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## The Relationship between Marketing Mix with Brand Equity in Fitness and Aerobic Gyms

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### ABSTRACT

*The purpose of the present study was investigating the effect of marketing mix elements on the value of business name and logo in fitness and aerobic gyms. 385 customers of fitness and aerobic gyms who were selected through cluster sampling participated in the research. Data was gathered through a questionnaire whose validity was confirmed by experts and reliability was .9 using Cronbach alpha. The hypotheses were tested through regression. The results showed that price, shopping center's image, and sale promotion had a stronger positive relationship with gym's brand compared to other elements. The relationship between all the marketing mix elements and brand equity was calculated too.*

**Key words:** marketing mix, brand equity, physical fitness, gym

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### INTRODUCTION

Nowadays, the concept of brand equity has been widely studied in industrialized societies from different aspects (Edo, 2005). Successfully building, managing, and tracking the brand equity of brands are main goals of brand management. The brand strategies are flexible to fit the increasing competitive market and customers' brand knowledge. It is more and more difficult to maintain the customer's brand loyalty. Thus, it becomes crucial to understand brand equity and brand building processes more thoroughly in order to help brands succeed (Huang, 2002). Brand equity is often defined as the value given to a product by the mere use of a specific brand. Brand equity create added value or favorableness that one product create it by means of brands name (Aaker, 2004). Attempts to enhance the brand equity and improve its status in the market have preoccupied managers and companies (Aker, 1991). Keller believes that the brand equity from the customer's perspective consists of customer's reaction to marketing strategies, when they are aware of various brands (Keller, 2003). The name of a brand increases strategic and economic value for their owners (Gil, 2007). The present study aims at investigating the relationship between some marketing mix elements and brand equity from customers' perspective in aerobic and fitness gyms. Discovering those aspects of brand equity which have the most profound effect on marketing mix elements can help brands to develop and perform their strategies in a better way. One of the problems facing sport industries like fitness gyms is how one can conduct the investment on marketing so that it has the highest efficiency and leads to the improvement of the brand equity. Lack of studies on brand equity and the influence of marketing activities on it enhances the risk of investment and reduces its efficiency (4). Therefore, investigating the brand equity of sport gyms from customers' perspective can function as a guide to assess and lead the activities of these gyms. As a result, conducting a study which tries to find the influence of marketing mix elements on brand equity is of crucial importance. The concept of brand equity has been described as the value that is given by a brand to a product which is a key index for determining the health condition of the brand, an issue that must be revisited continuously as an important stage in the effective management of the brand. The brand equity from customers' perspective refers to a collection of properties and necessities of a brand which can enhance the value of the product or service or may decrease it (2). Keller believes that the brand equity from the customer's perspective consists of customer's reaction to marketing strategies, when they are aware of various

brands (4). brand equity is a multidimensional concept. It consists of brand loyalty, brand awareness, perceived quality, brand associations and other proprietary brand assets. These assets in turn provide benefits and value to the firm (Aaker, 1991). Brand awareness relates to brand recall and recognition performance by consumers (Aaker, 1991). Brand loyalty is determined to be the main concern for investing in or selling a brand, because high customer loyalty is expected to provide predictable flow of sales and profitability (Uslu, 2013). Perceived quality is consumers' judgment about a product's overall excellence or superiority, not the actual quality of the product (Zeithaml 1988) and Aaker (1991) describes brand association as everything linked in memory to a brand a link to a brand will be stranger when it is based on many experiences or exposures communications, and when a network of other links support it (Jalilvand, 2011). Brand image refers to the impression by brand associations in the customers' mind.

### **Marketing mix**

The business environment faced many changes since when, in 1953, Neil Borden for the first time introduced the term "marketing mix" in his speech at the American Marketing Association, and since Jerome McCarthy (1964) defined the 4 Ps marketing mix as a combination of all the factors which managers may leverage to satisfy market needs (Dominici, 2009). The marketing mix is a business tool used in marketing and by marketers. The marketing mix is often crucial when determining a product or brand's offer, and is often associated with the four P's: price, product, promotion, and place (Wikipedia, 2011). Marketing mix is collection of controllable tools of marketing which firms are collocated until they response to target market. Marketing mix encompasses whole of works which firms can fulfill to promote demand for their products (Aghaei, 2014). There is no doubt that the changes in the social and economic environment, and the consequent transformation of the competitive arena, have a strong impact on the marketing mix (dominchi, 2009). This mixture involves every kind of action performed by the company to influence demands and in this research paper, marketing mix encompasses services, price, distribution intensity, sale promotion, and gyms' image.

### **Research questions**

This research seeks the answer to the following question:

Is there any relationship between marketing mix elements (price, service, gym image, distribution intensity, and sale promotion) and brand equity of aerobic and fitness gyms from customers' perspective?

### **METHODOLOGY**

The present study, which is a survey based descriptive one, was conducted with a practical objective. Our sample consisted of all the customers of fitness and aerobic gyms in Tehran. Since the sample was unlimited, a total number of 384 participants were selected as the ultimate target. A five-point likert scale questionnaire was used for data collection. In order to test the hypothesis, regression analysis was conducted. The validity of the instrument was confirmed by experts. Furthermore, its reliability was calculated using Cronbach alpha which yielded an index of .9, an indicator that demonstrates an acceptable reliability for the instrument.

### **RESULTS**

The analysis of the obtained data showed that 78% of the participants were female, whereas the rest (22%) were male. Moreover, 40% of them were single and 60% were married. In this research, based on the nature of the hypotheses, the following question was addressed:

1. Is there any significant relationship between marketing mix elements and brand equity ?

#### **Hypotheses 1**

Hypothesis: there is a relationship between price and brand equity in fitness and aerobic gyms

Null hypothesis: there is no relationship between price and brand equity in fitness and aerobic gyms

The results of the regression analysis showed that, at the P value of .01, there is a significant relationship between price and brand equity in fitness gyms and, therefore, the null hypothesis is rejected. The correlation coefficient was -.32 which means that there is a negative relationship between price and brand equity of gyms. Also, assuming other elements of marketing mix as constant, simple regression demonstrated that the influence of price on brand equity had was .42, indicating that .42 of changes in the value brand of gyms can be due to the price. Beta value which shows the standardized coefficient equaled -.21 which indicates that, putting other variables aside, for each unit of increase in the standard deviation of price, .21 unit of standard deviation will decrease in the brand equity.

#### **Hypotheses 2**

Hypothesis: there is a relationship between distribution intensity and brand equity in fitness and aerobic gyms

Null hypothesis: there is no relationship between distribution intensity and brand equity in fitness and aerobic gyms.

The results of the regression analysis indicated that, at P value of .01, there is a significant relationship between distribution intensity and brand equity and, therefore, the null hypothesis is rejected. The correlation coefficient which was .042 shows a positive relationship between distribution intensity and brand equity of gyms. Also, assuming other elements of marketing mix as constant, the influence of distribution intensity on brand equity of gyms demonstrated a regression coefficient of .028 which means that .028 of changes in the value brand of gyms can be due to changes in brand equity. Moreover, the beta coefficient was .038 which illustrates that, assuming other variables constant, if distribution intensity in customers' mind increases 1 unit, brand equity will have an increase of .038 unit.

Table 1. summary of the results of data analysis, P value, R2, and Beta

Hypothesis 2					Hypothesis 1				
Beta	R2	Brand equity			Beta	R2	Brand equity		
.28	.32	.24	Test statistics	Gym image	-.21	.42	-.22	Test statistics	Price
		.01	P value				.01	P value	
Hypothesis 4					Hypothesis 3				
Beta	R2	Brand equity			Beta	R2	Brand equity		
.3	.28	.22	Test statistics	Sale promotion	.038	.028	.042	Test statistics	Distribution intensity
		.00	P value				.01	P value	
					Hypothesis 5				
					Beta	R2	Brand equity		
					.022	.05	.15	Test statistics	Service
							.01	P value	

**Hypothesis 4**

Hypothesis: there is a relationship between sale promotion and brand equity in fitness and aerobic gyms  
 Null hypothesis: there is no relationship between sale promotion and brand equity in fitness and aerobic gyms.

The regression analysis between sale promotion and brand equity showed a significant relationship between the two variables at the P value of .01 and, therefore, the null hypothesis is rejected. The correlation coefficient which was .22 indicates that a positive relationship between sale promotion and brand equity of gyms. Also, assuming other marketing mix elements constant, the influence of sale promotion on brand equity showed a regression coefficient of .28 which means that .28 of the changes in the brand equity might be attributed to the changes in sale promotion. Furthermore, the beta coefficient which was .3 demonstrates that, assuming other variables constant, one unit of improvement in the standard deviation of sale promotion leads to .3 unit enhancement in the standard deviation of brand equity .

**Hypothesis 5**

Hypothesis: there is a relationship between service and brand equity in fitness and aerobic gyms  
 Null hypothesis: there is no relationship between service and brand equity in fitness and aerobic gyms  
 The regression analysis showed that, at P value of .01, there is a significant relationship between service and brand equity of gyms and, therefore, the null hypothesis is rejected. The correlation coefficient which equals .15 demonstrates that there is a positive relationship between service and brand equity of gyms. Also, assuming other marketing mix elements constant, the regression coefficient (.05) shows that .05 of the changes in brand equity is due to the changes in services. Furthermore, the beta coefficient which equals .022 shows that, assuming other variables constant, one unit improvement in the standard deviation of services leads to the .022 unit enhancement in the brand equity .

## CONCLUSION

1. The price has the strongest influence on brand equity of gyms. Therefore, the more suitable the prices are, the more satisfied the customers will be. As a result, it is suggested that, in the combination of investment and marketing mix, special attention should be devoted to pricing in fitness gyms.

2. The gym image is the second factor with a strong influence on brand equity of gyms. Different dimensions of gym image can play a crucial role in this regard including design, physical facilities, coach and staff's behavior and appearance, quality of services, information provided for customers, the speed of giving services. Therefore, it is suggested that more investments must be done on programs which aim at improving the image of the gym in customers' mind. Also, some special plans must be designed for responding to customers' questions and receiving their suggestions and ideas. Moreover, since another important factor is human resources, it is recommended that staff and coaches receive constant education. In this regard, the use of various tangible and intangible supervisory systems can be helpful.

3. The influence of sale promotion on brand equity of gyms is less than that of price and gym image. It is suggested that devote a larger portion of their resources to sale promotion including both price-related promotions such as discounts, and non-price-related promotions like prizes and lottery, and persuasive membership cards.

5. Among the five elements of marketing mix investigated in the present study, price was the only variable which has a negative effect on the brand equity of gyms. It should be mentioned that the basic point here is the perceived price rather than the real one. Research shows that perceived prices by customers are in a high level. Therefore, it seems necessary to change their attitude in this regard; otherwise, it will have a destructive influence on the brand equity of gyms. In order to change customers' attitude, the following steps might be taken:

- Improving services and providing more facilities and hours for using the gym
- Recruiting experienced and qualified coaches
- Promoting advertising procedures for raising customers' awareness

These strategies can change customers' ideas regarding price levels.

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