Understanding how satisfactory service relationships can be mutually beneficial in the higher education context

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Abstract

Purpose: While extant research has predominantly focused on outcomes of customer satisfaction that benefit the focal firm such as customer engagement behaviors (CEBs), little is done to understand human capital-related outcomes that directly benefit customers and thus benefit the firm indirectly. Drawing on the theory of reasoned action, broaden-and-build theory of positive emotions and human capital theory, this study aims to understand how and why a satisfied customer benefits the firm directly (CEBs) and indirectly (human capital-related outcomes).

Methodology: Following a sequential mixed-methods approach, two studies are conducted in an extended service encounter context (higher education) where customers also constitute key human capital of the service firm. First, a qualitative study is conducted, which is then followed by a quantitative study. Survey data collected from students working as interns in organizations and their immediate managers resulted in 209 "intern-manager" dyads.

Findings: Our findings demonstrate that customer satisfaction on its own does not substantially account for either human capital-related outcomes or CEBs (except WOM). Both emotional and cognitive mechanisms play key and unique mediating roles in translating satisfaction into outcomes that benefit a service firm directly and indirectly by benefiting its customers.

Originality: This study contributes to the literature by providing a deeper understanding of how and why customer satisfaction influences outcomes that not only benefit the firm but also its customers in extended service encounter context.

Practical Implications: This investigation provides a deeper understanding of the significance of customer satisfaction by demonstrating how and why satisfied customers increase firm value beyond purchase, for instance, by being direct (through positive WOM) and indirect (through enhanced human capital performance) promoters, consultants (through participation) or investors (through monetary giving). A key implication of our research is that simply enhancing customer satisfaction on its own may not suffice as our findings suggest that satisfaction translates into beneficial outcomes only when satisfaction is channelled towards enhancing customer perceptions of competence and their positive emotions.

Keywords: customer satisfaction; customer engagement behaviors; human capital; positive emotions; competence; higher education service

1. Introduction

Researchers and practitioners widely acknowledge the pivotal role played by customer satisfaction in enhancing firm performance (Lee *et al*., 2018; Otto *et al*., 2020) as satisfaction results in myriad positive outcomes for the firm including customer engagement (Hollebeek *et al.*, 2014; Van Doorn *et al*., 2010). Customer engagement is a multi-dimensional, psychological state encompassing customer's cognitive, emotional, and behavioral engagement, which occurs by interactive customer experiences with a focal agent/object (such as a firm or brand) in a service relationship (Brodie *et al.,* 2011). While the importance of psychological state (i.e., cognition and emotions) is widely recognized, scholars have emphasized the need to focus on the behavioral aspect of engagement, i.e., customer engagement behaviors (CEBs) (e.g., Jaakkola and Alexander, 2014; Pansari and Kumar, 2017; Van Doorn *et al.,* 2010). CEBs are customer's behavioral manifestations towards a firm that extend beyond simple purchasing, and can greatly benefit the firm (Bozkurt *et al.,* 2021). Examples include positive word-of-mouth (WOM), customer participation, or cooperative behaviors. CEBs are important for the firm because they can have a constructive or detrimental impact on the firm as well as individuals themselves (Van Doorn *et al.,* 2010) as CEBs are argued to have implications beyond the customer-provider relationship such as through social practices in brand communities and/or spreading recommendations (Bowden and Mirzaei, 2021; Jaakkola and Alexander, 2014).

While CEBs are outcomes of customer satisfaction that benefit the focal firm, extant literature argues that satisfying relationships may also lead to human capital-related outcomes (Luo and Homburg, 2007). Particularly in services, where both employees and customers constitute human capital of the service organization (Bowen, 1986), human capital-related outcomes could be construed as personal-level outcomes that directly benefit customers whilst meeting a clear firm need (Bitner, 1995), and thus also benefit the firm, albeit indirectly

(Canziani, 1997). For example, direct benefits to customers arising out of satisfying relationships in extended service encounter contexts[1] may include reduced stress, enhanced trust and improved customer learning and confidence (see Bitner, 1995). Despite the recognition that human capital-related outcomes are built on satisfactory interactions between exchange partners, empirical research investigating such outcomes of customer satisfaction is scant (except for Luo and Homburg, 2007).

This study examines two key outcomes of customer satisfaction - CEBs and human capital-related outcomes - to understand how and why a satisfied customer benefits the service firm directly (via CEBs) and indirectly (via human capital-related outcomes). By doing so we contribute to the marketing literature in three ways. First, drawing on the human capital theory (Becker, 1964), we advance research understanding consequences of customer satisfaction (e.g., Otto *et al.*, 2020) by empirically investigating the under-researched human capital-related outcomes that benefit customers - perceived competence and human capital performance (HCP), which also indirectly benefit the firm. While human capital-related attributes are essentially studied as employee outcomes (e.g., De Cuyper *et al.,* 2011; Luo and Homburg, 2007; Ngo *et al.,* 2017), to the best of our knowledge, this is the first study that extends this line of research to the services paradigm, and investigates such outcomes from the customers' perspective given that customers also constitute key human capital in service firms (Bowen, 1986). Investigating such outcomes may demonstrate how satisfying service relationships can essentially be mutually beneficial for both customers and firms, and provide managers with a deeper understanding of the significance of keeping customers satisfied.

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[1] An extended service encounter (such as education, health care, and counselling) is apparent when "a single purchase comprises a series of discrete consumption experiences that occur in the firm's facilities, and often involve interactions with service providers and other customers" (Menon and Dubé, 1999, p. 28).

Second, despite prior literature pointing towards the importance of customer satisfaction for eliciting CEBs (e.g., De Oliveira Santini *et al.,* 2020; Pansari and Kumar, 2017), empirical evidence is mixed, which has called for investigating potential mediators in the link (Braun *et al.,* 2016; Kumar, 2013; Kumar and Reinartz, 2016). We aim to provide a deeper understanding of the relationship between satisfaction and CEBs by investigating the underlying emotional and cognitive mechanisms as leading factors behind CEBs have received little attention in services (Zhang *et al.,* 2020). In this respect, we investigate the mediating emotional mechanisms of gratitude and affection that are suggested to be particularly useful for evoking reciprocity behaviors (Fredrickson, 2004). This allows us to respond to a recent call for evaluating the role of emotions in the customer engagement framework more specifically in terms of understanding how different emotions affect customer engagement (De Oliveira Santini *et al.,* 2020) as prior research fails to identify the differential effects of different positive emotions on engagement or their inter-relationships (e.g., Denovan *et al.,* 2020; Sukhu *et al.,* 2019). Moreover, while it is argued that cognitive appraisals may lead to positive emotions (Long-Tolbert and Gammoh, 2012; Yim *et al.,* 2008), and that both cognitive and affective mediators along with satisfaction better predict behavioral outcomes (e.g., Brady *et al.*, 2005; Cronin *et al.,* 2000), research has yet to understand how cognitive mechanisms influence CEBs. Hence, besides emotions, we also investigate the mediating role of customer perceived competence (human capital attribute) as a key cognitive mechanism, which, to the best of our knowledge, has not been examined previously. Examining both cognitive and emotional mediators simultaneously may help to contribute to the theory of engagement (Pansari and Kumar, 2017) and its related emerging body of work (De Oliveira Santini *et al.,* 2020; Kumar *et al.,* 2019) by refining our understanding of how and why customer satisfaction translates into CEBs. This study would also help managers to develop a better understanding

of how they may stimulate customer engagement by providing important insights into the process by which satisfaction influences CEBs.

Finally, while Kumar *et al.* (2013) highlight the importance of context in determining outcomes of satisfaction, little is done to understand the development of either CEBs or human capital-related outcomes in extended service encounter contexts such as the higher education. Responding to recent calls in the literature (Kumar *et al.*, 2019; Pansari and Kumar, 2017), we develop and test our conceptual framework in the higher education (HE) context, which is valid research setting for four key reasons. First, as the HE context is characterized by long-term, frequent and social service relationships, psychological constructs (i.e. emotional and cognitive mechanisms) are argued to be relevant besides satisfaction in driving beneficial outcomes (Arnett *et al.,* 2003). Second, with the HE sector becoming increasingly competitive amidst constrained financial resources, HE institutions are required to reconsider their relationships with students as service customers and search for ways to promote CEBs as universities are increasingly relying on diversified sources of funding and support from businesses and individuals for their survival (James and Casidy, 2018). Third, satisfaction outcomes that not only benefit the firm but also its customers warrant particular attention in HE services because in such a complex and relationship-oriented context, service relationships must be mutually beneficial and ideally go beyond the technical benefits of the service provided (see Berry, 1983). Finally, students are not passive recipients of value but actively co-create the service process, which makes them a productive resource and a contributor to quality (Cassidy *et al*., 2021). Examining human capital-related outcomes from customer perspective is thus especially relevant for HE institutions as such outcomes may not only benefit the customer but also benefit institutions indirectly by meeting a clear firm need (e.g., building reputation).

2. Conceptual background

2.1 Customer engagement behaviors (CEBs)

Customer engagement is mostly viewed as a multi-dimensional concept that comprises cognitive, emotional, and behavioral facets, whereby customer engagement is defined as "the level of customers' motivational, brand-related and context-dependent state of mind characterized by specific levels of cognitive, emotional and behavioural activity in brand interactions" (Hollebeek, 2011, p. 790). Some authors also include a social customer engagement dimension (Brodie *et al.,* 2013; Vivek *et al.,* 2014) in terms of customers' desire for social interaction or bonding in their interactions. While customer engagement has significantly evolved over the last decade, no consensus has been reached as regards its conceptualisation (Behnam *et al.,* 2021; De Oliveira Santini *et al.,* 2020). Various definitions of customer engagement exist in the literature defining it in terms of psychological state, process as well as behavioural manifestation. For example, Brodie *et al.* (2011) define customer engagement as "a psychological state, which occurs by virtue of interactive customer experiences with a focal agent/object within specific service relationships" (p. 258). Bowden (2009) defines customer engagement as "a psychological process that models the underlying mechanisms by which customer loyalty forms for new customers of a service brand, as well as the mechanisms by which loyalty may be maintained for repeat purchase customers of a service brand" (p. 65). While the importance of psychological state is widely recognized, scholars have emphasized the need to focus on the behavioral aspect of engagement, i.e. customer engagement behaviors (CEBs) because without pro-brand/firm consumer actions, marketing efforts expended towards building customer engagement are unlikely to contribute to firm performance (Harmeling *et al.,* 2017; Pansari and Kumar, 2017). As such, CEBs have received considerable attention in the literature (e.g., Bozkurt *et al.,* 2021; Kumar *et al.,* 2019).

CEBs are defined as "a customer's behavioural manifestations that have a brand or firm focus, beyond purchase, resulting from motivational drivers" (Van Doorn *et al.,* 2010, p. 254).

Encompassing consumer activities in the concept of engagement, Pansari and Kumar (2017) argue that CEBs are "mechanics of a customer's value addition to the firm, either through direct or/and indirect contribution" (p. 295). Jaakkola and Alexander (2014) also suggest that customers provide many resources such as time, money and effort, which affect firms and their customers directly and indirectly. Building on the definition by Van Doorn *et al.* (2010) and recent developments in the conceptualisation of CEBs (Jaakkola and Alexander, 2014; Pansari and Kumar, 2017), in this study CEBs are defined as a customer's behavioral manifestations that go beyond purchase transactions and include customers' voluntary contributions in terms of both monetary and non-monetary resources that benefit the firm such as word-of-mouth (WOM) i.e. promoting a firm or active recommendation (Jaakola and Alexander, 2014; Kumar and Reinartz, 2016) and participation i.e. customers' willingness to participate by providing constructive feedback and suggestions for service improvements (Eisingerich *et al.,* 2014; Van Doorn *et al.,* 2010). Besides WOM and participation, our study examines another type of CEB adapted from the pro-social marketing literature - monetary giving, which comprises donations, monetary contributions and sponsorship (Sargeant *et al.,* 2006). To the best of our knowledge, monetary giving has not been previously studied as CEB despite the recognition that besides time, money is a key resource that customers may utilize for engagement (Van Doorn *et al.*, 2010); research has neglected to understand different types of monetary CEBs (Kumar et al., 2010) except for purchases (e.g., Bozkurt *et al.* 2021; Junaid *et al.* 2020; Prentice *et al.* 2019). Monetary giving as a type of CEB needs attention as it is of high relevance for non-profit services such as the higher education, given the consistently declining rates of public funding for the HE institutions (Vidal and Pittz, 2019). Table 1 provides the overview of select studies on CEBs in the literature.

Insert TABLE 1

2.2 Customer Satisfaction and CEBs

Customer satisfaction refers to a customer's overall evaluation of the performance of an offering to date (Oliver, 1997). Theory of reasoned action (TRA: Fishbein and Ajzen, 1975) is known for its strengths in predicting customer intentions and behaviors, and thus could be a useful theory to understand the relationship between customer satisfaction and its outcomes. TRA assumes that individuals are usually rational and consider the consequences of their actions before deciding whether or not to perform a specific behavior, which is also acknowledged by the stream of research that postulates a relationship between customer satisfaction and CEBs (Brady *et al.,* 2005; Pansari and Kumar, 2017). While customer satisfaction is recognized as a key antecedent to CEBs (Bergel *et al.,* 2019; De Oliveira Santini *et al.,* 2020), yet the direct relationship between customer satisfaction and CEBs such as WOM and participation has often been challenged (Bettencourt, 1997; Eisingerich *et al.,* 2014). Studies linking customer satisfaction and different CEBs demonstrate that the variance explained by only customer satisfaction is small, and that models which include relevant mediators may provide better explanations (Kumar *et al.,* 2013) as customer satisfaction may not influence engagement directly (Barari *et al.,* 2021; Van Tonder and Petzer, 2018). Since prior research suggests that both cognitive and affective mediators along with satisfaction better predict behavioral outcomes (e.g., Brady *et al.,* 2005; Cronin *et al.,* 2000), this research will investigate both cognitive and emotional mechanisms.

Emotional mechanisms

Pansari and Kumar's (2017) conceptual framework suggests that customer satisfaction and emotions predict CEBs (also see De Oliveira Santini *et al.,* 2020). While TRA is a useful theory to understand how customer satisfaction leads to outcomes, Bagozzi (1992) recommended to refine TRA by including intervening mechanism of emotional self-regulation between attitudes and intentions/behaviors. This intervening mechanism is based on Lazarus's (1991) theory of

emotion and adaptation, which proposes that evaluative appraisal processes of internal and situational conditions lead to emotional responses, which, in turn, lead to coping activities (also see Oliver 1997; 1999). As such, understanding emotions as potential mediating mechanism is central to gaining a better understanding of what drives satisfied customers to engage (Blasco-Arcas *et al.,* 2016). In this context, Fredrickson's (2004) broaden-and-build theory of positive emotions explains how the experience of positive emotions, such as gratitude and love, broaden the momentary thought-action repertoires of individuals in different ways creating social bonds and lead to behaviors that yield benefits (such as CEBs). Further, feelings of gratitude or love are theorised to last for a longer period of time than other emotions, and are argued to evoke reciprocity behaviors and mutual care (Fredrickson, 2004). In this respect, extant marketing literature demonstrates that both gratitude and customer love or affection towards the firm are important in service exchanges, and significantly influence customer loyalty as well as customer prosocial behaviors (see Cavanaugh *et al.,* 2015; Yim *et al.*, 2008). Hence, gratitude and customer affection seem to be the two potential emotional mediators between customer satisfaction and CEBs.

Gratitude

Gratitude is defined as a customer's emotional appreciation of benefits received that is accompanied by a desire to reciprocate (Palmatier *et al.,* 2009). Gratitude is a feeling of gratefulness, thankfulness and appreciation which can be expressed towards others, as well as impersonal or non-human sources. Since extant marketing research demonstrates that gratitude promotes positive behaviors (Raggio *et al.,* 2014), more research is called for including gratitude in investigations on social relationships (e.g., Bock *et al.,* 2013), especially in the HE setting (Fazal-e-Hasan *et al.,* 2017; Howells, 2012). While studies conducted in the HE context found several positive personal outcomes of student gratitude, such as increased student engagement, increased motivation, and well-being as well as positive relational outcomes such

as greater connection to the subject and teacher, and improved supervisor-student relationships (Howells, 2012; Unsworth *et al.,* 2010), little is known about the role of gratitude for influencing CEBs (except for Fazal-e-Hasan *et al.,* 2017).

Customer Affection

Sternberg's (1986) triangular theory of love provides the theoretical foundation for customer affection in service exchanges (Yim *et al*., 2008). According to Sternberg (1986), love comprises three constituent dimensions - passion (i.e. the component of love that reflects intense feelings of enthusiasm and desire), intimacy (i.e. the warm component of love that reflects bonding and connectedness) and commitment (i.e. the cognitive component of love that reflects commitment to maintain relationship). Drawing on Sternberg's (1986) theory of love, extant marketing literature describes customer affection as customers' positive feelings of warmth and affection towards a firm. Customer-firm affection thus reflects an affectionate, enduring, relationship-sustaining emotional bond between a customer and a firm that is formed through a series of favorable experiences and interactions with the service firm (Yim *et al.,* 2008). These affectionate ties also apply to brands as strong affectionate bonds can exist between consumers and their favorite brands in the form of brand love (Thomson *et al.,* 2005). While it is argued that customers' strong emotional feelings in terms of love/affection towards a firm/brand can positively influence their loyalty, prosocial behaviors as well as customer engagement (e.g., Cavanaugh *et al.,* 2015; Junaid *et al.,* 2020; Yim *et al.,* 2008), little is known about the role of customer affection in the HE context.

2.3 Human capital-related outcomes

Human capital performance (HCP)

Luo and Homburg (2007) highlight the significance of human capital performance (HCP) as a particularly neglected outcome of customer satisfaction. The concept of HCP is grounded in human capital theory (Becker, 1993) that elaborates on the economic effects (i.e. returns) of

investments in education and training on an individual level. HCP can be defined as a firm's superior ability to achieve its core objectives based on its developed actual human capital excellence in terms of knowledge, skills and experiences (Luo and Homburg, 2007). While Luo and Homburg (2007) study HCP from employee perspective, however, in extended service encounter contexts such as HE, customers also form a key part of firm's human capital as they actively provide input to the service creation process and co-create value (Bowen, 1986). As such, HCP is of high significance to services because it stresses the inseparability of customers from the service delivery process, acknowledging that they can become valuable human resource (Canziani, 1997). For instance, HCP in the HE context can be explained as students' propensity to exhibit attributes such as their actual performance or promotion of their employability (Harvey, 2001) that meet a clear need of the HE institutions (e.g., high reputation, good standing in university rankings).

Customer competence

Canziani (1997) introduced the term customer competency with service processes acknowledging that customers are critical resources for a firm. Customer competency is defined as "the relationship between customer knowledge, skills and motivation and specific tasks." (Canziani, 1997, p. 7). Perceived competence thereby reflects how an individual perceives his or her ability to perform specific tasks foreseen for him or her in the frame of the overall service process based on the competences acquired within a service delivery process. Perceived competence has been explained predominantly in terms of human capital theory (Becker, 1993), which proposes that people are considered as a form of capital for development such that a) human capital increases a worker's productivity in all tasks and b) investments in education have positive effects on employment and earnings. Emerging attitudinal approaches on perceived competence have mainly focused on cognitive judgements about one's employability (e.g., Nauta *et al.,* 2009; Van Dam, 2004) especially within the HE context

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(Donald et al., 2019), whereby a core service offering is the delivery of employability development opportunities. Hence, perceived employability, which refers to an individual's perception of his/her ability to gain employment, in terms of attributes, skills, and abilities (Rothwell *et al.,* 2008), captures customer competence in terms of human capital attributes in the HE context. Previous research that places perceived employability in a nomological framework has either focused on its antecedents or consequences, leaving a void in research on integrated models (see Ngo *et al.,* 2017). While prior organizational research posits career satisfaction as a key antecedent (e.g., Nauta *et al.*, 2009), a recent study in the HE context demonstrates that satisfying the needs of students enhances their perceived competence, i.e. employability (e.g., Chen *et al.,* 2018). Outcomes include both firm (Hitt *et al.*, 2001; Van der Heijde and Van der Heijden, 2006) as well as individual outcomes such as turnover intentions, job satisfaction, employee performance i.e., HCP (De Cuyper *et al.,* 2011; Judge *et al.*, 1995) and work engagement (Ngo *et al.,* 2017). Accordingly, it seems plausible to assume that customer perceived competence is likely to influence customer performance (HCP) as well as engagement behaviors. However, empirical evidence investigating the role of customer competence is scant. Consequently, an important question remains unanswered, for instance: can customer perceived competence provide the linking pin to relate customer satisfaction with their engagement behaviors and HCP? Our research examines this relevant issue.

3. Study 1

Given the limited knowledge of human capital-related outcomes of customer satisfaction (Luo and Homburg, 2007) and the mediating mechanisms underlying the relationship between customer satisfaction and CEBs in extended service encounter contexts, such as the HE (Kumar *et al.,* 2019; Pansari and Kumar, 2017), a qualitative research design was considered to be imperative. The key aims of the qualitative study were to explore outcomes of customer

satisfaction that are of direct and indirect benefit to the institutions in the HE context, and to investigate cognitive and affective mediating mechanisms between satisfaction and these outcomes. Qualitative research was conducted through eight focus groups with a total of 48 final year and second-year students and semi-structured interviews with 20 alumni from established universities in the UK and Austria. The focus group sample comprised full-time students between 20 and 28 years of age; 25 females and 23 males. Alumni sample comprised 9 females and 11 males, and they were selected from the same undergraduate business programs of the same university with undergraduate focus groups in the UK and Austria. An introductory section outlined the purpose, voluntary character and anonymity of the study, and formal consent for tape-recording was provided by the participants.

Focus groups were standardized via a guideline with structured topics, open questions, and probes of discussion. The interview guideline was centred around key themes of the study - customer satisfaction, perceived competence, CEBs and human capital-related outcomes of satisfaction. Furthermore, the relationships between these themes were explored. In order to encourage discussions on the relationships between the main themes, the participants received sticky notes/cards with the main themes, and were asked to put the notes in order and express why one construct led to another. Questions around emotions were intentionally omitted as emotions were intended to naturally emerge out of the participant's responses and discussions.

3.1 Data Analysis

Different types of data formed the basis for content analysis, including 69 visual data samples from the relationship sheets with post-its, 30 audio files from interviews, 8 audio files from the focus groups and 38 transcripts produced from these audio files. In addition to these primary data sources, notes from the neutral observer on the focus groups, and memos by one of the researchers who conducted the qualitative study, were reflected in the data analysis. The visual data was verbally described and inserted in the transcriptions in the relationship section.

Content analysis was utilised for analyzing qualitative data. Content analysis provides insights into the nuances as well as embedded meanings that exist within the data, which assist in discovering patterns and overarching themes from the transcripts (Miles, 2014). Three approaches, i.e., enumerative, thematic, or a combination of the two, can be utilised to provide different information from the data (Grbich, 2007). This study followed a combined thematic and enumerative content analysis approach.

Nvivo 10 was used for coding digital data as it is a qualitative data analysis software enabling computer-assisted analysis (Kuckartz, 2014). The analysis involved three subsequent phases, i.e., first-cycle coding to initially summarise segments of data, second-cycle coding for grouping those summaries into a smaller number of categories or themes, and checking the coding consistency to ensure within-coder consistency across time and inter-coder reliability. For first cycle coding, provisional coding (Miles *et al.,* 2014) was applied; the researcher generated codes based on the themes of the interview and focus group guideline, i.e. "satisfaction", "perceived competence/employability", "CEBs (direct benefit outcomes)", "human capital-related (indirect benefit outcomes)" and "relationships". Emotion coding was applied to label emotions that participants recalled and expressed (Miles *et al.,* 2014), e.g., emotion codes being 'gratitude' and 'affection/love'. Emotion coding was particularly useful to explore affective mediating variables between satisfaction and CEBs. For second-cycle coding, pattern codes condensed the first-cycle codes into more meaningful and parsimonious units of analysis. For instance, the different initial codes for CEBs were clustered into three categories, i.e. "Why – Motivations for CEBs", "What – Types of CEBs" and "When – Prerequisites for CEBs". For the purpose of checking within-coder consistency in the coding process, the researcher coded the same transcripts with first-cycle and second-cycle coding at two points of time, and ensured intra-coder reliability. Then, a second independent researcher coded the same transcripts to ensure inter-coder reliability and made an external quality

assurance check on the data analysis process. Feedback and insights from the external audit were included in the final coding scheme. This further added to the reliability and validity checks of the qualitative study.

In order to cluster satisfaction outcomes that directly or indirectly benefit the organization, the clustering technique suggested by Miles *et al.* (2014) was applied. Two types of outcomes were found - CEBs (such as participation, WOM and monetary giving) that are of direct benefit to the universities and human capital-related outcomes that are of indirect benefit. The researcher's reflections during research design, data collection and data analysis phase were documented by the researcher in memos, and were used to synthesize data or to build arguments (Di Gregorio and Davidson, 2009).

3.2 Findings

The qualitative study aimed to explore outcomes of customer satisfaction that are of direct and indirect benefit to the universities in the HE context and to investigate cognitive and affective mediating mechanisms between satisfaction and these outcomes. Content analysis revealed several relationships. Below we discuss the key themes that emerged from the interviews and focus group discussions.

Customer satisfaction, Perceived competence and HCP

Perceived competence was understood by most respondents in the HE context as perceptions of their own employability in terms of having the right skills and competences that employers desire:

"I understand that it means a good level of the basic skills an employer would look for. The things like communication…, or presentation skills, IT skills, some of the technical things underlie, which every industry you going to. As well as a softer concept, which is self-awareness. So an ability to understand the skills, the knowledge, you bring to a company or organisation or project. And those, you haven't got or need to develop or need to source from elsewhere. And that's a massive part of employability." [Eleanor, Alumni, UK]

Perceived competence (or perceived employability) emerged as a key human capital-related outcome of customer satisfaction as respondents mentioned that their satisfaction levels determined their perceptions of employability:

"Your level of satisfaction causes you to perceive your employability or has an effect on perceptions of employability" [Nathan, Alumni, UK]

"Out of satisfaction, you get the perceptions of employability, because when you're satisfied you're also more confident and this also shows that you may be more employable."[David, Focus Group, Austria]

A crucial theme that emerged from the qualitative phase was that students' perceived competence may not directly influence CEBs as most students did not see a connection:

"So, on the employability… I personally think the activities (CEBs) do not really relate to them" [Hannah, Focus Group, Austria]

It was further suggested that even when customer satisfaction and perceived competence are high, one would not give back in terms of CEBs (such as participation, WOM or monetary giving), as there may be other factors such as time or positive emotions that prompt students or alumni to do that:

"There are also people who might have a positive perception of how university influenced their employment prospects, but would never get involved in anything because they don't have time or they're just not that way inclined (to give back) whether monetary or non-monetary or with social behaviors" [Nathan, Alumni, UK]

Rather, HCP emerged to be influenced by perceived competence. HCP was recognized by the respondents as 1) their performance in the actual labour market and 2) their actual employability as perceived by their employers. Most respondents suggested that perceived competence leads to HCP in terms of their performance in the labour market and actual employability:

"And through perceived employability you finally have a job, you also have the financial resources and then you can start to give back and also involve yourself in the activities, which may also augment the value of the education then." [David, Focus Group, Austria]

"I guess it comes down to what's the purpose for going to university…I think in more objective terms, employability would be the outcome" [Nathan, Alumni, UK]

While HCP directly benefits the students, respondents further explained that HCP indirectly benefits the university as well:

"And I think that by us being serious and committed to our studies and capable once we get into our jobs, I think that's the best sort of service that we can do to our university." [Stephanie, Alumni, UK]

"Even if we do not realise it or if we want it or not, we're actually representing our university…. even though you do not really do it actively." [Lena, Focus Group, Austria]

Emotional mechanisms

Emotions were categorised first through selected word queries in all transcripts, and then by emotional coding (Miles *et al.,* 2014). While other positive emotions (such as hope, empathy, enjoyment, happiness) were identified, gratitude and affection emerged as key emotional outcomes of student satisfaction and perceived competence, i.e. perceived employability. Moreover, gratitude and affection were the predominant emotions that emerged with respect to CEBs. Hence, this study focused on these two emotions.

Customer Satisfaction, Perceived competence and Gratitude

Earlier we defined gratitude as the emotional appreciation of benefits received, accompanied by a desire to reciprocate (Palmatier *et al.,* 2009). This conceptualization of gratitude also emerged from the qualitative data. Satisfaction with the university offering was found to generate feelings of gratitude:

"I can't really imagine how I could ever give something back to those lecturers that inspired me and captured my imagination. I mean, if I could, that's certainly something I would want to do. But I can't really envisage how I could do that." [Nathan, Alumnus UK]

In fact, satisfaction was considered to be essential for gratitude as many respondents highlighted that *only then* one would think about being grateful and giving back to the university:

"I think then I would undertake some activities, which are going to be efficient for the university as well as I kind of say thank you, like as being thankful to the university" [Armin, Focus Group, UK]

Respondents further mentioned that they would think of giving back to the university because they felt grateful for the competences and skills acquired during their study at the university. Thus, perceptions of competence were also found to influence feelings of gratitude:

"It's perhaps natural to want to give something back again, I did enjoy my time here, I was inspired by a number of the lecturers and ... they kind of led me to the path where I'm now" [Nathan, Alumni, UK]

"So if I think the value (of education) is high then I will do because of some kind of thank you ....and give back to the university." [Hannah, Focus Group, Austria]

"I think it's because... they taught me and it was a very good experience for me and it was something that was a very important part of my life and I want to make sure that other students as well understand (the importance)." [Lucas, Alumni UK]

Customer Satisfaction, Perceived competence and Customer Affection

As expected, respondents' affection for their university was explained in terms of the three elements of Sternberg's theory of triangular love (Sternberg, 1986): passion (i.e. strong feelings of enthusiasm and excitement); intimacy (i.e. feelings of emotional bonding, connectedness, closeness and attachment); and commitment (i.e. cognitive component of love and wish to maintain a relationship). Satisfaction was found to be associated with feelings of affection:

"Because I'm satisfied with my degree, the way the degree worked out with what I got from the university and with the friendships I've got, and the relationship, all that, the good relationship. So I am quite proud to be part of XXX University, so that is my major motivation" [Ruby, Alumni, UK]

Clarifying the link further, lack of satisfaction was highlighted as the main reason why one does not feel any closeness or connection with the university:

"If I hadn't had such a terrible experience from my first year and lack in support, if I had felt more supported, I would have felt having a stronger connection to the university and I find that every time I spoke on the phone or had to deal with them it was just more stress, and it's just so complicated, they make it so hard, they make it really difficult" [Stephanie, Focus Group, UK]

Besides satisfaction, perceptions of their own employability or perceived competence was also found to influence customer affection:

"I do have very fond memories of my time here, you know… it allowed me to get a good graduate job with a good salary."[Nathan, Alumni, UK]

Emotional mechanisms and CEBs

For CEBs, often students and alumni referred to their satisfaction with the service received at the university, but then mentioned further emotional mechanisms that appeared to be relevant in order to 'give back' to the university voluntarily:

"Only if I have an emotion, I would probably do an activity (CEB)." [Valentina, Alumni, Austria]

An in-depth analysis of the statements was conducted to understand why students and alumni, who participated in the qualitative study, would 'give back' to the university in terms of different CEBs. When analysing the reasons why participants intended to 'give back' to a university, two predominant emotional categories were found to have a strong impact on CEBs - affection and gratitude. Both analysis techniques (content analysis on word query results on positive emotions, and emotional coding on CEB references) revealed that "affection" and "gratitude" may potentially mediate the link between customer satisfaction and CEBs.

Gratitude was highlighted as a key emotion for CEBs:

"In terms of the actual contribution it's just something that I want to give back to university considering how much the university helped me during the years of my studies." [Oscar, Alumni, UK]

Along with gratitude, customer affection i.e. students' affection towards their university was highlighted as another key emotion for CEBs. To explain the relationship between affection and CEBs, an alumnus from the UK utilized a family analogy to describe his warm and intimate feelings or affection towards the university; university is the mother and the father who brings the children up, the alumni (like him) would be the big sisters who give back their expertise by performing CEBs, and the little brothers would be the students who are still studying at the university. As in a family relationship, one should nurture and love each other, which fits well

with Fredrickson's (2013) definition of 'Love' as a reflective motive to invest in each other's well-being that brings mutual care:

"I see it like a family and you're nurturing each other, so it's a mother-father, mother-son relationship, mother, son and sibling relationship where the university is the mother and the father, and they teach and inspire and bring up, you know, the child in the way that they want, and the values ... and then they graduate and they leave the house, but then their parents always want to know how they're progressing in their job ..and when they get a little bit older .. they're still part of that relationship, but that relationship kind of changes, when they're adults and got their own children and progressing, they take them along to the grandparents. So one might say that the university takes those relationships through the transition points of someone's career even when they're old. And then you got sibling relationships, the brother-sister relationship, the brother would be the student trying to graduate, go through that transition point and the older sister who comes back to university and offers their insights and expertise and does mentoring and those kind of things. So, I think the family analogy is a very nurturing one and an empowering one." [Zachery, Alumni, UK]

Clarifying the link further, respondents mentioned that they would engage in different voluntary behaviors that are of benefit to the university if they perceive that they have a committed (inter)relationship with the university, they are fond of the university, and they want to maintain that relationship - all pointing towards the construct of customer affection:

"Because I am fond of the university, I actually want to stay in touch in different ways, so for example agreeing to do this call is my way of staying in touch with the university and giving something back." [Aden, Alumni, UK]

"I really think that we have a strong personal interrelationship between each other. I also would do activities because I'm really tied with the university and I really want that also other people have the chances I got." [Alexander, Focus Group, Austria]

"I feel that I'm giving back now in my final year, I'm part of the committee, I'm doing open days, I'm doing presentations, so for me personally, I feel like my giving back is made in the final year. I still love my degree and I'm giving back now to the point, well!" [Kate, Focus Group, UK]

Although both gratitude and affection emerged as the predominant emotions for evoking CEBs, affection appeared to be the key driver because students' affection towards their university was mentioned overwhelmingly large number of times than gratitude (*68* references were made for affection/love as compared to only *25* for gratitude). Moreover, customer affection was found to be essential, i.e., affection 'must' be present in order to engage in such behaviors as lack of

customer affection (especially in terms of connectedness and passion) was mentioned by most respondents to be a key reason why one would *not* give back to the university:

"I don't think I must give back, there is personal freedom you have at university, there's no connection between me and university." [Edward, Focus Group, UK]

"Not necessarily, no, I mean like myself, I've been (giving back) over the last couple of years and that passion about being part of XXX University, that community feeling is just completely gone" [Maria, Focus Group, UK]

Thus, a valuable insight from this qualitative study is that while gratitude is a likely emotion that is experienced by customers for received benefits, yet in order for them to voluntarily reciprocate they need to feel emotionally close, passionate and connected to the firm, i.e. feel affection towards the university. This qualitative study found indicative statements about customer affection being positively related to all three types of CEBs implying that customer affection is a key driver of CEBs.

3.3 Discussion

The qualitative study aimed at exploring outcomes of satisfaction that are of benefit to the firm (CEBs) and its customers (human capital-related outcomes), and investigating underlying mechanisms that explicate the relationship between satisfaction and these outcomes. HCP and perceived competence emerged as key human capital-related outcomes of satisfaction that directly benefit customers. Such outcomes also meet institutional needs and objectives (e.g., enhancing reputation), and therefore benefit the institutions indirectly. In line with the extant literature (De Oliveira Santini *et al.,* 2020), CEBs are found to be key outcomes of satisfaction that directly benefit institutions. In this respect, one of the key implications of Study 1 is that satisfaction does not seem to directly influence CEBs; both cognitive (perceived competence) and emotional (gratitude and affection) mechanisms should be integrated in the conceptual framework to better account for the relationship between satisfaction and CEBs. Another key finding is that perceived competence seems to play a significant role in the relationship between satisfaction and HCP. Our qualitative findings also suggest that instead of influencing CEBs

directly, perceived competence seems to influence positive emotions, which, to the best of our knowledge, has not been previously examined. Further, while both gratitude and affection are found to be key emotional mechanisms linking customer satisfaction with CEBs, customer affection emerged as the primary driver of such behaviors. However, the role of gratitude could not be clearly deciphered from the qualitative phase, such as a clear sequential relationship between affection and gratitude. Hence, a follow up quantitative study (Study 2) was deemed essential to unravel the distinct links in the relationships between customer satisfaction and CEBs and human capital-related outcomes.

4. **Conceptual framework and Research Hypotheses for Study 2**

In this study, we follow a sequential mixed-methods approach in which findings from the qualitative research along with the literature review guide the development of a conceptual model that is subsequently tested in Study 2, which is a quantitative study. In the light of several important relationships highlighted in the qualitative study, we develop hypotheses for the quantitative study as follows:

Customer satisfaction, Perceived competence and HCP

Prior empirical evidence in the marketing literature suggests that human-capital related outcomes are built on satisfactory interactions between exchange partners (Luo and Homburg, 2007). Furthermore, there is evidence that human capital increases through formal education, competence development and work experience (Judge *et al.*, 1995). Prior research posits career satisfaction as a key antecedent of perceived competence or employability (e.g., Nauta *et al*., 2009), which in turn positively influences both firm (Hitt *et al*., 2001; Van der Heijde and Van der Heijden, 2006) as well as individual outcomes such as performance i.e., HCP (De Cuyper *et al.,* 2011; Judge *et al.*, 1995) and work engagement (Ngo *et al., 2017*). Particularly in the HE context, Chen *et al.* (2018) demonstrate that satisfying the needs of students enhances their

perceived competence i.e. student perceptions of their ability to gain employment, in terms of their attributes, skills and abilities (Rothwell *et al.,* 2008). Our qualitative study findings also suggest that a higher level of satisfaction enhances students' perceptions of their own employability, which in turn, influences their actual employability in the job market. As such, in line with the human capital theory (Becker, 1993), we posit that customers who experience high satisfaction will also perceive themselves to have more human capital in terms of perceived competence that influences their performance (HCP), which was recognized in the qualitative study as: 1) performance of students in the labor market, i.e., their job performance and 2) their actual employability as perceived by their employers. Accordingly, we hypothesize:

H1: Customer satisfaction positively influences perceived competence

H2: Perceived competence positively influences job performance

H3: Perceived competence positively influences actual employability

Customer satisfaction, Perceived competence and Gratitude

Prior research suggests that customers experience gratitude for good outcomes (Oliver, 1997). In line with the adapted TRA (Bagozzi, 1992), it is argued that when a customer is satisfied with the service received and recognizes that this benevolence was received intentionally (McCullough *et al.,* 2002), feelings of gratitude are likely to be evoked (Palmatier *et al.,* 2009). Since extant marketing research demonstrates that gratitude is an emotional response of customer satisfaction (Oliver, 1997; Westbrook and Oliver, 1991) that promotes positive behaviors (Raggio *et al.,* 2014), more research is called for including gratitude as a relational mediator in investigations on social relationships (e.g., Bock *et al.,* 2013), especially in the HE setting as few studies have examined the antecedents of gratitude experienced by students (Fazal-e-Hasan *et al.,* 2017; Howells, 2012). With the HE sector becoming increasingly competitive amidst constrained financial resources, it is suggested that HE institutions are

required to reconsider their relationships with students as service customers and explore ways for eliciting positive student emotions to build and strengthen long-term relationships between students and the institutions (Fazal-e-Hasan, 2017; James and Casidy, 2018). In this respect, the qualitative study provides evidence that in the HE context, students' overall satisfaction with their university positively influences their feelings of gratitude. Hence, we hypothesize:

H4: Customer satisfaction positively influences gratitude.

In line with the adapted TRA (Bagozzi, 1992), which postulates that cognitive appraisals lead to emotions, the qualitative study provides novel evidence of the relationship between perceptions of competence and feelings of gratitude in the HE context, which, to the best of our knowledge, has not been empirically investigated. In this respect, Unsworth *et al.* (2010) argue that simply meeting student's needs does not generate gratitude in the HE context; instead, it depends on two key factors - the cost to the benefactor and value to the beneficiary. Against this backdrop, perceived competence is likely to lead to feelings of gratitude because student perceptions of competence reflect on the resources, efforts and attention that the university has devoted to provide them with suitable skills and qualifications that are in demand in the labor market (i.e., cost to the benefactor). Also, perceived competence is highly valued by the students as it effectively prepares them for the transition to the professional world, which is one of the biggest hurdles faced by graduates (Molinsky and Pisman, 2019). Since gratitude is a customer's emotional appreciation of benefits received (Palmatier *et al.,* 2009), our qualitative study also demonstrates that student perceptions of competences and skills acquired during their study at a university generate feelings of gratitude. Hence, we hypothesize:

H5: Perceived competence positively influences gratitude.

Customer satisfaction, Perceived competence and Customer affection

According to the broaden and build theory of positive emotions (Frederickson, 2004; 2013), the positive emotion of love arises when pleasurable appraisals are received (such as a

satisfactory service experience). In this respect, extant marketing literature demonstrates that customers tend to develop affectionate ties or love-like attachments towards a firm through positive consumption experiences (Choi and Choi, 2014). Customer love for a brand/firm develops as a result of successful interactions with the firm as service failures are likely to diminish customer love (see Long-Tolbert and Gammoh, 2012). For instance, Yim *et al.* (2008) examined the role of customer-firm affection in two service contexts (hair salons and fast-food restaurants) and found that customer satisfaction positively influences customer-firm affection, which, in turn, affects firm trust and customer loyalty. The link between customer satisfaction and affection is also found in our qualitative study. Accordingly, we hypothesize:

H6: Customer satisfaction positively influences customer affection

Insights from the qualitative study suggest that when students perceive competence, they are likely to experience affection for the university. This finding is in line with the cognitive-affective-causal order suggested by Bagozzi (1992), i.e., cognitive perceptions of competence lead to affective reaction in terms of customer affection. While there is some agreement in the literature that cognitive appraisals lead to customer affection towards the firm (e.g., Long-Tolbert and Gammoh, 2012; Yim *et al.,* 2008), the particular relationship between perceived competence and customer affection has not been empirically tested. In the HE context, student perceptions of competences and skills acquired during their study at a university, which make them more employable in the labor market, are indeed highly appreciated by students (Griffiths *et al.,* 2018), which lead to their feelings of affection towards the university because affection arises when pleasurable appraisals are received (Frederickson, 2013). Hence, it is hypothesized:

H7: Perceived competence positively influences customer affection.

Emotional mechanisms and CEBs

While affection emerged as a key driver of CEBs in the qualitative study, the specific role of gratitude, such as a clear sequential relationship between affection and gratitude, could not be deciphered from the qualitative phase. Empirical studies examining the role of gratitude for CEBs in the HE context are sparse except for Fazal-e-Hasan *et al.* (2017) who argue that in the HE context, gratitude does not influence CEBs directly as they found an indirect relationship between gratitude and word-of-mouth intentions of students via the mechanism of affective commitment. Palmatier *et al.* (2009) and Raggio *et al.* (2014) also highlight that gratitude should be considered along with other relational mediators to better predict reciprocal behaviors. While little empirical research has been done to validate the sequential relationship between the two positive emotions of gratitude and love, the broaden and build theory of positive emotions suggests that "gratitude also builds people's skills for loving and showing appreciation" (Fredrickson, 2004, p. 159). This is further supported by Algoe *et al.* (2010), who argue that gratitude promotes high-quality relationships, which includes an increase in the relational well-being of the benefactor, thereby promoting love. In this respect, a few studies in the services context have also found support for the premise that feelings of gratitude lead to customer love for the firm/brand (Long-Tolbert and Gammoh, 2012; Suetrong and Pires, 2021). Hence, we hypothesize:

H8: Gratitude positively influences customer affection.

The broaden and build theory of positive emotions specifically addresses how love broadens the momentary thought-action repertoires of individuals and leads to actions as love is suggested to be unique among positive emotions in fostering connectedness and in inducing prosocial behavior toward distant others (Fredrickson, 1998). The theory of engagement (Pansari and Kumar, 2017) also states that in a relationship characterized by emotional attachment, partners become engaged in their concern for each other. As such, customers' strong emotional feelings in terms of love/affection towards a service firm can positively

influence their loyalty as well as prosocial behaviors. For example, Cavanaugh *et al.* (2015) show that the positive emotion of customer love encourages customer prosocial behaviors such as donating money to organizations. Consumer's emotional attachment towards a brand or brand love has also been shown to lead to CEBs such as recommending the brand/firm, positive word of mouth, investing their resources in the firm and providing constructive feedback (Choi *et al.,* 2021; Junaid *et al.,* 2020; Prentice *et al.,* 2019). The qualitative study further corroborates findings in the literature as we found indicative statements about customer affection being positively related to all three types of CEBs - participation, WOM and monetary giving. Accordingly, we hypothesize:

H9: Customer affection positively influences participation.

H10: Customer affection positively influences word-of-mouth.

P11: Customer affection positively influences monetary giving.

4.1 Conceptual Framework

Figure 1 presents the conceptual framework of the study that is anchored on the extant literature and findings from Study 1. TRA is the underpinning theory for the conceptual framework with some adaptions. First, Bagozzi (1992) adapted TRA as attitudes are not sufficient predictors of intentions and that emotions are the missing element that translate attitudes into intentions. Second, adapted TRA is enhanced with the broaden and build theory of positive emotions (Frederickson, 2004), which states that positive emotions (such as gratitude, love) broaden people's momentary thought-action repertoires and lead to actions such as CEBs. In this respect, gratitude leads to love because according to the broaden and build theory of positive emotions (Frederickson 2013), love arises when another positive emotion (such as gratitude) is felt in the context of a safe, interpersonal connection and relationship. Third, while the cognitive mechanism of perceived competence leads to positive emotions based on the adapted TRA (Bagozzi, 1992), the mediating role of perceived competence between customer

satisfaction and HCP is based on the human capital theory (Becker, 1993), which suggests that higher investments in education lead to increased human capital.

Insert Figure 1 here
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5. Study 2

5.1 Data collection

The quantitative study encompassed multi-source survey data from undergraduate students undertaking internship in the industry and their immediate supervisors or managers in the UK. From a total of 441 company responses and 485 interns (third year students who conducted an internship year within a company), 209 directly-matched responses (intern - direct supervisor) were obtained. Within the intern sample, 63 % of the respondents were female and 37% were male in the age group between 20 and 23 years. About 70% of placements were in the UK and the rest were outside the UK.

5.2 Measures

Measures were largely adapted from previous research, with minor wording modifications to fit the context of the research. Customer satisfaction was measured with five items from Westbrook and Oliver (1991) and Oliver (1997), and validated by Brady *et al.* (2005) and Cronin *et al.* (2000). Perceived competence was measured with three items by Rothwell *et al.* (2008). Gratitude was measured with the three-item scale by Palmatier *et al.* (2009). Customer affection comprised dimensions of passion, intimacy and commitment adapted from Sternberg (1986; 1997), which were measured with items from the three-dimensional scale used in previous studies such as Yim *et al.* (2008) and Bügel *et al.* (2011). Monetary giving was measured by three items based on Sargeant *et al.* (2006) and adapted to the HE context as per the qualitative findings. HCP was assessed through job performance of the students working as interns, which was evaluated by their immediate managers based on three items from Becker

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et al. (1996), and actual employability was also rated by managers based on the scale by Rothwell *et al.* (2008). All metric scales were formatted as five-point Likert scales, whereby '1' indicated disagreement and '5' indicated agreement (see Table 2).

5.3 Controls

Statistical control variables viz. mood, gender, and school of study are included in the analysis. Mood is a common control variable on the outcomes of satisfaction (Liljander and Mattsson, 2002). One item on mood based on Peterson and Sauber (1983) (i.e., "As I answer these questions I feel cheerful") was measured on a five-point scale (1= disagree, 5=agree).

6. Results

First, the data was explored and purified, using descriptive analysis. All multi-items scales were examined using exploratory factor analysis (EFA) with SPSS Statistics 24 to identify poorly performing items, followed by confirmatory factor analysis (CFA) to remove redundant or non-reflective items (Hair *et al.,* 2006). CFA was conducted in LISREL 8.80 (Jöreskog and Söborn, 1993). With a sample size of 209 and a total of 53 indicators, suggestions by Bentler and Chou (1987) to divide the model's constructs into theoretically plausible groups and run separate measurement models for each group were followed. After scale purification, both measurement models were included in one measurement model that demonstrated a satisfactory fit (χ^2/df = 1.65, p = 0.000; RMSEA = 0.056, CFI = 0.982, and NNFI = 0.980). All factor loadings were significant, and the composite reliabilities and AVEs of all latent constructs exceeded the threshold values of 0.7 and of 0.5 respectively - see Table 2. Discriminant validity of all latent constructs was established based on Fornell and Larcker's (1981) criterion. Table 3 presents descriptive statistics and correlations for all constructs.

Insert TABLE 2 and TABLE 3 here

In the second step of the analysis, the structural model was assessed representing path analysis[2]. The results clearly showed that the model provided a good fit (χ^2= 1432, df = 766 and p = 0.000, χ^2/df = 1.87, RMSEA = 0.066, CFI = 0.976, NNFI = 0.975). The individual standardized and unstandardized parameter estimates and corresponding t-values are reported in Table 4. All proposed hypotheses were supported (see Table 4). When re-running the analysis with controls, the results essentially did not change. The conceptual model was contrasted with a direct effect model with no mediating mechanisms. The results of the alternative model testing indicated that the conceptual model with all three mediators had a better overall model fit than the direct effect model (χ^2/df = 2.13, RMSEA = 0.074, CFI = 0.972 and NNFI = 0.97).

Insert TABLE 4 here

6.1 Mediation Effects Testing

HCP (Job performance and Employability)

The mediating effect of perceived competence (PC) between customer satisfaction and HCP, as proposed in the conceptual framework, was empirically tested with the PROCESS model template 4 (Hayes, 2013). The direct effect of satisfaction on job performance is not significant (t= -0.853, p = 0.395) but the indirect effect of satisfaction on job performance through perceived competence is positive (β=0.1150) and significant because the bias-corrected bootstrap CI is entirely above zero (0.0418/0.2054). Thus perceived competence is found to fully mediate the link between customer satisfaction and job performance (rated by managers). Perceived competence is also found to fully mediate the link between satisfaction and employability of students (rated by their managers) as the direct effect of satisfaction on actual

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[2] Student-supervisor dyads in our study did not result in nested data as students were placed in many different organizations and each student was supervised by a unique manager. Hence Structural Equation Modeling (SEM) using LISREL was considered to be appropriate.

employability is not significant (t= -0.338, p = 0.736), and the indirect effect of satisfaction on actual employability through perceived competence is positive (β=0. 0.095) and significant as the bias-corrected bootstrap CI is entirely above zero (0.0190/0.177). Thus, Study 2 results confirm the relationships proposed in Study 1 and further clarify that perceived competence fully mediates the relationship between satisfaction and HCP.

CEBs

The serial mediation model (see Figure 2) of the mediating effects of perceived competence (PC), gratitude and affection between customer satisfaction (CS) and CEBs were tested with the PROCESS model template 6 (Hayes, 2013). A serial multiple mediator model with the three mediators in the sequence M1 = Perceived competence (PC), M2= Gratitude (GRAT) and M3 = AFFECTION was established to examine the serial multiple mediating effects of perceived competence, gratitude and customer affection between CS and the 3 CEBs - Participation (PART)/Word-of-Mouth (WOM)/ Monetary Giving (MONGIV).

Insert Figure 2 here

The serial mediation results demonstrate two distinct routes by which customer satisfaction influences CEBs (see Table 5). First, a pure "emotional route" is found where satisfaction affects gratitude, gratitude influences affection, and affection influences CEBs (CS → GRAT → AFFECTION →CEBs; see Table 5) in serial mediation (Hayes, 2013) as bootstrap CI does not contain the value 0 for the serial mediation effect on all three CEBs. Our findings demonstrate that gratitude and affection function as a causal chain, with affection fully mediating the relationships between gratitude and CEBs. Thus, a key finding is that gratitude does not influence CEBs directly; it influences CEBs via customer affection, which confirms the findings of Study 1. This is further confirmed by the results for gratitude as the mediator

between satisfaction and CEBs (CS→GRAT→CEBs; see Table 5) as none of the mediation effects is found to be significant because bootstrap CI contains the value 0 for all three CEBs.

A second "cognitive-emotional" route is also found where satisfaction affects perceived competence, perceived competence affects gratitude, gratitude affects affection, and affection affects CEBs (CS → PC → GRAT → AFFECTION →CEBs; see Table 5) in serial mediation (Hayes, 2013) as bootstrap CI does not contain the value 0 for the serial mediation effect on all three CEBs. Thus, a key finding is that perceived competence does not influence CEBs directly but via emotional mechanisms, which further confirms the findings of Study 1. This is also confirmed by the results for perceived competence as the mediator between satisfaction and CEBs (CS→PC→CEBs; see Table 5) as none of the mediation effects is significant because CI contains the value 0 for all three CEBs.

While all three mediators are found to fully mediate the effect of satisfaction on participation and monetary giving in a causal chain, these mediators are found to partially mediate the effect of satisfaction on WOM in series (see Table 5) as satisfaction is also found to directly affect WOM (0.2715; p<.001).

Insert Table 5 here
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7. General Discussion and Implications

This investigation reinforces and extends earlier work that supports the role of customer satisfaction in positively influencing beneficial outcomes (e.g., Lee *et al.,* 2018; Otto *et al.,* 2020) by providing a deeper understanding of how and why customer satisfaction benefits the service firm directly, and indirectly i.e. by benefiting its customers. While satisfaction is undeniably a catalyst for beneficial outcomes, both studies 1&2 demonstrate that customer satisfaction on its own does not substantially account for either their HCP or CEBs (except

WOM). Both emotional and cognitive mechanisms play key and unique mediating roles in translating satisfaction into desired outcomes.

While much research demonstrates benefits of customer satisfaction for the focal firm, this research advances our understanding of the novel consequences of customer satisfaction by shedding light on human capital-related outcomes that directly benefit customers. Specifically, our research extends the human capital theory (Becker, 1993) and its related body of work (Donald *et al.,* 2019; Greer *et al.,* 2017; Luo and Homburg, 2007) to an extended service encounter setting – the HE context - by empirically demonstrating that perceived competence and HCP are two key outcomes of satisfaction that benefit customers. Addressing a recent call for integrated models assessing the dynamics of competence (Ngo *et al.,* 2017), our research uncovers perceived competence as the key mediating mechanism that fully accounts for why satisfaction relates to HCP. In other words, students who are satisfied with the educational offering perform better in the labor market (as ratified in our study by high employer ratings received on their job performance and employability) because they feel more competent to fulfil employer demands (Chen *et al.,* 2018). This, in turn, benefits the institutions indirectly by improving their image in the labor market, enhancing employability prospects of future graduates, and making these institutions highly attractive to prospective students. Thus, perceived competence and HCP are unique outcomes of satisfaction that make satisfying service relationships essentially mutually beneficial in the HE context, given the accountability of the HE institutions for producing human capital excellence (UK White Paper, 2016). By empirically demonstrating how human capital-related outcomes of satisfaction benefit institutions indirectly, our study extends prior research that purports human capital attributes to benefit the focal firm (Hitt *et al.*, 2001; Ngo *et al.*, 2017).

Responding to calls for investigating potential mediating mechanisms in the relationship between customer satisfaction and CEBs (Braun *et al.,* 2016; Kumar, 2013; Kumar

and Reinartz, 2016), both studies 1&2 aid in explicating prior inconsistent findings in the CEB literature by demonstrating distinct underlying mechanisms to account for this relationship. Our research investigates three types of CEBs and demonstrates that while satisfaction influences WOM directly as well indirectly, it does not influence other CEBs (participation, monetary giving) directly. In this respect, Study 2 unravels two distinct routes by which satisfaction influences CEBs, as follows.

In line with the broaden-and-build theory of positive emotions (Fredrickson, 2004), first a purely 'emotional' route is found in which customer satisfaction and CEBs are mediated in serial by gratitude and customer affection. Our results reveal that simultaneously examining the effects of both gratitude and customer affection in the context of a single study provides a meaningful way of assessing their mediating roles and their inter-relationships as little is known about how different emotions influence customer engagement (De Oliveira Santini *et al.,* 2020). Majority of the studies on CEBs do not study both gratitude and affection (e.g., Bock *et al.,* 2016; Choi *et al.,* 2021; Fazal-e-Hasan *et al.,* 2017; Junaid *et al.,* 2020), and thus are limited in understanding the complexity of their inter-relationships. While prior research establishes a direct link between gratitude and CEBs (e.g., Bock *et al.,* 2016; Palmatier *et al.,* 2009), both studies 1&2 demonstrate that the relationship between gratitude and CEBs is rather indirect with customer affection playing the key mediating role (see Table 5). Consistent with Fazal-e-Hasan *et al.* (2017) study, we find that while gratitude may prompt a desire to reciprocate, it is not enough to evoke CEBs on its own. Rather, the specific broadening function of gratitude builds students' skills for loving and showing appreciation towards the university i.e., affection, which evokes CEBs. In other words, only when students feel affection for their university, they actively engage to help the university by making useful suggestions for service improvements, saying positive things about the university, and recommending the university to others. A novel finding is that such students are also more likely to engage in monetary terms, for instance, by

giving donations to the university or sponsoring university events. Since little is known about monetary CEBs (except for purchases), this is an important finding particularly for the HE sector as universities are often required to rely on diversified sources of funding and support from businesses and individuals for their survival (James and Casidy, 2018) amidst the declining rates of public funding for the HE institutions (Vidal and Pittz, 2019).

In line with the adapted TRA, our study sheds light on another 'cognitive - emotional' route as our findings demonstrate that the relationships between customer satisfaction and CEBs are mediated in serial by perceived competence, gratitude and affection. Since little is known about how cognitive mechanisms explain the link between customer satisfaction and CEBs, ours is perhaps the first study to identify perceived competence as the linking pin in the relationship between satisfaction and positive emotions, which, in turn, lead to CEBs. Our results support and extend prior research that suggests cognitive appraisals influence love (Long-Tolbert and Gammoh, 2012; Yim *et al.,* 2008) by empirically demonstrating that customer affection can be influenced by perceived competence directly as well as indirectly via gratitude. Thus, a novel finding of our study is that perceptions of competence not only influence customer affection but also gratitude. Since gratitude is elicited after appraisal of help received from another party (Raggio *et al.,* 2014), our findings echo the insights derived from Study 1 that students who feel competent to meet the demands of labor market are also likely to feel grateful. However, a notable implication of our findings (both Studies 1&2) is that perceived competence cannot evoke CEBs on its own. Rather, perceived competence helps to translate satisfaction into positive emotions, which ultimately drive CEBs.

Overall, our results suggest that while satisfaction may influence customers to spread positive WOM, it may not be enough for customers to actively engage in value creation activities such as participation and monetary giving. For such CEBs, both cognitive and emotional mechanisms are essential as they help to translate satisfaction into desired

engagement behaviors. As such, our research extends and contributes to the theory of engagement (Pansari and Kumar, 2017) and its related emerging body of work (e.g., Choi *et al.*, 2021; De Oliveira Santini *et al.,* 2020; Junaid *et al.*, 2020) by refining our understanding of the relationship between customer satisfaction and CEBs in the unique HE context.

7.1 Managerial implications

This investigation provides a deeper understanding of the significance of customer satisfaction by demonstrating how and why satisfied customers increase firm value beyond purchase, for instance, by being direct (through positive WOM) and indirect (through enhanced HCP) promoters, consultants (through participation) or investors (through monetary giving). However, a key implication of our research is that simply enhancing customer satisfaction on its own may not suffice as our findings suggest that satisfaction translates into beneficial outcomes (HCP and CEBs) only when satisfaction is channelled towards enhancing customer perceptions of competence. Hence, in extended service encounter contexts, where customers are expected to actively participate and co-create service value, service firms are required to proactively take steps to ensure that customers feel competent. For instance, HE institutions could ensure that skills such as communication, time management, team working, and applying information technology are embedded in the curricula, and are consistently developed by carefully designing authentic assessments (James and Casidy, 2018). Universities could also develop macro and micro feedback mechanisms to enhance student's self-perception of employability (see Griffiths *et al.,* 2018) along with providing opportunities for work-based training and experience. Human capital-related outcomes of satisfaction thus hold great potential in extended service encounter contexts as they not only provide service firms with a source of underlying competitive advantage, but essentially make satisfactory service relationships mutually beneficial.

Another implication of our study is that emotional mechanisms drive CEBs. As such, it is important to identify the customer segment that is not only satisfied but is also grateful, and more importantly, feels affection towards the firm as our findings reveal that customer affection is a key driver of CEBs. For instance, Customer Engagement Matrix by Pansari and Kumar (2017) could be applied in HE institutions to segment students into engagement-focused (high satisfaction – high positive emotions), value-focused (high satisfaction – low positive emotions), altruistic focused (low satisfaction – high positive emotions) and 'fill in need' focused (low satisfaction – low positive emotions) segments. The engagement-focused student segment could be classified as 'key accounts', and this segment should be the prime target of relationship management activities. First, opportunities must be given to students and alumni to express their affection, in order to gauge who is likely to develop a strong relational bond with the university. This can be achieved by monitoring student activities on social media. For instance, student reactions to university posts such as likes, hearts, positive emoticons, as well as positive comments may be tracked in a database. Periodic or end of term surveys could also assist in assessing affection levels. Second, it may be useful to offer a portfolio of engagement opportunities to 'key accounts' segment. For instance, while some students may enjoy giving back in terms of their time, others may prefer 'giving back' money. Finally, relationship marketing strategies (e.g., inviting alumni to exclusive events, honoring them, supporting them in their professional endeavors) should be regularly practised to strengthen the emotional bonds further. By maintaining frequent and meaningful contacts, customers' affection and their subsequent desire to reciprocate and invest in the firm may be sustained over the years. Overall, our research suggests that managers need to shift their focus from pure satisfaction management to an overall relationship management and partnership building strategy to nurture customers' affectionate ties with the service firms.

8. *Limitations and future research*

This study is not without limitations. The study focuses on the HE context, which may restrict generalizability of results. The conceptual model should be replicated in comparable industries, ideally relational services with extended service encounters (such as legal, hairdressing, fitness, health care), where customer perceived competence may play a key role in translating satisfaction into desirable outcomes (Ouschan *et al.,* 2000) because in these services co-production effort from customers require development of competences and sustained levels of motivation (Temerak, *et al.,* 2018). In this study, while customer competence was construed as student perceived employability, which is specific to the HE context, the concept of customer competence could be further explored in other contexts (Canziani, 1997). For instance, in a health care context, perceived competence could be the ability of patients to stay physically and mentally fit or to monitor, track and regulate one's diet and health (also see Temerak *et al.*, 2018), especially in the case of chronic illnesses (Ouschan *et al.,* 2006). In this respect, new scales could be developed for perceived competence that may be context-specific. It may also be useful to study HCP as an outcome of satisfaction in different relational contexts. For instance, in a health care context, patient's performance in terms of his/her improved mental as well as physical health and well-being could be an indirect benefit to the clinic (and society).

The model could be tested further by incorporating other outcomes of satisfaction that directly or indirectly benefit the firm. In this respect, customer value co-creation activities such as customer adherence (Temerak *et al.*, 2018) or customer compliance with basic requirements (Sweeney *et al.*, 2015) could be considered. In future, research may also study the different monetary CEBs separately to develop a fine-grained understanding of the distinct drivers of each monetary CEB such as donations, scholarships or sponsorships. A deeper understanding of the human capital-related outcomes of customer satisfaction, such as investigating the underlying mechanisms in the relationship between customer perceived competence and HCP,

could also be developed. For instance, interpersonal trust between customer and service provider (Mangus *et al.*, 2020) (e.g., trust between patient and health care provider; between client and solicitor) may matter in translating customers' perceptions of competence into their HCP. Also, customer self-efficacy may regulate the link as customers with high self-efficacy believe in their capabilities and cope well with difficult situations (McKee *et al.*, 2006), such as chronic illnesses (Ouschan *et al.*, 2006).

While customer satisfaction was found to be the key predictor variable for gratitude and affection, there may be other antecedents that go beyond the satisfactory provision of the core service (e.g., personal support, preferential treatment, social connection), which need further exploration (Cavanaugh *et al.,* 2015; Palmatier *et al.,* 2009). Also, other positive emotions, such as empathy or compassion for other customers, might broaden the action repertoire of students in a different way (see Cavanaugh *et al.,* 2015; Fredrickson, 2004). Further, how negative emotions such as regret, shame or hate may influence CEBs in relational services requires empirical investigation. For instance, research suggests that negative emotions may lead to vindictive behaviors such as negative word-of-mouth and customers joining anti-brand communities, which can destroy the image and reputation of a firm/brand (Brandão and Popoli, 2022). In a health care context, patients may also feel other negative emotions such as anxiety, depression and a loss of control (Kim, 2019), which may adversely affect their engagement behaviors. While different components of customer affection were integrated into the study, additional work is still needed to uncover the differential effects of these components and their relative roles in various service settings. For instance, it may be interesting to study how passion, intimacy and commitment may influence CEBs in other contexts such as legal, health care or professional hair salon contexts (also see Yim *et al.*, 2008). In this respect, the moderating influence of customer engagement dispositions (Sim *et al.,* 2022) could also be

explored as customer's predisposition to engage in behaviors that benefit service firms may regulate how customer affection translates into CEBs.

This study faces another limitation stemming from its cross-sectional research design. Future studies should apply a longitudinal design. For instance, feelings such as passion can fade over time (Bügel *et al.,* 2011) or intimacy can be challenged (Yim *et al.*, 2008). With a longitudinal research design, relational changes and emotion duration (e.g., does gratitude last beyond when a supportive behavior has been performed?) could be assessed. Furthermore, in this study, current students were asked about their future actions in terms of CEBs. Hence, a longitudinal study design may help to assess their actual engagement behaviors, especially monetary giving. In this respect, results can also be strengthened by measuring CEBs via secondary source data, such as records on monetary contributions and/or feedback received from customers.

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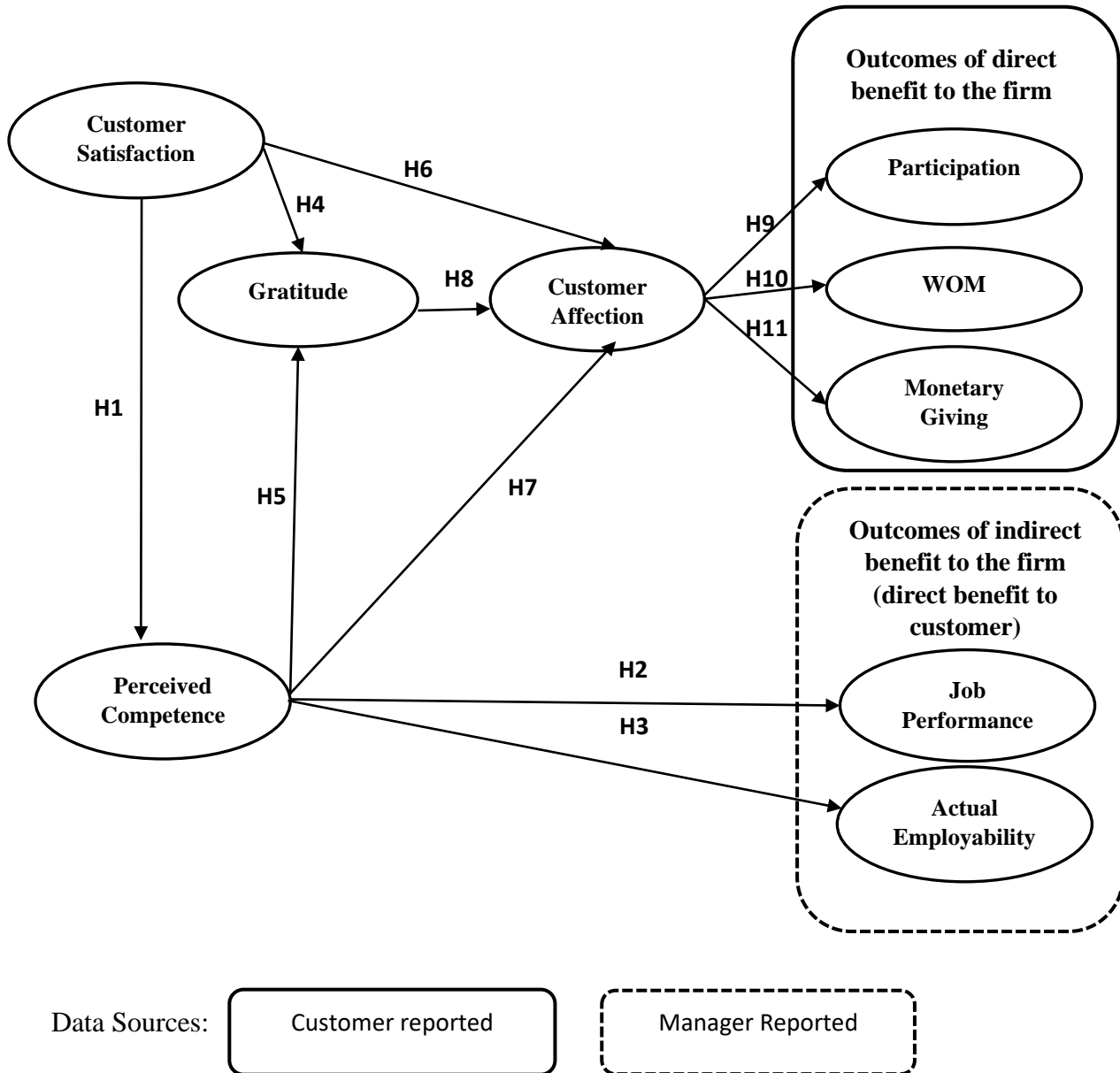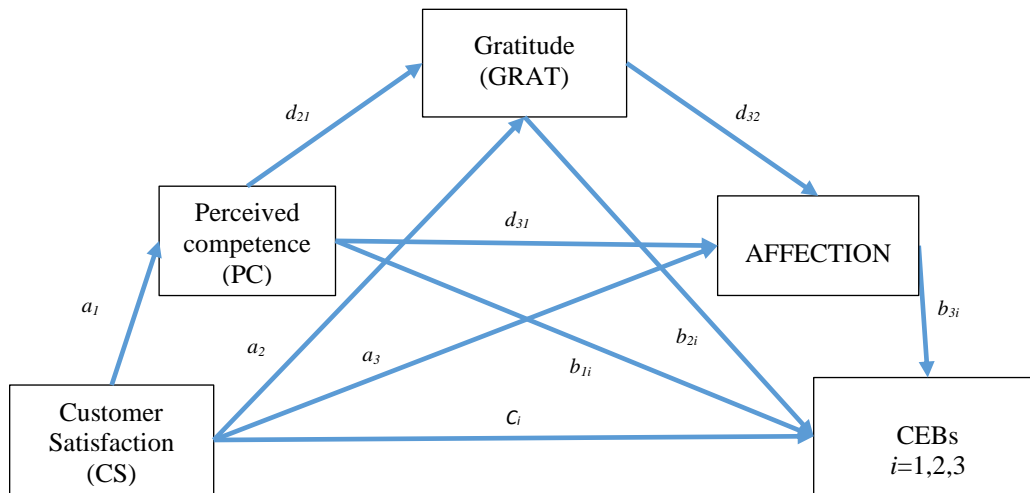
Figure 1. The conceptual framework

Figure 2. Serial mediation effects of Customer Satisfaction on CEBs

(Note: i=1,2,3; 1=PART; 2=WOM; 3=MONGIV)

Table 1. Overview of select studies on CEBs in the literature

Author(s) (Year)	Nature of the study	Types of CEBs	CEB Antecedents	Mediators/Moderators	CEB Consequences
Van Doorn *et al.* (2010)	Conceptual	CEBs (e.g., blogging, WOM, feedback, recommendations, referrals, helping other customers, writing reviews, making suggestions for improvement or new product ideas) CEB Dimensions - Valence; Form/modality; Scope; Nature of impact; Customer goals	Customer-Based: Satisfaction; Trust/commitment; Identity; Consumption goals; Resources; Perceived costs/benefits Firm-Based: Brand characteristics; Firm reputation; Firm size; Firm information usage and process; Industry Context-Based: Competitive factors; PEST (political, economic, social, technological)	-	Customer: Cognitive; Attitudinal; Emotional; Physical; Identity Firm: Financial; Reputational; Regulatory; Competitive; Employee; Product Others: Consumer welfare; Economic surplus; Social surplus; Regulation; Cross-brand; Cross-customer
Verhoef *et al.* (2010)	Conceptual	Customer-to-customer interactions (WOM); Co-creation; Blogging	Customer characteristics; Firm initiatives; Environment (i.e., competition, economic climate); Firm Strategies	Moderators: Firm Strategies (CRM/ Customer intelligence; Channel; Media)	Customer retention; CLV; Customer equity; New product performance; Firm value
Verleye *et al.* (2014)	Empirical	WOM; Feedback; Compliance; Cooperation; Helping other customers	Overall service quality; Organizational support; Organizational socialisation; Support from other customers	Mediators: Customer affect; Customer role readiness	-

		Augmenting; Co-developing; Influencing; Mobilizing behavior	Access; Ceding control; Ownership; Need for improvement; Relationship and communication; Support		
Jaakkola and Alexander (2014)	Empirical	Augmenting; Co-developing; Influencing; Mobilizing behavior	Access; Ceding control; Ownership; Need for improvement; Relationship and communication; Support	-	Value co-creation (value outcomes)
Braun *et al.* (2016)	Empirical	Value creation focused CEBs (e.g., Suggestions for improvements/new product ideas, complaining, participation); Customer-to-customer interaction focused (e.g., WOM, informing other customers, acting as consultant for other customers); Online focused (e.g., Liking, online recommendations)	-	-	Benefits (Social, Relationship, Autonomous, Economic, Altruistic, Self-fulfilment)
Kumar and Pansari (2016)	Empirical	Purchases; Incentivized Referrals; Social Influence; Knowledge sharing	Employee engagement	Moderators: Employee Empowerment, B2B vs B2C; Service vs Manufacturing	Firm performance
Pansari and Kumar (2017)	Conceptual	Influencing; Referring; Feedback; Buying	Satisfaction; Emotions	Moderators: Convenience; Type of firm; Nature of Industry; Level of Involvement; Brand Value	Tangible (Firm performance); Intangible (Opt-in; Privacy sharing; Relevant marketing)

Beckers *et al.* (2018)	Empirical	WOM initiative Voice initiative Co-creation initiative (included for robustness check)	-	Moderators: Type of initiative; Social media; Competitive intensity; Advertising intensity; Customer satisfaction; Corporate reputation; Market turbulence	Abnormal stock return
Prentice and Loureiro (2018)	Empirical	Customer purchases; Customer referrals; Customer influence; Customer knowledge	Desire and social value	-	Subjective well-being
Roy *et al.* (2018)	Empirical	Co-developing behavior; Influencing behavior; Augmenting behavior; Mobilizing behavior	Perceived fairness	Mediators: Cognitive trust; Affective trust; Value-in-use Moderator: Culture (Countries with Individualist vs Collectivist values)	-
Bergel *et al.* (2019)	Empirical	Customer referral behavior; Purchase behavior; Influencer behavior; Knowledge behavior	Satisfaction	-	Affective attitude; Price perception; Loyalty
Carlson *et al.* (2019)	Empirical	Purchase behavior; Feedback; Influence; Brand page continuance intention	Value in the brand page experience (Functional, socialisation, emotional, innovativeness, relationship building values)	Mediator: Customer satisfaction	-
Kumar *et al.* (2019)	Empirical	Customer engagement in service (CES): direct contributions	Firm related factors (Interaction orientation and omnichannel model)	Mediators: Service Experience;	-

		(i.e., customer purchases); indirect contributions (i.e., customer referrals, customers' online influence, and customer feedback) to the firm		Satisfaction; Emotional attachment Moderators: Offering-related; Enabler-related; Value-related; Market-related (factors); Type of firm; Convenience; Level of involvement; Brand value; Perceived variation in service experience	
Prentice *et al.* (2019)	Empirical	Purchase; Referrals; Influence; Knowledge engagement	Brand experience	Mediator: Brand love Moderator: Service quality	-
Itani *et al.* (2020)	Empirical	Customer referrals, Customer social influence; Customer knowledge sharing	Extraversion	Mediators: Customer-employee interaction; Utilitarian value; Hedonic Value Moderator: Relationship duration	-
Junaid *et al.* (2020)	Empirical	Buying; Referrals; Influence; Feedback	Brand love	Moderator: Duration of usage	Consumer wellbeing
Roy *et al.* (2020)	Empirical	Service Improvement; Customer cooperation; WOM; Helping other customers	Store brand equity; Store ambience; Store design; Information richness; Employee responsiveness	Mediator: Service convenience	-
Zhang *et al.* (2020)	Empirical	Online rating; Online review; Online blogging; Online C2C interaction	Customer Value (functional, emotional, social, epistemic)	-	-

Bozkurt *et al.* (2021)	Empirical	Customer purchases; Referrals; Influence; Knowledge	Perceived social media interactivity	Moderators: Brand type; Platform type	-
Choi *et al.* (2021)	Empirical	Purchase; Referrals; Influence; Knowledge	Customer-based corporate reputation (CBR)	Mediators: Customer identification; Brand love Moderators: Industry type (product vs service)	-
Li and Han (2021)	Empirical	Augmenting; Co-developing; Influencing; Mobilizing behaviors	Goals (Gratifying-the-self; Enabling-the-self; Enriching-the-self)	Mediator: Emotional attachment	-
Perez-Vega *et al.* (2021)	Conceptual	Online CEBs: Customer initiated engagement (social media activity); Firm initiated engagement (feedback forms); Collaborative and passive engagement (exiting CRM databases)	-	-	AI-enabled information processing system; Real time customer insights; Automated firm response; Manual firm response
Zhang *et al.* (2021)	Empirical	Customer feedback behavior; Mobilizing behavior; Cross-buying behavior	-	Moderators: Service failure; Service customization	Action Loyalty (frequency of stay)
This study	Empirical	WOM; Participation; Monetary giving	Customer satisfaction	Mediators: Perceived competence; Gratitude; Customer affection	-

Table 2. Measurement Properties

Constructs and Items	λ
Customer satisfaction (α=0.923; CR=0.926; AVE=0.759)	
Overall, I am satisfied with the service I have received at my university	0.873
Overall, I am satisfied with the student experience at my university	0.902
Overall, I am happy with the service I have received at my university	0.910
Overall, I am delighted with the service I have received at my university	0.796
Perceived competence (α=0.845; CR=0.815; AVE=0.537)	
The skills and abilities that I possess due to my studies are what employers are looking for	0.757
I feel I could get any job as my skills and competences acquired at my university are reasonably relevant.	0.879
My university makes me confident of success in job interviews and selection events	0.777
Gratitude (α=0.967; CR=0.967; AVE=0.908)	
I feel grateful to my university	0.958
I feel thankful to my university	0.960
I feel appreciative to my university	0.942
Customer Affection[3] (2nd order factor of Passion; Intimacy; Commitment; CR=0.958; AVE=0.883)	
Passion (α=0.905; CR=0.904; AVE=0.708)	
I do not get bored with going to my university	0.821
I find myself thinking about going to my university	0.809
Every time I am looking forward to going to my university	0.849
I adore my university	0.870
Intimacy (α=0.912; CR=0.914; AVE=0.730)	
I feel emotionally close to my university	0.808
I enjoy the experience at my university	0.816
I have a warm and comfortable feeling when visiting my university	0.888
I experience great happiness when I am at my university	0.894
Commitment (α=0.952; CR=0.952; AVE=0.769)	
I care about maintaining my relationship with my university	0.856
I have decided that this is my university	0.865
I could not let anything get in the way of my commitment to my university	0.840
I really care about my university and its future	0.878
I feel a strong sense of belonging to my university	0.914
I would describe myself as a loyal supporter of my university	0.906
Participation (α=0.937; CR=0.937; AVE=0.787)	
After graduating I would let my university know of ways that could better serve my needs	0.871
After graduating I would make suggestions to my university as to how their service could be improved	0.902
After graduating I would contribute ideas to my university that could improve their service	0.857
After graduating I would share my opinions with my university if I felt they might be of benefit to the university	0.918
Word-Of-Mouth (WOM) (α=0.922; CR=0.902; AVE=0.798)	
After graduating I would recommend my university to others	0.894
After graduating I would recommend my course at my university to others	0.938
After graduating I would say positive things about my university	0.846
Monetary giving (α=0.936; CR=0.938; AVE=0.835)	
After graduating I would give monetary contributions	0.941
After graduating I would give donations to my university	0.957

[3]As regards Customer Affection, the factor loadings were 0.927 for Passion, 0.957 for Intimacy and 0.935 for Commitment. All three loadings were significant.

After graduating I would sponsor events of my university	0.839
Job performance (α=0.945; CR=0.946; AVE=0.853)	
The quality of the work of the placement student was satisfactory	0.888
The quantity of work of the placement student was satisfactory	0.950
The overall performance of the placement student was satisfactory	0.931
Actual employability (α=0.797; CR=0.809; AVE=0.590)	
The placement student has acquired competences through his/her studies that are sought after in the labor market	0.781
The skills and abilities that the placement student possesses due to his/her studies are what employers are looking for	0.874
I know of organizations/companies where the placement student could get a job based on his/her studies	0.630

Note: α= Cronbach's alpha; AVE= Average Variance Extracted; CR= Composite Reliability.

Table 3. Means, standard deviations, and correlations

Variables	M	SD	1	2	3	4	5	6	7	8	9
1. Customer satisfaction	4.03	.86	1								
2. Perceived competence	3.94	.83	.561**	1							
3. Gratitude	4.03	1.03	.723**	.611**	1						
4. Customer Affection	3.64	.92	.689**	.599**	.744**	1					
5. Participation	3.94	.85	.262**	.346**	.343**	.398**	1				
6. WOM	4.20	.84	.704**	.558**	.692**	.748**	.421**	1			
7. Monetary giving	2.62	1.21	.445**	.401**	.483**	.609**	.370**	.484**	1		
8. Job performance	4.44	.73	.053	.132	.070	.054	.119	.112	.050	1	
9. Actual employability	4.28	.67	.095	.145*	.039	.128	.155*	.161*	.161*	.675**	1

Note: N=209;**Correlation is significant at the 0.01 level (2-tailed); *Correlation is significant at the 0.05 level (2-tailed).

Table 4. Hypotheses testing results

	Hypotheses Testing	Unstandardized parameter estimates	Standardized parameter estimates	t-values
H1	Customer Satisfaction → Perceived Competence	0.522	0.636	8.222
H2	Perceived Competence → Job Performance	0.191	0.179	2.346
H3	Perceived Competence → Employability	0.151	0.220	2.709
H4	Customer Satisfaction → Gratitude	0.666	0.544	7.784
H5	Perceived Competence → Gratitude	0.490	0.328	4.559
H6	Customer Satisfaction → Customer Affection	0.268	0.280	3.748
H7	Perceived Competence → Customer Affection	0.275	0.235	3.324
H8	Gratitude → Customer Affection	0.343	0.438	5.614
H9	Customer Affection → Participation	0.851	0.848	13.019
H10	Customer Affection → Word-of-mouth (WOM)	0.468	0.456	6.349
H11	Customer Affection → Monetary Giving	0.941	0.635	9.530

Chi-square = 1432.43 (df = 766) p = 0.00; x2/df = 1.87; RMSEA = 0.066; CFI = 0.976; NNFI = 0.975; PNFI = 0.892; Critical t-value (one-tailed): +/- 1.645

Table 5. Multiple serial mediation effects

Multiple Serial Mediation Testing	Effect	SE	LLCI	ULCI
Total direct effect: Customer Satisfaction (CS)--> Participation (PART) (t=-1.1095;p=0.2685)	-.1069	.0964	-.2969	.0831
Total indirect effect	.3644	.0821	.2100	.5321
Indirect effect 1: CS -> PC -> PART	.0936	.0547	-.0069	.2092
Indirect effect 2: CS -> PC -> GRAT -> PART	.0156	.0203	-.0201	.0633
Indirect effect 3: CS -> PC -> AFFECT -> PART	.0296	.0155	.0079	.0731
Indirect effect 4: CS -> PC -> GRAT -> AFFECT-> PART	.0218	.0121	.0071	.0578
Indirect effect 5: CS -> GRAT -> PART	.0515	.0655	-.0738	.1896
Indirect effect 6: CS -> GRAT -> AFFECT -> PART	.0721	.0303	.0270	.1493
Indirect effect 7: CS -> AFFECT -> PART	.0803	.0345	.0285	.1671
Total direct effect: Customer Satisfaction (CS) --> Word-of-Mouth (WOM) (t=4.3115;p=0.000)	.2715	.0630	.1473	.3956
Total indirect effect	.4102	.0545	.3158	.5310
Indirect effect 1: CS -> PC -> WOM	.0378	.0388	-.0376	.1172
Indirect effect 2: CS-> PC-> GRAT -> WOM	.0238	.0149	.0011	.0617
Indirect effect 3: CS-> PC-> AFFECT -> WOM	.0393	.0193	.0098	.0865
Indirect effect 4: CS-> PC-> GRAT -> AFFECT -> WOM	.0289	.0112	.0129	.0587
Indirect effect 5: CS-> GRAT -> WOM	.0786	.0461	-.0053	.1781
Indirect effect 6: CS-> GRAT -> AFFECT -> WOM	.0955	.0296	.0488	.1693
Indirect effect 7: CS-> AFFECT -> WOM	.1064	.0322	.0527	.1828
Total direct effect: Customer Satisfaction (CS) --> Monetary Giving (MONGIV) (t=0.2517;p=0.8016)	.0301	.1197	-.2059	.2662
Total indirect effect	.5919	.0911	.4199	.7837
Indirect effect 1: CS -> PC -> MONGIV	.0319	.0526	-.0757	.1332
Indirect effect 2: CS-> PC-> GRAT -> MONGIV	.0097	.0216	-.0313	.0569
Indirect effect 3: CS-> PC-> AFFECT -> MONGIV	.0754	.0358	.0183	.1644
Indirect effect 4:CS->PC->GRAT->AFFECT->MONGIV	.0554	.0213	.0238	.1118
Indirect effect 5: CS-> GRAT -> MONGIV	.0320	.0698	-.1136	.1645
Indirect effect 6: CS-> GRAT -> AFFECT -> MONGIV	.1833	.0482	.1067	.3018
Indirect effect 7: CS-> AFFECT-> MONGIV	.2042	.0617	.0959	.3352

N = 209; Bias-corrected Bootstrap 95% confidence intervals (CI); bias corrected BI=5000

[Note] abbreviations used: Customer Satisfaction (CS); Perceived Competence (PC); Participation (PART); Gratitude (GRAT); Customer Affection (AFFECT); Word-of-Mouth (WOM); Monetary Giving (MONGIV)