

Relational Dynamics and Return on Relationship: Case Study of Malaysia's Higher Education Offerings in China

Muhamad Azrin Nazri, Nor Asiah Omar, and Mohd Yusof Kasim

Abstract---Malaysia Higher Education has positioned itself as an education hub while striving for quality education with quality students to promote Malaysia's education as a regional centre for education excellence. The growth of Malaysia's education can be seen through expansion of higher education institution; either by public higher education or private higher education. As Malaysia positions itself as a regional education hub and strives to consummate this status, the nation's higher education institutions must be prepared with knowledge on how to attract quality foreign students. An increase in competition in education industry has made many higher learning institutions to establish relationships with their stakeholders. Thus, the current work aims to examine the role of relational dynamics toward return on relationship with 321 Chinese's students in China, who are contemplating studying overseas. Moreover, the study will also examine long-term orientation as a moderating effect on relational dynamic. Using IBM SPSS version 22, the results show that long term orientation (LTO) was found to moderate the relationship between relational dynamics and return on relationship. Implications for higher education institutions limitations and future research directions are discussed.

Keywords---Long-term orientation, education, relational dynamics, return on relationship

I. INTRODUCTION

MINISTRY of Higher Education (MoHE) Malaysia target to enroll 200,000 of international students to Malaysia institutions by 2020. Increasing in the number of enrolling international students in Malaysia contribute to RM600 billion to Malaysia's economy (Chi, 2011). Due to the fierce entering of international students to pursue their education in Malaysia institution, there is necessary for the nation's higher education institutions to equip with marketing knowledge or strategic to attract quality international student by focusing and understand on their need. In this new era of business world, there no longer exists a "buying-selling" practice. Each business has its own business model to retain its position in the market. Marketing efforts in business involves more promotion

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features than developing marketing culture in the business world. Rashid et al. (2006) suggested that higher education categorized as service sector due to its customer binding and the formation of relationships that provide quality information for sharing and services to their customers which includes students, parents and future employee.

The basic concept of relational marketing is to transform a transaction-based customer into a relationship-based customer (Srivastava, Shervani and Fahey, 1999). Rather than conducting business as a series of discrete transactions, a customer is encouraged to make a commitment to a company based on her/his overall satisfaction. Often, a customer is willing to do this only if the company makes a reciprocal investment in the relationship (Wu, Chiag, Wu and Tu, 2004).

Sheth et al. (1991) identified few factors that in the research for international student decision to study in Malaysia institution among them are epistemic, functional and emotional consumption values or a combination of these values. China is one of the biggest markets for Malaysia Higher Education Institutions (MHEIs) in internationalization of Malaysia higher education (MOHE, 2011). The critical issues faced by Malaysia higher education marketing with regard to China's student is attracting quality foreign students, providing quality education to student and increasing student's satisfaction together with loyalty (Arokiasamy, 2011). There are numerous studies investigate the relational dynamics practice in the relationship marketing (Sohail, 2012); nonetheless, research noted that cultural could influence the efficiency of relationship marketing and one of it was long term orientation (LTO) (Ryu et al., 2007). LTO involves in Confucian dynamism where include hard work, face-saving in relationship, future-planning and values' perseverance that exists among Chinese due to their life style practice and heritage (Wang et al., 2008). The relationship marketing in Chinese network of reciprocal business relations are called as 'Guanxi'. This is where government officials need to overcome legal and administrative hurdles (Berger et al 2012). Gro'nroos (2006) stated that maintaining relationship with customer's tangibility includes offering customer security to enable them feeling the sense of control, minimal purchasing risk, reducing costs and trust from marketers, and to encourage repurchase intention. Ryu et al (2007) explained that LTO is the monitoring factor in relationship marketing when supplier use bilateral control mechanism and unilateral control

mechanism to handle the unexpected or uncontrollable external factors for the future relationship. He further explained the definition of bilateral mechanism or monitoring is emphasised on long term mutual relationship through adaptation and necessary correction for problem. This bilateral mechanism enables marketers to gain long term benefit. The definition of unilateral mechanism or reliability is 'on-the-spot' detecting to the problem and finding a solution for it.

Long term orientation had been practiced in Chinese business relationship together with trust due to the unseen and unwritten code of reciprocity among the members in the network such that trust in Chinese is based on the person's background compared to the Western place trust in legal contracts (Wang et al 2008). Furthermore, as LTO culture exists among Chinese due to their life style practice (Wang et al 2008), this may create moderation effect to the RM strategy and incurred long duration.

Using social exchange and relationship marketing theories, this study aims to examine how long term orientation (Confucian dynamism) interacts with relational dynamic in influencing relationship return behaviours among Chinese's students in China. To the best of our knowledge, there is a paucity of research on the use of LTO as moderating effect in the current context and field. Thus, specifically this study will give researcher a platform to uncover the relationship between relational dynamics (trust, competence, commitment, communication and pre-emptive conflict handling) and relational response/return behaviours (satisfaction, loyalty and return on relationship) of relationship marketing in the education sector.

II. LITERATURE REVIEW

A. Relational Dynamics

Relational dynamics in the research of Dagger et al (2009) were satisfaction, trust and commitment and the relation response behaviours investigated was loyalty. In other words, relational dynamics are the factors that occur in the relationship marketing between parties to obtain benefit, whereby relational dynamic directly significant to relational response behaviours. Ndubisi (2006) investigated four factors of relationship marketing including the degree level of trust, commitment, communication and conflict handling customer loyalty in Malaysia. Pressey and Mathews (2000) had identified few dimensions related to relationship marketing, including trust, commitment, time horizon or length of relationship, communication, customer database and attempting to retain customers. The role of corporate culture in relationship marketing had also identified few factors to facilitate the development of relationship marketing orientation, include trust, commitment, teamwork, innovation, flexibility and result of orientation (Iglesias et al 2009).

Trust

One of the important factors embedded in relationship is trust where it involved believe among others to develop the business relationship (Svensson, 2001). Trust encompasses

integrity, honesty, confidence, and reliability between partners through interaction in a similar situation so as to obtain similar goals, and meet the expectations where it is an important factor to influence the interpersonal and intergroup behaviour (Holmes 1991). However, in the concept of relationship marketing, trust is about confidence in reliability and integrity of the exchange partner (Morgan and Hunt, 1994). Liu et al. (2008) mentioned that buyers would face relational risk in marketing channel but it can be overcome by goodwill and trust from marketers. Risk in marketing can be categorized performance risk and relational risk: Performance risk is a hazard that leads to failure such as economic crises, market dynamics on less competitive capability and higher switching cost among customers; whereas relational risk is probability and consequences of not having co-operation between suppliers and customers such as suppliers not able to provide reliable information to customers and thereby cause disappointment, as a result customers switching to another supplier (Liu et al., 2008). Previous studies suggest that trust to influence commitment (Rocereto and Mosca 2012; Luk, Albaum, and Fullgrabe, 2013) and loyalty (Visentin and Scarpi, 2012; Zhao and Huddleston, 2012).

B. Commitment

Commitment is also another key element in establishing and maintaining relationship with business partners. However, previous research had proven that commitment comes with trust (Casaló et al. 2007; Fullerton 2011). Dwyer et al. (1987) had defined commitment as an implicit or explicit pledge for a business relationship. Zaitman (1992) defined commitment as willingness of a party to make short term sacrifices to retain long term benefits received from their enduring desire on maintaining the value of relationship. However, commitment concept always comes together with trust as trust is the fundamental building block to a relationship model where the relationship of satisfaction-trust-commitment model had defined purchase behaviour of customer in order to increase their level of satisfaction (Gounaris 2005). There are study done by Pritchard, Havitz, and Howard (1999) found that commitment act as an important element that directly lead to customer loyalty for hotel and airline services. Value-driven is consumer willingness to engage the business relationship as perceived higher benefit from the firm (Yoo and Bat 2013).

Competence

Competence is viewed as the ability of an organization to deploy their asset in order to help the firm achieve its objective (Sanchez, 2004). Competence denotes the importance in relationship marketing as its relevance to the firm's goal and organization purpose (Eden and Ackermann, 2010). According to Awuah (2007), competence is the ability of firm to react effectively and efficiently towards the market conditions, customer's needs and external or internal factors. Competence leads to help differentiate a firm from other similar firms in the market. This will increase the level of satisfaction and the firm profit margin. Thus, competence is also one of the important factors in relationship marketing that can facilitate customer's need.

Communication

Communication is the basic tool in business development as it dictates each party to maintain a relationship through timely manner and reliable information supplied in order to achieve mutual understanding for need and developed loyalty (Ndubisi 2005). Ndubisi (2007) proposed that efficient communication among client with company contribute to a better relationship and increased loyalty.

Pre-emptive conflict handling

Conflict arises when there is unevenness on the perceived value such as unhappiness and unfair treatment (Ndubisi 2012). Conflict also occurred on the disagreement over values, motivations, perception, idea or desires (Ndubisi et al., 2013). Conflict among buyer-supplier relationship arises due to unsystematically of two firms in maximizing their return. Moreover inconsistencies and ambiguities in the interaction and; gaps in performance and standard require among suppliers are common sense of conflict in buyer-seller relationship (Kozan et al 2006). Ndubisi (2012) stated that conflicts are normally aligned with trust and commitment, whereby the level of trust and commitment can be determined through how organization handles the conflict. According to Yang et al (2012) research, conflict can lead to relationship dissolution as relationship dissolution occurred due to goal incongruence, conflict and unfairness while trust is an alternative to reduce the relationship dissolution.

B. Relational Response Behaviors

Kinard and Capella (2006) had suggested three types of relational response behaviours in their study of relationship marketing to examine customer's involvement on perceived service benefit. The three type of relational response behaviours included satisfaction level, loyalty and word-of-mouth. Grönroos and Helle (2012) acknowledged word-of-mouth as intangible type of return on relationship for the relational business engagements. In this study, there are three factors of relational response behaviours included satisfaction, loyalty and return on relationship (ROR).

Satisfaction

Customer satisfaction can be measured based on their cognitive and affective evaluation across their personal experience in service marketing (Storbacka et al., 1994). Customer satisfaction achieved is based on benefits received for current or future such as reduction in transaction cost, free samples testing, whereas future benefits such as interaction between firm and customers in providing relevant information relating to marketing activities helps building customer's satisfaction is perceived to put an effort to retain relationship with customers (Oliver 1999). Satisfaction is a major outcome of marketing activity and serves to link processes of decision-making and consumption with post-purchase phenomena such as attitude change, complaining behaviour and word-of-mouth, repeat purchase, purchase intention, customer retention and brand loyalty (Lombart and Louis, 2012; Cronin and Taylor, 1992).

Loyalty

Customer loyalty is defined as the intention to repurchase and to provide positive word-of-mouth (Andreassen and Lindestad 1998). Customer loyalty implies the intention to renew service contracts, to keep the supplier and to provide positive word-of-mouth (Andreassen and Lindestad, 1998). The outcome of customer loyalty includes customer retention and word of mouth (WOM) (Sohail 2012). Customers loyalty can be influenced by internal and external factor, where internal factor is how the organization serve the customer through strategic and tactics such as brand, service quality, promotion mix and cost, whereas external factors is customer cognition on the brands among the competitive branding market such as switching cost, situational factors, perceived value, satisfaction, commitment and trust (Rizwan et al., 2013; Yoo et al., 2010).

Return on Relationship

Definition of returns on relationship (ROR) involved in larger scope as it is a new metric to discuss in a study. The concept of returns on relationship is related to a financial area where ROR is the long term net outcome of financial through business network relationship (Gummesson 2002). Gronross and Voima (2013) acknowledged that returns on relationship would result in the form of mutual innovative which align the business process, encourage investment to the business engagement and increase competencies, further encourage the benefits of joint productivity which in return produce the incremental value for the parties to share. Returns on relationship can also be measured specifically to marketing where brand equity in terms of financial perspective, consumer psychological perspective, relational equity and customer equity (Seggie et al., 2007). The author also further explained that by using the measurement on the mentioned returns on relationship, it helps to reposition the marketing expenditure and encourage investment to increase profit margin. ROR exists as an intangible or in a non-monetary form such as word-of-mouth or reference (Gronroos and Helle 2012), and ROR becomes fundamental for relationship marketing because customers will do re-purchase when engaged with loyalty and satisfaction. The concept of ROR is in the customer's perspective when customers remain in a stable relationship; it reduces the risk associated with purchase decision, thereby improving the decision-making efficiency (Sheth and Parvatiyar, 1995).

C. Long Term Orientation (LTO)

Long Term Orientation also known as Confucian dynamism is founded by Prof Geert Hofstede, who created the four dimensions of cultural differences and the fifth dimension from an independent research from Hong Kong lead by him. The research further described LTO as a national culture attribute that emphasises on future, rewards, persistence, saving and adaptation (Lee and Dawes, 2005). Few traits of long term orientation had been identified through Hofstede's research, including persistence, relationship ordered by status, personal adaptability importance, face consideration, thrifty, importance of relationship and market position. China was the first country

that scored highest for the long term orientation based on Chinese Value Survey (CSV) conducted by Michael Bond in 1971, due to its highest population, the country lost control on the culture value effect on the members (Hofstede , 2007). Ryu et al (2007) had explained that LTO is the monitoring factor in relationship marketing when supplier use bilateral control mechanism and unilateral control mechanism to handle the unexpected or uncontrollable external factors for the future relationship. He further explained the definition of bilateral mechanism or monitoring is emphasised on long term mutual relationship through adaptation and necessary correction for the problem. This bilateral mechanism enables marketers to gain long term benefit. The definition of unilateral mechanism or reliability is ‘on-the-spot’ detecting to the problem and finding a solution for it.

Long term orientation had been practiced in Chinese business relationship together with trust due to the unseen and unwritten code of reciprocity among the members in the network such that trust in Chinese is based on the person’s background compared to the Western place trust in legal contracts (Wang et al 2008).

III. THEORETICAL FRAMEWORK

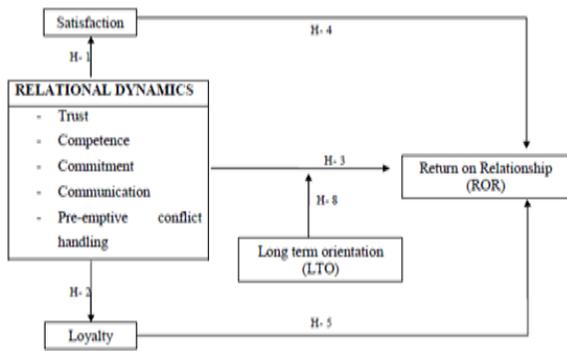


Fig. 1 Research Model

Source: Nhubisi (2012), Ryu et al (2007), Gronroos and Helle (2012), Sanzo et al (2003),

IV. METHODOLOGY

Using a convenience sampling survey, 400 questionnaires had been distributed to the students from the list of MHEIs sourcing students from China. The respondents consisted of different age, gender, education levels and the duration of participate in institution. The respondents were required to answer the questionnaires in around 15 minutes. Locations such as classrooms, offices, and building around the institution had been targeted to do the survey and questionnaire distribution. 321 responses were used for analysis into SPSS to examine the hypothesized relationships.

Measurement items were either adopted or adapted from the related studies (Bearden et al., 2006; Ryu et al., 2007; Wittmann et al., 2009; Nhubisi, 2012; Nhubisi, 2006; Wang et al., 2008; Dagger and O’Brian, 2009; Khan et al., 2010) . A survey instrument was composed based on the measurement

items plus items designed to collect respondent demographics. All questions were measured on a 7-point Likert scale ranging from 1 = strongly disagree to 7 = strongly agree, where respondents indicated their degree of agreement or disagreement with a series of statements. Reliability analysis revealed Cronbach Alphas of 0.90, 0.95, 0.93, 0.94, 0.94, 0.96, 0.94, 0.94 and 0.96 for trust, competence, pre-emptive conflict handling, commitment, communication, satisfaction, loyalty, return on relationship and long term orientation respectively, indicating a high degree of internal consistency.

V.FINDINGS

There were 338 respondents chosen and completely answered and returned the questionnaire, but 17 questionnaires amongst the 338 respondents did not provide complete answer. 321 questionnaires achieved 95.0% response rate were appropriate and accepted for the further analysis. The respondents were mostly in the average age range of 18-28 years (56.1%). Male respondents had the highest rate (57.9%) compare to female respondents (42.1%). Most of the respondent’s achieved secondary school education (64.8%) and they were the new-intake students for the bachelor degree studies. In addition, most of the respondents were students (96.9%) who were just attached to the institution (63.9%).

H₁: There is a significant direct relationship between the relational dynamics (namely, trust, competence, commitment, communication and pre-emptive conflict handling) and satisfaction.

TABLE I
RESULT OF MULTIPLE REGRESSION ANALYSIS BETWEEN RELATIONAL DYNAMICS AND SATISFACTION

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.163	.188		6.197	.000
	trust	-.023	.049	-.026	-.457	.648
	competence	.116	.078	.122	1.485	.139
	conflict	.130	.080	.142	1.625	.105
	commitment	.317	.075	.339	4.250	.000
	communication	.235	.066	.244	3.563	.000

a. Dependent Variable: satisfaction

From the result of multiple regression analysis above (Table 1), commitment factors with satisfaction variable showed the highest value of beta coefficient which is 0.339 (sig. = 0.000, p<0.05) (Table 1). According to Pallant (2011), the beta column showed the highest the beta value, and ignoring on the negative sign out the front, the variable makes the strongest unique contribution to the dependent variable. In addition, the author also mentioned that the Sig. column showed whether the independent variable making statistically significant unique contribution to the equation of regression. Commitment has the strongest contribution to the satisfaction variable in the relationship marketing among China students (beta = 0.339, sig = 0.000, p<0.05). Besides, communication also showed the result of statistically significant contribution to satisfaction

factor (beta = 0.244, sig = 0.000, p<0.05). Meanwhile, there was no significant statistically unique contribution showed by factors of trust, competence and pre-emptive conflict handling to the satisfaction variable (p>0.05). According to Pallant (2011), the significant greater than 0.05 showed the independent variable did not make significant unique contribution to the prediction of the dependent variable due to the overlap issue with other independent variables in the model. Therefore, we concluded that the commitment and communication factors under relational dynamics made a unique and statistically significant, contribution to the satisfaction. Based on Table 1, the equation for Model 1 developed:

$$\text{Predicted satisfaction} = 1.163 + 0.317 \text{ commitment} + 0.235 \text{ communication}$$

H₂: There is a significant direct relationship between the relational dynamics (namely, trust, competence, commitment, communication and pre-emptive conflict handling) and loyalty.

TABLE II
RESULT OF MULTIPLE REGRESSION ANALYSIS BETWEEN RELATIONAL DYNAMICS AND LOYALTY

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
		1	(Constant)	1.251		
	trust	-.032	.052	-.038	-.621	.535
	competence	-.113	.083	-.117	-1.363	.174
	conflict	.154	.084	.168	1.828	.069
	commitment	.318	.079	.339	4.033	.000
	communication	.404	.070	.416	5.787	.000

a. Dependent Variable: loyalty

From the result of multiple regression analysis above (Table 2), communication factors with loyalty variable showed the highest value of beta coefficient which is 0.416 (Sig. = 0.000, p<0.05) (Table 2). This means that communication potentially contributes to the loyalty variable in the relationship marketing among China students. Besides, commitment also showed the result of statistically significant contribution to loyalty factor (beta = 0.339, sig = 0.000, p<0.05). Pre-emptive conflict handling showed the result of statistically significant contribution to loyalty as well (beta = 0.168, sig = 0.069, p<0.10). Meanwhile, there was no significant statistically unique contribution showed by factors of trust and competence to the loyalty variable (p>0.05). Therefore, we concluded that commitment and communication factors under relational dynamics made a unique and statistically significant, contribution to the loyalty. Based on Table 2, the equation for Model 1 developed:

$$\text{Predicted loyalty} = 1.251 + 0.154 \text{ conflict} + 0.318 \text{ commitment} + 0.404 \text{ communication}$$

H₃: There is a significant direct relationship between the relational dynamics (namely, trust, competence, commitment, communication and pre-emptive conflict handling) and return on relationship

TABLE III
RESULT OF MULTIPLE REGRESSION ANALYSIS BETWEEN RELATIONAL DYNAMIC AND RETURN ON RELATIONSHIP

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
		1	(Constant)	1.588		
	trust	.031	.065	.034	.475	.635
	competence	.127	.103	.124	1.234	.218
	conflict	.086	.105	.088	.818	.414
	commitment	.394	.098	.394	4.008	.000
	communication	.019	.087	.018	.218	.827

a. Dependent Variable: ROR

According to the result of multiple regression analysis above (Table 3), commitment factors with return on relationship (ROR) variable showed the significant value of beta coefficient which is 0.394 (sig. = 0.000, p<0.05) (Table 3). Only the commitment contributed to the ROR variable in the relationship marketing among China students. Meanwhile, there was no significant statistically unique contribution showed by factors of trust, competence, pre-emptive conflict handling and communication to the ROR variable (p>0.05). Therefore, we concluded that only commitment factors under relational dynamics made a unique and statistically significant, contribution to ROR. Based on Table 3, the equation for Model 1 developed:

$$\text{Predicted ROR} = 1.588 + 0.394 \text{ commitment}$$

H₄: There is significant direct relationship between satisfaction and return on relationship

H₅: There is significant direct relationship between loyalty and return on relationship.

TABLE IV
RESULT OF MULTIPLE REGRESSION ANALYSIS BETWEEN SATISFACTION AND LOYALTY WITH RETURN ON RELATIONSHIP

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
		1	(Constant)	.797		
	Satisfaction	.394	.075	.368	5.255	.000
	Loyalty	.413	.074	.389	5.548	.000

a. Dependent Variable: ROR

The Table 4 showed the result of multiple regression analysis between satisfaction and loyalty with returns on relationship. According to the table above, loyalty showed statistically significant contribution to the return on relationship (ROR) at the value of beta coefficient, 0.389 (sig. = 0.000, p<0.05) (Table 4). Satisfaction also showed statistically significant contribution to the return on relationship (ROR) at the value of beta coefficient, 0.368 (sig. = 0.000, p<0.05) (Table 4). Therefore, we concluded that satisfaction and loyalty could make a unique and statistically significant, contribution to the ROR in relationship marketing among international students in Malaysia. Based on Table 4, the equation for Model 1 developed:

Predicted ROR = 0.797 + 0.394 satisfaction + 0.413 loyalty

H₈: There is a significant direct relationship between relational dynamics (namely, Jtrust, competence, commitment, communication and pre-emptive conflict handling) with return on relationship moderated by long term orientation.

TABLE V
MODEL SUMMARY FOR RELATIONSHIP BETWEEN RELATIONAL DYNAMICS WITH FACTOR RETURN ON RELATIONSHIP OF RELATIONAL RESPONSE BEHAVIOURS MODERATING BY LONG TERM ORIENTATION

Model Summary ^a									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.701	.491	.488	1.09952	.491	153.572	2	318	.000
2	.708	.502	.497	1.09010	.010	6.522	1	317	.011

a. Predictors: (Constant), LTO, R. dynamics
 b. Predictors: (Constant), LTO, R. dynamics, RDxLTO
 c. Dependent Variable: ROR

Based on the Model Summary Table 5, interpretation on Model 1, R= 0.701, R²= 0.491 and F (2, 318) = 153.572, p=0.000. The differences between R² and adjusted R² is only 0.003 which is very small as the sample size in the study is large (N = 321). According to Herman (2004), the model 1 did not include the product term; thus Model 1 did not explain the moderating effect of LTO.

Based on the Model Summary Table 5, interpretation on Model 2, R= 0.708, R²= 0.502 and F (1, 317) = 6.522, p=0.011. The differences between R² and adjusted R² is only 0.005 which is very small as the sample size in the study is large (N = 321). Model 2 included the product term and explain on the moderating effect of LTO. R value is increase from 0.701 to 0.708 which indicated that high degree of correlation occurs influenced by the moderating variable. The R square value showed increment from 0.491 (49.1%) to 0.502 (50.2%) showed 0.011 (1.1%) increment.

TABLE VI
ANOVA FOR RELATIONSHIP BETWEEN RELATIONAL DYNAMICS WITH RETURN ON RELATIONSHIP OF RELATIONAL RESPONSE BEHAVIOURS MODERATING BY LONG TERM ORIENTATION

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	371.323	2	185.661	153.572	.000 ^b
	Residual	384.446	318	1.209		
	Total	755.769	320			
2	Regression	379.073	3	126.358	106.333	.000 ^c
	Residual	376.696	317	1.188		
	Total	755.769	320			

a. Dependent Variable: ROR
 b. Predictors: (Constant), LTO, R. dynamics
 c. Predictors: (Constant), LTO, R. dynamics, RDxLTO

Based on the ANOVA Table 6 showed statistical significant on LTO as moderate variables where the column of significant shown less than 0.05 (p<0.05). Therefore, the models applied can statistically predict the relationship between relational

dynamics and the return on relationship factor in relational response behaviours moderated by LTO.

TABLE VII
COEFFICIENT FOR RELATIONSHIP BETWEEN RELATIONAL DYNAMICS WITH FACTOR RETURN ON RELATIONSHIP OF RELATIONAL RESPONSE BEHAVIOURS MODERATING BY LONG TERM ORIENTATION

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.941	.228		4.120	.000
	RDYNAMIC	-.027	.089	-.024	-.299	.765
	LTO	.802	.091	.722	8.818	.000
2	(Constant)	.578	.267		2.162	.031
	RDYNAMIC	-.022	.088	-.020	-.249	.804
	LTO	.852	.092	.767	9.234	.000
	RDxLTO	.112	.044	.112	2.554	.011

a. Dependent Variable: ROR

Based on Table 7, the equation for Model 1:

$$\text{Predicted ROR} = 0.941 - 0.027 \text{ RD} + 0.802 \text{ LTO}$$

The equation for Model 2:

$$\text{Predicted ROR} = 0.578 - 0.022 \text{ RD} + 0.852 \text{ LTO} + 0.112 \text{ RD} \times \text{LTO}$$

Based on these two equations, plotting a graph to show the moderation effect of LTO is appropriate.

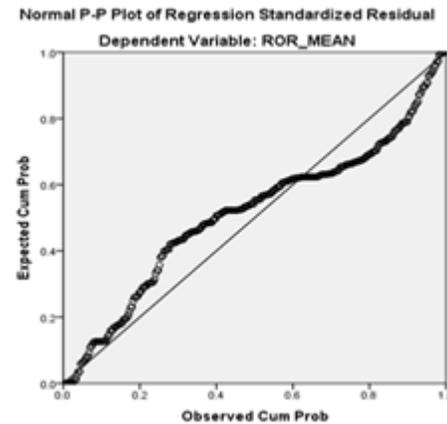


Fig. 2 Regression Plot For Hypothesis

Based on the Figure 2 shows, there is moderating effect of LTO in the relationship between relational dynamics and return on relationship among international student in Malaysia higher education institution. As a result, there is a positively significant relationship between return on relationship of the relational response behaviours with the relational dynamics moderated by LTO.

VI. DISCUSSION AND CONCLUSION

The purpose of the study was to examine the effectiveness of relationship marketing exercised in Malaysian higher education sector in order to attract and to retain international students pursuing studies in Malaysian institutions particularly from China. The study found direct effects of commitment and communication on satisfaction and loyalty and direct effect of commitment, satisfaction and loyalty on return on relationship

among international student in Malaysia. Communication had significant unique contribution to loyalty variable and showed the highest value of regression coefficient among all the factors under relational dynamic which is $\beta = 0.416$ ($p < 0.05$) (refer Table 2). Henderson et al (2011) acknowledged that loyalty programs held by firms often attempt to change customer's mind from economic-based negotiated relationship to socially based reciprocal relationship. This mind changing alternative did via communication between salesperson and customers for the personal shopping assist purpose in order to enhance customer loyalty. Thus, for education sectors practice, communication between marketers and students can emphasise on personal benefits and cost. In addition, institution marketers have to focus on advertising or personal selling as marketing communication tools, so as to impress students with the intangible benefits obtained in future.

Commitment is also showed significant contribution to loyalty variable in the regression analysis ($\beta = 0.339$, $p < 0.05$) (refer Table 2). Many scholars had proven commitment as factors contributed to customer's loyalty in service marketing (Pritchard et al 1999; Kelley et al 1994). Evanschitzky et al (2006) acknowledged both affective and continuance commitment had positive impact to the two components of loyalty which is attitudinal loyalty and behavioural loyalty. The author stated that customer commitment refers to the economic incentives, psychological benefits and emotional bond. Thus, customer who desire to maintain continuing relationship with firms or brands is based on how much commitment the customers are willing to contribute.

An important novel finding is the influence of long term orientation as moderating factor between the relationship of relational dynamics and return on relationship. This study expands the application of the relational dynamics and return on relationship in the context of international students from China by including long term orientation as moderating variables. Chinese culture judges others through the extent of keeping promises which is more humanity (Wong et al 2008). If the sellers or marketers do not take a serious view on keeping to their promises to their Chinese customers, the consequences would lead to a 'lost face' and also lose of the opportunity to develop future interaction with each other, therefore causing negative impact to the return on relationship. It means that relational dynamic has the potential to reduce risks and vulnerability within the relationship and would lead to greater long-term orientation (Espino-Rodríguez et al 2006). Therefore, understanding the formalities involved in a long term orientation such as understanding their behaviour and culture, as to practice and to operate within Chinese business society in Malaysian education sector could stimulate the greater willingness to develop long term business relation.

The findings beneficial for local Malaysia higher education either public higher education or private higher education in recruiting more quality students from foreign country particularly China. Handling international students' psychological and cross cultural adjustment during the period

of pursuing their studies in Malaysia, can furthering to tighten up the Malaysia with international student business relationship.

Finally, this study proposed that each factor of relational dynamics and each factor of relational response behavior should be considered to apply and practice in Malaysian higher education sectors, in order to enhance the process of recruiting and retaining the international students from China. Therefore, the future conduct a detailed research can be improved by including various factors and various background of respondents from this field, so that further option findings can be obtained.

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