

REPURCHASE INTENTIONS OF MONEYREMITTANCE CENTERS' CUSTOMERS IN SOCCSKSARGEN: A STRUCTURAL ANALYSIS

ABSTRACT

The paper sought to understand the drivers of commitment, aspects of commitment, trust and repurchase intention of money remittance center customers on their choice of money remittance center in the selected cities of SOCCSKSARGEN. Data were gathered from 410 respondents all throughout the four key cities in the SOCCSKSARGEN Region using purposive random sampling. A self-constructed questionnaire was utilized during the data gathering procedure. Using descriptive statistics, the research found out that the respondents were mostly female aged 20 to 29 years old. Employees and students comprised about eighty-five percent of the respondents. Majority were using their preferred money remittance for more than one year but less than three years, and about thirty-five percent were making a money remittance transaction once per month. Test of significant differences, using t-test and ANOVA, results reveal that respondents' perception varies as they were grouped according to their profile. The results of the regression and structural equation modeling are consistent that only affective and calculative commitment have significant influence on repurchase intentions of customers on money remittance centers and that trust predicts all aspects of commitment. Economic, social and resource drivers influence customer commitment, which support Lacey's driver of commitment model. The results of SEM suggested the high influence of trust towards relationship quality building among money remittance center customers.

Keywords: Commitment, Trust, Repurchase intention, Money remittance, and Marketing

1. INTRODUCTION

In the world of financial markets, transfer of remittances is one of the fastest growing sectors. Remittances have a positive impact on financial deepening and it influences saving behavior. As a share of gross domestic product, remittances have been increasingly significant in several countries including Sri Lanka and Tonga. Some developing countries have provided incentives meant at enticing further increases in remittance flows into their economies, just in the case of Turkey and Portugal where lawmakers provides distinctive interest rates for foreign currency deposits, together with import privileges for migrants. Comparable incentives are organized through the financial system in Pakistan, the Morocco, India, and the Philippines [1].

Overseas Filipino Workers (OFW) sending money home makes Philippines as a leading market for international remittances. Data available from Commission on Filipinos Overseas revealed that for the year 2013 there were a total of 10.2 million overseas Filipinos. On the

other hand, Bangko Sentral ng Pilipinas disclosed in its 2016 report that the amount of cash remittances is equal to USD 26.9 billion. All over the Philippines, nearly 20,000 money remittance centers operate, including distant barangays where banks and ATMs are limited. These money remittance centers attract many unbanked Filipinos because of their accessibility, other financial services such as bills payment, pawning, foreign exchange, and e-loading [2]. The Global Findex Data of the World Bank [3] reported that about three-quarter of Filipino adults were sending or receiving remittances through a money transfer operator. This manifests that remittance and transfer companies (RTC) plays an important role in providing basic financial services especially to the unbanked.

A remittance transfer may be classified as domestic or international. Remittances from rural to urban areas within one country are considered a domestic remittance transfer. A remittance from one country to another is considered an international remittance transfer [4]. Although Philippines is a leading market for international remittances, the domestic market for remote money transfer and bills payment is less well understood. The domestic payment market appears highly active and consultants become familiar with their business models and strategies [5]. Thus, with the figures presenting South Cotabato, Cotabato, Sultan Kudarat, Saranggani, General Santos (SOCCSKSARGEN) part of the bottom three in terms of some banking factors such as number of bank deposits accounts and number of banks available, other payment centers aside from banks like Western Union outlets and LBC along with money transfer pawnshops like, M Lhuillier, Palawan Express Padala and Cebuana Lhuillier became convenient option for the region money transfer service provider.

Pawnshops along with LBC and Western Union – the service providers mostly focused on money transfers- have the greatest customer attrition. The domestic payments market in the Philippines is relatively mature, and it may be difficult to achieve scale take-up, given respondents' decided resistance against some payment services and continued loyalty, [5]. Various marketing strategies are employed by businesses in order to have a strengthened relationship with their customers. According to Lacey [6], businesses should understand how customers' commitment can be built and sustained because this is important in creating and preserving marketing relationships. With the reported high customers' attrition on payment service providers studies regarding drivers of customer's commitment and commitment impact on repurchase intention may help provide managers come up with initiatives to improve customer relationship and even improve business operations and stability as well [5].

According to Kumar & Reinartz [7], a firm needs to know exactly the items that customers value when they develop programs that will attract potential long-term customers. For this reason, this study aims to come up with a model that will explain customer repurchase intention in a money remittance setting given the active and maturing remittance industry with considerable high customer attrition rate. Domestic money transfer operators may develop and implement programs to develop customer commitment through the use of any combination of economic, social and resource drivers of commitment that will further influence users repurchase intention. In addition, trust will be considered in this study as a separate variable for customer commitment.

2. FRAMEWORK

This study is anchored on the Relationship Drivers Model which claims that in order to establish and preserve customer relationship, key ingredients are important. A firm who strengthen its economic, social and resource drivers will be more effective in terms of building customers' commitment to the firm [8]. The framework comprises a combination of economic, social and resource drivers that result in customer commitment and contributes to

key relationship outcomes. The model proposes that firm should simultaneously strive to offer the three driver variables to customers [6].

This Relationship Drivers Model is an application of the assumption that a relationship that is advantageous to both the service provider and the customer will help the long-term relationship to last. The economic driver variables used in the framework are the economic value and the switching cost. Customer recognition and shared values represent the social drivers and three resource driver variables are confidence benefits, preferential treatment and corporate brand reputation.

On the basis of Lacey's model, this study utilized the same three drivers of commitment with selected two corresponding indicators for each variable. The researcher believes that these variables have significant influence to commitment and that commitment influences money remittance centers' customers repurchase intention. Trust as the independent variable of commitment will also be tested for significant influence with commitment.

Another framework that is used in this study is the conceptual model of the association between commitment dimensions and repurchase. This model was developed to empirically test a five-component typology of consumer commitment- affective, normative, economic, forced, and habitual. The model demonstrates high level of reliability, convergent and discriminant validity, and stability, as well as unique associations with repurchase intentions. The theory provided a roadmap for optimizing commitment among customers [9].

Social Exchange Theory (SET) is another theory used as a basis for the study. Fundamental to these propositions is the notion of reciprocity [10]. This refers to the premise that an individual's action towards another is based on the expectation that it will elicit a fitting and proportional reaction from which the initiating individual will gain some value. The more valuable response a person receives the more likely that person will respond with an activity which will further elicit that rewarding activity [11]. Value is critical to social exchange theory.

The traditional neo classical economic perspective is that exchange takes place within a set and constant parameters (the competitive market) where specified, rational properties are aggregated across all parties. The assumption suggests exchange relationships develop based on mutual dependence. In other words, actors enter relationships to achieve outcomes they could not achieve alone. The customers and their provider become mutually dependent on one another to achieve separate but complementary goals [10]. Factors engage in exchange relationships motivated by the desire to increase gain and avoid loss. Gains may be associated with economic benefits and social benefits. Loss may be associated with the financial costs, equipment and the amount of time invested. SET assumes that exchange parties intend to obtain benefits from their relationships that would not be achievable on their own. Benefits can also include non-economic rewards derived from increasing their partner's utility. This is perhaps the most widely articulated aspect of social exchange [12].

The Theory of Planned Behavior is a cognitive model of human behavior, in which the central focus is the prediction and understanding of clearly defined behaviors is used in this study too. Behavior is said to be approximately equal to behavioral intention, which can be derived from a combination of the consumer's attitude toward purchasing the product and the subjective norms about the behavior. According to Ajzen [13] the principal predictor of behavior is intention. People tend to act in accordance with their intention to engage in a behavior. Intention can be regarded as a motivation to engage in a particular behavior and represents an individual's expectancies about his/her behavior in a given setting. Intention is influenced by attitude, subjective norm, and perception of control over the behavior.

The Theory of Planned Behavior is simply an extension of the Theory of Reasoned Action which seeks to address the seeming over reliance on intentions to predict behaviors. According to Utama[14], repeat purchase behavior together with customer willingness to pay higher prices, and switching behavior influences consumer financial aspects of company thus is considered an economically behavioral intention. Through the concept of 'subjective norm' the theory acknowledges the power of other people in influencing behavior and is moderated by the extent to which the consumer is motivated to comply with these views.

Lastly, another theory used in this study is the Relationship Quality Model. In relationship marketing, this concept views marketing as relationships, networks and interaction [14]. Producers and consumers involved and interacts with themselves as a partner in a mutually beneficial relationship, leading to more complex relationships and growth into network. Relationship marketing, is about building relationships with customers in economic and social bonds towards mutual cooperation, not just simply creating transaction. It illustrates how a single customer will generate customer lifetime value that creates repeated transactions in a customer lifetime relationships with company [15].

3. METHODOLOGY

3.1 Research Design

The study was based on quantitative research because it involves the use of computational, statistical and mathematical tools to obtain information concerning the current status of a phenomena. In particular, the study employed the descriptive-causal design wherein descriptive statistics was used for the profile of the respondents as well as their responses to survey questions presented. The causal part was used for the discussion of the significant relationship between the exogenous and endogenous variables, and the structural relationships across variables in general.

3.2 Research Respondents

The study determined the levels of repurchase intention of customers towards money remittance center, customer commitment, trust, economic driver, social driver, and resource driver. Moreover, the interrelationship of the exogenous and endogenous variables, and as well as the best fit model of repurchase intention was investigated.

Using Cochran's formula with the 5% margin of error, a total of not less 384 customers was chosen from money remittance centers in the five key cities in SOCCSKSARGEN. To ensure that the number of respondents meet the statistical tests for different analyses, an estimated non-response rate of 20% was considered in determining the sample size of money remittance center customers. Specifically, 80% response rate is believed to be reasonable. A respondent sample range from 384-480 money remittance customers, based on the results of the computation presented below, we asked to participate in this study. With reference to the chosen sampling formula, the researcher handed out survey instruments to 480 money remittance customers throughout the four key cities of SOCCSKARGEN using systemic random sampling. Only 410 survey questionnaires were retrieved and considered valid.

The data was taken from primary source of information. Four Hundred Eighty (480) users of money transfer transactions provided data through interview and actual survey. The purposive sampling technique was employed in selecting the 480 respondents among the money remittance centers in the focusing on money remittance. Selection of respondents

was made through the assigned enumerator, whose familiarity of the location and establishments were deemed critical in knowing the strategic areas of the city where chances of getting money remittance center customers are greater. Decisions concerning the individuals to be included in the sample are taken by the researcher, based upon a variety of criteria which may include specialist knowledge of the research issue, or capacity and willingness to participate in the research. To attain homogeneity, only those customers, whether sender-recipient, who have tried a domestic money transfer transaction was considered as respondent of the study. The number of survey instruments was allocated equally among the four cities.

3.3 Research Instrument

The survey questionnaire used to gather data from money remittance center customers in SOCCSKSARGEN was adopted and modified in order to fit in the context of the present study. The first part of the self-made questionnaire was employed to determine the demographic profile of the respondents. The second part sought to establish the drivers that influence repurchase intentions such as customer commitment which may be influenced also by economic drivers, social drivers, customer commitment and trust.

For the content validity, the validation of the self-made questionnaire was conducted by the three (3) validation experts. Suggestions from experts was incorporated in the final draft. The item analysis of the questionnaire rated by the experts was done to assess the quality of those items and of the questionnaire as a whole.

The reliability test was made through conducting a Pre-Test for 30 respondents that was not included in the final selection of the respondents to test its reliability; time was spent in answering the questions and understanding the questions. For this procedure the test of Cronbach Alpha was utilized. The overall Cronbach's Alpha was 0.949 hence, the instrument used in this study was considered reliable.

3.3 Data Gathering Procedure

The following steps were performed by the researcher in the conduct of this study. The adopted and modified questionnaire was validated by experts. The instruments was then revised based on the comments of the experts and was pilot tested to the non- respondents. After the validation, the researcher sought an approval and endorsement of the Dean of School of Business and Governance. The researcher consulted also an expert for the technical aspects of the paper.

Enumerators or research assistants who understood the goal of the survey were hired to expedite the data gathering process. Before the data collection, the respondents were requested to sign the informed consent which was specified in the instrument for their voluntary participation of the study. Only those who signed the informed consent were considered as part of the study. The researcher also assumed that the responses of the respondents were kept confidential and their names did not appear in any part of this study.

The survey instrument was given to the respondents who were qualified to participate based on the criteria set by the researcher. The survey was administered outside the premise of the money remittance center like malls, food courts, and eateries. After retrieving all the questionnaires, a data screening was performed to minimize the possible outliers during the analysis. After which, the data was encoded, tabulated, and analyzed.

2.3 Statistical Tools

The following statistical tools were used in the study: Frequency count, mode and percentage were used to analyze the categorical data for the descriptive analysis of results of the survey. Moreover, the Mean, Weighted Mean and Standard Deviation were employed for the purpose of analyzing the numerical data for the descriptive analysis of results. T-Test and Analysis of Variance (ANOVA) were used to interpret the results for comparing groups under inferential analysis. Pearson Product Moment Correlation Coefficient was utilized to determine the relationships of the levels of repurchase intention, commitment, trust, economic driver, resource driver, and social driver. It was used to find the significance of the relationship between the dependent and independent variables. Stepwise Regression Analysis was used to measure the influence of economic driver, resource driver, social driver, and trust to commitment. In addition, the influence of commitment to repurchase intention was also used to analyze using stepwise regression analysis.

This method was used wherein a removal test is conducted after each time a predictor variable is added to the regression equation, until a certain statistical measure using the remaining useful predictor variables as to predicting the dependent variable [16]. Breiman&Friedman [17] added that ensuring the maximal prediction and establishing the linearity of relationship, multiple regression was used as it is prudent to examine all relationships in order to identify any departures from linearity that may affect correlation. Covariance-based Structural Equation Modeling (CB-SEM) was employed to assess the structural interrelationships across variables employed. It was utilized to validate the research model in its ability to define multiple causal relationships simultaneously between variables of the study. The use of this model was suggested in order to evaluate the overall and structural model fit. With the use of this model hypothesized relationships can be evaluated at the same time as they interact in a manner that is closer to reality than that of individual specification and testing of hypothesized paths [18].

In addition, with the use of SEM causal processes are represented by a sequence of structural equations and structural relations can be pictorially modeled to enable clearer conceptualization of the theory under study since this method followed a confirmatory approach to data analysis. Lacey's [6] drivers of Commitment, the primary theoretical construct of this study Morgan and Hunt [8] Trust-Commitment Theory and the Three factor commitment dimensions and repurchase intentions model of Keiningham et.al, [9] and other models used in this study can be modeled into one analysis using SEM [19].

4. RESULTS AND DISCUSSION

4.1 Preferred money remittance center of customer in SOCCSKSARGEN Region

The customers' preferred money remittance center in the four cities of SOCCSKSARGEN. It shows that from the total 410 valid survey responses 54.1 %, 222 respondents, more than half of the population chose Money Remittance Center (MRC) no. 3 as their preferred money remittance center. The least preferred money remittance center is MRC 1 which earned only 5.9 % or only 24 responses.

The demographic profile is summarized based on age, sex, occupation, length of usage, and frequency of usage. The results show that about 60.50%, were aged 20-29, most were females which comprises 62.40 % of the total respondents, majority were employees that is 45.90% of the respondents, about 37.60% were using money remittance center for more than 3 years and 35.60% respondents made remittance transaction once every month.

4.2 Economic Drivers of customer's commitment on their choice of money remittance center

The results reveal that the respondents in SOCCSKSARGEN Region have Agree (4.071) to the role that economic value play in influencing their choice of money remittance center. The Item I believe that the value of services provided is worth the price generated the highest mean score. On the other hand, it was learned that the respondents in SOCCSKSARGEN Region have Agree (3.547) to the role that switching cost play in influencing their choice of money remittance center. As compared to the first factor of economic driver, switching cost influenced respondents less likely compared to economic value.

Among the five questions, the second item It is risky to change my choice of money remittance center as the new provider may give good services earned the highest mean equal to 3.641. This item talks about quality of service as offered by other competitors. This results that quality products is still customers concern opposed Mittal and Frennea[20] suggesting quality products and services into a common standard in many industries is no longer a major source of competitive advantage, organizations adopt a relationship marketing as a means to differentiate themselves.

4.3 Social Drivers of Customer's Commitment on their Choice of Money Remittance Center

For customer recognition, item I observed that the money remittance center is using a database that holds customer basic information earned the highest mean score among all items present. Moreover, respondents Agreed (3.820) that their choice of money remittance center is influenced by employees being able to recognized their customer. Shared Values, the other factor of social driver, generated a mean score equivalent to 3.855. This means that respondents agree that shared values influence their choice of money remittance center. Item The money remittance center is responding on behalf of customer's best interest got the highest mean equal to 3.907. In comparison, both customer recognition and shared values were agreed to influence the choice of money remittance center of respondents. Although, shared values generated a higher mean as compared to customer recognition, the difference can be considered minimal. Thus, as mentioned by Meuter et. al [21], understanding the type of intense or immediate needs of customers may experience help managers effectively design and position their SSTs relative to their competitors. Customer were most likely to engage in positive future behaviors when there had been a technology failure or the failure is customer-driven than there was a process failure, a technology design problem.

4.4 Remittance Center

The third driver of customer commitment, resource driver, represented by confidence benefits and preferential treatment was measured as to how it influence customer's choice of money remittance center. It presents that the respondents in SOCCSKSARGEN Region have Agree (4.082) to the role that confidence benefits play in influencing their choice of money remittance center. Item This Company's employees are honest obtained the highest mean score among all other items in the said factor. The other factor, preferential treatment, however, earned a mean score equal to 3. 485, this is far lower compared to the mean score of the first factor. For this factor, item I faster service than most customers get obtained the highest mean score equal to 3634. Based on the other drivers presented, this resource

driver offered both the highest and lowest mean scores as to a variable influenced on customers choice of money remittance center.

Collectively, among the six factors, confidence benefits got the highest mean score. On the other hand, preferential treatment earned the lowest mean score. Morgan [8] mentioned confidence benefit a key mediator in the relationship's success. As to preferential treatment, Beatty et.al. [23] associate this to a customer of feeling special relative to other customers, which is not evident for money remittance center unlike other formal financial institutions such as banks.

4.5 Customer's Degree of Agreement towards Commitment on their Choice of Money Remittance Center in SOCCSKSARGEN Region

It can be gleaned in the results that the respondents in SOCCSKSARGEN Region have based on the descending level of agreement towards commitment, Agree (4.081) that they are affectively committed, Agree (3.897) that they are committed on a calculative aspect and also Agree (3.878) that they are normatively committed to their choice of money remittance center. On an item per item basis, item I take pleasure in being a customer of the company got the highest mean score among all other items regarding commitment whereas item I would suffer economically if the relationship was broken obtained the lowest mean score equal to 3.627.

The results show that respondents agree that individuals can simultaneously experience more than one mindset (e.g., sense of desire, obligation, and cost-based constraint) this is aligned with suggestions of Meyer and Allen [23] and Meyer and Hersovitch [24] each individual has a commitment profile reflecting affective, calculative and normative dimensions.

4.6 Customer's Degree of Agreement in Terms of Trust Exhibited towards their Choice of Money Remittance Center in SOCCSKSARGEN Region

The results of the survey shows that customers have Agree (4.156) that they trust their preferred money remittance center. It is worth noting that respondents strongly agree to the item My choice of money remittance center gives me a feeling of trust. Parasuman et al.[25] suggested that relationships between consumers and companies require trust is evident in the results of this study.

4.7 Customer's Repurchase Intention towards their Choice of Money Remittance Center in SOCCSKSARGEN Region

The respondents Agree (3.933) that they have the intention to repurchase or to make another transaction again with their choice of money remittance center. Item I expect to make another remittance transaction through this brand earned the highest mean score (3.998) among other items. Pearce et.al (1997) suggested that customers evaluate future purchase intentions based on the value obtained from previous episodes, with relationship benefits being a proxy for expectations of future benefits.

4.8 Test of Significant Predictability among the Drivers of Commitment of Money Remittance Center Customers from the Selected Cities in SOCCSKSARGEN Region

Using the stepwise regression, the best model for economic value as compared to the other indicators generated an R2 value of 0.451 and R3 adjusted value of 0.447. In the conduct of model diagnostics, the closeness of the R2 and R2 Adjusted values is a suggestion that the model does not have an insignificant independent variable [26]. This shows that about 45.10 % variability in economic value of money remittance center customers can be influenced by the other drivers of commitment variables in the model. The second indicator under economic driver which is the switching cost as compared to other indicators in the drivers of commitment generated an R2 value of 0.457 and R3 adjusted value of 0.453. This means that 45.70% of variability in switching cost can be explained by the other variables present in the model. Customer recognition as compared to other indicators of drivers of commitment resulted to an R2 value of 0.621 and R2 adjusted value of 0.617. Thus, 62.10% of the variability on customer recognition can be influenced by the other indicators in the model. The fourth indicator of drivers of commitment, shared values, on the other hand generated an R2 value of 0.598 and R2 adjusted value of 0.594. Thus, 59.80% of variance in shared values can be explained by the change in the predictors present in the model. The first indicator under resource driver which is confidence benefits resulted to an R2 value of 0.515 and R2 adjusted value of 0.512. This means that 51.50% of the variability in confidence benefits can be predicted by the other indicators in the model. Lastly, preferential treatment generated a result equal to an R2 value of 0.261 and R2 adjusted value of 0.257. Thus, variability in preferential treatment can be a result in the changes in the other variables present in the model.

The six indicators of drivers of commitment namely economic value, switching costs, customer recognition, shared values, confidence benefits, and preferential treatment were tested for predictability on one indicator versus other five indicators on a systematic procedure. It was done through testing the predictability between economic value as compared to the other five variables, next is switching cost as compared to the other five variables, and the step continues up to preferential treatment as compared to the other variables.

The 3rd, 3rd, 4th, 4th, 3rd, and 2nd steps respectively yielded the best possible model for each of the tested variables as to its accuracy and predictability. In addition, the said models generated a Durbin-Watson (DW) value of 1.963, 1.779, 1.897, 1.988, 1.417 and 1.343 respectively which were interpreted as an acceptable level of serial correlations of residuals as it is appraised as highly significant at 0.01 level of significance. The DW statistic value is deemed acceptable, especially if its value is within the range of 1 to 3.

The researcher interpreted this set of regression coefficients for this model through the prediction expression as reflected below:

$$\begin{aligned}
 \text{Economic Value} &= 1.276 + 0.077 (SC) + 0.123 (SV) + 0.501 (CB) \\
 &= 4.06839 (\text{Agree}) \\
 \text{Switching Costs} &= -0.037 + 0.404 (CR) + 0.291 (SV) + 0.265 (PT) \\
 &= 3.55161 (\text{Agree}) \\
 \text{Customer Recognition} &= 0.356 + 0.194 (SC) + 0.505 (SV) + 0.13 (CB) + 0.086(CR) \\
 &= 3.821325(\text{Agree}) \\
 \text{Shared Values} &= 0.565 + 0.154 (SC) + 0.527 (CR) + 0.25(CB) 6 -0.083 (PT) \\
 &= 3.855672 (\text{Agree}) \\
 \text{Confidence Benefits} &= 0.571 + 0.506 (EV) + 0.264 (SV) +0.124 (PT) \\
 &= 2.02086 (\text{Disagree}) \\
 \text{Preferential Treatment} &= 0.928 + 0.403(SC) + 0.276 (CB) \\
 &= 3.484201(\text{Agree})
 \end{aligned}$$

The prediction expression above means that the level of economic value on customer's choice of money remittance center increases by 1.276, with each unit of increase from switching costs, shared values and confidence benefits. Switching cost decreases by .037, with each unit of increase in customer recognition, shared values and preferential treatment. Customer recognition increases by 0.356, with each unit of increase in switching costs, shared values, confidence benefits and customer recognition. Shared values increases by 0.565, with each unit of increase in switching costs, customer recognition, confidence benefits, and a decrease in preferential treatment. Confidence benefits increases by .571, with each unit of increase in economic value, shared values and preferential treatment. Lastly, preferential treatment increases by .928, with each unit of increase in switching costs and confidence benefits. Based on the results it is interesting to note that switching cost is negatively influenced by customer recognition, shared values and preferential treatment. Furthermore, based on the results above, for most of the expressions presented the respondents *Agree (4.082)* that one driver of commitment can be an aspect which can be influenced by other variables in the model except confidence benefits in which respondents disagree that it is affected by economic value, shared values and preferential treatment.

4.9 Test of Significant Predictability between the Drivers of Commitment Money Remittance Center Customers from the Selected Cities in SOCCSKSARGEN Region and the Level of Affective Commitment on their Choice of Money Remittance Center

With the use of stepwise regression, a model diagnostic results for the money remittance center customers from the selected cities in SOCCSKSARGEN with the R^2 value 0.644 and R^2 adjusted value of 0.640. This shows that about 64.40% variability in customer's affective commitment of money remittance center customers can be influenced by the drivers of commitment variables in the model. On the detailed stepwise regression model fit history between the variables as indicated in the appendix, the 4th step yielded the best possible model as to its accuracy and predictability. In addition, the said model generated a Durbin-Watson (DW) value of 2.06 which is interpreted as an acceptable level of serial correlations of residuals as it is appraised as highly significant at 0.01 level of significance. The variance inflation factor (VIF) values for each of the variables are satisfactory since its values are less than [27]. This means there is no variances among the predictor variables, whose estimated coefficients have variances that are unreasonably large [28], when it should be highlighted that all of the VIF values are less than 4 [29] which is considered as more than satisfactory in determining whether collinearity has become too serious or otherwise.

Confidence benefits, shared values, economic value, and preferential treatment are the only predictors that remain in the model. Switching cost and customer recognition were removed in the model, thus it means that only the four variables can significantly predict customers affective commitment.

The researcher interpreted this set of regression coefficients for this model through the prediction expression as reflected below:

$$\begin{aligned} \text{Affective Commitment} &= 388 + (.382 \times SV) + (.346 \times CB) + (.138 \times EV) + (0.071 \times PT) \\ &= .388 + (.382 \times 3.855) + (.346 \times 4.082) + (.138 \times 4.071) + (0.071 \times \\ &\quad 3.485) \\ &= 4.082 \text{ (Agree)} \end{aligned}$$

The prediction expression means that the level of affective commitment on customer's choice of money remittance center increases by 0.388, with each unit of increase from confidence benefits, shared values, economic value and preferential treatment. Furthermore,

it presents that the respondents *Agree* (4.082) that their affective commitment aspect can be influenced by these variables.

4.10 Test of Significant Predictability between the Drivers of Customers Commitment from the Selected Cities in SOCCSKSARGEN that Contribute to their Choice of Money Remittance Center and their Degree of Calculative Commitment of Customer Commitment

In comparing customer's drivers of commitment and their level of calculative commitment, model diagnostic results yielded the following: R^2 value of 0.578 and R^2 adjusted value of 0.514873. This goes on to show that 57.80% of the variability in the perceived level of customer's calculative commitment can be explained by the drivers of commitment variable in the model. Also, the said model generated a DW value of 1.907 which is interpreted as an acceptable level of serial correlations of residuals as it is appraised as highly significant at 0.05 level of significance. This can be attributed to the serial correlations that are present in the formulation of a regression model, as the DW statistics is within the range of 1.5 to 2.5. Any serial correlations that correspond to the DW that is outside of the same range would generate a clear effect on the inference techniques. The VIF values for each of the identified variables are deemed satisfactory since its values are less than 10, even better since it is less than four (4).

Customer recognition, shared values, preferential treatment, economic value, preferential treatment and switching cost are the predictors that remain in the model. Confidence benefit was removed in the model, thus, it means that only the five variables can significantly predict customers calculative commitment.

This was interpreted by the researcher through the prediction expression as presented below:

$$\begin{aligned}
 \text{Calculative Commitment} &= .635 + (.254 \times EV) + (.233 \times SV) + (.170 \times CR) + \\
 &\quad (.101 \times PT) + (0.092 \times SC) \\
 &= .635 + (.254 \times 4.071) + (.233 \times 3.855) + (.170 \times 3.820) \\
 &\quad + (.101 \times 3.485) + (0.092 \times 3.547) \\
 &= 3.894958 \text{ (Agree)}
 \end{aligned}$$

The expression above means that for every .635 increase in the level of calculative commitment on customer's choice of money remittance center, there is a corresponding increase for the item in customer recognition, economic value, shared values, preferential treatment and switching cost. The expression also presents that the respondents *Agree* (3.894958) that their calculative commitment aspect can be influenced by these five mentioned variables.

4.11 Test of Significant Predictability between the Drivers of Commitment Money Remittance Center Customers from the Selected Cities in SOCCSKSARGEN Region and the Level of Normative Commitment on their Choice of Money Remittance Center

Results have generated the R^2 value of 0.591 and R^2 adjusted value of 0.585. This means that 59.10% of the variability in customer's commitment of money remittance center customers can be explained by the drivers of commitment variables in the model. In generating the detailed stepwise regression model fit history between the variables as indicated in the appendix, the 6th step returned the best possible model in terms of accuracy and predictability. Further, the said model generated a Durbin-Watson (DW) value of 1.949

which means that the residual independent reflected by the lack of collinearity that is associated among the predictor variables and as it is evaluated as significant at .05 level of significance. The VIF values for each of the identified variables are deemed satisfactory since its values are less than 10, even better since its values are less than (four) 4. Among the other factors affecting customer's normative commitment towards their choice of money remittance center, customer recognition got the highest coefficient score. Other variables affecting normative commitment are economic value, switching costs, Confidence benefits, shared values, and preferential treatment. None of the variables was removed as predictor of the dependent variable.

The researcher interpreted this set of regression coefficients for this model through the prediction expression as reflected below:

$$\begin{aligned}
 \text{Normative Commitment} &= .186 + (.246 \times CR) + (.183 \times SV) + (.178 \times EV) + \\
 & \quad (.150 \times CB) + (.139 \times SC) + (.062 \times PT) \\
 &= .186 + (.246 \times 3.820) + (.183 \times 3.855) + (.178 \times 4.071) + \\
 & \quad (.150 \times 4.082) + (.139 \times 3.547) + (.062 \times 3.485) \\
 &= 3.877226 \text{ Agree}
 \end{aligned}$$

The prediction expression above means that the level of normative commitment on customer's choice of money remittance center increases by 0.186, with each unit of increase from customer recognition, shared values, economic value, confidence benefits, switching costs and preferential treatment. Furthermore, it presents that the respondents *Agree* (3.877226) that their normative commitment aspect can be influenced by these variables.

4.12 Test of Significant Predictability between the Trusts Exhibited of Money Remittance Center Customers from the Selected Cities in SOCCSKSARGEN Region and the Level of Commitment on their Choice of Money Remittance Center

Results have generated the R^2 value of .529 and R^2_{adjusted} value of .528. This means that 52.90% of the variability in affective commitment of money remittance center customers can be explained by the level of trust exhibited towards their choice of money remittance center. In the case of Calculative Commitment, results show that R^2 is 0.410 and R^2_{adjusted} value of .408. This means that 41% of the variability in affective commitment of money remittance center customers can be explained by the level of trust exhibited towards their choice of money remittance center. Lastly, for normative commitment, results show that R^2 is 0.388 and R^2_{adjusted} value of .386. In generating the detailed stepwise regression model fit history between the variables as indicated in the appendix, the 6th step returned the best possible model. Further, the said model generated a Durbin-Watson (DW) value of 1.949 which means that the residual independent reflected by the lack of collinearity that is associated among the predictor variables and as it is evaluated as significant at .05 level of significance. The VIF values for trust is equal to 1.00, this means that values are deemed satisfactory since its values are less than 10, even better since its values are less than four (4). Significant level for trust and all aspects of commitment are 0.000, which is below 0.05, which means that there is a significant influence between trust and the three aspects of commitment.

The researcher interpreted this set of regression coefficients for this model through the prediction expressions as reflected below

$$\begin{aligned}
 \text{Affective Commitment} &= 1.055 + (.728) \text{ trust} \\
 &= 1.055 + (.728) (4.156)
 \end{aligned}$$

$$\begin{aligned}
&= 4.080568 \text{ (Agree)} \\
\text{Calculative Commitment} &= 1.398 + (0.600) \text{ trust} \\
&= 1.398 + (0.600) (4.156) \\
&= 3.5486 \text{ (Agree)} \\
\text{Normative Commitment} &= 1.138 + (.659) \text{ trust} \\
&= 1.138 + (.659) (4.156) \\
&= 3.793804 \text{ (Agree)}
\end{aligned}$$

The prediction expressions above mean that the level of affective commitment on customer's choice of money remittance center increases by 1.055, with each unit of increase from trust. Furthermore, it presents that the respondents *Agree* (4.080568) that their affective commitment aspect can be influenced by trust. In addition, the level of calculative commitment increases by 1.398, with each additional unit from trust. Respondents also *Agree* (3.5486) that their calculative aspect can be influenced by trust. For the third aspect of commitment, the level of normative commitment increases by 1.138, with each unit of increase from trust. Lastly, respondents also *Agree* (3.79804) that the same with other aspects of commitment, trust influenced their normative commitment towards their choice of money remittance center.

4.13 Test of Significant Predictability between the Aspects of Commitment of Money Remittance Center Customers from the Selected Cities in SOCCSKSARGEN Region and the Degree of Repurchase Intentions on their Choice of Money Remittance Center

Results have generated the R^2 value of 0.625 and R^2_{adjusted} value of 0.624. This means that 62.50% of the variability in repurchase intentions of money remittance center customers can be explained by the commitment variables in the model. In generating the detailed stepwise regression model fit history between the variables as indicated in the appendix, the 2nd step returned the best possible model in terms of accuracy and predictability. Further, the said model generated a Durbin-Watson (DW) value of 1.906 which means that the residual independent reflected by the lack of collinearity that is associated among the predictor variables and as it is evaluated as significant at .05 level of significance. The VIF values for each of the identified variables are deemed satisfactory since its values are less than 10, even better since its values are less than four (4). Among the other factors affecting customer's repurchase intentions towards their choice of money remittance center, calculative commitment got the highest coefficient score. The other variable affecting repurchase intention is affective commitment. Normative commitment was removed as predictor of repurchase intention of money remittance center customers.

The researcher interpreted this set of regression coefficients for this model through the prediction expression as reflected below:

$$\begin{aligned}
\text{Repurchase Intentions} &= .321 + (.481 \times CC) + (.426 \times AC) \\
&= .321 + (.481 \times 3.893) + (.426 \times 4.081) \\
&= 3.932039 \text{ Agree}
\end{aligned}$$

The prediction expression above means that the level of repurchase intentions on customer's choice of money remittance center increases by 0.321, with each unit of increase from calculative commitment and affective commitment. Furthermore, it presents that the respondents *Agree* (3.932039) that their repurchase intentions can be influenced by these two aspects of commitment.

In sum, the regression models presented in Table 1 generated responses consistent to the theories and empirical studies conducted pertaining to drivers of customer commitment [6,

30, 31] customer commitment [23, 32] trust and repurchase intentions [6, 32] if money remittance enter customers in SOCCSKSARGEN.

4.14 Structural Modeling Analysis of the Repurchase Intentions of Money Remittance Center Customers in SOCCSKSARGEN

Structural Model Specification. Fit indices results on the specification of the structural model did not establish a marginal model itself is found to be significant at 0.01 level of significance with the significance value of 0.000. Based on the results, the researcher considered the respecification of the structural model as a way to improve its model fit through further purification of observed variables as underscored by its modification indices (MI). In this manner, the respecification process allows the researcher to eliminated overlap in item content [33].

In the final respecification of the structural model, measures of model fit generated from responses resulted to the still below the acceptable range yet when compared to the first stage of respecification, figures are more closer to a value greater than 0.90.

Using SEM, validity of the constructs is (face validity), or what is known as the content of the questions must be considered. This is related to the extent to which the content of the items is consistent with the construct definition: items represented by what is intended to be measured according to the aforementioned definitions. This validity procedure relies basically on the judgment of the researcher, and requires the researcher to examine carefully the content of the questions before taking any action such as retaining or deleting any items from the analysis. When a judgment needs to be taken regarding any potential action to modify the measurement model, such as deleting an item from its respective item-scale, the assessment should be made taking into consideration both statistical procedures and also theoretical considerations [34].

In the final stage of respecification process, one observed variable is identified and cross-loaded to an alternate latent construct from the latent construct that it was originally designed to load. As depicted in figure 1, question item no. 5 has been identified to be loaded to Switching Cost.Q10 crossloaded to Repurchase intentions. Q14 crossloaded to Economic value, Q20 crossloaded to Preferential Treatment, Q24 to Trust, Q28 crossloaded to Confidence Benefits, Q32 to Shared Values, Q40 to Normative Commitment, Q44 to Preferential treatment, Q49 to Repurchase Intentions and Q55 to Normative Commitment.

It shows that covariances appear among drivers of commitment except for the customer recognition and economic value, preferential treatment and economic value, confidence benefits and switching costs, and customer recognition and confidence benefits. Significant relationship between economic value and affective commitment, switching cost and calculative commitment, switching cost and normative commitment, preferential treatment and affective commitment, preferential treatment and normative commitment, and repurchase intentions and normative commitment are not supported.

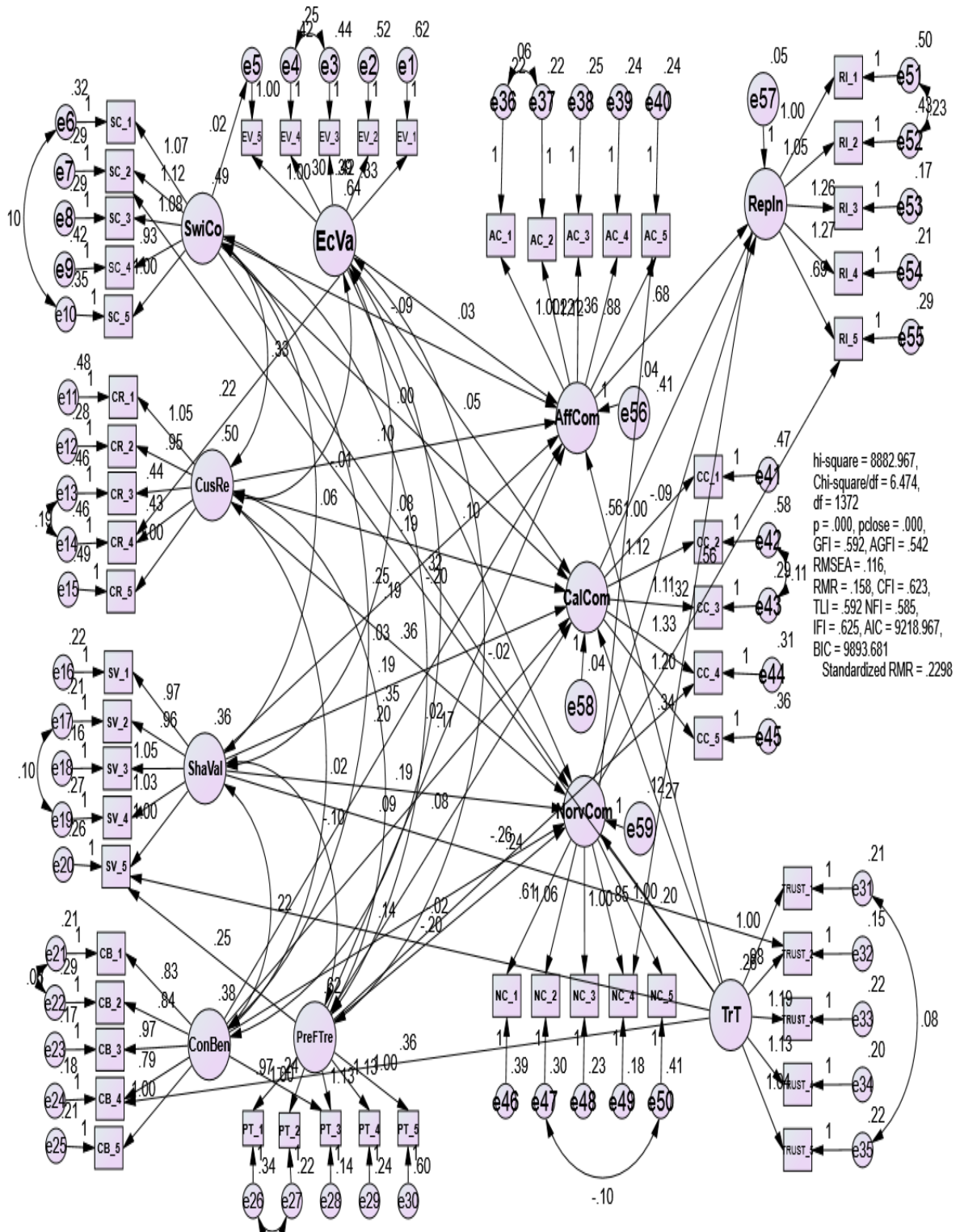


Figure 1. Results of the Final Respecified Structural Model of the Repurchase Intentions of Money Remittance Center Customers in SOCCSKSARGEN

4. CONCLUSION

The results suggest that the interaction and relationship between the customers and the money remittance centers in SOCCSKSARGEN can explain repurchase intentions. Customer's intention to repurchase the service of their choice of money remittance can be influenced by how the providers interact with them on an economic, social and resource basis. Customer's actions towards a remittance transaction is pre-planned as influenced by their past experiences with the firm's services. With trust, affective and calculative commitment can be developed and can further influence customers' repurchase intention.

In terms of specific initiatives, (economic value) such as providing quality service that is worth the price, (shared values) aligning firms values to customers personal views and lastly (preferential treatment) giving faster service to some special customers may help money remittance center improve customers' commitment. Based on the test of significant differences, the following findings may be considered relevant to management of money remittance centers and their customers, male and female respondents repurchase intention vary, across all age groups perception regarding experience on preferential treatment are the same, students aspects of commitment are the same with other respondents, as to location selected cities customers on money remittance center perceived the same experience on economic value, preferential treatment and repurchase intention, across all money remittance centers respondents perceived different responses in terms of economic value. As to frequency of transaction and length of usage, those who are frequently/ spent years in remitting with their PMRC differ perception with those seldom/ newbies using their PMRC in terms of price and quality. Customers, ascertain from the results that across all location economic value- quality and pricing must not be significantly different. But in terms of preferred money remittance centers, various firms provide different price and quality.

Specific drivers considered consistently significant using regression and SEM, namely, economic value, shared values and preferential treatment as its affect affective and calculative commitment (both significantly influencing repurchase intention) and its predictability strength towards repurchase intention may be relevant to further provide thorough analysis on the nature of customer relationship management. In addition, other factors specific to customers such as level of income and educational attainment are a potential consideration for future studies.

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