



EFFECTS OF PERCEIVED VALUE AND ITS DIMENSIONS ON WORD OF MOUTH ADVERTISING AMONG CUSTOMERS OF SPORTS CLUBS OF THE CITY OF SANANDAJ, IRAN

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Abstract:

The present study investigates the effects of perceived value on word of mouth advertising among customers of sports clubs of the city of Sanandaj. The applied research method is descriptive-correlative and the population of research is consisted of the entire customers of sports clubs of Sanandaj. As a result of enormousness of the population, through the Cochran's formula, a sample size was determined and samples were respectively selected through a simple random sampling. In addition, data collection instruments included Egret and Olga's (2002) questionnaire of perceived value and Kim's (2008) word of mouth questionnaire. Total reliability of measurement instruments was investigated in a preliminary study. For the variable of perceived value, the value of Cronbach's alpha was calculated as 0.823 and for the variable of word-of-mouth advertising, it was calculated as 0.732. The entire descriptive and inferential analyses are performed within the AMOS and SPSS software. Results indicated that perceived value and variables of buying intention, search for an alternative and oral expression have a statistically significant effect on word-of-mouth advertising among customers of sports clubs.

Keywords: perceived value, word-of-mouth advertising, customers of sports clubs

1. Introduction

For every human being, exercising and performance of physical activities are considered as foundations of health and wellbeing. It has been more than two decades that physical activity has gained many attentions as a result of its beneficial effects on

life quality as well as its necessary role in management of illnesses and preventing diseases (Farahani, 2008). Nowadays, since Iran's population is mainly young, a great deal of attention is paid to sports in this country (Ghalibaf, 2011). However, in current commerce world, one of the main challenges for business owners is to maintain customers (Holbrook, 1994). In this regard, having a smart look on optimal methods of advertising and marketing with least expenses can be proven effective. One of the most efficient marketing tools with high efficiency in terms of attraction of customers is word of mouth marketing (Motamed et al. 2015).

One of the most extensive concepts regarding consumer behavior is word-of-mouth advertising which plays an important role in terms of formation of a customer's behavior and attitude (Brown & Reingel, 1987). In marketing, word-of-mouth is usually used for describing recommendations and suggestions between consumers. Speed and lack of commercial bias towards a specific brand name or service has turned it into an effective information source for commercial choices of consumers. Especially in cases of inadequate previous buying experiences (East et al. 2007). In spite of importance and effectiveness of word-of mouth advertising in commercial choices of consumers, only a few of these word-of mouth advertisements are provoked by the company itself. This is while scholars believe that word-of-mouth advertising imposes a greater deal of impact on costumers' buying behavior compared to company's resources (Almani, 2012). Word of mouth communication imposes a great impact on formation of customers' attitudes regarding making decision about purchasing and reduction of purchasing related risks (Wang & Yang, 2004). Perceived value is referred to as the consumer's total evaluation of advantages of a service according to their perception of what they have received and what they have paid to receive that service or product (Lai & Quang Vinh, 2012). In other words, it can be said that perceived value is the same as interaction between received advantages and paid expenses. Therefore, marketing exercises are mostly based on customer values (Holbrook, 1994). Still, perceived value is a factor that is prioritized after perceived quality. In fact, perceived quality can be regarded as a perquisite for value (Zins, 2001). In this regard, studies carried out by Wang et al. (2004) and Turel & Serenko (2006) revealed that an intense significant relation holds amongst perceived quality of services and perceived value. Nowadays, word of mouth communication is viewed as a phenomenon which has gained several attentions. Katz and Lazarsfeld (1995) believed that word of mouth communication is seven times more effective than press advertisement, four times more effective than personal sales and two times more effective than radio advertisements (Quoted from Kim, 2008). This issue can be the result of several different factors. One of these factors is quality of services.

Since more than half of gross production of most countries is yielded from

services and as a result of special features of this section including direct customer relation, it seems crucially important to pay more attention to this section (Celemes et al, 2011). In spite of the long history of the subject of quality of services and the methods for evaluation of the former, not only its importance has not diminished, but also as a result of crucial importance of services in economy of every country, its role has attracted more attentions (Aldlaigan & Buttle, 2002). In addition, importance of quality of services in service based industries especially in sports clubs has resulted in several different researches and studies in this context. On this basis, the present research is also a complementary study to the ongoing flow of investigations in this field and tries to improve existing contextual information.

Ultimately, in addition to considering the aforementioned variables, also perceived values from the perspective of customers should be considered as a main variable of the study. This is mostly because a consumer's total evaluation of desirability of a product is based on his or her perception of the payments and returns (Zeithamel, 1996). Furthermore, perceived value increases customer satisfaction, uttered recommendations and future purchases. With no doubt quantitative and qualitative development of every society is in debt of making decisions based on scientific studies (Khaki, 2001). On this basis, the main motivation of this study is to provide a better conceptualization and evaluation of word of mouth communication among customers of sports clubs with respect to services provided by the former sports clubs which is entangled with perceived values and word of mouth communication among costumers. In general, there are only a few other researches which have investigated the effects of quality of services and perceived value on word of mouth communication. However, there are dispersed studies regarding quality of services and word of mouth communication as well as perceived values and word of mouth communication. Our study is in fact the first of its kind in Iran to include a solid model consisted up of the entire aforementioned three variables. This research is expected to provide sports managers and marketers with a better understanding of word of mouth communication among their customers. In this way, they can transform their customers' resting potential into actual outcome with minimum costs.

Materials and Methods

This research has investigated the effects of perceived value on word of mouth advertising among customers of sports clubs of Sanandaj. The research method applied is a descriptive-correlative method and the population of the study is consisted up of the entire customers of sports clubs of Sanandaj. As a result of enormousness of the

population, through the Cochran's formula, a sample size was determined and samples were respectively selected through a simple random sampling. In addition, data collection instruments included Egret and Olga's (2002) questionnaire of perceived value and Kim's (2008) word of mouth questionnaire. For the variable of perceived value, the value of Cronbach's alpha was calculated as 0.823 and for the variable of word-of-mouth advertising, it was calculated as 0.732. The entire descriptive and inferential analyses are performed within the AMOS and SPSS software.

Findings

Perceived value has no impact on word of mouth advertising among customers of sports clubs of Sanandaj

Table 1: Results of the ANOVA test

Sig	F	Mean squares	Freedom degree	Sum of squares	Model
0.001	440.704	75.149	1	75.149	Total regression
		0.171	293	49.963	remaining
			294	125.112	

Results of the table 1 show that the value of F test is significant. In other words, the regression model of research consisted of one anticipator variable and one independent variable is a suitable model.

Table 2: Results of coefficients of regression effect of perceived value on word of mouth advertising

Sig	t	Standard coefficients	Non-standard coefficients		Anticipator variables	model
		Beta	Standard error	B		1
0.001	4.724	-	0.151	0.713	Constant – perceived value	
0.001	20.993	0.775	0.038	0.802		

Results of table 2 indicate that perceived value has a statistically significant impact on word of mouth advertising among customers of sports clubs of Sanandaj. In other words, a one SD unit increase in the value of perceived value variable, increases the word of mouth advertising among customers of sports clubs of Sanandaj for 0.775 SD units.

Word of mouth advertising = (0.713) + (0.802) perceived value

Table 3: Results of the ANOVA test

Sig	F	Mean squares	FD	Sum of squares	Model
0.001	100.539	15.888	5	79.441	Total remaining regression
		0.158	289	45.671	
			294	125.112	

Results of the table 1 show that the value of F test is significant. In other words, the regression model of research consisted of five anticipator variables and one independent variable is a suitable model.

Table 4: Table 2, results of coefficients of regression effect of components of perceived value on word of mouth advertising

Sig	t	Standard coefficients	Non-standard coefficients		Anticipator variables	Model
		Beta	Standard error	B		1
0.001	5.165	-	0.148	0.765	constant	
0.582	-	-0.027	0.039	-0.022	perceived value	
0.001	0.551	0.219	0.058	0.204	satisfaction	
0.001	3.528	0.400	0.059	0.353	buying intention	
0.005	5.961	0.147	0.041	0.116	search for alternative	
0.001	2.808	0.156	0.044	0.142	oral expression	
0.001	3.248					

Results of table 4 indicate that satisfaction, buying intention, searching for an alternative and oral expression are all effective on word of mouth advertising among customers of sports clubs of Sanandaj. With a standard coefficient of 0.400, buying intention had the highest effect on word of mouth advertising and in contrast, with a standard coefficient of 0.147, searching for an alternative had the least impact on the former. In general, the following regression equation can be written for anticipation of word of mouth advertising by components of perceived value.

Word of mouth advertising = (0.875) = (0.142) oral expression = (0.116) searching for an alternative + (0.353) buying intention + (0.204) satisfaction.

Discussion and Conclusion

In this research, the effect of perceived value has been investigated on word of mouth advertising among customers of sports clubs of Sanandaj. Results indicated that

perceived value has a significant effect on word of mouth communication and advertising among customers of sports clubs of Sanandaj. In other words, a one SD unit increase in the value of perceived value variable, increases the word of mouth advertising among customers of sports clubs of Sanandaj for 0.775 SD units. This finding is consistent with finding obtained by Li et al. (2007). It seems that behavioral tendencies of customers are achieved by perceived value. In fact, when customers experience a high level of value, they are more prone to manifest positive behaviors. On the other hand, this result can be influenced by motivations of word of mouth advertising. For example, inherited interest and social interactions are counts that are effective in the context of occurrence of word of mouth advertising.

Additionally, results of this research indicated that satisfaction, buying intention, searching for an alternative and oral expression are all effective on word of mouth advertising among customers of sports clubs of Sanandaj. With a standard coefficient of 0.400, buying intention had the highest effect on word of mouth advertising and in contrast, with a standard coefficient of 0.147, searching for an alternative had the least impact on the former. The obvious point here is that interaction between received advantages and paid expenses lead to formation of a desirable perceived value and the more these components are reinforced, the more tendencies customers will have for transferring their positive experience to others as well. According to this result, managers and marketers of sports clubs of the city of Sanandaj are recommended to amplify the components of perceived value among their customers.

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