Predicting loyalty in clubs through motivation, perceived value, satisfaction, and place attachment

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Predicting loyalty in clubs through motivation, perceived value, satisfaction, and place attachment

by

Jim Butler

A dissertation submitted to the graduate faculty

in partial fulfillment of the requirements for degree of

DOCTOR OF PHILOSOPHY

Major: Hospitality Management

Program of Study Committee:
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Ames, Iowa

2016

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TABLE OF CONTENTS

LIST OF FIGURES........................................................................................................ v

LIST OF TABLES........................................................................................................ vi

ACKNOWLEDGMENTS............................................................................................... vii

ABSTRACT.................................................................................................................... ix

CHAPTER 1. INTRODUCTION.................................................................................... 1
  Background of the Study ......................................................................................... 1
  Problem Statement .................................................................................................. 5
  Purpose of Study ...................................................................................................... 9
  Significance of the Study ......................................................................................... 9
  Definition of Terms ................................................................................................ 12

CHAPTER 2. LITERATURE REVIEW........................................................................ 14
  Club Business .......................................................................................................... 14
    Club Structure ....................................................................................................... 15
  Members .................................................................................................................. 17
    Membership ........................................................................................................ 17
    Dues ..................................................................................................................... 19
    Demographics ..................................................................................................... 20
  Member Behaviors ................................................................................................. 21
    Motivation ........................................................................................................... 21
      Push/Pull Theory ............................................................................................... 22
      Member's Motivation ....................................................................................... 23
      Members and Staff ............................................................................................ 24
      Dining .............................................................................................................. 25
      Quality and Reputation ................................................................................... 26
  Perceived Value .................................................................................................... 26
    Quality Value ..................................................................................................... 28
    Emotional Value ................................................................................................ 28
    Monetary Value ................................................................................................ 28
    Behavioral Value ............................................................................................... 29
    Reputational Value ............................................................................................ 29
    Member's Perceived Value ............................................................................... 29
  Satisfaction ........................................................................................................... 32
    Member's Satisfaction ....................................................................................... 34
    Satisfaction Amenities ..................................................................................... 35
    Satisfaction Clubhouse .................................................................................... 36
CHAPTER 3. RESEARCH DESIGN AND METHODOLOGY ........................................... 49
  Research Design ....................................................................................... 49
  Survey Instrument .................................................................................... 49
  Pilot Test ..................................................................................................... 51
  Sampling ..................................................................................................... 52
  Survey Incentives ....................................................................................... 53
  Data Collection ........................................................................................... 55
  Data Analysis ............................................................................................. 55
  Item Parceling ............................................................................................ 55
  Data Screening and Preparation ............................................................... 56
    Missing Data ............................................................................................ 57
    Data Normality ......................................................................................... 57
    Common Method Bias .............................................................................. 57
  Structural Equation Modeling ..................................................................... 58
  Partial Least Square .................................................................................. 58
  Structural Model ......................................................................................... 61

CHAPTER 4. RESULTS ......................................................................................... 64
  Respondent Characteristics ........................................................................ 64
  Response Rate ............................................................................................. 64
  Demographic of Respondents .................................................................... 65
  Item Parceling ............................................................................................. 69
    Motivation .................................................................................................. 69
    Satisfaction ................................................................................................. 70
  Data Screening ............................................................................................ 71
    Data Screening and Preliminary Analysis .............................................. 71
      Missing Data .......................................................................................... 71
      Data Normality ....................................................................................... 73
      Common Method Bias .......................................................................... 74
  Testing the Hypothesized Model ............................................................... 75
    Second-Order Constructs ......................................................................... 75
    Measurement Model ................................................................................ 75
First Order Constructs ................................................................. 76
Second Order Constructs ............................................................. 77
Item Reliability ........................................................................... 80
Convergent Validity ................................................................. 80
Discriminant Validity ................................................................. 80
Structural Model........................................................................... 82
Model Fit ..................................................................................... 83
Path Coefficient ($\beta$) and t-value ............................................... 83
Explanatory Power of the Model ($R^2$) ........................................... 84
Predictive Relevance ................................................................... 85

CHAPTER 5. DISCUSSION AND CONCLUSION .................................. 87
Review of the Study Results .......................................................... 87
Relationships on Constructs ......................................................... 90
Theoretical Contributions .............................................................. 92
Practical Contributions ................................................................. 96
Limitations and Direction for Future Research .............................. 101

REFERENCES ........................................................................... 102

APPENDIX A. SURVEY QUESTIONNAIRE ..................................... 124
APPENDIX B. PILOT STUDY QUESTIONNAIRE .............................. 128
APPENDIX C. CLUB SURVEY LETTER ........................................... 129
APPENDIX D. SURVEY DESCRIPTION LETTER .............................. 130
APPENDIX E. LETTER OF EXEMPTION ....................................... 132
LIST OF FIGURES

Figure 1. A Proposed Model................................................................. 46

Figure 2. Measurement Model used for CFA ............................................. 76
LIST OF TABLES

Table 1. Two-Step Process of PLS Path Model Assessment................................. 60
Table 2. Response Rate, Club Location, and ClubType........................................... 65
Table 3. Demographic Variable of Club Members.................................................. 68
Table 4. Motivation Item Parceling.......................................................................... 69
Table 5. Satisfaction Item Parceling......................................................................... 70
Table 6. Descriptive Statistics.................................................................................. 72
Table 7. Harman’s One-Factor Test......................................................................... 74
Table 8. Measurement Statistics of Construct Scales Based on Reflective Items....... 78
Table 9. Inter-Correlation Matrix of Constructs and HeterotraitMonotrait.............. 81
Table 10. Result of Structural Model and Hypotheses Testing................................. 83
Table 11. Predictive Relevance for Endogenous Constructs..................................... 85
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ABSTRACT

Club members are the lifeblood of the private club business, and yet member research is lacking in literature because of the private nature of the business and lack of recognition of studying members’ behaviors in clubs. The research investigated the relationship between motivation of joining factors of members in clubs, perceived value, satisfaction, place attachment of members to the club, and member loyalty. The study hypothesized that motivation of joining factors positively influences members' perceived value in a club. The perceived value of the club as described by members positively influences satisfaction. Satisfaction in the club positively influences place attachment of members to the club. Finally, members' place attachment positively influences member loyalty. The study produces a model that predicts 64% of member loyalty.

It is critical for clubs to be sustainable by recruiting and retaining club members. By identifying the relationships among members' motivation of joining factors, perceived value, satisfaction, place attachment, and member loyalty to the club, the study will help the club business to understand members and predict their loyalty. A typical club replaces 5-10% of its members each year, and thus recruiting new members is important for clubs to be sustainable. The study identified a second order construct for motivation and satisfaction, while perceived value, place attachment, and loyalty used existing constructs modified for the club business.

The sample for the research was members who belong to CMAA managed clubs in the United States. Through a collaboration with club research companies, a web-based survey using Qualtrics was conducted. Data collection occurred over a two week period in September of 2015. This study included over 900 valid responses from nine clubs in
diverse, geographic regions of the United States. PLS-Structural equation modeling was conducted to examine the hypothesized relationships. The measurement model represented a good model fit into the data with adequate reliability and validity. The structural model indicated the relationships among motivation of joining factors, perceived value, satisfaction, place attachment, and loyalty were statistically significant. Motivation of joining factors had a significant direct effect on perceived value. Perceived value had a significant direct effect of satisfaction. Satisfaction had a significant direct effect on place attachment. Place attachment was found to have a significant direct effect on loyalty. The model predicted 64% of the variance for member loyalty.

The study provided information on one of the most important aspects of clubs, member behavior. The study represents new current members' perspective, reflecting the recent trends in the club industry. Additionally, the survey helps to fill the literature gap that exists in the club industry and focuses on responses by members. The study is among the first research to investigate member's motivation, developing a scale that expands the application of push and pull theory. Further, the study developed a satisfaction scale based on theory based research in addition to industry research. The study examined place attachment through four dimensions of place identity, place dependence, place affect, and social bonding, highlighting the significance in regards to loyalty.

Finally, and more importantly, this study successfully presented a holistic model to predict loyalty, through PLS-SEM modeling. The study utilized all second-order constructs, examining the dimensions of each construct as applied to the club business.
CHAPTER 1. INTRODUCTION

Background of the Study

A club is defined as an association or organization dedicated to a particular interest or common values, exclusively for the use of the members (Bascher, 2003). Clubs are formed to service people based upon social or recreational reasons, or because of economic impact (Buchanan, 1965; Sandler & Tschirhart, 1997). There are approximately 15,000 golf and country clubs in the United States, and approximately 2,000 other types of clubs including dining and yacht clubs resulting in over 17,000 clubs (Club Benchmarking, 2016; National Golf Foundation, 2012). A typical club has approximately 500 members resulting in 8.5 million members in the United States (Club Benchmarking, 2016).

The Roman bathhouses were the first form of clubs in human societies. The concept of a club in America originated in colonial times in the bars and taverns where members, usually men, met to talk about the day's activities. Then, the concept of a city dining club emerged when clubs moved into the cities as America was developing. These clubs satisfied the need for a quality dining facility and a place for individuals with similar interests (Perdue, 2007). In the late 1800’s, the concept of golf was brought to America and the formation of clubs with golf courses emerged. The Country Club in Brookline, Massachusetts, founded in 1882, is generally considered the oldest U.S. country club. In November of 1888, John Reid, a transplanted Scotsman living in Yonkers, New York, formed St. Andrew’s Golf Club and the golfers became known as the “Apple Tree Gang.” The club decided to build a new course in May 1894 in response to the growing interest in golf, with a clubhouse and locker room at Grey Oaks in
Yonkers, New York. The club hosted the first national amateur golf championship match at Grey Oaks and soon after the United States Golf Association was formed (Hardin, 2008).

There are a number of different types of clubs in the United States, including country clubs, golf clubs, dining clubs, city clubs, yacht clubs, military clubs, university clubs, corporate clubs, and residential clubs. The majority of clubs are operated as a non-profit enterprise, owned by members. Other clubs are owned by corporate, military, municipal, or single owners. Members typically join the club through the payment of an initiation fee. The initiation fee is a one-time only fee that generally includes both a refundable and non-refundable component (Ferreira & Gustafson, 2014). The initiation fee, traditionally, is used to maintain and build the club’s facilities. On the other hand, yearly dues provide members with the privilege of utilizing the shared facilities while supporting the daily operations (McGladrey, 2015).

The number of private clubs in the United States has been slowly declining by about 4% since 2006 (National Golf Foundation, 2012). Particularly, the economic downturn of 2009 negatively impacted the club business as many members resigned because of loss of jobs, loss of income, or the threat of both. In general, the economic health influences membership sales because discretionary income can allow people to be able to join clubs (Ferreira & Gustafson, 2006). Additionally, the overbuilding of clubs just before the downturn led to slow new sales (National Golf Foundation, 2004). That is, the combination of a bad economy and an oversupply of clubs resulted in difficult times for membership sales in clubs.
For the last few years, however, membership sales in the United States have been undergoing rejuvenation as a result of the recent economic uptick. While many private clubs have recovered new membership sales from the downturn of 2009, club membership rosters are undergoing fundamental changes in the composition of membership. Traditional, male-dominated private clubs face difficult times to survive as females become primary users and members. As more women work full time, the family unit has been redefined, and the recreational and social opportunity decisions are altered. As a result, clubs have begun to reevaluate their business model, adjust their business plans, and recruit new members, emphasizing family values to meet the needs of the entire family unit in the club business (Vain, 2014).

Fisher (2014) indicated for the first time that casual dining, fitness, and kids programs are more important than the golf amenity in the club business. This is a fundamental shift, which creates tremendous pressure to the traditional clubs that designed member loyalty programs to meet the needs of members who joined 20 years ago. The motivation for joining clubs has changed as the American family unit has changed. In addition, members’ perceived value is being redefined in business, as consumers demand more value from the products and services. Also, a changing membership base requires the club to investigate original satisfaction methodologies, as new members may have different needs than traditional club members. A member has a social network opportunity with other members to create human bonds through social interactions while utilizing physical facilities for recreational facilities such as golf courses, tennis courts, and fitness centers (Grant & Mittelsteadt, 2004). In addition,
private clubs support the social, psychological, and health structure of the residents who belong to the club (Stolle, 2001).

Members are the lifeblood of the private club business (Fornaro, 2003). Clubs are created and exist to meet the needs of the members, therefore member loyalty is paramount to the success of any club organization. Acquiring new customers can cost five times more than the cost of retaining current customers (Kotler, Keller, Koshy, & Jha, 2009). Furthermore, member loyalty can play an important role in recruiting new members as key resources. A club with loyal members has more opportunity to increase members' spending and willingness to pay higher fees, in addition to decreasing clubs' operational expenses (Reichheld & Sasser, 1990).

Several researchers have paid attention to clubs and their members (Barrows & Ridout, 2010). For example, Ferreira (1996) investigated members' identification and found that it was positively related to perceived prestige of the club, satisfaction level, length of membership, and frequency of club usage. Ferriera (1997) further evaluated private club members' desires in regards to price, food quality, and level of service. Ferriera concluded that pricing, level of food quality, and service are important to private club members and their importance varies with the purchasing situation. Boughton and Fisher (1999) examined satisfaction of members in a Florida club and published detailed reports. Kasavana and Knutson (2000) outlined the benefits of data mining for clubs and reported that data mining allows clubs to build strategies. Finally, Knutson (2001) studied a private club in Michigan and findings indicated significant differences between segments of membership by age.
Numerous studies have investigated loyalty predictions using various variables in the hospitality and tourism context (Back & Lee, 2009; Oliver, 1997; Zeithaml, Berry, & Parasuraman, 1996). The crux of these discussions has been both operational and conceptual, with particular attention given to identifying the relationships among and between constructs. The objective has been to develop an improved understanding of not only the antecedents and relationships between the constructs, but also subsequently to drive loyalty. Yoo and Bai (2012) claimed that brand loyalty was a significant indicator of marketing success in the tourism and hospitality business. Various concepts have been employed to predict loyalty, including motivation (Yoon & Uysal, 2005), perceived value (Ryu, Han, & Kim, 2008; Petrick, 2004), customer satisfaction (Athanassopoulos, 2000; Back & Lee, 2009), and place attachment (Campbell, Nicholson, & Kitchen, 2006).

**Problem Statement**

Although clubs have been around for hundreds of years, the field has been under-studied due to the private nature of clubs and the privacy concerns of membership. Private club members do not want the general public to have access to membership rolls or private club business. Members of a private club historically have enjoyed exclusivity without the fear of scrutiny, and therefore have resisted most research inquiries. While clubs want to be more sophisticated in their business practices to be successful (Ferreira & Gustafson, 2014), clubs have not recognized the value of research to their business operations, which leads to the limited data access for researchers and lack of club research. This void in academic literature indicates that research is necessary in the club industry, concerning its issues, changes, and solutions in the response to current trends.
Additionally, while understanding member behavior is critical to the success of a business, very limited research has explored member behaviors in the club business context. Additionally, the limited past club research was studied from the perspective of the manager and not the members (Koenigsfeld, Young, Perdue, & Woods, 2012). Barrows and Ridout (2010) suggested that future research investigate club member's attitudes and behaviors, which can assist clubs to be successful and sustainable. However, club research is lacking in understanding of its members and their behaviors.

Member behavior in a club can include *motivation* when members join a club, *perceived value* while accessing the club, *satisfaction* while utilizing facilities and amenities, *place attachment* while interacting with staffs and other members, and *loyalty* while developing intimate relationships with the club. Among these member’s behaviors, satisfaction would be the only concept that has been extensively used in measuring member’s behaviors in a club context (Barrows & Ridout, 2010; Fisher & Boughton, 2010; McMahon, 2011). However, most studies were conducted through surveys by the industry consulting firms (e.g., McMahon Group), but not from a conceptual and theoretical perspective. This might have resulted in the limited understanding of member’s satisfaction and its role with other factors (e.g., loyalty). This suggests that a study based on a socio-psychological approach is needed to better understand member satisfaction.

Recently, Butler and Lee (2015a) examined members’ motivation of joining factors, employing the push and pull model. More extensive research is suggested to examine the relationship of motivation with other factors (e.g., value). Back and Lee (2009) investigated the role of perceived value in terms of price against competitive
clubs. Their study was limited to investigate the concept as a unidimensional level, which suggests that a multi-dimensional approach may be more appropriate to measure the construct. Therefore, it is suggested that more research should be conducted to understand member behaviors, which will enable clubs to better serve members, meeting their needs and wants.

Club members interact with clubs’ physical settings, products, and other members, and form the positive bonds with the club, which is considered place attachment. Leisure and tourism research has shown the impact of place attachment in residential studies, focusing on interactions with neighbors, seasonal celebrations, physical neighborhood amenities, and affective feelings (Brown & Werner, 1985; Werner, Altman, Brown, & Ginat, 1993). Therefore, the concept of place attachment could be an important part of member behaviors. While place attachment is a relatively new concept to the club business, it can play an important role in evaluating member behaviors.

The economic downturn of 2009 led clubs to develop various marketing strategies to attract potential members by reducing dues or providing various options. However, little empirical research supported these approaches (Club Benchmarking, 2016). As the club structure of members has shifted, the new members consist of women and children (McMahon, 2014; McMahon Group, 2015). The entire family unit spends time together, so families that belong to clubs expect to have physical facilities that match men, women, and children’s needs, both individually and collectively (PGA, 2015). As new types of club members have emerged over the last decade, leaders of clubs should further understand new members’ behaviors, including female and family orientated needs. For
example, an important aspect for some females is casual dining that includes children friendly spaces, which is different from male’s motivation of a men's grill. If a club does not meet the needs of the female member, this will have a negative impact on the perceived value of being a member and satisfaction with the restaurant, and lose the opportunity to create attachment with the staff, other members, and the club. Overall, the shift in member behaviors has required clubs to reevaluate their products and services and to update facilities and amenities to meet the new needs and wants (McMahon Group, 2016). Therefore, there is a need to examine new member’s behaviors in a more comprehensive view, and identify the relationships among member behavior variables.

Loyalty is a critical element in consumer behavior, and leaders of clubs should focus on the importance of member loyalty, as this can impact both the membership purchase decision and membership usage decision. Numerous studies in business and hospitality have focused on predicting consumer loyalty by employing various factors (e.g., satisfaction, place attachment, value) (Cronin, Brady, & Hult, 2000; Lee, Kyle & Scott, 2012). However, there was a lack of sound models that provided a holistic view of consumer loyalty on key variables such as, motivation, perceived value, satisfaction, and place attachment (McMahon, 2011). This results in club researchers lacking a holistic model to predict loyalty and the club industry deficient in a comprehensive understanding of member loyalty (Back & Lee, 2009). It is problematic to develop strategic loyalty plans without fully exploring the antecedents of loyalty. Therefore, the development of a sound model is necessary to better understand predicting loyalty (Barrows & Ridout, 2010).
Purpose of Study

The purpose of the study was to examine members' behaviors in order to predict their loyalty in the clubs. Particularly, the concepts of motivation, perceived value, overall satisfaction, and place attachment were employed as the antecedents of loyalty. To achieve this purpose, a conceptual model and hypotheses were developed.

Significance of the Study

Clubs are a significant contributor to their local communities as employers, social contributors, and taxpayers. Clubs can provide an economic base that defines the area, supports the tourist industry, and leads to the local profits. However, there has been limited research to understand the club business, its issues, and changes over time (Ferreira & Gustafson, 2014) despite club leaders’ efforts to create more business opportunities to be sustainable and successful. Therefore, as one of the first club studies, this study aims at developing a research agenda by investigating the club business, particularly from members’ perspectives. The knowledge gained from this study will create an awareness and provide an opportunity to focus on the club industry in future studies. This study will expand the literature on club inquiry and potentially reiterate to club businesses the importance of research.

Membership is the lifeblood of a club and loyal members are particularly significant to the overall success of the club. A typical member spends over $10,000 a year at a club for dues and membership fees (Club Benchmarking, 2016). Thus, a member that belongs for 20 years has a lifetime value of over $200,000 at a club. The loss of members in a club could be a critical threat to the sustainability of the business. Therefore, it is critical for clubs to understand member’s behaviors – what is the main
motivation to joining a particular club, which values are important to them, satisfaction with products and/or services, how they are attached to the club, if they are loyal customers, and why they leave. As there are relatively few club studies, focusing on member behaviors over a 20-year period (Barrow & Ridout, 2010), this study will explore club research on member behaviors such as motivation, perceived value, satisfaction, place attachment, and loyalty, while providing club operators with an opportunity to apply the findings to their operation and management.

A club consists of many different types of members and adds new members with various demands every year. It is significant that clubs understand member’s joining motivation in order to meet both current and new members’ needs, which will lead to the long-term sustainability of the clubs. The diversity in membership requires managers to own appropriate skills and knowledge to deal with various situations, including understanding members’ needs and wants (Koenigsfeld et al., 2012). Furthermore, the member shift since 2009 lead clubs to investing significant amounts of capital improvement into physical amenities, as much as $30 million in many clubs (McGladrey, 2015). Historical data on traditional members may not be applicable to the new members anymore. However, not all club leaders develop business plans based on current, updated information on members. Therefore, the findings of this study will show the importance to use updated information, including both new and existing members for a club, particularly for its Board of Directors (BOD) to make a better decision toward membership and to improve their business plans. This study will further help clubs in leading to greater club growth and enhancing the local and state economies.
This study investigates member satisfaction and its relationship with other variables. Understanding member satisfaction will provide clubs with an opportunity to improve their business, facilities and amenities (e.g., golf, tennis, and fitness), and services (e.g., staff, communications) (Afthinos, Theodorakis, & Nassis, 2005; McMahon, 2011; Yates, 2002). In particular, by examining satisfaction from a conceptual perspective, this research attempts to offer a socio-psychological approach to understanding member’s satisfaction, and enhance the previous club studies on satisfaction.

Members engage in personal relationships through social interactions at the club's social events, networking with other members while utilizing the club's amenities, and creating attachment to the club while interacting with staff. Therefore, this study could be crucial in understanding members’ relationships with clubs though member’s place attachment. This will be one of the first studies to apply the concept of place attachment to the club context by exclusively including all four components: place identity, place dependence, social bonding, and place affect. By investigating member’s attachment to the club, this study will highlight the importance of attachment in the club business and the significant impact on loyalty.

The ability to understand member loyalty is paramount to the sustainability of clubs, as the members are the only reason for the business to exist (Ferreira, 1996). A club with loyal members show higher revenues, lower expenses per member, and long-term systemic success. Therefore, it is critical to comprehend how members can become loyal to a club. As this study predicts member loyalty in a progressive framework by combining key constructs (e.g., motivation, perceived value, satisfaction, and loyalty),
the findings will describe how members develop loyalty to a club, discussing the underlying relationships among variables. Therefore, the study will offer significant perspectives in sustaining and enhancing member loyalty based on motivation, perceived value, satisfaction, and place attachment.

It is believed that this study is among the first attempts to predict member loyalty through a holistic model. This study will discuss the importance of thorough understanding of member loyalty, connecting core variables. This will help fill the literature gap in member loyalty in the club context. In addition, this study will offer some suggestions that can be beneficial to clubs in creating differentiated marketing strategies to retain members and drive revenues. Furthermore, the findings may help clubs to be more competitive in managing their business, while enhancing the financial stability of the organization.

**Definition of Terms**

- *Board of Directors* - The governing body of a club. Board members do not receive financial rewards, but have increased influence and satisfaction (Kim et al., 2012).
- *Club* - A club is defined as an association or organization dedicated to a particular interest or common values, exclusively for the use of the members (Bascher, 2003).
- *Club members* - Members pay an initiation fee to join a private club, and dues that assist in covering the operational liabilities of the club (Ferreira & Gustafson, 2006). Members have access rights to use the club amenities.
- *Country club* - A club that has a clubhouse and enough acreage for a golf course; most have other sport and recreational facilities as well. This is the most common type of private club in the U.S. (Perdue, 2007).
• **Dining or city club** - A club that offers dining as the main amenity for its membership. Many times dining clubs are located in major metropolitan cities and serve the business, entertainment, and social needs of members (Perdue 2007).

• **Dues** - Each member pays dues based on the membership category in the club (Club Benchmarking, 2016). Dues are the gross profit in the club business, and produce 50-60% of the income for operations in a typical club.

• **Equity member** - The term equity in the club business denotes ownership. An equity member is a stakeholder in the club, and serves as both the customer and the owner of the business (Ferreira & Gustafson, 2006). For example, a club with 500 full equity members has 500 equity shares, so each member owns one share of the club. Equity membership denotes financial responsibility for the club.

• **Full member** - A member that has access rights to all club amenities (Perdue, 2007).

• **Joining fee** - A one-time charge to join the club. This money is used to build infrastructure for capital needs of the club, and to repay resigned members in case of an exit list for membership (Ferreira & Gustafson, 2006).

• **Private country club** - A country club only for members which offers a diversity of amenities, which may include golf, tennis, fitness, tennis, food and beverage, special events, children programming, and banquet facilities (Barrows, 1999).

• **Sport or social member** - A member that has limited access rights to club amenities. For example, a sport member may have access rights to the fitness center but not the golf course in a country club. Each club would describe the rights of membership in each category of membership such as full member, or sport member (Perdue, 2007).
CHAPTER 2. LITERATURE REVIEW

This chapter provides a foundation to better understand the concepts underlying member attitudes and behaviors, and their influences on clubs. The literature review consists of three sections. The first section provides a description of the club business, the concepts of clubs, the structure of clubs, membership, dues, and demographics of clubs. The second section reviews the members' behavior in the club business including the motivation for joining, the perceived value, satisfaction, place attachment, and loyalty. The last section provides a theoretical framework to investigate the importance of member behavior and the impact of loyal members.

**Club Business**

Private clubs, an important part of the hospitality business, have over 1.8 million members in the United States and employ almost 300,000 people (CMAA, 2016). Clubs are constantly recruiting new members as most clubs have yearly attrition averaging about 5% per club per year (Club Benchmarking, 2016). The ability to understand the motivation of members joining clubs is important to recruit new members and to satisfy existing members (Butler & Lee, 2015a). Members spend a significant amount of discretionary income at clubs, so understanding how members describe perceived value is important in retaining, recruiting, and satisfying members. Members also use the club to develop bonds with other members and the club, so describing the attachment that members have is important is developing loyal members (Butler & Lee, 2015c).

Buchanan (1965) wrote the seminal article describing the concept of Club Theory. In the article, the author compared private clubs with public goods, describing that private goods are rivalrous and exclusionary, and provide a higher experience level
Buchanan envisioned clubs as a member-owned institutional arrangement where rivalry is in the form of congestion. The presence of congestion, such as overcrowding, provides incentives for clubs to limit membership size. The concept has been applied to modern day private clubs, which are based on creating a membership with a limited number of members to eliminate congestion, or in modern day vernacular, provide a level of service that meet the needs of the members.

There are three major research firms that serve the club industry, Club Benchmark, McMahon Group, and RSM (formerly known as McGladrey). Club Benchmarking (2015) has been successful recruiting private clubs to share financial information into a database platform. McMahon Group (2010), a St. Louis based market research company, does an array of surveying and data collection including satisfaction surveys, facility surveys, mini-surveys, and marketing surveys (Strutz, 2015). Finally, RSM, formerly known as McGladrey Pullen, has been collecting financial data from clubs for multiple decades (McGladrey, 2015). Club Corporation of America (Club Corp.), the largest club management company in the United States, had an initial public offering in July of 2013, resulting in the club business financials being made public to Wall Street (Picker, 2013). This public offering has allowed clubs to be further explored as confidential financial information is available for the first time on a national scale.

**Club Structure**

In general, clubs are small businesses that provide amenities for members (Ferreira & Gustafson, 2006). Membership may either be by choice or may be required in some communities, referred to as bundled (McGladrey, 2015). Most clubs offer a diversity of activities and establish social programming to meet the needs of the
members. Clubs are managed by the BOD, of which most are composed of nine members with three rotating out on a yearly basis (Club Benchmarking, 2015).

Club business units may include golf courses, yacht basins, fitness centers, tennis centers, food and beverage facilities, special events, golf course maintenance operations, administration, memberships sales and marketing, accounting, finance, landscaping, and security (Crilley, Murray, Howat, March, & Adamson, 2002; Perdue, 2007). Each of these units operates as separate businesses within the club. A general manager oversees the operations of each of these business units, with specialty managers such as golf pros, golf superintendents, and fitness managers (Koenigsfeld et al., 2012). Clubs market to their own members to sell food and beverage, golf and tennis lessons, spa services, rounds of golf, boat slips, merchandise sales in the retail shops, specialty equipment for each amenity (boating, golfing, fishing, and tennis), and memberships. Club usage and fees are an important revenue source for the financial stability of the club (Ferreira, 1997).

The nature of ownership in most private clubs has been by equity position (Barrows & Rideout, 2010; Perdue, 2007). A member of a club buys into a private club and becomes a part owner with the other members. Therefore, a member was both a customer and also an owner. This relationship was unique to the private club business and was not shared with the hotel or hospitality businesses in general (Kim, Cha, Cichy, Kim, & Tkach, 2012). As a result of the owner/customer relationship, each consumer interaction takes on special meaning as a result of being with an owner of the company. Additionally, each owner has a voice in the management of the club (Cha, Cichy, & Kim, 2011). Clubs are usually non-profit private organizations (McGladrey, 2015; Perdue,
Members

Membership

Private clubs have a fixed customer base and are only open to members by definition. This finite customer base was decided upon by the individual club and was generally a result of the experience level desired by the members, and financial considerations (Ferreira, 1996, 1997; Ferreira & Gustafson, 2006, 2014). A typical club facility with 18 holes of golf may have 500 members to support the club, which is a rule of thumb in the club business in the southern part of the United States (Club Benchmarking, 2016). A more exclusive club experience would be 400 members, and a less exclusive club experience would be 600 members in the club. A club with a bigger membership requires a more vital membership sales and loyalty program to replace members that are exiting. This analysis was done by every club and was part of each club's business plan (Fisher & Boughton, 2010).

Exclusivity was also related to the reputation of the club. The reputation of the club was very important to the members because reputation in the club may be the result of terrific amenities such as the golf course (e.g., Augusta National), or the group of members that belong to a club (e.g., Olympic Club in San Francisco). Reputation was a component of membership sales, as clubs focus on their public perception nationally in addition to their location communities. Awards such as the Platinum Clubs and the Emerald Clubs of the World are designed to enhance the reputation of clubs.
Club membership may be viewed as opportunity cost, the alternative cost of choices. Ulbrich and Wallace (1989) described the cost of joining a club as the value of the perceived benefits compared to the alternative use and time. Members spend a significant amount of time at the club, and yearly measure the opportunity costs of their involvement utilizing the club compared to not utilizing the club. Members evaluate the opportunity cost of non-use when monthly or yearly dues are payable. Non-use of a club membership, resulting in decrease member usage, can be an indicator predictor of loyalty (McMahon, 2011).

Clubs struggle when they are unable to support and maintain the desired membership levels (Pennington, 2012). Struggling clubs are typically the result of a lower than desired membership levels (Clemenz, Kim, & Weaver, 2006). As a result of lower membership levels, the club was forced to subsidize the decreased number of memberships through the other members or cut the fixed costs of operating the club. Successful clubs have full memberships utilizing the club and paying membership dues (Singerling, Woods, Ninemeier, & Perdue, 1997).

Clubs focus on the core social relationships between members, which are supplemented by family members and guests (Rich & Hines, 2002). Ryan and Deci (2000) described the need of humans as “autonomy, competence and relatedness” (p. 54). Members are intrinsically motivated to participate in activities that they enjoy and find interest. Members interact with other members, so it was important for clubs to have the ability of creating an experience for membership interaction. Therefore, creating a friendly environment for member interactions was an important element to meet the motivation of a member.
Dues

Membership dues are paid by each member of a club and are used to support the daily club operations. Dues are the lifeblood of most private clubs, and are the financial pillar of any club (Fornaro, 2003). Member dues represent approximately 50% of the total revenues in clubs and are the predominant revenue stream for a club (Club Benchmarking, 2015; York, 2002). Ray Cronin, CEO of Club Benchmarking (Club Benchmarking, 2015), described dues as the gross profit margin of clubs. Dues are used to cover the fixed costs of the clubs and provide a steady revenue stream. Many clubs bill dues monthly and this revenue stream allow the club to meet the monthly financial obligations including cost of goods and payroll, the highest fixed costs in the club business.

Clubs engage in marketing plans to recruit future members who might buy a membership, and encourage members to refer a membership prospect. New membership sales are paramount to clubs as yearly attrition rates of members must be met or exceeded by new sales in order for the clubs to thrive (Ferreira & Gustafson, 2006). Clubs interact with their members on a continuous basis, thus clubs need to develop long-term relationships that will provide mutual benefits (Holmlund & Kock, 1996). Unlike a hotel guest that leaves after a weekend, a club member may stay for years. This was a fundamental difference in the club business as the member loyalty was measured in years as opposed to a number of stays in the hotel business (Clem, 2011). Clubs are ultimately in the membership dues business, therefore, it was critical to understand the members and create member loyalty (Back & Lee, 2009; Hansmann, 1986; Henkin, 2006; Lee & Hwang, 2011).
Demographics

Clubs have historically been developed with the concept that men are the primary members, and women are the spouses without membership rights. For example, Augusta National in the United States, and the Royal and Ancient Golf Club in Scotland, two premier club institutions in the world, did not allow women as members until 2000 and 2013 respectively (Reis & Correia, 2013). Some private country clubs with golf courses historically had rules to prevent women from playing at all, including famous golf clubs such as Butler National, and Burning Tree. Other clubs would restrict the tee times of women. For example, Saturday morning was available only to male players (Song, 2007). Clubs had separate dining facilities for men labeled men’s only grills, or would not allow women into the clubhouse. Some clubs did not have facilities for women such as locker rooms or appropriate tees on the golf courses. This discrimination by gender has been legal in most private club situations (Charpentier, 2004). However, as the family unit in America has changed and a more equal workforce has evolved, country clubs are faced with changing their rules to be more inclusive of women (Pauline, 2012).

Knutson (2001) identified segments of memberships based upon age and indicated that 65 years of age was a market segmentation that was appropriate for the club business. Additionally, members belonging to multi-generations compose the membership rolls and clubs must deal with generational behavior within the same business units (Knutson, 2001; Knutson, Beck, Singh, Kasavana, & Cichy, 2005; Knutson & Patton, 1993). Clubs were forced to enlarge the potential pool of members and retain the older members (McMahon & Fisher, 2012) as a result of the economic
downturn of 2009. The influence of the older consumer in the United States was increasing and reaches all aspects of the clubs (Knutson, 2001).

Clubs are generally supported by members that live in close proximity to the amenities (McMahon, 2015). This creates residential members and nonresident members within the club environment. Other demographic factors in clubs include education, income, and marital status. Demographic components in the club business may result in a club formation such as the Harvard club (education), Ladies' Golf Club of Toronto (women), or Burning Tree (men).

**Member Behaviors**

**Motivation**

Tourism literature has studied motivation to better understand and predict travel behavior. The ability to understand and predict helps businesses create destination marketing plans (Prebensen, Woo, Chen, & Uysal, 2013). Dann (1981) defined tourism motivation as a "meaningful state of mind which adequately disposes an actor or a group of actors to travel" (p. 205). Iso-Ahola (1982) described motivation as having two forces of seeking and avoidance. The intrinsic reward of satisfaction produces feelings such as mastery and competence, and helps tourist leave routine environments behind. The ability of a tourist to have both seeking and avoidance is important, as most tourists escape to destinations such as the Bahamas and seek to participate in activities such as golf.

Motivation can be described with intrinsic and extrinsic motivational factors based on self-determination theory (Deci, 1975; Deci & Ryan, 1985). Intrinsic motivation refers to engaging in activities for the pleasure and satisfaction. This
motivation was not based on external rewards or constraints (Deci & Ryan, 1985). Intrinsic motivation was about being active, inquisitive, curious, and playful (Ryan & Deci, 2000). Extrinsic motivation pertains to engagement as a means to an end. This motivation was prompted by rewards, or external factors. For example, a student who wants to receive praise from a parent based on the attainment of good grades.

**Push/Pull Theory.** The tourist industry has done extensive research utilizing push and pull motivations to describe the motivation of tourist destinations and motivations for the tourist (Crompton, 1979; Dann, 1977; Dann, 1981; Uysal & Jurowski, 1994). The concept theorizes that push decisions are internal and pulled forces are external forces of destination attributes. This differentiation fits into a club environment where members decide to join a club first through internal push decisions, and then decide based on the specific attributes of the specific club. Dann (1977) stated that a specific resort may have many attractive characteristics, but push factors are antecedents to any of these pull factors.

This approach argues when consumers travel, they are pushed by intangible forces and pulled by tangible forces. The push factors include socio-psychological motivations such as the desire for escape, relaxation, exploration, and social interaction, whereas the pull factors are those that emerge as a result of attracting travelers to a specific destination such as facilities, historic resources as well as traveler’s perception and expectation. Several researchers have extensively attempted to examine a traveler’s motivation by adopting the push and pull force approach and employing both qualitative and quantitative methods (Baloglu & Uysal, 1996; Crompton, 1979; Kim & Lee, 2002; Klenosky, 2002; Yuan & McDonald, 1990). Baloglu and Uysal (1996), for example,
described push and pull factors as forces of motivation. They described that internal forces push individuals and pulled by destination specific attributes to satisfy many needs at the same time. Pesonen, Komppula, Kronenberg, and Peters (2011) explored the push and pull motivations in rural tourism. Thirty-one push statements were identified and twenty-seven pull attributes were identified through analysis of variance.

Uysal and Jurowski (1994) indicated that push factors are internal and may include escape rest, relaxation, prestige, health fitness, and social interaction. Pull factors include tangible resources of the destinations such as beaches, facilities, cultural attractions, and benefit expectations. The authors suggested that simultaneous examination of destinations attributes and tourist motivations is necessary in marketing material and promotional packages.

**Member’s motivation.** Members join clubs for a multitude of reasons that may be classified as internal and external motivations based upon consumer behavior literature (Crompton, 1979; Dann, 1981; Uysal & Jurowski, 1994). Members join to extend a person's identity by enabling him or her to associate with the characteristics of the club (Ferreira, 1997). Most cities and towns have multiple clubs that are differentiated by specific characteristics of the clubs and its members. Successful clubs are fulfilling a specific need in these cities and towns. Some of these characteristics are amenity-based such as golf clubs, dining clubs, or yacht clubs, and some are based upon the individual characteristics of the members including religion, socio-economic class, or geography. Hansmann (1986) stated “The socioeconomic status and other personal attributes of a club’s membership are likely to be quite as important to a prospective member as are the quality of the golf course, the tennis courts, and the food served in the
club dining room" (p.119). The author described clubs as status organizations that are characterized by exclusivity, stratifications of the clubs, and the cooperative operational basis of governance.

Club membership joining decisions frequently originate from potential members visiting as tourists (Butler & Lee, 2015b). Tourists visit an area and decide because of positive experiences, great weather, and a location where family and friends visit, to retire to the area. Tourist areas such as Las Vegas, Palm Springs, Hilton Head, and Naples are examples of tourist destinations with a multitude of private clubs. These clubs are formed to fulfill members' motivational needs as compared to the resort alternatives. Clubs are fulfilling specific consumer behavioral needs that are lacking in resorts as members look for a more private experience.

Butler and Lee (2015a) identified internal and external motivations in their study using the push and pull theory from the tourism industry. The factors were altered to fit the club industry. Internal motivations were identified for the desire of people to acquire a membership. External motivations were viewed as goods and services associated with the membership, consistent with the tourism approach.

**Members and staff.** Clubs have multiple cultures existing in their organizations, one of which was the culture of the staff. The relationship of the members with the staff was important because members and staff typically know each other for years, and long time staff members deliver quality service on a personal basis to club members. In the 2015 Masters, Ben Crenshaw played his last competitive round on Friday of the tournament and his longtime caddy was an employee of the club and was part of the story. The caddy worked for the club for 35 years and Ben as a past winner was a
member of the club. Their relationship was a very significant part of Mr. Crenshaw's experience at the club over the 35 years that was recognized in the press and services as a great example of the bond between staff member and employee (Westin, 2015).

Butler and Lee (2015a) also found that staff members were important for members joining the club, not only in staying as loyal members of the club. This finding might be counterintuitive because it would seem potential members would need to develop relationships with the staff before the staff would impact the relationship with the new member. The Butler and Lee study found through quantitative and qualitative research that new members joined because of the staff members providing a warm and welcoming environment.

**Dining.** McGehee, Loker-Murphy, & Uysal (1996) concluded that destination attributes reinforced motivation. Iso-Ahola (1982) focused on leisure activities, which provided intrinsic rewards and an escape for everyday routines. Many clubs in the south provide a retirement opportunity for members who are potentially seeking to escape from their work routine and participate in the amenity packages of the clubs (Smith & House, 2006). The emphasis on golf in clubs has decreased and the emphasis on the other amenities of the clubs has increased (Vain & McMahon, 2010). Members of various age demographics are demanding more casual lifestyle offerings from the club and families are utilizing the clubs both as individual members and as a family unit. Vain and McMahon (2010) stated that casual dining was the most important amenity for clubs for the first time in the United States, and was an important reason for joining and developing loyal members.
**Quality and reputation.** Clubs afford a lifestyle that includes limited access, limited membership size, and personal attention creating quality experiences for its members (Back & Lee, 2009; Clem, 2011; Lee, Kim, Ko, & Sagas, 2011). Members join clubs and expect quality goods and services as a result of paying joining fees and usage fees. The southern part of the United States was famous for private, gated clubs, and communities (Blakely & Snyder, 1997). These developments provide quality environments to the residents and members and are used to promote real estate sales and membership sales. Grant and Mittelsteadt (2004) also indicated that many enclaves appeal to seasonal residents because of the year round amenities provided when the resident/members are not there. According to Blakely and Snyder, gated communities fall into three main categories based on the primary motivation of their residents. First, are the lifestyle communities that provide quality leisure activities. Second are the elite communities, which create prestige and reputation. The third category was the security zone to create a safe environment in an unsafe area.

**Perceived Value**

Perceived value has been defined in various ways by researchers and focuses usually on the relationship between price, quality, tangible, and intangible benefits. Zeithaml (1988) defined consumer value as “the consumer’s overall assessment of the utility of a product based on perceptions of what is received and what is given” (p.14). Monroe (1990) suggested that value was the tradeoff between quality and benefits received and the price paid. Samuels and Hakala (2001) stated, "Perceived value is the main component of a prospective member’s decision to join or not join a club” (p. 42). Perceived value in consumer behavior literature was defined by supply, demand, market,
location, facilities, programs, convenience, time, relationships, marketing, and price (Samuels & Hakala, 2001). Oliver and DeSarbo (1988) viewed perceived value as a concept constructed from the customer perception of the product’s quality based on its price before the purchase.

Rokeach’s (1973) identified 20 values that influence consumer behavior. Kahle, Beatty, and Homer (1986) tested the List of Values (LOV) in consumer behavior and found strong validity in predictive behavior. Gruen (1994) utilized nine LOV’s and incorporated power from Maslow to derive a list of needs and values with respect to memberships. This included self-fulfillment, being well respected, security, self-respect, sense of accomplishment, and power. Petrick (2002) believed leisure and tourism providers would benefit from a refined measure of perceived value. He believed that a valid and reliable measure of perceived value would allow leisure programs to be compared, and allow providers the ability to identify the dimensions of perceived value in which they perform well or poor.

Perceived value was important to the success of organizations because it was a proxy of competitive success (Buzzell & Gale, 1987). With the multitude of clubs in the United States, members many times define clubs by their perceived value proposition. Bojanic (1996) described three value propositions: (1) comparable quality at a comparable price, (2) superior quality at superior price, (3) inferior quality at a discounted price. These value alternatives may be defined clubs as they define themselves by both dues, joining fees, and quality in a competitive marketplace. The delivery of perceived value becomes a competitive strategic decision.
Petrick (2002) developed a multidimensional scale for the measurement of perceived value of a service as opposed to a product. The multiscale measurement tool allowed to compare SERVQUAL (Parasuraman, Zeithaml & Berry, 1988) and SERVPERF (Cronin & Taylor, 1992). Sweeney, Soutar, and Johnson (1998) developed a multi-dimensional scale with 29 items in four dimensions of quality, emotional response, price, and social items.

**Quality value.** Quality was defined as a consumer's attitude relating to the superiority of a service (Parasuraman, Zeithaml, & Berry, 1985) or judgment about a product's excellence (Zeithaml, 1988). Therefore, this dimension describes how well the product was made. Gentry, Putrevu, Schultz, & Commuri (2001) found that consumers buy luxury brands because of superior quality reflected in the brand name. This result was consistent with the assumption that perceived quality of luxury brands offer greater quality and performance (Wiedmann, Hennigs, & Siebels, 2009).

**Emotional value.** Emotional response was defined as a descriptive judgment regarding a product or a service (Sweeney et al., 1998). Therefore, this describes how a customer feels about the product. The emotional value in a club was described by the members as giving pleasure through the experiences at the club. Pleasure was described by the amount of joy received from a purchase (Grewal, Krishnan, Baker, & Borin, 1998; Parasuraman & Grewal, 2000; Zeithaml, 1988). The emotional value also can be defined as the perceived utility acquired from an alternative's capacity to arouse feeling or affective states (Sheth, Newman, & Gross, 1991).

**Monetary value.** Jacoby and Olson (1977) described monetary value as the price of a service. Many authors have demonstrated that the price of good may have a positive
role in determining the value of the product (Erickson & Johansson, 1995; Groth & McDaniel, 1993; Lichtenstein, Bloch, & Black, 1988), and perceived price was what a consumer sacrifices to obtain a product (Zeithaml, 1988).

**Behavioral value.** Behavioral value was the non-monetary price of obtaining the service included time and effort (Zeithaml, 1988). Most products are being shopped by a consumer, comparing attributes against the competition. The elements of behavioral value include the information availability and the processing time for the consumer. Additionally, the time availability and involvement in the purchase impacts the value equation. Behavioral value has been studied in transportation in regards to travel time savings in commercial automobile travel (Hensher, 1997). Examples in consumer behavior would be the selection of a toll road versus a non-toll road choice.

**Reputational value.** Dodds, Monroe, and Grewal (1991) defined reputational value as the prestige or status of the product or service. Nwankwo, Hamelin, and Khaled (2014) described the social status attained through using luxury goods. Yan (2002) described the prestige associated with luxury goods that are owned by a limited number of individuals. Vigneron and Johnson (1999) reviewed prestige seeking consumer behavior and designated the interpersonal effects of describing perceived value, relating to the uniqueness of the value. Tynan, McKechnie, and Chhuon (2010) concluded that brand owners create value with inputs and influence from customers in terms of exclusivity, recognition, privileged information, and prestige.

**Member’s perceived value.** Private club members have the ability to leave their clubs and resign the membership (Clemenz, et al., 2006). Membership was a choice based upon the perceived value each member feels the club delivers. Many times, the
newest members will leave within the first two years of joining, according to Williamson (2001). Clubs also suffer declining numbers of members during times of economic downturn, including the last two downturns in the early and late 2000’s (Ferreira & Gustafson, 2014). In the face of declining memberships, Boughton and Fisher (1999) indicated that clubs need to focus on the perceived value members place on membership. Membership equity value was defined by the amount of money a club returns to a member upon resignation. The economic downturn has resulted in many clubs redefining the equity positions into non-equity positions, thus eliminating the payback upon exit (Ferriera & Gustafson, 2006). This has resulted in lower priced membership in the club market and a reduction in the joining fees.

Back and Lee (2009) investigated country club members’ perceptions of perceived value, image congruence, satisfaction switching costs, and member loyalty. The sample population was members of middle tier private clubs in the western part of the United States. The study found that adding amenities can enhance perceived value, which leads to quality and suggested that club managers provide high value to attract and retain members.

The dues paid by members may also define member perceived value. Members find more perceived value in the dues if they utilize the club and the amenities to a greater degree. Members who do not find perceived value are subject to leaving the club resulting in a resignation or a higher redemption list for exit from the club (Fisher & McMahon, 2011). Members pay dues to subsidize the operations and some expect the pricing of the goods and services to be at or below market price (Club Benchmarking, 2016).
Members' perceived value may be increased when a club offers the appropriate services for the members. Members have different ways of defining perceived value based upon their individual preferences. For example, a golfer might find great value in the conditions of the golf course (Yates, 2002) and the ability to play the course at any time. The perceived value proposition for members was different for each participant and was important for the club to meet the needs of the members in order to increase the perceived value. Parasuraman and Grewal (2000) described perceived value as the most important indicator for loyalty.

**Quality value.** Members measure quality through the service being delivered at the club. Members want the service to be dependable and value the same service staff member taking care of their needs. Service needs to be consistent and reliable. Members find value in quality level of service, and have a high expectation of quality service in a club. Clubs as existing only for the purpose of satisfying members, focus on quality in all aspects of the business. Quality goods and services are a hallmark of the club business.

**Emotional value.** Members find perceived value in joy and happiness in belonging to a club, and creating emotional bonding through places and events. A club provides members with a place to create family memories, and to develop an emotional attachment to the facilities, other members, and staff members. The emotional value a member has with the club was apparent in creating the culture of the club. Members that are happy and joyful create value for themselves, other members, and the staff of the club.

**Monetary value.** Money was exchanged in a club at time of membership purchase. Clubs are priced in all categories from economic to luxury brands (McGladrey,
Members pay dues to use the club, and usage fees for individual items. Members have an expectation of receiving value for price paid for these activities, while wanting a full range of amenities. The members also view price in terms of situational importance, which relates to satisfaction through value (Ferreira, 1997).

**Behavioral value.** Most private clubs have a membership process of joining, and these joining behaviors involve member research to develop an opinion if the club was appropriate to meet the needs of the member. Because of the privacy concern for private clubs, this process can be private at times, and hard to identify the process. Generally speaking, the more exclusive the club, the more difficult the process to be a member. The process of joining a club can be beneficial to the members as it serves as the selection process to add members.

**Reputational value.** The reputation of a club creates member perceived value through the association with the club itself, the other members who belong to the club, and the employees that work at the club. The reputational value was also used to compare clubs, as in many cases, members can belong to a variety a clubs and reputational value is a significant element to member value.

**Satisfaction**

The word satisfaction was derived from the Latin words satis (enough), and facere (to do or make) (Rust & Oliver, 1994). Satisfaction may be described as a need based definition and was closely related to motivation, so satisfaction results from needs and motives that are being met (Tian-Cole & Crompton, 2003). Satisfaction was one of the most important concepts in consumer behavior research (Kozak, 2001). Oliver (1980) discussed the expectancy-disconfirmation theory that was widely used in consumer
behavior studies. This cognitive approach for satisfaction uses customer's service experiences. The elements are prepurchase expectation, perceived performance, disconfirmation, and satisfaction. The theory states that a consumer's expectations and perceived performance are confirmed or disconfirmed.

Tse and Wilton (1988) assessed satisfaction through performance only, while disregarding consumers' expectations. This approach was appropriate when the consumer has limited to no knowledge or experience with a product or service (Yoon & Uysal, 2005). Tse and Wilton (1988) concluded that the association between expectation and satisfaction was much lower in the disconfirmation condition than with customers in the confirmation condition. Parasuraman, Zeithaml, and Berry (1994) argued that satisfaction was a function of the customer’s evaluation of the service experience based upon quality of service, product, and price.

Satisfaction may be seen as both a needs based definition related to meeting needs or motivations, or as an appraisal system based on usage (Tian-Cole & Crompton, 2003). The appraisal system refers to an evaluation of the extent to which an individual's perceptions meets current expectations (Bultena & Klessig, 1969). Stankey (1972) used a needs-based system to examine a wilderness experience as the consumers' motivations were fulfilled.

Satisfaction has been researched extensively in the tourism and hospitality business. Customer satisfaction with a service provider has been highly correlated and interrelated with perceptions of service quality (Rust & Oliver, 1994). The two concepts are different as satisfaction is defined as quality of experience, while service quality has been defined by performance measures (Tian-Cole, Crompton, & Willson, 2002).
Marketing literature has also shown relationships between service quality and satisfaction (Cho, Lee, & Chon, 2004; Cronin & Taylor, 1992; Murray & Howat, 2002; Patterson & Spreng, 1997; Theodorakis, Kambitis, Laios, & Kousetelios, 2001; Lee, Lee, & Yoo, 2000; Tian-Cole, et al., 2002; Tian-Cole & Crompton, 2003).

The tourism industry has investigated the measurement of customer and destination satisfaction. The traditional theory of perceived overall performance investigates the measurement of overall satisfaction with experiences in particular destinations (Kozak, 2001; Qu & Ping, 1999, Yu & Goulden, 2006). This theory argued that satisfaction with various attributes of products and services leads to overall satisfaction with consumption and purchasing experience (Lee, 2012). Therefore, overall satisfaction could assess the quality of the experiences at different settings (Tian-Cole et al., 2002).

**Member’s Satisfaction.** Satisfaction remains paramount to the club industry that remains dependent upon the number of members, particularly, renewed members every year (Ferreira & Gustafson, 2014). The number of golf courses and clubs in the United States increased in the early 2000's, while the number of golfers has decreased (NGF, 2014), resulting in club members having multiple membership options for joining. When a club has the ability to deliver personalized service to the members, members are more likely to be satisfied with service, which can be one of the most important factors for a successful club (Singerling, et al., 1997). A satisfied member will utilize the club more, driving club revenues higher, and resulting in a better bottom line (Boughton & Fisher, 1999). A satisfied member will be more likely to recommend the club to others (Clemenz, et al., 2006) and to renew membership (Back & Lee, 2009).
Clubs have been measuring satisfaction through surveys for the last decade (Strutz, 2015). The McMahon Group in St. Louis, Missouri has been one of the premier companies that provide member satisfaction surveys. Other research companies specializing in member satisfaction surveys include Synergy Solutions in Naples, Florida and Club Insights based in Lansing, Michigan. These companies measure satisfaction for the amenities in the club business including golf, golf courses, yacht basins, food and beverage, tennis, fitness, and administration.

These surveys usually include some form of an importance-performance analysis (IPA) (Martilla & James, 1977). The IPA has been used in identifying the level of importance to each of the areas being surveyed in addition to the level of satisfaction. In the last decade, the level of importance for the amenities has shifted from golf as the most important amenity in the scale, to golf as the fourth most important amenity (Fisher, 2014). Fitness, food and beverage, and children’s programming are now more important to the club business than golf according to McMahon’s survey. This was a significant shift in the club business, and has many implications as a club must readjust programming, asset allocations, staff training programs, and event programming as a result of this shift.

**Satisfaction Amenities.** Clubs are a member-driven service organization that focus on customer service and satisfaction (Gregory, Hahm, & Severt, 2009). Individual amenity questions for the food and beverage satisfaction survey would be based on service, menu selection, speed of service, consistency, food value, and food quality. Social activities questions would describe the ambiance of the club which centers on the
environment. Additionally, clubs measure satisfaction with the items of quality of the staff and the overall satisfaction of the club.

*Satisfaction Clubhouse.* The core customer of a club has been a private club member who pays for the privilege of using the club through initiation fees in addition to paying dues, and for the specific goods and services the club offers (York, 2002). This business model increases the expectations of the members to have a satisfying experience at the club (Gregory, et al., 2009). Members have an expectation to be communicated with concerning club activities, governance, and membership. Clubs also have invested in facilities and members have high expectations for the clubhouse, which serves as the focal point for club activities.

**Place Attachment**

Place attachment was defined as the affective bond or link between people and specific places (Hidalgo & Hernandez, 2001). Studies on place attachment have focused on the physical place such as the neighborhood, and community. Riger and Lavrakas (1981) identified two other dimensions of place attachment, the concepts of rootedness and social attachment in regards to local communities. The study identified the sense of attachment to communities and the relationships between attachment and the local social interaction and attitudes. The findings suggested that age and place in life influences place attachment in communities. Also, local community involvement may create interdependence with neighbors and raise attachment to the community.

Hidalgo and Hernandez (2001) studied place attachment against two dimensions of physical and social. The authors found that attachment to the neighborhood was the weakest, social attachment was greater than physical attachment, and the degree of
attachment varies with age and sex. Jorgensen and Stedman (2006) did research on shoreline property owners. They found that the owners identified themselves with the property and were dependent upon the property for behavioral commitments. The results show that place attachment has multiple components including place identity and place dependence.

Brown, Perkins, and Brown (2003) described place attachment as “nourished by daily encounters with the environment and neighbors, seasonal celebrations, continued physical personalization and upkeep, and affective feelings toward and beliefs about the home and neighborhood” (p. 259). Manzo and Perkins (2006) discussed place attachment in the form of community planning and the importance of a holistic perspective that would facilitate the understanding of a community’s dynamics. Hunter (1975) duplicated a study 25 years later to test a loss of community in an urban neighborhood. Hunter concluded that the community did not decline in sense of community, and in fact, utilized an active local community organization to build sense of community. The findings of the study also showed the effect local community organizations have in a neighborhood over an extended period of time.

Tourism research has integrated place attachment research with other constructs, including involvement (Gross & Brown, 2008). Altman and Low (1992) did research in place attachment and identified the affective bond between people and places. Trauer and Ryan (2005) described involvement with an interest in the activity and the sharing with like-minded people during the tourist experience. These emotional attachments are constructed through tourism encounters and the level of involvement of participants. Trauer and Ryan (2005) stated:
One aspect has been considerably understated, which is that places possess meanings as the context for personal relationships. It is these relationships that can create the holiday memory and it implies that place attributes possess importance only in the way that people use a place and then subsequently evoke place to relive a happy memory. (p. 481)

This quote was appropriate for membership of a club, creating family memories, through the use of the club. One of the benefits of membership was based on the fact of using the club to bring your family and friends together to create long-term positive memories.

Recreational studies have utilized place attachment. Kyle, Mowen, & Tarrant, (2004) utilized a hiking experience to identify the importance of social interaction in a specific setting. They utilized social judgment theory to examine how involvement and place attachment impacted hikers’ perception of density. The study found the higher the hiker scored on place dependence, the more tolerant they were in regards to the density on the trail. Membership in a club was based upon a limited number of members, so this conclusion was important in the club business. The study also identified user segments within the data of locals and veterans, and the differences between place dependence and place identity. The locals were not as knowledgeable about alternative sources and were more place dependent.

Environmental psychology has also examined the relationship between motivation and place attachment. Kyle et al. (2004) concluded that a person’s motivation was directly related to their attachment to the setting using a park setting. Studies looking at relating the positive effect of the health on place dependence show that residential
proximity to the amenity was positively associated with physical and physiological health benefits (Saelens, Sallis, Black, & Chen, 2003).

Recent studies have concluded that place attachment is a multi-dimensional construct (Halpenny, 2010; Hidalgo & Hernandez, 2001; Scannel & Gifford, 2010). Four dimensions have been identified (Ramkissoon, Smith, & Weiler, 2013a) as place identity (Hinds & Sparks, 2008, Prayag & Ryan, 2012; Stedman, 2002), place affect (Hinds & Sparks, 2008; Kals, Shumaker, & Montada, 1999), social bonding (Hammitt, Backlund, & Bixler, 2006), and place dependence (Bricker & Kerstetter, 2000; Prayag & Ryan, 2012). For this study, the Ramkissoon et al. (2013a) dimensions were utilized.

**Place dependence.** Stokols and Shumaker (1981) discussed the idea of place dependence in a recreational setting for the users because of its function. According to Williams and Vaske (2003), the development of place dependence involved the physical characteristics of a place such as rivers for rafting, snow for skiing, trails for hiking, and lakes for fishing (Williams & Patterson, 2008). Place dependence was also found to outrank place identity in the process of forming place attachment (Moore & Graefe, 1994; Vaske & Kobrin, 2001). It also revealed that developing place dependence requires less time than creating place identity (Smaldone, 2006).

**Place identity.** Proshansky (1978) described place identity as the importance of the physical settings of cities and the positive environmental features in terms of self. Place identity was developed through repeated exposure to a place, regardless if the exposure is through actual experiences (Zajonc, 2001). Stedman (2002) defined place identity as the process by which, through interaction with places, people describe themselves in terms of belonging to a specific place. Place identity has also been
described as bonds that are established with our surroundings (Hidalgo & Hernandez, 2001).

**Place affect.** Place affect was defined as an individual’s emotional bond with a place (Kals & Maes, 2002; Ramkissoon, Smith, & Weiler, 2013b). Tuan (1977) stressed that establishing a sense of place was far more than aesthetic appreciation as it involves the process of developing emotional supports in place. Hinds and Sparks (2008) found that individuals with more experience with natural locations might have a higher degree of place affect than those with less experience. Findings also posited that familiarity and kinship could foster affection and emotional support (Tuan, 1974).

**Social bonding.** Social bonding was conceptualized as the interpersonal relationship an individual developed within spatial contexts (Mesch & Manor, 1998; Scannell & Gifford, 2010). Kyle, Graefe, and Manning (2005) described that social bonding was formed through “memories of experiences shared with significant others over the life course” (p. 170). Social bonding was also conceived as a sense of belongingness to a group of people (Perkins & Long, 2002). Individuals who develop close friendships within their neighborhood were found to exhibit a higher degree of social attachment (Mesch & Manor, 1998). Hidalgo and Hernández (2001) further observed stronger social attachments than functional attachments in the context of houses, neighborhoods, and cities. Campbell et al. (2006) indicated the importance of social bonding and loyalty in a health club in the U.K.

**Member’s place attachment.** Place attachment has not been studied in the club business. Place attachment may be very significant for clubs because place attachment can impact member loyalty. Members with a low degree of place attachment to the club
are likely to resign, while members with a high attachment are likely to renew for another year. Therefore, clubs need to identify which components are significant to create high attachment among place dependence, place identity, social bonding, or place affect.

**Place dependence.** Place dependence can play a significant role in a club because of the functional value of the recreational settings. Members can use specific resources to produced desired outcomes. The location and the amenities play a significant role in creating place dependence to a club. Most members reside within seven miles of a club (McMahon, 2015). Members residing close to the club are more likely to utilize the club, which develops place dependence. Therefore, a club must make efforts to provide the physical amenities to meet the needs of current and future members. If a club notices that members are less dependent on a club’s facilities and amenities, the club must identify what facilities are lacking, and consider renovating amenities to meet their needs. Thus, it would be critical for a successful club to create up-to-date facilities in order to meet the place dependence needs of both the current and future members.

**Place identity.** Member’s place identity has been described as a component of self-identity, formed through memories, feelings, ideas, and meanings at a club. For example, a club was known for the best golf course in town, or the best food and beverage operation, or the best tennis and fitness programs, which described the identity of the club. A country club may be the "blue blood" club, or the working club, or the club with the best family programming. Therefore, each club has its own unique identity and reputation, which becomes attributed to its individual members, developing place identity.
**Place affect.** Members develop emotional bond with a club through various experiences at the club. Club activities developed by members’ needs can play a significant role in developing this emotional bond. For example, military-based events such as Veterans Day, or Patriot Day, or Independence Day will create place affect, particularly to members with the former military personnel. Programs targeting families can create opportunities for the families to spend time together, which will lead family members to forming emotional bond to the club.

**Social Bonding.** Member’s social bonding was one of the significant place attachment items that a country club can develop. Particularly, in the private nature of clubs, interactions with the other members can be important part to develop a strong social bonding as it creates memories of experiences over a long period of time. The member-member interaction, creating social networks, and participating in events are areas to increase social bonding in a club. Social bonding also involves entertainment, through interaction with business associates, families, friends, and staff.

**Loyalty**

Loyalty may be defined as the ability to purchase a brand or product despite competition marketing other alternatives (Oliver, 1997). Oliver (1999) described patronizing preferred product and services of same-brand despite external motivations for switching. Oliver (1997) argued that loyalty develops through three different stages: a preference over competing brand attributes, the development of an affective preference toward a product resulting in an attitude, and a preference for repeated purchasing of the product. That is, the author claimed that a customer becomes loyal first through the use
of the product, then develops an affective positive attitude toward the product (Back, 2005; Oliver, 1997).

Researchers have studied loyalty from a product, destination, or activity standpoint (Backman & Crompton, 1991; Baloglu, 2001; Iwasaki & Havitz, 1998; Lee, Backman, & Backman, 1997). For example, loyalty was found when customers are satisfied with products or services that they use (Anderson & Sullivan, 1993; Yang & Peterson, 2004). In general, it was assumed that satisfaction leads to loyalty, which includes positive WOM and repeat intention.

Loyalty was viewed from two dimensions, behavioral and attitudinal, in this study.

**Behavioral loyalty.** Behavioral loyalty was defined as the act of a consumer repeatedly buying the same brand (Croes, Shani, & Walls, 2010). Behavioral loyalty has been a popular topic by most consumer and destination research. This type of loyalty was usually measured by repeated behavior (Yuksel & Yuksel, 2007). Behavioral loyalty (e.g., repeated behavior) has been recognized as far more powerful marketing tools of many businesses than other forms of marketing (e.g., advertising) (Petrick, 2004).

**Attitudinal loyalty.** Attitudinal loyalty was about customers' beliefs or overall attitude toward a product or service (Fournier, 1994). Attitudinal loyalty can be described as psychological attachment of customers focusing more on the causes than outputs (Lee, 2012). Studies have suggested that satisfied consumers tend to recommend to other people as a result of positive attitudes (Kozak & Rimmington, 2000; Yoon & Uysal, 2005). Yoon and Uysal (2005) described the importance of positive WOM in
destination marketing because it was considered to be more reliable source of information.

**Member Loyalty in Clubs.** Member loyalty was an important element in the club business as the equity of members was protected by having loyal customers creating a sustainable business as a result of a full membership, and potential members wanting to join the club (Dekimpe, Steenkamp, Mellens, & Vanden Abeele, 1997). Positive word of mouth (WOM) of loyal members was one of the benefits to clubs because it helps clubs to recruit new members and leads to additional purchases at the club. In general, maintaining existing members would be easier for clubs than recruiting new member recruits. Therefore, member loyalty is critical to clubs as they are a long lifetime-valued customers to a club (Pritchard, 1991). Members are willing to renew the memberships when a club meets their expectations, satisfies their needs, creates high perceived value, and develops their dependence upon the goods and services of the club (Bhattacharya, 1994).

**Behavioral loyalty.** Clubs offer a broad range of services, and members repeatedly use them and become loyal to the clubs. Member’s behavioral loyalty can include various behaviors in the club. For example, members repeat to purchase products and services, paying fees such as cart fees, green fees, pro shop purchases, and lessons in the golf operation. They also dine at the restaurants, club events, parties, private events, wine clubs, and speaker series. Revenue generated by repeated behaviors helps to offset overhead costs while enhancing products and services. Therefore, behavioral loyalty was significant to the club business, providing competitive advantages against other clubs.
**Attitudinal loyalty.** Member’s attitudinal loyalty can play an important role in recruiting new members, as the current members are influential in bringing in new memberships (Vain & McMahon, 2009). Members who host events at a club can create new membership opportunities as they bring guests, potential members who will have an opportunity to experience the club and interact with existing members. The existing members’ attitude toward the club was critical as they can generate WOM advertising for potential members. In fact, current members are the number one sales persons for most clubs, as their WOM can predominately influence potential new members (McGladrey, 2015). Thus, member’s attitudinal loyalty helps a club spread the brand of the club, and create positive feedback to others, which will lead to enhancing the reputation of the club.

**Conceptual Framework**

A conceptual framework has been developed to predict loyalty based on previous studies (Back & Lee, 2009; Barrows & Ridout, 2010; McMahon, 2011; McGladrey, 2015). The constructs were chosen as a result of an extensive literature review of the hospitality and tourism destination research. The push/pull theory was used to develop the concept of member’s joining motivation (Crompton, 1979; Dann, 1977; Dann, 1981; Uysal & Jurowski, 1994). The concept was modified to fit the club industry. Member perceived value was developed to describe the importance of value in the club industry (Petrick, 2002). The satisfaction construct was developed through the previous studies (Kozak, 2001; McMahon, 2011; Qu & Ping, 1999, Yu & Goulden, 2006). Member’s place attachment was conceptualized based on the four dimensions of place identity, place affect, place dependent, and social bonding (Ramkisson et al., 2013). Finally,
member’s loyalty was developed through the two constructs of attitudinal and behavioral loyalty from literature, and applied to the club industry.

**Proposed Model**

Based on the extensive review of literature, this research proposed a model (Figure 1). As discussed, the study combined disparate streams of research in order to develop a model of member's behaviors in the club. The proposed model illustrates that member loyalty was influenced by motivation, perceived value, satisfaction, and place attachment. The model aims at predicting the amount of variance in loyalty that may be explained by the constructs of motivation, perceived value, satisfaction, and place attachment.

![Figure 1. A proposed model.](image)

**Research Hypotheses**

Members join a club to fulfill needs and values in their lives (Bhattacharya, 1994). Prebensen et al. (2013) explored tourists’ motivation in six different nature based visitor attraction centers in Norway. They found a positive effect of push motivation on perceived value. In addition, Josiam, Smeaton, and Clements (1999) found travel motivation directly impacts value. Furthermore, Tynan, et al., (2010) described creating value as a result of luxury purchase motivation. Vigneron and Johnson's (1999) revealed a significant impact of motivation on perceived value that consists of social, emotional, perfect, unique, and conspicuous value. Therefore, the following hypothesis was developed:
**H1: Motivation will have a significant effect on perceived value**

Perceived value has been documented to be an antecedent of customer satisfaction and loyalty (Oh, 2000). Satisfaction with a home and neighborhood was closely related to the strength of an individual's value or identification with a particular setting (Handal, Morrissy, & Barling, 1981; Ringel & Finkelstein, 1991; Stedman, 2002). Hallowell (1996) argued that satisfaction was the result of a customer’s perceived value. Cronin et al (2000) revealed the interrelationship between perceived value and satisfaction in service environments, claiming that perceived value as a cognitive response while satisfaction was an emotional response. Petrick (2004) further supported that perceived value was an antecedent of satisfaction among cruise passengers. Overall, previous studies confirmed that perceived value was an important antecedent of satisfaction (Bojanic, 1996; Dodds et al., 1991; Fornell, Johnson, Anderson, Cha, & Bryant, 1996; Hallowell, 1996; Oh, 2000; Yang & Peterson, 2004). Therefore, the following hypothesis was developed:

**H2: Perceived value will have a significant effect on satisfaction.**

A number of studies have discussed the relationship between satisfaction and place attachment. Lee and Allen (1999) found that Myrtle Beach visitors' place attachment was positively influenced by satisfaction. Brocato (2006) reported that a direct relationship exists between customer satisfaction and place attachment, including place identity, place dependence, social bonding, and affective attachment. In addition, satisfaction has been positively associated with place attachment in nature-based tourism (Ramkisson & Mavondo, 2015; Ramkinson et al., 2013a; Veasna, Wu, & Huang, 2013).
Ramkinssoon and Mavondo (2015) found that place attachment had a positive relationship with satisfaction. Lee et al. (2012) found that visitors who are positively satisfied with the festival are more likely developed an attachment to place where the festival was held. Therefore, the following hypothesis was developed:

**H3: Satisfaction will have a significant effect on place attachment.**

Previous studies have focused on the direct effects of place attachment on loyalty. George (2004) demonstrated that place attachment could explain tourist loyalty towards a destination reflected by revisit intentions. Alexandris, Kouthoutis, and Meligdis (2006) supported that place attachment was an antecedent of customers’ loyalty, in particular, revisit intention in the leisure study. Similarly, Tsai (2012) found that place attachment was a powerful driver of tourists’ frequent revisit.

The relationship between place attachment and loyalty was also confirmed in the forest and suburban natural areas settings (Kil, Holland, Stein, & Ko, 2012). In addition, it was found that place attachment was linked to particular dimensions of loyalty; the willingness to recommend or WOM intentions (Lee et al., 2012; López-Mosquera & Sánchez, 2013; Prayag & Ryan, 2012). Therefore, the following hypothesis was developed:

**H4: Place attachment will have a significant effect on loyalty.**
CHAPTER 3. RESEARCH DESIGN AND METHODOLOGY

This chapter describes the research design, sampling, data collection, and data analysis that was used to examine the relationships among motivation, perceived value, satisfaction, place attachment, and loyalty. The research design and methodology consists of four sections. The chapter first starts by presenting the research design including the survey, instruments, and pilot study. The second section presents the sampling and survey incentives. The third section describes data collection procedures. The last section of this chapter provides a series of data analysis procedures including exploratory factor analysis, data screening, and structural equation modeling.

Research Design

The study utilized a quantitative analysis to investigate the influence of motivation, perceived value, satisfaction, and place attachment on predicting member loyalty. An open-ended question was included to add richness and context to the members' responses in the details of to each section of the survey.

Survey Instrument

The questionnaire consisted of the following five parts: motivation, perceived value, satisfaction, place attachment, and loyalty (Appendix A). The demographic information included was gender, age, residency, marital status, membership type, months spent at the club, education, household income, and number of years as a member was included in the last section of the questionnaire. Each section had an open-ended question to further understand the member's meaning in detail towards attitudes and behaviors of their responses. All variables were measured using multiple items that were
developed on the basis of previous studies and modified to fit the club business for this study.

Uysal and Jurowski (1994) indicated that push factors are internal and may include escape, rest, relaxation, prestige, health and fitness, and social interaction. Pull factors include tangible resources of the destinations such as beaches, facilities, cultural attractions, and benefit expectations. Based on the Push/Pull Theory, 7-item internal factors (i.e., socializing, relaxation, exclusive, health) and 13-item external factors (i.e., club's characteristics and features, culture, amenities, environment, and sport) were developed and utilized.

Petrick's (2002) measurement scale for perceived value was used and modified to the club industry for this survey. The components of perceived value include quality, emotional response, monetary price, behavioral price, and reputation. Quality, emotional, behavioral, and reputational had three items each, while monetary value had four items for the measurement.

Satisfaction with the club was measured based on the member satisfaction instrument that was developed through academic literature and industry (McMahon Group, 2011; Qu & Ping, 1999, Yu & Goulden, 2006). Satisfaction was measured with 14 items of member satisfaction experience at the club for products and services including tennis, fitness, food and beverage, social activities, private parties, security, landscaping, ambiance and atmosphere, Board of Directors, staff, pro shop golf, golf course, pool, clubhouse and communication.

Place attachment was assessed for four dimensions of place identity, place dependence, affective attachment, and social bonding, which were adjusted for the club
business (Kyle et al., 2004, 2005; Williams & Vaske, 2003). Three items each, for a total of 12 items, measured the four dimensions.

Loyalty was measured for both attitudinal and behavioral loyalty. The instrument was developed using prior studies and modified for the club business (Backman & Crompton, 1991; Back & Lee, 2009; Lee, 2012; Mols, 1998; Yang & Peterson, 2004). Three items each, for a total of six items, measured attitudinal and behavioral attitude.

All measurements were assessed on a 7-point Likert type scale that ranged from 1 (strongly disagree) to 7 (strongly agree). A choice of “not applicable” was included in the survey in order to allow those members who did not utilize an amenity to avoid being forced to give information other than “not applicable.”

**Pilot Test**

A pilot test was used to check the wording, validity, and reliability of the motivation, place attachment, and loyalty constructs in the survey. Generally, existing measurement scales do not require a pretest because previous studies confirm validity and reliability (Babbie, 2001).

The club pilot survey was developed in multiple steps (Appendix B). First, the survey was reviewed with input from senior management of a club including the club manager, director of tennis, director of fitness, director of golf, human resource director, membership director, food and beverage director, executive chef, and general manager. In addition, the BOD of the club reviewed the survey and gave input, altered wording, and made suggestions.

Afterward, a pilot study was conducted with members in a country club in the southern part of the United States. The club was located in a 1,000 home real estate
development in which 85% of the residents belong to the club. The club offers sport and golf memberships, with golf as full membership with all privileges while sport has access to amenities except for in season golf play.

The web-based survey was sent to 490 members that had joined the club in the past three years. A total of 238 responses were recorded. After eliminating incomplete surveys, 221 surveys were kept for future analysis, resulting in a usable response rate of 45%.

The reliability of the each dimension was assessed using Cronbach’s alpha coefficient. All alpha values were found to be at an acceptable level of 0.7 and higher, indicating adequate internal consistency. After this test, reliability was reexamined by a composite reliability (CR) test, regarded as a more accurate reliability test than Cronbach’s alpha. In addition, average variance extracted (AVE) was calculated to examine convergent validity. The CR and AVE values exceeded 0.6 and 0.5 respectively, indicating adequate construct reliability and convergent validity.

**Sampling**

The context for this study was the club business managed by CMAA members in the United States. There are about 2,500 clubs with CMAA managers in the United States (Club Benchmarking, 2015). The sample for the study was identified with the help of CMAA. CMAA has served as the professional association for about 6,500 managers of membership clubs consisting of country, golf, athletic, city, faculty, military, town, and yacht clubs across the United States (CMAA, 2016). The target population was members who belong to clubs with CMAA managers. For the purpose of the study, a member was defined as a person having access rights to the club and dues paying, so both men and women were encouraged to fill out the surveys.
The sampling procedure was conducted with the cooperation of Club Insights and Kopplin and Kuebler. Club Insights remains a marketing-based company based in Lansing, Michigan. The company provides surveys, business intelligence, and business planning for the club industry. Kopplin and Kuebler, a national consulting company, supported with the survey distribution. Through a collaborative effort with these organizations, a survey was offered to facilities with CMAA managers. A letter was sent by the CMAA CEO (Appendix C), asking the 2,500 clubs to participate in the national study.

Seventy-five clubs made initial contact indicating an interest in participating in the study. A copy of the survey was sent to those clubs that had an interest, and they further discussed the process with the General Manager and their BOD's (Appendix D). Finally, nine clubs decided to participate in the survey. The nine clubs included six country clubs, two yacht clubs, and one dining club. They represented nine different geographic parts of the United States, which includes east south central, east north central, middle Atlantic, central Pacific Ocean, south Atlantic, west, pacific, west south central, and New England.

**Survey Incentives**

Social exchange (Dillman, 1978), the norm of reciprocity (Gouldner, 1960), and economic exchange (Biner & Kidd, 1994) are theories used to explain the motivation of incentives. Social exchange theories rely on the rationale exchange between two parties that was mutually beneficial for each. Gouldner's norm of reciprocity describes the act of responding on an act by act basis to each other, while economic exchange is gaining an economic advantage for participating in an act. Additionally, survey takers are motivated
by topic interest or community activism. These effects impact the effectiveness of the incentives in addition to the motivation of the survey respondent. Incentives have been studied in research for over six decades (Armstrong, 1975; Church, 1993; Cox, 1976; Fox, Crask, & Kim, 1988; Heberlein & Baumgartner, 1978; Kanuk & Berenson, 1975; Levine & Gordon, 1958; Linsky, 1975; Yu & Cooper, 1983). Church (1993) studied a meta-analysis of the experimental literature on the effects of incentives and classified incentives along four dimensions: whether the incentive was a monetary or nonmonetary reward; and whether it was offered with the initial mailing or made contingent on the return of the questionnaire.

In order to recruit clubs for the survey, this study used two forms of incentives: monetary and topic interest. The first incentive was a financial incentive as the survey was free of charge for executing the survey for the individual club. This study provided a monetary incentive for the clubs through the use of a value added survey, being that a typical full survey in the club business was worth between $5,000 and $25,000. Managers had the incentive to save the amount of the cost as the survey was offered free of charge to the participating clubs. Secondly, clubs were offered the survey online while the administration of the survey was done by Club Insights, which led to the cost saving of survey administration to prepare, edit, and process the survey. The second incentive was the club received a professional survey design tailored for each club based upon input from the manager. Each club had the ability to add specific questions to the survey that might be of particular interest to the club in addition to the standardized survey format.
Data Collection

Data were collected through an online survey from members of participating clubs. An online survey tool called Qualtrics was used for the data collection. The survey was distributed through Club Insights. Club Insights hosted and administered the data collection procedure.

The clubs provided the email addresses of their members to Club Insights. The survey email was sent to 10,189 members in the nine clubs on September 1, 2015, and members were given two weeks to respond. A reminder email was sent on September 8th, and a final email was sent on September 14th. A total of 1,902 surveys were returned by the cutoff date of September 15, 2015. The nine participating clubs consisted of two yacht clubs, one dining club, and six country clubs from around the United States. A total of 992 surveys were excluded because they included excessive missing data resulting in 910 usable surveys.

Data Analysis

Item Parceling

A parcel refers to an observed variable, which can be a simple sum or mean of several items assumed to be conceptually similar, unidimensional, and assesses the same construct (Kishton & Widaman, 1994). A model with fewer parameters may be desirable for statistical precision of results because complex models require large sample sizes. Hau and Marsh (2004) concluded that using item parceling was beneficial for improvement of the ratio of sample size to the number of variables.

Item parceling was conducted for the two variables of motivation and satisfaction prior to testing the hypothesized model. Cattell and Burdsal (1975) used EFA to
categorize items into parcels based on congruence coefficients. Nasser, Takahashi, and Benson (1997) categorized items into parcels on the basis of similar item content and factor structure. EFA and PLS analysis were conducted to determine if the items are loaded on their respective constructs. The criteria of factor loading values, measurement weightings, and AVE was utilized to determine the appropriate items (Fornell & Larcker, 1981).

Exploratory factor analysis (EFA) was used to determine if the items belonging to each constructs had acceptable factor loadings using JMP PRO 11 software. EFA was used to decrease the error variance of indicator correlations before confirmatory factor analysis (CFA), and to test the measurement model (Yoon & Uysal, 2005). Similar to the pilot study, Principal Axis Factoring (PAF) and Maximum Likelihood (ML) were used as extraction method along the orthogonal (varimax) and oblique (direct oblimin) to determine if the solutions were stable, and to determine size correlations between the extracted factors (Costello & Osborne, 2005). The factor loadings with a cutoff value of .40, Eigen values greater than 1, Scree plot, and variance were thresholds for item inclusion. Cronbach's alpha coefficient was used to measure the internal reliability of each dimension with .70 being generally acceptable (Nunnally, 1978).

**Data Screening and Preparation**

Data screening and preparation was detailed through missing data, data normality, and common method bias. The data were checked for normality, linearity, homoscedasticity, and multicollinearity of observed variables. Jump PRO 11 was used to detect any errors of observed variables in the data file. Outliers were detected at the univariate and were examined for skewness and kurtosis.
**Missing Data.** Missing data were screened through the Expectation Maximization (EM) algorithm (Graham, Hofer, Donaldson, Mackinnon, & Schafer, 1997). The EM method was an interactive process where all other variables relevant to the construct of interest are used to predict the values of the missing variables. The EM analysis was used to generate the Missing Completely at random (MCAR) statistic.

**Data Normality.** Examination of normality of the data was a necessary check prior to using certain multivariate data analysis techniques including regression analysis and structural equation modeling (SEM). In this regard, when a normality assumption was violated, an alternative technique should be employed (Hair et al., 2006). The data normality test for this study was examined using two statistical analyses: 1) Shapiro-Wilk test and, 2) skewness and kurtosis.

**Common Method Bias.** Common method bias has been considered as a major source of measurement error and thus a threat to the model validity, particularly in self-report studies (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003). Harman’s one-factor test was used to assess the impact of this bias (Podsakoff et al., 2003). The objective of this test was to examine the result of the unrotated factor solutions to determine the number of factors accounting for the variance in the variables (Koh & Kim, 2003). Common method biasness was identified based on two conditions: 1) a single factor emerged from the factor analysis, and 2) one ‘general’ factor will account for a majority of the co-variance in the independent and criterion variables. An exploratory factor analysis (EFA) was conducted on all items measuring latent constructs using principal axis factoring with factors extracted based on eigenvalues greater than one.
Structural Equation Modeling (SEM)

Structural equation modeling (SEM) was conducted to examine the relationships among motivation, perceived value, satisfaction, place attachment, and loyalty (Ringle, Wende, & Becker, 2015). SEM allows the relationships between theoretical constructs to be analyzed in a visually effective way (Byrne, 1998). This approach tests all constructs within the hypothesized model to determine dependability with data and the variables’ pattern of relations. SEM works with exogenous and endogenous variables (Hair, et al., 2006). Those variables are comprised of unobserved constructs that are drawn from theory and indicators that can be measured from direct observation of the data (Byrne, 1998).

The two types of SEM that exist in literature are the covariance and variance based models. The covariance based SEM (CB-SEM) estimates model parameters using the empirical variance-covariance matrix. This method may be used if the hypothesized model consists of common factors. CB-SEM aims at reproducing the theoretical covariance matrix, without focusing on the explained variance. On the other hand, the variance based SEM (VB-SEM) creates proxies as linear combinations of observed variables (Henseler, Hubona, & Ray, 2016). Partial Least Square (PLS) was regarded as the most fully developed and general system among VB-SEM methods (McDonald, 1996). Other benefits of PLS-SEM include a wider ranger range of sample sizes, increased model complexity, and constructs with two of fewer items.

Partial Least Square (PLS). PLS utilizes alternating least square algorithms that emulate and extend principal component analysis (Wold, 1982). There are four steps to PLS path modeling: 1) interactive algorithm that determines composite scores for each
construct, 2) a correction for attenuation for factors, 3) parameter estimates, and, 4) bootstrapping (Henseler, Ringle, & Sarstedt, 2015). PLS-SEM provides parameter estimates that maximize the explained variance of the dependent constructs. The method supports prediction-orientated goals and may be very flexible (Hair, Ringle, & Sarstedt, 2016).

The PLS method was preferred for SEM applications that aim at prediction in studies that focus on identifying critical success drivers (Sarstedt & Schloderer, 2010). PLS-SEM does not presume that the data are normally distributed, thus nonparametric bootstrapping was applied (Efron & Tibshirani, 1993). The bootstrapping involves random sampling with replacement from the original sample to create a bootstrap sample, as to obtain standard errors for hypothesis testing. The assumption was that the bootstrap sample was a reasonable representation of the overall sample. The bootstrap sample was used to test the significance of the estimated coefficients in PLS-SEM (Henseler, Ringle, & Sinkovics, 2009).

This study chose PLS-SEM to estimate a causal model in a club setting because PLS-SEM maximizes the explained variance of the dependent latent constructs (Hair et al., 2016). Hair et al. (2016) stated, “If the research objective is prediction rather than confirmation of structural relationships, variance-based PLS-SEM is the preferred method" (p.139). Since this study was predicting member loyalty, PLS-SEM was determined to be a better approach.

A systematic application was used to assess partial model structures through a two-step process, (1) the assessment of the outer (measurement) model which deals with the evaluation of the characteristics of the constructs, and (2) the assessment of the inner
(structural) model which evaluates the relationships between the constructs as specified by the research model (Chin, 1998) (see Table 1).

Table 1

**Two-Step Process of PLS Path Model Assessment**

<table>
<thead>
<tr>
<th>Stage</th>
<th>Analysis</th>
<th>Analytical tests</th>
<th>Constructs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Outer Model</td>
<td>i- Item reliability</td>
<td>Reflective</td>
<td></td>
</tr>
<tr>
<td>Basement (Measurement)</td>
<td>ii- Internal consistency</td>
<td>Reflective</td>
<td></td>
</tr>
<tr>
<td>iii- Discriminant validity</td>
<td>Reflective</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 Inner model</td>
<td>i- Amount of variance explained ($R^2$)</td>
<td>Reflective</td>
<td></td>
</tr>
<tr>
<td>Assessment (structural)</td>
<td>ii- Path coefficient ($\beta$)</td>
<td>Reflective</td>
<td></td>
</tr>
<tr>
<td>iii- Statistical significance of t-values</td>
<td>Reflective</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

A systematic evaluation of the PLS approach estimate reveals the measurement of reliability and validity according to certain criteria that are associated with the reflective outer model. It only makes sense to evaluate the inner path model estimates when the calculated latent variable scores show evidence of sufficient reliability and validity (Henseler et al., 2009). Therefore, in the first stage, which was the assessment of the measurement analysis, the main objective was to examine the validity and reliability of the measurements of the constructs through confirmatory factor analysis. Three parameters are examined in this step; item reliability, internal consistency, and discriminant validity.

The reliability of each dimension was assessed using Cronbach’s alpha coefficient. Means, standard deviations, and reliabilities of the items corresponding to each dimension were assessed. All alpha values were found to be at an acceptable level of 0.7 and higher, indicating adequate internal consistency. After this test, reliability was
reexamined by a composite reliability (CR) test, which was regarded as a more accurate reliability test than Cronbach’s alpha. In addition, the average variance extracted (AVE) was calculated to examine the convergent validity. The CR and AVE values exceeded 0.6 and 0.5 respectively, indicating adequate construct reliability and convergent validity.

The standardized factor loadings and squared multiple correlations, which can be also used to evaluate the convergent validity. The threshold advocated by Hair, et al. (2006), was 0.5 or higher. All of the factor loadings in the research model were greater than 0.65, indicating the indicators were representative of their construct. In addition, the squared multiple correlations for indicators exceeded .40, signifying all the factors in the measurement model had adequate reliability and convergent validity.

**Structural model.** In the second stage, the inner model, or the structural model, shows the relationships between the latent constructs. PLS-SEM does not allow causal loops, so the structural paths are linear and head in a single direction. For both the inner and outer models, all items are reflective as opposed to formative in this study. Reflective indicators are functions of the latent construct as changes in the constructs are reflected in changes in the indicator variables. The associated coefficients are called outer loadings (Hair et al., 2016).

After the model had been properly built in the SmartPLS software (Ringle, et al., 2015), essential statistics were estimated by running a PLS algorithm (2000 maximum iteration), standardized values, and centroid weighting scheme. The assessment of the structural model was undertaken to test the proposed hypotheses by examining path coefficient ($\beta$), statistical significance of associated t-values, and the amount of variance explained ($R^2$).
The individual path coefficients of the PLS structural model are interpreted as standardized beta coefficients of ordinary least squares regressions. Each path coefficient significance was assessed by means of bootstrapping procedure, which results in a t-value that places a significance on the relationship. PLS-SEM does not presume that the data are normally distributed, consequently PLS applies nonparametric bootstrapping. The bootstrap sample enables the estimated coefficients to be tested for their significance (Henseler, et al., 2009). Paths that are not significant or show signs contrary to the hypothesized direction do not support the hypothesis. Significant paths showing the hypothesized direction support the proposed causal relationship (Hair, et al., 2016).

The primary evaluation criteria for the structural model are the R² measures. The goal of the prediction oriented PLS-SEM approach was to explain the latent variables' variance, the key target constructs' level of R² should be high. Consumer behavior R² values of .20 are considered high in consumer behavior studies (Hair et al., 2016).

Although many researchers adopt a PLS-SEM approach for the estimation of their proposed model, it has some limitations when being conducted on a theoretical basis. Kim, Shin, & Grover, (2010) mentioned that first, PLS does not estimate an overall model fit to the indices, making it difficult to judge the suitability of the research models. Second, with no estimation of model fit, PLS makes it difficult to judge the validity of formative indicators as a set (Diamantopoulos et al., 2008) in the model.

However, a global fit measure for PLS path modelling has been suggested (Tenenhaus, Vinzi, Chatelin, & Lauro, 2005), GoF (0 < GoF < 1), defined as the geometric mean of the average communality and average R² (for endogenous constructs). Hoffmann and Brinbrich (2012) reported the following cut-off values for assessing the
results of the GoF analysis: GoF_{small} = 0.1; GoF_{medium} = 0.25; GoF_{large} = 0.36. Hu and Bentler (1998) also suggested an approximate model fit of the standardized root mean square residual (SRMR). A cut-off value of .08 appears to be adequate for PLS path models.

The predictive re-use technique developed by Stone (1974) and Geisser (1975) can be applied to examine the relevance of the path model (Chin, 2010). With the predictive re-use technique, the predictive relevance for the model constructs was evaluated by looking at the $Q^2$. The $Q^2$ was a measure of how well the observed values are reproduced by the model and its parameter estimates (Chin, 2010). Based on blindfolding procedure, $Q^2$ evaluates the predictive validity of a complex model by omitting data for a given block of indicators, and then predicts the omitted part based on the calculated parameters. Thus, $Q^2$ shows how well the data collected empirically can be reconstructed with the help of model and the PLS parameters (Akter, D’Ambra, & Ray, 2011). A $Q^2$ greater than 0 implies that the model has predictive relevance, whereas a $Q^2$ less than 0 suggest that the model lacks predictive relevance.
CHAPTER 4. RESULTS

The purpose of this chapter was to provide a detailed analysis on the data collected from the respondents using the designed questionnaire. Following the conceptualization of the research model, research hypotheses, and research methodology discussed in Chapter 3, a data analysis of survey responses to verify and validate the model was conducted. This chapter also presents the survey response analysis including response rate and non-response bias test, data screening, and preliminary analysis including missing data, normality, and common method bias test. The next section discusses the measurement model, its reliability and validity followed by evaluation of the structural model. The last section of this chapter presents testing of hypotheses based on the results from all the conducted tests.

Respondent Characteristics

Response Rate

The total population of memberships in the clubs that participated in the study was 6949 (Table 2). Members for this purpose included both spouses or significant others on the membership, and the participating members consisted of an email count of 10,189. Out of the 10,189 emails sent, 1902 members responded to the survey, yielding an 18.7% response rate. Eliminating incomplete surveys, 910 surveys were kept, resulting in a 9% usable response rate.

A total of nine clubs participated in the survey, consisting of six country clubs, two yacht clubs, and one dining club. The participating clubs represent diverse geographic regions from the Pacific Coast to the New England area in the United States. Response rates ranged from 4% to 20% as seen in Table 2. The club membership sizes
ranged from 141 members one of the yacht clubs to 2000 members in the dining club. The clubs had different amenity offerings as eight offered golf privileges, 7 offered tennis, and 5 offered fitness. All of the clubs offered dining, while 7 offered pool. The yacht clubs offered boating in addition to dining and social activities, while one of the clubs was a city club.

Table 2

*Response Rate, Club Location, and Club Type*

<table>
<thead>
<tr>
<th>Club</th>
<th>Region</th>
<th>Type</th>
<th>Emails Sent</th>
<th>Responses</th>
<th>Response %</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>West South Central</td>
<td>Country</td>
<td>631</td>
<td>65</td>
<td>10%</td>
</tr>
<tr>
<td>B</td>
<td>Pacific</td>
<td>Country</td>
<td>553</td>
<td>76</td>
<td>14%</td>
</tr>
<tr>
<td>C</td>
<td>South Atlantic</td>
<td>Country</td>
<td>533</td>
<td>42</td>
<td>8%</td>
</tr>
<tr>
<td>D</td>
<td>West</td>
<td>Country</td>
<td>751</td>
<td>75</td>
<td>10%</td>
</tr>
<tr>
<td>E</td>
<td>East North Central</td>
<td>Country</td>
<td>665</td>
<td>109</td>
<td>16%</td>
</tr>
<tr>
<td>F</td>
<td>East South Central</td>
<td>Country</td>
<td>1427</td>
<td>180</td>
<td>13%</td>
</tr>
<tr>
<td>G</td>
<td>Middle Atlantic</td>
<td>Yacht</td>
<td>238</td>
<td>48</td>
<td>20%</td>
</tr>
<tr>
<td>H</td>
<td>New England</td>
<td>Dining</td>
<td>4818</td>
<td>198</td>
<td>4%</td>
</tr>
<tr>
<td>I</td>
<td>Central Pacific Ocean</td>
<td>Yacht</td>
<td>573</td>
<td>117</td>
<td>20%</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>10189</td>
<td>910</td>
<td>9%</td>
</tr>
</tbody>
</table>

**Demographic of Respondents**

Table 3 presents respondents' socio-demographic information including gender, age, length of membership, marital status, residential status, months at the club, type of membership, education, and monthly income. Amongst the 910 collected responses, 70% were male, whereas 29% were female with two missing responses. In terms of age, 22% were under 50 years of age, 22% were from the age group of 51-60, 29% were from
61-70, and 24% were from 71 and above. The results indicated that over 75% of the respondents were over 51 years old. The results would indicate that the majority of members are in the Baby Boomer generation, with smaller groups in their 20's, 30's, and 40's.

In terms of length of membership at the club, 41% had been members from 1-10 years, 22% had been members for 11-20 years, and 34% had been members for over 21 years. These results indicated that the two largest groups of members have been at the club for the shortest amount of time, and the longest amount of time. The results indicated 56% of the members have been at the club for over 11 years, and 34% had been members for over 21 years. This result showed the majority of club members in this sample were long time members.

In terms of marital status, about 70% of the respondents were married with children and approximately 17% were married without children. The rest of the results included divorced, widow and widowers, single, never married and those living with a partner.

The residential status was broken into three components: resident, non-resident, or not applicable. For example, a dining club typically would not have resident or non-resident members, only members because of the lack of real estate in the club offerings. Residential status was reported by 68% of the respondents, 19% reported non-resident status, while 13% reported not applicable.

Months spent at the club are an indicator of club usage and seasonality. The study found 78% of the members spent all year at the club, indicating that most of the sample belonged to a club that was open year round. For the seasonal members, the most
popular month of being at the club was June with 15%, followed by July, and September. This would indicate that the summer months for the seasonal members are more important than the winter months for the clubs in the survey.

Regarding membership type, about 90% of members reported to be full members, with 5% being social members, followed by 2% being dining members and sport members. A full member has complete access privileges to the club amenities, while social, dining, and sport members have limited access rights. For example, a dining member would have access to the food and beverage offerings, but not the golf courses in the country clubs.

In regards to education, 39% of the respondents had a 4-year college degree, 28% had a Master's degree, and 5% had a doctoral degree. Professional degrees resulted in 19% of the sample, while 2-year college degrees represented about 3%. Some college was about 5%, while high school was slightly more than 1%. The sample indicated that nearly 72% of the members were college educated or higher, indicating that the members valued education and nearly three quarters of the members had a four-year degree.

The survey indicated 20% of the members had income levels below $149,999, 40% of the members had income levels from $150,000 to $499,999, and 12% had income levels over $500,000. These results showed that the club members were an affluent group of people.
Table 3

Demographic Variable of Club Members

<table>
<thead>
<tr>
<th>Demographic Variable</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gender</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>265</td>
<td>29.12%</td>
</tr>
<tr>
<td>Male</td>
<td>643</td>
<td>70.66%</td>
</tr>
<tr>
<td><strong>Age</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>71-80</td>
<td>169</td>
<td>18.57%</td>
</tr>
<tr>
<td>61-70</td>
<td>261</td>
<td>28.68%</td>
</tr>
<tr>
<td>51-60</td>
<td>201</td>
<td>22.09%</td>
</tr>
<tr>
<td>41-50</td>
<td>110</td>
<td>12.09%</td>
</tr>
<tr>
<td>40 and below</td>
<td>94</td>
<td>10.33%</td>
</tr>
<tr>
<td><strong>Length of Membership</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-5 years</td>
<td>241</td>
<td>26.48%</td>
</tr>
<tr>
<td>6-10 years</td>
<td>135</td>
<td>14.84%</td>
</tr>
<tr>
<td>11-15 years</td>
<td>103</td>
<td>11.32%</td>
</tr>
<tr>
<td>16-20 years</td>
<td>100</td>
<td>10.99%</td>
</tr>
<tr>
<td>&gt;21 years</td>
<td>308</td>
<td>33.85%</td>
</tr>
<tr>
<td><strong>Status</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single, Never Married</td>
<td>30</td>
<td>3.30%</td>
</tr>
<tr>
<td>Married with Children</td>
<td>633</td>
<td>69.56%</td>
</tr>
<tr>
<td>Married Without Children</td>
<td>152</td>
<td>16.70%</td>
</tr>
<tr>
<td><strong>Resident/Non-resident</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resident</td>
<td>620</td>
<td>68.13%</td>
</tr>
<tr>
<td>Non-resident</td>
<td>169</td>
<td>18.57%</td>
</tr>
<tr>
<td>Not Applicable</td>
<td>120</td>
<td>13.19%</td>
</tr>
<tr>
<td><strong>Membership usage</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>All year</td>
<td>710</td>
<td>78.02%</td>
</tr>
<tr>
<td>Part Time</td>
<td>200</td>
<td>21.98%</td>
</tr>
<tr>
<td><strong>Months spent</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>January - March</td>
<td>157</td>
<td>17.25%</td>
</tr>
<tr>
<td>April - June</td>
<td>363</td>
<td>39.90%</td>
</tr>
<tr>
<td>July - September</td>
<td>389</td>
<td>42.76%</td>
</tr>
<tr>
<td>October - December</td>
<td>265</td>
<td>29.12%</td>
</tr>
<tr>
<td><strong>Membership Type</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regular/Full Member</td>
<td>814</td>
<td>89.45%</td>
</tr>
<tr>
<td>Other Member</td>
<td>17</td>
<td>1.87%</td>
</tr>
<tr>
<td><strong>Education</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>High School/GED</td>
<td>13</td>
<td>1.43%</td>
</tr>
<tr>
<td>Some College</td>
<td>41</td>
<td>4.51%</td>
</tr>
<tr>
<td>2-year College Degree</td>
<td>23</td>
<td>2.53%</td>
</tr>
<tr>
<td>4-year College Degree</td>
<td>357</td>
<td>39.23%</td>
</tr>
<tr>
<td>Master's Degree</td>
<td>253</td>
<td>27.80%</td>
</tr>
<tr>
<td>Doctoral Degree</td>
<td>47</td>
<td>5.16%</td>
</tr>
<tr>
<td>Professional Degree</td>
<td>174</td>
<td>19.12%</td>
</tr>
<tr>
<td><strong>Annual Household Income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than $100,000</td>
<td>61</td>
<td>6.70%</td>
</tr>
<tr>
<td>$100,000 - $149,999</td>
<td>121</td>
<td>13.30%</td>
</tr>
<tr>
<td>$150,000 - $199,999</td>
<td>109</td>
<td>11.98%</td>
</tr>
<tr>
<td>$200,000 - $249,999</td>
<td>110</td>
<td>12.09%</td>
</tr>
<tr>
<td>$250,000 - $499,999</td>
<td>149</td>
<td>16.37%</td>
</tr>
<tr>
<td>$500,000 or more</td>
<td>106</td>
<td>11.65%</td>
</tr>
</tbody>
</table>
**Item Parceling**

Item parceling was conducted for the two variables of motivation and satisfaction prior to testing the hypothesized model. EFA and PLS analysis were conducted to determine if the items are loaded on their respective constructs. The criteria of factor loading values, measurement weightings, and AVE was utilized to determine the appropriate items (Fornell & Larcker, 1981). The measurements of value, place attachment, and loyalty have been validated in previous research as described in Chapter 3, so parceling was not necessary.

**Motivation**

EFA revealed that 20 items of motivation were loaded in eight potential factors. Further investigation on measurement weightings, and AVE, low item weights led to deleting items that were loaded below .4, crossed loaded, and/or less than .5 AVE value.

Table 4

*Motivation item parceling*

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Items</th>
<th>M</th>
<th>S.D.</th>
<th>EFA loading</th>
<th>PLS weight</th>
<th>α</th>
<th>CR</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>MOF: Friendly culture</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.70</td>
<td>0.87</td>
<td>0.77</td>
</tr>
<tr>
<td>MOF1: friendly members</td>
<td></td>
<td>4.81</td>
<td>1.76</td>
<td>0.56</td>
<td>0.56</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MOF2: friendly staff</td>
<td></td>
<td>5.68</td>
<td>1.39</td>
<td>0.54</td>
<td>0.63</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MOD: Dining</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.83</td>
<td>0.90</td>
<td>0.75</td>
</tr>
<tr>
<td>MOD1: formal dining</td>
<td></td>
<td>4.85</td>
<td>1.87</td>
<td>0.64</td>
<td>0.58</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MOD2: casual dining</td>
<td></td>
<td>5.54</td>
<td>1.51</td>
<td>0.76</td>
<td>0.68</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MOD3: variety of dining</td>
<td></td>
<td>5.16</td>
<td>1.71</td>
<td>0.82</td>
<td>0.69</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MOC: Club Characteristics</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.73</td>
<td>0.88</td>
<td>0.79</td>
</tr>
<tr>
<td>MOC1: quality</td>
<td></td>
<td>5.89</td>
<td>1.32</td>
<td>0.43</td>
<td>0.71</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MOC2: reputation</td>
<td></td>
<td>5.33</td>
<td>1.62</td>
<td>0.69</td>
<td>0.68</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The results of the EFA produced a three-factor structure with relatively high loadings and minimal overlap on the appropriate factors. The three dimensions were labeled as "Friendly Culture", "Dining", and "Club Characteristics". Table 4 shows the results of the factor analysis including the dimension label, retained items, factor loadings, PLS weights, the variance explained, and the Cronbach’s alphas, and AVE (Table 4). Cronbach's alpha values for the three were .70, .83, and .73, respectively, which was above the suggested level of .70 (Nunnally & Berstein, 1994).

**Satisfaction**

The item parceling process was undertaken for satisfaction. A total of 14 items were measured using JMP 11 to establish factors. Table 5 presents the resulting EFA factor loadings along with the PLS weightings, mean, standard deviations, Cronbach's alpha, CR, and AVE.

Table 5

*Satisfaction item parceling*

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Items</th>
<th>M</th>
<th>S.D.</th>
<th>EFA loading</th>
<th>PLS weight</th>
<th>α</th>
<th>CR</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>SAA: Satisfaction Amenities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.72</td>
</tr>
<tr>
<td>SAA1: ambiance &amp; atmosphere</td>
<td></td>
<td>5.78</td>
<td>1.23</td>
<td>0.69</td>
<td>0.78</td>
<td>0.87</td>
<td>0.91</td>
<td></td>
</tr>
<tr>
<td>SAA2: Overall satisfaction</td>
<td></td>
<td>5.74</td>
<td>1.08</td>
<td>0.81</td>
<td>0.80</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SAA3: staff</td>
<td></td>
<td>6.04</td>
<td>1.10</td>
<td>0.73</td>
<td>0.71</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SAA4: food &amp; beverage/dining</td>
<td></td>
<td>5.42</td>
<td>1.38</td>
<td>0.73</td>
<td>0.76</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SAC: Satisfaction Clubhouse</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.79</td>
</tr>
<tr>
<td>SAC1: clubhouse</td>
<td></td>
<td>5.65</td>
<td>1.30</td>
<td>0.67</td>
<td>0.72</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SAC2: communication</td>
<td></td>
<td>5.73</td>
<td>1.35</td>
<td>0.57</td>
<td>0.68</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The two dimensions were labeled as "Satisfaction Amenities" and "Satisfaction Clubhouse." Satisfaction Amenities composed of four items: overall satisfaction, staff, food and beverage, and ambiance and atmosphere. Satisfaction Clubhouse composed of items clubhouse and communication. The resulting Cronbach's alpha of .87 for Satisfaction Amenities and .73 for Satisfaction Clubhouse are higher than the suggested threshold of .70 (Nunnally & Berstein, 1994).

Data Screening

Data Screening and Preliminary Analysis

This study assessed psychometric assumptions - treatment of missing data, normality of data distribution, and common method bias in order to justify the appropriateness of using PLS-SEM path modeling.

Missing Data. It was necessary to examine if there are any missing values in the dataset prior to the data analysis. 910 responses included 97 missing data points. According to Tabachnick et al. (2001), any variable having less than 5% of missing values can be ignored. None of the variables in this dataset has missing values of more than 5%. In addition, Cohen, Cohen, West, and Aiken (1983) suggested that missing data of up to 10% was unlikely to be problematic in the interpretation of the results from studies. 97 missing data points out of 40,040 (910 responses * 44 items) represents 0.24%, which is insignificant. Table 6 shows, all these missing data points were from various items. Furthermore, the Expectation Maximization method (EM) revealed that the statistic of missing completely at random (MCAR) was not significant ($\chi^2 = 786.902$, $df = 621$, $p = .101$), which indicates that the missing values are missing at random. This implies that the missing data were not a significant issue for further data analysis.
Table 6

*Descriptive Statistics*

<table>
<thead>
<tr>
<th>Items</th>
<th>Survey Questions</th>
<th>Skewness</th>
<th>Kurtosis</th>
<th>Shapiro-Wilk Statistic</th>
<th>Shapiro-Wilk df</th>
<th>Shapiro-Wilk Sig.</th>
<th>Missing</th>
</tr>
</thead>
<tbody>
<tr>
<td>MOF1</td>
<td>The friendly culture of the current members</td>
<td>-.55</td>
<td>-.55</td>
<td>.91</td>
<td>836</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>MOF2</td>
<td>The friendly attitude of the staff at the club</td>
<td>-1.18</td>
<td>1.19</td>
<td>.84</td>
<td>836</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>MOD1</td>
<td>The formal dining at the club</td>
<td>-.65</td>
<td>-.57</td>
<td>.89</td>
<td>836</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>MOD2</td>
<td>The casual dining at the club</td>
<td>-1.22</td>
<td>1.19</td>
<td>.84</td>
<td>836</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>MOD3</td>
<td>The variety of dining at the club</td>
<td>-.86</td>
<td>-.04</td>
<td>.87</td>
<td>836</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>MOC1</td>
<td>The quality of the club</td>
<td>-1.50</td>
<td>2.40</td>
<td>.79</td>
<td>836</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>MOC2</td>
<td>The reputation of the club</td>
<td>-1.04</td>
<td>.52</td>
<td>.86</td>
<td>836</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>VAQ1</td>
<td>The quality at the club is very dependable</td>
<td>-0.74</td>
<td>.26</td>
<td>.90</td>
<td>836</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>VAQ2</td>
<td>The quality at the club is very consistent</td>
<td>-0.74</td>
<td>.24</td>
<td>.91</td>
<td>836</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>VAQ3</td>
<td>The quality at the club is very reliable</td>
<td>-0.64</td>
<td>.04</td>
<td>.91</td>
<td>836</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>VAE1</td>
<td>Belonging to the club gives me a sense of joy</td>
<td>-0.39</td>
<td>-0.54</td>
<td>.93</td>
<td>836</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>VAE2</td>
<td>Belonging to the club makes me feel delighted</td>
<td>-0.19</td>
<td>-0.76</td>
<td>.94</td>
<td>836</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>VAE3</td>
<td>Belonging to the club gives me happiness</td>
<td>-0.41</td>
<td>-0.50</td>
<td>.94</td>
<td>836</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>VAM1</td>
<td>The joining fee of the club is fairly priced</td>
<td>-0.68</td>
<td>-0.14</td>
<td>.90</td>
<td>836</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>VAM2</td>
<td>The club is worth the money</td>
<td>-0.73</td>
<td>-0.21</td>
<td>.89</td>
<td>836</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>VAM3</td>
<td>The dues are reasonably priced</td>
<td>-0.63</td>
<td>-0.33</td>
<td>.91</td>
<td>836</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>VAM4</td>
<td>The user fees are reasonably priced</td>
<td>-0.65</td>
<td>-0.18</td>
<td>.91</td>
<td>836</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>VAR1</td>
<td>The club has a good reputation</td>
<td>-1.16</td>
<td>1.21</td>
<td>.82</td>
<td>836</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>VAR2</td>
<td>The club is well respected</td>
<td>-1.20</td>
<td>1.28</td>
<td>.82</td>
<td>836</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>VAR3</td>
<td>The club has significant status compared to other clubs</td>
<td>-0.69</td>
<td>-0.28</td>
<td>.88</td>
<td>836</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>SAA1</td>
<td>Please rate your satisfaction with the ambiance and atmosphere</td>
<td>-1.18</td>
<td>1.44</td>
<td>.84</td>
<td>836</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>SAA2</td>
<td>Overall satisfaction with all your experiences at our club</td>
<td>-1.00</td>
<td>1.45</td>
<td>.86</td>
<td>836</td>
<td>0</td>
<td>24</td>
</tr>
<tr>
<td>SAA3</td>
<td>Please rate the extent of overall satisfaction with the staff</td>
<td>-1.48</td>
<td>3.00</td>
<td>.79</td>
<td>836</td>
<td>0</td>
<td>6</td>
</tr>
<tr>
<td>SAA4</td>
<td>Please rate the extent of overall satisfaction with food and beverage/dining</td>
<td>-.98</td>
<td>.66</td>
<td>.88</td>
<td>836</td>
<td>0</td>
<td>8</td>
</tr>
<tr>
<td>SAC1</td>
<td>Please rate the extent of overall satisfaction with clubhouse</td>
<td>-1.10</td>
<td>1.12</td>
<td>.85</td>
<td>836</td>
<td>0</td>
<td>25</td>
</tr>
<tr>
<td>SAC2</td>
<td>Please rate the extent of overall satisfaction with communication</td>
<td>-1.28</td>
<td>1.47</td>
<td>.82</td>
<td>836</td>
<td>0</td>
<td>8</td>
</tr>
</tbody>
</table>
Table 6 continued

<table>
<thead>
<tr>
<th>Items</th>
<th>Survey Questions</th>
<th>Skewness</th>
<th>Kurtosis</th>
<th>Shapiro-Wilk Statistic</th>
<th>df</th>
<th>Sig.</th>
<th>Missing</th>
</tr>
</thead>
<tbody>
<tr>
<td>PAI1</td>
<td>I feel my personal values are reflected at the club</td>
<td>-.47</td>
<td>-.01</td>
<td>.93</td>
<td>836</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>PAI2</td>
<td>I feel I can be myself at club</td>
<td>-.92</td>
<td>.82</td>
<td>.87</td>
<td>836</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>PAI3</td>
<td>I identify strongly with the club</td>
<td>-.34</td>
<td>-.49</td>
<td>.94</td>
<td>836</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>PAD1</td>
<td>I enjoy being at the club more than any other place</td>
<td>.02</td>
<td>-.69</td>
<td>.95</td>
<td>836</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>PAD2</td>
<td>The club is the best in terms of amenity offerings</td>
<td>-.19</td>
<td>-.63</td>
<td>.95</td>
<td>836</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>PAD3</td>
<td>I cannot imagine a better club than ours</td>
<td>.21</td>
<td>-.84</td>
<td>.94</td>
<td>836</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>PAS1</td>
<td>The club allows me to spend time with family and friends</td>
<td>-.67</td>
<td>-.12</td>
<td>.91</td>
<td>836</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>PAS2</td>
<td>Many of my friends and family prefer visiting the club over other places</td>
<td>-.17</td>
<td>-.84</td>
<td>.94</td>
<td>836</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>PAS3</td>
<td>I have a lot of fond memories with friends and family at the club</td>
<td>-.56</td>
<td>-.55</td>
<td>.91</td>
<td>836</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>PAA1</td>
<td>I feel a strong sense of belonging to our club</td>
<td>-.24</td>
<td>-.89</td>
<td>.93</td>
<td>836</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>PAA2</td>
<td>I am very attached to club</td>
<td>-.22</td>
<td>-.90</td>
<td>.94</td>
<td>836</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>PAA3</td>
<td>The club means a lot to me</td>
<td>-.47</td>
<td>-.59</td>
<td>.92</td>
<td>836</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>LOA1</td>
<td>No other club provides better services than our club</td>
<td>.00</td>
<td>-1.01</td>
<td>.93</td>
<td>836</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>LOA2</td>
<td>I feel better when I play at the club</td>
<td>-.44</td>
<td>-.70</td>
<td>.92</td>
<td>836</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>LOA3</td>
<td>My membership is more valuable to me than other forms of entertainment</td>
<td>.03</td>
<td>-1.05</td>
<td>.94</td>
<td>836</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>LOB1</td>
<td>I say positive things about the club to other people</td>
<td>-1.22</td>
<td>1.32</td>
<td>.82</td>
<td>836</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>LOB2</td>
<td>I intend on being a member for the next five years</td>
<td>-1.26</td>
<td>.85</td>
<td>.79</td>
<td>836</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>LOB3</td>
<td>I recommend the club to those who seek my advice about joining the club</td>
<td>-1.28</td>
<td>1.45</td>
<td>.80</td>
<td>836</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>97</td>
</tr>
</tbody>
</table>

**Data Normality.** The results from the Shapiro-Wilk test show that all variables have significant values of 0.00 (See Table 6). This indicates that the data are not normal (non-normal). Further tests are conducted by calculating the data skewness and kurtosis values. As a rule of thumb, kurtosis scores outside of +/- 2 and skewness rating outside
+/1 have the potential to restrict the data analysis and subsequent interpretation of results (Kline, 2005).

Table 6 shows that some values of skewness and kurtosis are above the recommended thresholds. For example, MOC1 shows a skewness of -1.5 and a kurtosis of 2.4, and SAA3 shows -1.48 and 3.00 respectively. This indicates that overall data are not normally distributed, which suggests that further analysis consider a robust approach to deal with non-normalized data (Hair et al. 2013).

**Common Method Bias.** The test revealed rotated solutions of nine factors with one factor explaining 37.27% of the variance, and nine factors explaining 73.64% of the variance (see Table 7). The unrotated solutions did not generate a general factor, suggesting that common-method variance does not appear to be a serious threat.

Table 7

*Harman’s One-Factor Test Common Method Bias*

<table>
<thead>
<tr>
<th>Component</th>
<th>Initial Eigenvalues</th>
<th>% of Variance</th>
<th>% Cumulative</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>16.402</td>
<td>37.277</td>
<td>37.277</td>
</tr>
<tr>
<td>2</td>
<td>3.757</td>
<td>8.539</td>
<td>45.816</td>
</tr>
<tr>
<td>3</td>
<td>3.011</td>
<td>6.844</td>
<td>52.66</td>
</tr>
<tr>
<td>4</td>
<td>2.402</td>
<td>5.459</td>
<td>58.118</td>
</tr>
<tr>
<td>5</td>
<td>1.851</td>
<td>4.207</td>
<td>62.325</td>
</tr>
<tr>
<td>6</td>
<td>1.405</td>
<td>3.194</td>
<td>65.519</td>
</tr>
<tr>
<td>7</td>
<td>1.315</td>
<td>2.99</td>
<td>68.508</td>
</tr>
<tr>
<td>8</td>
<td>1.246</td>
<td>2.832</td>
<td>71.34</td>
</tr>
<tr>
<td>9</td>
<td>1.013</td>
<td>2.302</td>
<td>73.642</td>
</tr>
</tbody>
</table>

*Note.* Extraction Method: Principal Component Analysis
Testing the Hypothesized Model

Second-Order Constructs

The use of second-order constructs was a widely accepted practice in modelling the relationship among variables with multidimensions (Diamantopoulos, Riefler, & Roth, 2008). This research study included five second-order constructs along with fifteen first-order dimensions: (1) Motivation (MO) has three primary dimensions including Friendly Culture (MOF), Dining (MOD), and Club Characteristics (MOC), (2) Value consists of four primary dimensions including Reputation Value (VAR), Emotional Value (VAE), Monetary Value (VAM), and Quality Value (VAQ), (3) Satisfaction (SA) includes two primary dimensions of Satisfaction (SA) (Satisfaction Amenities (SAA) and Satisfaction Clubhouse (SAC), (4) Place Attachment is composed of four primary dimensions including Place Dependence (PAD), Place Affect (PAA), Social Bonding (PAS), and Place Identity (PAI), and (5) Loyalty (LO) has two primary dimensions of attitudinal loyalty (LOA) and behavioral loyalty (LOB).

The hypothesized model was examined in two stages: 1) the assessment of the measurement (outer) model, and 2) the assessment of the structural (inner) model. For the measurement model, the validity and reliability of the constructs was evaluated through confirmatory factor analysis (CFA). For the structural equation model, the amount of variance explained ($R^2$), path coefficient ($\beta$), statistical significance of associated t-values, Goodness of Fit (GOF), and predictive relevance ($Q^2$).

Measurement Model (outer model)

The analysis of the measurement model describes how the latent dimensions are measured in terms of the observed items and their measurement properties. The
following sections discuss the measurement model assessment by measuring the individual item’s reliability, internal consistency, convergent reliability, and discriminant validity. (Hair et al., 2011; Henseler, et al., 2009).

Overall 44 items were used to measure the 15 dimensions in the model. CFA for all reflective constructs was performed using SmartPLS software. Through CFA, the reliability of all reflective scales was examined, followed by an assessment of convergent and discriminant validities. The model with all latent constructs (circles) and respective measurement items (rectangles) is shown in Figure 2.

![Figure 2. Measurement model](image)

Results indicated that all five second-order latent constructs in the model are reflective in nature as a result of the overall quality of the reflective constructs' measure of PLS loadings, constructs AVE, Cronbach's alpha, and composite reliability (Table 8).

**Table 8. First Order Constructs.** The item loadings on the corresponding dimension was evaluated to measure first order constructs (see Table 8). Motivation consisted of three dimensions with two items for friendly culture, three items for dining, and two items for club characteristics. The loadings ranged from .81 to .91 for the items, and all items
being significant as reflected by the resulting t-value scores. Value consisted of four dimensions of monetary consisting of four items, emotional consisting of three items, quality consisting of three items, and reputation consisting of three items. The items loadings ranged from .84 to .98, and all items were significant as reflected by the t-value scores. Satisfaction was measured through two dimensions consisting of four items for satisfaction amenities and two items for Satisfaction clubhouse. The item loadings ranged from .71 to .87, and all items were significant as reflected by the t-values. Place attachment was measured through four dimensions of place affect, place dependence, place identity, and social bonding. Each dimension consisted of three items with item loadings of .85 to .97. The items loadings were significant as reflected by the resulting t-values. Loyalty was measured through two dimensions of attitudinal loyalty and behavioral loyalty. Each dimension had three items each with loadings ranging from .71 to .94. The items were significant as reflected by the t-values to the .05 level.

**Second Order Constructs.** The dimension weights on the corresponding construct were evaluated to measure second order constructs (see Table 8). For motivation, friendly culture had a weight of .72, dining .87, and club characteristics of .82. For perceived value, monetary had a weight of .76, emotional .77, quality .82, and reputation .81. Satisfaction was measured through satisfaction amenities with a weight of .95 and satisfaction clubhouse with a weight of .83. Place attachment weights were .91 for place affect, .87 for place dependence, .86 for place identity, and .87 for social bonding. Loyalty consisted of two dimensions of attitudinal with a weight of .86 and behavioral resulting in a weight of .92. All second order dimensions t-values were significant to the .05 level.
Table 8  

*Measurement statistics of construct*

<table>
<thead>
<tr>
<th>Constructs, Dimensions, Items</th>
<th>M</th>
<th>S.D.</th>
<th>Item Loading</th>
<th>t-value*</th>
<th>AVE</th>
<th>CR</th>
<th>α</th>
<th>Dimension Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Motivation (MO)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Friendly culture (MOF)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MOF1</td>
<td>4.81</td>
<td>1.76</td>
<td>.84</td>
<td>52.16</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MOF2</td>
<td>5.68</td>
<td>1.39</td>
<td>.91</td>
<td>131.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Dining (MOD)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MOD1</td>
<td>4.85</td>
<td>1.87</td>
<td>.81</td>
<td>46.64</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MOD2</td>
<td>5.54</td>
<td>1.51</td>
<td>.88</td>
<td>84.57</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MOD3</td>
<td>5.16</td>
<td>1.71</td>
<td>.91</td>
<td>127.22</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Characteristics (MOC)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MOC1</td>
<td>5.89</td>
<td>1.32</td>
<td>.90</td>
<td>138.83</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MOC2</td>
<td>5.33</td>
<td>1.62</td>
<td>.87</td>
<td>60.57</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Perceived Value (VA)</strong></td>
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<td></td>
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<td></td>
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Note.  t-values were obtained with the bootstrapping procedure (2000 samples) and are significant at the .05 level.

**Item Reliability.** As shown in Table 8, all measures are robust in terms of their reliability, since all Cronbach's alphas are higher than 0.7. Furthermore, the composite reliabilities range from .83 to .99, which exceeded the recommended threshold of 0.70 (Chin, 1998), confirming that all items used for this study have demonstrated satisfactory indicator reliability. Finally, all indicator loadings are above the 0.6 cutoff (Chin, 1998; Henseler et al., 2009).
Convergent Validity. Convergent validity was assessed using composite reliability (CR) and average variance extracted (AVE) scores (Fornell & Larcker, 1981). As shown in Table 8, all constructs exhibited AVE of over .50 and CR of above .70 indicating an acceptable internal consistency and convergent validity. A CR value of at least 0.70 is considered a good indicator of internal consistency (Hair et al., 1998; Ma & Agarwal 2007). In addition, AVE scores above 0.50 indicate strong convergent validity, as this means that more than 50% variation in a particular construct is explained by the stipulated indicators (Chin & Newsted, 1999).

Discriminant Validity. The discriminant validity was assessed by using two measures: 1) Fornell and Larcker’s (1981) criterion, and 2) heterotrait-monotrait (HTMT) ratio of correlations. First, Fornell and Larcker's criterion indicates discriminant validity when the square root of the AVE exceeds the correlations between the measure and all other measures. Thus, to determine the first assessment of measurement model’s discriminant validity, the AVE value of each construct is generated using the SmartPLS algorithm function as shown in Table 9. Then, the square roots of AVE are calculated manually. Based on the results, all square roots of AVE exceeded the off-diagonal elements in their corresponding row and column. The values on diagonal represent the square roots of the AVE and non-bolded values represent the inter-correlation value between constructs. All off-diagonal values are lower than square roots of AVE (bolded on the diagonal). Therefore, each construct shares more variance with its own block of indicators than with another latent variable representing a different block of indicators (Henseler et al., 2009), supporting the adequate discriminant validity of the scales. Hence, the result confirmed that the Fornell and Larker’s criterion is met.
In addition, the HTMT ratio of correlations was employed to assess discriminant validity assessed, based on the multitrait-multimethod matrix (Henseler et al., 2015). The HTMT value that was greater than .85 indicates a problem of discriminant validity (Kline 2011). As shown in Table 9, all the values passed the criteria. The study, therefore concludes that the measurement model has established its discriminant validity.

Table 9

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<tr>
<td>LOA</td>
<td>.41</td>
<td>.25</td>
<td>.36</td>
<td>.45</td>
<td>.64</td>
<td>.40</td>
<td>.43</td>
<td>.37</td>
<td>.53</td>
<td>.74</td>
<td>.77</td>
<td>.71</td>
<td>.71</td>
<td>.79</td>
<td>.74</td>
</tr>
<tr>
<td>LOB</td>
<td>.39</td>
<td>.25</td>
<td>.39</td>
<td>.53</td>
<td>.52</td>
<td>.44</td>
<td>.48</td>
<td>.39</td>
<td>.51</td>
<td>.68</td>
<td>.62</td>
<td>.73</td>
<td>.63</td>
<td>.58</td>
<td>.90</td>
</tr>
</tbody>
</table>

*Note.* The square root of AVE is shown on the main diagonal. Correlations are lower left of the diagonal, while HTMT values are upper right of the diagonal.
Overall, the reliability and validity tests conducted on the measurement model are satisfactory. All reliability and validity tests are confirmed and proves that the measurement model for this study was valid and fit to be used to estimate the parameters in the structural model.

**Structural Model (Inner Model)**

The structural equation model was examined based on five criteria: 1) overall model fit of Goodness-of-Fit (GOF) and standardized root mean square residual (SRMR), 2) path coefficient ($\beta$) that indicates the strength of the relationships between constructs, 3) the statistical significance of t-value which tells whether the relationship between constructs is significant (Mustamil, 2010), 4) percentage of variance explained or R square ($R^2$) which traditionally was called regression score, and 5) the $Q^2$ that measures how well the observed values are reproduced by the model and its parameter estimates (Chin, 2010).

**Model Fit.** The overall model of the proposed model was 0.52 of GOF value, indicating a very good global model fit as Hoffmann and Brinbrich (2012) suggested the following cut-off values of the GOF analysis: $GoF_{\text{small}} = 0.1$; $GoF_{\text{medium}} = 0.25$; $GoF_{\text{large}} = 0.36$. In addition, the SRMR of the model was 0.074, which indicates an adequate model fit. An SRMR value less than 0.08 was recommended to be adequate for PLS path models (Henseler et al., 2016).

**Path Coefficient ($\beta$) and t-value.** The path coefficient test was conducted to evaluate the relationship of the construct as hypothesized in this research (Mustamil, 2010). In order to determine the confidence intervals of the path coefficients and statistical inference, the resampling technique of bootstrapping was conducted
(Tenenhaus et al., 2005). Table 10 shows the standardized path co-efficient ($\beta$), associated t-value, and $p$-value outputs from the 2000-sample bootstrap analysis.

Table 10

**Result of Structural Model and Hypotheses Testing**

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>$B$</th>
<th>t-value</th>
<th>$p$ value</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1: MO $&gt;$ VA</td>
<td>.49</td>
<td>15.86</td>
<td>.00</td>
<td>Supported</td>
</tr>
<tr>
<td>H2: VA $&gt;$ SA</td>
<td>.47</td>
<td>14.36</td>
<td>.00</td>
<td>Supported</td>
</tr>
<tr>
<td>H3: SA $&gt;$ PA</td>
<td>.49</td>
<td>17.55</td>
<td>.00</td>
<td>Supported</td>
</tr>
<tr>
<td>H4: PA $&gt;$ LO</td>
<td>.80</td>
<td>67.81</td>
<td>.00</td>
<td>Supported</td>
</tr>
</tbody>
</table>

The first hypothesis predicted that member motivation would positively influence value. The finding shows that member motivation for joining had a significant positive impact on value ($\beta=.489; t = 15.86, p < .0005$), supporting H1. This implies that members with higher motivation were found to have higher value, which is consistent with previous research (Prebensen et al., 2013; Samuels & Hakala, 2001; Duman & Mattila, 2005).

In addition, the results showed that perceived value had a significant impact on satisfaction, ($\beta=.47; t = 14.36, p < .0005$), which supported H2. Members who perceived higher value on club products and/or services were found to be more satisfied with club experiences. This finding was consistent with previous studies that showed value and satisfaction were positively associated (Bojanic, 1996; Dodds, et al., 1991; Fornell et al., 1996; Hallowell, 1996; Oh, 2000; Yang & Peterson, 2004).

The third hypothesis proposed that satisfaction had a significant effect on place attachment. The results showed that satisfaction was a significant factor in forming
place attachment ($\beta=.49; t = 17.55, p < .0005$), which supported H3. This finding implies that members with a high degree of satisfaction are more likely to form a high degree of place attachment. This finding highlights the important impact of satisfaction on place attachment in the club industry (Ramkissoon & Mavondo, 2015; Ramkissoon, et al., 2013a; Veasna, et al., 2013).

Lastly, place attachment found be a significant antecedent to develop loyalty ($\beta=.80; t = 67.81, p < .0005$), which supported H4. Members with higher place attachment exhibited higher member loyalty. This finding confirmed previous studies that claimed the significant impact of place attachment on loyalty (Alexandris, et al., 2006; Kil, et al., 2012; Lee, et al, 2012; López-Mosquera & Sánchez, 2013; Prayag & Ryan, 2012).

**Explanatory Power of the Model ($R^2$).** The $R^2$ value was examined for each predicted variable in assessing the explanatory power of the model. It represents the extent to which the independent constructs explain the dependent constructs (Jackson, 2008). Table 11 presents the percentage of variance explained presents for each construct. 24% of value was explained by motivation and the items associated with the construct. Additionally, 22% of variance in satisfaction was explained by value and motivation. Further, 24% of place attachment was explained by motivation, value, and satisfaction. Finally, 64% of member loyalty was explained by motivation, value, satisfaction, and place attachment. Overall, the findings show that all scores of ($R^2$) endogenous constructs’ value satisfy the minimum requirement for the 0.10 cut off value, which is the indication of a relatively parsimonious model (Hanlon, 2001; Mustamil, 2010). Above all, the findings provide a substantial validity of the model.
Table 11

*Predictive Relevance for Endogenous Constructs*

<table>
<thead>
<tr>
<th>No</th>
<th>Endogenous Constructs</th>
<th>$R^2$</th>
<th>$Q^2$</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Motivation</td>
<td></td>
<td>.35</td>
</tr>
<tr>
<td>2</td>
<td>Perceived Value</td>
<td>.24</td>
<td>.45</td>
</tr>
<tr>
<td>3</td>
<td>Satisfaction</td>
<td>.22</td>
<td>.46</td>
</tr>
<tr>
<td>4</td>
<td>Place Attachment</td>
<td>.24</td>
<td>.56</td>
</tr>
<tr>
<td>5</td>
<td>Loyalty</td>
<td>.64</td>
<td>.42</td>
</tr>
</tbody>
</table>

**Predictive Relevance.** For this study, $Q^2$ was obtained using cross-validated redundancy procedures as suggested by Chin (2010). A $Q^2$ greater than 0 implies that the model has predictive relevance, whereas a $Q$-square less than 0 suggest that the model lacks predictive relevance. As shown in Table 11, $Q^2$ for motivation, perceived value, satisfaction, place attachment and loyalty is .35, .45, .46, .56, and .42 respectively. The findings indicate an acceptable predictive relevance (Chin, 2010). Overall, the results of the $Q^2$ analysis further confirm that the model measures are adequate, and that the structural model has satisfactory predictive relevance for the endogenous constructs of the proposed model. The finding suggested that the proposed model has good predictive ability.

Overall, the findings of the model fit, path coefficients, t-values, $R^2$, and $Q^2$ suggested the proposed model was valid to explain relationships among constructs, supporting all hypotheses.
CHAPTER 5. DISCUSSION AND CONCLUSION

This chapter will draw some conclusion based upon the discussion of the findings. The chapter has three sections. The first section summarizes the results of the study. The second section discusses the theoretical implications along with the practical implications. The last section addresses the limitation of this study and the opportunities for future research.

Review of the Study Results

The study investigated the relationships among club members' motivation, perceived value, satisfaction, place attachment, and loyalty. Particularly, this study examined each construct and the relationship between the constructs with the goal of predicting member loyalty in the context of the club business. This was an exploratory study as the model had rarely been tested in a club environment. The hypothesized model fit the data well, supporting the ability to measure the constructs of motivation, perceived value, satisfaction, place attachment, and predict member loyalty through the relationships of the constructs.

In examining motivation, the first order construct were the friendly culture (e.g., friendly members and friendly staff), the dining of the club (e.g., casual dining, variety of dining, and formal dining), and club characteristics (e.g., the quality of the club, and the reputation of the club). The measurement model showed the items loadings to be .81 and higher. All of the dimensions, items, and weights were significant in a t-value statistic, indicating the second order latent construct to be significant. The measure of motivation provided an understanding of why members joined clubs in terms of friendly culture, dining experiences, and club characteristics. The findings reflect the current trend of the
importance of dining in the club business, as described by casual, formal, and variety of
dining. In general, the younger members want casual dining, while traditional members
desired more traditional club dining (Vain & McMahon, 2010).

The study extended Petrick's (2001) research on perceived value, by including
four factors of monetary, reputation, emotional, and quality value. The item loadings for
perceived value ranged from .84 to .98, and all items were significant. This study
excluded behavioral value because the AVE for perceived value dropped below the .50
threshold when included (Fornell & Larcker, 1981). The dimension weight of quality
value was the highest in clubs while monetary weight was the lowest score in explaining
perceived value. Perceived value in this study described measurement in pricing, how
much fun members are experiencing, an explanation of the quality of the club, and how
the members perceive the reputation of the club. These four elements provide a
comprehensive measurement of the value members find in clubs.

This study examined member’s satisfaction with two perspectives: amenity and
clubhouse. Satisfaction amenity was composed of four items: ambiance, overall
satisfaction, food and beverage, and staff. Satisfaction clubhouse was composed of
communication and clubhouse. The measurement model consisted of the item loadings
ranging from .71 to .87, with the overall satisfaction with all your experiences at our club
measuring the highest, and communication measuring the lowest. The structural model
consisted of weightings with .83 for satisfaction clubhouse and .95 to satisfaction
amenities. Club communication takes on significance because each member was an
owner, and therefore members generally feel entitled to know every detail in a club
business operation. Additionally, private club members generally have a high
expectation level for satisfaction because of the additional payment of dues to support the service levels. Club member have choices, so communicating effectively, focusing on the clubhouse facility, and raising satisfaction with regards to experience and staff may be a goal to increase overall member satisfaction for many clubs.

Place attachment was measured through place identity, place dependence, place affect, and social bonding. The measurement model consisted of the item loadings for place attachment ranging from .85 to .97. The study applied the construct of place attachment for the first time in a club model, and the dimensions' weightings were significant with t-scores ranging from 93.73 to 143.59. This study has provided the club business with a measurement tool to identify how members attach to the club through the four dimensions. The dimensions describe emotions, the members' identity with the club, the functional dependence, and the ability to enjoy family and friends. The ability to define the attachment between members and spatial settings, in this case the club environment, will allow a manager to increase the intensity of the member-club bond. It should be noted that this study showed the significance of the positive bonds connecting member-to-member, and some researchers have shown this human bond to be stronger than the physical attributes of place (Hidalgo & Hernandez, 2001).

The measurement model for loyalty resulted in loadings for the attitudinal loyalty ranging from .71 to .85, while the behavioral loyalty items ranged from .84 to .94. The structural model resulted in attitudinal and behavioral loyalty with weights of .86 and .92 respectively, indicating significance from the resulting t-values. Attitudinal loyalty was measured with three items consisting of service, how a member feels about the club, and how valuable the membership was for the member. Behavioral loyalty consisted of three
items of positive communication to others, retention intention, and future recommendations about joining to others. The loyalty members’ exhibit for the club was significant because members are the number one referral source for additional members, so the WOM would be very important to the future of the club. Loyalty in a club has the component of attitude and behavior, and this study identified six items that clubs can use to measure member loyalty.

**Relationships on Constructs**

The findings supported previous research of significant relationships among member variables. Particularly, member motivation had a significant effect on perceived value. Perceived value had a significant effect on satisfaction, which in turn had a significant effect on place attachment. Finally, place attachment had a significant effect on member loyalty.

The study found that motivation had a direct effect on perceived value. Motivation was found to explain 24% of the variance of perceived value. This study found that members joined their clubs for reasons including staff, members, dining, quality, and reputation of the club. The results of the study indicated a significant relationship between motivation and perceived value, and clubs can increase the perceived value by focusing on the elements of motivation. Clubs with stronger dining programs, better staff members, and increased reputation will increase perceived member value. The significant path from motivation to value was consistent with previous findings (Duman & Mattila, 2005; Prebensen et al., 2013.)

The study found that member perceived value had a direct effect on member satisfaction. Perceived value was found to explain 22% of the variance of satisfaction.
Members that showed higher perceived value were more likely satisfied with the club, specifically the amenities and the clubhouse. The positive effect of perceived value on satisfaction has been proven in tourism and other industries, so this study has confirmed the relationship and extended it into the club industry (Patterson & Spreng, 1997). This study indicates that if by increasing the perceived value a member finds in the elements of quality, emotional, monetary, and reputation, the higher member satisfaction a member would find, thus encouraging clubs to focus on those dimensions. This study showed that members find value in elements other than monetary, and the quality and reputation enhancement of the clubs will increase satisfaction. This study also showed that bringing happiness, joy, and delight to the members, such as increasing the emotional value of a member, increases member value, which in turn increases satisfaction. Perceived value was found to be a significant predictor of satisfaction. This finding was consistent with previous research (Bojanic, 1996; Dodds, et al., 1991; Fornell et al., 1996; Hallowell, 1996; Oh, 2000; Yang & Peterson, 2004).

Satisfaction was found to have a direct impact on place attachment. Satisfaction was found to explain 24% of the variance of place attachment. This study also extends the literature in the club industry, helping to fill a gap that currently exists in club literature (Ramkisson & Mavondo, 2015; Ramkinsson, et al., 2013a; Veasna, et al., 2013). Therefore, a more satisfied member had a stronger club attachment than a dissatisfied member (Bitner, 1990; Cho et al., 2004; Cronin et al., 2000; Patterson & Spreng, 1997; Tian-Cole et al., 2002; Yoo, Cho, & Chon, 2003). The findings showed a direct positive relationship of satisfaction with place attachment. A club that increases member satisfaction through better communications and amenities will increase member
attachment. The structural model found the relationship between satisfaction and place attachment to be significant. Therefore, clubs have incentives to increase satisfaction in order to increase attachment.

Lastly, the results showed a significant relationship between place attachment and loyalty in the structural model. A member with high attachment will have high loyalty. This study supports previous studies that focused on the direct effects of place attachment on loyalty (Alexandris et al., 2006; George, 2004). This finding was new to the club business, although the relationship has been proved in the tourism and hospitality research (Kil et al. 2012; Lee et al. 2012).

**Theoretical Contributions**

This research represents the initial finding of significant paths from member motivation to member loyalty, supporting the combined relationships among motivation, perceived value, overall satisfaction, place attachment, and loyalty in the club business. This study has contributed a socio-psychological approach to better understand member behaviors in a club context. This study makes several theoretical contributions.

First, this study expands the literature on club research by focusing on club business and its members. With the private nature of clubs, most previous research has been limited to include marginal sample size only. However, by collaborating with club research companies, this study conducted the survey on a national level, which resulted in over 900 valid responses. Furthermore, the sample included members from nine different types of clubs - country, yacht, and dining. This enabled this research to increase data accessibility, which results in providing a more comprehensive view of the club business and enhancing representability of samples and generalizability of findings.
Second, this research investigated the club business, by focusing on member behaviors. Member behaviors have rarely been studied in the club business as the majority of club studies has focused on management from the viewpoint of club managers, not the members (Cichy, Cha, & Knutson, 2004; Cichy & Schmidgall, 1997; Cichy & Singerling, 1997; Ferreira, 1997; Gustafson & Partlow, 1998; Perdue, Ninemeier, & Woods, 2000; Purdue, Ninemeier, & Woods, 2002). This study offers a comprehensive view to understand member behaviors by incorporating concepts of motivation, perceived value, satisfaction, place attachment, and loyalty into a model. Therefore, this study extends the literature on members in the club industry, suggesting further opportunities for researchers to examine member’s behaviors by applying consumer behavior research.

Moreover, findings of this study represent new current members’ perspectives, reflecting the recent trend of the club industry. The majority of club research has been conducted before 2009 when the shift in club structure of members emerged (McMahon, 2014) while very little research has examined the clubs since the shift (McGladrey, 2016). Therefore, this study updates information on club members, meeting current needs to understand new trends/values of clubs and their members. The findings enhance knowledge on member behaviors in a more comprehensive view with the timeliness.

The study is among the first research to investigate member’s motivation by applying theoretical research to the club industry. The push and pull motivational theory was used to develop a motivation scale (Crompton, 1979; Dann, 1977; Dann, 1981; Uysal & Jurowski, 1994). The study revealed the friendly culture, dining, and club characteristics as significant indicators for members' motivation. Therefore, this research
expands the application of push and pull theory to club research. Furthermore, this study contributed to providing a tool to examine member's motivation behaviors from a theoretical perspective.

The study further developed a satisfaction scale based on not only the industry surveys, but also theory-based research (Kozak, 2001; Qu & Ping, 1999, Yu & Goulden, 2006). This approach enhances traditional surveys to be more sophisticated in understanding member’s satisfaction from a socio-psychological perspective. Therefore, this research contributes to advancing the measurement of member satisfaction scale along with strong theoretical supports.

In addition, the study makes an initial attempt to examine the multidimensional construct of place attachment, including place identity, place dependence, place affect, and social bonding (Ramkissoon et. al., 2013b). By successfully examining the construct and its relationships with other variables (e.g., satisfaction and loyalty), this study highlights the importance of place attachment in evaluating member behaviors. Therefore, this study makes a significant contribution to introducing the concept of place attachment as a critical baseline to understand member behaviors.

More importantly, this study successfully presented a holistic model to predict loyalty, which offers a comprehensive understanding of member loyalty. The measurement of loyalty was identified to be valid and reliable within the data set. This study further identified significant antecedents for loyalty in the club context. While a sound model to examine loyalty has been lacking (Barrows & Ridout, 2010), this study identifies an advanced framework to describe member loyalty by including key antecedents of motivation, perceived value, satisfaction, and place attachment.
Therefore, this study fills the literature gap in loyalty in club research and enhances club research by providing a holistic model to explain member’s loyalty.

This is the first study to use PLS-SEM in club research. While PLS-SEM is considered a promising technique for prediction purposes (Becker, Rai, Ringle, & Volckner, 2013), limited studies have used this tool in the hospitality and tourism research. The proposed model included second-order constructs, which was rather complicated since the data were not normally distributed. The PLS-SEM approach allowed this research to measure the complicated model in both the measurement and structural levels along with first- and second-order constructs. Therefore, this study confirms that PLS-SEM was a useful tool to predict member loyalty, maximizing the explained variance of loyalty while revealing significant relationships with other constructs. Thus, the finding makes a methodological contribution to providing a potential opportunity to apply the technique to predict dependent variable to the hospitality and tourism research, including the club.

Finally, this study advances a theoretical framework in club research, by using second order constructs of all variables. This approach revealed good validity and reliability of the scales of all constructs while presenting significant, detailed relationships among items, dimensions, and constructs. For example, this study measured perceived value as a multidimensional construct, whereas numerous studies have investigated the variable at a unidimensional level. The results enabled this study to explain the construct in a more inclusive, specific, and concrete way. Second order constructs are more preferable as a result of gathering more information in multidimensional construct, therefore, this study suggests the second order approach be
more appropriate in measuring variables. This offers a methodological approach to examine constructs with a multi-dimensional level, which will enhance the explanatory ability and increase reliability of the constructs.

**Practical Implications**

The study showed that membership sales in this study in the last five years are on the rise as the 1-5 years as a member was the second largest grouping of members, as the largest grouping of members was in the over 21 years timeframe. These two groups of members demonstrate the potential difficulty in the club business of creating membership motivation programs, understanding perceived value, satisfying members, and creating attachment, while enhancing loyalty in a membership where the two largest groups are brand new members and members belonging to the club for over 21 years. Knutson (2001) has demonstrated that different age groups of members have different expectations, so this study will help managers understand both newer and older members.

One of the weaknesses of the club industry is the lack of academic research on why members join clubs, and the impact of motivation on perceived value. Membership sales are fundamental for all clubs, thus an industry that has not extensively explored motivation for joining is disadvantaged. Members join clubs for a variety of motivations, so this study will help clubs begin to understand these reasons and provide information to help with their marketing studies. The impact of motivation on perceived value of the club creates the ability to judge programming through member motivation results.

The study has practical application to advance the industry to match member motivation to club features for the first time. Consumers, potential members, are asked to evaluate clubs and communities with limited information, and therefore, are faced with
making lifestyle choices that may or may not be meet their motivational needs. The study may be used to prescreen members, and match members to clubs that fulfill those motivations. Successfully matching members and clubs may be significant for local communities, who depend upon clubs for employment opportunities, real estate taxes, and philanthropic causes.

The study found motivation was positively associated with perceived value, predicting 24% of variance in perceived value. Understanding the motivation of members and increasing membership perceived value is important to all businesses. Understanding if members are driven by monetary or quality value attributes, if the reputation of the club was important, if they feel delighted, and if the club was consistent allows club to evaluate the success of delivering perceived value.

The study found that perceived value positively impacted satisfaction in this study. A member who finds perceived value with the club will be satisfied, resulting in fulfilling most clubs' goal of creating member satisfaction. If members do not attain satisfaction and perceived value dependence, an unsatisfied member will not support the club, eliminating the possibility of the club to interact with the member, satisfy the member’s needs, or create perceived value. With a lifetime value of over $200,000 for each member, this study will be used to decrease resignations and increase member loyalty.

McMahon Group (2011) has created a decade of club satisfaction surveys and written extensively about satisfaction in the club business, while promoting the industry. The hospitality and tourism industry has for years understood and studied satisfaction and its many dimensions. This study incorporated both industry specific experience and
academic literature to create a second order satisfaction measurement, and then utilized the scale as part of a model with place attachment. The study identified this relationship as directly positive, resulting in a satisfied member was positively related to create place attachment in a club. A satisfied membership was potentially more likely to invest in infrastructure improvement of the club that would lead to strong place dependence and place identity. With significant investment in club facilities around the country, the study will be used to help understand members' viewpoint between satisfaction and place attachment, resulting in loyalty. Club funding comes only through members by assessments or bank loans, so this relationship between constructs has significant implications for clubs approving capital programs.

As club managers review their programming, it becomes important to understand the role of place attachment and the four components. Kyle et al. (2004), in describing public land management principles, concluded that understanding factors influencing humans' attachment to natural environments by motivation will enable managers to do a better job managing the resources. The study provides the same ability for club managers by understanding the relationship between motivation and attachment for club members.

One of the significant practical implications of place attachment in a club setting was the social bonding development of the membership. Members develop a strong place attachment to the club through development of strong social bonds with other members as it creates memories of experiences over a long period of time. Club membership involves like-minded members joining together and interacting. A private club was not open to the public so the interactions with fellow members are critical to a club developing social bonding.
Social bonding may also be used practically to help family members visit the club, allowing families to develop personal bonds and memories together (McMahon Group, 2015). The individual items of social bonding gives an indication of the desirability of family members visiting the club over other destinations, and describes if the club allows a member the ability to spend time with family. For example, a low social bonding measurement would signify to the club that the member was potentially leaving the club because the family was not utilizing the opportunity to visit the member. A club manager that can utilize this tool to measure social bonding has insight into if the club was meeting a significant need, that was creating attachment, and thus if the member will develop member loyalty.

A member that has high attachment was more likely to be loyal. The development of this relationship was important as loyalty results in a club that develops word of mouth advertising from its loyal members, and does not need to spend marketing dollars on recruiting additional members. Place attachment was historically a construct that has been used in the environment, but it was an opportunity for the club manager to understand the relationship and develop a strong relationship between place attachment and loyalty.

Loyalty in the club business was similar to traditional consumer marketing concepts where it was easier to retain a current member than find a new one (Reichheld, 1992). Loyalty of members was measured in this study by behavioral and attitudinal items. Members exhibit their loyalty through increased usage of the club, positive words of encouragement to future members, speaking highly about the club to others when asked, and having a high opinion of the club in comparison to other recreational venues.
As a result of this study, the club should follow up with loyal members and get prospect names of prospects from members that scored high in the behavioral loyalty construct. Clubs that measure behavioral loyalty should target those members to increase usage. Additionally, the club should create an action plan to increase attitudinal loyalty of the club.

The study utilized dining in two constructs, motivation and satisfaction. The ability of the club to measure the dining performance was important, as dining was the most important amenity in many clubs according to McMahon. This study may be used to measure the motivation dining has in new prospects, or current members, and then measure the satisfaction with the experience.

Predicting loyalty of members has practical importance to clubs because of the importance of individual members to the club organization. A model that predicts 64% of consumer loyalty allows clubs to focus on the positive loyal members, while identifying retention strategies for unloyal members. A country club member has a high lifetime value as a result of many members belonging to the club for over 21 years. A club with a member for 20 years, and at an average spend of $10,000 a year inclusive of dues and usage fees, has a lifetime value of over $200,000 per member. If a club can increase its loyalty by 10 members per year, this equates to a $2 million financial impact on the club over the lifetime of the membership. Therefore, the ability to predict loyalty was critical for the club because of the long-term impact of losing a member, and because of the impact of an unloyal member staying as a member of the club. Clubs have a high switching cost (Back & Lee, 2009), so unloyal members might not leave and as a result,
have a negative impact on the rest of the membership. Clubs will find this tool useful in identifying these members.

**Limitations and Direction for Future Research**

The study was limited by the number of clubs that participated in the study. Each club around the country has its own characteristics, and the results of this study may or may not apply to other clubs. This study also was limited by using only CMAA members clubs, and this was a limitation in the club business, as many clubs are not managed by CMAA members.

Future research in the club business can be used to verify and develop this model in the club business. The use of the constructs in this model was a good start, but other constructs can be measured and incorporated into the model. Other constructs might include service quality, group identity, transactional satisfaction, and involvement. The study may be used to evaluate clubs by cluster analysis.

Future research possibilities exist with determining other relationships with the model. The constructs are linear in nature in this model, so future exploration on the impact of motivation on satisfaction, place attachment, and loyalty should be examined. Likewise, as should all combinations of the constructs to see the direct and indirect effect on loyalty.

The study may also look at clubs by demographic differences including age and gender differences. Clubs are undergoing fundamental changes as the world changes. Women are a key contributor to clubs, and men and women view the world differently than each other. Additionally, this study showed a generational divide in clubs as new members compared to members who have belonged to the club for over 21 years. Clubs
need to meet the needs of new members resulting in new memberships, but are funded by existing members who may not want or use the club in the same way as the younger generation. This generational gap needs to be explored in clubs, and was critical to the future sustainability of the club business.

The research does not include any of the clubs in the southern part of the United States. Florida clubs for example, have large membership bases from around the country and are mainly seasonal. The club business in Florida was doing well according to McGladrey (2016), so these results may or may not apply to Florida clubs. The results may or may not be different from different types of clubs and clubs in different locations.

Researching motivation of joining factors, perceived value, satisfaction, place attachment, and loyalty of other types of clubs including golf clubs, lower priced clubs, different locations, and different equity programs would allow for comparisons of the relationship of the model.
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APPENDIX A. SURVEY QUESTIONNAIRE

Membership is the lifeblood of the Club. The survey focuses on our ideal experience at the Club across a broad range of amenities, products, and services. The results will enable us to establish benchmarks and focus on continuous improvement. The survey will be reviewed by the Board and evaluated to improve our Club and operations.

This survey consists of four sections. The first section is devoted to why you joined the Club, your ideal club experience, and the value you feel the Club is delivering. The second section includes service quality and satisfaction with the Club. The third section is about your attachment to the Club, loyalty, and your thoughts on sharing our Club with your friends. And the last section is your individual demographic description.

The survey is confidential. We would like both men and women to answer the survey. We understand the survey is detailed, and we thank you in advance for your time. This research will be used by our Board of Directors and management to better understand our members. The survey will also be included anonymously in a national database to collectively understand members and the differences in clubs across the United States.

If you have any questions or comments in regards to this survey, please email clubsurveyquestion@gmail.com. Thank you in advance for taking the survey.

A. Please indicate the extent of the level of importance in: Your decision to originally join your current club. Rank from 1 being not important to 7 being very important.

1. For high levels of service
2. For rest and relaxation
3. For being recognized as an important member
4. For business purposes
5. For a different cultural experience
6. For socializing with other members
7. For sport improvement (ex. golf, tennis, fitness)
8. The friendly culture of the current members (i.e. current members were warm and welcoming as I was introduced to them and developed relationships)
9. The friendly attitude of the staff at the club (relationship with the staff)
10. The female-friendly culture of the club (i.e. activities and events for females)
11. The formal dining at the club
12. The casual dining at the club
13. The variety of dining at the club
14. The social events of the club (i.e. Welcome Back, New Years, End of Season)
15. The beauty of the landscaping
16. The reputation of the club
17. The exclusivity of the club
18. The quality of the club
19. The joining fee of the club
20. The financial condition of the club
B. Please indicate the extent of the Value provided by the Club with 1 being not important and 7 being very important.

1. The quality at the club is very dependable
2. The quality at the club is very consistent
3. The quality at the club is very reliable
4. Belonging to the club gives me a sense of joy
5. Belonging to the club makes me feel delighted
6. Belonging to the club gives me happiness
7. The joining fee of the club is fairly priced
8. The club is worth the money
9. The dues are reasonably priced
10. The user fees are reasonably priced
11. Information about becoming a member was readily available
12. Becoming a member was an easy process
13. Becoming a member required little effort
14. The Club has a good reputation
15. The Club is well respected
16. The Club has significant status compared to other clubs

C. Please rate the extent of overall Satisfaction with the following club amenities, services, and elements with 1 being extremely dissatisfied and 7 being extremely satisfied.

1. Overall satisfaction with all your experiences at our Club
2. Food and Beverage / Dining
3. Social activities
4. Private parties
5. Security
6. Landscaping
7. Board of Directors
8. Staff
9. Pro Shop golf
10. Golf course
11. Pool
12. Clubhouse
13. Communication
14. Ambiance and atmosphere

D. Please indicate your level of agreement to each of the following statements on Place attachment with 1 being strongly disagree and 7 being strongly agree:

1. I feel my personal values are reflected at the club
2. I feel I can be myself at club
3. I identify strongly with the club
4. I enjoy being at the club more than any other place
5. The club is the best in terms of amenity offerings
6. I cannot imagine a better club than ours
7. The club allows me to spend time with family and friends
8. Many of my friends and family prefer visiting the club over other places
9. I have a lot of fond memories with friends and family at the club
10. The club means a lot to me
11. I am very attached to club
12. I feel a strong sense of belonging to our club

E. Please indicate your level of agreement to each of the following statements on loyalty with 1 being strongly disagree and 7 being strongly agree:

1. My membership is more valuable to me than other forms of entertainment/leisure
2. I intend on being a member for the next five years
3. I say positive things about the club to other people
4. I recommend the club to those who seek my advice about joining the club
5. I feel better when I play at the club
6. I intend on using the club more in the future
7. No other club provides better services than our club

F. The following demographic questions will be used for classification purposes.
Who filled out this survey?
Female
Male

What is your current status?
Single, never married
Married without children
Married with children
Divorced
Separated
Widow / Widower
Living with Partner

I am a _______ of the club.
Resident
Non-resident
Not applicable

Which months do you spend at the Club during the year?
All Year
January
February
March
April
May
June
July
August
September
October
November
What type of membership do you have?
- Regular / Full Member (Full Privileges)
- Sport Member
- Social Member
- Dining Member
- Intermediate Member
- Legacy Member

What year did you join your current club? (Drop Down Answer)
- 2015
- 2014
- 2013
- 1954
- ...
- 1953
- 1952
- 1951
- 1950 or before

What year were you born? (drop down answer)
- 1920
- 1921
- 1922
- ...
- 1997
- 1998
- 1999
- 2000

Please select your annual household income range below.
- Less than $100,000
- $100,000 - $149,999
- $150,000 - $199,999
- $200,000 - $249,999
- $250,000 - $499,999
- $500,000 or more
APPENDIX B. PILOT STUDY QUESTIONNAIRE

The club has sold an unprecedented number of memberships the last few years. Membership is the lifeblood of our Club, and in order to understand the reasons you joined the Club, we ask that you take a few minutes to complete this survey. We ask that both heads of household (if applicable) fill out the survey because of the perception differences between spouses or significant others.

We will use this survey to improve our membership sales process. All information will be kept confidential from an individual response standpoint and we will share the collective results without any form of identification. If you have additional input that you would like to share, please call the Director of Membership or the General Manager. We want to track by member number in order for longitudinal studies. Men should enter their member number and add a 0 at the end and women should add a 1 at the end of their member number. For example (John Doe = 12340 and Jane Doe = 12341).
APPENDIX C: CLUB SURVEY LETTER

Please see the below message from our colleagues regarding an opportunity to contribute to industry research efforts. I hope that you’ll consider participating.

Iowa State University, Michigan State University, Kopplin & Kuebler and Club Insights have joined together with a complimentary offer to the first 25 clubs interested in participating in a club survey. A professional membership survey (an approximately $5,000 to $25,000 value) will be administered as a service to your membership and the results from your club will be given back to you, the manager. All individual club results will remain confidential with no data on specific clubs being reported. The purpose of the research is to identify differences between different types of clubs and cluster analysis by membership category, not individual club performance or individual member’s answers. Therefore, all individual club results will be returned to the club for their use. The collective comparison between the clubs, without identifying the specific results of each club, will be the basis of an education session proposed through CMAA.

The survey will measure membership satisfaction, service quality, value, motivation of members joining the club, how members are attached to the club and membership loyalty. The survey is available to all types of clubs (i.e. country clubs, golf clubs, yacht clubs, dining clubs, city clubs, etc.). The research will help individual clubs understand their own membership, and will be used collectively to further the knowledge in the industry.

The survey will be given electronically through e-mail. The board or club manager would introduce the survey to the members and individual club results will be given back to the participating clubs. The communication with the members on the survey will be controlled through the clubs and will be seamless to your membership. All that will be required of the clubs is to work with us to make the survey available to your membership.

If you are interested in being one of the 25 clubs, please respond to jsoltis@surevista.com and we will reach out to you and coordinate the survey to your membership. This offer is open on a first-come, first-served basis and is completely complimentary to the participating clubs.

Thank you,

Jeff Morgan
APPENDIX D. SURVEY DESCRIPTION LETTER

August 18th, 2015

Our research team is extremely excited about the response we received last week. Over 75 clubs showed interest in participating in the study. We have been actively working to expand the project to include as many clubs as possible.

The survey will be administered in the following steps.

1. The survey instrument has been professionally developed and will be administered to all clubs. Version are set for clubs with different amenities (i.e. - yacht club will not ask golf course questions, etc.) It will be hosted and sent on the Michigan State University online survey platform. This ensures best delivery and the ability to send reminders only to those who have not completed their survey.

2. Announce your club’s participation in this industry study ahead of the email invitation arriving in their inbox. We anticipate a letter from the Club manager or the Chairman of the Board. A draft letter is available if you would like that can be personalized by you for your club.

3. Fill out a simple profile about your club such as joining fees, dues levels, etc……that will be for comparison basis – no club will be identified individually. All individual club data will be returned to the Club.

4. Send your member email list in excel (or CSV) format to jsoltis@surevista.com The survey can be launched any time in the next 2-6 weeks to your membership. We need a commitment to ensure your club will be included in this limited offer. After the launch, we will send you a link to view member responses and comments. We are asking for a timely response to keep our costs controlled to provide this to as many interested clubs as possible.

Your members will receive 3 communications about the survey based upon their response. An initial invitation will be sent with a reminder one week later to those who have not responded and a final reminder at two weeks to those who have not responded. Your member list will not be shared or used for any other purpose than this study. Their responses are confidential and only the summary of score and individual comments will be reported back to the club through the online link.

Thank you for responding and participating in this industry research.

Please fill out the attached Club Profile Sheet (Microsoft Word document) and email it back to me no later than next week to participate.
Please let me know if you have any other questions and I will respond as soon as possible (knowing how many clubs are involved in the process).

Have a great day!

Thank you,

Jim Butler
CMAA
Club Insights
Iowa State University
Michigan State University
Kopplin & Kuebler
APPENDIX E: LETTER OF EXEMPTION

IOWA STATE UNIVERSITY
OF SCIENCE AND TECHNOLOGY

Institutional Review Board
Office for Responsible Research
Vice President for Research
1118 Pearson Hall
Ames, Iowa 50011-2207
515-294-2500
FAX 515-294-1067

Date: 7/30/2015
To: Jim Butler
9930 Rookery Circle
Estero, FL 33928

CC: Dr. So Jung Lee
8A MacKay Hall

From: Office for Responsible Research

Title: The exploration of country club loyalty

IRB ID: 15-418

Study Review Date: 7/29/2015

The project referenced above has been declared exempt from the requirements of the human subject protections regulations as described in 45 CFR 46.101(b) because it meets the following federal requirements for exemption:

- (2) Research involving the use of educational tests (cognitive, diagnostic, aptitude, achievement), survey or interview procedures with adults or observation of public behavior where
  - Information obtained is recorded in such a manner that human subjects cannot be identified directly or through identifiers linked to the subjects; or
  - Any disclosure of the human subjects' responses outside the research could not reasonably place the subject at risk of criminal or civil liability or being damaging to their financial standing, employability, or reputation.

The determination of exemption means that:

- You do not need to submit an application for annual continuing review.

- You must carry out the research as described in the IRB application. Review by IRB staff is required prior to implementing modifications that may change the exempt status of the research. In general, review is required for any modifications to the research procedures (e.g., method of data collection, nature or scope of information to be collected, changes in confidentiality measures, etc.), modifications that result in the inclusion of participants from vulnerable populations, and/or any change that may increase the risk or discomfort to participants. Changes to key personnel must also be approved. The purpose of review is to determine if the project still meets the federal criteria for exemption.

- Non-exempt research is subject to many regulatory requirements that must be addressed prior to implementation of the study. Conducting non-exempt research without IRB review and approval may constitute non-compliance with federal regulations and/or academic misconduct according to ISU policy.

Detailed information about requirements for submission of modifications can be found on the Exempt Study Modification Form. A Personnel Change Form may be submitted when the only modification involves changes in study staff. If it is determined that exemption is no longer warranted, then an Application for Approval of Research Involving Humans Form will need to be submitted and approved before proceeding with data collection.

Please note that you must submit all research involving human participants for review. Only the IRB or designees may make the determination of exemption, even if you conduct a study in the future that is exactly like this study.

Please be aware that approval from other entities may also be needed. For example, access to data from private records (e.g., student, medical, or employment records, etc.) that are protected by FERPA, HIPAA, or other confidentiality policies requires permission from the holders of those records. Similarly, for research conducted in institutions other than ISU (e.g., schools, other colleges or universities, medical facilities, companies, etc.), investigators must obtain permission from the institution(s) as required by their policies. An IRB determination of exemption in no way implies or guarantees that permission from these other entities will be granted.

Please don't hesitate to contact us if you have questions or concerns at 515-294-4585 or IRB@iastate.edu.