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SIMON KWONG CHOONG MUN

BRAND ADVOCACY AND REPURCHASE INTENTIONS OF MALAYSIAN AUTOMOBILE OWNERS

BRAND ADVOCACY AND REPURCHASE INTENTIONS OF MALAYSIAN AUTOMOBILE OWNERS

SIMON KWONG CHOONG MUN

A Dissertation Submitted to the School of Management,

Asia e University in Partial Fulfillment of the

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Administration

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DEDICATIONS

This dissertation is dedicated to my family especially to Dr Choong Kam Foong, Ms Kwong Howe Leng, Mr Liew Chin Nien, Mr Kwong Choong Veng and Master Liew Hoong Han, my grandson. Only with the thoughtful support of these very important people in my life that I managed to accomplish this very important milestone in my life.

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ABSTRACT

In the field of marketing, it is vital that marketers understand the role of advocacy (loyalty intention) and repurchase intention in determining success. The purpose of this research is to determine the factors influencing advocacy and repurchase intention from prospective Malaysian automotive consumers. Specifically, this study focused on, a) the relationships between perceived brand perceptions of value, quality, equity on satisfaction, b) the relationship of satisfaction on commitment, c) the relationship of commitment on advocacy and repurchases intentions and finally d) the influence of "regular auto servicing" and "place of purchase" on customers' satisfaction.

Grounded by The Theory of Reasoned Action (*Fishbein and Ajzan, 1967*) and The Relationship Marketing Theory (*Hunt et al, 2006*), this study adopted a research model consisting mainly of "attitudinal" and "behavioral" attributes to study these relationships. The study employed a self-administered, multi-sectioned questionnaire using the purposive sampling methodology with more than 800 respondents from various places within the Klang Valley and Ipoh. The multi-sectioned questionnaire employed in this study had different scales which consisted of customer repurchase characteristics of perceived brand perception for quality, value, equity, satisfaction, commitment, advocacy (loyalty intention) and repurchase intention.

SEM was used to test the various relationship models. The findings indicated that, a) equity and quality significantly influenced satisfaction, b) value had no significant impact on satisfaction, c) satisfaction significantly influenced commitment, d) commitment significantly influenced advocacy and repurchase intention and finally e) "regular auto servicing" and "place of purchase" had significant influence on customers' satisfaction.

APPROVAL PAGE

I certify that I have supervised/read this study and that in my opinion it conforms to acceptable standards of scholarly presentation and is fully adequate, in quality and scope, as a dissertation for the partial fulfillment of the requirements for the degree of Doctor of Business Administration.

Plof. Dr Juhary Ali

Supervisor

Prof. Dato' Dr Ishak Ismail External Examiner I

Dr Nazatul Shima Abdul Rani Internal Examiner Dr Ting bing Hon External Examiner II

Prof Dato Dr Sayed Mushtaq Hussain Chairman, Examination Committee

This dissertation was submitted to the School of Management, Asia e University and is accepted as partial fulfillment of the requirements for the degree of Doctor of Business Administration.

Prof. Dato' Dr Sayed Mushtaq Hussien Dean, School of Management

Declaration

I hereby declare that the dissertation is submitted in partial fulfillment of the DBA degree is my own work and that all contributions from any other persons or sources are properly and duly cited. I further declare that the material has not been submitted either in whole or in part, for a degree at this or any other university. In making this declaration, I understand and acknowledge any breaches in this declaration constitute academic misconduct, which may result in my expulsion from the programme and/or exclusion from the award of the degree.

Name: Kwong Choong Mun

Signature of Candidate

Date: 13 July 2013.

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Glossary

- **Convergence** a set of parameters are estimated that cannot be improved upon to reduce the difference between the predicted and sample covariance matrices
- Endogenous variables caused (at least theoretically) by other variables; in this sense they are similar to dependent variables (DV), Y, or outcome variables in regression analyses
- Equality constraints parameters are forced to be equal and are not allowed to be freely estimated
- **Error covariances** correlated errors demonstrating that the indicators are related because of something other than the shared influence of the latent factor
- **Error variance** the unique variance in an indicator that is not accounted for by the latent factor(s); also known as measurement error or indicator unreliability
- **Exogenous variables** not caused by other variables in the model; they are similar to an independent variable (IV), X, or predictor in regression analyses
- Factor correlation the relationship between two factors, or latent variables, in the completely standardized solution
- Factor covariance the relationship between two factors, or latent variables, in the unstandardized solution

Glossary (continued)

Factor loadings the regression coefficients (i.e., slopes) for predicting the indicators from the latent factor

Factor variance the sample variance for a factor (in the unstandardized solution)

Heywood cases parameter estimates with out-of-range values

Invariance equivalence across groups or time

Latent variable unobserved, unmeasured, underlying constructs; usually represented by an oval in CFA or SEM figures

Measurement model relationships among indicators and latent variables

Method effects relationships between variables caused by a common measurement method, such as self-reporting

Modification indices data-driven suggestions available through most software packages about ways to improve the model fit

Observed variable exactly what it sounds like; a bit of information that is actually observed, such as a person's response to a question or a measured attribute such as weight in pounds; also referred to as indicators or items; usually represented by a rectangle in CFA and SEM figures

Structural model relationships among latent variables

CHAPTER I

INTRODUCTION TO THE STUDY

1.0 Introduction

This chapter briefly explains the background to this study. It also explores the problem statement, purpose of the study, the research objectives, the research questions, the scope of study, the significance of the study and assumptions made in this study. The definitions of key terms used in this study are also explained and a brief outline of the layout of this dissertation is provided at the end of this chapter.

1.0.1 Background of the Study

In today's competitive business environment, automobile manufacturers and assemblers need to be proactive in order to ensure that consumers have high advocacy (brand loyalty) and repurchase intentions. The levels of advocacy and repurchase intention among consumers need to be enhanced for companies to enjoy strong and sustained growth, profitability and to increase their market share through higher repeat sales. The importance of advocacy and repurchase intention studies is well-documented (Ahmed and d'Astous, 1993; Diamantopoulus et al, 1995; Liefeld, 2004; Rodrigue and Biswas, 2004; Veloutsou et al, 2004) based on published literature. This applies to all products marketed domestically or internationally. The outcomes of past studies (Dabholkar and Bagozzi, 2002; Erickson and Johansson, 1985; Teng et al, 2007) on advocacy and

repurchase intention leads to a variety of determinants of advocacy, repurchase intention and the relationships between these determinants and the repurchase behavior. These studies have also established various brands attributes such as value, quality, equity, satisfaction, commitment and advocacy as vital variables in determining buyer behavior. However, it is still inconclusive on how certain dimensions of brand attributes (Aqueveque, 2006; Forsythe et al., 1999) and extrinsic cues (Ervelles, 1993; Forsythe et al., 1999) are involved in influencing advocacy and repurchase intention. For instance, some studies have shown that brand attributes do not influence advocacy and repurchase intention directly but are rather mediated by other variables (Ervelles, 1993). But results of some studies revealed that while the relationship is not significant (Choo et al., 2004), brand attributes will induce consumers to respond by enhancing their attitude towards a particular brand and willingness to repurchase the brand again.

The significance of attitude towards brand in determining advocacy and repurchase intention is well established (*Illingsworth*, 1991; Haubl, 1996; Rodrique and Biswas, 2004; Zielke and Dobbelstein, 2007). Consumer attitudes are of major importance in determining marketing strategy. Thus according to research into attitude and intentions, most of the antecedents on behavioral intention would be channeled through the attitude construct (*Illingsworth*, 1991; Haubl, 1996).

Unfortunately, past studies had failed to clearly distinguish between the various conceptualizations and interactions with other brand attributes even though substantial research on advocacy and repurchase intentions had been published over the past thirty years. There is need for a more definitive framework for researchers to follow while further research needs to address conceptually and empirically this relationship