





Sustaining Customer Loyalty in Higher Education

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Keywords: Educational Service, Student Loyalty, Student Satisfaction, Higher Education.

Abstract: Service providers conduct various efforts to achieve more than just short-term targets. Their efforts not only focus on providing the best value for customers but also to obtain their loyalty. In the context of higher education, customer loyalty implicitly indicates the existence of a long-term relationship between higher education institutions and their students. The study aims to determine the effect of student satisfaction related to various aspects provided by higher education institutions on their loyalty. Data were collected from respondents through questionnaires which were then processed using multiple regression methods to determine the interrelationship between research variables. The results show the impact of student satisfaction on student loyalty, and it is expected to be beneficial to higher education institutions to obtain an overview of student satisfaction with both academic and non-academic aspects that can sustain student loyalty and prioritize their decision based on these factors.


1 INTRODUCTION


Higher Education provides educational services for students who are pursuing education to gain competence in certain fields of knowledge. Educational services are similar to other types of services that have different characteristics from goods because services are intangible, cannot be separated from service providers, vary depending on the service provider, and is consumed at the same time with the production (Kotler & Keller, 2016). In the context of higher education services, service providers offer services that fulfill market needs, both for students who consume educational services through the learning processes, as well as for higher education graduate users. This applies especially to students as the consumers who undergo learning process in a university by their own decision and would stay and complete said learning process through a long period of time. The Higher Education Institution will have a


long-term relationship with students after they decide to "buy" the educational services offered. In this case, optimal educational services are needed to get consistent and long-term loyalty (Abbas, 2019).


For an educational institution, students will be its main interest, which means that the success of an educational institution is determined by their students' satisfaction. In this case, service providers are already aware of the role of customer satisfaction. The higher education literature also shows the importance of student satisfaction (Weerasinghe, Lalitha, & Fernando, 2017). The measurement of Student Satisfaction could refer to several aspects, such as quality of academics, administration, infrastructure, social life, and support services (Thomas, 2011), or administration, discipline and values, courses, facilities, faculty, harmony, and skill development (Austin & Pervaiz, 2017).

In addition to student satisfaction, student loyalty is an important factor for higher education service providers in designing strategies that are expected to

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be able to obtain good quality students (Austin & Pervaiz, 2017). The key success of higher education management is determined by student loyalty (Bakrie, Sujanto, & Rugaiyah, 2019). By identifying the antecedents of student loyalty, Higher Education Institutions can take advantage to maintain students' loyalty (El-Kassar, Makki, & Perez, 2018). There is a relationship between students' satisfaction and their loyalty. The higher the satisfaction experienced by students, the higher their loyalty to higher education (Leonard, Daryanto, Sukandar, & Yusuf, 2014).

Loyalty is related to maintaining existing customers and trying to acquire new customers (Rengel, Ramirez, & Benavides, 2017). Efforts to retain existing customers are not less important than acquiring new customers (Giner & Rillo, 2016). Loyalty in the context of higher education does not only apply when students are still in their study period at university but will continue until after students graduate (Giner & Rillo, 2016). Higher education institutions need to make efforts to build a long-term relationship with the students (Orozco & Arroyo, 2017). Despite many previous studies that have confirmed the impact of student satisfaction on their loyalty, several other studies have shown different results (Ismanova, 2019) (Viet, 2021). Relevant to the empirical results gap, this study is intended to analyze and confirm the relationship between student satisfaction and their loyalty to higher education as part of higher education efforts to maintain long-term, sustainable relationships with students.

2 METHODS

The study uses primary data obtained through a survey of students at one of the private universities in Bandung, Indonesia. Following the research objectives, the variables of the study are Student Loyalty as the dependent variable and Student Satisfaction related to Non-Academic Aspects, Values, Learning Process, Facilities, Academic Aspects, Harmony, and Learning Outcomes as independent variables.

The research indicators adapt previous research (Austin & Pervaiz, 2017) (Orozco & Arroyo, 2017) and are adjusted to current developments, according to the Covid-19 pandemic situation that has caused changes in the teaching and learning process. Each research variable is measured using indicators that form the basis for the preparation of questionnaires distributed to respondents. The samples are active students of the Business Faculty, with a total number of respondents as many as 321 people.

The data collected is processed to obtain an overview of student satisfaction and loyalty, as well as to understand the role of student satisfaction in determining their loyalty. Validity and reliability testing were carried out for each variable and indicator of the research variables. Multiple regression or structural equation modeling (SEM) can be used regarding the research objectives relating to the relationship between variables. The two have similarities, comparable to other multivariate dependence techniques. The basic principle in SEM is that one construct that becomes an independent variable can be a dependent variable in another relationship (Hair, Black, Babin, & Anderson, 2019). In this study, there is a relationship between several independent variables and a dependent variable. Therefore, multiple regression analysis is used to show the contribution of students' satisfaction related to non-academic aspects, values, learning process, facilities, academic aspects, harmony, and learning outcomes towards their loyalty to their university of choice. In this case, each indicator is measured using a six-item scale from strongly disagree to strongly agree which can be processed using multiple regression since the variables are considered as quantitative variables (Nayebi, 2020).

3 RESULTS AND DISCUSSION

From the data collection process conducted by distributing questionnaires to students of the Business Faculty, 321 data are collected, which are then tested for their validity and reliability. The results of the test show that each variable is reliable, with an Alpha Cronbach value of 0.847 for the Student Loyalty variable, and for the Satisfaction with Non-Academic Aspects, Values, Learning Process, Facilities, Academic Aspects, Harmony, and Learning Outcomes variables are 0.841, 0.793, 0.844, 0.840, 0.889, 0.791, and 0.882, respectively. The results also show that the item-to-total correlation score of each item is between 0.512 – 0.803. Following Robinson's recommendation as cited by (Hajjar, 2018), if the score is more than 0.5, the validity is satisfied. Based on the test results, all variables and indicators are reliable and valid.

Descriptive statistic data regarding Students Satisfaction shows that on average the students are relatively satisfied (with a scale of approximately 5 out of 6) regarding Non-Academic Aspects, Values, Learning Process, Facilities, Academic Aspects, Harmony, and Learning Outcomes. Based on descriptive analysis regarding Non-Academic

Aspects and Values, students are the most satisfied with administration officers' capability to handle problems regarding students' academic and financial issues and with the application of the smoking regulations and restrictions in the campus area.

According to Learning Process, Facilities, Academic Aspects, and Harmony aspects, university students are the least satisfied with the subjects' scheduling, laboratory availability, the up-to-date of books and journals, exam result feedbacks, and personal attention towards students. Regarding Learning Outcomes, students are the most satisfied with the competencies development in relevance to the student's field of study, despite the lowest score of their willingness to take a different program or a postgraduate program in the same university.

Table 1: p- values Results.

Variables	p-value
Student Satisfaction with Non-Academic Aspects	.001
Student Satisfaction with Values	.615
Student Satisfaction with Learning Process	.239
Student Satisfaction with Facilities	.373
Student Satisfaction with Academic Aspects	.508
Student Satisfaction with Harmony	.041
Student Satisfaction with Learning Outcomes	.000

The data processing to find the determinants of student loyalty is conducted using the multiple regression method. The results show that the regression would be able to predict Student Loyalty with an F-value of 46.836 (Sig. 0.000), and Student Satisfaction with Non-Academic Aspects, Values, Learning Process, Facilities, Academic Aspects, Harmony, and Learning Outcomes positively affect Student Loyalty. Student Satisfaction regarding those factors contributes towards Student Loyalty as much as 50.1%. The results support previous researches that showed positive effects of Student Satisfaction towards Student Loyalty (Thomas, 2011) (Fernandes, Ross, & Meraj, 2013) (Leonard, Daryanto, Sukandar, & Yusuf, 2014) (Giner & Rillo, 2016) (Austin & Pervaiz, 2017; Austin & Pervaiz, 2017) (Appuhamilage, 2019) (Paul & Pradhan, 2019) (Pham, Limbu, Bui, Nguyen, & Pham, 2019), and that university student's satisfaction is the primary determinant of their loyalty to their university (Thomas, 2011). Other studies have confirmed that student satisfaction has a strong impact on student

loyalty (Brown & Mazzarol, 2009) (Pham & Williamson, 2018).

Partial testing showed that only Student Satisfaction with Non-Academic Aspects, Harmony, and Learning Outcomes variables affect Student Loyalty with a p-value of 0.001, 0.041, and 0.000 respectively (Sig. < 0.05), as seen in Table 1. This shows that for university students, non-academic factors in fact more determine their loyalty compared to academic aspects, facilities, or learning processes. In addition, attention, equal opportunity and treatment; and knowledge and skill development also determine student loyalty to Higher Education Institutions.

4 CONCLUSIONS

The result of the research indicates that overall university students are satisfied regarding academic aspects, non-academic aspects, learning process, facilities provided by universities, value, harmony, and learning outcome. According to data processes, it is also found that university students have a relatively strong loyalty towards their university. This is shown with their willingness to communicate positive things about the institution and recommend it to other people who are enquiring.

Student's satisfaction regarding said factors bears positive effects on their loyalty to the Higher Education institution. This shows that a satisfied student will be loyal to his/her university. However, partial testing shows that only Non-Academic Aspects, Harmony, and Learning Outcomes variables affect student's loyalty. The universities should concern not only with academic aspects, learning process, and facilities. It is paramount for universities to keep their students' loyalty high due to its long-term role in determining the continuity of a university.

Based on the result of the study which shows the contribution of Student Satisfaction towards Student Loyalty, there are many opportunities for further research with a focus on other different variables relevant to student loyalty. In addition, the sample size of the research can be expanded to further affirm the applicability of the research model.

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