



The Challenges of Student Satisfaction and Student Loyalty in Malaysian University

^{1*} Mohammed Shuaibu Badeggi, ² Habsah Muda,

¹ Faculty of Business and Management, Universiti Sultan Zainal Abidin, Terengganu, Malaysia

² Faculty of Business and Management, Universiti Sultan Zainal Abidin, Terengganu, Malaysia

*Corresponding Author Email: shuaibubadeggi@yahoo.com

Received: 25th June 2021

Accepted: 5th October 2021

Published: 15th November 2021

ABSTRACT

The approach to building university image deals with student trust, student satisfaction, and student loyalty. However, few studies are available on university image context and its role on student loyalty. University image is considered a vital component of the educational sectors' success in recent years. With the current increase in public and private universities across Malaysia, the academic industry has become increasingly competitive. The circumstance necessitates Universities to focus their energies on creating a positive corporate image by increasing student loyalty. Trust and satisfaction play an essential role in order to achieve and maintain student loyalty. The research also reviewed the relationship between student trust and student satisfaction to establish their relationship with student loyalty.

Keywords: University Student, Student Loyalty, Student Satisfaction, University Image, Student Trust

 OPEN ACCESS

INTRODUCTION

In the current competitive environment, examining the relationships between university image, student trust, student satisfaction, and student loyalty could offer educational administrators several valuable understandings to gratify the new challenge of increasing enrollment numbers. Higher education internationalization's emerging importance and needs have inspired countries worldwide to compete and become the world's leading educational hubs (Abd Aziz & Abdullah, 2014). With the significant development of Malaysian's educational system, growth in the higher education sector is increasing rapidly to match international standards and make it an educational hub for international students. Both the public and private higher educational institutions have recorded a significant increase in international students' numbers. According to Brian (2020), Malaysia's educational sector targets 200,000 enrolments of international students in 2020, with an expected target of 250,000 international students by the year 2025. Currently, higher education institutions are deemed very competitive, with several players and providers operating in the educational sector (Hassan et al, 2020). Recognizing Malaysia's academic industry's competitive situation, it is evident that there is very high completion among universities. It all comes down to student satisfaction and student loyalty to maintain a competitive edge. (Athiyaman, 1997). The primary consideration for an educational institution is students as customers, and their satisfaction reflects the outcome of the university's services (Abasimi & Xiaosong, 2016; Austin & Pervaiz, 2017). Knowing what variables contribute to student loyalty is essential for university administration.

The loyalty context will help university management implement strategies to retain student retention (Ali & Ahmed, 2018). Holding up a good standard of service quality and university image is critical for university management as it can influence the degree of confidence in students' satisfaction.

Meanwhile, Pérez and Torres (2017) stated that university image plays a vital role in helping many universities become competitive and establish their dominance in the educational market, increasing demand for their courses and services. If international students are satisfied with their university, they usually share good information about their university experience, which leads to more student recruitments (Sultana and Momen, 2017). For every institution, student satisfaction and student loyalty have become buzz terms for devising tactics to attract successful students (Austin and Pervaiz, 2017).

LITERATURE REVIEW

In this research paper, the researchers examined various constructs with relationship to student loyalty in Malaysian University.

Underpinning Theory

Ajzen's (1985) Theory of Planned Behaviour gives light to this current paper being a cognitive theory, it explains and predicts peoples' actions per their intentions and perceptions of control over their behavior and how attitude, subjective norms, and perceived behavioral control influence intention towards the behavior. Hence, an individual student's attitude towards a service will determine all their responses to that service to this study. Ajzen's (1985) stated the components that formed the

Theory of Planned Behaviour (TPB) as: 1. Attitude – this component describes the level on which a person portrays their likes, Moreover, dislikes, and shows on a behavior. 2. Behavioural Intention (BI) – this component comprises the factors that motivate and influence a person’s decision. The more robust the motivation to perform a behavior, the easier it to be done. 3. Subjective Norms (SN) talks about how important other people feel about things and whether it needs to be archived or whether it needed to carry out. 4. Perceived Behavioural Control (PBC) – It discusses one’s feelings, whether something is easy or difficult, and one’s interest in carrying out that behavior. Theory of Planned Behavior (TPB) is prevalent in the measurement of an individual’s behavior. Many studies have utilized it in the educational sector. Azemi and Romle (2020) used the theory of planned behavior in their study on student loyalty. Several others such as trust, satisfaction, image, have been investigated using the theory of planned behavior.

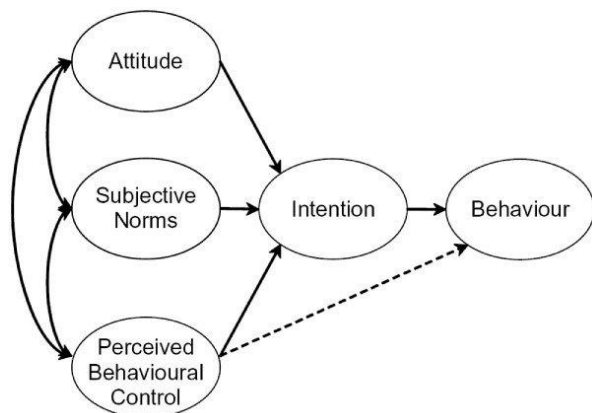


Figure 2.1: Theory of Planned Behaviour (Ajzen, 1991)

University Image

Image is the variable that impacts satisfaction and substantially impacts loyalty (Alves and Raposo, 2007). Jiewanto, Laurens, and Nelloh (2012) explained that university image indicates students' attitudes or views about an institution. Furthermore, Jiewanto et al. (2012) stated that university image reflects students' perception and creative potential of being anticipated in the educational industry. The two primary dimensions associated with the corporate image are the university's image and the university's reputation (Wong, Tong, & Wong, 2017). In choosing an institution, the university's image is very significant in the decision-making (Sahin & Singh, 2017).

Meanwhile, Polat, Arslan, and Yavaş (2016) stated that the university's image is an added advantage in successfully getting a job. Even though the image is considered the construct with a high influence on loyalty, other constructs are also known to impact student loyalty (Kunanusorn & Puttawong, 2015). University Image is known to impact loyalty and influence satisfaction (Alves & Raposo, 2010). Based on research conducted by (Zameer et al, 2015), their results indicated that the increase influences a significantly corporate solid image in satisfaction. According to research conducted by Abdullah and Ali (2018), the image has a significant impact on satisfaction and loyalty. Alves and Raposo (2010) researched Sri Lanka on the influence of university image on student satisfaction and loyalty. The research findings

showed that a university's image has a more significant direct impact on students' satisfaction.

Additionally, the findings indicated that the direct influence of image on loyalty is significant in the Sri Lankan context. Nguyen and LeBlanc (2001) researched certain business schools in Canada establish that university image significantly influences student loyalty. Furthermore, the tendency for students to stay and continue their studies is impacted by university image.

Student Loyalty

Students' loyalty is greatly affected by belief, emotional engagement, and satisfaction (Goolamally and Latif, 2014). It is not easy to create customer loyalty. Furthermore, the efforts to maintain loyal customers (Hassan, Buang, Wahab, Shamsudin, and Hasim, 2020). Students devoted to the university also market the university by spreading positive information through word of mouth to their friends and family. Thus, the dedicated student must understand what contributes more to student loyalty (Dado et al, 2012). Student loyalty is connected to student success and the university's efficiency (Kim, Wong, Chang, and Park, 2016). On the other hand, student loyalty is not limited to when enrolled as students. Student loyalty refers to the process of feeling committed to an institution and planning to continue until graduation (Hassan et al, 2020).

Furthermore, Shahsavar and Sudzina (2017) state that understanding and meeting student's demands are critical to keeping them satisfied and loyal. Usman and Mohd (2016) researched the relationship between service quality, university image, student satisfaction, and student loyalty in the Nigerian university setting. 446 questionnaire sample for data analysis. Data were analyzed using Structural Equation Modeling. Findings results indicated that university image and student satisfaction have significant positive associations with student loyalty. Abdallah and Ali (2018) stated that students loyal to their universities even after graduation still find ways to get involved with their universities in other ways, such as Alumni programs. Some students even go further by providing financial support in research grants or donations for building projects. Some students become university ambassadors and continue to promote their universities by attending new students' campus orientations classes or giving tours to potential new interested students around the campus.

Abdullah and Ali (2018) researched the relationship between the students' satisfaction and loyalty towards corporate image in the Malaysian context. 306 Samples for the data analysis. The results showed that students' satisfaction and loyalty have a significant effect on corporate image. Research findings confirmed the positive relationship between students' satisfaction and loyalty towards the corporate image.

Student Satisfaction

The critical concept of marketing is customer satisfaction used as a key to measuring marketing success (Burnett, 2008). If the satisfaction or benefits do not meet the expectations of the customer, they will remain disappointed and dissatisfied (Badeggi & Muda, 2021). Various consumers and shareholders such as teachers, graduates, parents, employers, and government need to be satisfied by higher educational institutions.

Improvement of student satisfaction significantly enhances student trust. The student is, however, the primary consumer

(Mihanović, Batinić, & Pavičić, 2016). Student satisfaction seems to be a more critical factor in an educational institution's success, impacting the institution's credibility and student enrollment opportunities (Austin and Pervaiz, 2017). Satisfied students often increase their learning motivation based on resources provided by their university (Chandra et al, 2020). According to a study conducted by (Kunanusorn & Puttawong, 2015) on 100 universities in Thailand, the findings showed that student satisfaction has a significant effect on student loyalty. It also showed that when there is an increase in student satisfaction, student loyalty also increases.

On the other hand, student satisfaction has the most substantial direct and indirect relationship towards loyalty, with a significant impact roughly three times that of image (Helgesen & Nasset 2007). According to research carried out by (Suyanto et al, 2019), on the effect of institutions' image on student satisfaction and student satisfaction on student loyalty at Gorontalo University. Primary data collected by questionnaires distribution to students at the University with 3,726 students and a total sample of 200 students used for (EFA). Descriptive analysis and quantitative methodology were used to explain all hypotheses with the (PLS). Findings showed that institution image influenced student satisfaction. The findings also showed that student satisfaction has significant effect on student loyalty.

In Malaysia, Fares, and Kachkar (2013) examine the relationship between service quality, student satisfaction, university reputation, and student loyalty in the International Islamic University Malaysia (IIUM). This study aims to improve our understanding of student loyalty and to highlight the effect of student satisfaction, service quality, and brand image in building student loyalty towards IIUM. Data collected from 160 students. Data analysis encompasses descriptive analysis, reliability analysis, exploratory factor analysis (EFA), correlation, and regression analysis. The data resulted in acceptably high reliability. The result indicates that all independent variables have a significant impact on student loyalty. All three hypotheses were supported.

Student Trust

Hennig-Thurau, Langer, and Hansen (2001) explained that students' reliability and integrity are known as student trust. Trust is necessary for creating and maintaining a long-time relationship (Singh & Sirdeshmukh, 2000). It is though known that students who trust their institution become loyal to their institution. Students' trust grows in the educational sector through direct experiences with the educational institution (Kunanusorn & Puttawong, 2015). Students' trust explained as the level of student's satisfaction to the integrity and reliability shown by the faculty members of the university. (Hennig-Thurau et al., 2001). Trust is known to have a direct connection to satisfaction which is a crucial variable loyalty (Kunanusorn & Puttawong, 2015). When on campus, student experience would increase student trust, directly connect the university's image (Sultan & Wong, 2010). The university's establishment of trust with the student can help maintain a long-term relationship as trust a valuable part of the relationship (Andaleeb & Basu, 1994; Rojas-Mendez et al., 2009) highlighted the relationship between trust and loyalty. Even though trust does not directly impact loyalty, it has a significant impact on students' satisfaction. The role played by trust is essential to creating and maintaining loyalty (Kunanusorn & Puttawong, 2015). Other studies in the

educational industry have stated that there is a link between trust and student loyalty.

CONCLUSION

This research has contributed to the literature on student loyalty, student satisfaction, student trust, and university image. It shed light on the higher education sector and proved that the university's image plays an essential role in retaining current students and attracting new students. According to the research, universities are obsessed with prevailing variables such as student satisfaction and loyalty, which would boost the university's positive image to attract good students. A strong university image is essential. As a result, students are loyal to the university. This research recommends that the university take necessary action to maintain and enhance the image, and then it will improve students' satisfaction and students' loyalty towards the university. Thus, it is likely to say that measuring and understand university image is essential because it influenced the student satisfaction and loyalty formation process. Student trust is an integral aspect of student satisfaction, and several studies have shown that student trust impacts student satisfaction. Hence, universities have to maintain the trust between their student and them. If higher education institutions must compete based on image, academics and administrative personnel must first take the requisite measures to assess students' university image and determine how to improve it to satisfy the students. They must also comprehend how it can represent the desired image best. As a result, this research leads to a greater understanding of university image and its significance for higher education institutions seeking to attract more students.

References

- Amaro, D. M., Marques, A. M. A., & Alves, H. (2019). The impact of choice factors on international students' loyalty mediated by satisfaction. *International Review on Public and Nonprofit Marketing*, 16(2-4), 211-233. <https://doi.org/10.1007/s12208-019-00228-0>
- Abasimi, E., & Xiaosong, G. (2016). Character strengths and life satisfaction of teachers in Ghana. <http://dx.doi.org/10.18488/journal.73/2016.4.1/73.1.22.35>
- Abdullah, Z., & Ali, S. R. O. (2018). The impact of corporate image on student's satisfaction and loyalty. *Journal of Education and Social Sciences*, 9(2), 193-199.
- Abd Aziz, M. I., & Abdullah, D. (2014). Malaysia: Becoming an education hub to serve national development. In *International education hubs* (pp. 101-119). Springer, Dordrecht. DOI: 10.1007/978-94-007-7025-6_7
- Ali, M., & Ahmed, M. (2018). Determinants of students' loyalty to university: A service-based approach. <http://dx.doi.org/10.2139/ssrn.3261753>
- Alves, H., & Raposo, M. (2010). The influence of university image on student behaviour. *International journal of educational management*. <https://doi.org/10.1108/09513541011013060>
- Alves, H., & Raposo, M. (2007). Conceptual model of student satisfaction in higher education. *Total Quality Management*, 18(5), 571-588. <https://doi.org/10.1080/14783360601074315>
- Andaleeb, S. S., & Basu, A. K. (1994). Technical complexity and consumer knowledge as moderators of service quality evaluation in the automobile service industry. *Journal of retailing*, 70(4), 367-381. [https://doi.org/10.1016/0022-4359\(94\)90005-1](https://doi.org/10.1016/0022-4359(94)90005-1)
- Athiyaman, A. (1997). Linking student satisfaction and service quality perceptions: the case of university education. *European journal of marketing*. <https://doi.org/10.1108/03090569710176655>
- Azemi, H. S. C., & Romle, A. R. (2020). Predicting Loyalty in Malaysian Public Higher Education using Theory of Planned Behaviour. *Jurnal Aplikasi Manajemen, Ekonomi dan Bisnis*, 4(2), 63-70. <https://doi.org/10.51263/jameb.v4i2.99>
- Austin, A. J., & Pervaiz, S. (2017). The relation between "student loyalty" and "student satisfaction" (a case of college/intermediate students at Forman Christian College). *European Scientific Journal*, 13(1), 100-117.
- Badeggi, M. S., & Muda, H. (2021). Issues and Challenges of Perceived Value and Service Quality on Student Loyalty among University Student in Malaysia. *The Journal of Management Theory and Practice (JMTP)*, 26-29. <https://doi.org/10.37231/jmtp.2021.2.1.81>

- Brian, I. (2020) The Star, changing international student mobility patterns an advantage, retrieved from: <https://www.thestar.com.my/news/education/2020/06/21/changing-international-student-mobility-patterns-an-advantage>.
- Brown, R. M., & Mazzarol, T. W. (2009). The importance of institutional image to student satisfaction and loyalty within higher education. *Higher education*, 58(1), 81-95. <https://doi.org/10.1007/s10734-008-9183-8>
- Burnett, J. (2008). *Core Concepts of marketing*: Jacobs Foundation. Zurich, Switzerland.
- Chandra, T., Hafni, L., Stefani, C., Winardi, I., & Chandra, J. (2020). Effect of Student Service Quality and University Image on Student Satisfaction, Loyalty, and Motivation. *Revista Argentina de Clínica Psicológica*, 29(3), 763. <https://doi.org/10.24205/03276716.2020.778>
- Dado, J., Taborecka-Petrovicova, J., Cuzovic, S., & Rajic, T. (2012). An empirical examination of the relationships between service quality, satisfaction and behavioral intentions in higher education setting. *Serbian Journal of Management*, 7(2), 203-218. <https://doi.org/10.5937/sjm.v7i2.1245>
- Fares, D., & Kachkar, O. (2013). The impact of service quality, student satisfaction, and university reputation on student loyalty: A case study of international students in IIUM, Malaysia. *Information Management and Business Review*, 5(12), 584-590. <https://doi.org/10.22610/imbr.v5i12.1091>
- Goolamally, N., & Latif, L. A. (2014). Determinants of student loyalty in an open distance learning institution. In *Seminar Kebangsaan Pembelajaran Sepanjang Hayat* (pp. 390-400).
- Hassan, S., Buang, R. R., Wahab, M. I., Shamsudin, M. F., & Hasim, M. A. (2020). Exploring Mediating Role of Corporate Image between Service Quality and Student Loyalty using PLS-SEM. *International Journal of Innovative Technology and Exploring Engineering*, 9(3), 2726-2730. <https://doi.org/10.35940/ijitee.C9233.019320>
- Helgesen, Ø. (2006). Are loyal customers profitable? Customer satisfaction, customer (action) loyalty and customer profitability at the individual level. *Journal of Marketing Management*, 22(3-4), 245-266. <https://doi.org/10.1362/026725706776861226>
- Helgesen, Ø., & Nettet, E. (2007). Images, satisfaction and antecedents: Drivers of student loyalty? A case study of a Norwegian university college. *Corporate reputation review*, 10(1), 38-59. <https://doi.org/10.1057/palgrave.crr.1550037>
- Hennig-Thurau, T., Langer, M. F., & Hansen, U. (2001). Modeling and managing student loyalty: An approach based on the concept of relationship quality. *Journal of service research*, 3(4), 331-344. <https://doi.org/10.1177/109467050134006>
- Jiewanto, A., Laurens, C., & Nelloh, L. (2012). Influence of service quality, university image, and student satisfaction toward WOM intention: A case study on Universitas Pelita Harapan Surabaya. *Procedia-Social and Behavioral Sciences*, 40, 16-23. <https://doi.org/10.1016/j.sbspro.2012.03.155>
- Kim, M. K., Wong, S. F., Chang, Y., & Park, J. H. (2016). Determinants of customer loyalty in the Korean smartphone market: Moderating effects of usage characteristics. *Telematics and Informatics*, 33(4), 936-949. <https://doi.org/10.1016/j.tele.2016.02.006>
- Kunanusorn, A., & Puttawong, D. (2015). The mediating effect of satisfaction on student loyalty to higher education institution. *European Scientific Journal*.
- Kotler, P., & Fox, K. F. (1995). *Strategic marketing for educational institutions*. Prentice Hall.
- Mahayuddin, N., Saad, M., Fatimah, W. N., Ahmad, A., & Ong, M. H. A. (2019) Building Students' Loyalty through Superior University Entities.
- Mihanović, Z., Batinić, A. B., & Pavičić, J. (2016). The link between students' satisfaction with faculty, overall students' satisfaction with student line and student performance. *Review of Innovation and Competitiveness: A Journal of Economic and Social Research*, 2(1), 37-60. <https://doi.org/10.32728/ric.2016.213>
- Mohamad, M., & Awang, Z. (2009). Building corporate image and securing student loyalty in the Malaysian higher learning industry. *The Journal of International Management Studies*, 4(1), 30-40.
- Shuaibu Badeggi, M., & Muda, H. (2021). Issues and Challenges of Perceived Value and Service Quality on Student Loyalty among University Student in Malaysia. *The Journal of Management Theory and Practice (JMTP)*, 2(1), 26-29. <https://doi.org/10.37231/jmtp.2021.2.1.81>
- Nguyen, N., & LeBlanc, G. (2001). Image and reputation of higher education institutions in students' retention decisions. *International journal of educational management*. <https://doi.org/10.1108/EJM0000000005909>
- Pérez, J. P., & Torres, E. M. (2017). Evaluation of the organizational image of a university in a higher education institution. *Contaduría y administración*, 62(1), 123-140. <https://doi.org/10.1016/j.cya.2016.01.007>
- POLAT, S., Arslan, Y., & Yavaş, E. (2016). Importance level of image attractors in the process of university selection: an application on prospective university students in turkey. *Kastamonu Education Journal*, 24(4).
- Rojas-Méndez, J. I., Vasquez-Parraga, A. Z., Kara, A. L. I., & Cerda-Urrutia, A. (2009). Determinants of student loyalty in higher education: A tested relationship approach in Latin America. *Latin American Business Review*, 10(1), 21-39. <https://doi.org/10.1080/10978520903022089>
- Shahsavar, T., & Sudzina, F. (2017). Student satisfaction and loyalty in Denmark: Application of EPSI methodology. *PloS one*, 12(12), e0189576. <https://doi.org/10.1371/journal.pone.0189576>
- Shankar Singh, U., & Sahin, O. (2017). A Literary Excavation of University Brand Image Past to Present. *International Journal of Social Sciences & Educational Studies*, 3(3), 174-187. <https://doi.org/10.23918/ijsses.v3i3p174>
- Sultan, P., & Wong, H. Y. (2010). Service quality in higher education—a review and research agenda. *International Journal of Quality and Service Sciences*. <https://doi.org/10.1108/17566691011057393>
- Sultana, S., & Momen, A. (2017). International student satisfaction and loyalty: a comparative study of Malaysian and Australian higher learning institutions. *Journal of Intercultural Management*, 9(1), 101-142. <https://doi.org/10.1515/joim-2017-0005>
- Suyanto, M. A., Usu, I., & Moodoeto, M. J. (2019). The role of service quality on building student satisfaction. *American Journal of Economics*, 9(1), 17-20. <https://doi.org/10.5923/j.economics.20190901.03>
- Usman, U., & Mohd Mokhtar, S. S. (2016). Analysis of service quality, university image and student satisfaction on student loyalty in higher education in Nigeria. *International Business Management*, 10(12), 2490-2502. <https://doi.org/10.36478/ibm.2016.2490.2502>
- Wong, A., Tong, C., & Wong, J. W. (2017). The relationship between institution branding, teaching quality and student satisfaction in higher education in Hong Kong. *Journal of Marketing and HR*, 4(1), 169-188.
- Zameer, H., Tara, A., Kausar, U. and Mohsin, A., (2015). Impact of service quality, corporate image and customer satisfaction towards customers' perceived value in the banking sector in Pakistan, *International Journal of Bank Marketing*, 33(4), 442-456
- Zeithaml, V. A. (2000). Service quality, profitability, and the economic worth of customers: what we know and what we need to learn. *Journal of the academy of marketing science*, 28(1), 67-85. <https://doi.org/10.1177/0092070300281007>