

Members' Participation in Service Co-Creation: The Mediating Effect of Satisfaction towards Loyalty

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Abstract

Although there are a number of studies related to value co-creation behaviour in service marketing literatures, there are still gaps to support the relational aspects of co-creation in marketing concepts. Thus, a mediational model that links members' participation to service loyalty via member satisfaction is proposed. The present study adopted Service Dominant (S-D) Logic and Social Exchange Theory as an underpinning basis to develop the research framework of this study. A total of 395 questionnaires were collected via purposive sampling approach. The result from variance-based structural equation modelling indicates that members' satisfaction significantly mediates the relationship between members' participation on loyalty. This study contributes to the research and management practice on the importance of members' participation by delving into its effect on satisfaction and loyalty in credit cooperatives in Sarawak and developing economy.

Keywords: Members' Participation; Value Co-creation; Satisfaction; Loyalty; Cooperative

Introduction

Recently there are several numbers of research on member participation behaviour that continuously grows in the service marketing literatures. Member participation behaviour is an important determinant in the value creation process. Studies since Parahalad and Ramaswamy (2000) and Vargo and Lusch (2004) evidenced a change in the marketing philosophy implying the member's active participation in value creation. Yi, Natarajan and Gong (2011) refer member participation behaviour as a behaviour that the member embraces during the service encounter which is seen as necessary to reach a suitable performance in the value creation process. In the service sector, member participation is considered as the most essential component of the service production process which can benefit both members and firms. Participation behaviour is a form of behaviour that is necessary for a successful service creation. The firms in which the members actively participated are more likely to create personalised offers (Firat, Dholakia & Venkatesh, 1995). Besides that, being participative, members can bring them closer to firm's pursuit of long-term and profitable relationships (Bendapundi & Leone, 2003; Payne, Storbacka, Frow & Knox, 2009).

Member participation can also be considered as behavioural concept in which the member prefers to play an active role in service rather than passive (Hsu & Chen, 2014). This is related to co-opting with member's competency. According to Prahalad and Ramaswamy (2000), the shifting roles of the member from passive audience to active co-creators of experience will help the firms to gain a competitive advantage by leveraging their member's competence. In a cooperative context, members as a member of cooperatives play an important role to ensure the co-creation of value can be strategized. On the other hand, it will help both cooperative and member as in a cooperative setting, the cooperative's business as a service provider is owned by their respective members. Therefore, it requires active participation among members in the service delivery and also more extra roles in economic and social activity in cooperatives.

As a members' based organisation, members of a cooperative are expected to play significant roles in the service co-creation. As a dimension of co-creation, it is suggested the relational aspects on future intention should be studied further (Yi & Gong, 2013). Study shows that trust, commitment, and satisfaction are related to future intention (Ulaga & Eggert, 2006). This kind of relationship exchange offers quality and value which is rewarded with members' commitment and loyalty toward the firm (Balaji, 2014). Satisfaction among members of a cooperative is a major issue to be addressed that can lead to their loyalty. Participation behaviour can reinforce member satisfaction and can provide them with the benefits they seek. In addition, member loyalty is one of the intangible assets for the organisation and becoming a source of competitive advantage. Despite, there is an extreme lack of study done in the cooperative context to date to understand member participation behaviours towards satisfaction and loyalty. Despite its important roles, the service marketing literatures gives limited attention on the area of member participation behaviour. A study by Revilla-Camacho, Vega-Vazquez & Cossio-Silva (2015) proposed that various intermediaries or mediators probably exist in the relationship between value co-creation behaviour and loyalty such as the degree of experience with the service, trust, and the level of satisfaction.

This paper examines the relationship between members' participation behaviour among credit cooperative members towards satisfaction and loyalty. Satisfaction is incorporated in the model as a mediator to assess its effect on the relationship between participation behaviour and loyalty. By examining participation behaviour in a relationship perspective, this work will provide a more extensive and comprehensive understanding of members' in-role behaviour in service co-creation in a credit cooperative setting. The flow of this paper is organised as follows. A review of literatures on member participation behaviour and its relationship on satisfaction and loyalty is outlined. Thereafter, we present the framework of the study. Next, methodology and report of the findings are explained. Lastly, discussion and conclusions are presented at the end of the paper.

Literature Review

Member Participation in Value Co-creation

Member participation is defined as “the degree to which member is involved in producing and delivering the service” (Dabholkar, 1990, p.484). It involves all forms of member involvement and engagement in the value creation process (Dong, Evan & Zou, 2008). Early research identifies two types of member value co-creation behaviour: member participation behaviour, which refers to requires (in-role) behaviour necessary for successful value co-creation, and member citizenship behaviour, which is voluntary (extra-role) behaviour that provides extraordinary value to the firm but it is not necessarily required for value co-creation (Groth, 2005; Yi & Gong, 2008; Bove, Pervan, Beatty & Shiu, 2009; Yi, Natarajan & Gong, 2011). This particular study uses member participation behaviour in narrow sense, which includes only required behaviour necessary for the successful service creation. This is considered necessary to attain an appropriate performance in the value creation. According to Yi & Gong (2013), member participation dimension is made up of four factors namely; information seeking, information sharing, responsible behaviour, and personal interaction.

Member seeks information to clarify service requirements and satisfy other cognitive needs (Kellogg, Youngdahl & Bowen, 1997). They want the information about service status and service parameters. Members need information about how to perform their tasks as value co-creators as well as what they are expected to perform during a service encounter. For successful value co-creation, members should provide resources such as information for use in value co-creation processes (Lengnick-Hall, 1996). If members do not provide essential information, employees cannot even begin or perform their duties. Through sharing information with employees, member can ensure that employees provide the service that meets their particular needs (Ennew & Binks, 1999). Responsible behaviour occurs when members recognises their duties and responsibilities as partial employees (Ennew & Binks, 1999). For successful value co-creation between themselves and employees, members need to be cooperative, observing rules and policies and accepting direction from employees (Bettencourt, 1997). Personal interaction refers to interpersonal relations between members and employees, which are necessary for successful value co-creation (Ennew & Binks, 1999). Kelley, Donnelly and Skinner (1990) used the term of “member functional quality” to clarify the interaction between members and

employees, which includes interactional aspects such as courtesy, friendliness, and respect.

Member Participation, Satisfaction and Loyalty

Member participation in the creation of goods and services seems to be escalated where the past study has scrutinised and examined the effects of member participation on satisfaction (Bendapudi & Leone, 2003). It can be considered that member participation is a complex and multifaceted construct as it involves member participation behaviour towards goods or services in the value creation process through the production and delivery of a service. According to Prahalad and Ramaswamy (2004), member participation implies the joint value creation between the service providers and the members. Hence, research on member participation is vital to the cooperative context as it assists in building a long-term commercial relationship between both parties.

Empirical studies revealed significant relationship between member participation and member satisfaction (Czepiel, 1990; Van Raaij & Pruyn, 1998; Wind & Rangaswamy, 2000). Member participation could enhance their productivity, service quality, and satisfaction (Kelley, Donnelly & Skinner, 1990; Bitner, Faranda, Hubbert & Zeithaml, 1997). When members take part actively in the service delivery, organisational socialisation increases correspondingly, leading to a higher perceived service quality and enhanced member delight (Claycomb, Lengnick-Hall & Inks, 2001). Besides, member participation enables the discovery of opportunities to establish relationships that enhance customer loyalty and decrease the likelihood of customers switching intention (Revilla-Camacho, Vega-Vázquez, & Cossó-Silva, 2015).

Satisfaction can be described as a general feeling of human being that can be directly assessed by comparing goods and services with individual's ideal standards (Fornell, 1992). Moreover, the consumers might feel satisfied with goods and services provided by the companies at first by their views that will change after evaluating and comparing them with consumer's actual expectations (Hsu & Chen, 2014). In service literature, satisfaction represents an assessment to which the supplier could satisfy or surpass the customers' expectations (Levy & Weitz, 2007; Kursunluoglu, 2011). Moreover, customer loyalty remains an important strategic objective for organization. Oliver (1997, p.392) defined customer loyalty as a "deeply held commitment to rebuy or re-patronize a preferred product or service consistently in the future, despite situational influences and marketing efforts having the potential to cause switching behavior". A considerable amount of service management literature has evidenced the link between customer satisfaction and customer loyalty (Chen, 2012; Kumar et al., 2013). Although, there are variety of factors show up as possible drivers of loyalty, but customer satisfaction remains the predominant one (e.g. Anderson & Sullivan, 1993; Szymanski & Henard, 2001; Chandrashekar et al., 2007). Logically, when the organisation has identified their member's needs and satisfaction, it will lead to member retention with the company (Jani & Han, 2015). For most service firms today, attaining member satisfaction is their primary target. Satisfaction often plays as intervening role in the relationship between member's perceptions of service quality and behavioural intentions (Cronin, Brady & Hult, 2000). A study suggested that member satisfaction is a mediating mechanism, through which automated service quality dimension operate concerning their impact on bank's financial performance

(Al-Hawari & Ward, 2006). Therefore, member participation, satisfaction and loyalty are proposed as three main factors that need to be examined in cooperative context to provide guidance for service provider in developing a sustainable relationship among their member.

Apart from that, the mediating effect of satisfaction has been tested in several contexts. For instance, Martenson (2007) studied the influence of corporate store image on customer satisfaction and store loyalty in grocery retailing and found that satisfied customers are more loyal to the grocery store as compare to customers with less satisfaction. Relatively, Bloemer et al., (1998) and Lai et al., (2009) found that satisfaction showed an indirect effect on perceived service quality and loyalty in retail bank setting. Hence, it will be interesting to examine the mediating effect of satisfaction between the relationship of members' participation and loyalty in cooperative service context.

Underlying Theories

Service Dominant Logic (S-D Logic)

Value co-creation is one of the cornerstones of the Service Dominant (S-D) Logic (Vargo & Lusch, 2010). Value co-creation in the service research has been introduced to explain a new paradigm that characterises the interaction as depicted by the beginning of the service tendered by the exchange between producers and members that make up the experience of the service. The focus of value co-creation is important for the organisation to survive in the competition, getting the acceptance from the society and able to achieve its mission (Yi & Gong, 2013). In seeking new ways to create co-creation value, current marketing developments, such as the service-dominant logic (S-D logic), may turn out to be especially useful. S-D logic outlines that value results from the beneficial application of operant resources, which are sometimes transmitted through operand resources or goods (Vargo & Lusch, 2004). The theory holds that the value of a good or a service does not exist per se but is a function of how customers perceive the contextual experiences that exist within the good or service (Woodruff & Flint, 2006). Under the fundamental premise of this theory, it is stated that member is always a co-creator of the value and this implies value creation is interactional between the actors. Value co-creation evolves as one of the most important concepts in the marketing literature that incorporate of individual judgment from tangible and intangible resources (Vargo & Lusch, 2004). In fact, value co-creation can favour on customer satisfaction, customer loyalty and subsequently on business results (Guenzi & Troilo, 2007; Cedric Hsi-Jui, 2011; Dabholkar & Sheng, 2012).

Social Exchange Theory

Social exchange theory suggests that social behaviour is the consequence of the exchange process. The central idea of this theory is that both parties enter into and maintain exchange relationships with others with the expectation that, by exercising so, they will be rewarding (Blau, 1986). In more detail, the social exchange model refers the condition that organisation and people interact to maximise their rewards or benefits and minimise their costs (Salam, Rao & Pegels, 1998). Grounded on this idea, satisfaction and loyalty is an outcome of value co-creation. Moreover, member

participation can generate values to both member and organisation (Auh, Bell, McLeod & Shih, 2007) through satisfaction and productivity (Chan, Yim & Lam, 2010). The implications of this social exchange relationships happens when the member satisfy with the service provided or they feel they received treatments beyond their expectation, thus, they are more likely to reciprocate by engaging into participation behaviour that may benefit the organisation and the employee as a whole. Further, social exchange theory is particularly applicable to explain the relationship between satisfaction and loyalty (e.g., Lee et al., 2014; Park et al., 2017). When consumers are satisfied with the organization, they are more likely to form continuous and affective commitment towards the organization.

Conceptual Framework and Hypotheses Development

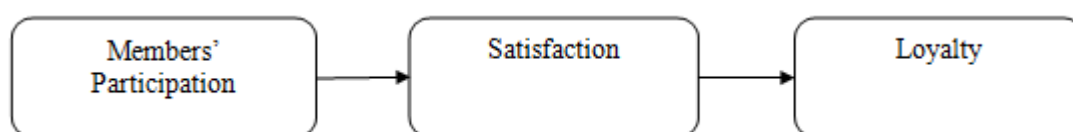


Figure 1: Research Model

The conceptual framework of this research is illustrated in Figure 1. Conceptual framework adapted in this study is developed by Yi & Gong (2013), Levesque & McDougall (1996) and Sudhahar, Israel, Britto & Selvam (2006). This model states that member participation as a value co-creation behaviour dimension that leads to satisfaction and loyalty. Using Service Dominant (S-D) Logic Theory and Social Exchange Theory as the underpinning basis, three hypotheses are formulated to address the research problems and objectives. The hypotheses are formulated as follows:

- H1 Members' participation has positive effect on loyalty.
- H2 Members' participation has positive effect on satisfaction.
- H3 Satisfaction has positive effect on loyalty.
- H4 Satisfaction mediates the relationship between members' participation and loyalty.

Methodology

This study tested the hypothesised model by surveying credit cooperative members in Sarawak who have been using credit and service facilities offered. Respondents consisted of credit cooperative members in Sarawak, East Malaysia. The credit cooperative industry was selected in this study due to several reasons. First, the advancement in Malaysian economy especially in the financial service sector where the roles of credit cooperative movement is being recognised as a contributor to the socio economic development that can help to bring significant transformation to the country (National Cooperative Policy, 2010). Secondly, realizing the critical roles of members in a cooperative which was argued in terms of their co-creation behaviours towards their cooperative representing as a member (Yusman, Jati & Hiram, 2016).

Consequently, research on co-creation behaviours among credit cooperative members is an important aspect to be studied as to determine the cooperative success.

This study adopted quantitative approach using self-administered questionnaire. To ensure the usability of the questionnaire, a pre-test procedure was carried out (Hunt, Sparkman & Wilcox, 1982). The questionnaire was prepared both in English and Malay language. Following the pretest of the questionnaire with a group of cooperative members, the final version of the questionnaire to a purposive sample of approximately 500 credit cooperative members. All constructs were measured using seven-point Likert-Type Scale ranged from 1= 'strongly disagree' to 7= 'strongly agree'. To enhance the understanding among respondents and to suit into the context of credit cooperative industry, the measurement items were reworded and rephrased. All the statements measuring members' participation behaviour, satisfaction and loyalty were adapted from the past literature (Levesque & McDougall, 1996; Sudhahar et al., 2006; Yi & Gong, 2013). The measure of members' participation consisted of four latent constructs as proposed by Yi and Gong (2013) which were (1) Information Seeking, (2) Information Sharing, (3) Responsible Behaviour, and (4) Personal Interaction. The key variables were measured using multiple statements as to ensure greater degrees of freedom when partitioning the data into groups. This also allows measurement of error adjustments, as to increase the reliability and predictive validity (Hair, Hult, Ringle & Sarstedt, 2014). As suggested by Podsakoff, MacKenzie, Lee & Podsakoff (2003), common method bias was assessed using both procedural and statistical approach. A post hoc Harman single-factor was performed after the data collection to address the potential concerns of common method bias arising from the measurement model.

By using G-Power Analysis software, with the effect size of f^2 0.15, α error pro 0.05, power of 0.8 with a number of 2 tested predictor, therefore 68 respondents are the minimum sampling for this study. 500 questionnaires were distributed; and 395 completed and usable copies were collected over a 12 weeks data collection period. The response rate of over 70 percent indicates non-response error was not a concern (Nulty, 2008). Data was then keyed in into SPSS and imported to Smart PLS 3.0 to perform latent variable analysis (Ringle, Wende & Becker, 2015). This software utilises structural equation modelling of partial least squares (PLS-SEM) approach to enhance predictive relevance by maximizing the variance of key target variables by different explanatory variables (Hair et al., 2014). Besides, PLS-SEM also work effectively in handling hierarchical component models as well as to bootstrap the indirect effect (e.g., Becker, Klein, & Wetzels, 2012; Sarstedt et al., 2014).

Findings

Respondent Demographics

Table 1 shows the demographic profiles of 395 respondents for this study. Most of the respondents are found to be male, age between 41-50 years old and having length of membership between 6-10 years.

Table 1: Respondent Profile

Variable		Frequency	Percent
Gender	Male	216	54.7
	Female	179	45.3
Age	21-30 Years	66	16.7
	31-40 Years	103	26.1
	41-50 Years	111	28.1
	Above 50 Years	115	29.1
Length of Membership	Below 5 Years	87	22.0
	6-10 Years	121	30.6
	11-15 Years	47	11.9
	16-20 Years	61	15.4
	Above 20 Years	79	20.0

Measurement Model

Table 2 depicts the assessment of construct reliability and convergent validity for the constructs of this study. The composite reliability (CR) values of 0.897 (INS), 0.906 (INSH), 0.945 (RES), 0.943 (PINT), 0.952 (SAT), 0.941 (ATL), 0.938 (BEL) demonstrate that these constructs have high levels of internal consistency. The composite reliability which is considered as a better measure of internal consistency (Bagozzi & Yi, 1988) was greater than or equal to 0.7 for all constructs. These results indicate that all constructs demonstrated acceptable reliability. In addition, all the constructs demonstrate good convergent validity. Convergent validity was assessed from the measurement model to determine whether the standardized factor loadings of the measurement items on its hypothesised underlying construct were significant (Anderson & Gerbing, 1988). The average variance extracted (AVE) of all constructs achieve the minimum threshold value of 0.5 which indicates the items explain more than 50 percent of the construct's variances (Hair et al., 2014).

Table 2: Internal Consistency and Convergent Validity

Construct	Item	Loading	Composite Reliability	AVE	Convergent Validity (AVE>0.5)
Information Seeking	INS1	0.839	0.897	0.745	Yes
	INS2	0.884			
	INS3	0.865			
Information Sharing	INSH1	0.781	0.906	0.707	Yes
	INSH2	0.893			
	INSH3	0.878			
	INSH4	0.806			
Responsible Behavior	RES1	0.912	0.945	0.813	Yes
	RES2	0.928			
	RES3	0.884			
	RES4	0.881			
Personal Interaction	PINT1	0.897	0.943	0.77	Yes
	PINT2	0.896			
	PINT3	0.926			
	PINT4	0.904			
	PINT5	0.755			
Satisfaction	SAT1	0.923	0.952	0.868	Yes
	SAT2	0.950			
	SAT3	0.921			
Attitudinal Loyalty	ATL1	0.840	0.941	0.727	Yes
	ATL2	0.869			
	ATL3	0.837			
	ATL4	0.874			
	ATL5	0.862			
	ATL6	0.675			
Behavioural Loyalty	BEL1	0.864	0.938	0.79	Yes
	BEL2	0.818			
	BEL3	0.847			
	BEL4	0.828			

Criteria: Composite Reliability >0.708 (Hair et al., 2010), (Hair et al., 2014) AVE > 0.5 (Hair et al., 2010), (Hair et al., 2014).

Table 3 depicts the assessment of discriminant validity using Henseler's HTMT (2015) criterion. As illustrated, the square root of AVE of each constructs show larger value than the correlation estimates of the constructs. Thus, indicates that all the constructs are distinctly different from one another, thus implying that each constructs is unique and captures the phenomena not represented by other constructs in the model (Hair et al., 2014). In addition, the result demonstrate the correlation values corresponding to the respective constructs do not violate the most conservative HTMT_{0.85} criterion for assessing discriminant validity (Henseler, Ringle & Sarstedt, 2015).

Table 3: HTMT Criterion

	Members' Participation	Loyalty	Satisfaction
Members' Participation			
Loyalty	0.652		
Satisfaction	0.612	0.788	

Criteria: Discriminant validity is established at HTMT_{0.85}

Assessment of Structural Model

It is essential to ensure that there are no collinearity issue in the structural model. Table 4 reports the outcome of the collinearity test. The result shows VIF value for each of the constructs is lower than the offending value of 3.3 (Diamontopoulos & Sigauw, 2006), thus suggesting that there is no issue with collinearity in the study.

Table 4: Collinearity Assessment

	Loyalty	Satisfaction
Member Participation	1.492	1.000

Table 5 presents the results of path co-efficient assessment using bootstrapping procedure for each of the hypothesised relationship in the model. All the relationships are found significant at 99 percent confidence interval (Member Participation->Loyalty, $\beta=0.930$, $t=5.463$, LL= 0.200, UL= 0.371; Member Participation->Satisfaction, $\beta=0.574$, $t= 13.905$, LL= 0.503, UL=0.630; Satisfaction->Loyalty, $\beta=0.581$, $t= 12.210$, LL= 0.506, UL=0.661). Hence, it surmised that members' participation has positive effect on loyalty. On the other hand, members' participation has positive on satisfaction. Satisfaction is found to have a positive effect on loyalty.

Table 5: Path Co-efficient Assessment

	Beta	S.E.	T Stat	P	LL	UL	Result
Members' Participation →Loyalty	0.930	0.054	5.463**	0.000	0.200	0.371	Supported
Members' Participation → Satisfaction	0.574	0.041	13.905**	0.000	0.503	0.630	Supported
Satisfaction → Loyalty	0.581	0.048	12.210**	0.000	0.506	0.661	Supported

Note: ** $p<0.01$, * $p<0.05$ (one-tailed); LL indicates Lower Limit and UL Indicates Upper Limit at 95% and 99% confidence Interval

The assesment of coefficient determination (R^2), the effect size (f^2) and the predictive relevance (Q^2) of exogenous variables on endogenous variables in this study are presented in Table 6. The value for co-efficient of determination (R^2) are 0.619 and 0.330. This suggest that the exogenous variables in this study namely, members' participation explains 61.9 percent of variances in loyalty and 33.0 percent of variances in satisfaction. The Q^2 value of 0.535 for loyalty and 0.270 on satisfaction which is larger than 0 (Hair et al., 2014) suggesting that all exogenous variables possess predictive ability over the endogenous variable. Each of the exogenous variables (Members' Participation, $f^2 =0.152$, $f^2 =0.492$) has medium to large effect size on the endogenous variable.

Table 6: Determination of Co-efficient (R²), Effect Size (f²), and Predictive Relevance (Q²)

	Coefficient of Determination	Predictive Relevance	Effect Size f ²			
	R ²	Q ²	Loyalty	Effect Size	Satisfaction	Effect Size
Loyalty	0.619	0.535				
Satisfaction	0.330	0.270				
Member Participation			0.152	Medium	0.492	Large

Table 7 illustrates the mediating effect of satisfaction on the relationship between members’ participation and loyalty ($\beta=0.334$, $t= 10.883$). It is found that service satisfaction mediates the relationship between members’ participation and loyalty.

Table 7: Result for Mediation

	Beta	S.E.	T Stat	P	LL	UL	Result
Member Participation → Satisfaction → Loyalty	0.334	0.031	10.883**	0.000	0.284	0.383	Supported

Note: **p<0.01, *p<0.05 (one-tailed); LL indicates Lower Limit and UL Indicates Upper Limit at 95% and 99% confidence Interval

Discussion and Conclusion

The present study has underscored the relationship between members’ participation toward satisfaction and loyalty. The major gap to be filled up in this study is to integrate the Service Dominant (S-D) Logic Theory with Social Exchange Theory by looking at the co-creation behaviour relationship toward satisfaction and loyalty. As suggested by past literatures, satisfaction construct was tested as a mediator between the relationships. It is essential to translate the findings and discussion into academic and managerial implications as to help the cooperative movement to facilitate service improvement and their business performance. In the service sector, member participation is considered as the most vital component of service production process which benefits both parties (i.e., members and firms).

The results provide support for the hypotheses tested, which shows that there are linkages between members’ participation behaviour toward satisfaction. This finding is coincide with the research done by and previous researchers where a positive significant relationship between participation and satisfaction (Zeithaml, Bither & Gremler, 2006) as well as loyalty (Eisingerich & Bell, 2006). A study by Yi, Natarajan and Gong (2011) found that the relationship between member behaviour and satisfaction can lead to strong relationship in a case of high level of similarity and likeability with respect to customer. Besides, satisfaction also was found having a positive effect on members’ loyalty. Similarly, Bielen and Demoulin (2007)’s research also revealed that satisfaction and loyalty have a strong positive relationship. Therefore, in a service cooperative context, members’ participation behaviour as a co-creation dimension remains vital as a determinant of members’ satisfaction and members’ loyalty.

In this study, member's participation plays a significant role in e-customer satisfaction and, indirectly, in enhancing loyalty. This was in line with studies by Kim et al., (2009) and Anderson and Srinivasan (2003). It can be argued that in cooperative context, when members are satisfied with their participation, members' may encourage them to be highly involved in the service provision and therefore lead to their loyalty towards the cooperative. This finding has provided evidence which stressed on the importance of service satisfaction in mediating the relationship between co-creation dimension and loyalty. Therefore, cooperative service providers should pay more attention to members' participation by enhancing their satisfaction as a way to heighten high loyalty. Besides, present study also shows that participation behaviour having a large effect size on satisfaction and medium effect size on loyalty. Overall result shows members' participation behaviour is important in explaining satisfaction and loyalty in service co-creation.

This study makes an important contribution in the marketing literature by providing insights about the role of participation behaviour in influencing satisfaction and loyalty among members in the context of cooperative. By empirically examining the relationship between satisfaction and loyalty, this study extends the current knowledge of participation behaviour on relationship marketing. Findings from this study confirms that S-D Logic Theory (Vargo & Lusch, 2010) and Social Exchange Theory (Blau, 1964) underpinning the phenomenon of the present study. Member who holds participation behaviours would lead to higher relationship quality. This current study has contributed to a few managerial implications. This study indicates that participation behaviour is an important aspect within service firm-member relationships. To achieve successful service creation and delivery process, a cooperative must design proper service activities to attract more members to take part, members can co-create value from joining the service activities as well. This would foster their participation and eventually to encourage value co-creation activities that may help to boost the cooperative performance. Relationship quality especially on the aspect of satisfaction and loyalty are critical in cooperative as it would help to strengthen the relationship for the members of a cooperative to demonstrate their participation behaviour.

Due to study limitations, this study has suggested few research suggestions to enhance the body of knowledge especially in the service marketing literature. Since this study only looking at the influence of member participation behaviour towards satisfaction and loyalty, future research can be broaden by including the antecedents of participation behaviour. This can be strategized by using in-depth interview to delve into the antecedents of participation behaviour dimensions. In addition, relationship strength, gender, ethnicity, and service experience could also be incorporated in the framework to provide more understanding of study phenomenon. Finally, since this study was only focused on credit service sector in cooperative, future research can be extended to other sectors and also can be tested across different service industry as to provide generalisability and the relevance of the model.

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