THE IMPACT OF STUDENT ENGAGEMENT WITHIN A UNIVERSITY SETTING:
A SOCIAL EXCHANGE PERSPECTIVE

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ABSTRACT

The growing significance of the Australian tertiary education sector (Ibisworld, 2010) has created a number of managerial challenges facing higher learning institutes. This manuscript provides a conceptual framework encapsulating how student-university relationships can be modeled and the impact this is likely to have upon the range of outcomes stemming from the relationship. By drawing upon social exchange theory (Thibaut & Kelly, 1959) and in particular tapping emotional value (Barlow & Maul, 2000) it is proposed that current student interactions with the university can predict future intentions. By drawing upon these conceptual areas this research outlines a potential new direction for research into how services marketing literature within the context of the higher education sector can be modeled. This has a wide number of managerial and scholarly implications and a number of these are discussed.

INTRODUCTION

The tertiary education sector is one of the major contributors to the Australian economy. During 2010, it generated revenue in excess of AUD $20 billion dollars, and despite the recent GFC has been predicted to grow 2.8% per annum over the next five years (Ibisworld, 2010). The two main divisions of higher education in Australia, namely, the 150 Vocational Education and Training (VET) institutes, and, 39 universities (Arid, Miller, van Megen & Buys, 2010; Bradley, Noonan, Nugent & Scales, 2008) have a customer base of over 1.5 million students (ABS, 2009). VET institutions and universities have an interwoven relationship whereby substantial numbers of students transfer between them at varying stages of their studies (Curtis, 2009) resulting in competition between them to attract and retain students being relatively intense. Universities are not only numerically outnumbered by VET institutions but each has multiple locations that help them saturate the local marketplace as they can ‘reach out’ to...
students. Moreover, given VET institutes offer a diverse range of courses that are compatible with entry level university this erodes one of the major sources of university revenue. In response, the intense competitive nature of the industry has forced universities to adopt a marketing orientation in an attempt to differentiate their offerings (Ford, Joseph & Joseph, 1999) when targeting undergraduate students. However, the impact of such a strategy is largely unknown, particularly in relation to the longer-term effects of creating value has upon student post-graduating behavior. This gap in the literature provides the main impetus for this manuscript.

Central to understanding this is the need to assess the impact that attending university has upon the student’s psyche and the likely effects this will has upon the post-graduation behavior. Attending university is conceptualized herein as physically being on-campus or online and engaging in the many educational and associate activities available to them. In fact, there have been earlier calls to solicit student views about their perceptions of the educational experience both during and after graduation (Bemowski, 1991). Measuring student experiences during their study could be central in determining how to establish longer term relationships beyond the immediate educational experience. The key challenge therefore facing university decision makers is their capacity to translate their market orientation initiatives into benefits, that include amongst others, increased alumni membership, positive word-of-mouth, extended purchase into higher degrees, donations and bursaries, as well as a variety of other links that will result when they enter the work force. With this specifically in mind, the aim of this paper is two-fold, namely, (1) outline a suitable framework to model student experiences with outcomes, and (2) discuss the
likely conceptual underpinning this framework is likely to comprise. The discussion that follows begins with the latter before linking this to the framework.

LITERATURE REVIEW

To address these two aims this research proposes to ground the framework in the relational marketing (RM) paradigm. This stream of marketing literature helps explain how firms are able to successful model relationships in a wide range of consumer and business to business settings (Anderson & Narus, 1984, 1990; Doney & Cannon, 1997; Dwyer, Schurr & Oh, 1987; Morgan & Hunt, 1994). Such relationships are characteristically long term in nature, highly interactive, evolve over time and comprise a range of critical ‘social’ constructs (Bendor & Swistak 2001; Berthon et al. 2003; Chen et al. 2009; Wilson, 1995) that result in a range of benefits for all parties concerned. The student-university relationship has all these aspects and because they involve people in a broad range of ‘settings’ in the duration of the study program it is posited that universities can focus upon building the relationship with students to yield favorable outcomes. Settings herein can be conceptualized as all those face-to-face, online, or in blended modes students engage in during their study program. Such activity is akin to the dominant perspective in RM, namely social exchange theory (Thibaut and Kelly, 1959) therefore likely to have particular relevance for the student-university relationships. These forms of relationship are further characterized by high levels of interaction and interdependence (Palmatier et al. 2008; Dwyer, Schurr & Oh, 1987) and are one of the key features of the university experience, particularly attending campus and engaging in the many activities available to undergraduate students. Moreover, the capacity of universities to link their degree programs to ‘real world’ setting through a range of
initiatives (e.g. graduate placements and internships) not only enhance the student experience but increases university competitiveness for an activity traditional reserved for VET institutions within Australian (Maxwell, Cooper and Biggs, 2000). Accordingly, a conceptual framework (see figure 1) comprising salient variables encapsulating such activities is proposed will help university decision makers articulate how best to target existing and future students.

To date no studies within the marketing literature specifically model how current undergraduate student experiences can help leverage future intentions towards the university. Future intentions encapsulate the outcomes decision makers can expect from the students post-graduation and these are reflected as key outcomes in the framework. Moreover, on a broader level, Barnes and Howlett (1998) make the point that RM scholars have largely failed to consider customer perceptions of value which not only has significance for the educational setting but how RM can help model firm-customer relationships. Under social exchange theory we expect value to be intrinsically linked to the types of interactions students participate in given this approach helps participants focus upon the relationship with the view to yield immediate rewards (Huston and Burgess 1979). This is critical to know because if the main purpose of RM is to create customer value (Anderson, Håkansson & Johanson, 1994; Sheth & Parvatiyar, 1995) then managerial decision makers need to appreciate the dynamics associated with that marketing process involving the nurturing of relationships. Creating value in this way is critical in marketing relationships, and, even more so within a tertiary educational setting because students are ‘locked-into’ the service for extended periods of time. Students may encounter a whole range of positive and negative emotions, and, as that will impact their
overall experience will moderate their attitude and post-graduation behavior directed towards the university. In simple terms, the capacity of the university to leverage the many student-university interactions into positive outcomes by creating the conditions that foster the right types of emotions and emotional attachments will have ramifications upon their ability to create value for all parties concerned and in turn its competitiveness.

From a RM theory point of view the social exchange perspective (Dwyer, Schurr and Oh, 1987; Kingshott, 2006) within the RM literature tends to suggests that the ability of universities to engage student’s overtime will result in higher levels of interdependence, trust and commitment. Such engagement provides one avenue for creating value therefore it is posited the ability to nurture the relationship through engagement and interactions will yield positive benefits for both the student fraternity as well as the university. These benefits are shown as key outcomes in our framework. This has some basis in the literature given successful RM is defined as: “attracting, maintaining and-in multi-service organizations-enhancing customer relationships” (Berry, 1985; p.25). Accordingly, RM strategy and tactics are likely to be key aspects of student-university relationship given students potentially remain within the university system for up to 7 years, and during that time, engage in a range of activities that require (and present the opportunity for) constant relationship maintenance. From this viewpoint, universities that are proactive will ensure that the current student base remains firstly committed to their studies; remains the choice institute of study; and, ultimately possess favorable attitudes after graduation. It is posited herein that universities can leverage this commitment through the student experience to extend beyond the student experience that will be gained during their studies, and, in
doing so creates further post-graduation value for both parties. This approach has some support within the RM literature.

For example, Berry (2000) makes the point that RM is better served at targeting existing rather than new customers. From a pragmatic vantage, this clearly means universities need to be capable of leveraging financial, psychological and structural bonds (Berry, 1985) with their existing student base. This means that it is the “bonds” that the university can create with the student offers some clue to how an interactive and engaging approach to the relationship can create value for the student at the same time as yield positive outcomes for them and the university. This is congruous with one of the dominant theoretical perspectives used to explain RM, namely social exchange theory (Thibaut & Kelly, 1959) because the intrinsic relationship variables ‘tap’ into a variety of constructs that help create bonds between parties. These variables can be leveraged to build and preserve stable robust relationships (Berthon et al. 2003; Doney and Cannon, 1996; Kingshott, 2006; Morgan and Hunt, 1994).

A key issue from a university perspective then is whether the current relationship with students can be leveraged to yield benefits that extend beyond the university educational experience, that is, after they graduate. Our framework suggests that if universities are able to create an environment that fosters emotions and emotional attachment to the university - through the university experience - then the range of outcomes we list will likely result. The university educational experience is conceptualized herein simply as the time and effort students devote to their studies and the range of interactions that this entails - which emulates a social exchange based relationship. This can be face-to-face;
online or in a blended mode. Critical variables in this type of relationships include trust and commitment and these are deemed to be key determinants of relational marketing success (Fullerton, 2011; Wilson, 1995). The earlier work of Morgan and Hunt (1994) show these constructs to be critical moderators between firm inputs and desired outcomes and this has been empirically confirmed within a wide range of marketing settings (e.g. Chenet, Dagger & O’Sullivan, 2010; Doney & Cannon, 1997; Garbarino & Johnson, 1999) and accordingly posited herein to be present within university-student relationships.

However, as social exchange theory is very general in nature (in terms of depicting the interaction between actors) to articulate our thinking in the proposed framework we rely upon the more precise manifestation of this perspective, namely attachment theory. Attachment is conceptualized as an emotion-laden target-specific bond between an individual and a specific object (Bowlby, 1979). This is synonymous with both RM psychological bonds and how students engage with the university simply because there will be wide variety of student experiences undertaken during their studies. By this we mean that students are going to be attached in some way, and with varying levels of intensity, to the university over time. Underpinning our reliance upon this theory is that an individual’s actions towards an object are determined by the level of emotional attachment whereby higher attachment will result in higher levels of commitment, investment and sacrifices consumers make towards a brand or firm (Bowlby, 1980; Hazan & Shaver, 1994). The theory of attachment underpins emotional value (EV) - defined as “the economic value or monetary worth of feelings when customers positively experience an organizations’ product and services” (Barlow & Maul, 2000, p.2). It is clear that this type of positive/negative emotions will be a central feature of the student-
university relationship because among others the emotional energy devoted to studies, the opportunity costs of full-time immediate employment, as well as social and cultural/family pressures to perform well will stimulate emotions. In short, when students ‘experience’ the university through the various interactions this will lead emotionally laden value. Bailey, Gremler & McCollough (2001) describe EV as the feelings that customers experience when interacting with the organization, and furthermore that these feelings offer the potential for customers to return/not return to the organization. Therefore we postulate that the ability of universities to foster and propagate emotions through the various ‘moments of truth’ will have a bearing upon their desired student outcomes. When EV is present, customers tend to stay with organizations as this facilitates positive, meaningful and personally important experiences - even when the organization cannot always provide everything they want or solve their problems (Barlow & Maul 2000).

Attachment theory helps explain how we feel in an exchange relationship and this is moderated by our perceptions of what we have ‘put into’ the relationship and this is balanced with what we get out. This captures the very essence of EV, namely that it is “a positive or negative feeling of automatic arousal”, in turn provoking a “physiological reaction leading to a feeling” (Martin et al. 2008, p. 226) that is often intense and uncontrollable (Bagozzi, Gopinath & Nyer, 1999; Martin et al., 2008). Clearly, providing students with the opportunity to engage in the various forums and associated activities could help mold such emotions. Student inputs into the relationship will help them develop more realistic expectations of the relationship returns, which is important when we consider value is the trade-off of between benefits and sacrifices in relation to
interactions between customers and the product/service (Payne & Holt, 2001). This is one
of the central aspects of customer relationships (Sweeney & Soutar, 2001) which can be
gained directly through the student experience. However, the student experience is
largely a cumulative process of interaction with the university and characteristic of social
exchange relationships. If students perceive value through interaction and engagement
with the university then such an approach will yield positive outcomes. For example, the
RM literature depicts the interactive process to produce growing levels of trust and
commitment as relationships progress over time (Doney & Cannon, 1997; Dwyer et al.,
1987) therefore we posit these particular constructs to be intrinsically linked to EV. Trust
and commitment are essential elements in long-term relationships (Gundlach, Achrol &
Mentzer, 1995; Fullerton, 1999; Moorman, Deshpande & Zaltman, 1993). Commitment
has been defined as: "an implicit or explicit pledge of relational continuity between
exchange partners" (Dwyer et al., p19). Trust is defined as: “a willingness to rely on an
exchange partner in whom one has confidence” (Moorman et al., 1993, p82). Clearly,
maximizing long-term value through interaction will result in committed students in
which the construct is characterized by an intention to remain in a relationship,
psychological attachment to a partner, and a long-term orientation toward the partnership
(Arriaga & Agnew, 2001; Rusbult & Buunk, 1993).

The link between trust and commitment is well established within the RM literature as a
central aspect of the social exchange relationship in a wide range of business-to-business,
consumer, and, service marketing settings (Garbarino & Johnson, 1999; Hazra &
Srivastava, 2009; Morgan and Hunt, 1994; Rexha, Kingshott and Aw, 2003).
Accordingly, we posit such a link to exist within the student-university relationship and
this will reflect through the key outcomes section of the framework. Furthermore it is anticipated that commitment will also be related to satisfaction. Under the guise of the ‘investment model’ Rusbult, Maritz and Agnew (1998) show how relationship satisfaction is directly related to commitment. This has much empirical support in the literature (Heskett et al. 1994; Oliver 1999; Singh & Sirdeshmukh 2000; McQuitty, Finn and Wiley 2000; Szymanski & Henard 2001).

DISCUSSION

The framework we present is grounded in social exchange theory and more specifically in attachment theory. Whilst each of the variables has been drawn from the literature this research represents a new line of thinking in both the academic literature and in particular the service marketing and RM contexts. In particular our framework indicates that when students experience the university, through the range of interactions, this will yield a wide range of emotions and these will impact upon their emotional attachment with the university. Our view is that such emotional attachment is most likely going to result in post-graduation outcomes that may be beneficial to both the university and the student fraternity. However, our framework is only conceptual in nature and has a wide range of limitations. With this specifically in mind we present the following propositions / questions that serve the purpose of identifying some of the plausible future research directions in the new trajectory of thinking.

- Can RM help build and nurture university-student relationships?
- Do trust based relationships have any role to play within a university setting?
- Can EV play a role in long-term interactive relationships?
Does EV extend beyond the student experience?

Which variables linked to EV is critical in building committed students?

Are some forms of interaction and engagement more important to yield outcomes?

The main aim of this manuscript is to provide the foundation for a testable conceptual model reflecting the manner university decision makers can build and maintain close relationships with their students. By incorporating the above questions into the model it is envisaged that university decision makers can maximize the student experience at the same time increase the wide array of student and university centered outcomes. It is hoped that this can be used to help explain the most appropriate RM strategies to employ when universities desire to promote current and future positive student behaviour. Our thinking represents the first of its kind in the extant literature in terms of explaining how RM can nurture the student relationship, and in particular how to extend this beyond the university experience. This thinking also has a number of managerial implications. First, modeling these relationships will help managers in this context overcome the business problem of maximizing longer-term outcomes. Second, ascertain whether current tactics are likely to be effective in extending the student relationship. Finally, at the more general level, help determine if the student (customer) base can be segmented upon relational intentions to market to them more effectively. These are critical managerial issues given the resource constraints within the firm.

REFERENCES


Fig. 1. Student-university interaction framework

Student Experiences
- E-learning
- Class-room Activities
- Student Groups
- Study Groups
- Clubs & Friendships
- Networking
- None-faculty Interactions
- Guild Activities
- Industry Placements
- Internships

RM Mediators
- Emotions
- Emotional Value
- Trust & Commitment

Key Outcomes
- Satisfaction
- Alumni membership
- Loyalty to university
- Donations & bursaries
- Higher degree enrolments
- Learning outcomes
- +ve word of mouth

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