

The Effect of Market Orientation of Higher Education Institutes on Satisfaction, Loyalty and Communicational Behavior of Students
(Case Study: Islamic Azad University of Rasht Branch)

Abbas Shahnava^{1*}, Bahman Ghasemi Dakdare²

¹Department of Public Management, Roudbar Banch, Islamic Azad University, Roudbar, Iran

²Department of Business Management, Rasht Banch, Islamic Azad University, Rasht, Iran

*(corresponding Author: Abbas Shahnava¹)

ABSTRACT

The aim of current research is to analyze the effect of market orientation of higher education institutions on satisfaction, loyalty and communicational behavior of students. The method of research is descriptive and correlational. The population of this research is working students of Islamic Azad University of Rasht city in second semester of 2014-2015 who are 11970 students among whom about 372 ones have been determined as sample through stratified-randomized sampling method. The necessary data has been gathered through questionnaire and the stability of questionnaire has been calculated through Cronbach's alpha 0/883, and also the test validity has been confirmed content validity method and through exploratory and confirmatory factor and KMO index. In order to analyze the relation between variables and research hypothesis, we have used Pierson correlation coefficient. The analysis of research data and hypothesis testing is indicative of this fact that at Islamic Azad University of Rasht, long-term orientation, competitor orientation, employee orientation (faculty members), employee orientation (administrative) and cross-sectional coordination between universities has direct relation with market orientation. On the other hand, the market orientation of university has direct relation with satisfaction, loyalty and communicational behavior of students and finally satisfaction of students has direct relation with communicational behavior and loyalty.

KEYWORDS: Market Orientation, Loyalty, Satisfaction, Communicational Behavior

INTRODUCTION

Universities and higher education institutes are the highest level of thinking center and knowledge products in society and has important role in science promotion and leading intellectual, ideological, cultural and political movements of society. These universities need constant performance and analysis of organizational performance in order to reach their serious responsibilities and continuous promotion. Performance is a process which sets assessment and measurement, valuation and judgment about performance during specified time. Performance is the quality of doing responsibilities, activities and the results. Organizational performance is one of the most important structures in research managements and is accounted as the most important criteria of success assessment in all organizations (service and non-service organizations). Generally the index of organizational performances is divided into two group: subjective and objective. Objective index of organizational performances are the index that are measured in a very real way method and based on objective data. Subjective index of organizational performance mostly are the index which are formed based on the judgment of interest groups of organization (Hasanzade and Qadiri, 2010). Scholars and experts in different countries have done fundamental researches about performance of nonprofit organizations and higher education institutes. Hence market orientation as a criteria of performance evaluation are among conceptions which have been strongly taken into consideration an organization and management area in recent studies and it has been pointed to their effects on organizational performance. Today there are several factors which are effective in performance promotion of a business such as environmental factors (i.e. economic, social, cultural and political factors), industry elements (i.e. providers, competitors, alternative products, customers) and inner factors (i.e. properties, competencies). Among all of these factors, market orientation is considered as an effective factor in competition capacity of business. Hence market orientation is taken into consideration from organizations and economic institutions and because products surpassed demands and increase of competition among producers and economic institutions, customers have more choices or in other word they have become choicer (Heydarzade, 2003).

Generally it could be said that one of the features of companies and pioneer and competitive economic institutions is having competencies and market orientation capacities and their consideration to the market and customers' demands in parallel with the significant feature of non-competitive businesses, lack of having competencies and lack of attention to the market and customers circumstances. It seems that regarding the experiences of successful businesses in the world,

we can consider the market orientation of Iran institutions as an effective factor to solve problems and their competitiveness (Divanderi et al. 2009).

Market orientation is one of the aspects of organizational culture in which employees give the most valuation to profitability of institutes and keeping customers through value creation. Market orientation is a behavioral norm that has been spread in all parts of organization and meet the current and future needs of market and customer through innovation. Market-oriented companies have competitive advantage to meet the needs of market and customers quickly. Also they act in an effective way in respond to opportunities and threats. Core values in market orientation is that to make ready the organization for facing the business circumstances and can gather the essential data from market and make itself ready in order to meet the market needs. This kind of market orientation market is considered for organization as a competitive advantage which is inimitable, rare and valuable.

Statement of Problem

At the onset of current century and based on taken policies of government, great threat from nonprofit, applied and science universities and other new universities by setting strategy of education quality excellence and providing top service for students in order to increase the share of admission and attract student, it makes Azad University to an increasingly competitive environment so that the main concern of university executives is that how they can assign more shares of these part of society which are indeed customers of organization in this super-competitive environment by meeting the needs of students. Because of strong competition in this part, higher education institutions will become more customer-oriented and will resort to apply uniform marketing methods to attract students. Higher education institutions should concentrate on strong market orientation development as a part of uniform marketing methods so that marketing conception has been related to the organizational performance but there has been allocated less attention to evaluation of market orientation at higher education part.

In current circumstances, all the higher education institutes want utilized use of facilities and current capacities in their education unit, effort in attraction and admission of students in different branches. So because of the importance of this issue, universities put market orientation and market-oriented concept in designing their programs in order to attain demands in students market. Economic stagnation, decrease of governments' budget in current world made competition so severe in higher education part. This issue with the presence of applied and scientific universities and other new universities and increase of geographical proximity among universities with increase of student action necessitate the needs of all universities in order to adapting a market orientation philosophy. Market orientation philosophy is a logic response of all universities in order to face the very competitive environment (Raciti, 2012).

Since the conducted research researches and scientific studies in market orientation area, the employees of higher education institutions have been considered, we thought that for the first time consider this important research issue from students' point of view. Because making decision from viewpoint of higher education institutions employees about evaluation is unilateral and myopia, whereas the critical role of students in terms of identification of value will be ignored to some extent. Regarding the great numbers of new universities, it is necessary for Islamic Azad University of Rasht to apply comprehensive effort in order to improve its performance and making effective all its organizational units to maximum attraction in different branches. Islamic Azad University of Rasht should review its current activities and modify them and consider some changes in its policies for its actions at future in order to reach development and success in market. Increasingly competitive environment leads to market orientation adaption by different organizations such as higher education institutions. There have been done some researches in this area but in this situation and about this fact that how higher education institutes can apply their market orientation functions in order to keep their competitive ability and higher education market, it has been paid less attention in nonprofit unit of higher education.

Conceptual Framework of Research

Market Orientation

Market orientation has rooted concept in marketing theory and has trend to learning about market. In other word, expansion of market understanding and using of it for marketing activities. We can consider market orientation as adaption of marketing concept as business philosophy which will be the leader of competitive strategies of organization. Market orientation has been made based on marketing concept and marketing concept has made its philosophical infrastructure. Anyway, marketing thinking as an infrastructure and philosophical base is not sufficient because market orientation not only have concentration on customers, but beside that it has concentration on

competitors, organizational discussions and foreign several factors which have effects on needs and priorities of customers. As Narver and Slater believe, market orientation is the central heart of management and modern marketing strategy, and the business which increase its market orientation, it will improve its market performance. (Corbitt, 2013)

Customer Satisfaction

It is a feeling or attitude of a customer to products or the service after that. It can be defined as the result of comparison processes between the reality of products or service with expectations or social norms about products (Helgesen, 2012). In fact, customer satisfaction is a state in which customer feels that features of products and services is coincide with his expectations, in other word it as a case or reaction which consumer and customer show after consumption or buying products (Gereffi, 2012).

Customer satisfaction is defined in two ways: as an output or as a process. The first group recognize the customer satisfaction as the final result of products consumptions or service. Output is the process of buying and consuming which results based on comparison among services and purchase costs and what has been predicated by customer. The second group are definitions which have highlighted the cognitive and psychological aspects and their effectiveness on customer satisfaction. The evaluation of this issue that whether the products or services are as expected as they had been predicated. The customers' satisfaction is a kind of response about special concentration on expectations from development and the experience of using service and consumption. In operational definitions mostly this issue has been recognize that customers' perception is formed in framework of its expectations. In fact when a customer after purchasing or consumption of products or services find them qualified, it means he is satisfied with his purchase. It could be said that customers' satisfaction means there is equality among expectations and perceptions, so it is strongly recommended that we should think beyond customers' expectations (Pawan, 2013)

In fact the key of customers' satisfaction is to provide services with qualities which are higher than customers' expectations. From the viewpoint of other group, customers' satisfaction means meeting all the needs in the same time and in the same way (Macintosh, 2012)

Loyalty

It means the presence of a kind of positive attitude to a supportive phenomenon and behavior of it, in other word it refers to a strong commitment for repurchasing products or prior service in future in a way that products be bought despite effects and potential marketing efforts of competitors. (Brown, 2009)

The concept of loyalty is described by consumer and making loyal consumers in business framework as making commitment in consumer to purchase products and services frequently. Loyalty to an organization means the amount of commitment which the customer has to the organization and tries to shows his loyalty by frequent purchasing. A loyal customer is defined as a person who has a positive attitude to service provider may introduce him to other consumers and rebuy products. In other word, customers' loyalty to an organization is indicative of ideal attitude and frequent purchase of that organization and is the only factor which has been remained safe from competitors' proceedings and if there is proper management it will be constant property of organization, because loyal customer has always been, is and will be (Bianchi et al, 2012)

Communicational Behavior

One the greatest acceptable concepts in consumer behavior is communicational behavior of customers after using products and service and in this situation, word of mouth communication has play an important role in creating the behavior and attitude of consumer as one of the main communicational methods. Word of mouth communication is used frequently in marketing for describing recommendations and suggestions of consumers to each other. Speed and lack of business biases to the products brands or especial service has changed it to the effective source of information for business choices of consumers, especially in cases where the previous experience of purchase has been limited. A small percent of the word of communication is stimulated by promotional efforts. This method of communication can be positive or negative. Positive word of mouth communication includes good and ideal recommendations which people say to each other about products, services or business brands, but negative word of mouth communication which take into consideration as one of the forms of complaining behavior of consumers includes negative and undesirable recommendations that people tell each other about products and services and business brands. An important point that should be considered here is that the advantages of word of mouth communication can help to develop the organization when these kind of communications be positive or in other word, people tell their positive experience and attitudes to others. But when negative experience of consumers is negative or products and services won't meet the expectations of customers, there will be irreparable losses remain for the company (Flavian et al, 2009).

Because of the change of marketing environment, finding alternative ways for making audible voice is so essential and word of mouth is a phenomena which has been recognized for a long time and it has been established that it is a strong method of making and stopping the businesses. Word of mouth communication is outcome and base of keeping customers and loyal customers have more willing to have positive word of mouth communication and they act as the fan of business brand for company. Based on this fact the scholars of consumers' behavior area believe that word of mouth communication is seven times more effective than advertising in newspapers and magazines, four times more effective than private selling and two times more than advertising in radio to affect customers for changing business brands (Derbaix et al, 2003).

In conducted researches, the reasons which are indicative of the power of word of mouth communication has been defined as follows: first, is this fact that word of mouth communication is more valuable than informational and business sources under the control of organizations. Second is that the word of mouth communication is a real communication and can be bilateral like process of message currency and third is that people share their experiences about products and services and brands with others and in meantime, this can decrease the risk for potential customers. (Litvin et al, 2008)

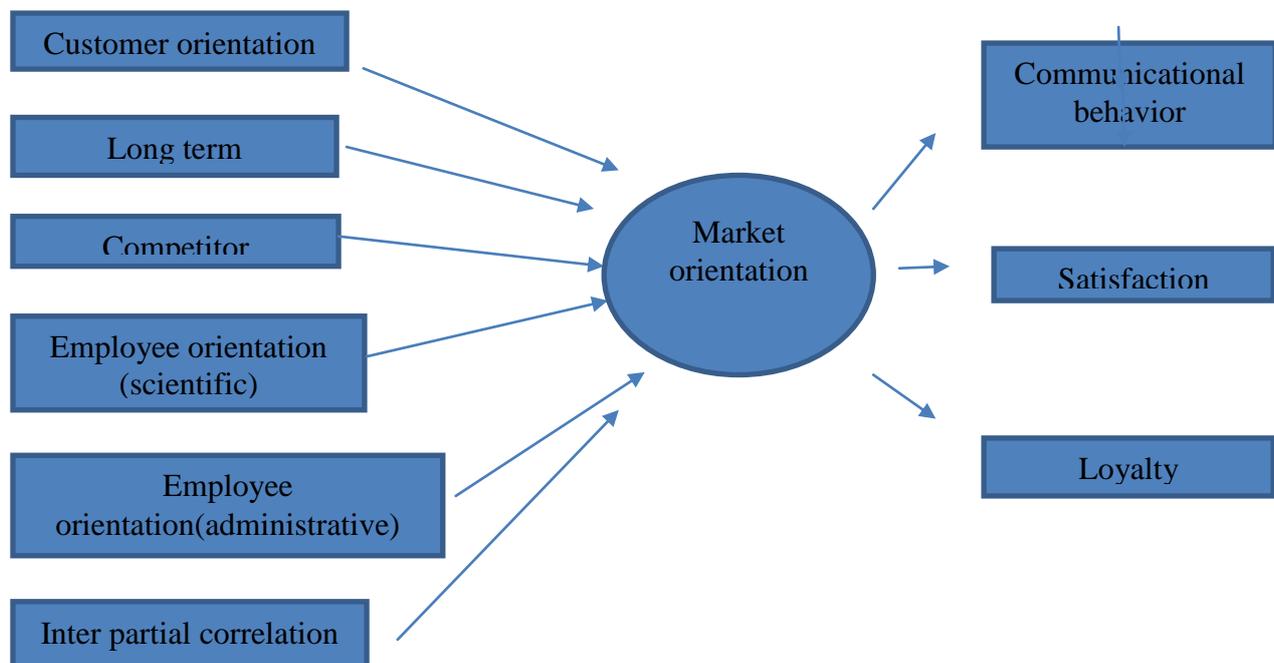


Figure 1: The conceptual model of research

Research hypotheses

H_{1a}: There is a direct relationship between customer orientation and market orientation in the Islamic Azad University of Rasht Branch.

H_{2a}: There is a direct relationship between long term orientation and market orientation in the Islamic Azad University of Rasht Branch.

H_{3a}: There is a direct relationship between competitor orientation and market orientation in the Islamic Azad University of Rasht Branch.

H_{4a}: There is a direct relationship between employee orientation (scientific) and market orientation in the Islamic Azad University of Rasht Branch.

H_{5a}: There is a direct relationship between employee orientation (administrative) and market orientation in the Islamic Azad University of Rasht Branch.

H_{6a}: There is a direct relationship between inter partial correlation and market orientation in the Islamic Azad University of Rasht Branch.

H_{1b}: There is a direct relationship between market orientation and communicational behavior of students in the Islamic Azad University of Rasht Branch.

H_{2b}: There is a direct relationship between market orientation and satisfaction of students in the Islamic Azad University of Rasht Branch.

H_{3b}: There is a direct relationship between market orientation and loyalty of students in the Islamic Azad University of Rasht Branch.

H_{1c}: There is a direct relationship between satisfaction of students and communicational behavior in the Islamic Azad University of Rasht Branch.

H_{2c}: There is a direct relationship between satisfaction of students and loyalty in the Islamic Azad University of Rasht Branch.

MATERIALS AND METHODS

Method of current research is descriptive-research (survey-correlated kind), its goal and expected results are practical (because the expected result can be applied in the methods of facing university applicants) and also is sectional based on data gathering method. It is thematic generally at marketing territory and especially at the area of consumer behavior. Its location territory is Islamic Azad University of Rasht in which there has been divided questionnaire and due to time, it has been done in a period of six months at the second semester of 2015.

Sampling and Determination of Sample Size

Population of research includes Islamic Azad University of Rasht students which are studying at second semester of 2014-2015 which based on newest statistics at the time of research, they were 11970 students. Since the amount of mentioned population is established, regarding Cohen's table (1969) and Krejcie and Morgan (1970) and sample amount has been determined 372 students. In this research there has been used of stratified-randomized sampling. Regarding the sample amount and in order to gather essential data and consider this possibility that some of the questionnaires have been fulfilled wrongly or they won't be referred, 400 questionnaire has been divided among students among which 380 ones are usable and has been used in analysis.

Assessment tool

It has been used of questionnaire in this research which includes two parts: first part have seven related questions with personal and demographic information of respondents. Second part includes 22 questions which has been designed based on Likert 5-choice scale.

Validity and Reliability of Research

Validity means that measuring tool be able to measure the features and specified traits. The questionnaire of this research has been made based on national and international standards. Also the validity of content and convergent validity has been analyzed on the specified questionnaire. In order to reach the reliability of questionnaire in this study, it has been used of internal consistency of Cronbach's alpha and the total Cronbach's alpha is 0/883 which shows that it has a high reliability. Be the help of content validity method and by the use of exploratory function analysis method and confirmatory and KMO validity index of questionnaire has been confirmed.

Data Analysis Method

It has been used of statistics method in order to analyze the questionnaire data. For this purpose, it has been used of software's of SPSS statistics in two parts of descriptive and inferential statistics. It has been used of frequency distribution tables, histograms, central average index, distribution and its comparison in different parts in descriptive part. It has been used of Pierson regression coefficient in order to data analyzing and hypothesis testing.

RESULTS

Demographic Feature of Respondents

From the sexual status, 53 % of respondents are men and 47 % of them are women. From marital status, 81 % of respondents are men and 19 % of them are women. From age status, 65 % are between 21 to 30 years old, 14 % are 20 years and below it, 11 % between 31 to 40 years old and 10 percent are above 41 years old. From educational status, 22 % are undergraduate students, 73 % are postgraduate students and 5 % are PhD students.

Research Hypothesis Test

Normalization of main factors has been set with running Smirnov test and results has been shown in table 1.

Table 1- Results of Kolmogorov–Smirnov test of research variables

Result factor	average	Standard deviation	Significance level (sig)	Error amount	Hypothesis confirmation
Customer orientation	3/43	0/26	0/61	0/05	H0
Normal competitor orientation	3/94	0/06	0/09	0/05	H0
Normal cross-sectional correlation	3/21	0/42	0/21	0/05	H0
Employee orientation (scientific)	3/2	0/41	0/42	0/05	H0
Normal market orientation	2/75	0/12	0/08	0/05	H0
Normal communicational behavior	3/82	0/39	0/34	0/05	H0
Normal loyalty	3/61	0/75	0/11	0/05	H0
Normal satisfaction	3/41	0/06	0/21	0/05	H0

As you can see in table 1, since the significance level for data is more than 0/05, there is not any reason to reject H_0 hypothesis based on data normalization, so H_0 at the confidence level of 95 % is accepted, so it could be said that all the factors have normal frequency. With ensuring of factors normalization, now we can analyze research hypothesis.

Table 2- Summing up the results of the study hypothesis

Hypothesis	Sig.	Pearson	Sig. Relationship
H1a	0.000	0.447	Approved
H2a	0.000	0.571	Approved
H3a	0.000	0.385	Approved
H4a	0.000	0.413	Approved
H5a	0.000	0.612	Approved
H6a	0.000	0.344	Approved
H1b	0.000	0.234	Approved
H2b	0.000	0.477	Approved
H3b	0.000	0.311	Approved
H1c	0.000	0.122	Approved
H2c	0.000	0.485	Approved

Conclusion and Recommendation

In this research we have paid attention and concentrated on considering and evaluating the relation between customer orientation, competitor orientation, employee orientation (administrative), employee orientation (faculty members) and cross-sectional correlation between market orientation part and also the relation of market orientation with communicational behavior, loyalty and satisfaction of students and finally the relation of satisfaction with communicational behavior and loyalty of students of Islamic Azad University of Rasht. Regarding the confirmation of the relation between researches variables resulted from hypothesis testing, the presence of effective market orientation at Islamic Azad University of Rasht, can be considered as one of the most important elements at success of top

management of this educational unit. So the following suggestions is presented in order to facilitate market orientation implementation.

1. In order to increase the satisfaction of students from the quality of services, the maker orientation culture should be developed at Rasht unit and in order to reach this goal, the awareness about applicants market of entrance to the university to predicate current and future needs should be increased.
2. One of the major aspects of market orientation is pay attention to customer orientation and in order to reach it there are some important factors such as: the importance of relation with students through polite behavior and kindness of employees, considering the customers through employees of university, employees' willing for helping and solving the problems of students, considering the needs of students such as complaints handling of students and solving dissatisfaction issues, regular and periodic review of customer satisfaction and students, having proper information and spending enough time to respond to important customers.
3. Educational units at colleges of Rasht should pave the way for young and research-based faculty members and the doors of university for these young and expert professionals in order to improve the scientific level of university.
4. Competitor orientation paying attention to the function of competitor universities and evaluating the chances and environmental threads through making groups include of elites of university in the form of thinking room can be a good and appropriate approach.
5. Maximizing the sectional correlation between all the educational and administrative units of university in order to making proper and prior value for students.
6. Islamic Azad University of Rasht can make job attraction through guiding its research activities to the activities related to industry for students.

REFERENCES

- Bianchi C. and Drennan J. (2012).** Market orientation and performance: Does organizational strategy matter?, *J. Applied Business Res.* 18(1):37-49.
- Brown, Richard. (2009).** The importance of institutional image to student satisfaction and loyalty within higher education. *Int. Marketing Rev.* 26:275-291.
- Corbitt. (2013).** Trust and e-commerce: a study of consumer perceptions. *Electron. Commer. Res. Appl.* 2(3): 203–215.
- Derbaix C, Vanhamme J. (2003).** "Inducing word of mouth by eliciting surprise- a pilot investigation", *J. Economic Psychol.* 24: 99-116.
- Divandari Ali and Delkhah (2008).** codification and designing a model for evaluation of customers' satisfaction at banking industry and measuring the customers' satisfaction of Mellat bank based on it. *J. Business Res.* 37: 31-35.
- Flavián, Mário, Lozano, Filipe. (2009).** Organisational antecedents of market orientation in the public university system. *J. Services Marketing.* 20(3):188 – 198.
- Gereffi, Groos. (2012).** The market orientation concept in the private non profit organization domain. *Int. J. Non Profit Voluntary Sector Marketing.* 7: 55-67.
- Hasanzade, Mehrdad and Qadiri (2010).** analysis of competence effects of business name on customers' loyalty at Iran Melli Bank (governmental) and Parsian Bank (private), marketing management magazine, Islamic Azad University *Sci. Res. Branch.*4:196-197.
- Helgesen, kevin. (2012).** Images, satisfaction and antecedents: drivers of student loyalty? a case study of a Norwegian university college. *J. Business Res.* 61:623-630.
- Heydarzade Kambiz (2003).** Analysis of entrepreneurial orientation effect and market orientation on the function of production companies business, PhD thesis of business management. Azad Univ. Sci. Res. Branch.
- Litvin S. W., Goldsmith R. E. and Pan B. (2008).** "Electronic word of mouth in hospitality and tourism management," *Tourism management.* 29:458-468.
- Macintosh G. (2012).** Customer orientation, relationship quality, and relational benefits to the firm. *J. Serv. Mark.* 21:150–159.
- Paswan A.K. (2013).** Higher education institutions: satisfaction and loyalty among international students. *J. Mark. High. Educ.* 19: 65–84 .
- Raciti M.M. (2012).** Predicting first year student transfer intentions: do relationships matter? *Aus. Mark.* 20: 65–72.