

THE RELATIONSHIP OF TRUST, SATISFACTION AND COMMITMENT TOWARDS LOYALTY

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ABSTRACT

The purpose of this study is to use relationship marketing theory to investigate empirically students' loyalty intentions of Sukhothai Thammathirat Open University's students by using three factors: trust, satisfaction and commitment. This study investigated whether the relationships among trust, satisfaction and commitment serve as the key variables of loyalty intentions. A questionnaire composed of the measurement items related to the constructs of trust, satisfaction, commitment and loyalty intentions. The population of the study is 172 current bachelor degree students of Sukhothai Thammathirat Open University who are the leaders of students' associations from 77 provinces. The questionnaire was distributed on August 31, 2018 when the leaders of students' associations were staying on campus for 3 days from August 30 until September 1. A total of 148 questionnaires were returned. Correlation and regression were used for data analysis involving relationships of trust, satisfaction commitment and loyalty intentions. The results of this study concluded that there is a relationship of trust, satisfaction and commitment to loyalty intentions. This finding help administrators to achieve the goal of enhancing student loyalty through the development of key customer relationship attributes: trust, commitment and satisfaction. Attention to these key points will lead to a competitive advantage in education services.

Keywords: *Trust, Satisfaction, Commitment and Loyalty intentions*

INTRODUCTION

Sukhothai Thammathirat Open University (STOU) is the only one university in Thailand which uses distance media to teach students around Thailand and other countries. STOU sends many distance media to students at their homes. The students study these media by themselves. Most of them have never met their professor by face to face. Thus prompting the question, how much do the students have trust, satisfaction, commitment and loyalty to STOU? This study proposes a relationship marketing theory to answer this question. The objective of relationship marketing theory is to develop and maintain long-term, mutually beneficial relationships between education providers and students. This theory supports the notion of this study to empirically investigate students' loyalty intentions as a dependent variable by studying the trust, satisfaction and commitment of STOU students as independent variables.

This research will contribute to and extend prior research by confirm how trust, commitment and satisfaction influence the loyalty intentions of STOU students. 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 and satisfaction is a desirable goal for any organization. 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.

The aim of this research is to derive using students' perspectives to what degree are STOU students' loyalty intentions influenced by trust, commitment and satisfaction. There are four variables: trust, satisfaction, commitment and loyalty. The research questions are as follows:

- (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 intentions?
- (4) Is there a relationship between satisfaction and commitment?
- (5) Is there a relationship between satisfaction and loyalty intentions?
- (6) Is there a relationship between commitment and loyalty intentions?

LITERATURE REVIEW

Studies reported between 2015 and 2018 that are related to marketing relationship, satisfaction, trust, commitment and loyalty were reviewed in this study. Cai and Chi (2018) had 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 context of a restaurant. 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.

Meanwhile, Cha and Borchgrevink (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–behavioural 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 modelling showed that customer satisfaction mediated the relationships between two antecedents and customer loyalty.

The analysis of determinants of satisfaction (service quality, perceived value), as well as its possible influence on customer loyalty of freight forwarders to freight transport service providers (by road/maritime/air) in Spain by Gil-Saura, Berenguer-Contri and Ruiz-Molina (2018) found that the service quality has an influence on customer satisfaction, both directly, as well as through perceived value. It confirmed the relationship between satisfaction with the transportation company and customer loyalty. Significant differences in quality dimensions and satisfaction between transport modes were also found. This study confirms the importance of service quality and perceived value to promote the link between chain actors: freight forwarder and transport service provider. Mahmoud, Hinson, and Adika (2018) also called on scholars to pay attention to the factors in the scholarly marketing literatures 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. 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, Ringle, Gudergan, and Feistel (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 suggested that assuming homogeneity supports the general notion that trust and commitment partially mediate the extent to which satisfaction influences loyalty. FIMIX-PLS and PLS-MGA analyses substantiate that this mediation differs between two distinct customer segments. The two segments reveal heterogeneity in how trust and commitment partially mediate the link between satisfaction and loyalty. That is, the effect of satisfaction on loyalty is fully mediated by trust and commitment in the segment of customers with high education, whereas satisfaction is partially mediated by trust, but not by commitment, in the other segment of customers with less education.

Chandrashekar, Rotte, Tax, and Grewal (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. A key finding is that though satisfaction translates into loyalty when satisfaction is strongly held (i.e., low uncertainty), the translation is significantly lowered, on average, by approximately 60% when the same satisfaction is more weakly held (i.e., high uncertainty). The studies also indicate that prior relationship aspects (length of relationship, volume of business, and favourability of prior experiences) result in even greater vulnerability.

Singh, Singh, and Vij (2017) identified the antecedents and consequences of customer loyalty and suggested a conceptual model which identified four dimensions (customer satisfaction, commitment, trust, and image) that could potentially determine customer loyalty and four probable outcomes of customer loyalty (word-of-mouth, repurchase intention, price premium and share-of-wallet). Conflict handling and switching costs have been proposed as the moderators of customer satisfaction and customer loyalty relationship. The study also identified relationships between the building blocks of the model and suggested how the suggested conceptual framework could provide a rich agenda for further research. The impact of the first three dimensions on loyalty was also supported by Alexandru and Ioana (2016). Bilton (2016) who studied the effect of trust and commitment on consumer satisfaction and loyalty in banking sector in New Zealand indicated for all construct dimensions apart from calculative commitment, non-bank deposit takers displayed significantly higher scores than retail banks. Contrary to the literature, the results suggested calculative commitment is not a significant loyalty influencer in the New Zealand banking context and satisfaction has a positive rather than negative effect on spurious loyalty. The results indicated affective commitment is a significant influencer of true loyalty while the cognitive dimensions of trust and commitment negatively affect both loyalty dimensions. The impact on the bank marketing and operational practitioners is substantial as current marketing and business practices may be actually decreasing true consumer loyalty.

An investigation of trust, commitment and customer satisfaction on loyalty of a distribution sector in Portugal by Bricci, Fragata, and Antunes (2016) showed that trust has a positive and direct effect on commitment. Also, trust has a positive and direct effect on satisfaction; commitment has a positive and direct effect on loyalty; and satisfaction has a positive and direct effect on loyalty. Thus it is important to improve sense of responsibility, team skills, empowerment to fulfil commitments and co-creation of values.

Al-Msallam (2015) analyzed the basic factors which affects customer satisfaction towards services of Bank. The research reviewed the current academic marketing literatures and identified antecedents of customer satisfaction and customer loyalty. The findings from this

study also provided important managerial implications. He also studied the effects of three customer perceptions (brand image, price fairness) on customer satisfaction and brand loyalty. The results illustrated that customer satisfaction significantly affects customer loyalty. He also found that brand image and price fairness affect brand loyalty. Therefore price fairness should be considered to build up customer satisfaction and brand loyalty, while brand image is improved as an added value for customers.

Giovanis (2015) had empirically measured the direct effects of relationship quality (RQ) components on customer loyalty, and examined the moderating effects of continuance commitment on these relationships in the context of high-tech consumer services in 2015. This paper extended the relationship commitment paradigm by testing a contingency model to assess the impact of satisfaction, trust, and affective commitment on customer loyalty, under different levels of continuance commitment. Findings clearly indicated that the impact of all RQ components on customer loyalty is statistically significant and varies according to the level of continuance commitment.

Youcef, Djelloul and Abderrezak (2015) studied the impact of the customer satisfaction on their loyalty in the presence of trust and commitment as intermediate variables on Algerian Mobilis Company by analyzing the dimensions of satisfaction, trust, commitment and loyalty using structural equations in 2015. The study indicated a strong impact to the customer satisfaction on loyalty with the existence of trust and commitment intermediate variables.

Proposed framework

This study proposes to test a model that was built on the relationship marketing theory. Four variables encompassing loyalty intentions such as relationship marketing outcomes and the three constructs of trust, commitment and satisfaction will be empirically tested to verify the significance of relationship marketing theory. The work of Hennig-Thurau, Gwinner and Gremler (2002) was adopted by positioning satisfaction and commitment as mediators to the understanding of relationship marketing outcomes: loyalty intentions. Hennig-Thurau et al. (2002) found significant relationships between the mediators of satisfaction and commitment and customer loyalty between students and service employees/firms.

The consequences of trust have been studied by Swan, Bowers, and Richardson (1999), who found that trust has a positive relationship to satisfaction, favourable student attitudes, purchase intentions and purchase behaviours. Based on these studies, this research forecasts a positive relationship between trust and satisfaction and a positive relationship between trust and loyalty intentions. It is anticipated that this study will also support the work of Morgan and Hunt (1994) which shows that trust drives commitment. Studies by Anderson, Fornell, and Lehmann (1994); and Rust and Zahorik (1993) identified satisfaction as a leading factor in determining loyalty. Drawing on the work of Hennig-Thurau and Klee (1997) and Hennig-Thurau et al. (2002), this study suggests a positive relationship between satisfaction and commitment. The relationships among the variables are presented in Figure 1 by adapting the studies by Morgan and Hunt (1994); Garbarino and Johnson (1999); Hennig-Thurau et al. (2002), Reichheld (2003). The elements of social exchange theory - satisfaction, commitment and trust have been investigated extensively in the relationship marketing literature (Hennig-Thurau et al., 2002; Garbarino & Johnson, 1999; Moorman, Deshpande, & Zaltman, 1993; Morgan & Hunt, 1994).

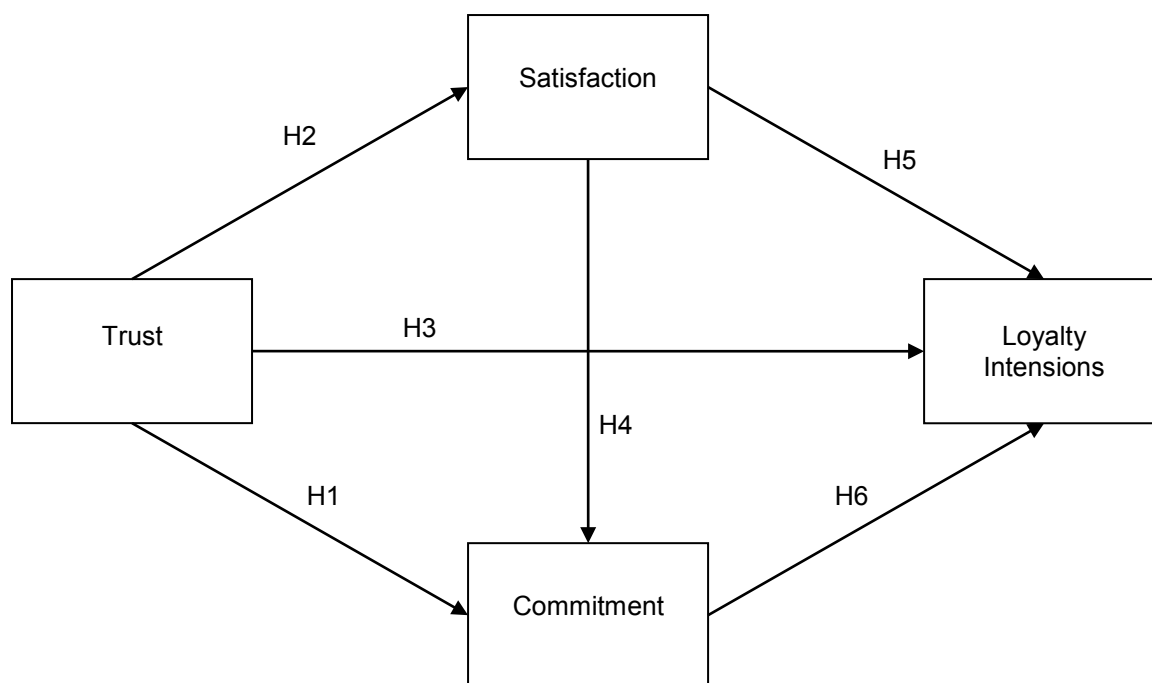


Figure 1: Research Framework

RESEARCH METHOD

The population of the study involve 172 current STOU bachelor degree students who are the leaders of students' associations in 77 provinces. Questionnaires were distributed on August 31, 2018 to the leaders of students' associations who were staying on campus for 3 days from August 30 2018 to September 1 2018 to join STOU activities involving students' associations: training, presentation and next year planning. A total of 148 questionnaires were returned.

The instrument is composed of 23 measurement items. The measurement items relate to the constructs of satisfaction, trust, commitment and loyalty intentions. Satisfaction, trust, commitment and loyalty intentions constructs was measured to test the hypotheses. The items used have been effectively tested for their high level of reliability and validity in previous research. However, modifications on certain measures were made to suit the context of this study. All constructs were operationalised using multi-item measures and 5-point Likert scale, ranging from "1 = strongly disagree" to "5 = strongly agree" was used.

Pilot Test

A pilot test was conducted using 30 students 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. Reliability measures are shown in Table 1.

Table 1: Reliability

Variables	Reliability
Trust	0.876
Satisfaction	0.862
Commitment	0.938
Loyalty Intension	0.821

FINDINGS

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

Table 2: Correlation

variables	variables	Correlation
Trust	Commitment	0.539
Trust	Satisfaction	0.449
Trust	Loyalty	0.474
Satisfaction	Commitment	0.618
Satisfaction	Loyalty	0.695
Commitment	Loyalty	0.473

H1: Trust is positively related to commitment

STOU students' commitment to the university has positive correlation to the fact that they trust the university staff. They are sure that the university staff are most likely to act in the best interest of the students. They believed that the university staff are reliable and has high integrity.

H2: Trust is positively related to satisfaction

Similarly, STOU students are satisfied with the university because they trust the university staff completely.

H3: Trust is positively related to loyalty intentions

STOU students' loyalty to the university is also due their trust of the university staff. They sure that the university staff members are always act in their best interest.

H4: Satisfaction is positively related to commitment

STOU student's commitments to the university are high due to their level of satisfaction with their program. They believed that they did the right thing when they attended their program, and it was a good experience. Their choice to attend this program is a wise one.

H5: Satisfaction is positively related to loyalty intentions

STOU students' loyalty to the university is also due to their satisfaction to their program.

H6: Commitment is positively related to loyalty intentions

STOU students' loyalty to the university is caused by their relationship with university staff is one that they are very committed to. It is very important to them.

Their relationship with university staff is one toward which they can develop a warm feeling and has a personal meaning for them. They will put in maximum effort to maintain their relationship with university staff for a long time. The predictors are trust, satisfaction and commitment, while the dependent variable is loyalty. The regression value is .771. STOU can use trust, satisfaction and commitment to instil loyalty.

Dependent variable	Predictors	R
Loyalty	Trust Satisfaction, Commitment	.771

DISCUSSION

The findings of this research, shows that satisfaction effects loyalty. This confirms the results of the research of these researches: Cai & Chi (2018); Cha & Borchgrevink (2018); Gil-Saura et al. (2018); Mahmoud et al. (2018); Ramamoorthy, Gunasekaran, Roy, Rai, & Senthilkumar (2018); Schirmer et al. (2018); Chandrashekar et al. (2017); Singh et al. (2017); Alexandru & Ioana, (2016); Bricci et al. (2016); Bilton (2016); Al-Msallam (2015); Giovanis, (2015); Youcef et al. (2015). Most researches used satisfaction as independent variable However, this research use trust as independent variable by following the work of Hennig-Thurau et al. (2002); Garbarino & Johnson (1999); Moorman et al. (1993); Morgan & Hunt (1994). Bricci et al. (2016) also used satisfaction as an independent variable. The results of this research coincide with the results of Bricci et al. (2016).

The summary of the research hypotheses are highlighted in Table 3:

Table 3: 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 intentions.
H4	Satisfaction is positively related to commitment.
H5	Satisfaction is positively related to loyalty intentions.
H6	Commitment is positively related to loyalty intentions.

Drawing on a broad-based view of the relationship marketing literature, Morgan and Hunt (1994) theorised that trust and commitment are key mediating constructs in successful relational exchange. Garbarino and Johnson (1999) concluded that trust and commitment, rather than satisfaction, are the mediators between component attitudes and future intentions in the context of theater. Hennig-Thurau et al. (2002) confirmed that the role of satisfaction and commitment as mediators between trust and relationship marketing outcomes e.g. customer loyalty is generally supported by the data. Their findings suggest that the constructs of customer satisfaction, commitment and trust are dimensions of relationship quality that influence customer loyalty.

The correlation of satisfaction and commitment and the regression of trust and loyalty is higher than the regression of other. Therefore, satisfaction is the key variable for commitment and loyalty. STOU should find how to create the satisfaction of students but keep the quality under the rule of the public university.

CONCLUSION

The objective of relationship marketing theory is to develop and maintain long-term, mutually beneficial relationships between education providers and students. This study seeks to empirically investigate students' loyalty intentions as dependent variables by studying the trust, satisfaction and commitment of STOU students as independent variables using this theory. The relationships among trust, satisfaction, commitment and loyalty intentions were also investigated in this study. This study hypothesises that satisfaction and commitment rather than trust are focal intermediate constructs in the latent structure models. Trust is an

exogenous construct and satisfaction, while commitment and loyalty intentions are an endogenous constructs. Satisfaction and commitment also treated as key mediators between trust and loyalty intentions in this study. Future research should include data collected from Master Degree and Doctoral Degree students, and students who are not the leaders of students' associations.

Acknowledgement

The author would like to thank STOU and STOU's committee of scholarships who had provided the funding for this research. A special thank to Dr. Sasiwan Akarapanich for the contribution on the relationship marketing theory.

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