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Can Money Buy Advocacy? The Moderating Role of Referral Programs in B2B SAAS

Muh Arif Mahfudin*, Ngatno
Universitas Diponegoro, Indonesia
Email: muharifmahfudin@gmail.com*, ngatno_fisip@yahoo.co.id

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Abstract

The cost of acquiring new customers in SaaS companies requires companies to have an effective strategy. A strategy that is often applied is a referral program, although its effectiveness is unclear. This study discusses customer advocacy influenced by Trust, Security, Customer Satisfaction and Ease of Use in the financial SaaS environment. This study extends the UTAUT framework by integrating the moderating role of the Referral Program on the relationship between driving variables and advocacy. Respondents were 202 from "CARDS" users, namely SaaS companies in Indonesia in the field of Fintech Education. The results of the analysis using SEM-PLS showed that Customer Satisfaction was the main driving factor for Customer Advocacy ($\beta = 0.438$, $p < 0.001$), followed by Trust ($\beta = 0.254$, $p < 0.01$). Meanwhile, Security and Ease of Use did not significantly influence advocacy. The most important finding is that the Referral Program does not directly encourage advocacy actions ($\beta = 0.038$) but significantly moderates the relationship if customer satisfaction and trust have been established. In this study, it can be concluded that in B2B SaaS, especially in fintech in the educational institution sector, monetary incentives are not the main thing in driving advocacy, but rather post-adoption behavior is driven by performance results.

INTRODUCTION

The growth of the Software as a Service (SaaS) industry is driven by the demand for digitalization in every business and institutional operation, both globally and in Indonesia (Masrohatin et al., 2022; Novantara & Trisudarmo, 2025; Wu & Pambudi, 2025). The selling point of SaaS platforms is scalability and efficiency. However, this sector has significant acquisition costs and long sales cycles, especially in B2B. For example, PT. Cazh Teknologi Inovasi, the developer of "CARDS," a financial management system for schools, finds long sales cycles and customer acquisition a real challenge. The cost of acquiring new B2B customers can be significantly higher than the cost of retaining existing ones (Reichheld, 2011). Therefore, to save costs and accelerate sales, companies have implemented strategies by optimizing Customer Advocacy, where existing users actively recommend the service to their peers.

SaaS companies often use referral programs to encourage customer advocacy by offering financial incentives for each successful referral. In theory, financial incentives should increase the frequency of the desired behavior (Godes & Mayzlin, 2009). However, in professional or B2B contexts, providing these incentives is a sensitive topic. Some experts suggest that financial incentives can undermine intrinsic motivation. This phenomenon is known as the "crowding-out effect" (Frey & Jegen, 2001). A company offering financial incentives to a school principal to recommend their current financial management system to colleagues may

not necessarily motivate them to do so. As professionals, they still consider their reputation before taking action (Abdollahi & Mobasher, 2024; Pereira et al., 2022).

Research using the Unified Theory of Acceptance and Use of Technology (UTAUT) technology adoption model (Venkatesh et al., 2003) typically emphasizes Usage Behavior as the final outcome. In the mature SaaS industry, although UTAUT emphasizes Performance Expectancy and Effort Expectancy, it often neglects Security and Trust, which are non-negotiable elements in financial technology (Fintech) adoption (Handoyo, 2024).

The urgency of this research stems from the high customer acquisition costs in B2B SaaS and the widespread but potentially misguided use of referral programs. Many SaaS companies invest substantial resources in monetary incentive programs without understanding their effectiveness in professional contexts. If financial incentives prove ineffective or even counterproductive, companies are wasting resources that could be better allocated to improving satisfaction and trust. Furthermore, understanding the moderating role of referral programs can help companies design more effective customer acquisition strategies that align with professional norms and relational dynamics.

The novelty of this research lies in several key aspects. First, this study extends the UTAUT framework beyond adoption intention to post-adoption advocacy behavior, a relatively understudied outcome. Second, it integrates Herzberg's Two-Factor Theory to explain why certain variables (Ease of Use, Security) may function as hygiene factors rather than motivators in B2B SaaS contexts. Third, it examines the moderating role of referral programs on multiple antecedents simultaneously, revealing both positive and negative moderating effects. Fourth, this research focuses on the unique context of fintech SaaS for educational institutions in Indonesia, a rapidly growing but under-researched market segment.

This study explores how Ease of Use, Security, Satisfaction, and Trust interact with referral programs to drive Customer Advocacy in a B2B SaaS setting. The study aims to: 1) Analysis of the influence of Security, Trust, and Ease of Use on Customer Advocacy. 2) Analysis of the Referral Program in influencing the relationship of these driving factors to Advocacy.

RESEARCH METHODS

Research Design and Sample

This study used a quantitative approach with a cross-sectional survey design. The population consisted of users representing the use of the CARDS application in educational institutions. Representative roles include Principals, Finance Staff, Teachers, Administration, and Parental Committees. Respondents were selected based on the category of having actively used the application for at least six months from institutions with at least 100 monthly financial transactions. This criterion aimed to ensure they had sufficient experience to form opinions about satisfaction and advocacy. A total of 202 valid responses were collected and used for analysis.

Operationalization of Variables

All variables were measured using a 5-point Likert scale (1=Strongly Disagree to 5=Strongly Agree).

a. Trust: Measured by Sincerity, Ability and Integrity.
b. Security: Measured based on the Assurance of Security and Confidentiality or Privacy of Data.
c. Ease of Use: Measured based on clarity Easiness, Clear and Unstable, Easy to Learn, and Overall Easiness.
d. Referral Program: The act of referring for financial incentives.
e. Customer Advocacy: Measured using the Net Promoter Score (NPS) indicator (willingness to recommend), High Reviews and Ratings and Social Media Sharing.

Data Analysis Techniques

Data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS software. PLS-SEM was chosen because it is suitable for exploratory research with complex models involving moderation and non-normal data distribution (Ghozali & Latan, 2015). The analysis was conducted in two stages:

a. Measurement Model (Outer Model): Assessing Convergent Validity (Factor Loadings, AVE), Discriminant Validity and Reliability (Cronbach's Alpha, CR).
b. Structural Model (Deep Model): Assessing Path Coefficient (ß), Determination Coefficient (R^2), F^2 Test, Q^2 Test and Hypothesis Testing through Bootstrapping.

RESULTS AND DISCUSSION

Evaluation of Measurement Model

Initial assessment of the measurement model indicates that the indicators are robust.

Table 1. Hypothesis Testing Results

Variables	Indicator	Loading of Goods	Cronbach's alpha	Composite Reliability	AVE
Security	SE1	0.862	0.818	0.910	0.835
	SE2	0.963			
Trust	T1	0.907	0.918	0.948	0.859
	T2	0.944			
	T3	0.928			
Ease of Use	EOU1	0.861	0.906	0.934	0.780
	EOU2	0.937			
	EOU3	0.838			
	EOU4	0.895			
Customer satisfaction	SA1	0.781	0.883	0.911	0.631
	SA2	0.742			
	SA3	0.874			
	SA4	0.769			
	SA5	0.802			
	SA6	0.791			
Referral Program	R1	1,000	1,000	1,000	1,000
Customer Advocacy	A1	0.942	0.920	0.950	0.863
	A2	0.948			
	A3	0.895			

a. Convergent Validity: All external loadings for the reflective constructs exceeded the 0.70 threshold. The Average Variance Extracted (AVE) for all constructs ranged from 0.63 to

1.00, well above the 0.50 threshold, indicating that the constructs explained more than half of the variance of their indicators.

b. Reliability: Composite Reliability (CR) and Cronbach's Alpha values for all variables (Safety, Trust, Ease of Use, Satisfaction, Referral, Advocacy) were above 0.70, indicating high internal consistency.
c. Discriminant Validity: All discriminant validity values are below 0.90, which confirms that each construct is empirically distinct.

Structural Model Evaluation

The R^2 test results were used to predict the structural model. The results showed 59.4% (R^2 = 0.594) of variance in Customer Advocacy. This value is considered moderate to substantial in behavioral research. Meanwhile, the predictive relevance (Q^2) value for Advocacy was 0.498, indicating that the model has high predictive accuracy.

Hypothesis Testing Results

The bootstrapping procedure produces the following Path Coefficients and T-Statistics:

Table 2. Summary of Direct Impacts

	Original Sample	T Statistics	P value	Results
Security ➔ Customer Advocacy (H1)	0.072	1,447	0.074	Does not support
Trust ➔ Customer Advocacy (H2)	0.254	3,299	0.001	Support
Ease of Use ➔ Customer Advocacy (H3)	-0.033	0.474	0.318	Does not support
Customer Satisfaction ➔ Customer Advocacy (H4)	0.438	6,063	0,000	Support

Table 3. Summary of Moderation Effects

	Original Sample	T Statistics	P value	Results
Referral Program x Security ➔ Customer Advocacy (H5)	-0.061	1,391	0.082	Does not support
Referral Program x Trust ➔ Customer Advocacy (H6)	0.199	2,527	0.006	Support
Referral Program x Ease of Use ➔ Customer Advocacy (H7)	-0.138	2,173	0.015	Support
Referral Program x Customer Satisfaction ➔ Customer Advocacy (H8)	0.156	2,464	0.007	Support

This analysis highlights that Trust is the only significant direct driver of Advocacy (β=0.254). Surprisingly, Security and even Customer Satisfaction do not have a statistically significant direct impact on Advocacy in this model configuration. Furthermore, the Referral Program itself has a negligible direct effect (β=0.038). However, the interaction term (Trust x Referral) is significant and positive (β=0.199).

Customer Satisfaction and Trust Are the Main Drivers of Advocacy

This study found that Customer Satisfaction (β = 0.438) is the primary driver of customer advocacy in the B2B SaaS industry. This indicates that meeting user expectations regarding features and service quality is a fundamental requirement for customers to recommend the product to others. This finding reinforces previous studies conducted by Mittal et al. (2023) and Susanta (2021), which established that satisfaction is a fundamental precursor to word-of-mouth and referral behavior. It also supports Kotler's (2019) assertion that satisfied customers naturally develop into promoters who are willing to refer products and services to others.

Another driving factor for advocacy is user trust (β=0.254). Given that CARDS is a software service that provides financial management features, users must trust the vendor's integrity before risking their reputation to recommend it to their peers. This aligns with research conducted by Bourreau et al. (2015), which states that trust is crucial in digital payment systems where direct user interaction is minimal. These results are also supported by the findings of Johnson et al. (2022), who found that in a B2B context, trust significantly influences the willingness to refer potential new users to salespeople. Therefore, it can be concluded that advocacy in this sector is driven not only by appropriate functionality but also by relational trust built through satisfaction and trust.

Ease of Use and Security Are Absolute Factors That B2B SaaS Has

An interesting finding from this study is the insignificance of Ease of Use and Security on Customer Advocacy. This suggests that these variables function as "hygiene factors" rather than drivers in the B2B SaaS sector. This aligns with the concept based on Herzberg's Two-Factor Theory: the absence of these variables leads to dissatisfaction, but their presence acts as a baseline standard and does not actively encourage advocacy.

These findings are consistent with Handoyo (2024), who stated that security serves as a precursor to trust and purchase intention, not as a direct driver of advocacy behavior. Similarly, Davis (1989) established Ease of Use as a predictor of usage intention in the Technology Acceptance Model (TAM). However, the findings in this study differ from those of Suhardianto (2020), who argued that security has a positive impact on consumer decisions. The results of this study revealed that ease of use and security are not sufficient to trigger the high-level commitment required for advocacy. Professional users of B2B SaaS fundamentally expect a secure and easy-to-use financial system. They will not advocate for a product simply because it meets these basic operational standards.

Referral Programs Do Not Directly Trigger Advocacy

One of the most important findings of this study is that the Referral Program is statistically insignificant (β=0.038) in its direct effect on customer advocacy. This contradicts the conventional economic view that financial incentives automatically trigger desired behavior. In the B2B context, users are professionals who face significant social risks when recommending a product without a clear rationale. Certain financial rewards are not enough to motivate them if core relational factors are not present. This aligns with the "social cost" perspective proposed by Wirtz et al. (2013), which suggests that incentives can backfire if referrers perceive that the rewards compromise their image of professional integrity. This statement is also supported by the Motivation Pooling Theory (Frey & Jegen, 2001), where the introduction of market norms

(money) into social norms (professional recommendations) has been shown to be ineffective without a foundation of trust.

However, the referral program acted as a positive moderator. This was evidenced by the positive interactions with Satisfaction (β=0.156) and Trust (β=0.199), indicating that financial rewards functioned as reinforcers rather than triggers. This phenomenon supports the commitment-consistency principle proposed by Garnefeld et al. (2013), where rewards reinforce the behavior of customers who are already committed and satisfied. When customers are satisfied and trusting, a referral program will trigger action by validating their positive experiences. Conversely, without this baseline satisfaction, a referral program remains ineffective.

Referral Programs Have Positive and Negative Moderating Effects on Advocacy

The Referral Program does not have a direct effect on advocacy, but functions as a moderator depending on the antecedents it interacts with. First, it has a positive effect on the antecedents Trust and Satisfaction, indicating a synergistic effect. This finding corroborates the findings of Schmitt et al. (2011), who observed that referred customers with high levels of trust generate higher value when incentivized. This is also in line with the findings of Garnefeld et al. (2013), who found that rewards effectively strengthen the loyalty of customers who already have strong relational ties with the company. For customers with high levels of trust, financial rewards are not perceived as financial transactions, but as tokens of reciprocal appreciation (Blau, 1964), which actually strengthens their willingness to become advocates.

In contrast, the moderating effect of Ease of Use showed a significant negative value (β=-0.138). This result reflects the "eroding effect" documented by Wirtz et al. (2013), where economic incentives were found to erode intrinsic motivation in a social referral context. When a product is recommended solely for its operational simplicity ("ease"), the introduction of financial incentives shifts users' focus from intrinsic appreciation to transactional calculations (Frey & Jegen, 2001). Consequently, users may perceive such incentives as compensating for the product's lack of depth, paradoxically reducing their willingness to recommend the system despite its ease of use.

CONCLUSION

This study successfully extends the UTAUT framework to explain Customer Advocacy in the B2B SaaS industry. The main factors that drive B2B SaaS users to advocate are Customer Satisfaction and Trust. Meanwhile, Referral Programs are not an effective solution for B2B SaaS customer acquisition. This Referral Program does not directly create advocacy, but serves as an effective mechanism to leverage and strengthen existing strong relationships based on satisfaction and trust. Advice that can be given to SaaS Companies, especially in the Fintech and Edutech sectors, is that marketing efforts should focus on reliability, data integrity, and customer support to build customer trust and satisfaction, rather than only highlighting ease of use. Referral programs will be more effective if they target user segments with high levels of satisfaction and trust. The referral program offered must be designed in such a way that the incentives given are not financial transactions that are considered as commissions but rather appreciation for partners. This needs to be considered to align with the professional image of B2B SaaS users.

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