

2018 Sport Marketing Association Conference (SMA XVI)

Testing the Moderating Effect of Switching Barriers on the Relationship between Satisfaction and Repurchase Intention

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Friday, October 26, 2018
9:00-9:25 AM, Ballroom D1

25-minute oral presentation
(including questions)

The retention of customers is fundamental to the success of sport organizations for a variety of reasons, not the least of which is that it is less expensive for an organization to keep a current customer than to gain a new one. Keiningham, Vavra, Aksoy, and Wallard (2005) concluded that it typically costs five times more to acquire a new customer than to retain a current customer. As a result, sport organizations are refocusing their efforts on keeping existing customers using defensive marketing strategies rather than focusing entirely on targeting new customers using offensive marketing strategies (Robinson, Chelladurai, Bodet, & Downward, 2013).

Martial arts is a big business and participation has increased tremendously since the 1980s. The estimated population of those involved in learning and practicing martial arts in 2005 reached eight million in the United States alone (Zetaruk, Violan, Zurakowski, & Micheli, 2005). Furthermore, the Martial Arts Teacher's Association (2013) indicated that approximately 20,234 martial arts schools are operating in the United States because of high demand. Thus, understanding martial arts school members' consumptive intentions after purchase, as well as how to expand the market base, are important issues in commercial martial arts school marketing. Since customer repurchase intention is an important indicator to predict repurchase behavior, understanding how factors influence repurchase behavior has important theoretical and practical implications.

Although previous research provides strong evidence that customer satisfaction is highly associated with repurchase intention, customer satisfaction alone never explains all the variation in predicting customers' repurchase behaviors. Musiolik (2012) stated that "different types of constraints, along with customer satisfaction, determine the customers' choice of a particular supplier" (p.27). Such constraints were understood as switching barriers in the current study. Very few empirical studies in the context of sport industry have been conducted to explore how switching barriers influence repurchase intention and how switching barriers moderate the relationship between customer satisfaction and repurchase intention. This study was designed to examine the impacts of customer satisfaction and switching barriers on repurchase intention and to test the moderating effects of switching barriers on the relationship between customer satisfaction and repurchase intention.

Adopting a convenience sampling procedure, study participants were 318 martial arts school members from three mid-sized cities in the northeastern United States. Of those, 16 were excluded due to uncompleted questionnaires and the remaining 302 valid samples were used for data analysis. Participants were asked to complete an anonymous paper and pencil survey consisting of two sections. The first part of survey instrument accessed participants' background information. The second part of the survey instrument contained 21 items that measured satisfaction, switching barriers, and repurchase intention. Customer satisfaction and repurchase intention measures were adapted from Hellier, Geursen, Car, and Rickard (2003) and Campbell (1999) separately. The study framework of Jones, Mothersbaugh, and Beatty (2000) was used to assess switching barriers by measuring three facets: interpersonal relationship, switching costs, and attractiveness of alternatives. All of these items were selected from previous related research and subsequently modified to fit the martial arts context.

A confirmatory factor analysis (CFA) was conducted to examine the psychometric properties of the measurement models. According to Bagozi and Yi (1988), confirmatory factor analysis should first be performed to test the fit of the measurement model, after which causal model analysis can be performed. Once the measurement model was confirmed, structural equation modeling (SEM) was used to examine the impacts of the three constructs of switching barriers and customer satisfaction on repurchase intention. The SEM multi-group moderation test was used to examine the moderating effect of the three switching barriers on the relationship between customer

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satisfaction and repurchase intention.

The CFA results indicated that both three measurement models had a good model fit to the data (satisfaction: $\chi^2/df=2.99$, CFI=.96, NFI=.96, RMSEA=.054, SRMR=.059); repurchase intention: $\chi^2/df=4.35$, CFI=.97, NFI=.95, RMSEA=.066, and SRMR=.58; and switching barriers: $\chi^2/df=4.35$, CFI=.94, NFI=.95, RMSEA=.066, and SRMR=.58). All factor loadings for the indicators were significant to their respective construct. Cronbach's α values of all dimensions were greater than .7 (from 0.72 to 0.88) and average variance extracted (AVE) for each latent construct was above the recommended cutoff criteria .5 and ranged from .50 to .61 (Hair, Anderson, Tatham, & Black, 1998).

The SEM analysis indicated that customer satisfaction ($\beta=.31$, $p<.01$), interpersonal relationship barrier ($\beta=.22$, $p<.01$), and switching costs barrier ($\beta=.17$, $p<.05$) were significantly and positively associated with repurchase intention. However, attractiveness of alternatives barrier was not significantly associated with repurchase intention. The SEM multigroup moderation test revealed that only interpersonal relationship barrier had a moderating effect on the relationship between customer satisfaction and repurchase intention. With increases in customer satisfaction, the individual has a stronger interpersonal relationship with his or her martial arts schools and exhibited a higher level of repurchase intention than an individual with a weaker interpersonal relationship.

This study not only contributes to future theoretical research, but also guides practitioners in the development of defensive marketing strategies. The research results obtained through empirical study can help martial arts school managers better understand the crucial factors that determine customers' repurchase intentions and will allow them to develop more efficient marketing strategies. The theoretical contribution of this paper is the proposition of testing the moderating effect of switching barriers on the relationship between customer satisfaction and repurchase intention.