# Impact of Trust on Customer Advocacy: A Study Regarding Health Sector of Peshawar.

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## Abstract

*The aim of the study was to dissect the undeviating influence of trust on customer advocacy. The data was composed of 492 respondents from various public and private sector hospitals 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 240.447 with 64 degree of freedom. Other model fit indices such as; Comparative fit Index (CFI) and RMSEA values of 0.911 and 0.072 respectively indicate acceptable fit. The only hypothesis of the current study was checked through path analysis and it was also found that there is a straight and resilient constructive association of trust with customer advocacy by getting the path coefficient value of 0.73. The conclusions would be very worthwhile for the management and marketing personnel in order to emphasis more on advocates.*
Keywords: Trust, Customer Advocacy, Hospitals, Peshawar

Marketing is altering with the changing environment. The emphasis of the company distract from the traditional marketing mix elements to customers' association, customer trust, customer loyalty and advocacy. Trust got promising consideration of numerous authors and become an advantageous tool in customer satisfaction and loyalty. Moorman, Deshpande and Zaltman (1993) found the prominence of trust in producing devoted customers. Moorgan and Hunt (1994) considered trust and commitment the significant factors between the parties in long term affiliations. Customer advocacy is the embryonic terminology in current marketing. Marketers are concentrating in producing more advocates and deliberate it a source of competitive advantage. Advocates are contented customers from organizations who talk upright about the organization and its product and also endorse it to others (White & Schneider, 2000). Advocates are more effective than traditional promotional strategies (Walz, & Celuch, 2010). However, Susanta, Alhabsji, Idrus, Nimran. (2013) found no unswerving influence of trust on customer advocacy. The primary purpose of this study is to evaluate the findings of Susanta et. al, (2013).

## Purpose of the Study

To spell out the undeviating influence of trust on customer advocacy

## Research Question

Does trust really have no direct effect on customer Loyalty?

## Significant of the Studies

The current study will designate the role of trust in generating advocates. Marketers are spending a handsome amount on enticing new customers. This study will be expedient for them to bring new customer competently.

## Literature Review

### Trust

Trust is a belief or confidence that one party have on another party that will deliver the service or product rendering to the anticipations (Sanzo, Santos,Vezquez, & Alvarez, 2003).Trust plays imperative role in re-purchase behavior (Dwyer, Schurr & Oh, 1987). Trust condenses the insight of risk for buyers and upsurges sale, lessens cost, and creates optimistic word of mouth communication (Moorman, Dashpande & Zaltman, 1993). Trust is the central factor between the exchange parties (Reichheld and Schefter, 2000). Customer favors those companies they trust more (Sotgiu & Ancarani, 2005).

Trust is also very vital in health care, as patients visit doctors they trust. Trust in health care is defined as "the hopeful acceptance of a susceptible condition in which the truster believes the trustee will upkeep for the truster's interests" (Hall, Dugen, Zheng & Mishra, 2001).

### Customer Advocacy

Customer Advocacy is evolving terminology in modern marketing. Advocates use constructive word of mouth. Hayes, (2008) narrates the progress of the company to customer advocates. Conferring to Walz, & Celuch, (2010) Advocacy is not merely word of mouth but it is confident word of mouth, talking upright about the company and commending it to others. Jaffe (2010) recommended to companies that they should concentrate more on advocates in order to decrease the cost of fascinating new customers. Optimistic word of mouth is more operative in service sector where customers are not certain about the services until they purchase it (Walz, & Celuch, 2010).

### Trust and Customer Advocacy

Customer Advocacy is a new term in modern marketing and has not been discussed meticulously, however a lot of work done on positive word of mouth. Trust plays significant role in creating positive word of mouth. Trust and advocacy in health sector is as vital as in any other sector. Patients favor those doctors they trust them. According to Gremler, Gwinner, & Brown, (2001) patients trust create optimistic word of mouth which further converted to advocacy. Susanta et al, (2013) analyzed the impression of satisfaction, commitment and trust on

customer advocacy and found an undeviating impression of satisfaction and commitment on customer advocacy. Furthermore they found indirect effect of trust on customer advocacy; that is trust impact customer advocacy through customer loyalty.

## Research Hypothesis
H1: Trust has an optimistic and unswerving impact on Customer Advocacy

## Research Methodology
The foremost purpose of the current study is to check the undeviating effect of trust on customer advocacy. In order to accomplish the anticipated objective the researcher conducted survey in health sector of Peshawar, Pakistan. Survey conducted through questionnaire in public and private sector hospitals. Questions were enquired concerning demographics and construct variables. The measurement scale adopted by Alrubaiee, & Alkaa'ida, (2011) used for this study for trust measurement which contains 9 items. Measurement scale embraced by Maxham-III, (2001) used to measure customer advocacy and consists of 3 items. The instruments were disseminated among 600 patients in different public and private hospitals, out of which the researcher got the data from 492 respondents. The reliability of the instrument checked through Cronbach's alpha.

## Internal Consistency and Reliability
Reliability of the instrument was checked in SPSS. And found all the items highly reliable. The Cronbach's alpha score for "Trust" and Advocacy is given in Table no 1.

Table 1
*Descriptive statistic and Internal Consistency and Reliability (N=492)*

| Items | Mean | Std Dev. | Cronbach's Alpha |
|---|---|---|---|
| **Trust** | **28.4837** | **5.76754** | **.842** |
| Trust-1 | 3.1748 | .99997 | .927 |
| Trust-2 | 3.0224 | 1.02985 | .928 |
| Trust-3 | 3.1606 | .96403 | .927 |
| Trust-4 | 2.9451 | 1.01868 | .927 |
| Trust-5 | 3.1850 | .94251 | .927 |
| Trust-6 | 3.2276 | .94933 | .927 |
| Trust-7 | 3.2012 | .94565 | .927 |
| Trust-8 | 3.3679 | .92313 | .928 |
| Trust-9 | 3.1992 | .94931 | .927 |
| **Advocacy** | **9.9370** | **2.37736** | **.843** |
| Advocacy-1 | 3.3008 | .89974 | .928 |
| Advocacy-2 | 3.3618 | .96539 | .929 |
| Advocacy-3 | 3.2744 | .98663 | .929 |
| Advocacy-4 | 3.0508 | 0.95068 | .928 |

**Confirmatory Factor Analysis**

It is very imperative to check the model goodness-of-fit before testing for hypothesis to remove the error in advance. CFA run through structural equation modeling while using AMOS. The researcher runs the CFA individually and then for the proposed theoretical model.

**CFA for Trust**

Confirmatory Factor Analysis run through SEM, in Amos software. The model was not a decent fit initially. Then the model was checked under the lights of modification indices and found the error terms of TR1 and TR2 were highly correlated. With the help of Path Diagram correlation were made and checked the CFA again. This time we got respectable scores for goodness-of-fit indices. Chi square value of 107.373 with 26 degree of freedom, RMR equal to 0.042, GFI 0.954, CFI 0.936 and RMSEA value of 0.80 designate that the model is reasonably fit. Figure 1 represents the path diagram of Trust.
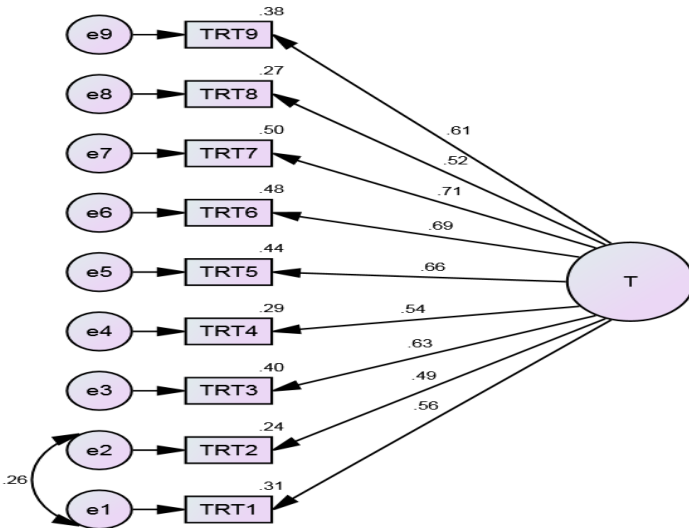


Chi Square= 107.373, DF= 27, CMIN/df= 4.130
RMR= 0.042
GFI= 0.954, CFI= 0.936
RMSEA = 0.080

*Figure 1.* Confirmatory Factor Analysis of Trust

**Confirmatory Factor Analysis of Customer Advocacy**

Figure 2 shows the CFA of customer Advocacy. After running CFA for customer advocacy we got epitome scores of goodness-of-fit indices. The chi square value of 6.506 with 2 degree of freedom, RMR 0.021, GFI 0.993, CFI 0.990 and RMSEA value of 0.068 advocate that the model is a good fit.
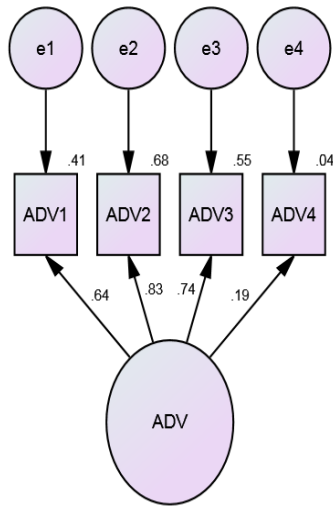
Chi-Square=6.506, df= 2,CMIN/Df =3.253, p=0.039
RMR=0.021
GFI = 0.993, CFI = 0.990
RMSEA=0.068

*Figure 2*. Confirmatory Factor Analysis of Customer Advocacy

## Confirmatory Factor Analysis for Overall Measurement Model

Confirmatory Factor Analysis was conducted for the measurement model through SEM in AMOS. All the goodness-of-fit indices were found within their respective threshold marks. The values of the goodness-of-fit indices and the path diagram is shown in figure 3.
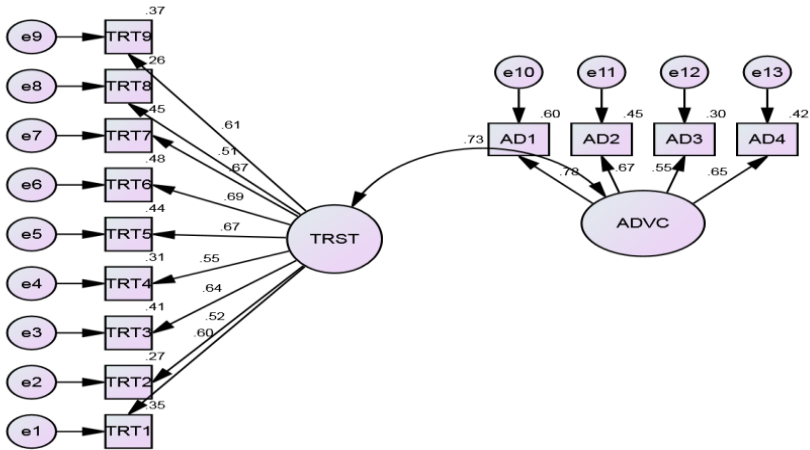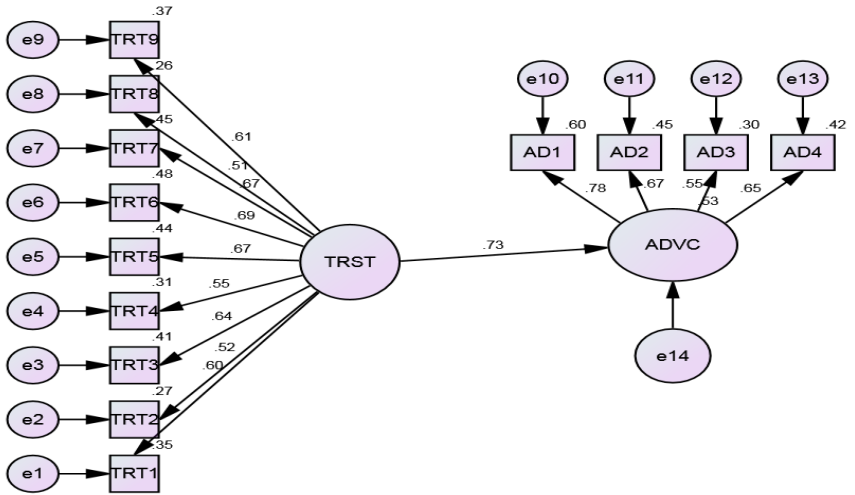


Chi Square= 240.557, DF = 64, CMIN/DF=3.759
CFI=0.911, RMSEA=0.072

*Figure 3:* Shows the CFA of the Measurement Model.

## CFA for the Theoretical Model

This time the theoretical model was check by running CFA through SEM in Amos. As shown in figure 4, the model was found fit, because all the appropriate goodness-of-fit indices were within their respective threshold marks. The Path diagram and the scores of the goodness-of-fit indices are shown in figure 4.
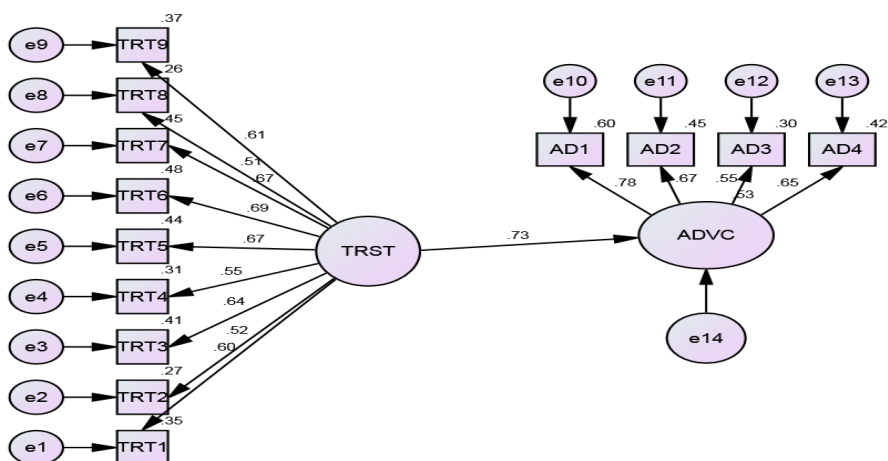


Chi Square= 240.557, DF = 64, CMIN/DF=3.759
CFI=0.911, RMSEA=0.072

*Figure 4:* Confirmatory Factor Analysis of Theoretical Model.

## Hypothesis Testing

The only hypothesis of the study was to check the undeviating optimistic impact of trust on customer advocacy. Path analysis through Structural Equation Model was used to check the impact of trust on customer advocacy. After the analysis it was found that there is a sturdy optimistic and unswerving influence of trust on customer advocacy, with path coefficient value of 0.73.

Chi Square= 240.557, DF = 64, CMIN/DF=3.759
CFI=0.911, RMSEA=0.072

*Figure 5:* Shows Path Analysis of Trust and Customer Advocacy

## Conclusion

This study was to check whether there is a straight encouraging impression of trust on customer advocacy or not. Data was circulated and composed from the Public and Private sector hospital of Peshawar. There were 492 replies recorded which were further scrutinized through statistical software SPSS and AMOS. Based on the responses recorded, it was found that trust has got a strong optimistic and unswerving impact on customer advocacy. The results of this study controvert the conclusions of Susanta et al, (2013). According to them there was no straight positive impact of trust on customer advocacy. However, based on the findings of this study, it was found that there is unswerving and optimistic impact of trust on advocacy. The research question of the study was "Does trust really have no direct effect on customer Loyalty? The answer of that question based on the findings is "Yes trust has an undeviating and constructive impact on customer loyalty.

### Research Implications

The inferences of the current study are very broad 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 upright about the company but also praise it to others. The results also propose that trust has an encouraging and uninterrupted impact on customer advocacy. Hence, it would be very handy to the management to implant trust in customers.

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