

# New Researches of Management in Sport and Health

Journal homepage: sanad.iau.ir/journal/nrmsh



# **ORIGINAL ARTICLE**

# Investigating the Relationship of Ethical Sales Behavior on Customer Reuse Intention in Gyms through Relationship Quality

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ABSTRACT

### KEYWORDS

Bodybuilding gym; Customer; Relationship quality; Reuse intention; Sales behavior

The purpose of this research was to investigate the relationship of ethical sales behavior on the Reuse intention of customers of bodybuilding gyms through relationship quality. The statistical population of this research consisted of bodybuilding athletes in Damghan city (N = 1500), out of whom 288 individuals were selected as the study sample. After determining validity and reliability, data were collected using standard questionnaires for ethical sales behavior and relationship quality (Yu & Kim, 2008), and Reuse intention (Lim, 2006). To determine the content validity of these questionnaires, the opinions of 8 experts were used, and to confirm the measurement tools, convergent and discriminant validity were used. Cronbach's alpha coefficient was used to determine the reliability of the questionnaires. To test the hypotheses, the structural equation modeling method and specifically the partial least squares approach were used with two software: Smart-PLS4 and SPSS26. The results showed that managers' ethical sales behavior has a direct and significant effect on relationship quality and customers' Reuse intention; also, the effect of relationship quality with customers on Reuse intention was positive and significant. Finally, the assessment of the overall model fit indicated a very good fit of the overall research model. Given that ethical sales behavior is a suitable predictor for relationship quality and customer reuse intention, it is recommended to managers and owners of bodybuilding gyms to employ ethical behavior in communicating with customers, as ethical sales behavior strengthens the relationship and increases customers' intention to reuse the gym.

# Introduction

In today's experience-based economy, competition in service industries such as fitness has shifted from competing over facilities and price to competing over relationship quality and customer trust (Kumar & Reinartz, 2016). In this environment, customer retention and creating motivation for revisits have become the top priority for businesses due to the high costs of acquiring new customers and its direct impact

on long-term profitability (Zeithaml *et al.*, 2020). This issue is of particular sensitivity in the gym industry, which faces the challenge of high membership churn rates (Mullin *et al.*, 2014). The key to success in increasing market share is the continuous alignment with the changing expectations, desires, and needs of customers, from the design stage to service delivery, and achieving this is complete when the sales process

is implemented by specialized and professional human resources, adhering to appropriate scientific and communication principles and techniques (Rahimi & et al, 2018).

Contemporary relationship marketing theories emphasize that success in customer retention requires creating and managing relationship Relationship quality is a multi-dimensional construct that refers to the customer's overall assessment of the strength and value of the relationship with the service provider and is primarily recognized in research literature by three key components: commitment, and satisfaction (Hennig-Thurau et al., 2002; Rauyruen & Miller, 2007). Trust, as the belief in the honesty and benevolence of the other party, is a fundamental basis for creating emotional or calculative commitment and ultimately satisfaction with the relationship (Morgan & Hunt, 1994). In the sports service environment, where customer participation is associated with perceived risks (such as injury or lack of results), the role of these dimensions in creating a sense of security and belonging appears crucial (Theodorakis et al., 2015). On the other hand, the starting point for the formation of this qualitative relationship is the behavior of human resources in direct contact with the customer. In this context, the concept of ethical sales behavior is introduced as a set of actions based on honesty, fairness, responsibility, and respect that place customer interests at the center (Valentine & Barnett, 2007). This behavior goes beyond basic compliance with rules, including transparency, providing unbiased advisory recommendations, and loyalty to promises (Schwepker & Good, 2010). Research shows that the ethical behavior of the salesperson directly affects the customer's perception of trust and commitment, thereby increasing repurchase intention and positive word-of-mouth (Roman & Ruiz, 2005; Itani et al., 2019).

On the other hand, in recent decades, the topic of ethics, especially in the field of marketing and sales, has become a focal point for researchers and managers. This attention stems from the fact that the buyer-seller relationship, due to its transactional nature and potential inherent conflicts, is a context for numerous ethical issues (Vazifedoust & Memarian, 2014). In the gym industry, coaches and sales staff, as the main communication intermediaries, have a significant impact on the customer experience. Unethical behavior such as pressure to sell inappropriate packages, promising unrealistic results, or disregarding privacy can quickly erode trust and lead to the termination of the relationship (Garcia *et al.*, 2019). In contrast, an ethical and consultative approach can create a sense of trust and value in the customer, which is the cornerstone of a long-term relationship (Hansen & Riggle, 2009).

Despite the strong theoretical support for the separate relationships of these variables, there is a significant research gap regarding testing an integrated model that examines the sequential role of these factors in a specific cultural-business context such as Iranian bodybuilding gyms. In particular, investigating whether the effect of ethical sales behavior on customers' reuse intention is fully mediated through the enhancement of relationship quality dimensions (trust, commitment, and satisfaction) requires empirical research. Answering this question could be an important step in formulating effective operational strategies for managers in this industry. Accordingly, the main issue of the present research is to investigate whether the ethical sales behavior of staff in bodybuilding gyms, through increasing relationship quality (with dimensions of trust, commitment, and satisfaction), leads to strengthening customers' reuse intention.

#### **Materials and Methods**

The present research is applied in terms of purpose and descriptive-correlational in terms of the nature and method of data collection, which was specifically conducted using structural equation modeling (SEM). The statistical population of the research consisted of all male and female athletes of bodybuilding gyms in Damghan city (N = 1500). Using the Krejcie and Morgan table, 288 complete questionnaires were collected and analyzed. The research instruments included three standard questionnaires: the Ethical Sales Behavior Questionnaire (14 items; derived from Laith Al-Rubaie, 2012 and Minh Tuan Nguyen, 2015), the Relationship Quality Questionnaire (12 items; derived from Yu & Kim, 2008 and including three dimensions of trust, commitment, and satisfaction), and the Reuse Intention Questionnaire (7 items; Lim, 2006). The content validity of the instruments was confirmed by a panel of 8

management professors and sports specialists, and their reliability was reported at an acceptable level (above 0.7) by calculating Cronbach's alpha coefficient and composite reliability (CR). The data were analyzed using SPSS 26 software (for descriptive statistics) and SmartPLS 4 software (for structural model analysis and hypothesis testing).

#### Results

The results of describing demographic characteristics are reported in Table 1.

Table 1. Description of Demographic Characteristics

| Variable Name     | Status             | Frequency | Percent |
|-------------------|--------------------|-----------|---------|
| Gender            | Male               | 162       | 56.2    |
|                   | Female             | 126       | 43.8    |
| Age               | Under 20 years     | 44        | 15.3    |
|                   | 21 to 30 years     | 105       | 36.5    |
|                   | 31 to 40 years     | 58        | 20.1    |
|                   | 41 years and above | 81        | 28.1    |
| Education         | Diploma and below  | 63        | 21.9    |
|                   | Associate's degree | 46        | 16.0    |
| Education         | Bachelor's degree  | 114       | 39.6    |
|                   | Master's and above | 65        | 22.6    |
| Membership Tenure | Under 1 year       | 101       | 35.0    |
|                   | 1 to 2 years       | 74        | 25.7    |
|                   | 3 to 4 years       | 61        | 21.2    |
|                   | 5 years and above  | 52        | 18.1    |

As can be seen in Table 1, 56.2% of the participants were male and 43.8% were female. Among these, the largest number, i.e., 36.5% of the research sample, were in the age range of 21 to 30 years, and the smallest number, i.e., 20.1%, were in the range of 31 to 40 years. The majority of the research sample, i.e., 39.6%, had a bachelor's degree, and 35% of the research sample had a membership tenure of less than 1 year.

To examine the validity and reliability of the research instruments, Cronbach's alpha and composite reliability criteria were used; also, convergent validity (AVE) was another criterion used for the fit of the measurement model in the structural equation modeling method. The results of these are reported in Table 2.

Table 2. Criteria of Cronbach's Alpha, Composite Reliability, and Convergent Validity of Research Variables

| Latent Variables         | Cronbach's Alpha  | Composite Reliability | Average Variance Extracted |
|--------------------------|-------------------|-----------------------|----------------------------|
|                          | $(Alpha \ge 0.7)$ | $(CR \ge 0.7)$        | $(AVE \ge 0.5)$            |
| Ethical sales behavior   | 0.90              | 0.91                  | 0.58                       |
| Relationship quality     | 0.85              | 0.90                  | 0.66                       |
| <b>Revisit intention</b> | 0.86              | 0.87                  | 0.52                       |

As shown in Table 2, all three latent variables have a Cronbach's alpha value above 0.7, and the composite reliability of all three variables is above 0.7, which

indicates the acceptable reliability status. Additionally, convergent validity above 0.5 for the latent research variables indicates the confirmation of

convergent validity for the variables in the present research.

To examine the fit of the research structural model, two criteria were used: the significance coefficient (T-values) and the coefficient of determination (R<sup>2</sup>). The results are observable in Figures 1 and 2. In Figure 1, only the effect value of the variable is visible, but according to the significance coefficients in Figure 2 (the significance coefficient values are greater than

the significance index of 1.96), it can be stated that the variable of ethical sales behavior affects the relationship quality variable by 0.75 and customer reuse by 0.40, and the relationship quality variable affects reuse intention by 0.45. It is worth mentioning that all three paths are significant at the 0.99 confidence level.

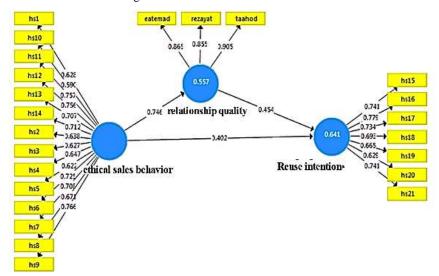


Figure 1. Path coefficients and structural model fit using  $R^2$  values

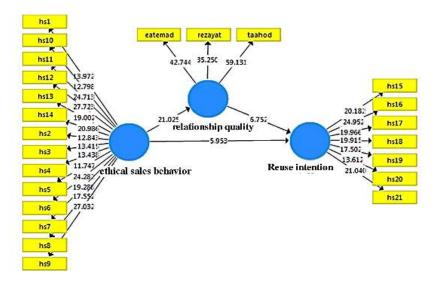


Figure 2. Structural model fit using T significance coefficients.

# **Discussion and Conclusions**

The results of the research showed that the variable of ethical sales behavior affects the relationship quality variable by 0.75 and customer reuse by 0.40, and the

relationship quality variable affects reuse intention by 0.45. The research results are consistent with the findings from the studies of Tuan (2015), Al-Rubaie

et al. (2012), Durandish et al. (2012), Vazifedoust and Memarian (2013), Kafashpour et al. (2014), Najafi (2016), Hamidianpour and Gholami (2016), Hamidianpour and Mohtasham (2017), Ayti-Mehre, Shakohmand, and Parsajoo (2017), Delavar and Golshan (2018).

Given the increasing competitive environment in the fitness industry and recent developments in the field of relationship marketing, sports gyms today are compelled to shift their strategies from merely attracting new customers towards retaining and deepening relationships with existing customers (Kumar & Reinartz, 2018). In this regard, creating and strengthening relationships based on trust and longterm value creation has become a key factor in advantage gaining sustainable competitive (Bhattacharya & Sen, 2020). Recent studies emphasize that in service environments such as bodybuilding gyms, the quality of ethical and respectful interaction with the customer has a direct impact on their intention to continue membership, emotional loyalty, and positive word-of-mouth (Kim & Baker, 2020; Rather, 2021). In fact, the ethical behavior of managers and employees is recognized as the foundation of "relational capital" that enables customer retention in the long term (Morgan & Hunt, 2022). Furthermore, in the digital age and with unprecedented customer access to information, their expectations for transparency, fairness, and social responsibility of gyms have also increased (Gill et al., 2023). Therefore, adhering to ethical standards has become more than an obligation; it has become a strategic necessity that directly affects the survival and profitability of the organization.

Consequently, the success of bodybuilding gyms depends on adopting a comprehensive approach in which attracting new customers, retaining existing customers, and deepening the relationship are pursued simultaneously based on an ethics-oriented framework. This requires the commitment of senior management to institutionalizing a culture of respect, trust, and accountability at all levels of interaction

with customers. Positive, strong, and close relationships with customers can become a unique and unparalleled source for creating sustainable competitive advantage. Appropriate relationships with customers create value by increasing revenues and reducing costs. Since good relationships are scarce because only a few companies and organizations are able to establish favorable relationships with customers, this creates an advantage for gyms and organizations that have favorable relationships with

In general, the results of inferential analyses in this research show that the ethical sales behavior of managers has a positive and significant effect on the relationship quality and reuse intention of customers in the bodybuilding gyms of Damghan city. Reviewing the background of the present research and studying the results of numerous studies on this matter has shown that always and in all organizations, the appropriate behavior of managers and employees of an organization or gym reflects the internal culture, values, and attitudes of that organization or gym, especially towards customers. In a gym, if managers treat their customers fairly and with respect, one of the long-term consequences of the customer's trust in the seller can be expressed as their loyalty. This leads to creating a sense of trust in the customer and customer satisfaction with the gym, and ultimately leads to the customer's intention to reuse the gym.

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