

Mediation Role of Co-creation of Value on Graduates Commitment and Advocacy Behaviour

DP Christabel Karunanayaka, Sharmila Sethu*

Faculty of Business, International University Malaya-Wales, Jalan Tun Ismail, 50480 Kuala Lumpur, Malaysia

*Corresponding author's email: sharmila@iumw.edu.my

ABSTRACT

There has been recent academic interest in customer-brand relationships. With the growing phenomenon of value creation processes, scholars focus particularly on brand's role as facilitators of value, while perceiving consumers as co-creators of value. With that, the advent of graduates as brand advocates are growing, especially now days since more and more potential customers placed greater importance on word-of-mouth rather than brand's promotional materials. In lieu of that, this study explores a new approach of relationship assessment by exploring graduate's commitment towards becoming brand advocates for their university, mediated by their co-creation of value. Underpinned by social exchange theory, this study proposed for a reciprocal relationship that goes into the long run, graduates must display some level of commitment. Once that is achieved, the next step is to explore graduates' value received from their university. However, it is also pivotal to acknowledge that value can also be given to the institutions, especially since co-creation processes are fruitful for all members. Drawing upon a sample of 471 graduates from Malaysian private higher education institutions, the research framework depicts relationship between three latent constructs, and is tested using structural equation modeling (SEM) in AMOS 24 statistical software. Empirical data was collected from graduates themselves, specifically from the Klang Valley vicinity. The data analysis reveals the direct and the indirect relationships, since co-creation of value is the mediating variable. The direct relationships suggest that graduate's commitment has positive effects on co-creation of value, graduate's commitment has positive effects on university brand advocacy, and co-creation of value positively effects university brand advocacy behaviour. Despite graduate commitment have significant and positive effects on both co-creation of value and university brand advocacy, results suggest graduates willingness to advocate is much stronger, when the mediating variable of co-creation of value is presented. Hence there is stronger evidence pointing towards the need for universities in Malaysia to continue nurture graduates' commitment by continuously managing the value processes. The study provides an insight into graduates' co-creation of value outcomes, which could be pivotal for brand managers of higher education institutions. It provides a platform for them to make necessary changes or improvise on certain value that may not be well accepted by both current and post-consumption customers. It is inevitable with the advent of technology, the customer journey can be prolonged, as long as the graduates feels the stable mind set or need to continue their relationship with their institution. Furthermore, the emphasis on co-creating with all of its customers can lessen the gaps that were previously unclear in a graduate-university relationship. The framework proposed can also help higher education marketers to understand and acknowledge that customers are always seeking for better value, before exerting effort toward giving back value. The research contributes to extant literature by focusing on graduates commitment that can lead towards advocacy behaviour, as long as universities continue to facilitate the relationship with their customers. The findings contribute to the academic debate on co-creation value-in-use perspective, a concept that posits value can be of use by a customer at any point of time, as long as there is evidence pointing towards continuous interaction and engagement with the brand and other customers.

Keywords: Co-creation, Brand commitment, Advocacy behaviour

