University of Worcester
Centre for People @ Work

Membership retention in the fitness industry: The development and validation of a predictive model
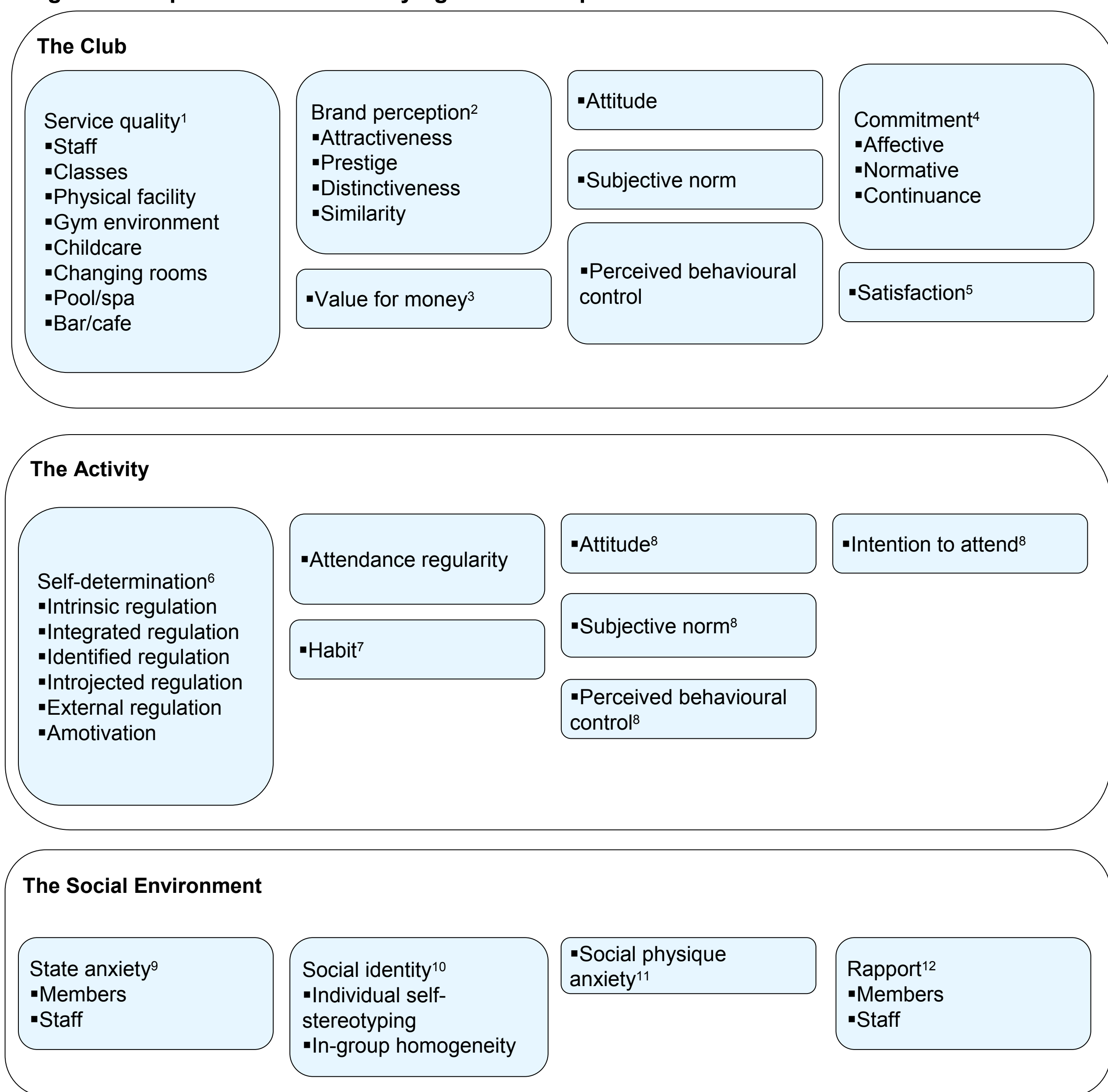
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Introduction

There is increasing concern over membership retention rates in fitness clubs. Whilst there has been a growth in the popularity of fitness club membership (from 9.1% of the adult population to 11% in 2007), the average retention rate in private clubs is approximately only 60% (FIA, 2002; Mintel, 2005*). Whilst there is much research on member satisfaction and service quality, and member attendance (adherence), there is little empirical research into the psychological factors underlying member attrition i.e. what drives members to cancel their membership? This is surprising, considering membership retention rates account for 76% of club revenue. In order to answer this question, it is necessary to develop and validate a predictive model of cancellation decision-making. Firstly, this involves identifying the factors which account for most variance in cancellation decisions and secondly, identifying the pathways between these factors. Based on a previous literature review and a preliminary qualitative phase (semi-structured telephone interviews; n=25), the following clusters of factors were identified as being potentially accountable of the variance in cancellation decision-making (Fig. 1).

Figure 1. Proposed factors underlying membership cancellation*

The Club

Service quality[1]
- Staff
- Classes
- Physical facility
- Gym environment
- Childcare
- Changing rooms
- Pool/spa
- Bar/cafe

Brand perception[2]
- Attractiveness
- Prestige
- Distinctiveness
- Similarity

Value for money[3]

- Attitude
- Subjective norm
- Perceived behavioural control

Commitment[4]
- Affective
- Normative
- Continuance

Satisfaction[5]

The Activity

Self-determination[6]
- Intrinsic regulation
- Integrated regulation
- Identified regulation
- Introjected regulation
- External regulation
- Amotivation

- Attendance regularity
- Habit[7]

- Attitude[8]
- Subjective norm[8]
- Perceived behavioural control[8]

- Intention to attend[8]

The Social Environment

State anxiety[9]
- Members
- Staff

Social identity[10]
- Individual self-stereotyping
- In-group homogeneity

Social physique anxiety[11]

Rapport[12]
- Members
- Staff

*Please see additional handout for references

Method

A questionnaire was designed (MRQ), including new and modified scales (see Fig.1) and distributed to members of one large, premier fitness club (undisclosed) who were invited to complete either an on-line or postal version of the questionnaire. To date, a 74% response rate has been achieved (n=596). Sampling took place over 21 days in August 2008, on varying days and varying times in order to capture members with different attendance patterns. Missing values were replaced for the service quality subscales, due to the 'not applicable' choice in the response scale.

Results

Below, the significant Spearman correlation coefficients (strength ≥ .3) are shown between satisfaction (Table 1), intention to attend (Table 2) and intention to cancel (Table 3) and the factors shown in Fig. 1. Cases were deleted listwise (N=520). All coefficients are significant (p<.01). All of the factor scales shown below had acceptable levels of reliability (α = ≥ .6).

Table 1. Satisfaction correlates

	Satisfaction
Intention to cancel	-.44
Brand attractiveness	.59
Brand prestige	.56
Brand distinctiveness	.49
Brand similarity	.33
Value for money	.52
Attitude towards going	.56
Affective commitment	.50
Normative commitment	.38
Intrinsic regulation	.57
Integrated regulation	.30
Identified regulation	.37
Habit	.38
Attendance regularity	.31
Attitude towards cancelling	-.45
Individual self-stereotyping	.36
Rapport - members	.32
Rapport - staff	.35
Service quality - Staff	.47
Service quality - Classes	.37
Service quality - Changing rooms	.40
Service quality - Physical facility	.50
Service quality - Gym environment	.53
Service quality - Pool/Spa	.40

Note: The dataset is currently undergoing further analysis and transformation before path analyses are conducted.

Table 2. Attendance correlates

	Intention to attend
Intrinsic regulation	.30
Habit	.41

Table 3. Cancellation correlates

	Intention to cancel
Satisfaction	-.44
Attitude towards going	-.33
Intrinsic regulation	-.40
Identified regulation	-.35
Habit	-.32
Attitude towards cancelling	.52
Service quality - Gym environment	-.31

Summary & Conclusion

Of particular interest is the relationship between brand perception and satisfaction in addition to the service quality factors. Also, the social environment factors of individual self stereotyping and rapport relate to satisfaction. The self-determination factor of intrinsic regulation and habit also relate to satisfaction, attendance and cancellation intentions, informing psychologically how attendance and cancellation are connected.

The managerial implications of these findings and further path analyses include the importance of measuring each member's levels of these behavioural and psychological factors in order to improve the assessment of 'high risk' members and implement effective interventions.

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