

# **FACTORS AFFECTING THE PURCHASING BEHAVIOR OF GYMNASIUM USERS IN BANGKOK AREA**

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## **ABSTRACT**

The purpose of this independent study is to investigate the factors affecting the purchasing behavior of gymnasium users in the Bangkok area. Data were collected from 100 gymnasium users who live in the Bangkok area. A questionnaire was used as the tool to obtain information from the participants. The questionnaire was developed based on the objectives of the study and comprised closed-ended questions using rankings and a Likert scales. The data were analyzed by using the chi-square test and descriptive statistics. The results revealed that the most significant reason for gymnasium users is health concerns. The respondents' opinions about the gymnasium in terms of the 4Ps moderated the degree of agreement.

It was found that customers from different demographic profiles are likely to be differed in term of their purchasing behavior of gymnasium users; marketing mix strategies and word of mouth communication have influences on purchasing behavior of gymnasium users in Bangkok with a partial significance at 0.05.

Keywords: purchasing behavior, gymnasium users, marketing mix, word of mouth communication

## **Introduction**

Currently, the fitness industry has become very popular in Thailand. Many Thais follow the health and fitness trend and there are a lot of big and small gymnasiums located in their local area. Gymnasium users are defined as the group of people who are involved in fitness activities at gymnasiums. From 2014 to 2016, the health and fitness industry grew quickly. The increasing number of large and small business providers offered customers a variety of health and fitness services. True Fitness was the first large fitness service which opened in 2006, and then Fitness First opened in 2008 and Virgin active was established in 2014. On the other hand, there are many

small fitness companies in Bangkok. These small companies are called studios and include yoga, weight training, dance, cardio and other studios.

Online subscription gym-membership was first provided in Bangkok in 2015, providing fitness activities for gymnasiums with a single payment. This is a new business model for the fitness industry in Thailand, moving from the traditional method of payment to select a large big or small fitness center to a package to enter a variety of gymnasiums. It is a challenge for the fast growing fitness industry to understand the factors affecting the purchasing behavior of gymnasium users and represents a way to develop an appropriate marketing plan for business owners. Consumer behavior is a basic way to conduct research to understand a market.

The Thai market situation was researched from related research works and newspapers articles. Patrick Dean, executive director and one of the founders of Seara, a company that provides its product and services to health and fitness facilities, private clubs, educational institutions, hotel and resorts, property estates, multi-purpose sports facilities and governmental projects said “I am happy to say that Thailand is currently an educated country in terms of the quality of sports and fitness. People now fully understand what quality is, and Thai people will no longer compromise on quality,” The Cascade club is one of Seara’s showcase sites. The company is making the most of the fitness boom that has swept the country (Charoen, 2006).

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Angel Chan, Chief Operations Officer at We Fitness Company Limited, said the local fitness business was growing at a rate of about 10-20 per cent annually, with a value of more than Bt6 Billion posted last year. Growth is in line with social trends moving towards healthier living (Kwanchai, 2013).

Richard Cohen is the founder of The Lab, a fitness-training studio that electronic exercise bikes and treadmills and also offers personal training, tailor-made to each

individual health condition and lifestyle, with certified professionals. The Lab has been located in Bangkok since 2013 (Pattarawadee, 2013).

The latest fitness craze from New York has arrived in Bangkok, Physique 57, a studio that provides barre-based workout blend ballet, Pilates, strength training and cardio to effectively sculpt arms, thighs, abs, and hips to build firm, long, lean muscles. Physique 57 was established in Bangkok in 2015, two years after its international branch successfully opened in Dubai (Napamon 2015).

Fitness First spent B1bn to expand British-based Fitness First (Thailand) and planned to spend 1 billion baht in 2015 to open four new fitness clubs and develop digital communications tools. Managing director, Mark Buchanan, said Fitness First would continue to invest more in Thailand as the fitness industry showed positive signs despite the local economic slowdown. “The health-related business still has huge room to grow, because Thais are more health-conscious,” he said. The Thai fitness business is worth 5 billion baht with 200,000 members and 480 operators nationwide. It is predicted to grow by 10-20% per year (Saengwit, 2015).

This research considers this fast growing market as gymnasium users is an interesting investigating area. Thus, the study aims to obtain information about this market and will be useful in decision making when investing and in developing appropriate marketing business plans. The study will focus on the likely factors affecting the purchasing behavior of gymnasium users in the Bangkok area which are demographic profile, marketing mix strategy (4Ps) and Word of Mouth (WOM) communication. The conceptual framework of this study is depicted in Figure 1.

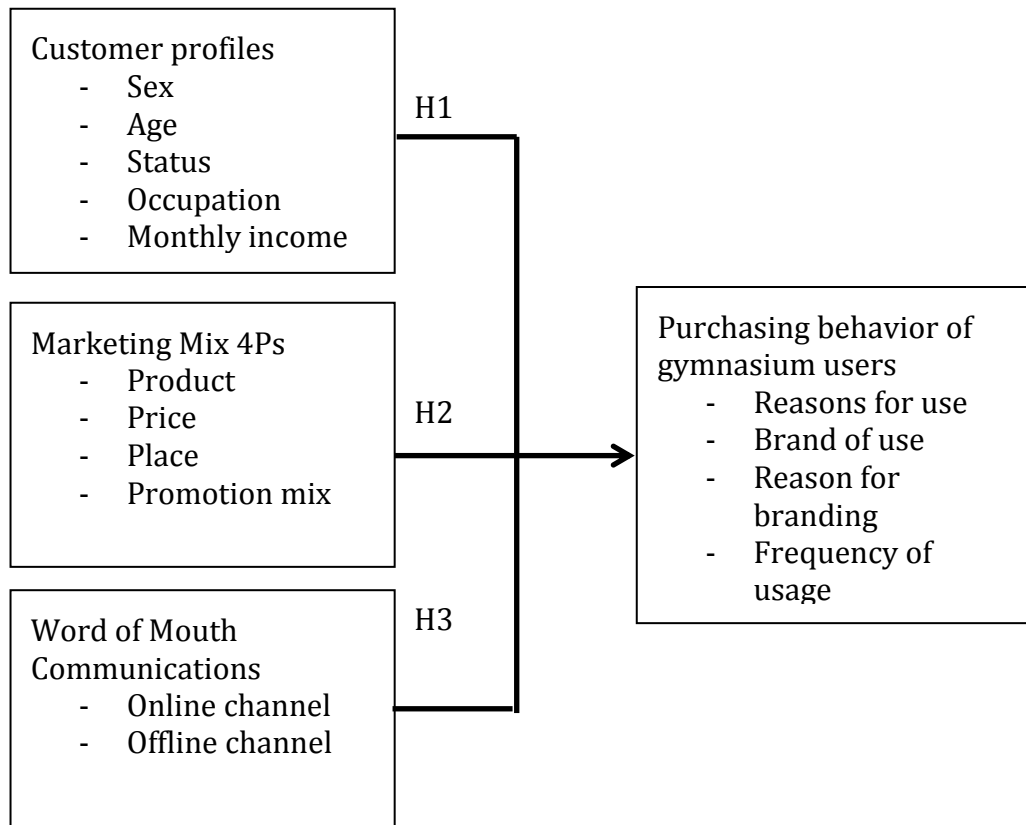
According to the conceptual framework of this study, the study hypotheses are listed below:

H1: Gymnasium users with different demographic profiles are likely to differ in terms of purchasing behavior.

H2: There is an effect of the 4Ps marketing mix on the purchasing behavior of gymnasium users.

H3. There is an effect of word of mouth communications on the purchasing behavior of gymnasium users.

Figure 1: Conceptual framework of the study



## Research Methodology

In this research, the method employed in this study is descriptive research. A questionnaire was employed as a tool to collect data for quantitative analysis. This study addresses the purchasing behavior of gymnasium users in the Bangkok area using the following constructs:

1. Demographics: gender, age, status, occupation and monthly income
2. Purchasing behavior: reasons for using gymnasium, reason for selecting a gymnasium brand, frequency of usage per week, usage time, amount of spending/time
3. The marketing mix (4Ps) that influences consumer behavior: product, price, place, promotion mix; sales promotion, advertising, personal selling, direct marketing)
4. Word of mouth communications: online and offline channels

The survey research design employs a self-administrated questionnaire (Malholtra, 2010). The steps of the research methodology are as follows:

- 1) Identifying population and sample

Population: Thai male or female member of a gymnasium in Bangkok

Sample: 100 Thai male or female member of a gymnasium in Bangkok

The target respondents were selected by using the non-probability technique.

## 2) Determining sample size

Because the size of the population is unknown, the researcher used the Taro Yamane table to calculate the approximate sample size for this study. The sample size is calculated based on a 95% confidence level and a 5% sampling error based on the following formula:

$$n = Z^2 [P (1-P)] / e^2$$

n = Sample size

Z = Reliability of 95% is 1.96

e = Not reliability is 0.05

P = Percentage (0.05)

Calculation:

$$\begin{aligned} n &= Z^2 [P (1-P)] / e^2 \\ &= (1.96)^2 [(0.50) (1-0.50)] / (0.05)^2 \\ &= 384 \end{aligned}$$

The sample size is no less than 384 respondents. However, due to the short study period of the course (4 months), this study collected data from 100 respondents.

## Measurement Items

The study developed and adapted items from previous studies to measure the constructs as follows:

1. 5 items to measure the demographic profile of gymnasium users (gender, age, status, occupation, monthly income)
2. 6 items to measure the purchasing behavior of gymnasium users ( reason for use, brand of use, reason for branding, frequency of usage, visiting period, amount of spending/time)
3. 17 items to measure the marketing mix (4Ps) (product, price, place, promotion mix; sales promotion, public relations, advertising, personal selling) and 7 items to measure word-of-mouth communications (online channel, offline channel).

A Likert scale was used to quantify the level of agreement on items related to the 4Ps and WOM. The scale descriptions are as follows:

- “5” = Strongly agree with the statement  
“4” = Agree with the statement

“3”	=	Feel neutral about the statement
“2”	=	Disagree with the statement
“1”	=	Strongly disagree with the statement

### **Data collection**

The data were collected on the basis of convenience sampling in major shopping malls that has fitness gymnasium. Screening characteristics of population are male or female who is member of fitness gymnasium in Bangkok.

### **Data analysis**

The data was analyzed using descriptive statistics and the Chi-square test for hypothesis testing.

## **Results**

### **Descriptive results**

From the 100 questionnaires that were collected, the data have been coded and analyzed by using statistical package software.

### **Results of demographic profiles**

The summary of the demography profiles is as follows:

First jobbers/ fresh graduates are the majority of gymnasium users in Bangkok.

The age of the majority is between 26-30 years old.

They are mostly single

Private company employees are the majority of gymnasium users followed by government officers.

Monthly income is from THB 15,001- THB 25,000 followed by THB 25,001-THB 35,000

### **Results of purchasing behavior**

The summary for purchasing behavior is as follows:

A convenient location and health concerns are the reasons for the majority of gymnasium users

Fitness First is the number one fitness brand for them.

Heavy and light users are equal in number.

The majority of gym users visit the gym after 6.00pm until the club closes.

They use the gym for one hour per visit.

### **Result of hypothesis test**

Chi-square was used to test hypotheses. The results are as follows:

**Hypothesis 1:** Gymnasium users with different demographic profiles are likely to differ in terms of purchasing behavior.

It was found that customers from different demographic profiles are likely to be differed in term of their purchasing behavior of gymnasium users (a partial significance at  $p < 0.05$ ).

Visiting period of gymnasium users is after 6.00pm till the club closed.

First jobber is the group that has high purchasing behavior. Who is private company employee and they tend to choose Fitness first for the Fitness brand.

**Hypothesis 2:** There is an effect of the 4Ps marketing mix on the purchasing behavior of gymnasium users.

It was found that there is an effect of the 4Ps marketing mix on the purchasing behavior of gymnasium users (a partial significance at  $p < 0.05$ ). For examples, the effect of distribution channel strategy such as branch location on the reason for usage; promotion tools such as discount, billboard, radio, personal selling on reason for usage.

### **Hypothesis 3**

There is an effect of word of mouth communications on the purchasing behavior of gymnasium users.

It was found that there is an effect of word-of-mouth communications on the purchasing behavior of gymnasium users (a partial significance at  $p < 0.05$ ). For examples, the effect of social media posted on reason for usage; Internet's web board posted and comments such as sharing experience of club member on a duration of usage.

## **Conclusions and Recommendations**

The purpose of this study is to determine the factors affecting the purchasing behavior of gymnasium users in the Bangkok area. This study could be useful for gymnasiums in the Bangkok area since it reveals the effect of the 4Ps, WOM and other factors on purchasing behavior of their customers.

The study revealed that age affects purchasing behavior because the majority of participants are between 26-30 years old, and are from the first jobber and young professional groups. The result implies that male and female gymnasium users tend to show the same reasons for gymnasium usage. A convenient location is the most important reason for them and Fitness First is the number one brand they chose because Fitness First has branches in many department stores. These items should be considered for setting marketing strategy for gymnasiums in Bangkok.

From the data, 40.0% of the respondents who are members of Fitness First and Virgin gymnasiums agreed they may pay a higher price for convenience so the gymnasium should situate on a convenient location such as near workplace or in the local community.

From the questionnaire, one of the most agreed answer was 'I usually exchange opinions about my experience of using the gymnasium with club members'. This result support hypothesis 3 that word of mouth communications via both face-to-face and online such as social media has influence on the purchasing behavior of gymnasium users. Thus, gymnasiums should focus on employing both platforms.

The results of this study are beneficial for gymnasiums in Bangkok, marketers and owners who could learn about the purchasing behavior of their customers. They could use this study as information to improve the service they are offering and also using different demographic data to segment proper customers of the gymnasiums.

### **Future Research**

The findings from the analysis respond to the study's research objectives and help to achieve its goals, which are to determine the effect of different profiles on the purchasing behavior of gymnasium users in the Bangkok area, to determine the effect of the 4Ps marketing mix on the purchasing behavior of gymnasium users in the Bangkok area, and to determine the effect of word-of-mouth communications on the purchasing behavior of gymnasium users in the Bangkok area. Future research may study other factors influencing gymnasium users in Bangkok such as customer convenience via multiple selling channels to better understand their customer behavior. This would support the idea of Dahlen (2010) suggested that brand should focus more on giving customer multiple communication channels than the product quality, the low price or the place.



Moreover, a future study may replicate this study by collecting data from larger sample size to increase the generalization power of the results

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