RELATIONSHIP BETWEEN CUSTOMER VALUE AND CUSTOMER SATISFACTION WITH ADVOCACY BEHAVIOR: THE RE-ENROL INTENTION AS MEDIATING ROLE

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Accepted date: 20-04-2019
Published date: 01-07-2019


Abstract: The aim of the study was to dissect the undeviating mediation effects of re-enrol intention (repurchase intention) to the relationship of customer satisfaction and customer value on customer advocacy. The data was composed of 108 respondents from private university and college in Selangor and Kuala Lumpur and analyzed through SPSS and Amos. Structural Equation Model used to observe whether that empirical model fits the theoretical model or not. It was found that the empirical model fits the theoretical model and got the Chi square value of 1.178 with one degree of freedom. Other model fit indices such as; Comparative fit Index (CFI), Goodness of fit index (GFI), Normed Fit Index (NFI) and Root mean square error of approximation (RMSEA) values of 1.000, 0.995, 0.997 and 0.041 respectively indicate acceptable fit. The findings show there is a mediating effect of re-enrol intention toward the relationship of customer satisfaction and customer advocacy behaviour. The conclusions would be very worthwhile for the management and marketing personnel in order to emphasis more on advocates.

Keywords: perceived value, satisfaction, advocacy behaviour, re-enrol intention, higher education

Introduction
Over recent decades sizable changes have occurred in the higher education (HE) environment leading to an intensification of competition between higher education institutions (HEIs). The expansion of demand experienced during the second half of the 20th century gave rise to an increase in supply in terms of reach and variety (Maringe & Gibbs, 2009) which was boosted by the effects of other phenomena such as the decrease in public financing. Reduction in public financing has stimulated greater competition for resources and has contributed to the privatization of HE and a proliferation of private institutions.
All of the foregoing has stepped up rivalry between HEIs to attract and retain students, resources and prestigious teaching staff, leading many universities to create business strategy in order for them to retain their current student instead for looking for new prospectus students. Consequently, universities have begun to assign more resources to increase student loyalty.

Revenue growth has everything to do with "advocacy," the readiness of customers to prefer a supplier and then refer friends, relatives, and colleagues. Advocacy is genuine, deeply felt, loyalty. Customer advocacy behavior is the customer post purchase behavior. A number of studies have been carried out and have found that the customer behaviour is related to customer satisfaction and customer value (Wahyuningsih, 2005; Roostika & Muthaly, 2010; and Anwar & Gulzhar, 2011). Researches on the behavior of these new customers to discuss some indicators that customer loyalty and referrals repurchase intention, not to delve further into the customer advocacy behavior.

In higher education context, behavioral intention is referred to the intention to revisit and recommend university to others (Arambewela et al., 2005; Alves and Raposo, 2007; Sheu, 2011). Nowadays, the importance of gaining insight into students’ re-enroll intention or behavioral intention lies in their direct link to retaining and attracting prospective students and ultimately ensuring survival in an increasingly competitive market place (Navarro et al., 2005).

Studies on customer behavior have revealed that the significant of the organization to satisfy their customer in order to achieve loyalty and also should be better than the competition or known to have superior customer value. According to Cravens and Piercy (2009), to achieve superior customer value organization must have market oriented, namely customer focus, competitor intelligence and cross function coordination in other words, the organization must understand the market with a focus on customers, competitors and the coordination of internal business functions.

Understanding the market, especially to understand the customer behavior is very important to higher education sector, because by understanding the market, it will be easier to know the value that is expected by the students and ultimately satisfying and simultaneously foster the students’ the advocacy behavior.

The purpose of this study is to exam the effect of mediating factor of re-enrol intention (repurchase intention) in relationship between customer satisfaction and customer value with customer advocacy behaviour. The study is conducted on private universities and colleges in Selangor and KL because most of the highest density of private institution in these regions.

**Literature Review**

**Definition and concepts of advocacy behaviour**

**Advocacy Behaviour**

Lowenstein (2011) in his study has found that advocates are the intensely connected and brand-involved, energized, positive, and vocal *de facto* sales force within a company, product, or service customer base. The customer advocacy’s ideas and findings have been published all over the past decade by a number of consulting firms. The key elements of customer advocacy are brand favourability, evidence and positive/negative voluntary personal
communication frequency, and continued consideration and relationship chances (Lowenstein, 2011).

In implementing customer advocacy behaviors ultimately successful relationship marketing approach can be seen from the behavior of the customer after purchase. Customer behavior is a sign of the advocate behaviour. According Bendapudi and Berry (1997) in Walz and Celuch (2010), Customer Advocacy behavior refers to the promotion or defense of a company, product or brand by customer to another. Walz and Celuch (2010) had measure customer advocacy behavior with 4 (four) indicators are: say positive things about product or brand; defensive when someone says something negative about product or brand; encouraging friends and relative; and recommend.

Branded experiences creation is a key opportunity for companies to become stronger and more viable to customers. “Experiential brands” connects the customer beyond simply selling a product or service. In addition, (Lowenstein, 2011), the key to leveraging loyalty and advocacy behavior is to connect and having an emotionally-based relationship with customers.

Student Satisfaction
Student satisfaction with university experience is a multifarious phenomenon. A consensus concerning the best way to conceptualize and measure it is scarce. Ng and Forbes (2008) in their study found there has been less effort in the literature to ‘capture the varied aspects of the university experience into a unifying framework that brings in salient issues in education’ due to the university experience in itself is complex.

In order to measure student satisfaction, many higher education providers (HEIs) make use of students’ evaluation of university service quality. Despite the fact that (Clemes, Gan & Kao, 2008), argue that good service quality leads to satisfaction, other differentiate between quality and satisfaction. In a study by Mai (2005), contending that quality is based on common perception, while satisfaction is linked to unambiguous transactions. Others distinguish between the two constructs based on the latitude and evaluation timeframe. For example, Athiyaman (1997) in his work has defines perceived service quality as an attitude that is constructed as an overall evaluation of the goodness or badness of a product or service. While satisfaction is define as an evaluation of a specific consumption experience. In other research work, (Giese & Cote, 2000) argue that satisfaction is an emotional or cognitive response relating to a particular focus (expectations, product, consumption experience, etc.) that occurs at a particular time (after/during consumption, after choice, based on accumulated experience, etc.).

Added to this is the satisfaction transitory nature in HE. Student satisfaction with university experience is hard to pin down to capture. University experience is embryonic, uncertain, and not pre-established (Ng & Forbes, 2008). For that reason, evaluating the quality of this experience is multifarious caused by the lively nature of students’ expectations. In addition, the consensus concerning which aspects of the university-wide experience are relevant for students is also insufficient.
A universal approach to measuring student satisfaction in the HE literature is to spot the appropriate items of evaluating the service quality features (Bennett, Ali-Choudhury & Savani, 2009; Parahoo, Harvey & Tamim, 2013). The key premise groundwork this perspective is that high-quality service attributes could direct to a better student experience, which consecutively would generate satisfaction. (Parahoo et al., 2013) have suggested in the current literature in the Gulf region four key antecedents to represent student satisfaction with university experience: perceived university reputation, perceived faculty competency, interactions with administrative/IT staff quality, and interactions with other students.

Customer Value In Higher Education
A number of studies revealed the importance of understanding customer value in marketing and business success (Parasuraman, 1997; Cravens &Piercy, 2009; Muthaly & Roostika, 2010; and Kotler & Keller (2012). It is because the customer value is a fundamental element in business success (Graf & Maas, 2008). In addition, delivering superior customer value than competitors is very important in winning the competition (Muthaly & Roostika, 2010). Organizations that focus on customer value will have a sustainable competitive advantage (Woodruff, 1997).

In the context of customer value in higher education, it can be represent the student overall assessment of the utility of an educational institution based on perceptions of what is received (benefit) and what is given (costs) (McDougall & Levesque, 2000; Szymanski & Henard , 2001) on Phadke and Bhagwat (2011). In other words, customer value is the assessment of the students' perceptions about what is gained and what is sacrificed to an educational institution.

Duchessi (2002) in his study define customer value dimensions as quality of goods, services and price, however according to Sheth et al. (1991) on Muthaly & Roostika (2010) customer value dimensions on higher education merely influenced by the three-dimensional functional also influenced by the emotional value and social value. Meanwhile, according to LeBlanc and Nguyen (1999) in Muthaly and Roostika (2010) when researching customer value to students, it turns out the customer value is not only influenced by the functional value is also influenced by the symbol (symbol), pleasure (enjoyment) as well as social aspects.

Student Re-Enrol Intention
In higher education, (Arambewela, Hall & Zuhair, 2005; Alves & Raposo, 2007; Sheu, 2011), behavioral intention referred to the intention to revisit and recommend university to others. Re-enrol intention refers to the likelihood of student to continuously use education (Alves & Raposo, 2010). Additionally, it is comprised of the intention to revisit and the intention to recommend (Navarro, Iglesias & Torres, 2005). Nowadays, the importance of gaining insight into students’ re-enrol intention lies in their direct link to retaining and attracting prospective students and ultimately ensuring survival in an increasingly competitive market place (Navarro et.al, 2005). In the specific case of university, positive word-of-mouth, recommendation intention, and repeat purchase are good indicators to measure re-enrol intention of student forward a university (Alves & Raposo, 2007; Helgesen &Nesset, 2007; Alves & Raposo, 2010).
The Relationship between Customer Value, Customer Satisfaction And Advocacy Behavior Are Mediated By Re-Enroll Intention

Grewal et al. (1998) and Sweeney et al. (1999) suggest that in a pre purchase situation, perception of value might directly influence willingness to buy. Neal (1999) argues that satisfaction is necessary, but value drives loyalty. This is because the most satisfied customer may not necessarily be the most loyal; thus, value is a better predictor for loyalty. The key foundation underlying all these studies is that value is the key linkage between the cognitive elements of perceived quality or performance, perceived sacrifice, and behavioral intentions (Patterson and Spreng 1997). Based on these previous studies, it is noticed that value may well directly impact on behavioral intentions. Based on this discussion, it is hypothesized that:

**Hypothesis 1:** Customer value has a direct link to re-enroll intentions.

A direct positive relationship between customer satisfaction and behavioral intentions has been well documented in the literature. For example Athanassopoulos et al. (2001) examine the direct effects of customer satisfaction on customers’ behavioral responses. They argue that satisfied customers decide to stay with the existing service provider, engage in a positive word-of-mouth communication, and are unlikely to switch service providers. This argument is in line with Teo and Lim’s (2001) study that customer satisfaction was positively correlated with re-patronage intentions and negatively correlated with negative word-of-mouth intentions. Many empirical studies confirm that overall customer satisfaction with a product or service is strongly associated with the behavioral intention to return to the same service provider (e.g. Bendall-Lyon and Powers, 2004, Hellier et al., 2003). Moreover, Shankar et al. (2003) argue that when customers assess customer satisfaction to be high, they not only engage in repeat purchase but also reflect strong loyalty. Recently, Host and Knie-Anderson (2004) has examined that customer satisfaction has a direct positive effect on loyalty and willingness to recommend. Hence, repatronage behavior depends on prior satisfaction. Based on this discussion, it is hypothesized that:

**Hypothesis 2:** Customer satisfaction has a direct link to re-enroll intentions.

Unlike studies that have found perceived value to influence intentions directly thus neglecting satisfaction, the finding Patterson and Spreng (1997) suggests that value is completely mediated through satisfaction in influencing repeat purchase behavior. Their argument supports an earlier study by Fornell et al., (1996) that the impact of value on behavioral intentions is mediated by satisfaction. In agreement with this view, McDougall and Levesque (2000) investigate the relationships among these constructs: core service quality, relational service quality, perceived value, customer satisfaction, and future intentions to purchase across four services. They found that core service quality and perceived value are the most important drivers of customer satisfaction with relational service quality a significant but less important driver. They also reveal that there is a direct link between customer satisfaction and future intentions. The links can be seen in figure 1.
Figure 1 Indirect Link between Perceived Value and Future Intentions

This argument is in agreement with the work of Chan et al. (2003), Cronin et al. (2000), McNaughton et al., (2002) and Petrick et al., (2001) who assess the effects of value on behavioral intentions through customer satisfaction. In addition, Lam et al. (2004) found that customer satisfaction mediates the relationship between customer value and customer loyalty including repurchase intentions and intentions to recommend. From these previous studies, it is clear that the relationship between perceived value and future intentions is mediated by customer satisfaction.

The reasoning behind the argument that the link between value and behavioral intentions is mediated by satisfaction may be described as follows. To continue doing business with a company and recommend to other people about the products and services, consumers need to have formed a judgment towards the products and services as to whether they are satisfied or dissatisfied. It might be difficult for a consumer to form behavioral intentions before they have a reaction (or judgment) towards the products and services. Thus, the degree of behavioral intentions is dependent on the level of satisfaction. Therefore, it can be noticed that the link between customer value and behavioral intentions may also be mediated through customer satisfaction.

Methodology
The objectives of this study are to explore the relationship of customer value and customer satisfaction toward advocacy behavior and re-enroll intention (repurchase behavior) as mediator. The study is expected to be a constructive input for education providers in understanding the student’s behavior, so that they can help create value in line with the needs, wants and expectations of students and other this research is expected to be a new breakthrough for the benefit of science especially for marketing science.

Respondents
Samples were collected from private university and college in Selangor and Kuala Lumpur using random sampling technique. In total there were five institutions participate in the survey; three colleges, a university and one university college. The number of sample collection was 108 in total within three weeks from 7th to 28th March, 2019. According to Anderson and Gerbing (1988), to satisfy a structure equation modeling (SEM) analysis needs samples between 100 and 150. Therefore, the study meets this basic requirement.
Table 1 The tabulation of respondents from each of the institutions selected

<table>
<thead>
<tr>
<th>University / College</th>
<th>Name of Institution</th>
<th>Number of respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>College</td>
<td>National integrated College</td>
<td>4</td>
</tr>
<tr>
<td>College</td>
<td>ASA College</td>
<td>17</td>
</tr>
<tr>
<td>College</td>
<td>MCS College</td>
<td>9</td>
</tr>
<tr>
<td>University</td>
<td>MSU</td>
<td>64</td>
</tr>
<tr>
<td>University</td>
<td>TWINTECH International University College of Technology</td>
<td>14</td>
</tr>
</tbody>
</table>

Instrument
The questionnaire consists of five sections. The first section collects the respondent’s demographic data with four items such as gender, age, study mode and year of study. The second section consists of 19 items of perceived value. The third section deals with the measurement of customer satisfaction with 15 items. The four sections deals with re-enrol intention measurement with six items. The five section deals with advocacy behavior measurement with five items. A section from respondent information measured by a categorical scale, all items of the second six section measured by a 5-point Likert-type scale from “Strongly Disagree (=1) to Strongly Agree (=5).

Results and Discussions

Sample characteristics
There were 48 male (44.4%) and 60 female (55.5%). Students’ age group of 18 - 25 accounted for the most (83.9%), followed by the age group of 26 - 39 (12.5 %), 40 and above (3.6%). These results showed that majority of students studying in Selangor and Kuala Lumpur are youngsters under 26 years old. In addition, the majority of students were final year student (70.5%), followed by in the middle of study (21.4%), and first year student (8%). With regard to the study mode, the result shows that 85.7% of the students are fulltime students, while 14.3% are part time students.

Measurement Model
The purpose of measurement model is to build the relationship between measurement indices and latent variables by using confirmatory factor analysis (CFA) to test model validity, and it also considers measuring errors. Therefore, this study will calculate individual variance rate (R2), which acts as an indicator to evaluate whether measurement variables are consistent to the latent variable (Bollen, 1989). All the factor loadings were between 0.635 and 0.877, which is greater than the suggested value 0.50 (Hair, Anderson, Tatham & Black, 2014), so the results showed a consistency to the latent variable. Reliability of the instrument was checked in SPSS and found all the items highly reliable. The statistical tests used in the analysis of the principal components are the Kaiser-Meyer-Olkin (KMO) test and the Bartlett test. The Bartlett test implies that there is a significant and sufficient correlation (p<0.05) between at least some of the variables in the correlation matrix (Hair et. al, 2014) while the KMO test is a test that checks the adequacy and suitability of the sample size for the data set. The value resulting from this test ranges from 0 to 1, and a value closer to 1 indicates that the sample size is sufficient and appropriate for the data set. Additionally, this value should be at
least 0.50 and above. Yet, it is stated that factor loadings of at least 0.30-0.40 are considered adequate, but in practice, it is assumed that factor loads above 0.50 are considered significant.

Table 2 Results of Principle Component Analysis

<table>
<thead>
<tr>
<th>Expression regarding scales</th>
<th>Factor loads</th>
<th>Eigen value</th>
<th>%variance</th>
<th>Cronbach alpha</th>
<th>KMO Test</th>
<th>Bartlett test</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perceived value</td>
<td>&gt; .635</td>
<td>13.271</td>
<td>69.848</td>
<td>0.957</td>
<td>0.916</td>
<td>$\chi^2=1.665E3$</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$P = 0.000$</td>
</tr>
<tr>
<td>Customer satisfaction</td>
<td>&gt; .650</td>
<td>9.891</td>
<td>65.941</td>
<td>0.961</td>
<td>0.914</td>
<td>$\chi^2=1.536E3$</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$P = 0.000$</td>
</tr>
<tr>
<td>Re-enrol intention</td>
<td>&gt; .762</td>
<td>4.863</td>
<td>78.050</td>
<td>0.942</td>
<td>0.893</td>
<td>$\chi^2=584.472$</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$P = 0.000$</td>
</tr>
<tr>
<td>Advocacy behaviour</td>
<td>&gt; .733</td>
<td>4.026</td>
<td>80.516</td>
<td>0.939</td>
<td>0.873</td>
<td>$\chi^2=484.318$</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$P = 0.000$</td>
</tr>
</tbody>
</table>

Source: Research Data

Structural Model

Structural model is to test whether the built-up theoretical relationship is supported by data. Hair, et al. (2014) categorized overall model fit into three indices: absolute fit measures, incremental fit measures, and parsimonious fit measures. All indices were greater than the suggesting of criteria that indicated a good acceptable model fit between the data and theoretical model of this study.

Table 3 Goodness of fit

<table>
<thead>
<tr>
<th>Fit indices</th>
<th>Criteria</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>$\chi^2$/d.f.$^1$</td>
<td>$&lt;3.00$</td>
<td>1.178</td>
</tr>
<tr>
<td>Fit Indices$^2$</td>
<td></td>
<td></td>
</tr>
<tr>
<td>GFI</td>
<td>$&gt;0.9$</td>
<td>0.995</td>
</tr>
<tr>
<td>AGFI</td>
<td>$&gt;0.9$</td>
<td>0.946</td>
</tr>
<tr>
<td>NFI</td>
<td>$&gt;0.9$</td>
<td>0.997</td>
</tr>
<tr>
<td>TLI</td>
<td>$&gt;0.9$</td>
<td>0.997</td>
</tr>
<tr>
<td>Alternative indices</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CFI</td>
<td>$&gt;0.9$</td>
<td>1.000</td>
</tr>
<tr>
<td>RMSEA</td>
<td>$&lt;0.08$</td>
<td>0.041</td>
</tr>
<tr>
<td>RMR</td>
<td>$&lt;0.05$</td>
<td>0.004</td>
</tr>
</tbody>
</table>

$^1\chi^2$/d.f. = The ratio of the chi-square value to degree of freedom.  
$^2$GFI = goodness-of-fit index, AGFI = adjusted goodness-of-fit index, NFI = normalized fit index, TLI = Tucker Lewis index, CFI = comparative fit index, RMSEA = root mean square error of approximation, and RMR = root mean square residual

Experimental Results

Structural models to test hypotheses based on the estimated value of the variable influence between customer value and customer satisfaction can be seen in Figure 2 below.
Figure 2: Structural model

Source: Research Framework

Hypotheses Testing

H1: Customer value has a positive influence on intention to re-enrol: Estimation parameter for testing the effect of customer value on customer advocacy behavioral show the estimated value of 0.57 and t-value of 4.053. Therefore, both values indicated that H1 eligible to be accepted because the estimate parameter is positive (0.57) and the t-value at 4.053 is greater than 1.96 so that the dimension of customer value has a positive effect on the intention to re-enrol.

H2: Customer satisfaction has a positive influence on intention to re-enrol: Estimation parameter for testing the effect of customer satisfaction on intention to re-enrol shows the estimated value of 0.51 and t-value of 4.582. Therefore, both values indicate that the H2 does qualify to be accepted because although the price parameter estimate is positive (0.51) and the t-value of 4.582 is more than 1.96 its mean that the dimensions of customer satisfaction has a positive effect on re-enrol intention.

H3: Re-enrol intention mediates the relationship between satisfaction and advocacy behaviour: Product of coefficient for testing the effect of re-enrol intention on the relationship satisfaction and customer advocacy behaviours shows the estimated value of 0.784. It is shows that re-enrol intention mediate the relationship between customer satisfaction and customer advocacy behaviour.

Discussion

From the findings, re-enrol intention statistically significant mediates the relationship of satisfaction with advocacy but not in the relationship between value and advocacy. Satisfaction and value do statistically affect re-enrol intention but only satisfaction do affects advocacy behaviour. Satisfaction has direct effects on re-enrol intention and in line with (Bendall-Lyon and Powers, (2004); Hellier et al., (2003), Athanassopoulos et al. (2001), Teo and Lim’s (2001)). Value is not statistically significant affect advocacy behaviour. It is because value is important in pre purchase decision but not in post purchase situation and as Grewal et al. (1998) and Sweeney et al. (1999) suggest that in a pre purchase situation, perception of value might directly influence willingness to buy. In contrast, Neal (1999) found value drives loyalty and the most satisfied customer may not necessarily be the most loyal; thus, value is a better predictor for loyalty.
Conclusion
The study found that customer satisfaction had a strong influence on the customer advocacy behavior; however, customer value has a weak influence on the customer advocacy behavior. Customer satisfaction leads student to have re-enrol intention which leads them to promote their education institution to others. The results indicate that customer satisfaction is a crucial role in higher education. It suggests that higher customer advocacy behavior arise when higher education delivers superior customer satisfaction and maintenance the customer’s delight.

Research Implications
The inferences of the recent study are very wide-ranging and of prodigious effect. The findings would be very worthwhile for the management and marketing personnel in order to emphasis more on advocates. Advocates are those they not only talk decent about the company but also praise it to others. The results also suggest that customer satisfaction has an encouraging and uninterrupted impact on customer advocacy. Hence, it would be very handy to the management to satisfy their customers.

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