The Impact of Relational Dynamics on Students’ Loyalty and the Mediating role of Students’ Satisfaction in Higher Education Sector

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Abstract

Students are getting attention as a customer and academic institutions are trying to make them loyal so that they will use positive word of mouth. In the current research study, the impact of relational dynamics on students’ loyalty has been examined with the mediating role of students’ satisfaction. Data were analysed from the sample of 348 students of three leading universities. Finding of this study show significant positive relationship, and students’ satisfaction mediates the relationship between relational dynamics and positive (WOM). This study will helpful for the service providing strategies of academic institutions.

Keywords: Students’ Loyalty; Students’ Satisfaction; Trust, Bonding; Personalization

Introduction

Customer loyalty is beneficial for all types of organizations i.e., organizations can easily persuade more customers through positive word of mouth of their loyal customers. Customer loyalty is one of the most important subject not only in the field of marketing [1], but marketing staff also consider it as the important factor for the success of the businesses, through customer loyalty organizations can make long term relationship with their customers [2]. Loyal customers make repeat purchases and also consider the products and services to others [3].

Historically students have been considered as those individuals who learn something but by the rising of competition changed this concept and now education sectors consider them as customers [4]. Now students are getting more attention not as a learner but as a consumer of the education institutions [5]. Brown [6] described students loyalty as students thinking to not only take admission in the same institution but also use positive Word of Mouth for that institution. And in this research study students’ loyalty has been consider from the dimension of Positive (WOM).

The relationship between students and academic institutions, trust of the students on their service providing organizations and personalization of academic institutions towards their students generate positive (WOM) of the students. Relationship can be generated by psychological and emotional bonds [7]. In academic sector trust can be described as the expectations of the students to be fill by their service provider in the near future [8] and Shekarchizadeh A [9] described personalization as the attention given by the service providers on the necessities of the students.

Different researchers have conducted research on students’ loyalty with different factors. Such as Schlesinger [10] conducted study on the students of higher education that how they will become loyal to their university, they investigate students’ loyalty with trust and image. Scholars have also investigated students loyalty with the impact of students’ satisfaction, motivation and service quality in higher education institutions, for the research conducting in future they suggest that researcher should focus on other possible antecedents which motivates loyalty and motivation [11]. Heo and Lee [12] have also suggested that factors which motivate the students should be examined for their loyalty.

The current research study is consistent with the relationship marketing theory, which can be described as, the successful relational exchage creates successful relationship marketing. Kleinaltenkamp [13] relationship marketing is one of the most important factor to compete with competitors [15]. In the field of marketing scholars had given considerable attention to the subject of customer loyalty, and as the competition arises in between academic institutions scholars have also focused on the students’ loyalty [16]. Positive Word of Mouth (WOM) is one of the important advantage of the loyal students [17].

In today world of competition, no business can survive without satisfying their customers [18]. Kotler [19] have described customer satisfaction as to the degree to which the customer expectations have been met with performance of the business organization. Just like other business organization academic institutions also try to satisfy their students [20].

Aspects which enhance the relationship between different parties are known as relational dynamics [21]. In the current study trust bonding and personalization are the relation dynamics for Students’ loyalty.

The relationship between academic institutions and their students affect their benefits, and this relationship can be improved by developing bonds. Dagger [22] and these bonds describe the strength of the relationship between parties [7]. In academic institutions trust can be

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described as the students’ sureness on their institutions trustworthiness and consistency [23]. Academic institutions try to generate trust in their students’ so they will not leave their institution [24]. Personalization can be labelled through different terms i.e., preference, adaptation, market segment of one and customization etc. [25]. And in academic sector personalization is the focus of the institution on the requirements of the students [9].

Relational dynamics and students’ loyalty (Positive WOM)

Good relationship with the customer make him a good advocate for their organization. Helgesen [26] state that students used positive WOM when they have strong bonding relationship with their customers.

Trust has been also considered an important factor to make the students good advocates for their institution [16].

Not only good relationship and trust of the students on their institution make the students good advocates but Matzler [27] States that when institutions will focus on the requirement of the students then students will use Positive (WOM) for their institution.

H1. Bonding is significantly positively related to Positive WOM.

H2. Trust is significantly positively related to Positive WOM.

H3. Personalization is significantly positively related to Positive WOM.

Relational dynamics and students’ satisfaction

Relational dynamics of the students loyalty also leads to satisfaction of the students i.e., ref. [28] stated that students satisfaction can be increased when institution will make good relationship with them. Similarly, when customers of the education institutions will have trust on their institutions then they will be more satisfied as compared to when they will have not trust on their institution [29]. Students become more satisfied and response better when they are academic institutions focus on their needs and requirements [30].

H4: Bonding is significantly positively related to students’ Satisfaction.

H5: Trust is significantly positively related to Students’ Satisfaction.

H6: Personalization is significantly positively related to students’ Satisfaction.

Students’ satisfaction and students’ loyalty (Positive WOM)

Customers desire to give favourable comments on the products and services are increased when they become satisfied by the products and services they received [31]. Just like other business organization academic institutions also try to satisfy their students to get competitive advantage [32,33] also state that in higher education institutions personalization leads to positive (WOM) of the students.

H7. Students’ Satisfaction is significantly positively related to Positive WOM.

Mediating role of students’ satisfaction

Students satisfaction has been taken as a mediating variable, before of this different researchers have taken students satisfaction as a mediating variable between different relational dynamics and Positive (WOM) i.e., Han X [34] have taken it as a mediating variable between trust and positive (WOM) who conducted research in services organization, Guenzi [35] have used it between bonding and positive (WOM) in service providing organization. Abubakar [36] conducted research on the banking customers and used satisfaction as a mediating variable between personalization and customer loyalty.

H8: Students’ satisfaction mediates the relationship between Bonding and Positive WOM.

H9: Students’ satisfaction mediates the relationship between Trust and Positive WOM.

H10: Students’ satisfaction mediates the relationship between Personalization and Positive WOM.

Current research study was conducted on the sample size of 348 students of three leading universities and data was collected through five point Likert scale questionnaire. Quantitative study was conducted with the mediating model

Measures

All the measure for this research study were obtained through self-reported questionnaire. Seven items for the Positive (WOM) were obtained from two sources [37,38], 7 items for students’ satisfaction were obtained from [7,39], four item for bonding were obtained from [39,40]. Four item for trust has been obtained from [41] for personalization four item were obtained from [42,43]. All items were measured on five-point Likert scale 1 through 5, where 1 indicates strongly disagree and 5 indicates strongly agree.

Analysis and Regression

Correlation analysis and reliability

Table 1 shows the correlation matrix. As shown in the table, the mean of Relational dynamics variables namely Bonding is found to be 3.2087, Trust is 3.4728 and of personalization is 3.4139. Whereas the standard deviation of relational dynamics variables namely Bonding is found to be 0.98567, standard deviations of, Trust is 1.04775, and of personalization is 0.99610.

The mean of dependent variable namely word of mouth (WOM) is 3.5193 with a standard deviation of 0.97757. The mean and standard deviation of the mediating variable Students’ Satisfaction is 3.4484 and 0.99610 respectively.

Correlation results of all the variables show that all the variables are

<table>
<thead>
<tr>
<th>Variables</th>
<th>Mean</th>
<th>Standard Deviation</th>
<th>WOM</th>
<th>Bonding</th>
<th>Trust</th>
<th>Personalization</th>
<th>Students Satisfaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>WOM</td>
<td>3.5193</td>
<td>0.97757</td>
<td>(0.924)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bonding</td>
<td>3.2087</td>
<td>0.98567</td>
<td>0.675**</td>
<td>0.930</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trust</td>
<td>3.4728</td>
<td>1.04775</td>
<td>0.739**</td>
<td>0.747**</td>
<td>0.917</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personalization</td>
<td>3.4139</td>
<td>1.01492</td>
<td>0.666**</td>
<td>0.676**</td>
<td>0.745**</td>
<td>0.928</td>
<td></td>
</tr>
<tr>
<td>Students Satisfaction</td>
<td>3.4484</td>
<td>0.99610</td>
<td>0.855**</td>
<td>0.744**</td>
<td>0.819**</td>
<td>0.785**</td>
<td>(0.907)</td>
</tr>
</tbody>
</table>

Notes: ** Correlation is significant at 0.01 level of significance; the values in the parenthesis are scale reliabilities.

Table 1: Mean, Standard Deviation, Reliability and Cronbach’s alpha Table.
highly correlated to each other i.e., Bonding and WOM is 0.675 (67%) correlated, Trust and WOM is 0.739 (73%) correlated, Personalization and WOM is 0.666 (66%) correlated, Students' Satisfaction and WOM is 0.853 (85%) correlated, Students' Satisfaction and Bonding is 0.744 (74%) correlated, Students' Satisfaction and Trust is 0.819 (81%) correlated and Students' Satisfaction and Personalization is .785 (78%) correlated to each other.

Cronbach's alpha test was conducted for reliability testing. The value of Cronbach's alpha for positive (WOM) were (0.924), bonding (0.930), trust (0.917), personalization (0.928) and for personalization were (0.907).

**Regression analysis**

We run Linear regression analysis for testing the effect of independent variable (Bonding, Trust and personalization) on dependent variables (Word of Mouth), independent variable (Bonding, Trust and Personalization) on mediator variable (Students' Satisfaction) and the effect of mediating variables (Students' Satisfaction) on dependent variable (Word of Mouth).

**Relational Dynamic and Word of Mouth (Table 2):** Hypothesis I predicted that Bonding will positively related to Positive Word of Mouth of the students. We run the regression analysis for testing that hypothesis. We check the effect of Bonding on Positive Word of mouth on in model 1. Results shows that Bonding is positively related to Positive Word of Mouth of the students. Because the P value is 0.001 which is less than 0.05 and the value of beta is .225 which shows that one percent change in Bonding will leads .22 percent change in Positive word of mouth of the students in anticipated direction. The value of R² is .597 which shows the explanatory power of the model. So our hypothesis three were substantiated.

Hypothesis II predicted that Trust will positively related to Positive Word of Mouth of the students. We run the regression analysis for testing that hypothesis. We check the effect of Trust on Positive word of mouth on in model 1. Results shows that Trust is positively related to Positive Word of Mouth of the students. Because the P value is 0.000 which is less than 0.05 and the value of beta is .414 which shows that one percent change in bonding will leads 0.41 percent change in Students' Satisfaction in anticipated direction. The value of R² is 0.757 which shows the explanatory power of the model. So our hypothesis VI were substantiated.

In hypothesis III predicted that Personalization will positively related to Positive Word of Mouth of the students. We run the regression analysis for testing that hypothesis. We check the effect of Personalization on Positive word of mouth on in model 1. Results shows that Personalization is positively related to Positive Word of Mouth of the students. Because the P value is 0.003 which is less than 0.05 and the value of beta is .200 which shows that one percent change in Personalization will leads 0.20 percent change in Positive word of mouth of the students in anticipated direction. The value of R² is 0.597 which shows the explanatory power of the model. So our hypothesis three were substantiated.

Hypothesis III predicted that Personalization will positively related to Positive Word of Mouth of the students. We run the regression analysis for testing that hypothesis. We check the effect of Personalization on Positive word of mouth on in model 1. Results shows that Personalization is positively related to Positive Word of Mouth of the students. Because the P value is 0.003 which is less than 0.05 and the value of beta is .200 which shows that one percent change in Personalization will leads 0.20 percent change in Positive word of mouth of the students in anticipated direction. The value of R² is 0.597 which shows the explanatory power of the model. So our hypothesis three were substantiated.

**Table 2: Relational Dynamic and Word of Mouth.**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
<th>R²</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>.779</td>
<td>.157</td>
<td>4.959</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>Bonding</td>
<td>.223</td>
<td>.065</td>
<td>.225</td>
<td>3.418</td>
</tr>
<tr>
<td></td>
<td>Trust</td>
<td>.394</td>
<td>.068</td>
<td>.422</td>
<td>5.787</td>
</tr>
<tr>
<td></td>
<td>Personalization</td>
<td>.192</td>
<td>.063</td>
<td>.200</td>
<td>3.033</td>
</tr>
</tbody>
</table>

a. Dependent Variable: WOM.
P<.05, **P<.01, ***P<.001, N=348

**Table 3: Relational Dynamic (IVs) and Students' Satisfaction (DV).**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
<th>R²</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>.283</td>
<td>.124</td>
<td>2.281</td>
<td>.023</td>
</tr>
<tr>
<td></td>
<td>Bonding</td>
<td>.209</td>
<td>.052</td>
<td>.207</td>
<td>4.051</td>
</tr>
<tr>
<td></td>
<td>Trust</td>
<td>.394</td>
<td>.054</td>
<td>.414</td>
<td>7.328</td>
</tr>
<tr>
<td></td>
<td>Personalization</td>
<td>.330</td>
<td>.050</td>
<td>.336</td>
<td>6.576</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Students' Satisfaction.
b. Independent Variables Bonding, Trust & Personalization.
P<.05, **P<.01, ***P<.001, N=348
Students’ Satisfaction in model 2. Results show that Personalization is positively related to Students’ Satisfaction. Because the P value is 0.000 which is less than 0.05 and the value of beta is 0.336 which shows that one percent change in bonding will lead 0.33 percent change in Students’ Satisfaction in anticipated direction. The value of R^2 is 0.731 which shows the explanatory power of the model. So our hypothesis VI was substantiated.

Students’ satisfaction (MV) and positive word of mouth (DV) (Table 4): Hypothesis VII predicted that Students’ Satisfaction will positively relate to Students’ Positive Word of Mouth. We run the regression analysis for testing that hypothesis. We check the effect of Students’ Satisfaction on Positive Word of Mouth in model 3. Results show that Students’ Satisfaction is positively related to Positive Word of Mouth... Because the P value is 0.000 which is less than 0.05 and the value of beta is .855 which shows that one percent change in bonding will lead .85 percent change in Students’ Satisfaction in anticipated direction. The value of R^2 is .731 which shows the explanatory power of the model. So our hypothesis VII was substantiated.

Mediation between Relational Dynamics (IVs) & WOM (DV) (Table 5): Hypothesis VIII, IX and X predict that students’ satisfaction mediates the relationship between independent variables (Bonding, Trust & Personalization) and dependent variable Positive word of mouth. We run the regression analysis for testing these hypotheses. As in the above discussions trust bonding and personalization is positively related to Students’ Satisfaction and Positive Word of Mouth, and Students’ Satisfaction is also positively related to Positive word of Mouth. And now the P value of Bonding trust and personalization are .223, .107 and .334 which is greater than 0.05, this means that it is insignificant and Students’ Satisfaction fully mediates the relationship between relational dynamics and Positive word of mouth of the students. So our hypothesis VIII, IX and X were substantiated.

Conclusion

The current research study was conducted with the main to investigate the students' loyalty (Positive WOM) with the main its main facilitators. Determinants of the students’ loyalty are considered as the main facilitator which can be described as relational dynamics (Trust, Bonding and Personalization). In this study the students’ satisfaction was used as a mediating variable between relational dynamics and students’ loyalty. In the current research study total ten hypotheses were examined. Three were about the relationship between relational dynamics (Trust, Bonding and Personalization), three were with the impact of relational dynamics on students' satisfaction, one was with the impact of students' satisfaction on students' loyalty, and three were with the mediating role of students' satisfaction between relational dynamics and students' loyalty.

The current research study will be beneficial for the management of academic institutions in order to respond effectively to challenges faced in their area. Through this study, they will know how to satisfy their students, to make them loyal and to increase the number of students and persuade more students through positive (WOM) of their loyal students. The current research study will also be beneficial for the management and policy makers of the academic institutions to make positive image of their customers through their policies, satisfied and loyal students.

The current research study was also with some limitations, i.e., cross sectional survey was used to analyse data, in cross sectional survey data are analysed in a specific time only. And also the students of three universities were selected as a sample for the current research study. For future study, research should do longitudinal study and should focus on a large number of universities for more generalizability.

References
