

Relationship Marketing in an Open University*

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Abstract

The purpose of this research was to use relationship marketing theory to investigate (1) the relationship between trust and satisfaction (2) the relationship between trust and commitment. (3) the relationship between trust and loyalty (4) the relationship between satisfaction and commitment (5) the relationship between satisfaction and loyalty (6) the relationship between commitment and loyalty of the students of an open university, Sukhothai Thammathirat Open University.

The instrument was a questionnaire composed of the measurement items related to the constructs of trust, satisfaction, commitment and loyalty. The population of this research was 587 bachelor degree students of School of Management Science, Sukhothai Thammathirat Open University in 77 provinces who registered the Professional Experience Course and stayed on campus for intensive training of the course. Questionnaires were distributed to population in December 2018. Then 432 questionnaires were returned. Correlation was used for analysis the relationships of trust, satisfaction commitment and loyalty.

The results of this study concluded that the correlation of trust and satisfaction is 0.493. The correlation of trust and commitment is 0.250. The correlation of trust and loyalty is 0.351. The correlation of satisfaction and commitment is 0.607. The correlation of satisfaction and loyalty is 0.753. The correlation of commitment and loyalty is 0.768.

Therefore, Sukhothai Thammathirat Open University should use satisfaction and commitment to create students' loyalty. STOU should develop and offer good programs for students. Medias of the programs should be efficiency. The content should update. Professor and staff help students solve their problems. Students will have a good experience. After students are satisfied, they will commit to this university. Then students will maintain the relationship for a long time.

The students will say positive things about university to other people and recommend their program to other. They will encourage friends and relatives to attend their program. Finally, the students will become a member of the alumni organization of this university.

Keywords: Trust; Satisfaction; Commitment and Loyalty

Introduction

Sukhothai Thammathirat Open University (STOU) is the only university in Thailand which uses distance medias to teach students around Thailand and other countries. STOU sends many distance medias to students at their homes. The students study the medias by themselves. Most of them have never met their professor by face to face. Therefore, the question, that how much do the students have trust, satisfaction, commitment and loyalty to STOU is still unknown. The new

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students in the pass used to more than 100,000 per year; the new students nowadays are about 10,000 per year.

This research proposes a relationship marketing theory to answer the research questions. There are four variables of the relationship marketing theory: trust, satisfaction, commitment and loyalty. Therefore, the research questions are:

- 1) Is there a relationship between trust and satisfaction?
- 2) Is there a relationship between trust and commitment?
- 3) Is there a relationship between trust and loyalty?
- 4) Is there a relationship between satisfaction and commitment?
- 5) Is there a relationship between satisfaction and loyalty?
- 6) Is there a relationship between commitment and loyalty?

Trust

Morgan and Hunt (1994) define trust as the belief that a party's word or promise is reliable and that the party will fulfill his or her obligations in an exchange relationship. Moorman, Zaltman and Deshpande (1993) suggest that the role of trust in relationships has been conceptualized as a feature or an aspect of relationship quality. According to marketing context, the factor of trust normally relates with expectation of consumers, relating to the company ability to maintain the promise take their obligations. Therefore, the expectation is based on the company's ability, trustworthiness, honesty and power. Competency of an organization shows the capacity which can take the transaction with the customer according to their expectation.

Satisfaction

Kotler (1999) defined that satisfaction is a person's feelings of pleasure or disappointment resulting from comparing a product's perceived performance or outcome in relation to his or her expectations. Customer satisfaction is the reply to the particular attention on the expectation of the experience and production of using services and consumption. Oliver (2010) stated that customer satisfaction is defined as a process of evaluation or as an outcome result of this process. Oliver (2010) also explained that customer satisfaction is the consumer's fulfillment response. Customer satisfaction is the sentimental and emotional reaction or behavior of interactive recognizing and realizing.

Commitment

Customer commitment has been interesting since Morgan and Hunt's (1994) seminal work on the trust-commitment theory of relationship marketing. Recent research has identified that customer commitment is a powerful predictor of various metrics related to customer retention, the same switching/staying intentions and repurchase intentions. Although previous research has found that there are several key determinants of relationship marketing outcomes, the constructs of commitment, trust and satisfaction seem to be the key. A multi-dimensional view of commitment has been well established in the services marketing literature. The number of dimensions used, however, has only been moderately consistent. Many studies have alluded to two dimensions of commitment in marketing relationships.

Loyalty

The conceptualization of customer loyalty as a combination of behavioral and attitudinal dimension is additionally supported by many authors. Dick and Basu (1994) conceptualized customer's loyalty based on the relationship between relative attitude and repeat patronage behavior. More specifically, attitudinal loyalty refers to customer's emotional attachment while behavioral loyalty refers to customer's actual behavior. In this regard, marketing scholars are advised to use both attitudinal and behavioral dimensions of loyalty in their actual measurements and studies.

The importance of developing and maintaining enduring relationships with university students using relationship marketing theory is generally accepted in the marketing literature. The question is then this relationship be applied to across diverse segments such as education. A key challenge for researchers is to identify and understand how managerially controlled antecedent variables influence important relationship marketing outcomes such as loyalty. A key goal of relationship marketing theory is the identification of key drivers that influence important outcomes for the university and a better understanding of the relationship marketing outcomes, loyalty.

The Purpose of the Study

The purpose of this research was to use relationship marketing theory to investigate (1) the relationship between trust and satisfaction (2) the relationship between trust and commitment. (3) the relationship between trust and loyalty (4) the relationship between satisfaction and commitment (5) the relationship between satisfaction and loyalty (6) the relationship between commitment and loyalty of the students of an open university, Sukhothai Thammathirat Open University.

Justification of the Study

This research will contribute to and extend prior research by testing the relationship of trust, satisfaction, commitment and loyalty. If increased customer loyalty leads to superior university performance, consistent with the findings of Reichheld (2003) that loyalty clearly affects growth and income, then the development of trust, commitment, satisfaction and loyalty is a desirable goal for any organization.

Thus, the findings of this study will help STOU as service providers to improve their marketing strategies to ensure that STOU students have confidence in which programs they want to attend. The mutual benefits to university and students will ensure the future success of STOU.

A second contribution of this research involves STOU will develop to determine whether the relationship model fits STOU students. Properly understanding any differences in loyalty of STOU students can help STOU to create service strategies and relationship customization in their relationship marketing plans.

Literature Review

2019-2017 Researches According To Marketing Relationship: Satisfaction, Trust, Commitment and Loyalty Are:

Rather, R.A. (2019) Investigates The Interrelationships Among Consumer Engagement And Higher Order Marketing Constructs Including Trust, Satisfaction, Commitment And Customer Loyalty Within Hospitality Industry. The Perceptions From Hotel Customers Were Used To Examine The Interrelationships Among The Constructs. The Data Set Was Analyzed Using Descriptive Analysis, Confirmatory Factor Analysis And Structural Equation Modeling. Empirical Results Reveal That Consumer Engagement Has The Most Influential Impact On Satisfaction, Followed By Commitment, Loyalty And Trust. Likewise, Trust Contributes More Towards Loyalty Followed By Satisfaction And Commitment. Commitment, Satisfaction And Trust Mediate The Relationship Between Consumer Engagement And Loyalty. Hence, Results Suggest That Consumer Engagement Increases Satisfaction, Commitment, Trust, And Loyalty. Based On Social Exchange Theory And Relationship Marketing Theory, This Study Analyzes From A Theoretical And Empirical Perspective The Influence Of The Consumer Engagement On Satisfaction, Commitment, Trust, And Loyalty.

Cai, R., & Chi, C. (2018) identified the depth structure of customer complaint efforts and investigates the roles of each dimension in the structural relations with customer satisfaction and loyalty. Three dimensions of customer complaint efforts were identified, procedural effort, cognitive effort, and affective effort in the restaurant context. This study found that customers' physical/procedural and cognitive efforts exerted during the complaint resolution process compound their affective efforts, which further reduce customer satisfaction with the complaint process and erode customer behavioral and attitudinal loyalty.

Cha, J. & Borchgrevink, C. (2018) investigated the relative effects of perceived value and food safety on customer satisfaction and customer loyalty. The proposed model was consistent with other cognitive–attitudinal–behavioral frameworks. This study also explored how these two perceptions on customer satisfaction were different based on gender and restaurant type. The study found support for all of the hypothesized relationships. Results from the structural equation modeling showed that customer satisfaction mediated the relationships between two antecedents and customer loyalty.

Mahmoud, M., Hinson, R. & Adika, M. (2018) called on scholars pay to attention to these factors in the scholarly marketing literature, since customer retention is the basic tenet of relationship marketing. Drawing on relationship marketing theory, this study analyzes the direct and indirect relationships amongst trust, commitment, and conflict handling on customer retention. The findings revealed that only conflict handling had a direct significant effect on customer retention. Also, trust and conflict handling had a direct and significant effect on customer satisfaction. However, trust and conflict handling were seen to have an indirect significant effect on customer retention via customer satisfaction.

Schirmer, N., Ringle, C., Gudergan, S. & Feistel, M. (2018) examined whether trust and commitment mediate the extent to which satisfaction influences loyalty, and whether such mediation is conditional on certain demographic or situational customer characteristics. The findings suggest that assuming homogeneity supports the general notion that trust and commitment partially mediate the extent to which satisfaction influences loyalty.

Chandrashekar, M., Rotte, K., Tax, S., & Grewal, R. (2017) focused on identifying which customers are vulnerable to defection despite their stated high levels of satisfaction.

Building on the recently developed Judgment Uncertainty and Magnitude Parameters (JUMP) model, the authors decompose customers' stated satisfaction into two related but independent facets (satisfaction level and satisfaction strength) and then examine the role of satisfaction strength in the translation of satisfaction into loyalty. The studies strongly demonstrate that satisfaction strength plays a central role in the translation of stated satisfaction into loyalty.

Singh, G., Singh, I. & Viji, S. (2017) identified the antecedents and consequences of customer loyalty and suggests a conceptual model. The paper identified four dimensions (customer satisfaction, commitment, trust, and image) that potentially determine customer loyalty and four probable outcomes of customer loyalty such as word-of-mouth, repurchase intention, price premium and share-of-wallet.

Research Method

Theoretical framework

The theoretical framework of this research is based on relationship marketing theory. Trust, satisfaction, commitment and loyalty were empirically tested to verify the significance of relationship marketing theory. The relationship among four variables are presented in Figure 1.

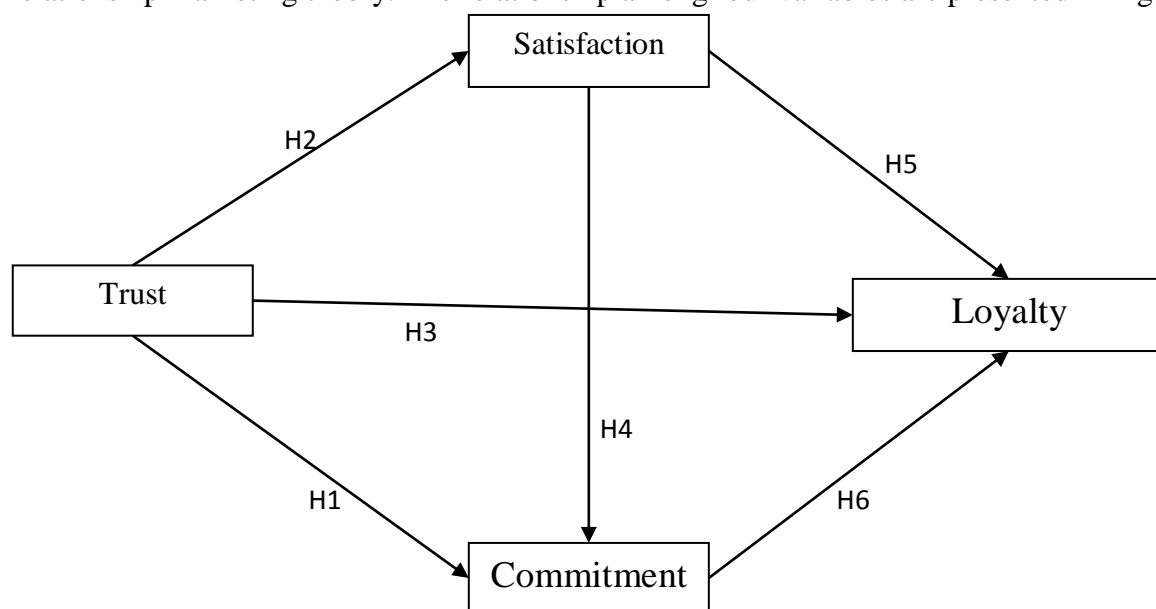


Figure 1: Research Framework

Adapted from Morgan & Hunt (1994), Garbarino & Johnson (1999), Hennig-Thurau et al. (2002), and Reichheld (2003)

Population

The population of this research was 587 bachelor degree students of School of Management Science, Sukhothai Thammathirat Open University in 77 provinces who registered the professional experience course and stayed on campus for intensive training of the course.

Instrument Development

The instrument is composed of 23 measurement items. The measurement items relate to the constructs of satisfaction, trust, commitment and loyalty. Satisfaction, trust, commitment and

loyalty constructs will be measured to test the hypotheses. All constructs are operationalized by multi-item measures. A 5 - point Likert scale, ranging from “1 = strongly disagree” to “5 = strongly agree” will be used.

Data Collection

Researcher requested the president of STOU to collect data from the population. Questionnaires were distributed to the population in December 2018. 432 questionnaires were returned.

Pilot Test

The purpose of the pilot test is to check the reliability of items, to evaluate the clarity of instruction and statements, and to identify the appropriate items to measure the four constructs. The pilot test computed from 30 students.

Table 1: Reliability

| Variables | Reliability |
|-------------------|-------------|
| Trust | 0.871 |
| Satisfaction | 0.836 |
| Commitment | 0.960 |
| Loyalty Intension | 0.700 |

Findings

The correlations of trust and commitment, trust and satisfaction, trust and loyalty, satisfaction and commitment, satisfaction and loyalty and commitment and loyalty are in Table 2.

Table 2: Correlation

| variables | variables | Correlation |
|--------------|--------------|-------------|
| Trust | Commitment | 0.250 |
| Trust | Satisfaction | 0.493 |
| Trust | Loyalty | 0.351 |
| Satisfaction | Commitment | 0.607 |
| Satisfaction | Loyalty | 0.753 |
| Commitment | Loyalty | 0.768 |

Significant: 0.01

The Summary of Research Hypotheses:

Table 2. Summary of Research Hypotheses (6 Hypotheses)

| Hypotheses Code | Description |
|-----------------|---|
| H1 | Trust is positively related to commitment. |
| H2 | Trust is positively related to satisfaction. |
| H3 | Trust is positively related to loyalty. |
| H4 | Satisfaction is positively related to commitment. |
| H5 | Satisfaction is positively related to loyalty. |
| H6 | Commitment is positively related to loyalty. |

Discussion

The result of this research, satisfaction affects loyalty, confirmed the results of the research of these researches: Cai, & Chi, (2018); Cha, & Borchgrevink, (2018); Gil-Saura, Berenguer-Contrí, & Ruiz-Molina, (2018); Mahmoud, Hinson, & Adika, (2018); Ramamoorthy, Gunasekaran, Roy, M., Rai, & Senthilkumar, (2018); Schirmer, Ringle, Gudergan, & Feistel, (2018); Chandrashekar, Rotte, Tax, & Grewal, (2017); Singh, Singh, I. & Vij. (2017).

Conclusion

The objective of relationship marketing theory is to develop and maintain long-term, mutually beneficial relationships between education providers and students. Based on relationship marketing theory, this research seeks to empirically investigate students' trust, satisfaction, commitment and loyalty.

Suggestions

The relationship between satisfaction and commitment, between satisfaction and loyalty, and between commitment and loyalty are higher than 0.50. Therefore, Sukhothai Thamathirat Open University can satisfy students to create students' commitment and loyalty. STOU should develop and offer good programs for students. The medias of the programs should be efficiency. The content should update. Professor and staff help students solve their problems. Students will have a good experience. After students are satisfied, they will commit to university. The students will maintain the relationship for a long time.

The students will say positive things about university to other people and recommend their program to other. They will encourage friends and relatives to attend their program. Finally, the students will become a member of any alumni organization of this university.

Future Research

The future research should 1) collect data from Master Degree and Doctoral Degree students. 2) collect data from the students from other schools of Sukhothai Thamathirat Open University

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