, service quality at Virgin Active gymnasiums is judged on attributes such as whether equipment is in working order when needed, how responsive the staff are to customer needs, how skilled the personal trainers are, and whether the facility is well maintained. Customer satisfaction with Virgin Active gymnasiums is a broader concept that will be influenced by perceptions of service quality but will also include perceptions of the price of membership, personal factors such as the member's emotional state, and even uncontrollable situational factors such as weather conditions and experiences driving to and from the gymnasium.

2.16 Complaint and service recovery

Gabbott and Hogg (2002:116) believe that service failure generally is assumed to lead to consumer dissatisfaction. However, recent studies on service recovery suggest that, properly handled, this dissatisfaction does not necessarily lead to customer defection. Zeithaml, Parasuraman and Berry (1990:98) suggest that service managers should look on service failure as an opportunity and develop recovery strategies. However, before service organizations can institute a recovery strategy, they must be aware that the service has failed. Whilst in some cases this may be obvious, in many cases the only indication that the service organization perceives a breakdown in the service is when the consumers are dissatisfied and they complain.

Kotler and Keller (2006: 420) suggest that rather than viewing complaints as a problem, they should be seen as a tremendous opportunity. If customers' complaints are ignored, they can threaten the company's very existence; handled well, they could result in significant profits in the future.

Gabbott and Hogg (2002:120) believe that a key element in effective recovery is the consumer's deserved expectations, or the consumer's belief that they have been treated fairly. In reality, this means that their complaints have been recognized and appropriate steps taken to solve the problem even if the service itself is not recoverable.

2.17 Gaps model of service quality

Zeithaml, Bitner and Gremler (2006: 116) contend that customers do not perceive quality in a one-dimensional way, but rather judge quality on multiple factors relevant to the context. Parasuraman, Zeithaml and Berry (1988: 27) identified five specific dimensions of service quality that apply across a variety of service contexts, including commercial health and fitness centres. The five dimensions include reliability, responsiveness, assurance, empathy and tangibles.

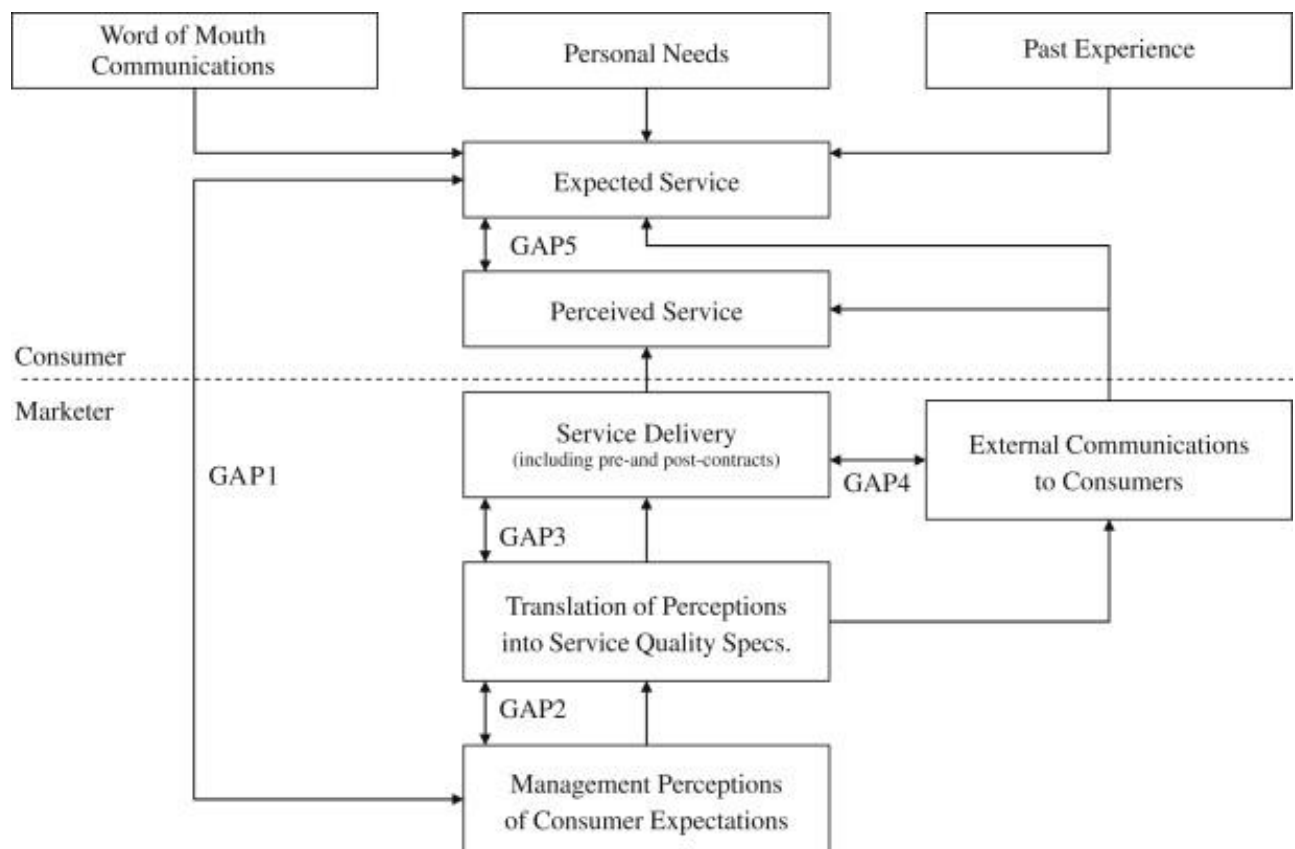
Parasuraman, Zeithaml and Berry (1985: 44) state that the SERVQUAL model allows for measuring the gap between customers' expectations and perceptions of service quality in service organizations. The model identifies five gaps that cause unsuccessful delivery (Kotler and Keller, 2006: 412). This research will highlight Gap 5, the gap between perceived service and expected service provided at Virgin Active gymnasiums. The importance of gap 5 is highlighted as the most important service quality gap, which forms the basis of this research.

The Gaps Model of service quality was developed by Parasuraman, Zeithaml and Berry (1988: 13). Parasuraman, Zeithaml and Berry formulated a service-quality model that highlights the main requirements for delivering high service quality (Kotler and Keller, 2006: 412). SERVQUAL is a technique that can be used for performing a gap analysis of an organization's service quality performance against customer service quality needs. It is a method that may be used by a service organization to improve service quality. The study suggested that, regardless of the service or service industry, consumers use the same criteria in evaluating service quality (Zeithaml, Bitner and Gremler, 2006: 82).

Bodet (2006: 150) states that the SERVQUAL scale has been replicated and examined in various service industry contexts, including the health and fitness industry. SERVQUAL takes into account customers' perceptions of the relative importance of service attributes which allow an organization to prioritize and to use its resources to improve the critical service attributes. Gap 5, the Customer Gap, the difference between customers' expectations and perceptions, is the main focus. Firms need to close this gap in order to satisfy their customers and build long-term relationships with them (Parasuraman, Zeithaml and Berry, 1988: 13). Figure 2.6 relates to the Gaps Model of Service Quality identified by Parasuraman, Zeithaml and Berry. The model demonstrates, through Gap 1 to 5, how service quality emerges between the customer and the service provider. The upper part of the model addresses the phenomena related to the customer, while the lower part encompasses phenomena related to the service provider.

Based on the information found, more informed and relevant decisions can be made (Kotler and Keller, 2006: 413). Bruhn and Georgi (2006: 50) state that Gaps 1 to 4 are the starting points for a service provider's quality management initiative. By diminishing the four gaps, service quality will be maximised. However, Gap 5 demonstrates when a customer perceives that a service fails to meet expectations and perceives bad service quality.

Figure 2.6: The SERVQUAL Gap Analysis Model



Source: Kotler and Keller (2006: 413)

2.17.1 Gap 1: Consumer expectation and management perception

Gap 1, as shown in figure 2.6, is the difference between customer expectations of service and the organization's understanding of those expectations (Kotler and Keller, 2006: 413). Managers may think that they know what customers want when, in fact, customers expect something quite different. This situation is usually the case in organizations that do not conduct market research or have inadequate upward communication.

2.17.2 Gap 2: Management perception and service-quality specification

According to Kotler and Keller (2006: 413), this gap occurs when management might correctly perceive customers' wants but not set a performance standard. Possible causes of Gap 2 is when the strategic vision, mission and goals are not fulfilling the customer's needs or management believing that customer expectations are unreasonable or unrealistic. This gap, shown in figure 2.6, can be minimized by management being committed to improving service quality by developing customer defined service standards to meet customer expectations.

2.17.3 Gap 3: Service-quality specifications and service delivery

According to Kotler and Keller (2006: 413), this gap means that the quality specifications do not match up to the performance in the service production and delivery. Even when guidelines exist for performing services well, high quality service performance is not a certainty and appropriate resources must support standards, such as people, systems and technology. Possible causes of Gap 3, shown in figure 2.6, is if personnel are poorly trained, or unwilling to meet standards; or they may be held to conflicting standards, such as taking time to listen to customers and serving them fast.

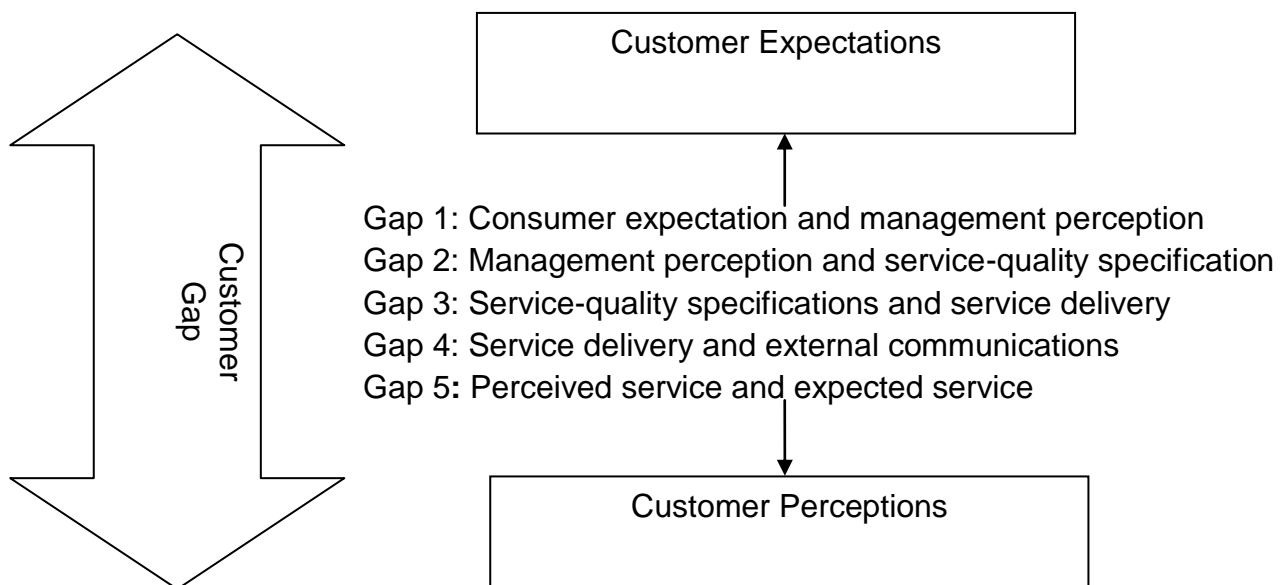
2.17.4 Gap 4: Service delivery and external communications

According to Kotler and Keller (2006: 413), this gap means that the promises given by the market communication activities are not consistent with the service delivered. Consumer expectations are affected by statements made by organization representatives and advertisements. There may be dissatisfaction with the service due to the excessively heightened expectations developed through the service provider's communication efforts. Gap 4, shown in figure 2.6, can occur by over-promising in advertising or personal selling.

2.17.5 Gap 5: Perceived service and expected service

According to Kotler and Keller (2006: 413), this gap means that the perceived service is not consistent with the expected service. This gap results in poor quality. Parasuraman, Zeithaml and Berry (1988: 13) state that the key to delivering quality is to meet or exceed customer expectations and Gap 5 is defined as service quality. They state that if management want to close the gap between performance and expectations, it is important to put procedures into place for measuring service performance against expectations. Gap 5, shown in figure 2.7, needs to be closed for an organization to succeed in the long- run.

Figure 2.7 Gap 5: The customer gap



Source: Kotler and Keller (2006: 413)

2.18 Conclusion

Chapter 2 presented literature on service, service quality dimensions and customer satisfaction. The chapter focused on the current situation in the South African Commercial Health and Fitness Centres, specifically looking at Virgin Active.

Customer service of gymnasiums in the health and fitness industry was also investigated. The literature review also highlighted the fact that customer service is a key issue to induce customer satisfaction and sustain the gymnasiums' profitability in the long-term.

The chapter also presented the five service quality dimensions, developed by Parasuraman, Zeithaml and Berry (1988: 13). Customer satisfaction, as a result of customer service in the health and fitness industry, was also identified. The Gaps Model of service quality indicated how the gaps can occur. Gap 5, the difference between customers' expectations and perceptions of service quality, was highlighted as the most important gap to close to improve service quality within a service organization.

Chapter 3 covers the research methodology followed in the study.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

Chapter 2 presented literature on service, service quality dimensions, customer satisfaction, customer perceptions and expectations and the five dimensions of service quality. The Gaps Model of service quality, developed by Parasuraman, Zeithaml and Berry (1988), was also discussed.

Chapter 3 discusses the research methodology that guided the research and enabled the researcher to collect and analyse the data. The chapter covers instrument design, sampling, data collection procedure and data analysis, questionnaire design and the target population. Instrument evaluation, regarding the reliability and validity of SERVQUAL, is also addressed.

3.2 Study type

Primary data were collected through the survey method and a questionnaire with twenty-one items, was used and pre-tested to obtain the necessary information. According to Naoum (2001: 44), surveys are used to gather data from a relatively large number of respondents within a limited time frame. The questions were closed-ended and a number of alternative choices were provided for the members. According to Armstrong and Kotler (2006: 111), closed-ended questionnaires include all the possible answers, and subjects make choices among them. Armstrong and Kotler (2006: 107) suggest that surveys are the most widely used method for primary data collection and best suited the systematic way of gathering information from a large number of respondents. Questionnaires were self-administered.

3.3 Research design

Descriptive statistical techniques were used to evaluate and analyze members' perceptions and expectations of service quality at Virgin Active gymnasiums to reach conclusions. Experiment-Resources.Com (2008) defines descriptive research as a type of decisive research which has, as its major objective, the description of something. The researcher gathered data by administering a questionnaire and then proceeded to make use of appropriate descriptive and inferential statistical techniques to evaluate the data and reach conclusions.

This study was quantitative and cross- sectional in nature. Quantitative methods are generally concerned with counting and measuring. Research methods do not involve the investigation of processes but emphasise the measurement and analyses of causal relationships between variables within a value-free context (Welman, Kruger and Mitchell, 2005: 8). They further mention that, in the cross- sectional design, the criterion groups typically compromise different age groups.

The NRF Evaluation Centre (2005) define research as the systematic process of collecting and analysing information to give a thorough understanding of the subject in context. The design process is the planning of the research, the visualization of the data and the problems experienced with the use of such data in achieving the final outcome of the research project. The research focused on the survey approach, gathering data from a number of respondents within a limited time frame.

3.4 Population

A population refers to the entire group of people, events or topics of interest that the researcher wishes to investigate. A population is considered to be any group that shares a set of common traits (Armstrong and Kotler, 2006: 110).

These authors state that defining the target population is a crucial step in the design of a research project. An evaluation amongst educational levels, age and gender were also considered as it is believed that these factors could influence the research results (Welman, Kruger and Mitchell, 2005: 95). The target population in this research was 74 000 members, obtained in July 2008, who belonged to the nine Virgin Active gymnasiums in the greater Durban area: Westville, Pinetown, Kloof, Amanzimtoti, La Lucia, Bluff, Durban, Kingspark and Mount Edgecombe Virgin Active gymnasiums.

3.5 Sample size

A sample size is defined as the number of elements to be included in a study (Armstrong and Kotler, 2006: 110). In this case the sample size was 450 respondents who are members at Virgin Active gymnasiums in the greater Durban area. Welman, Kruger and Mitchell (2005: 71) point out that if the population is 100 000, a sample size of 450 is adequate to support the research findings. The sample size was drawn equally from each of the nine gymnasiums. According to Creative Research Systems (2003), the larger the sample size, the more sure the researcher can be that the respondents' answers truly reflect the population. Fifty questionnaires were administered at each of the nine gymnasiums through the use of graduate assistants. Table 3.1 shows the sample dynamics for this study.

Table 3.1 Sample dynamics

Target Population	○ 74 000 Virgin Active members
Sample Size	○ 450 Virgin Active members
Elements	○ Selected health & fitness members
Geographic Region	○ Durban region

3.6 Sampling method

The researcher opted for non-probability sampling. According to Armstrong and Kotler (2006: 110), non-probability samples include elements from the population selected in a non-statistical manner. Non-probability sampling may be done on a spontaneous basis to take advantage of available respondents. It is more economical in terms of time and financial expenses. Therefore, the convenience sampling method was used whereby a non-statistical approach was applied in all nine gymnasiums in Durban: Westville, Pinetown, Kloof, Amanzimtoti, La Lucia, Bluff, Durban, Kingspark and Mount Edgecombe Virgin Active gymnasiums.

3.7 Questionnaire design

An insight into the services that consumers want from health and fitness centres was obtained through literature on service quality. Service quality was measured by using the SERVQUAL instruments (Parasuraman, Zeithaml and Berry, 1988: 13).

The questionnaire consisted of a 21 question modified version of the SERVQUAL questionnaire (Parasuraman, Zeithaml and Berry, 1985: 44). Parasuraman, Zeithaml and Berry (1988: 31) state that the skeleton, when necessary, can be adapted or supplemented to fit the characteristics of specific research needs of a particular organization. The instrument was based on a generic twenty one-item questionnaire, which was designed to cover the five dimensions of service quality; reliability, tangibles, responsiveness, assurance and empathy (Kotler and Keller, 2006: 414). Members' perceptions and expectations of service quality at Virgin Active gymnasiums were investigated using a five point Likert scale (ranging from 1 – strongly disagree to 5 – strongly agree) which was attached to each question and respondents scored in each instance (refer to appendix 1).

The statements in the questionnaire pertaining to each dimension are as follows:

<u>Dimension</u>	<u>Statements pertaining to the dimension</u>
Tangibles	Statements 1-4
Reliability	Statements 5-8
Responsiveness	Statements 9-12
Assurance	Statements 13-16
Empathy	Statements 17-21

The questionnaire consisted of a list of items used by members to assess the quality of services at Virgin Active gymnasiums. The questionnaire was in the form of closed-ended questions in which respondents were asked to make choices from a list of possible responses. Armstrong and Kotler (2006: 111) state that closed-ended questionnaires include all the possible answers, and subjects make choices among them. Research questions were structured in the simplest terms, making them easy to be understood by every respondent. The questionnaire included questions involving personal information such as age, gender, education and the name of the branch at which the respondent trained. A covering letter ensured that the respondents were informed of the nature and purpose of the research.

3.8 Data collection

A study was administered amongst members at Virgin Active gymnasium in the greater Durban area using a questionnaire (refer to annexure 1).

Graduate assistants were used to administer the questionnaires. They were informed on the subject matter in order to answer any queries about the completion of the questionnaires. The procedure which was followed in the collection of the data started with the graduates introducing themselves and outlining the purpose of the research and its significance. The questionnaire and its contents were carefully explained and reviewed with the members at the gymnasiums. The structure of the questionnaire was kept simple and easy for the respondents to complete. Close-ended questions were asked using a Likert scale.

3.9 Data analyses

On completion of the fieldwork, data were verified and descriptive and inferential statistics were extracted from the study. According to Welman and Kruger (2003: 194), once research has been conducted according to its planned design, the results obtained must be interpreted. The data was treated and edited using the latest SPSS 17 for Windows statistical package, which reflected data as graphical presentations. Frequency tables were also utilized to contribute to the accuracy and efficiency of processing the data.

3.9.1 Descriptive statistics

Welman, Kruger and Mitchell (2005: 231) suggest that descriptive statistics are used to describe the basic features of the data in the study. Descriptive statistics refer to the organizing, summarizing and describing of quantitative data. Armstrong and Kotler (2006: 103) mention that the objective of descriptive research is to describe things, such as the market potential for a product or the demographics and attitudes of consumers who buy the product or service.

Descriptive statistics, in the form of frequencies and percentages, were computed from the variables.

3.9.2 Frequencies and percentages

According to Welman, Kruger and Mitchell (2005: 229), frequencies determine if the distribution is even across categories or if they cluster around one or two categories. Frequencies can be displayed in bar diagrams or pie charts. Responses can be skewed towards one end of the scale, for example, if members feel strongly about an issue. Percentages simplify data into a standard numerical range and they interpret the data into a standard form that can be compared. Based on the data collected, descriptive statistics (frequencies) were used. Graphical representation was used in the form of graphs depicting the results.

3.9.3 Inferential statistics

Inferential statistics are concerned with inferences that are made about population indices on the basis of the corresponding indices obtained from samples drawn randomly from the populations (Welman, Kruger and Mitchell, 2005: 236). Inferential statistics were used to test the chi-square, and also calculate the expectation and perception mean, which were ultimately applied to the SERVQUAL calculation to calculate Gap scores for each of the five service quality dimensions.

3.9.4 Chi-square test

Welman, Kruger and Mitchell (2005: 231) state that chi-squares determine if the discreet classes into which an interval or ratio variable are grouped, are statistically significantly related to another variable, and that the relationship is not caused by chance. If one group is involved, the chi-squares of independence should be used. If two groups are involved and they are dependent on each other, the chi-square of McNemar should be used.

If two independent groups are involved, the chi-square of homogeneity should be used. Chi-square was used to calculate the expectation and perception mean of all five dimensions; reliability, responsiveness, assurance, empathy and tangibles.

3.9.5 Cronbach's alpha

According to the Academic Technology Services at the University of California, Los Angeles (UCLA Academic Technology Services, 2002), the Cronbach's alpha measures how well a set of items (or variables) measures a single one-dimensional latent construct. When data have a multidimensional structure, Cronbach's alpha will usually be low. Technically speaking, Cronbach's alpha is not a statistical test - it is a coefficient of reliability (or consistency).

Cronbach's alpha can be written as a function of the number of test items and the average inter-correlation among the items. Below, for conceptual purposes, is the formula for the standardized Cronbach's alpha:

$$\alpha = \frac{N \cdot \bar{r}}{1 + (N - 1) \cdot \bar{r}}$$

Here N is equal to the number of items and r-bar is the average inter-item correlation among the items. One can see from this formula that if one increases the number of items, one will increase Cronbach's alpha. Additionally, if the average inter-item correlation is low, alpha will be low. As the average inter-item correlation increases, Cronbach's alpha increases as well.

This makes sense intuitively - if the inter-item correlations are high, there is evidence that the items are measuring the same underlying construct. This is really what is meant when someone says they have "high" or "good" reliability.

They are referring to how well their items measure a single one-dimensional latent construct. A reliability coefficient of 0.80 or higher is considered as “acceptable” (UCLA Academic Technology Services, 2002).

3.9.6 Factor analysis

Factor analysis is a statistical technique whose main goal is data reduction. A typical use of factor analysis is in survey research, where a researcher wishes to represent a number of questions with a small number of hypothetical factors. For example, as part of a national survey on political opinions, participants may answer three separate questions regarding environmental policy, reflecting issues at the local, state and national level.

Each question, by itself, would be an inadequate measure of attitude towards environmental policy, but together they may provide a better measure of the attitude. Factor analysis can be used to establish whether the three measures do, in fact, measure the same thing.

If so, they can then be combined to create a new variable, a factor score variable that contains a score for each respondent on the factor. Factor techniques are applicable to a variety of situations.

A researcher may want to know if the skills required to be a decathlete are as varied as the ten events, or if a small number of core skills are needed to be successful in a decathlon. One need not believe that factors actually exist in order to perform a factor analysis, but, in practice, the factors are usually interpreted, given names, and spoken of as real things.

3.10 Validity

Validity is defined, by Welman, Kruger and Mitchell (2005: 142), as the extent to which the research findings accurately represent what is really happening in the situation.

The SERVQUAL's high reliability and consistent factor structures across several independent samples provide support for its trait validity (Parasuraman, Zeithaml and Berry, 1988: 28). Parasurama, Zeithaml and Berry (1988: 13) state that the procedures used in developing SERVQUAL satisfy both quantitative and qualitative evaluative requirements.

Therefore, the SERVQUAL instrument was used in this study, to identify if any gaps existed between customers' perceptions and expectations at Virgin Active gymnasiums.

3.11 Reliability

According to Welman, Kruger and Mitchell (2005: 145), reliability measures the ability of the data collection instrument and method used for the study to obtain accurate and consistent results.

The SERVQUAL questionnaire was the instrument of choice for this research project, developed by Parasuraman, Berry and Zeithaml in 1985, based on the fact that it has been proven to be the most extensively utilized instrument in the service quality field of study (Dhurup, Singh and Surujlal, 2006: 41).

SERVQUAL has been productively used in multiple contexts and is an extensively utilized instrument in the service quality field of study. Published studies have used SERVQUAL and adaptations of it in a variety of service contexts, including real estate brokers, hospitals and banks (Zeithaml, Bitner and Gremler, 2006: 153). Cronbach Alpha was calculated to measure the reliability of the measurement.

3.12 Pilot study

According to Welman, Kruger and Mitchell (2005: 145), when a new measurement instrument is developed, it is useful to test it before administering it to the actual sample. A pilot study entails administering the instrument to a limited number of subjects from the same population as that for which the eventual project is intended. The authors further mention that the purpose of a pilot study can detect possible flaws in the measurement procedures, identify unclear formulated items, and is an opportunity for researchers and assistants to notice non-verbal behaviour.

The questionnaire was pre-tested before it was used to gather information to determine if the content and sequencing of questions were correct. Various forms of literature were gathered before the questionnaire was designed.

Individuals were selected, based on their academic and administrative expertise in health and fitness and in the statistical fields, to assess the content of the questionnaire. Alterations that needed to be made were done before the research was conducted.

A pilot study of 50 respondents was conducted at Virgin Active gymnasiums in selected areas in the KZN region and was successful. The questionnaire consisted of two pages (refer to annexure 1). The first page contained an introduction explaining the purpose and importance of the study and assured respondents of their anonymity.

The results of the pilot study provided valuable information for avoiding ambiguous questions and the instrument was refined accordingly for the final stage in questionnaire construction.

3.13 Conclusion

The chapter covered the research methodology used to investigate members' perceptions of service quality at Virgin Active gymnasiums in the Durban area. The SERVQUAL instrument was discussed and data analysis, using descriptive and inferential statistics collected in the study, was explained.

Chapter 4 covers the analysis and discussion of the findings of the research.

CHAPTER FOUR

DATA ANALYSIS AND DISCUSSION OF RESULTS

4.1 Introduction

In Chapter 3, the research design, data collection methods, and questionnaire design were discussed. The purpose of this chapter is to present, interpret and discuss the findings of the empirical study. This chapter commences with a detailed analysis of data that provides an insight into the findings of the study, accompanied by numerical and graphical representations of the data and interpretation of the results. The presentation of the detailed analysis and the findings that were taken from questionnaires administered to members of Virgin Active gymnasiums in the greater Durban area will also be discussed in this chapter.

4.2 Response rate

The questionnaires were administered at nine Virgin Active gymnasiums in the greater Durban area. The total number of respondents that completed the questionnaires, as part of the survey, was 457. Table 4.1 illustrates the responses from the nine gymnasiums.

Table 4.1 Response rate from the nine Virgin Active gymnasiums

Name of gymnasium	Planned Sample	Achieved Sample	Response Rate
Bluff	50	50	100%
Durban	50	53	106%
Kingspark	50	50	100%
Kloof	50	50	100%
La Lucia	50	50	100%
Mt Edgecombe	50	50	100%
Pinetown	50	54	108%
Amamzintoti	50	50	100%
Westville	50	50	100%
TOTAL RESPONSES	450	457	102%

From table 4.1, it is clear that the overall response rate for the study was high as the desired (100%) response rate was achieved. Of all the questionnaires distributed, 457 were completed. The number of questionnaires completed by members of each gymnasium was 50, with the response rate being 100%.

4.3 Reliability

Cronbach's alpha was also calculated as part of the reliability test to assess the validity of the total results. A value of 0.8 or higher is a very good value (UCLA Academic Technology services, 2002). The results for this study are demonstrated in table 4.2.

Table 4.2: Expected and perceived service levels for Virgin Active gymnasiums

Dimension	Expectation	Perception	Combined
Tangibles	0.655	0.774	0.777
Reliability	0.578	0.704	0.707
Responsiveness	0.555	0.507	0.635
Assurance	0.486	0.581	0.648
Reliability	0.696	0.716	0.719

Table 4.2 is a summary of the Cronbach's alpha reliability for the expected and perceived service levels for Virgin Active gymnasiums. The overall reliability score (not shown in the table) was 0.904. This finding indicates a high degree of acceptable scoring for the different categories for this research. As per recommendations by UCLA Academic Technology services (2002), a reliability coefficient of 0.80 or higher is considered as acceptable. Therefore, the results imply that the research instrument (questionnaire) has internal consistency and reliability.

4.4 Descriptive statistics

According to Welman, Kruger and Mitchell (2005: 231), descriptive statistics refer to the organizing, summarizing and describing of quantitative data. Demographic information, which includes characteristics like age, gender, and education, are explained in figures 4.1, 4.2, table 4.3 and figure 4.3:

4.4.1 Gender of the respondents

Figure 4.1: The number of respondents by gender

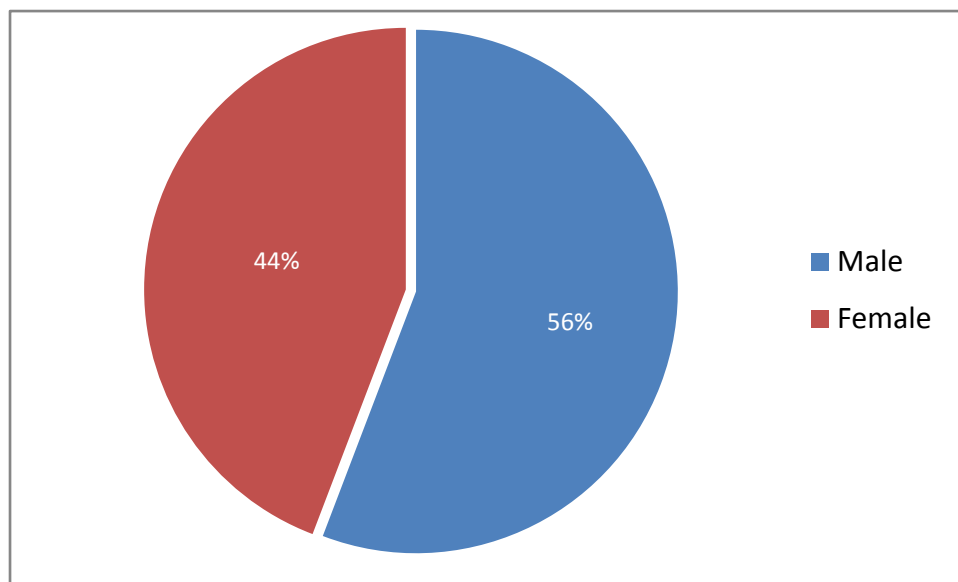


Figure 4.1 reveals the gender dispersion of the respondents in this study. From the selected sample, the percentage of male respondents was 56%, while the percentage of female respondents was 44%. This finding indicates an (almost) 1:1 ratio of men to women respondents.

4.4.2 Age of respondents

Figure 4.2: The percentage of respondents by age

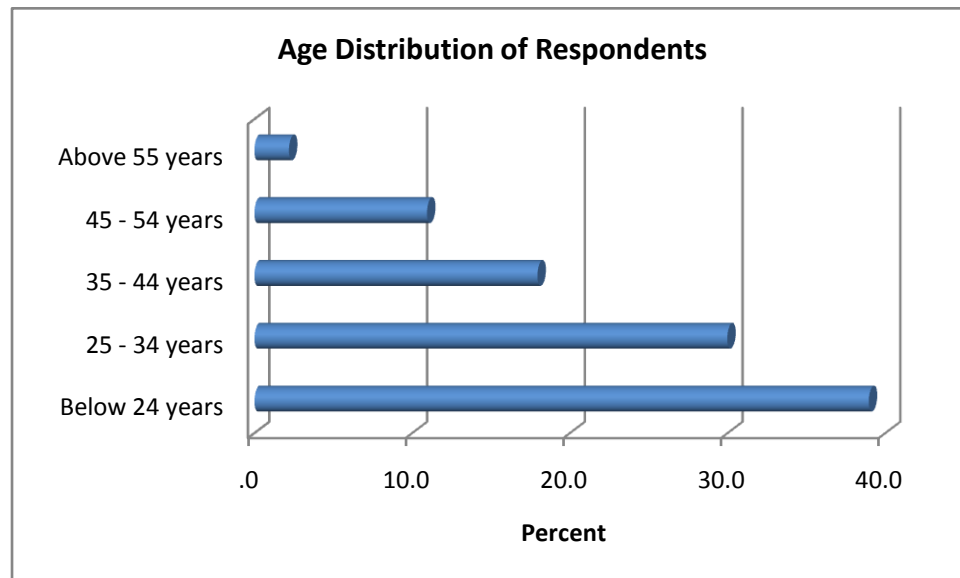


Figure 4.2 reveals the age dispersion of the respondents from the sample. A total of 38.9% of the respondents were below the age of 24, 30 % of the respondents were between the ages of 25 and 34, and 17.9% of the respondents were between the ages of 35 and 44. A total of 10.9% of the respondents were between the ages of 45 and 54 years and 2.2% of the respondents were above the age of 55. The findings indicate that two-thirds of the respondents were under the age of 35 years and members over the age of 55, constituted a small portion of the Virgin Active respondents.

4.4.3 Cross-tabulation of the respondents' age and gender

Cross tabulation is a data summarization tool. It allows one to reorganize and summarize selected columns and rows of data to obtain a desired report. Cross-tabulation does not change the underlying data. Rather, it allows one to “slice and dice” the data and view it from different perspectives (Good data reference documentation, 2008). The cross tabulation results are presented below in table 4.3.

Table 4.3: The percentages of respondents by age and gender

			Gender		Total
			Male	Female	
Age	Below 24 years	% within Age	57.9%	42.1%	100.0%
		% within Gender	40.4%	37.1%	38.9%
		% of Total	22.5%	16.4%	38.9%
	25 - 34 years	% within Age	51.1%	48.9%	100.0%
		% within Gender	27.5%	33.2%	30.0%
		% of Total	15.3%	14.7%	30.0%
	35 - 44 years	% within Age	54.9%	45.1%	100.0%
		% within Gender	17.6%	18.3%	17.9%
		% of Total	9.8%	8.1%	17.9%
	45 - 54 years	% within Age	60.0%	40.0%	100.0%
		% within Gender	11.8%	9.9%	10.9%
		% of Total	6.6%	4.4%	10.9%
	Above 55 years	% within Age	70.0%	30.0%	100.0%
		% within Gender	2.7%	1.5%	2.2%
		% of Total	1.5%	0.7%	2.2%
Total		% within Age	55.8%	44.2%	100.0%
		% within Gender	100.0%	100.0%	100.0%
		% of Total	55.8%	44.2%	100.0%

Table 4.3 illustrates the cross-tabulation, in finer composition, of the respondents' gender by age. It is observed that of the 69% of the respondents, who were younger than 35 years, 38% were male and 31% were female.

Due to the randomness of the survey, it was observed that respondents, younger than 35, use the gym more often. It was also observed that only 2.2% of respondents were over the age of 55. A cross-tabulation of age affiliation with gender revealed that both men and women over the age of 55 years contributed a small portion of the membership at Virgin Active gymnasiums. This finding could imply that a great number of older persons would rather choose other means of health and fitness than the Virgin Active gymnasium.

4.4.4 Educational level of respondents

Figure 4.3: The education level of respondents

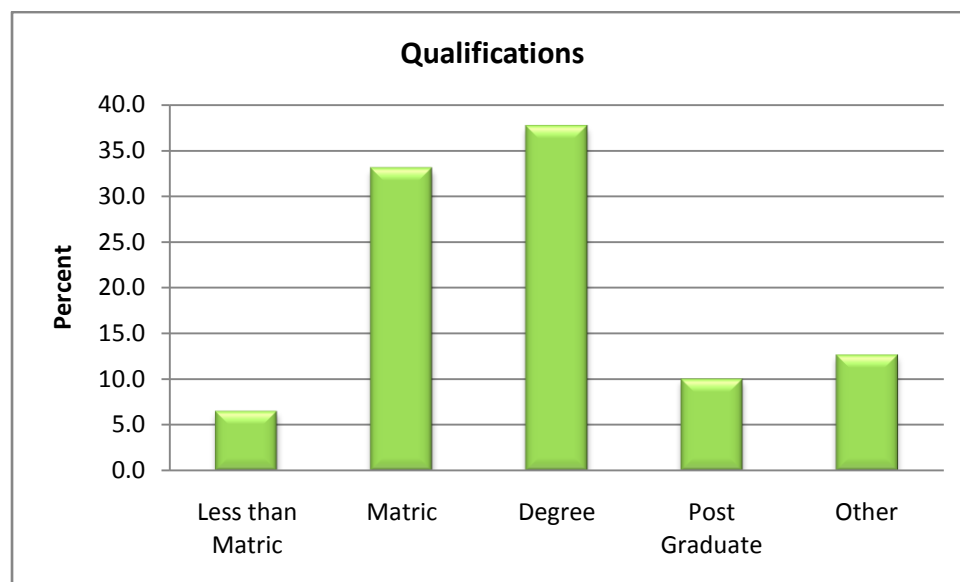


Figure 4.3 shows that 6.6 % of the respondents have less than a matriculation certificate, 33 % of the respondents have a matriculation certificate, 37.6% of the respondents hold a degree, 10.1% have a post graduate qualification, while 12.7 % have other forms of qualification. More than 95% of the respondents had some form of post-school qualification.

Without introducing bias, it is assumed that such an educated sample would have answered the questions without bias and scored the questions with an understanding of what the questions were meant to measure.

However, the communality scores (later) indicate that this may not have been the case. (Generally, reliability scores are high when respondents understand the nature of the questions).

According to Yang and Yu (2008: 1329), characteristics, including education, age, and interviewing experience do not have significant effects on the non-substantive responses. They suggest that respondents' decisions on giving answers to complex questions is not solely based on their characteristics. The findings indicate that the interaction between a respondent's tertiary education and a respondent's low levels of education exhibit significant effects.

4.4.5 Gymnasium locations of respondents

Figure 4.4: Gymnasium locations

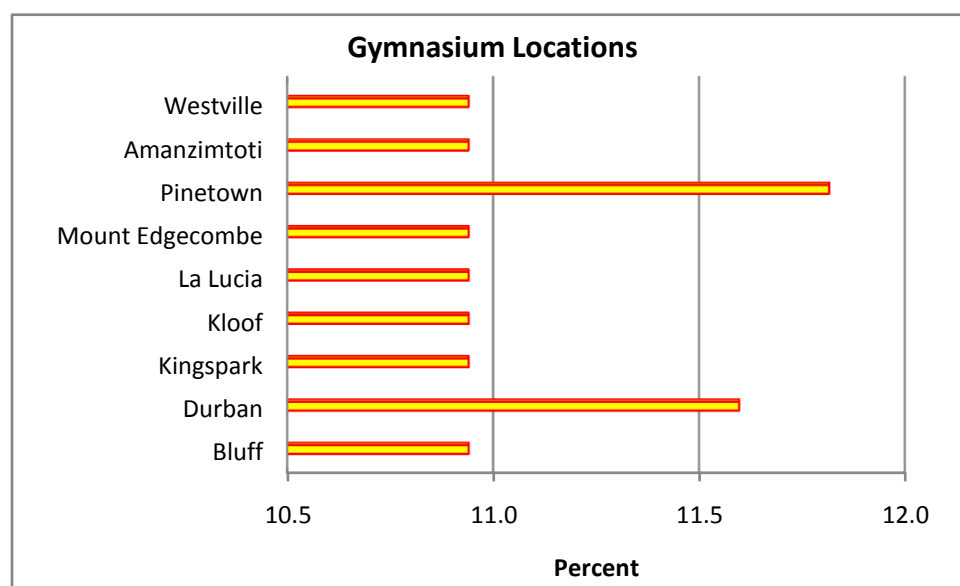


Figure 4.4 indicates that there was an even spread of fifty respondents from seven out of the nine Virgin Active gymnasiums in the greater Durban area.

4.5 Communality scores

The ideal is to obtain values that are close to one. This finding would indicate that the model explains most of the variation for those variables (refer to annexures 2 and 3). The average scores of the dimensions are shown in table 4.4.

Table 4.4: Average scores of dimensions from respondents

Dimension (Factor)	Expected (%)	Perceived (%)
Tangibles	55.5	57.3
Reliability	50.1	55.3
Responsiveness	50.4	52.2
Assurance	53.6	61.2
Empathy	45.5	60.8
Overall	50.8	57.5

The overall communality scores are in the fifty percent category. The scoring is consistent across the dimensions, but the communality values are still low. The inconsistent scoring is further illustrated in annexure 4, the component matrix. It is noted that it was only for the tangible dimension, that the four variables that constituted the component loaded perfectly in one factor for only the perceived scores. This finding means that the questions (variables) that constituted this dimension perfectly measured the dimension. However, all of the other dimensions have factors that overlap, indicating a mixing of the factors. This finding implies that the questions in the overlapping dimensions did not specifically measure what they set out to measure. The finding indicates that the respondents did not clearly distinguish between the questions constituting the dimensions.

Many of the dimensions were spread over two components. However, the reliability, responsiveness and assurance dimensions yielded the most spread across components, which also resulted in low communality values. As stated in the literature review, in chapter 2, there are five dimensions in evaluating overall service quality.

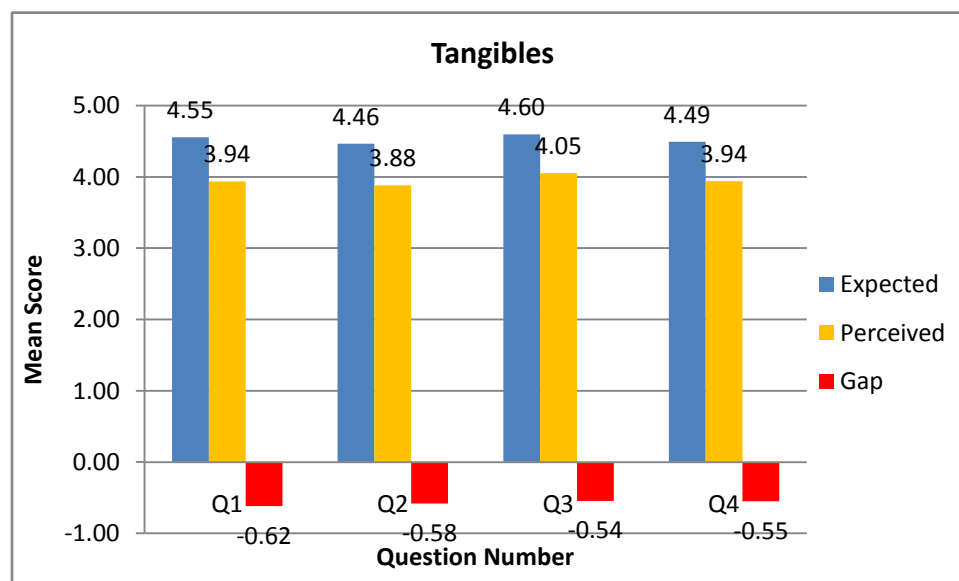
In the following section of this chapter, the data analyses focus on the mean scores of expectations and perceptions scales for each of the twenty-one service quality questions and the five related factors.

4.6 Dimension analysis with gap score

Tangibles

According to Zeithaml, Bitner and Gremler (2006: 120), the quality dimension of tangibles is related to the appearance of physical facilities, equipment, personnel and communication materials. Tangibles provide physical representation or images of the service that customers will use to evaluate quality. Figure 4.5 reflects the tangible factors expected and perceived by Virgin Active gymnasiums members, in addition to the relevant gap for each question.

Figure 4.5: Expected and perceived tangible scores



Question 1: Gymsnasiums have modern-looking equipment

The data reflected in figure 4.5 reveal the expectations and perceptions of respondents in this study in terms of the gymnasium providing modern-looking equipment. The aim of question 1 is to gain the expectations and perceptions of the modernity of the gymnasiums' equipment. The expectation's mean score was 4.55, and the perceived mean score was 3.94, (on scales of 1-5). The mean gap score was -0.62. This finding reveals that the gap is relatively small and, therefore, it can be concluded that Virgin Active members are satisfied with the equipment at the gymnasiums.

Question 2: Gymsnasiums have visually appealing facilities

The aim of question 2 is to determine the members' expectations and perceptions on whether Virgin Active gymnasiums provide visually appealing equipment. As indicated in figure 4.5, respondents' mean scores for expectations and perceptions were 4.46 and perceived 3.88, respectively. The mean gap score for this question was -0.58. The result exhibits that members' are satisfied with this question. Dhurup, Singh and Surujlal (2006: 47) reaffirm that visually appealing facilities in gymnasiums are important in the evaluation of a service.

Question 3: Employees are neat in appearance

As indicated in figure 4.5, respondents' mean scores for employees' appearance for expectations and perceptions were 4.60 and 4.05, respectively. The gap between the expectations and perceptions was -0.54. Comparing all gaps in the tangibility dimension, this question shows the smallest gap. The result implies that Virgin Active employees are neat in appearance.

As stated in the literature of Dhurup, Singh and Surujlal (2006: 42), the personal appearance of staff at gymnasiums is an important factor to the customer in their assessment of the service provider. Chowdhary and Prakash (2007: 499) add that tangibility is an important issue with services that require a more visible action that is people-processing and possession-processing services.

Question 4: Equipment is visually appealing

The data reflected in figure 4.5 reveal the expectations and perceptions of respondents in this study in terms of the visual attractiveness and appeal of the equipment at Virgin Active gymnasiums.

Dhurup, Singh and Surujlal (2006: 47) state that facility attractions, such as equipment, are essential to members in service quality evaluation. In question 4, the expectations and perceptions relating to equipment associated with service were 4.49 and 3.94, respectively.

The gap for this question was a mean of -0.55, which is relatively small, which suggests that the equipment associated with Virgin Active is visually appealing to members.

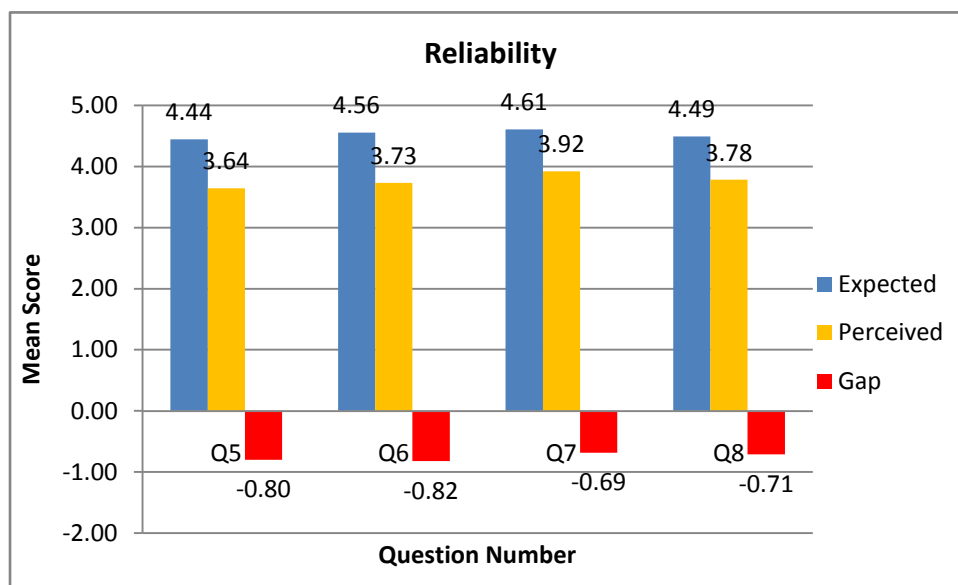
It is observed that the average score for the tangible dimension was 4.53 for the expected scores. This average indicates a fair degree of agreement with the questions that constitute this dimension. Almost all of the expected scores are similar to the average score. These findings indicate that the respondents believe that an institution should have acceptable levels of tangibles (in terms of the layout and design of the institution). Respondents were satisfied with the items (questions) in this dimension, as illustrated by the perceived average score of 3.95. This finding implies that the respondents were satisfied with the manner of the physical design and attributes of the gymnasiums. None of the questions showed a uniquely large gap. The average gap score was -0.57.

The results, therefore, imply that Virgin Active gymnasiums have managed to achieve this service quality dimension of tangible factors with regards to the equipment and facilities being visually appealing and modern and staff being neat in appearance.

Reliability

The following questions were used to assess the reliability of service quality of Virgin Active gymnasiums in the greater Durban area. Figure 4.6 reveals the expected and perceived Virgin Active gymnasiums' scores for the reliability dimension, in addition to the gap for each question. This dimension effectively measures the timelines to solving and giving attention to customer problems.

Figure 4.6: Expected and perceived reliability scores



Question 5: Membership is easy to purchase

Question 5 aims to determine whether members can easily purchase membership for Virgin Active gymnasiums. The respondents' mean scores for expectations and perceptions were 4.44 and 3.64, respectively. The service quality dimension gap was -0.80. It must be noted from the results that this is the second largest gap in the reliability dimension. In line with Dhurup, Singh and Surujlal (2006: 49), purchase of membership is one of the important dimensions of gymnasium service quality evaluation.

Question 6: Employees are responsive to customer complaints

The purpose of question 6 is to assess whether employees are responsive to customer complaints. The responses to this question reported the largest gap in this dimension. Respondents' mean scores for expectations and perceptions were 4.56 and 3.73, respectively. The mean gap score was -0.82. It is interesting to note that this gap score is the highest in both reliability and tangibility service quality dimensions.

According to literature already stated, reliability is the most important determinant of perceptions of service quality. Kim and Kim (1995: 210) state that reliability can be the employees' ability to perform the promised service dependently and accurately. Chowdhary and Prakash (2007: 495) believe that problem resolution is a key dimension in evaluating service quality.

Question 7: Employees are prepared for emergencies

The data in figure 4.6 reveal the expectations and perceptions of respondents in terms of employees dealing with emergencies. The mean scores for expectations and perceptions were 4.61 and 3.92, respectively. The gap score was -0.69. It is interesting to note that this gap is the smallest in the reliability dimension. The results indicate that members are satisfied with what they are receiving in terms of employees being prepared for emergencies. Dhurup, Singh and Surujlal (2006: 47) also believe that staff should be prepared for emergencies in gymnasiums and be able to provide first aid to members.

Question 8: Employees provide prompt service to members

Question 8 aims to determine whether prompt service is provided to members. The mean scores for expectations and perceptions were 4.49 and 3.78, respectively. Figure 4.6 shows that the gap score was -0.71, indicating the second smallest gap in the reliability dimension of service quality. Bloise and Tankersley (2004: 78) suggest that service providers are evaluated on the extent to which services are timeously delivered.

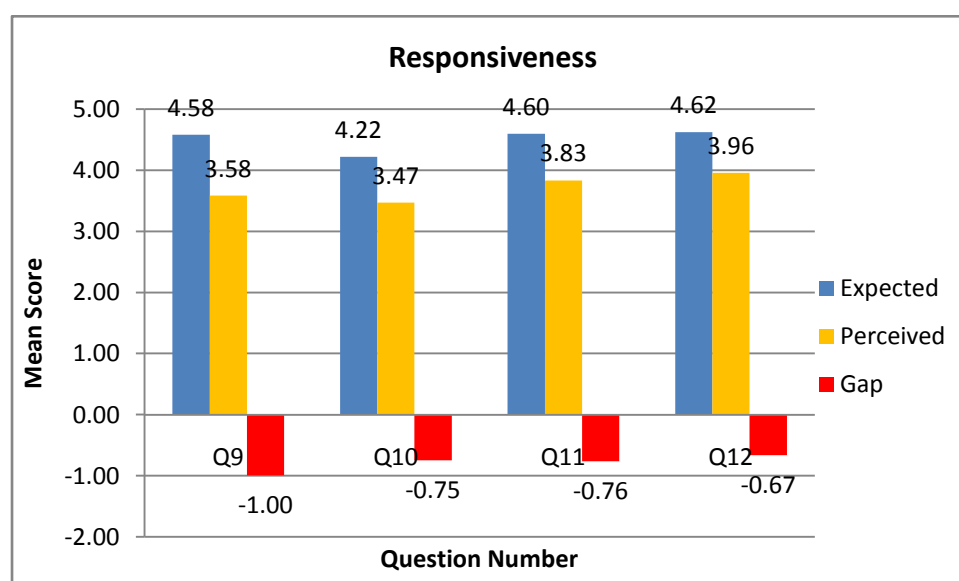
The average score for the reliability dimension was 4.52 for expected values. All of the variables that constitute this dimension had a similar score. The average perceived score was 3.77. This finding implies that there were slightly more respondents who agreed with the questions that constituted this dimension, to those who disagreed. It is also observed that the gaps are almost consistent with an almost 1 scale rating factor in magnitude (average = -0.75).

The results, therefore, imply that Virgin Active gymnasiums have managed to achieve this service quality dimension of reliability factors with regards to timelines to solving and giving attention to customer problems.

Responsiveness

Zeithaml, Bitner and Gremler (2006: 117) state that responsiveness is the willingness of employees to help customers and to provide prompt service. Questions in this factor primarily describe the willingness of Virgin Active gymnasiums to help members and provide them with prompt service, and for the employees' to have the necessary skills and abilities to interact with people. Figure 4.7 illustrates the expected and perceived Virgin Active gymnasiums scores for the responsiveness dimension, in addition to the gap for each question.

Figure 4.7: Expected and perceived responsiveness scores



Question 9: Employees tell members what facilities are offered for the disabled

Question 9 aims to assess whether Virgin Active gymnasium employees tell members what facilities are available for the disabled. The expectation mean scores were 4.58 and 3.58, respectively, for what they perceive they are being told. The mean gap score was -1.00. This gap score is the largest amongst all other scores in all four dimensions.

The result suggests that Virgin Active gymnasiums neglect this important element in the service delivery process. According to Zeithaml, Bitner and Gremler (2006: 117), organizations should have the capacity to customize services for dealing with their customers' special needs.

Question 10: Child minders interact and play with the children

The purpose of question 10 is to assess if Virgin Active gymnasiums' child minders interact and play with the children. Respondents gave a mean score of 4.22 for what they expect from the child minders and 3.47 for what they perceive they are receiving. The gap score of 0.75, was the second lowest score for the responsiveness dimension. This result suggests that there is room for improvement on this aspect of service delivery.

Question 11: Employees are willing to help members

The aim of question 11 is to assess if employees are willing to help members. Figure 4.7 reveals the expectations and perceptions of respondents in terms of responsiveness of staff. The mean scores for expectations and perceptions were 4.60 and 4.83, respectively. The gap score for this question was -0.76, the second highest score in the responsiveness dimension.

Question 12: Training instructors are professional in conducted classes

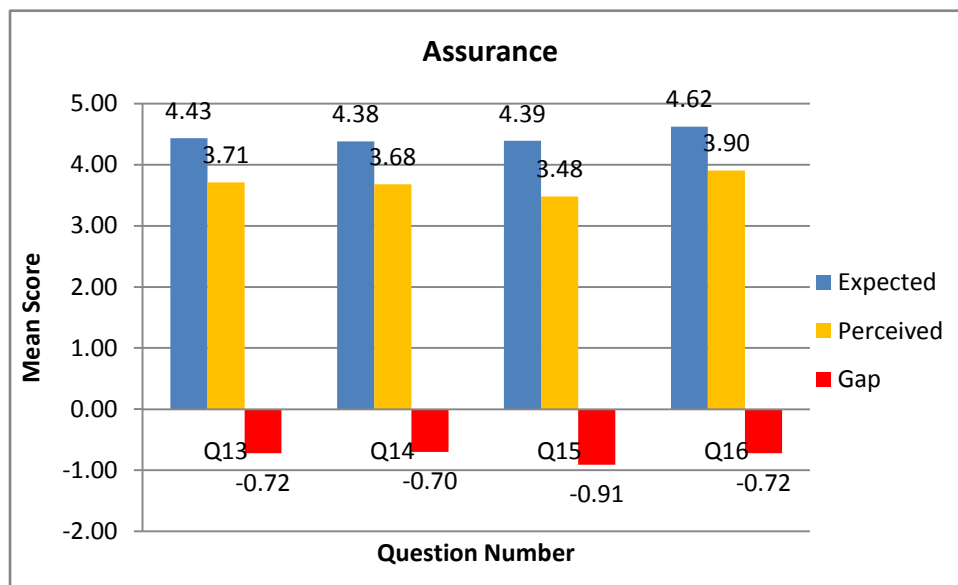
Figure 4.6 reveals the expectations and perceptions of respondents in terms of training instructors being professional in conducting classes. The mean scores for respondents' expectations and perceptions were 4.62 and 3.96, respectively. The gap score was -0.67. It must be noted that this score is the sixth lowest gap of all the four service quality dimensions. Competence on the part of employees at gymnasiums represents a large part of assessing service quality (Dhurup, Singh and Surujlal, 2006: 42).

The average score for the responsiveness dimension was 4.50 for expected values. This finding compares favourably with the reliability dimension for expected values as customers want good service, promptly. All of the variables that constitute this dimension had a similar score. The perceived score average was 3.71. Again, this finding implies that there were slightly more respondents who agreed with the questions that constituted this dimension than those who disagreed. The gaps are almost consistent with a 1 scale rating factor in magnitude (average = -0.79). It was noted that question 9 has the biggest gap amongst all dimensions. This finding indicates that Virgin Active gymnasiums do not provide sufficient facilities and assistance to the disabled members.

Assurance

Bruhn and Georgi (2006: 52) state that assurance relates to the seller's capability to deliver the output, specifically in terms of the knowledge, politeness and trustworthiness of the employees. Figure 4.8 depicts the expected and perceived Virgin Active gymnasiums' scores for the assurance dimension, in addition to the gap for each question.

Figure 4.8: Expected and perceived assurance scores



Question 13: Employees instill confidence in members

The aim of question 13 is to estimate whether the staff can instill confidence in members. As shown from Figure 4.8, the mean scores for expectations and perceptions were 4.43 and 3.71, respectively. The gap score was -0.72. This was not the smallest gap in this dimension of service quality. Therefore, the results imply that Virgin Active gymnasiums have room for improvement on this aspect of service delivery.

Yeo (2008: 281) believes that organizations need employees to inspire trust and confidence in members, as these attributes form part of the evaluation of service quality. Furthermore, Dhurup, Singh and Surujlal (2006: 42) state that staff at gymnasiums must be courteous, credible and competent.

Question 14: Gymnasiums provide a secure and safe facility for children

Figure 4.8 illustrates that the respondents' mean scores regarding the safety and security facilities for children were 4.38 and 3.68, respectively. The gap score was -0.70, which is the lowest gap for the assurance dimension of service quality. The results suggest that members are comfortable with the security and safety of the facilities provided for children at Virgin Active gymnasiums.

Question 15: Gymnasiums offer moderate membership fees

Question 15 aims to determine whether Virgin Active gymnasiums offer moderate membership fees. As reflected in Figure 4.8, an expectation score of 4.39 was derived, and members' perceptions scored 3.48. The gap score was -0.91. This gap is the third highest amongst all four dimension scores. The result suggests that members are not happy with the membership fees that they are currently being charged. The findings of Dhurup, Singh and Surujlal (2006: 49) suggest that membership fees are a significant factor in the service quality assessment.

Question 16: Employees have professional knowledge

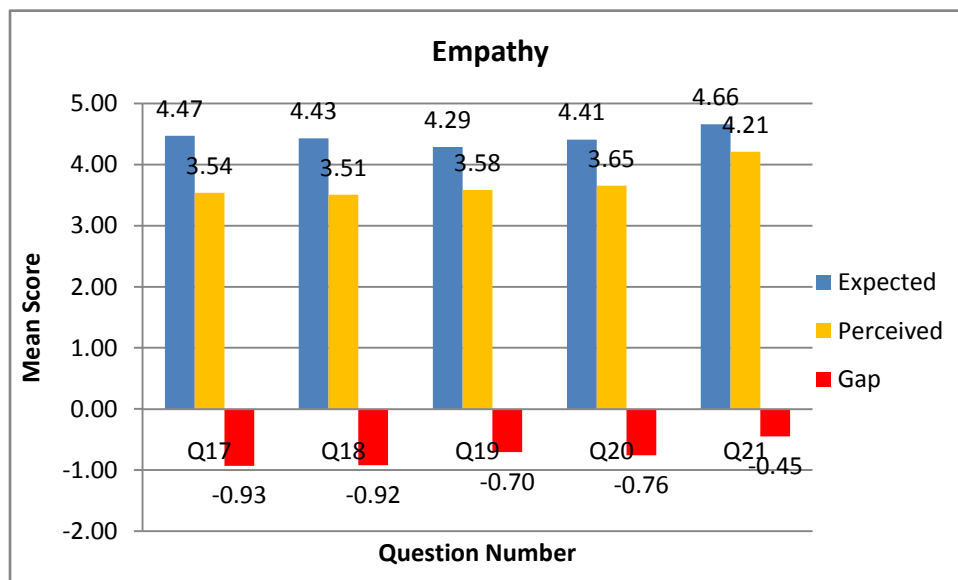
The data in Figure 4.8 reveals the expectations and perceptions of respondents in terms of professional knowledge of employees. The expectation score was 4.62 and the perception score was 3.90. The gap score was -0.72. The study by Dhurup, Singh and Surujlal (2006: 49) found that members of gymnasiums want personnel to be qualified instructors and provide proper training and supervision to them.

As employees are at the touch-points (coal-face) of interaction, the demeanour and deliverable service of the employees was of utmost importance. The expected value for this dimension was 4.46. The perceived (gymnasiums) rating was 3.69. These scores ranked below the agreement level, and were also slightly lower than the reliability and responsiveness dimensions. The indication is that, although the staff are meeting some assurance criteria, they are also falling short in others (average = -0.76). In particular, question 15, which is concerned with membership fees, had the largest gap (-0.91).

Empathy

Dhurup, Singh and Surujlal (2006: 42) suggest that empathy relates to care and individual attention given by staff at gymnasiums to members, while purchasing the service. The essence of empathy conveys the message that customers are unique and special. Figure 4.9 reveals the expected and perceived Virgin Active gymnasiums' scores for the empathy dimension, in addition to the gap for each question.

Figure 4.9: Expected and perceived empathy scores



Question 17: Employees show interest in members' progress

Question 17 aims to determine whether Virgin Active gymnasium employees show interest in members' progress. As shown in Figure 4.9, respondents rated a mean score of 4.47 for what they expect from employees and their actual mean for perception was 3.54. The gap score for this question was -0.93. It must be noted that this score is the second highest in all four dimensions. The result indicates that Virgin Active gymnasiums should place a greater emphasis on this element of service. This finding is in agreement with Yeo (2008: 275) who states that there is a greater need for managers to demonstrate a more humane dimension in their interaction with customers.

Question 18: Members receive individual attention

The data in Figure 4.9 reveals the expectations and perceptions of respondents in terms of members receiving individual attention. Respondents rated their expectation as a score of 4.43 and their perception of what they receive as 3.51. The gap score for this question was -0.92. This score suggests that Virgin Active gymnasium employees should be concerned about the attention paid to members to improve service delivery.

According to Bruhn and Georgi (2006: 52), the organizations' willingness and capability to respond to individual customer desires is vital in the delivery of excellent service quality. According to the above gap score, Virgin Active gymnasiums are not providing for members' individual desires.

Question 19: Members have an opportunity for social interaction

Figure 4.9 reveals the expectations and perceptions of respondents in terms of members' opportunity for social interaction. As shown in figure 4.9, respondents' mean scores for expectations and perceptions were 4.29 and 3.58, respectively. The gap score of -0.70 is the lowest in the empathy dimension of service quality. The result suggests that members at the gymnasiums are reasonably happy with the social opportunity they receive.

Question 20: Employees understand the needs of their members

The aim of question 20 was to estimate the influence employees have in understanding the needs of their members. The respondents' mean scores for expectations and perceptions were 4.41 and 3.65, respectively. The gap mean score for this dimension of service quality was -0.76. It must be noted that although the score was lower than other scores in this dimension, the gap was still bigger than most. This finding suggests that Virgin Active employees should consider changes to practice to enhance the empathy shown to members.

Question 21: Gymsnasiums provide convenient operating hours

Figure 4.9 reveals the expectations and perceptions of respondents in terms of convenience of operating hours. The respondents' mean scores were 4.66 and 4.21, respectively. The gap indicated a score of -0.45. This gap is the lowest of all four dimensions. The result suggests that Virgin Active gymsnasiums are providing above adequate operating hours for their members. This result will have a positive impact on the assessment of service quality for this dimension.

The degree of attention was perceived at a mean score of 4.45. The perceived score was 3.70. It is observed that the gap was slightly less than one scale rating in magnitude (average = -0.75). The expected and perceived ratings were almost consistent within the categories, so the manner of the scoring indicates consistency. The attention given to customers by Virgin Active employees, needs to be addressed, especially in terms of questions 17 and 18, which are concerned with members' progress and individual attention, respectively (average = -0.91).

4.7 Conclusion

The results of the empirical study were presented and analysed in this chapter. The chapter presented a number of different methods of quantitative analysis applied to obtain both descriptive statistics. The results were presented in the form of charts and tables which helped to provide a detailed analysis.

A comparison of the service quality expectations and perceptions for Virgin Active gymsnasiums was determined and presented. According to the Gap analysis of service dimensions, the gaps between the expectations and perceptions of Virgin Active gymsnasiums were also presented and analysed. Moreover, the results identified service quality dimensions that require further attention.

The next chapter contains the conclusions and recommendations of the study.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

The previous chapter analysed the data from the 457 questionnaires with the aid of descriptive and inferential statistics. Whilst the previous chapter discussed statistical information that resulted from the survey being carried out, a more in-depth look into the results is required. This chapter discusses in-depth the results and findings in respect to the objectives of the study. Further recommendations for future studies are also made.

5.5 Summary of the theoretical study

The focus of this research study was to determine members' perceptions of service quality at Virgin Active gymnasiums. The aim of this research was to offer management insight into improving the efficiency and effectiveness of service quality and the opportunity to address any issues impacting the delivery of quality service at Virgin Active gymnasiums. In doing so, Virgin Active gymnasiums will increase their retention of existing members and signing up new members to acquire a larger share of the market.

Chapter two gave an overview of the related literature regarding service quality in gymnasiums. The literature discussed the characteristics and dimensions of service quality and the importance for organizations to maintain high standards according to customers' expectations and perceptions. The chapter focused on the current situation in the South African Commercial Health and Fitness Centres specifically looking at Virgin Active. Customer service of gymnasiums in the health and fitness industry was also investigated. The literature review also highlighted the fact that customer service is a key issue to induce customer satisfaction and sustain the gymnasiums' profitability in the long-term.

Customer satisfaction, as a result of customer service in the health and fitness industry, was also identified. The chapter also presented the five service quality dimensions, developed by Parasuraman, Zeithaml and Berry (1988: 13). The Gaps Model of service quality indicated how the gaps can occur. Gap 5, the difference between customers' expectations and perceptions of service quality, was highlighted as the most important gap to be closed to improve service quality within a service organization.

As shown in chapter 4, the results of the gap analysis revealed that members' perceptions were consistently lower than their expectations. The negative gaps indicate that the delivered service level was falling below members' expectations of service quality at Virgin Active gymnasiums in the greater Durban area.

5.6 Summary of the empirical study

Chapter 4 analyzed, interpreted and presented results of the study undertaken. The study was quantitative in nature as 457 questionnaires were used to extract information from members at Virgin Active gymnasiums in the greater Durban area. From the results, it is noted that there are important aspects of service quality that Virgin Active gymnasiums, in the greater Durban area, must address in order to provide improved customer service and satisfaction.

This study was conducted following the logical stages of planning and framing; gathering of primary and secondary data; the analysis of data from respondents and the interpretation of study results as well as report writing.

5.7 Achievement of research objectives

Study objectives serve as the support of the entire study. The achievement of research objectives are briefly discussed below:

- **To identify members' expectations in terms of the delivered services provided at Virgin Active gymnasiums**

Chapter two researched literature and provided an understanding of the essential characteristics and the five dimensions of service quality. Members' expectations of service quality in gymnasiums were researched locally and internationally. Members' expectations, in terms of service quality at Virgin Active gymnasiums', were tested and analyzed in Chapter 4. The gap between members' expectations and perceptions was measured. Measurement was made according to members' expectation of the delivery of the five service quality dimensions: reliability, responsiveness, assurance, empathy, and tangibility. The results indicated that the respondents did not view the delivery of service quality at Virgin Active gymnasiums in the greater Durban area as being outstanding. Therefore, the first objective has been achieved.

- **To ascertain the perceptions of members towards the services provided at Virgin Active gymnasiums**

As indicated in the literature review, the process of service delivery is influenced by the five dimensions of service quality. Members' perceptions were evaluated on the five dimensions: reliability, responsiveness, empathy, tangibility, and assurance. The literature review explained all five dimensions, and highlighted their importance the delivery of service quality.

Members' perceptions, in terms of service quality at Virgin Active gymnasiums, were tested and analyzed in Chapter 4. The results indicated that the respondents' perceptions of the five service quality dimensions of the gymnasiums were not what they expected. This shows that members are not receiving the quality service delivery at Virgin Active gymnasiums in the greater Durban area. Therefore, this objective has been achieved.

- **To measure the gaps between members' expectations and perceptions of service quality, using a modified version of the SERVQUAL model**

The basis of this research was to determine if a gap exists between members' expectations of service quality and the actual service delivered at Virgin Active gymnasiums selected in the greater Durban area. Chapter 2 presented a review of the research of Parasuraman, Zeithaml and Berry (1988: 13) on the gaps model of service quality which uses the SERVQUAL as the preferred instrument in measuring the gap between customers' expectations and perceptions. Service quality was evaluated on the five dimensions: reliability, responsiveness, empathy, tangibility, and assurance.

- **To calculate and measure the score of the SERVQUAL dimensions**

In chapter 4, a statistical analysis showed the calculations and measurements of the data collected from the respondents. Twenty-one items were measured using SERVQUAL. In the latter part of chapter five, the recommendations on how to improve service delivery are presented and, therefore, this objective has also been achieved.

5.6 Restrictions of the study

The study focused only on the greater Durban area, but the findings are much broader in their application. The study was conducted at nine Virgin Active gymnasiums in the greater Durban area; Westville, Pinetown, Kloof, Amanzimtoti, La Lucia, Bluff, Durban, Kingspark and Mount Edgecombe.

There is no substantial amount of data as there are few current publications on service quality in gymnasiums in the South African context, but there is an adequate amount of information about service quality around the world.

5.6 Recommendations

5.6.1 Recommendations based on research design

- **Sample – Geographical Region**

In this study, respondents were selected from the greater Durban area only. It will be beneficial to extend the study to other Virgin Active gymnasiums in other provinces in order to assess the impact of service quality of these respondents in further studies. The opinions of members in other areas will enable the researcher to compare and contrast the results between geographical regions.

- **Sampling Technique**

Convenience sampling was used in this study. It would be advisable to use the stratified sampling technique in future studies. McDaniel and Gates (2002: 410) suggest that stratified sampling is the probability sample that is forced to be more representative through simple random sampling of mutually exclusive and exhaustive subsets. Stratified samplers are statistically more efficient because one source of variation has been eliminated. This technique will also allow the researcher to compare results across different provinces.

5.6.2 Recommendations based on findings

- **Facilities offered for the disabled**

It is recommended that Virgin Active gymnasiums improve their facilities and educate staff on how to provide above average service quality for disabled members. Findings indicate that members do not feel that there is adequate facilities and assistance for disabled members. The result suggests that Virgin Active gymnasiums neglect this important element in the service delivery process. Organizations should have the capacity to customize services for dealing with their customers' special needs. By providing these facilities, Virgin Active gymnasiums can attract more potential members who require these facilities.

- **Assisting members and providing staff with knowledge**

Virgin Active gymnasiums should recruit and select skilled and competent staff. Furthermore, they need formal training in service quality to deal with different types of members and their needs. Assisting members and providing employees with knowledge about health and fitness are the most important factors that Virgin Active gymnasiums need to improve. This improvement can be achieved by hiring employees that are more skilled in health and fitness or by training the existing employees. It is, therefore, imperative that training of employees should be addressed to enhance efficient and effective customer service.

- **Interest shown in members**

Virgin Active gymnasiums in the greater Durban area should enhance empathy of their gymnasiums in three ways. Firstly, employees need to increase their ability to show members that they are interested and concerned with members' progress in their fitness. Managers should demonstrate a human dimension in their interaction with members.

Secondly, management of the gymnasiums should develop procedures to ensure members receive individual attention during their workouts. There is, therefore, a need for members' individual desires to be responded to.

Thirdly, managers at gymnasiums should consider procedures for dealing with members' individual needs. Employees should have the social skills to approach members' and understand their individual needs. It is recommended that Virgin Active gymnasiums in the greater Durban area take into consideration the seriousness of members as findings have indicated that members encounter problems with employees who don't understand their individual needs and don't give individual attention.

- **Gymnasium appearance and image**

Findings show that Virgin Active gymnasiums in the greater Durban area are neat and visually appealing. However, with regards to new technological equipment, Virgin Active gymnasiums should purchase new technologically advanced equipment to ensure that they adapt quickly to environmental changes of new technologies. Therefore, it is recommended that some effort be made by Virgin Active gymnasiums in the greater Durban area to ensure that they improve their equipment.

- **Membership purchase and fees**

From the results, it appears that most members are not satisfied with the membership fees they are currently being charged. Findings reflect that it is not convenient for members to purchase membership. It is, therefore, imperative that Virgin Active gymnasiums address the fee structure and the procedures taken to enrol new members to Virgin Active gymnasiums in the greater Durban area. In order to deliver service quality, purchase of membership must be convenient and easy for members joining gymnasiums.

- **Interaction of child minders in a safe and secure environment**

Virgin Active gymnasiums should employ child minders who are trained and competent with interacting with children. This improvement can be achieved by ensuring child minders have practical experience before they are employed. Child minders need to have the skills to ensure that the environment that the children play in is safe and secure. By providing professional interaction and a safe environment for the children, Virgin Active gymnasiums will enhance their quality of service delivery. Members will be provided with the assurance that children are valued by Virgin Active gymnasiums.

- **Employees' appearance**

Findings indicate that employees' appearance at Virgin Active gymnasiums are not to the satisfaction of members' expectation. Personal appearance of employees is an important factor to the customer in their assessment of the service provider. Therefore, it is recommended that employees at Virgin Active gymnasiums present themselves in a more visually appealing professional manner.

- **Employees' responsiveness to customer complaints**

From the results, members are not satisfied with the manner in which Virgin Active employees handle customer complaints. Therefore, it is important that Virgin Active gymnasiums address procedures taken to respond to customer complaints.

5.7 Recommendations for gymnasiums in general

The competition in the health and fitness industry is fierce. Customers have several different options when choosing a place to train. Furthermore, several gymnasiums offer the same kind of programmes and services, and differentiation in the industry is difficult. Gymnasiums need to create an image of being warm, friendly and helpful, with reasonable fees and excellent service quality.

Gymnasiums need to develop means for the continual evaluation of the expectations and perceptions of service delivery by members. This development could indicate the extent to which the gymnasiums need to improve on certain dimensions to satisfy members in terms of service delivery. Managers at gymnasiums need to understand that members' comments, complaints, and questions provide critical information needed to anticipate areas of potential dissatisfaction.

Gymnasiums should encourage members to provide feedback. Problems should be seen as opportunities, and this way of thinking should also be understood by employees.

Outstanding service quality can provide gymnasiums with a competitive advantage in the future. Managers and employees should try developing a unique relationship with all members, and treat each one as someone special. The more customization the gymnasium is able to build, the better the relationship with each member.

Gymnasiums should increase the number of points of contact with each member, and encourage social interaction between employees and members. Management and employees can contribute immensely to the improvement of service quality dimensions.

Gymnasiums should remember that members visit their organizations for social reasons as much as to exercise. The introduction of training partners, group induction programmes, and social activities are efficient ways to encourage people to meet each other and form bonds.

Gymnasiums should make a dedicated effort for their members and show them how dedicated they are to making sure that they feel good about being part of the organization. In general, gymnasiums should seek to provide a service that satisfies the members' needs, and provide facilities and employees that encourage members to improve their health and fitness more than they had planned originally.

5.8 Recommendations for further research

It is recommended that another study be done of a qualitative nature that will explore, in depth, more about service delivery and its impact on members at Virgin Active gymnasiums. It was noted that some members wanted to elaborate more about the service delivery they receive but the questionnaire was not designed to allow for further recording of information.

The study raises new questions for further research. First, in this study, the empathy dimension was found to be relatively more important than reliability, responsiveness, assurance and tangibles. This finding highlights the fact that care and individual attention is the most important factor in service delivery for Virgin Active gymnasiums in the greater Durban area.

In addition, future research may also look at whether the perceived and expected service quality levels differ between educated and non-educated members. Future studies may investigate other types of member characteristics (e.g., ethnicity, income and occupation). Therefore, further research is recommended.

5.9 Concluding remarks

This study has highlighted the expectations and perceptions of members at Virgin Active gymnasiums in the greater Durban area. Issues relating to the delivery of service quality and the gap scores were discussed. The importance of service delivery is crucial in gymnasiums. In today's volatile economy, providing excellent service delivery can be the critical difference in any organization's success. In order to accomplish profits, gymnasiums need to constantly review the quality of their service delivery.

The recommendations and conclusions discussed in this chapter represent some of the measures that could possibly be taken by Virgin Active gymnasiums in the greater Durban area to improve the delivery of service quality. This study will have a positive impact on the delivery of service quality, which will assist gymnasium managers to increase customer satisfaction at Virgin Active gymnasiums in the greater Durban area.

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Annexure 1

QUESTIONNAIRE

CUSTOMER SERVICE QUALITY AT VIRGIN ACTIVE

My name is Colleen Lotz from the Durban University of Technology and I am conducting research for my Master's degree in Marketing. The title of my research project is "Customer service quality at commercial health and fitness centres". In order to collect representative data, I would like to interview you. I need only 15 minutes of your time to complete this interview.

The data provided will be treated confidentially and your co-operation is highly appreciated.

Please cross or tick **one block** for each question

1. Please specify your gender.	Male	Female
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2. Please indicate your age category	Below 24	25 - 34	35 - 34	45 - 54	55 & up
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3. What is your highest educational qualification?	Less than a Matric	Matric	Degree	Postgrad	Other
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4. At which branch of Virgin Active do you train?	Kings park	Pintown	Westville	Kloof	Durban	Bluff	La Lucia	Ananzimtoti	Mt Edgecombe
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			How do you rate the service level you EXPECT?							How you you rate the service level you ACTUALLY RECEIVE?						
			Strongly Disagree			Strongly Agree				Strongly Disagree			Strongly Agree			
Tangibles	1	Excellent gymnasiums have modern-looking equipment	1	2	3	4	5	6	7	1	2	3	4	5	6	7
	2	The physical facilities at an excellent gymnasiums are visually appealing	1	2	3	4	5	6	7	1	2	3	4	5	6	7
	3	Employees at an excellent gymnasiums are neat in appearance	1	2	3	4	5	6	7	1	2	3	4	5	6	7
	4	Equipment associated with the service (such as cardio and weight Training equipment) are visually appealing at an excellent gymnasiums	1	2	3	4	5	6	7	1	2	3	4	5	6	7
Reliability	5	Excellent gymnasiums provide membership that is easy to purchase	1	2	3	4	5	6	7	1	2	3	4	5	6	7
	6	Employees at excellent gymnasiums are responsive to customer complaints	1	2	3	4	5	6	7	1	2	3	4	5	6	7
	7	Employees at excellent gymnasiums are prepared for emergencies	1	2	3	4	5	6	7	1	2	3	4	5	6	7
	8	Employees at excellent gymnasiums give prompt service to members	1	2	3	4	5	6	7	1	2	3	4	5	6	7
Responsiveness	9	Employees at excellent gymnasiums tell members exactly what services are offered for the disabled	1	2	3	4	5	6	7	1	2	3	4	5	6	7
	10	Child minders at excellent gymnasiums interact and play with the children	1	2	3	4	5	6	7	1	2	3	4	5	6	7
	11	Employees at excellent gymnasiums are willing to help	1	2	3	4	5	6	7	1	2	3	4	5	6	7
	12	Training instructors at excellent gymnasiums display a high level of professionalism when they conduct classes	1	2	3	4	5	6	7	1	2	3	4	5	6	7
Assurance	13	Employees at excellent gymnasiums instill confidence in members	1	2	3	4	5	6	7	1	2	3	4	5	6	7
	14	Excellent gymnasiums provide a secure and safe playing facility for children	1	2	3	4	5	6	7	1	2	3	4	5	6	7
	15	Excellent gymnasiums offer moderate membership fees	1	2	3	4	5	6	7	1	2	3	4	5	6	7
	16	Employees at excellent gymnasiums have professional knowledge	1	2	3	4	5	6	7	1	2	3	4	5	6	7
Empathy	17	Employees at excellent gymnasiums show interest in members' progress	1	2	3	4	5	6	7	1	2	3	4	5	6	7
	18	Excellent gymnasiums give members individual attention	1	2	3	4	5	6	7	1	2	3	4	5	6	7
	19	Excellent gymnasiums provide a social opportunity for members	1	2	3	4	5	6	7	1	2	3	4	5	6	7
	20	Employees of excellent gymnasiums understand the specific needs of their members	1	2	3	4	5	6	7	1	2	3	4	5	6	7
	21	Excellent gymnasiums have operating hours convenient to all their members	1	2	3	4	5	6	7	1	2	3	4	5	6	7

Annexure 2

Expected values of respondents

	Initial	Extraction
E1 - Excellent gymnasiums have modern-looking equipment	1.000	.665
E2 - The physical facilities at an excellent gymnasiums are visually appealing	1.000	.567
E3 - Employees at an excellent gymnasiums are neat in appearance	1.000	.455
E4 - Equipment associated with the service (such as cardio and weight Training equipment) are visually appealing at an excellent gymnasiums	1.000	.535
E5 - Excellent gymnasiums provide membership that is easy to purchase	1.000	.598
E6 - Employees at excellent gymnasiums are responsive to customer complaints	1.000	.519
E7 - Employees at excellent gymnasiums are prepared for emergencies	1.000	.526
E8 - Employees at excellent gymnasiums give prompt service to members	1.000	.360
E9 - Employees at excellent gymnasiums tell members exactly what services are offered for the disabled	1.000	.462
E10 - Child minders at excellent gymnasiums interact and play with the children	1.000	.787
E11 - Employees at excellent gymnasiums are willing to help	1.000	.465
E12 - Training instructors at excellent gymnasiums display a high level of professionalism when they conduct classes	1.000	.304
E13 - Employees at excellent gymnasiums instil confidence in members	1.000	.403
E14 - Excellent gymnasiums provide a secure and safe playing facility for children	1.000	.752
E15 - Excellent gymnasiums offer moderate membership fees	1.000	.632
E16 - Employees at excellent gymnasiums have professional knowledge	1.000	.356
E17 - Employees at excellent gymnasiums show interest in members' progress	1.000	.434
E18 - Excellent gymnasiums give members individual attention	1.000	.465
E19 - Excellent gymnasiums provide a social opportunity for members	1.000	.552
E20 - Employees of excellent gymnasiums understand the specific needs of their members	1.000	.464
E21 - Excellent gymnasiums have operating hours convenient to all their members	1.000	.361

Annexure 3

Perceived values of respondents

	Initial	Extraction
P1 - Excellent gymnasiums have modern-looking equipment	1.000	.621
P2 - The physical facilities at an excellent gymnasiums are visually appealing	1.000	.581
P3 - Employees at an excellent gymnasiums are neat in appearance	1.000	.542
P4 - Equipment associated with the service (such as cardio and weight Training equipment) are visually appealing at an excellent gymnasiums	1.000	.549
P5 - Excellent gymnasiums provide membership that is easy to purchase	1.000	.586
P6 - Employees at excellent gymnasiums are responsive to customer complaints	1.000	.599
P7 - Employees at excellent gymnasiums are prepared for emergencies	1.000	.526
P8 - Employees at excellent gymnasiums give prompt service to members	1.000	.500
P9 - Employees at excellent gymnasiums tell members exactly what services are offered for the disabled	1.000	.398
P10 - Child minders at excellent gymnasiums interact and play with the children	1.000	.755
P11 - Employees at excellent gymnasiums are willing to help	1.000	.534
P12 - Training instructors at excellent gymnasiums display a high level of professionalism when they conduct classes	1.000	.401
P13 - Employees at excellent gymnasiums instil confidence in members	1.000	.497
P14 - Excellent gymnasiums provide a secure and safe playing facility for children	1.000	.791
P15 - Excellent gymnasiums offer moderate membership fees	1.000	.611
P16 - Employees at excellent gymnasiums have professional knowledge	1.000	.551
P17 - Employees at excellent gymnasiums show interest in members' progress	1.000	.637
P18 - Excellent gymnasiums give members individual attention	1.000	.598
P19 - Excellent gymnasiums provide a social opportunity for members	1.000	.557
P20 - Employees of excellent gymnasiums understand the specific needs of their members	1.000	.524
P21 - Excellent gymnasiums have operating hours convenient to all their members	1.000	.726

Annexure 4

Rotated Component Matrix

	Expected				
	Component				
	1	2	3	4	5
Excellent gymnasiums have modern-looking equipment	-.002	.106	.802	.076	.073
The physical facilities at an excellent gymnasiums are visually appealing	.220	.098	.709	.058	.051
Employees at an excellent gymnasiums are neat in appearance	.292	.101	.596	.058	-.017
Equipment associated with the service (such as cardio and weight Training equipment) are visually appealing at an excellent gymnasiums	.416	.147	.400	.043	-.422
Excellent gymnasiums provide membership that is easy to purchase	.019	.737	.143	.173	.059
Employees at excellent gymnasiums are responsive to customer complaints	.356	.325	.079	.097	.521
Employees at excellent gymnasiums are prepared for emergencies	.321	.149	.261	.113	.565
Employees at excellent gymnasiums give prompt service to members	.349	.225	.170	.384	.106
Employees at excellent gymnasiums tell members exactly what services are offered for the disabled	.604	-.097	.207	.208	-.033
Child minders at excellent gymnasiums interact and play with the children	.175	.111	.017	.857	-.098
Employees at excellent gymnasiums are willing to help	.580	.058	.269	.182	.138
Training instructors at excellent gymnasiums display a high level of professionalism when they conduct classes	.502	-.040	.215	.062	-.001
Employees at excellent gymnasiums instil confidence in members	.547	.228	.044	.185	.123
Excellent gymnasiums provide a secure and safe playing facility for children	.135	.098	.114	.831	.142
Excellent gymnasiums offer moderate membership fees	.027	.790	.065	.049	.024
Employees at excellent gymnasiums have professional knowledge	.575	.060	.109	.002	.103
Employees at excellent gymnasiums show interest in members' progress	.553	.323	-.014	.142	-.060
Excellent gymnasiums give members individual attention	.526	.398	.017	.148	-.086
Excellent gymnasiums provide a social opportunity for members	.319	.428	.192	.100	-.471
Employees of excellent gymnasiums understand the specific needs of their members	.437	.485	.143	.054	.119
Excellent gymnasiums have operating hours convenient to all their members	.431	.370	.103	.008	.168

	Perceived				
	Component				
	1	2	3	4	5
	.107	.737	.251	.021	.049
	.078	.683	.267	.117	.150
	.153	.682	.115	.000	.201
	.230	.664	.187	-.013	.142
	.446	.241	.206	-.003	.535
	.213	.181	.650	.125	.288
	.143	.238	.642	.104	.163
	.360	.261	.535	.124	-.019
	.171	.151	.576	-.032	-.112
	.104	.040	.106	.854	.054
	.541	.400	.246	.134	-.053
	.351	.468	-.019	.217	.108
	.522	.239	.324	.221	.116
	.102	.091	.074	.875	.036
	.648	.125	.138	-.067	.390
	.497	.507	.187	.081	-.078
	.689	.151	.347	.139	.009
	.717	.010	.281	-.013	.066
	.680	.215	-.084	.201	-.042
	.609	.211	.266	-.010	.195
	.010	.207	.018	.102	.820

Annexure 5

LETTER OF CONSENT

1 Chiral Drive

Westville

3630

20 September 2008

Dear Respondents

I am studying towards my Master's Degree in Marketing at the Durban University of Technology. In terms of the programme, a research project needs to be conducted.

I have chosen to conduct a research on customer service at selected commercial health and fitness centres in Kwazulu-Natal. I believe it is important for both gymnasium members and managers to have a clear understanding of this subject: how it affects both groups and how to design programs that will address this problem and bring about satisfactory change for both. I will therefore be interviewing members from different gymnasium locations in the greater Durban area. I will make the research report available at the DUT library.

I hereby request your consent and support in conducting this research by answering this questionnaire. Your responses will be highly confidential.

Thanking you

Colleen Lotz