

# THE INFLUENCE OF SERVICE QUALITY AND PERCEIVED VALUE THAT AFFECTS CUSTOMER DEMAND WITH THE MODERATOR ROLE OF WATCHING FREQUENCY BEHAVIOR OF THE CHINESE BASKETBALL ASSOCIATION

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## Abstract

The quality of event services, as an important indicator to promote the high-quality development of ornamental sports, has important reference significance for the marketing decisions of event organizers and managers. Although many scholars have explored the influencing factors of service quality in the research on the Chinese Basketball Association (CBA), there is still no scholars who have explored the framework of the relationship between service quality and Customer demand in CBA. On the basis of sorting out the research on service quality, perceived value, Customer demand, and watching frequency, this research constructs a relationship model between CBA service quality and Customer demand, and tests the relationship model between service quality and Customer demand through structural equation modeling. The model is validated through in-depth interviews and predictions are made on how to improve service quality, attempting to provide theoretical basis for guiding event marketing strategy innovation. Service quality has a positive impact on customer demand, which is mediated by perceived value and moderated by watching frequency; In terms of innovative management models for service quality, CBA can focus on improving and enhancing their service quality through technological digital supply, full process management, employee training, optimized viewing experience, and diversified service channels. At the same time, diversified brand promotion and pricing strategies should also be considered to enhance the attractiveness and profitability of the event.

**Keywords:** CBA; Event Services; Service Quality Management; Perceived Value; Customer Demand.

## 1. INTRODUCTION

Professional sports events are an important engine that leads the development of the sports event and performance industry. Professional sports event service products are the core products for the development of the sports event and performance industry consumer market, which can generate huge economic benefits. As one of the leading professional leagues in China, Chinese Basketball Association (CBA) are in line with this development trend and constantly innovating their marketing strategies. As a special service-oriented product, CBA are events, where customers are the spectators who watch the events. The quality of the events is an important service link connecting consumers and the events. The quality of service is closely related to the quality and attractiveness of CBA is basketball events, which can promote the positive flow of elements in the basketball industry, thereby stimulating the high-speed operation and high-quality development of China's basketball game market. At the same time, it directly determines the high or low satisfaction of consumers with products and the rate of repeat viewing of events. Low quality events not only lose a large number of consumer groups,

but also lose market dominance, which has a negative impact on the market-oriented development of events. So how to measure and improve the service quality of CBA is an important challenge that demand to be faced in the process of basketball marketization development.

Therefore, this research delves into the groups related to the service quality of CBA, combining qualitative and quantitative approaches to improve the core issue of CBA service product quality. It further explores the following issues: first, what are the current service products of CBA, second, what strategies are adopted by CBA to market these service products, and third, what is the relationship between the service quality of CBA and customers. Based on the above three questions, this research aims to determine and verify the relationship between CBA service quality and customers, and further propose new CBA service quality management suggestions, enriching the quantitative methods and tools of research in the field of event consumption in China, and proposing new solutions for event management and improving event service quality in China.

## **2. LITERATURE REVIEW AND RESEARCH FRAMEWORK**

### **2.1 Service Quality of Sports Events**

In Grorus' (1986) study of service quality, it was found that there are two aspects that need to be emphasized in the subjective experience process of service. One is what customers need to receive service, and the other is how customers receive service. In other words, customer perception of service quality includes two parts: technical quality (outcome element) and functional quality (process element). For sports events, the particularity of their services determines the particularity of the constituent elements of their service quality. The customer's perception of sports event services is an overall feeling, which is a comprehensive perception of the process service, technical quality, and functional quality of the customer. In the eyes of the customer, the service quality of the event is reflected in the service results, which are the things that the customer directly obtains from the sports event, and the various factors that support the customer in obtaining these things during the service process. In summary, it refers to both technical quality and process quality. The customer's perception of technical service quality is obvious, while the perception of process quality is complex and subjective. Technical quality of events is essential for event services. If the customer is not satisfied with technical quality and service, functional quality is of little significance, this is determined by the dominant motivation of the customer to watch sports matches in order to appreciate the high-level event of athletes and meet their spiritual demand.

The academic community mainly adopts three aspects for measuring service quality: the first is based on the SERVQUAL Perceived Service Quality Evaluation Scale, which was proposed by PBZ in 1985 and includes five dimensions such as empathy, and has been modified and adjusted to form a scale 18 that is in line with their own research. The second method is the hierarchical method used by Rust and Oliver (1994) and Brady and Cronin (2001) to detect the quality of event services, which is based on three dimensions: interaction quality, result quality, and physical environment quality. The third type is based on Gronroos' (1988) two-dimensional

model theory, which includes the expansion and adjustment of functional quality (consumers' perception of interaction with service providers) and technical quality (results of service performance). SERVQUAL is the most commonly used one, which categorizes service quality into dimensions such as tangibility, security, responsiveness, reliability and empathy according to the characteristics of the service.

In summary, this research defines the service quality of CBA as that after the event, participants usually independently compare the obtained services with the expected services, and make independent judgments on the event services. It also proposes five dimensions: tangibility, responsiveness, reliability, empathy, and security.

## **2.2 Perceived value and Customer Demand, under the 7Ps Marketing Mixed**

In order to overcome the shortcomings of traditional marketing theory research, (Booms and Bittner, 1981) added a service-oriented "4Ps" to the original marketing strategy combination: People, Physical Evidence, and Process. The traditional marketing combination was expanded to a suitable combination "7Ps" for the service industry, specifically referring to: products service, pricing service, channels Service or outlets (places), communication or promotion (promotion) service, personnel service and customers (people), environment (physicality) service, and process service (Booms, 1981). Zhao Hua (2007) summarized nine communication methods for integrated marketing of sports events, including event marketing, news dissemination, experiential marketing, commercial sponsorship, souvenir and authorized product marketing, mass media marketing, relationship marketing, online new media marketing, and mobile interactive marketing (Zhao Hua, 2007). Du Jiayi (2010) constructed a sports event integrated marketing communication model based on China's national conditions. Including event broadcasting, advertising, public relations, electronic marketing, event sponsorship, experiential marketing, relationship marketing, and event related product marketing, the comprehensive application of these methods can achieve good economic and social benefits (Du Jiayi, 2010). Therefore, good marketing services are the foundation for the smooth progress of the event, and also the fundamental factor in improving the customer's viewing experience and satisfaction.

The starting point of the 7Ps marketing mix is based on a "consumer centric" approach. Based on Customer Demand, the marketing mix is used reasonably to maximize customer perception and judgment of service marketing, and thus generate corresponding evaluations of products. For service-oriented products, it is the evaluation of their service quality, the competitive advantage of a company ultimately depends on the value it can create for customers (Lan, 2001; Porter, 1997). Therefore, we can find that marketing has two central points. One is to effectively meet Customer Demand, and achieving the main goal of marketing is the purpose of marketing activities. The second is to make customers feel the benefits and value that marketing can bring to them during the marketing process.

This research defines Perceived value as the subjective evaluation made by the customer after measuring the expenses spent on watching the event and their perception after watching the event. Considering that customer participation in leisure sports has the characteristics of leisure

and duality, we believe that customer perceived social and cognitive value may also be significantly affected by customer participation. In addition, CBA belong to a product of the experiential economy, where consumers experience the atmosphere of CBA on site. Therefore, it is necessary to consider situational value as an important dimension. For CBA tournaments, their demand is the consumer demand generated by customers around their service products. Unlike general consumer products, customers of CBA tournaments will spontaneously form trust or loyalty to the products due to their love for the event or team. Therefore, all products of CBA tournaments need to meet the basic purchasing demands and service experience of customers to meet their basic consumption of the event, At the same time, while improving quality and increasing customer loyalty, it is also necessary to meet the repurchase demands of consumers.

### 2.3 Literature review conclusion

Through literature review, it can be found that the two most core and fundamental factors between service marketing and service quality are perceived value and Customer demand. These two factors originate from the core pursuit and benefit judgment of customers when consuming products, and are not affected by external factors. They can help customers feel the benefits and value that marketing can bring to customers during the marketing process, as well as whether their own needs are met, Therefore, it is necessary to establish a new service quality evaluation framework from the perspective of service quality, with perceived value and Customer demand as the entry points.

### 2.4 Research framework

The independent variable of this research is the quality of CBA services, with customer demand as the dependent variable, perceived value as the mediating variable, and customer watching frequency as the moderating variable. Through five hypotheses, this research explores the mechanism of action between various influencing factors of CBA service quality. The conceptual framework of this research is shown in Figure 1.

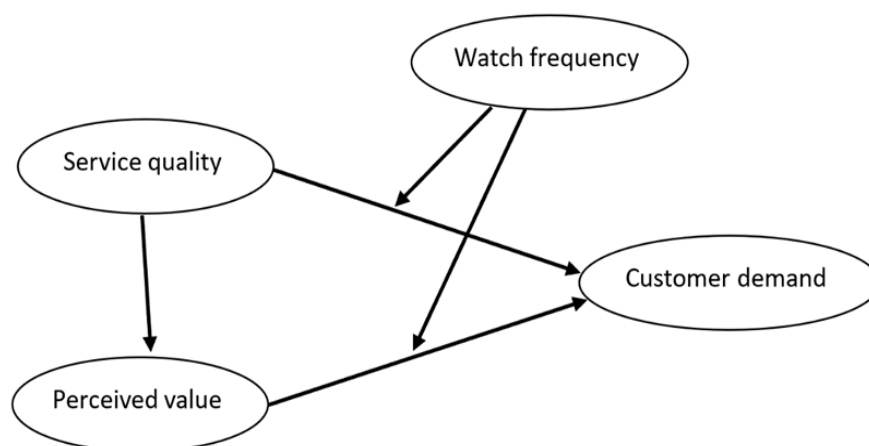


Figure 1: Conceptual Framework

### 3. RESEARCH METHODOLOGY

This research adopts a combination of quantitative and qualitative methods to explore the mechanism of action between variables such as service quality, perceived value, and Customer demand, and constructs a management model to improve the quality of CBA services. The first step is the interview method. By conducting interviews with 20 CBA related interest groups, including CBA organizers, CBA referees, CBA athletes, CBA spectators, and CBA coaches, we aim to understand the connotation and extension of CBA's service product related concepts and define a list of CBA services. The second step is quantitative research. Build a measurement index system for CBA service quality through literature review and a list of CBA services. Created a CBA service quality influencing factor model to explore the relationship between variables. Through a sampling survey, a total of 705 valid questionnaires were collected. Using Spss and Amos software to analyze data, using structural equation models to validate research hypotheses and model fitting tests, the results showed that the quantitative analysis was effective.

The third step is the qualitative research section. Invite 15 interviewees from CBA organizers, management experts, It experts, etc. for in-depth interviews. The interview content is divided into two parts: the first part evaluates the influencing factor model, and the second part predicts the innovative management mode of CBA service quality. Firstly, based on the results of quantitative analysis, an interview outline is established, and written materials are collected and organized. Through Nvivo software, a three-level code is created, and suggestions are given based on the results of qualitative analysis.

### 4. RESEARCH RESULTS

#### Analysis of Structural Equation Results

Model adaptability: After fitting the model, it was found that all indicators met the standards, so it is considered that the model has a good degree of adaptability. The data of Fitness Test to be shown in Table 3.

**Table 3: Fitness Test**

Common Indicators	df	p	$\chi^2/df$	GFI	RMSEA	RMR	CFI	NFI
Criteria for Evaluation	-	<0.05	<3	>0.9	<0.10	<0.05	>0.9	>0.9
value	2187	0.000	1.718	0.972	0.046	0.034	0.972	0.954

From the Table 3, it can be seen that the chi square degree of freedom ratio is 1.718 less than 3, the RMSEA value is 0.046 less than 0.10, the GFI value is 0.972 greater than 0.9, and the NFI value is 0.954 greater than 0.9. All indicators are within the standard range and the model has good adaptability. Mediation effect test: At the same time, the analysis was conducted using Bootstrap repeated sampling in AMOS22.0 software, and the bias corrected non parametric percentile Bootstrap repeated sampling was used to test the mediating effect. The results of the mediating effect analysis are summarized in the Table 4. The total effect value is 0.673, and the specific Bootstrap standard error is 0.039. By analyzing the 95% confidence interval of this effect value, a range of [0.595, 0.748] was obtained, indicating the reliability of the overall

effect of service quality on customer demand at a certain confidence level. The direct effect value is 0.374, the Bootstrap standard error is 0.060, and the 95% confidence interval is [0.262, 0.493]. This means that the partial impact of service quality on customer demand is transmitted through the direct path of perceived value. This direct effect accounts for 55.57% of the total effect, highlighting that the impact of service quality on customer demand is not entirely dependent on the mediating role of perceived value. The total mediating effect value is 0.299, the Bootstrap standard error is 0.037, and the 95% confidence interval is [0.232, 0.379]. This indicates that perceived value plays a significant mediating role between service quality and customer demand, accounting for 44.43% of the total effect.

**Table 4: Mediation Effect Test**

Variables and dimensions		Dependent variable: Service Quality	Dependent variable: Perceived value	Dependent variable: Service Quality	Dependent variable: Service Quality	Dependent variable: Customer Demand	Dependent variable: Service Quality
		M1	M2	M3	M4	M5	M6
Constant		0.160**	0.580**	0.061	0.160**	0.530**	0.079
Independent variable	Product service	0.145**	0.216**	0.109**	0.145**	0.121**	0.127**
	Price service	0.058**	0.086**	0.043**	0.058**	0.073*	0.047**
	Channel service	0.153**	0.165**	0.125**	0.153**	0.134**	0.133**
	Promotion activities service	0.124**	0.063*	0.113**	0.124**	0.146**	0.101**
	Staff service	0.119**	0.103**	0.102**	0.119**	0.126**	0.100**
	Process service	0.166**	0.077*	0.153**	0.166**	0.135**	0.146**
	Physical evidence service	0.183**	0.120**	0.163**	0.183**	0.117**	0.166**
Mediating variable	Perceived value			0.171**			
	Customer Demand						0.152**
Model Fit Adequacy	R 2	0.903	0.723	0.911	0.903	0.731	0.909
	Adjust R 2	0.902	0.720	0.910	0.902	0.728	0.908
	F	987.273**	276.015**	945.564**	987.273**	287.382**	927.924**

\*  $p < 0.05$  \*\*  $p < 0.01$

Overall, the conclusion drawn from this mediation effect test is that perceived value plays a significant mediating role between service quality and customer demand. The confidence intervals for all three effects do not include 0, thus verifying the existence of this mediating relationship at a significance level of 5%. Table 4. Shows the test results of the mediating effect. Moderating effect test: For the Moderator model, as shown in Table 5. After fitting the model, it was found that all indicators met the standards, so it is considered that the model has a good degree of adaptability.



**Table 5: Model fitting test**

Fit Index	Acceptable Range	Measurement Value
CMIN	-	152.455
DF	-	81
CMIN/DF	<5	1.882
GFI	>0.9	0.973
AGFI	>0.9	0.960
RMSEA	<0.08	0.035
IFI	>0.9	0.977
NFI	>0.9	0.953
TLI(NNFI)	>0.9	0.970
CFI	>0.9	0.977
SRMR	<0.05	0.030

The coefficients of each path are shown in Table 6. According to the interaction term between observation frequency, service quality, and perceived value, the standardized regression coefficient of customer demand is positive and  $p=0.000<0.05$ , and the coefficients of each route are significant. Hypothesis 4: Observation frequency plays a moderating role between service quality and customer demand; Assumption 5: The frequency of watching matches has a moderating effect on both perceived value and customer demand. The slope under high observation frequency is higher than that under low observation frequency, indicating that when the observation frequency is high, the impact of service quality and perceived value on customer demand is stronger, indicating a significant positive moderating effect.

**Table 6: Path coefficients of each latent variable**

Y	←	X	Estimate	S.E.	C.R.	p
PV	←	SQ	0.608	0.048	11.582	0.000
CD	←	SQ	0.367	0.041	6.38	0.000
CD	←	PV	0.468	0.046	8.041	0.000
CD	←	WF	0.108	0.019	3.05	0.002
CD	←	SQ×WF	0.223	0.03	5.446	0.000
CD	←	PV×WF	0.171	0.028	4.193	0.000

Assumption Results: According to the research results, it can be concluded that there are 5 hypotheses in the article that accept the original hypothesis, indicating that the hypothesis is valid. The research results indicate that the service quality of CBA affects customer demand, and at the same time, the service quality of CBA affects customer demand through perceived value, and this influence is moderated by the frequency of watching games.

## 5. CONCLUSION AND DISCUSSION

### 5.1 Conclusion

Research has found that service quality can directly affect Customer demand, or indirectly affect Customer demand by influencing the audience's perceived value of the competition. Carefully designed marketing activities can bring high-quality services, which can enhance consumer demand and enhance the perceived value of the competition for the audience, thereby

improving their service experience. Through research on predictive paths, it has been found that digital technology supply, employee service quality training, optimized gaming experience, fully managed service processes, diversified brand promotion, composite pricing strategies, and diversified service channels are effective measures for service quality management. Through these measures, new suggestions for improving service quality are proposed specifically for enterprise marketing.

## 5.2 Research discussion

From the relationship model between the service quality of CBA and customer demand, it can be found that after customers actually engage in consumption behavior, the marketing mix services adopted by CBA can produce high-quality services. These services make the audience feel the professionalism and importance of the basketball event organizers on site, that is, whether the event meets their own value needs. This feeling ultimately turns to the consumer needs of customers, this is consistent with the research of Lan (2001) and Porter (1997). In addition, it should be noted that due to the particularity of CBA as an experiential product, when the audience's demand is too high, it will have unrealistic expectations for the quality of event services. Once the audience's demand is not fully met, it will lead to a decrease in their perception of service quality, which is consistent with Xu Xianying's (2011) research. Therefore, in the process of event marketing, it is not enough to blindly meet consumer needs, and further evaluation and analysis are needed to meet consumer needs without harming the interests of the enterprise.

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