Student Engagement Towards HEIs: Relationship Marketing Perspective

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Abstract
To effectively retain high quality students, it is critical for the HEIs to provide an excellent customer experience across the student lifecycle. Thus, adopting the relationship marketing perspective, this study extends the Relationship Investment Model in order to identify the determinants student engagement with the institutions. Specifically, this study attempts to examine the effect of satisfaction, dimensions of relationship investment and alternative attractiveness on commitment, and consequently on the student engagement towards HEIs. The findings of this study are expected to reveal the significant predictors of student commitment and consequently on student engagement. The findings may as well provide the foundation that fit the HEIs to design an effective program that will engage the students and consequently ensure their relevance in the competitive educational world.

Keywords: Branding, Relationship Marketing, Relationship Investment, Higher Education

Introduction
In achieving the current vision to make Malaysia as a centre of education excellence and a hub for higher education in the Southeast Asia region, the government has taken various efforts to strengthen the path towards providing better quality education and wider range of programmes. As a result, rapid expansion of higher education can be seen in Malaysia, especially with the increased number of Higher Education Institutions (HEIs). Based on the statistics released by the Ministry of Education, though the number of public HEIs remain at 20, the number of private HEIs has increased significantly from only 49 in 2010 to 486 in 2014 (Ministry of Education Malaysia, 2014). With the growing number of HEIs, the number of students’ enrolled in both public and private HEIs has raised substantially, for which the
number of students in private HEIs, is getting closer to match the number of students in public HEIs.

With more and more HEIs available in the local and global markets, the students can have more option of good education opportunities. With the increased power to choose any educational institution that perfectly matches their needs and wants, there is a high tendency for the students to become very demanding and easily switch to an alternative institution with better offering. Accordingly, in order to win new students and retain existing students, all HEIs are challenged to design a better offering that can penetrate the local and global education market. That is, every HEIs must ensure the relevance and competitiveness of their offerings with respect to the development of knowledge as well as the local and global market needs.

As to achieve sustained competitiveness, marketing scholars have long raised on the significance of developing and maintaining stronger relationship with customers, rather than focusing on short-term measures including price, quality and satisfaction (Alqahtani, 2011; T. Carter, 2008; Circles, 2010; Hess & Story, 2005; Kotler & Armstrong, 2010; Louis & Lombart, 2010; Schraft & Micu, 2010). It was highlighted that strong customer engagement will drive the customer willingness to exhibit brand supporting behaviours including making larger purchases, greater commitment and loyalty, positive word-of-mouth and active recommendations (Bowden, 2007, 2009b; Circles, 2010; Roberts & Alpert, 2010; Sashi, 2012; Tripathi, 2009), and become the passionate advocates of a brand even in good or bad times (Ginman, 2011; Sashi, 2012). Thus, adapted to the context of the competition among the HEIs, to retain the students, it may no longer suffice for the HEIs to keep on competing in terms of education fees, quality and satisfaction, but to move forward by building stronger relationship with students. Since attracting new students is more costly than retaining the existing students, it is extremely necessary for HEIs to engage the existing students in order to secure their market share (Bowden, 2009a; Eisingerich & Rubera, 2010).

Much research has been done to understand the marketing aspects of Higher Education Institutions (HEIs) (Durkin, Howcroft, & Fairless, 2016; Guilbault, 2016; Poole, Levin, & Elam, 2017; Santini, Ladeira, Sampaio, & da Silva Costa, 2017). However, most of the studies have focused on identifying factors that influence students’ selection of HEIs (Bennett & Ali-Choudhury, 2009; Jan & Ammari, 2016). Little research has tackled the marketing issues in HEIs, particularly in branding aspect (Hemsley-Brown, Melewar, Nguyen, & Wilson, 2016; Ng, 2016; Rauschnabel, Krey, Babin, & Ivens, 2016) as well as relationship marketing (Annamdevula & Bellamkonda, 2016; Clark, Fine, & Scheuer, 2017; Schlesinger, Cervera, & Pérez-Cabañero, 2016). What is more, the research on branding HEIs in a Malaysian context has been even scarce (Ali, Zhou, Hussain, Nair, & Ragavan, 2016; S. Carter & Yeo, 2016; Chee, Butt, Wilkins, & Ong, 2016; Jan & Ammari, 2016). Given the limitation in the existing literatures, coupled with the heightened need to ensure the student retention, a study that will provide a clear idea on right lever that will effectively engage the students (Schraft & Micu, 2010) and consequently contribute to the development of a strong student-institution relationship is clearly warranted.

Accordingly, this research adopts the Relationship Investment model (RIM) by Rusbult (1983) and investigates the collective effect of student and institution investments in stimulating the students’ willingness to commit together with the effect of satisfaction and alternative
attractiveness and consequently the effect of student commitment on the engagement in an intimate long-term relationship with the institution.

**Literature Review**

The formulation of the research framework is guided by one major theory, i.e. Relationship Investment Model of Rusbult (1983), as well as literatures on customer engagement.

**Relationship Investment Model of Rusbult (1983)**

The Rusbult’s Relationship Investment model was originally developed in the social psychology to understand the human interpersonal relationships (Breivik & Thorbjornsen, 2008; Huang, Cheng, & Farn, 2007; Sung & Campbell, 2009). The previous studies have provided evidence on its applicability in many non-interpersonal contexts (Huang, et al., 2007; Jiang, Chou, & Tao, 2011; Le & Agnew, 2003), including in industrial relationship (Huang, et al., 2007), company-customer relationship (Bugel, Buunk, & Verhoef, 2010; Jiang, et al., 2011; Nusair, Parsa, & Cobanoglu, 2011) and customer-institution relationship (Breivik & Thorbjornsen, 2008; Sung & Campbell, 2009; Sung & Choi, 2010). This model (Error! Reference source not found.) conceptualizes commitment to mediate the impact of satisfaction, quality of alternatives and investment size on relationship persistence (Rusbult, 1983; Rusbult, Martz, & Agnew, 1998). However, in most customer-institution relationship studies, commitment is outlined as the dependent variable of satisfaction, quality of alternatives and investment size (Sung & Campbell, 2009; Sung & Choi, 2010).

Drawing on the empirical finding of the prior studies, it has been consistently revealed on the significance of all three determinants i.e. satisfaction, quality of alternatives and investment size, to collectively and independently predict the commitment (Le & Agnew, 2003; Rusbult, 1983; Sung & Campbell, 2009; Sung & Choi, 2010). In particular, the results show that individual’s commitment to a relationship increases to the extent that he or she is satisfied with the relationship, has unattractive alternatives, and has invested significantly in the relationship (Breivik & Thorbjornsen, 2008; Huang, et al., 2007; Rusbult, 1983; Sung & Choi, 2010). That is, satisfaction and investment have a positive effect on commitment while the quality of alternative has the opposite effect.

**Engagement as Indicator of an Overall Relationship Strength**

In recent years, marketing scholars have paid greater attention in examining customer engagement as it was well accepted as better indicator of the relationship strength (Circles, 2010; McEwen, 2004; Peoplemetrics, 2009; Schraft & Micu, 2010; Voyles, 2007). It was further highlighted that a higher level of customer engagement could reflect a deeper emotional connection that a consumer has with the engagement objects to the extent that the customers are willing to develop and sustain such relationship (Circles, 2010; Forbes, 2010; McEwen, 2004).

Given the relevancy, importance and applicability of the customer engagement in practice, marketing scholars had started to value the significant roles of customer engagement in the development and sustainability of customer-brand relationship (Bowden, 2009b; Brodie,
Hollebeek, Juric, & Ilic, 2011; Brodie, Ilic, Juric, & Hollebeek, 2013; Hollebeek, 2009; Sashi, 2012; van Doorn et al., 2010; Verhoef, Reinartz, & Krafft, 2010). In particular, scholars asserted that customer engagement outweighs the roles commitment in predicting the strength of an established customer-brand relationship (Bowden, 2009a; Sashi, 2012). While commitment is frequently adopted to indicate the endurance of a relationship, customer engagement, to a greater extent, indicates the enduring as well as the intimacy of the relationship (Sashi, 2012; Tripathi, 2009). That is, customer engagement has the capability to reflect not only the customers’ strong willingness to sustain a relationship, but also their deep intention to be intimately involved in a relationship to the extent that they are willing to act positively for the best interests of the partner (Haven & Vittal, 2008; Peoplemetrics, 2009; Sashi, 2012; Singh, Kumar, & Singh, 2010; Tripathi, 2009). Furthermore, Speak (Speak, 2010) emphasized that customer engagement is one of the most reliable predictors of a high performance organization and competitive advantage. Tripathi (Tripathi, 2009) also highlighted customer engagement as the critical factor to win, retain and deepen the customer-brand relationship, which assures the growth and survival of a brand. Moreover the highly engaged customers, were the important customer group to reach for in building strong relationship as they not only make large purchases, but also make a positive review of the brand and promote the brand to other customers at every opportunity (Haven, 2007; Roberts & Alpert, 2010). Not only that, they also recommend, participate, provide feedback and become the passionate advocates of a brand even in good or bad times (Ginman, 2011; Sashi, 2012).

Despite increasing recognition of the significance of customer engagement, empirical evidence on the antecedents of customer engagement is still limited (Haven, 2007; Haven & Vittal, 2008). Thus, to better indicate on the relationship strength between student and HEIs, it is proposed in this study the role of customer engagement. Consequently, to provide comprehensive understanding of the determinants of student-institution engagement, this study will extend the Rusbult’s Relationship Investment model and Relationship Exchange Model by examining the effect of two dimensional view of perceived institution investment i.e. economic and social, two dimensional view of perceived student investment i.e. direct and indirect, satisfaction and alternative attractiveness on commitment, which in turn affect the student-institution engagement.

**Research Hypotheses**

Past studies have long-established the significant impact of the relationship investment model components (i.e. satisfaction, investment size and alternative attractiveness) on commitment. In particular, the commitment is strengthened with the existence of satisfaction and investment size, but weakened with alternative attractiveness (Breivik & Thorbjornsen, 2008; Li & Petrick, 2008; Sung & Campbell, 2009; Sung & Choi, 2010). Similarly, a recent study by Giovanis (2016) also highlighted that as satisfaction and investment size increase and alternative attractiveness decrease, the customers commitment improves. Further, Bugel, Buunk and Verhoef (2010) highlighted satisfaction as a major determinant of commitment, alternative attractiveness has a fair effect on commitment, while relationship investment effects on commitment vary across sectors.
In studies using other models and theories, satisfaction and alternative attractiveness were also found as significant predictors of commitment. In most studies, satisfaction turned out to be a significant positive predictor (Liang & Wang, 2005; Yen & Chu, 2009; Moon & Bonney, 2007; Fullerton, 2011), while alternative attractiveness negatively affected the commitment (Yen & Chu, 2009; Moon & Bonney, 2007; Fullerton, 2011). In recent study, it was highlighted that satisfaction is more likely to increase students’ current and predicted retention in a higher educational institution (HEI) (S. Carter & Yeo, 2016).

Besides, Rusbult (1983) proposed relationship investment, which defined as the resources attached to a relationship that will be lost or seriously diminished if the relationship were to end (Goodfriend & Agnew, 2008; Le & Agnew, 2003), as one of the predictor of relationship commitment. There were two major classifications of relationship investment, namely direct and indirect investment (Rusbult, 1983; Rusbult, et al., 1998). Direct investment referred to the resources that are directly put into the relationship including time, money, effort and experienced emotions, while indirect investment related to initially extraneous resources that become attached to the relationship including memories, possession, person, activities, activities and social status (Le & Agnew, 2003; Rusbult, 1983; Rusbult, et al., 1998). Instead of looking into the investment made by both parties involved in a relationship, most studies only considered the individual perception of his/her own relationship investment in influencing the means of an individual becoming committed to a relationship (Goodfriend & Agnew, 2008; Le & Agnew, 2003; Rusbult, 1983; Rusbult, et al., 1998). That is, the individual perception of how much and how important of his/her own investment in a relationship.

Specifically, for this research, the student investment could be referred as the student’s overall perception of the degree of his/her own invested resources for maintaining a relationship with HEI (Huang, et al., 2007; Rusbult, 1983; Sung & Choi, 2010). Adopting the direct-indirect investments, student direct investment (SDI) is defined as the student perception of the magnitude and importance of resources that are directly put into a relationship with institution, while student indirect investment (SII) is defined as student perception of the magnitude and importance of extraneous resources that are attached to a relationship with institution (Rusbult, et al., 1998; Sung & Campbell, 2009; Sung & Choi, 2010).

Many studies have revealed the significant effect of relationship investment, as a unidimensional construct, on commitment, but studies on the effect of relationship investment dimensions are hardly found. Based on a study by Rusbult (1980), it was highlighted that larger direct and indirect investments produce greater commitment, which consequently lead to relationship continuity (Yu, 2015). Although Nysveen, Pedersen, Thorbjornsen and Berthon (2005) revealed that only direct investment serves as a significant predictor, the subsequent study by Moon and Bonney (2007) strengthen the previous findings by pointed out that both direct and indirect investments play a significant role to influence commitment.

Since there is limited research that actually study the effect of satisfaction, alternative attractiveness and relationship investment on commitment in the higher education context, the previous arguments somehow provide strong supports that student satisfaction, alternative attractiveness and student direct and indirect investment play a major role to affect student commitment. Accordingly, it may be posited that
H1: Student satisfaction has a positive and significant influence on student commitment.
H2: Alternative attractiveness has a negative and significant influence on student commitment.
H3: Student direct investment has a positive and significant influence on student commitment.
H4: Student indirect investment has a positive and significant influence on student commitment.

Based on Social Exchange Theory and Signalling theory, de Wulf et al. (2001) proposed the Relationship Exchange model, in which perceived relationship investment was posited as a mediator in a relationship between relationship marketing efforts and relationship quality. In the model, perceived relationship investment was defined as “a consumer’s perception of the extent to which a retailer devotes resources, efforts, and attention aimed at maintaining or enhancing relationships with regular customers” (De Wulf, et al., 2001, p. 35). Basically, it refers to an individual’s perception of the extent to which his/her partner in a relationship has actively made efforts that are intended to retain the customers, or can be simply termed as a perceived partner investment.

Guided by prior studies, in this research, perceived institution investment is defined as the student’s overall perception of the extent to which HEI actively devotes resources and makes efforts that are aimed to retain the existing student in a relationship with HEI (Aurier & de Lanauze, 2012; De Wulf, et al., 2001; Kim, Kim, Jolly, & Fairhurst, 2008; Wang & Head, 2007). Furthermore, this research adopts two major dimensions of perceived brand investment i.e. economic and social investment. Based on the conceptualization by Dorsch et al. (2001), brand economic investment referred to the brand’s investment of resources that are “more financially tractable and less personal” including money, goods and services, while brand social investment refered to the brand’s investment of resources that are “less financially tractable and more personal” including love, information and status (Dorsch, et al., 2001, p. 158; Morais, Backman, & Dorsch, 2003). As for Bolton et al. (2003), social investment was characterized as more personalized than economic investment and aimed at building emotional rather than functional connection.

Therefore, in this research, institution economic investment is defined as the student’s perception of the institution’s efforts aimed at building functional connections, which such efforts are easily traced financially and less personal in nature; whereas institution social investment as the student’s perception of the institution’s efforts aimed at building emotional connections, in which such efforts are hardly traced financially and more personal in nature.

In addition, past studies revealed that perceived relationship investment has been established as a significant predictor of commitment (Aurier & de Lanauze, 2012; Odekerken-Schroder, De Wulf, & Schumacherc, 2003; Shi, Shi, Chan, Liu, & Fam, 2011). Hence, the findings justify that when the customers perceive that the partner has made significant attempts to maintain or enhance a relationship with him/her, they are more likely to commit in a relationship.

Despite little research on the effect of the dimensions of perceived relationship investment, Bolton et al. (2003) showed that both partner social and economic investments will promote
the customer to respond more favourably to the relationship. What is more, they also highlighted that the effect of the social and economic investment might differ significantly. In particular, investment in social resources has a greater influence on customers’ interpersonal satisfaction with the company representatives and perceived value, while investment in economic resources has a stronger effect on customers’ overall satisfaction with the organization. Further, they added that the role of social investment could transcend economic investment, which it creates stronger bonding to the extent that the emotional bonding developed could compensate the lacking in the structural bonding. Thus, it could be asserted that both economic and social investments play a significant role to trigger the customer to value the relationship more favourably, but the effect of social investment might outweigh the economic investment. Thus, based on all the above findings, it could be expected that both institution social and economic investments will have a positive influence on relational outcome. Therefore, it could be assumed that 

H5: Institution economic investment has a positive and significant influence on student commitment.

H6: Institution social investment has a positive and significant influence on student commitment.

Empirical evidence of the antecedents of customer engagement has been scarce (Hollebeek, 2011). Based on the limited findings, it has been revealed that commitment is the strongest determinant of customer engagement (Breivik & Thorbjornsen, 2008) (Flynn, 2012). Sashi (2012) further indicate that commitment is required to result in customer engagement. Malciute (2012) also highlighted that commitment significantly affect all three engagement dimension, i.e. behavioural, emotional and cognitive. Accordingly, it could be hypothesized that

H7: Student commitment has a positive and significant influence on student-institution engagement.

Research Significance

The findings of this research are expected to provide some new insight on how HEIs can retain the student. In particular, the findings would provide empirical evidence on the applicability of the extended RIM in explaining the student commitment and engagement towards HEIs. Besides, this research might contribute to the existing literature by demonstrating the roles of satisfaction, alternative attractiveness and relationship investment to drive student commitment, which in turn affects the student engagement. In addition, the findings might made a significant contribution to the literatures by demonstrating the effect of the investment made by both partners and the effect of the dimensions of the relationship investment (i.e., student direct and indirect investment and, institution economic and social investment).

In most of past studies, commitment has been commonly linked to loyalty. In this study, commitment is employed as a determinant of engagement, which has been recently recommended as a broader construct to better indicate the relationship strength (Circles, 2010; Haven & Vittal, 2008; Peoplemetrics, 2009; Singh, et al., 2010; Tripathi, 2009; Voyles, 2007). Thus, this research would make a significant contribution to existing literature by providing
This research provides a robust framework to explain the effect of satisfaction, alternative attractiveness and relationship investment dimensions on student commitment, which in turn affects the student-institution engagement. Through a rigorous and systematic steps taken, the findings would provide a validated scale to assist the administrators of the HEIs to diagnose the current state of the students’ retention towards the institution. Armed with that information, the administrators can detect potential deficiencies of their engagement initiatives and predict the likelihood of student disengagement. Besides, using the scale, the administrators can pinpoint the aspects that students value highly to the extent that they are willing to commit and engage. In particular, using the student-institution engagement framework, administrators can have a good understanding of how satisfied, committed and engaged the students are with the institution and the kind of behaviours that students are exhibiting that can lead to dissatisfaction, lack of commitment and disengagement.

Furthermore, the findings might provide the administrators with the aspects that make students want to commit and engage with the institution. Based on the information, the institution can easily assess the effectiveness of the institution investment in sustaining the commitment of the existing students and identify the key strategies for achieving even deeper levels of student commitment and engagement. More importantly, such information will enable the administrators to establish a foundation for better understanding of students and plan the best course of action that can strengthen the student-institution relationship, which consequently could enhance the brand competitiveness and survival.

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