Determinants Influencing International Students' Satisfaction and Loyalty in Malaysian Private Universities

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Abstract: *Satisfaction of students in an educational institution has become a strategic issue for university to survive and thrive. Few studies investigate the factors that influence the international student' satisfaction. The purpose of this study is to investigate the international student' satisfaction and behavioural intention-loyalty. This research aims to study that there is significant relationship between determinants: service quality, organization public relationships on foreign students' satisfaction and behavioral intention-loyalty in Malaysian Higher Education Institutions. Data was collected from seven private universities in Malaysia. A total of 823 respondent participated in this study. Findings indicates that the most important factors are the reliability, tangibility, commitment and trust in relationship with the university. A practical recommendation was given to decision makers to enhance the international student satisfaction. For future research, it was suggested that to conduct qualitative studies to identify the dimension of international student satisfaction.*

Keywords: Student Loyalty, Student Satisfaction, Service Quality, Organization-Public Relationship, Structural Equation Modeling, SmartPLS 3.1.5, Private Universities, Malaysia. (2012)

1. Introduction

Education in Malaysia is currently facing dynamic challenges in winning students' various preferences. These challenges are attributable to the increasing number of public and private higher education establishments. This policy provided momentum towards achieving an international education excellence-hub with regards to the Malaysia Economic Transformation Program 2020.The quality of higher education can be attained with the involvement of many factors [3]. Consequently, the primary issue with the quality of education is to satisfy the requirements of the customers, i.e., the students. It is the strategic success of the organization to provide services that satisfy the satisfaction level of its customers [4] International students' mobility effectuated as among the significant factors to be measured and included in the dimensions of higher education. Student loyalty is a prime goal for numerous higher education institutions for three reasons [1]: tuition fees are the main source of income for most privately-owned universities; loyal students may positively influence the quality of teaching through active participation; and loyal students may continue to support higher learning institutions financially [33]. These challenges of emerging destination can be understood from cognitive variables (service quality, value, price), an affective variable (satisfaction, trust, commitment) and the conative variables (loyalty, WOM, complaint behaviors) of different cultures. Thus, it is necessary to explore students' perceptions of the relationship when they decide for the destination and that has an effect on the development of student loyalty to that country. High student satisfaction lead to an increment in intention to proceed to a higher level of studies and remain loyal to the same institution [41]

2. Literature Review

2.1. Service Quality

The most well-known and largely used instrument to measure service quality is SERVQUAL, a tool or an instrument that was originally developed by [9], based on [34] disconfirmation model. [34] concurred that satisfaction is a result of the disconfirmation of performance and expectation. Other than that, it has been suggested that service quality is an outcome from the difference between expectation and performance along the dimensions of service quality [9].

2.2. Organization Public Relationship

The public-organization relationship, as a set of analysis, has been introduced by Ferguson in 1984, it has guided the theories and practices of public relations in numerous researches. They suggest that the relational paradigm may generate a framework in order to investigate the nature of public relations and its ultimate purpose in organizations, as well as society. [10] further define an organization's communication and their target audience's perceptions in terms of relationship with the organization. It is through these relationships initiatives that both communication and behaviour are studied and taught, while the practice of public relationship as the management functions [15]. [22] said that in line with marketing ideas, long-term relationships with students might contribute to the competitive benefits to academic establishments. As a result, the students can provide a recurring source of financial gain to the institutions. Henceforth, they can suggest their institutions to their friends and relatives. In addition, researches carried out by [11], as well as [33] have been very important to analyse if any of the relationship factors affect student loyalty in private education and to induce far better understanding of the key determinants of relationship, and thus, culminates to facilitate the resource allocation optimistically.

2.3. Customer Satisfaction

The theory of confirmation/disconfirmation developed by [9] and [34] suggests satisfaction as a dependent of the confirmation of anticipation. The same idea supported [34], which imply that emotional/mental outcome derives from the comparison between the actual and the expected service quality. Thus, customer satisfaction can be summarized as an overall assessment of the organization's performance with regard to the outcome and the process of reaching satisfaction in the conceptualization of relationship building (). In higher education, student satisfaction, as a driver of student loyalty, has been one of the strong influencers in retention of customers ().

2.4. Loyalty (Behavioral Intention)

Behavioural intention, as an aspect of customer loyalty, is an indicator for a successful relationship and it is usually used as the final set of item in the social behaviour research. [9] also added that behavioural intentions are related to the ability of the service provider to attract customers by making them say positive things about the organization, recommending them to other consumers, to stay loyal to the organization or to repurchase their product and services, to invest more with the organization, and also to be willing to pay a premium price. Furthermore, [30] define behavioural intentions as the direct causal factor of behaviour and as a measure of intention that leads to the most accurate reasoning of behaviour. In this study, customer loyalty, as an attitude, is measured by customers' behavioural intention to continue or to increase the conduct of business with the current organization, as well as their inclination to recommend the company to other persons. This measure has been proven to be useful in prior research [26].
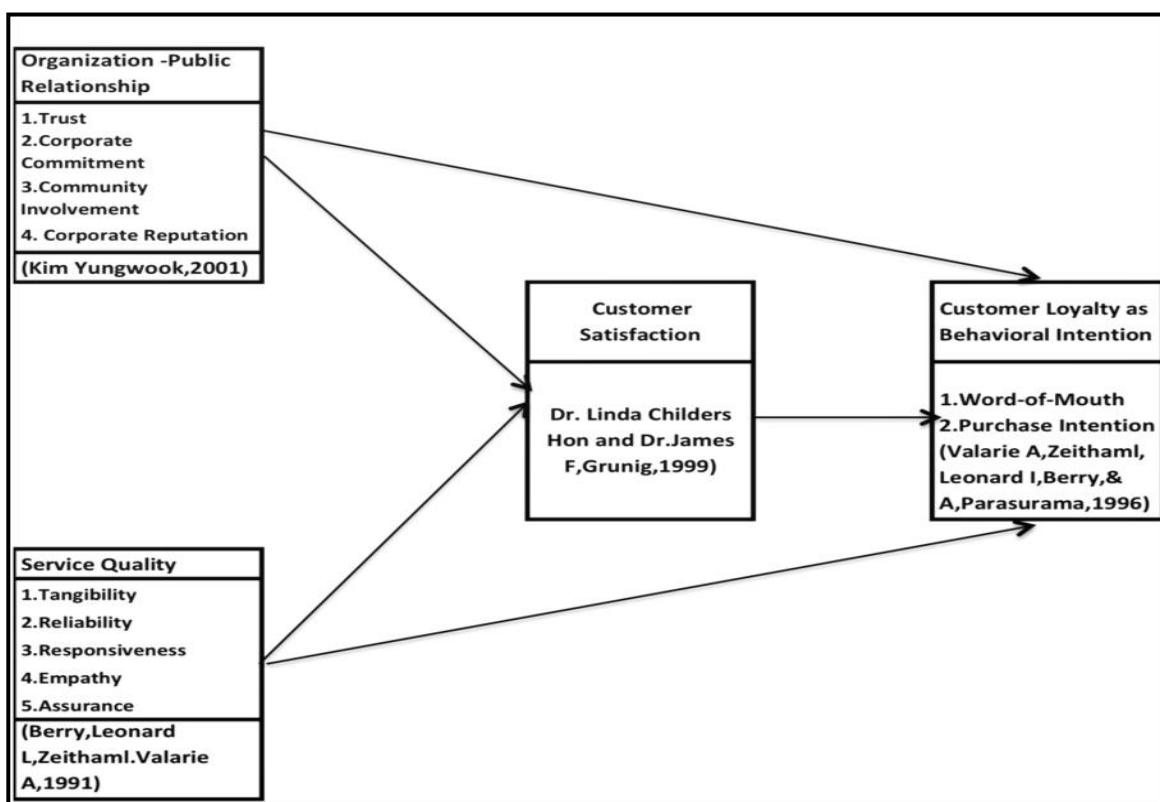

Figure 1: Theoretical Framework

3. Research Methodology

This research employs quantitative approach. The international students at Malaysian private higher education universities are the population of this study. According to national education statistic of Malaysia,there are 28,900 international students at private higher educational universities in Malaysia. However, due to cost and time consideration, the population includes only seven private universities. It was estimated that the total number of international students at these seven private universities at 10,000 students. Random sampling technique was employed. The questionnaire was distributed to 823 international students at universities.

3.1 Instrument

The instrument of this research is a questionnaire; the questionnaire is adapted from other researchers. The questionnaire consists of two sections. First section is the demographic information. Second section is related to the variables of the study.

3.2 Pre-test and data collection

Pre-test was conducted to ensure that the instrument is reliable. A total of 30 master students answered the questionnaire at one private university. The reliability was checked and found acceptable in pilot and field study. Service quality alpha was .83, while customer loyalty was .80, organization public relationship was .83 and student satisfaction is .82. The data was collected manually and

online. Respondents were volunteers. A total of 823 questionnaires were return complete and usable. This made the response rate 55%, which is acceptable, compared with other researchers who have done research in this area.

4. Finding

Respondents are international student. A majority of 68.8 percent of the respondents are males. A total of 45 percent of the respondents are in the age group of 20-36 year followed by 26.2 percent in the age group of 37-43 and 24.3 percent in the age group of 22 to 28 years. More than 73 percent of the respondents are younger than 36 years. In term of educational background, almost 92 percent of the respondents have formal education range from bachelor degree to doctoral level. The majority of 72 percent of respondents have been in Malaysia for more than 3 years

4.1 Descriptive of Variables

This section provides a descriptive analysis of the variables. The mean score value is interpreted based on the Table 1 below.

Table 1: Descriptive Statistic for all Variables

Factors	VIF
Trust	2.348
Corporate Commitment	2.713
Community Involvement	2.159
Corporate Reputation	1.33
Tangibility	1.968
Reliability	2.768
Responsiveness	3.064
Assurance	3.692
Empathy	2.98

Table 1 shows that the highest mean score value of 3.45 are for university characteristic. This indicates that the respondents have placed their agreement on the items of the statement of the variable. An overall mean score value of 3.30 is given to the student satisfaction. This shows that the respondents have moderately agreed on the items of statement.

Table 2: Pearson Correlation

	D1	D2	D3	D4	D5	D6
Valid N	832	832	832	832	832	832
Missing	7	7	7	7	7	7
Mean	1.374	1.385	3.96	3.901	9.019	3.462

4.2 Pearson Correlation

In order to test the hypotheses of this study, a regression analysis is employed. However, before applying the regression, the Pearson Correlation is employed to check the correlation between the variables. Table 2 shows the results of Pearson correlation analysis. It shows that the correlations between the variables are within the acceptable range.

4.3 Multicollinearity Test

Collinearity test is conducted to find the Collinearity between the variables. Table 3 shows that there is no

Multicollinearity between the variables because the VIP value is less than 10 and the sig greater than 0.10. This indicates that the variables are not correlated with each other and they do not predict each other.

Table 3: Multicollinearity

4.4 Result of Hypotheses Testing

To test the structural model that has been developed, foremost the direct relationship from the Model is executed (Figure 4-1). Hypothesized Model presents the linear relationship of independent latent variables with dependent variables. There are five direct relationships pinched from the model. These are Service Quality (SQ) to Customer Loyalty (CL), Service Quality (SQ) to Customer Satisfaction (CS), Organization-Public Relationships (O-PR) to Customer Loyalty (CL) and Organization- Public Relationships (O-PR) to Customer Satisfaction (CS), Customer Satisfaction (CS) to Customer Loyalty (CL).A regression analysis was conducted to find the effect of the independent variables on the dependent variables. Table 4 shows the result of the linear regression analysis.

Table 3: Cofficients

Path	Path Coefficient	T-Value	F Square
CS -> CL	0.491	11.903	0.227
OPRs -> CL	0.164	3.790	0.020
OPRs -> CS	0.487	11.619	0.230
SQ -> CL	0.174	3.997	0.025
SQ -> CS	0.341	8.084	0.113

5. Discussion and Conclusion

In conclusion, the study reveals that students who have positive relational features in which they have met their needs satisfactorily are less likely to say unfavorable things of their current university. Even though not all the relationship measures were applied to measure the relationships in this study, but the relational dimensions such as trust, corporate commitment, community involvement and corporate reputation adequately represent the conceptual organizational public relationship as mentioned in marketing and public relations literature. The findings of the study indicate that relational features have an indirect relationship towards future intention. This is consistent with past studies of relationship literature, which found that the trust dimension is the most dominant relational feature in OPRs and explained that the overall satisfaction has a mediating effect on future intention(loyalty). Other variables which are not found in the model is also included in the proposed conceptual model i.e. corporate involvement, corporate reputation, educational facilities(tangibility), assurance, responsiveness, empathy. Using this factors mentioned, higher education institutions (HEIs) can develop strategies for marketing to attract and retain students. The role of the customer satisfaction–loyalty relationship was explored to explain how well this variable was considered as product-validated scale was applied in service to estimate the different effect on the relationship. This study provides additional insight into the findings of previous studies in revealing the influence of satisfaction on loyalty as demonstrated in both product and service.

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