

## **FACTORS AFFECTING BRAND LOYALTY TOWARD TAEKWONDO MARTIAL ARTS OF JINYA GYM IN BANGKOK**

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### **Abstract**

*This research investigates factors affecting brand loyalty toward taekwondo martial arts of Jinya Gym in Bangkok. These important factors are advertising, family, price, promotion, brand awareness, brand association and perceived quality. A total number of 500 questionnaires were distributed to Jinya Gym's customers and census survey was conducted at Jinya Gym's Future Park Rungsit branch and Bangna branch. Descriptive analysis, SPSS (Statistical Package for Social Sciences) and Pearson correlation coefficient were applied in this research. The research results showed that all of the factors studied have positive relationship with brand loyalty of Jinya Gym.*

### **INTRODUCTION**

Nowadays, operating a successful business requires several factors. One of them is brand loyalty. Brand loyalty is a key consideration when placing a value on a brand that is bought or sold and it comes from highly loyal customer base (Aaker, 1996). The operation of taekwondo school also needs brand loyalty to build good relationship between the brand and customers and to ensure they are satisfied with a school's service. Therefore, brand loyalty is essential for operating any business to earn a strong brand position and to be able to retain customers. Among many factors influencing brand loyalty, some that have significant dimensions related to brand loyalty include brand awareness, brand association and perceived quality. These factors will be analyzed regarding the level of importance and different affects to brand loyalty.

In this research, four factors affect brand awareness, brand association, perceived quality and brand loyalty are selected. These factors are advertising, family, price and promotion. Customers usually receive more information from the sources provided by both the family and the company. Furthermore, advertising, price and promotion are marketing variables that represent typical marketing, they have affects on brand loyalty although these three variables do not cover the full domain of marketing variables (Yoo et al., 2000; Villarejo and Sanchez-Franco, 2005). In this research, the researcher emphasizes on brand loyalty for its significant affect on taekwondo schools. Additionally, the customer and marketing elements can influence brand loyalty for taekwondo schools. Therefore, the researcher aims to study the relationship between the factors that affect brand loyalty of taekwondo schools to brand loyalty.

### **RESEARCH OBJECTIVE**

The purpose of this research is to study about the factors that affect brand loyalty toward Jinya Gym. The factors are advertising, family, price, promotion, brand awareness, brand association, and perceived quality. There are eleven objectives as follows:

1. To study the relationship between advertising and brand awareness.
2. To analyze the relationship between advertising and brand association.
3. To identify the relationship between advertising and perceived quality.
4. To find the relationship between family and brand awareness.
5. To test the relationship between family and brand association.
6. To evaluate the relationship between family and perceived quality.
7. To investigate the relationship between price and perceived quality.
8. To examine the relationship between promotion and perceived quality.
9. To consider the relationship between brand awareness and brand loyalty.
10. To explore the relationship between brand association and brand loyalty.
11. To scrutinize the relationship between perceived quality and brand loyalty.

## **LITERATURE REVIEW**

### **Brand Loyalty**

Brand loyalty is the consistency of a customer who continues to purchase the same brand of a particular product (Churchill and Peter, 1994). These customers usually do not change their mind to switch to buy another brand even at a lower price. In addition, brand loyalty is a measure of attachment that a customer has to a brand. As brand loyalty increases, the customers' vulnerability base to competitive action decreases (Aaker, 1991). Therefore, it is an indicator that ensures future sales. In other words brand loyalty directly equates a company's profitability.

### **Perceived Quality**

Zeithaml (1988) defined perceived quality as "the customer's perception of the overall quality or superiority of a product or service with respect to its intended purpose, relative to alternatives." In addition, perceived quality provides value to customers by providing them a reason to buy by differentiating the brand from competing brands (Bolton and Drew, 1991). Customers make decision to select and purchase the products and services of the brands through perceived quality because it is a criteria for customers' purchasing judgement. If customers are satisfied with the quality of brands' products and services, it is very likely that they will purchase those brands repeatedly. Hence, perceived quality is positively related to brand loyalty in term of winning loyalty of the customers.

### **Brand Awareness**

Brand awareness is the ability of the potential buyer to recognize or recall that a certain brand is a member of a certain product category (Aaker, 1991). As such, brand awareness plays an important role in building a brand in the mind of customers because customers make purchasing decision based on awareness, knowledge or experience of a particular brand. Consequently, customers may purchase continually as they are assured of its quality. Therefore, brand awareness is related with brand loyalty in making purchasing decision as it is related to customers' thoughts. The degree of brand loyalty gets higher as customers loyalty to their favorite brand becomes stronger and firmer.

### **Brand Association**

Brand association is anything that makes a brand valuable and that links to customers to make selection and purchasing decision (Keller, 1998). Brand association also forms a print in the customers' mind which they generally use to make purchasing decision. Therefore, brand association has a positive relationship with brand loyalty as customers become familiar with the brand in mind through brand association, eventually leading to brand loyalty. Aaker (1991) and Keller (1993) defined that brand association as thoughts and ideas held by individuals in their memory related to a specific service or a product. Accordingly, brand association, which is the strength of a brand's presence in the mind of the customers, contributes to enhancing the image, brand awareness and brand loyalty (Ross et al., 2006).

### **Advertising**

Advertising is the non-personal communication of marketing-related information to a target audience, usually paid for by the advertiser, and delivered through mass media in order to reach the specific objectives of the sponsor (Burnett and Moriarty, 1998). In addition, advertising is the most important factor to inform a large number of customers with a single message and to increase the reliability of brand's product and service. In this way, customers receive the information about a brand from advertisement and create the brand in their mind. In making a purchase, the customer is strongly influenced by brand awareness received this way (Rossiter and Percy, 1987).

Hauser and Wernerfeld (1990) supported that advertisement has an important role regarding increasing brand awareness and building powerful brand association. When customers are exposed to a brand's advertising frequently, they develop not only higher brand associations and brand awareness but also a more positive perception of brand quality (Richins, 1995). If the customers are satisfied with the quality of a product after buying and using it, they make a note or a mark in their mind. Consequently, customers do buy the same product or service repeatedly. So it can be concluded that advertising is positively related to perceived quality of brands, leading to brand loyalty (Sutton, 1991).

**Family**

Family is among the most important reference groups for most customers because family can influence the purchase decisions of customers (Churchill and Peter, 1995). Moreover, Coupland (2005) stated that it usually began when a brand has been bought by a family member in the family. This provides its other members with a high degree of brand awareness. This awareness can even lead customers to identify the brand as the product category or types of service and it is also important to point out an element that fosters family brand recall used in a purchasing list. So a family's repetitive consumption of a brand can make a habit in the individual and this can be used to explain for subsequent brand loyalty (Moore et al., 2002).

In addition, customers can observe the quality of a product through the observation of consumption of a family member or through the recommendations of their family members (Keller, 2003). Also, Olsen (1993) and Fournier (1998) stated that family puts the individual in contact with brand consumed at home and provides higher knowledge of various brands which may be linked to family memory and information of brand quality. Furthermore, a brand's repetitive consumption in a family may generate a habit in individual and it may lead to brand loyalty of that brand that becomes a household name. Therefore, family is related with brand awareness, brand association and perceived quality that lead to increase brand loyalty (Childers and Rao, 1992 and Moore et al., 2002).

**Price**

Price is an element of marketing mix, the price premium is one of the most important values in assessing perceived quality (Murray and O' Driscoll, 1996). Moreover, Milgrom and Roberts (1986) stated that price is a signal of perceived quality, a higher price will lead to a higher perceived quality, and Rao and Monroe (1989) found that price is positively related to brand by increasing perceived quality after studying the effect of price on consumers' perceived quality. From these studies, it could be verified that price has a positive relation with perceived quality.

**Promotion**

Organizations employ promotion to communicate with their customers regarding their product offered (Mercer, 1996). Sale promotion is an effective marketing tool to reduce the price of product to gain higher revenue in a short term (Suri et al.; 2000 and Jorgensen et al.; 2003). Moreover, sale promotion has positive effect on a customer's mind to remember the brand and to encourage them to make purchasing decisions based on price (Churchill and Peter, 1995). It has been found that there is positive relationship between promotion and perceived quality because promotion effectively influences customers to make purchasing decision.

This research purposes to study factors affecting brand loyalty of Jinya Gym and this conceptual framework includes eleven hypotheses mentioned below:

H<sub>10</sub>: There is no relationship between advertising and brand awareness.

H<sub>20</sub>: There is no relationship between family and brand awareness.

H<sub>30</sub>: There is no relationship between advertising and brand association.

H<sub>40</sub>: There is no relationship between family and brand association.

H<sub>50</sub>: There is no relationship between advertising and perceived quality.

H<sub>60</sub>: There is no relationship between family and perceived quality.

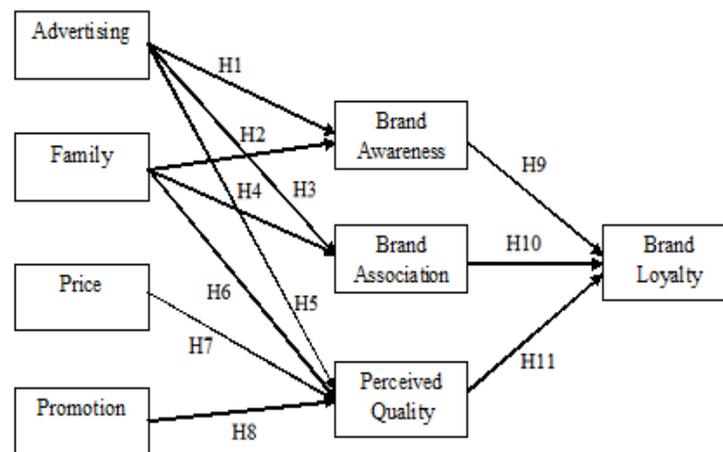
H<sub>70</sub>: There is no relationship between price and perceived quality.

H<sub>80</sub>: There is no relationship between promotion and perceived quality.

H<sub>90</sub>: There is no relationship between brand awareness and brand loyalty.

H<sub>100</sub>: There is no relationship between brand association and brand loyalty.

H<sub>110</sub>: There is no relationship between perceived quality and brand loyalty.

**Figure 1: Modified Conceptual Framework**

### **METHODOLOGY**

This study applies the descriptive research method which explains the characteristics of a population or phenomenon. Descriptive research seeks to determine the answers to who, what, when, where and how questions (Zikmund, 2003). The research first collects the information from a sample group by distributing questionnaires with self-administered questions. A self-administered questionnaire means the respondents answer the question by themselves and they complete all the questions in the questionnaire efficiently (Zikmund, 1997). The researcher used a census survey to collect the information for this study. A census survey is used to collect the data obtained from every member of population of interest and it is occasionally used for research involving specialized industrial products or services where the number of customers is very small (Wilson, 2003).

### **Data Collection**

The target population of this research is the parents of Jinya Gym students at Jinya Gym's Future Park Rungsit branch and Bangna branch in Bangkok. In this study, the parents are classified as persons who take care of the students and pay the tuition fee for them, or persons who take the students to study various activities and sports or learn taekwondo at Jinya Gym. 500 questionnaires were equally divided for the two branches and individually distributed. The 500 respondents are the Jinya Gym customers who take their children to study taekwondo for at least two months at Jinya Gym where a taekwondo course usually runs for a period of three months.

The questionnaire consists of three parts, including factors affecting brand loyalty, brand loyalty and customer demographics information. The first part asked the respondents about factors that affect brand loyalty of Jinya Gym. These factors are advertising, family, price, promotion, brand awareness, brand association and perceived quality. The second part was designed to measure brand loyalty level towards Jinya Gym from the prospective of respondents. The five-points Likert scales are used for both parts. The five-points Likert scales are used to indicate the degree of agreement or disagreement from the respondents (Zikmund, 1997). It ranges from strongly agree to strongly disagree.

The third part concerns the general information of respondents which consists of gender, marital status, age levels, education level, occupation and income level. The close-ended question and the open-ended question are applied to gather the respondents' suggestions as well as other opinions for the research in this part.

### **FINDINGS AND DISCUSSION**

The results of the demographic factors analysis from 500 respondents present the majority of Jinya Gym customers. The respondents of Jinya Gym are 317 females (63.4%) and 183 males (36.6%). Most of the respondents, marital status is 328 married (65.6%). The majority of respondents belonging to the age group between 21 and 30 years or 180 respondents is (36%). Most of the respondents or 362 (72.4%) of all the respondents held a Bachelor Degree. Regarding occupation of the respondents, 160 business owners are the highest group in this category, and interestingly, the majority belongs to the highest monthly income level of Baht 40,000 and above.

In this research, eleven hypotheses are analyzed by Statistical Package for Social Sciences (SPSS). The result of hypothesis testing shows that all the null hypotheses are rejected. Based on the results of H1, H3, H5, H7 and H8, there is a weak positive relationship between advertising, brand awareness, brand association and perceived quality, between price and perceived quality, and between promotion and perceived quality. And, based on the results of H2, H4, H6, H9, H10 and H11, there is a moderate relationship between family, brand awareness, brand association and perceived quality, between brand awareness, brand association, perceived quality and brand loyalty. Thus, the researcher can conclude that all of the factors studied have positive relationship with brand loyalty toward Jinya Gym. Among the three factors, perceived quality can influence brand loyalty the most, followed by brand association and brand awareness respectively.

### **RECOMMENDATIONS**

This study has proved the importance of brand loyalty and factors that affect brand loyalty toward Jinya Gym in Bangkok. Those factors include advertising, family, price, promotion, brand awareness, brand association and perceived quality. Brand loyalty is a key consideration to succeed in this type of business. It is supported by the results of hypotheses testing which analyzed the relationship among all factors. Hence, Jinya Gym should focus on increasing the probability for customers to know and remember the brand and providing various types of advertising to expand the fame of its brand. As a result, customers can receive more information about the brand as well as the quality of the brand. Moreover, it should focus on price and promotion by offering attractive promotions to retain the existing customers and to attract new customers for growth and sustenance.

In addition, family is a critical factor to brand loyalty because Jinya Gym's customers are the parents of students or members in a family. Jinya Gym should support families with profound knowledge to their family members, so that they will be more aware of its brand. Furthermore, communication regarding the brand is to develop brand association of customers in family. Most of all, family can introduce and persuade its family members in a family to get first hand experience of brand quality by themselves. As the findings showed that brand awareness, brand association and perceived quality affect on brand loyalty, Jinya Gym can build strong brand awareness and brand association by giving customers a favorable opinion of brand as the very first brand for them. Also, Jinya Gym can increase the quality of its brand by making the customers trust in the brand and build stronger brand loyalty. Eventually, customers will have full trust in its brand to build long-lasting brand loyalty. However, each factor is important in a different manner to Jinya Gym and will play a dynamic role in the process of creating better and stronger brand loyalty of its customers.

### **FURTHER STUDY**

The researcher purposes to analyze the relationship of all variables that affect brand loyalty toward Jinya Gym and to make suggestion. Accordingly, a further study with three import areas is suggested for future research. First, further research can be conducted on other important factors that contribute Jinya Gym to its successful business that are not covered in this study. For example, satisfaction, location and other factors. Second, a further study focusing on new target population can be conducted for Jinya Gym. Jinya Gym's new target population is students belonging to the age group of 20 and above. Third, Jinya Gym can compare with another taekwondo school in the same standard that is recognized by the Ministry of Education in Thailand to better develop the quality.

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