Issues and Challenges of Perceived Value and Service Quality on Student Loyalty among University Student in Malaysia

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Abstract
The conceptualization of issues patterning to student perceived value, service quality, loyalty and student satisfaction is a new mainstream approach for the institution of higher learning in Malaysia. These issues and challenges remain unobserved in past studies. Given the noteworthy of student dissatisfaction and disloyalty in universities, this conceptual study analyzes and discuss various issues as it influences higher institutions, student and highlight some facts with conclusions patterning to service quality. Implications and conclusions are presented and this paper will make some contributions in the respective research area on higher institutions.

Keywords: Service Quality, Student Loyalty, Perceived Value, Student Satisfaction and University Student.

INTRODUCTION
Over the past years, international students traveled from one country to another as a result of academic pursuit. Many developing nations have positioned themselves as a center for international students, for example, Malaysia in which the government has placed a standard for attracting international students from a neighboring country and other developing countries worldwide and the educational sector has highly contributed to economic growth. Chronologically, since 2013, international students have increased by 16.5 percent in Malaysia with increased revenue of 7.8-Billion Ringgit Malaysia, from 135,503 international students coming from 160 develop and developing nations enrolled in the various higher institution of learning according to (Shahar, 2017). Shahar’s further submitted that 74,996 enrolled in private institutions representing 29.9 percent and 32,842 enrolled in public universities. In accordance with Malaysia’s ambition to become a global education center, the goal for 2025 is to host 250,000 foreign students (Hazlina, 2020). However, many public and private universities in Malaysia undergo a lot of pressure such as the quality of service rendered to students. Unsatisfied students end up leaving the university, reduced funding or competition among universities in terms of academic values. These parameters have lead scholars and experts to review problems emanating in tackling student loyalty. Hence, this gap is largely connected to the quality of service and the university administrative work values. Many experts have studied the concept of student's service quality, loyalty, satisfaction and values (Tabaku and Kushi, 2013; Taecharungroj, 2014) and it issues or challenges affecting universities, with increased competition and reduction of student enrolment (Bergamo, Zambaldi and Ponchio, 2012).

According to Zeithaml (1988), perceived value is a strategic tool to desire to retain potential students in the university before and after graduation.

According to Taecharungroj (2014), a potential student from a university could increase the number of prospective students via spoken behaviour. Building a relationship with students as a core value will enhance student loyalty leading to university financial footing for the future (Taecharungroj, 2014). All of these parameters seem to be interrelated to gain a competitive advantage for higher institutions (Helgesen, 2006; Taecharungroj, 2014). However, a change in any of these measurements will lead to a large change in profitability emanating from issues in students’ perceived service quality (Taecharungroj, 2014; Reichheld, 1993). The main goal of this paper is to analyze the issues and challenges affecting higher institutions in Malaysia. This paper can be insightful to researchers and benefit in the respective research area to understand student impact with various higher institutions.

LITERATURE REVIEW
Issues and challenges of among Universities
In this paper, the researchers examined various issues and challenges that limit students in higher institutions in Malaysia.

Issues of Service Quality
Service quality can be defined as the difference between the services that the customer is expecting and the believed services received. If the services received are less than what the customer expects, then there is no customer satisfaction,
Universities from developing countries have ventured into opening branches in other countries with partnership programs that provide students with the same degree on a lower tuition cost and living expenses. These universities aim to maximize profit and enhance education on a global scale.

According to (Sun Daily, 2015) with an increasing number of universities in Malaysia, the government has developed a policy to open Malaysia’s door to foreign students and encouraged students thereby enhancing quality service-based. As a result, many institutions of higher learning private or public tried to enhance their institution’s brand image compared to their competitors by extending additional incentives to students and providing higher quality services for their students. However, with this demand competition emerged among education industry thereby leading to low technical know-how to make profit delivery low standard quality of service to students such as weakness in core course structures among other factors that contributed to issues of service quality and lecturers lacks adequate skills in handling task required for curriculum standard by Malaysian National Accreditation Body. The body has sometimes rejected some application of over 40 programs due to the weakness in service quality on the course structure and administration (Hasan, Ilias, Rahman and Razak, 2008). Therefore, Service Quality has a significant impact on higher institution performance and student loyalty (Tabaku and Kushi, 2013).

In growing competitive advantage for higher institutions, universities need to enrich their offer by using the proper service quality tool. Although, making evaluations in service quality is not easy due to some difficulties and issues that will emerge based on heterogeneity, inseparability, perishability, and intangibility. According to literature studies, the issue of service quality can be resolved if the relationship between the service provider and his clients is well maintained. Therefore, in a higher institution such as the educational environment, the belief that a famous university brand name has achieved higher service than a less famous university is the measurement of the type of services that is been rendered in quality. Kandampullly (2000) further submitted that any organization being its institution of learning either small/big, service quality is important as it entails customers' satisfaction. The submission that service quality is a logical measurement for value makes more difficult for competitors to utilized effective services in the satisfying consumer. Therefore, service quality is an antecedent for satisfaction if higher institutions in Malaysia want to increase or meet its competitive advantages in retaining students.

Issues of Perceived Value

Value is said to represent a trade-off between the most obvious factors of what was given in exchange for what has been received (Zeithaml, 1988). A few researchers have also adopted this view of value as their guide when examining perceived value (McDougall and Levesque, 2000) and this construct hasn’t been fully observed in Malaysia as regards the higher institution. According to Woodruff (1997), perceived value is the customer’s perceived preference in evaluating a product and service. This can range from attributing performances; product attributes, and concerns arising from the usage, which may facilitate or hinder considering the customer’s targets and reasons in usage circumstances.

Based on the explanation by experts, perceived value thus includes the process in which the customer perceives value, value anticipated and received, as well as the link between product and service on its significance in terms of consumer goals, which is a means-end type model. Within the context of the service industry, some experts made known that value has both a direct and indirect impact on consumer behaviour (Tam, 2004). Further examinations show that value is antecedent of satisfaction as a consequence resulting from customer loyalty. The parameters of perceived value could influence the willingness for a student assessment in rating service rendered in higher institutions. In the case of Kotler and Keller (2012), perceived value is a transformational evaluation of customer benefits and total cost regarding supposed choice made.

In Malaysia, a student in higher learning perceived value as an object of interest when selecting universities of their choice, which can be measured in price and quality of service delivered. Perceived value could serve as a competitive advantage for attracting and retaining people and is regarded as a major factor for a service provider to drive its brand most especially in Malaysia where international students care more about the universities they want to study and earn their degree. Therefore, issues influence perceived values such, as satisfaction and loyalty must be the outcome to gain repurchase behaviour and brand image. In higher education and institutions of various learning, the student’s total evaluation of the net value of the services received is based on what the student such as assistance provided by the service received and what is given such as costs or sacrifices in purchasing and using the service. Therefore, the student’s total view on the worth of the service provides positive influences on student’s final assessment of service satisfaction. In this view, we can say that perceived value is an essential parameter when analyzing the quality of service rendered by universities in Malaysia.

Issues of Student Loyalty

Student loyalty has been analyzed and defined from different perspectives such as behavioural (Kandampully and Suhartanto, 2000), attitudinal Bennett and Rundle-Thiele (2004) and composite (Day, 1969; Dick and Basu, 1994). Concerning the behaviour loyalty, is the propensity of time consumer applied or chooses in patronizing services they deem fit to meet their demand or services based on the categories of services that are made available from the provider (Rundle-Thiele and Bennett, 2001). Attitude loyalty is the preposition that entails the obligation to brand image and repurchasing the brand based on the attachment or loyalty to it (Bowen and Shoemaker, 1998). Chronologically, the examination of behavioural and attitudinal elements was suggested by (Day, 1976). The issues and challenges associated with student loyalty are as a result of psychological activities and changes in manifestation behaviour. Student loyalty is a component that entails attitudinal and behavioural parameter when defined as a non-random behavioural responses expressed over a specific time in the decision-making process. Researchers like Amaro et al. (2019) examined the factors and sources of information delivered through Higher Education Institutions (HEI) influencing students’ decisions and equally assessed students’ satisfaction, loyalty to achieve attraction and retention of international students. The study used a sample of 190 international students in Portugal, in which structural equation
path modeling was applied. The study found that choice factors having the most significant effect on the satisfaction of the students turned. Whilst, perception of the host country, environment or location of the institutions, as well as sources of information offered by the institutions were significant. The study thus concluded that a positive perception of the institution received globally had influenced the recommendation thereby increasing the satisfaction and loyalty of the students.

In the Malaysia context, Sin et al (2018) studies aimed to determine the level of students' satisfaction towards the service quality of international students. Equally, the study had to examine the relationship between the level of students' satisfaction and their loyalty. Questionnaires were adapted using the Parasuraman’s SERVQUAL model, using a sample of 334 international students studying in the University Technology Malaysia (UTM). Pearson correlation and multiple regression analyses were applied. Findings revealed that international students' satisfaction with the service quality of the university was found to be negative. The five dimensions of service quality such as tangibles, reliability, responsiveness, assurance, and empathy got a higher score in expectation than in the perception score of the SERVQUAL model. Similarly, the results from multiple regression analysis indicated that responsiveness, assurance, and empathy proved to be the three dimensions to have a significant relationship with the students' loyalty. According to Hoyt and Howell (2011) managing an educational institution and a company is the same and both can be profitable by applying similar techniques. In some models, students were regarded as customers and educational institutions as service providers (Hennig-Thurau, Langer and Hansen, 2001). In Malaysia, it is an indisputable fact that student loyalty has become a significant concept for educational institutions. A loyal student is likely to suggest their institution or schools before and after graduation (Hennig-Thurau et al. 2001). Students' loyalty has become essential for the survival of higher education institutions (Helgesen and Nessel, 2007). Maintaining long-lasting relationships with students creates a competitive advantage for universities (Hennig-Thurau et al. 2001).

Annamdevula and Bellamkonda (2016) conducted a study to determine the effect of service quality on student loyalty, the mediating role of student satisfaction was also observed. The study submitted that student satisfaction mediates the relationship between service quality and student loyalty. Further examination shows that service quality predicts student satisfaction, Annamdevula and Bellamkonda’s studies further argued that while universities provide no basis for differentiation among the constructs, age and gender played a major role in determining the different perceptions of students on the construct being investigated.

**Issues of Student Satisfaction**

Satisfaction is a multifaceted construct that includes not only satisfaction with specific products and services but also with various aspects of the organization, such as the physical facilities and the interaction with different employees. Moreover, satisfaction is positively related to trust (Anderson and Narus, 1990; Dwyer et al. 1987). According to Michell et al. (1998) satisfaction is a starting point and foundation of trust. Trust is a key issue for a successful relationship between two or more parties and individuals. For instance, Zeithaml et al. (1993) argued that trust is fundamental to the development of loyalty toward retailers in which they derived satisfaction. Nowak and Clarke (2003) identified trust as pivotal to the success of strategic alliances. Spekman (1988) labeled trust as the cornerstone of strategic partnerships for consumer satisfaction. Therefore, it is no surprise that the trust construct has been introduced as a factor that can predict future intentions leading to consumer satisfaction (Moorman et al. 1993; Morgan and Hunt, 1994). In the Malaysia case, experts have defined student satisfaction in various dimensions and the satisfaction still evolved among students who feel the services provided by higher institutions need to be improved on to get adequate service quality and build consumer trust. However, researchers like Morgan and Hunt (1994) classified satisfaction as a normative deficit component whereby people or individuals are comparing actual results and culturally accepted conclusions. However, the equity perspective component of satisfaction refers to the comparison, interest, and satisfaction procured from social exchange or behaviour. If the satisfaction or benefits are not the matchings or the same expected, then the person involved remain dissatisfied and unhappy. This case is observable in the Malaysian context where most students remain unhappy or unfulfilled as a result of service quality rendered by a higher institution of learning. Further examinations show that the normative component describes people’s satisfaction as a comparison between real issues on the outcome and the anticipated standard among consumers. The procedural fairness perspective states that consumer satisfaction believes that students in the higher institution will be treated fairly and served with adequate service quality. Whilst, attribution perspective states that satisfaction is not only determined by the way of life of anticipated disconfirmation, but also by the source beliefs of disconfirmation vis-à-vis. Student satisfaction on perspective measurement was also examined by (Parasuraman et al. 1990). Parasuraman et al. defined satisfaction as an evaluative response towards various measurements that are based on experienced expectations in comparison to the actual performance of the products and services delivered. Sometimes, issues relating to student expectations in Malaysia are based on post-purchase behaviour or social exchange that is heterogenetic.

**CONCLUSION**

Service quality, perceived value and satisfaction in higher institutions specifically among foreign student is important and a mainstream focus in the educational system. Different literature has provided a manifestation that service quality and satisfaction can influence the intention of student retainment. It is also clear that offering international students a good quality education will help to retain them. Servqual Model or other theories can be used to understand student's perspective. Therefore, marketing strategy should be applied for the demand in implementing policies to enhance service quality and perceived value if higher institutions in Malaysia were to retain and keep students in their domain. In a competitive environment for a student, higher institutions should be able to give account on the level of satisfaction and quality offered. Concerning the issues and challenges, this conceptual review has concluded that service quality; value and satisfaction are good antecedents that will predict student loyalty and retention. Hence, customer loyalty or retention is important for higher institutions due to strong competition among universities to seek students. However, fulfilling this parameter for the student is a major challenge for service providers and appears to be less visible for higher institutions.
in Malaysia. Therefore, higher institutions must apply a focus strategy vis-à-vis sustainable approach and utilize a value exchange status for student assessment (value for money). Since the educational industry is a major focus on the economic growth and service sector, it should be well developed to meet the demand for economic capacity and build up the student service sector, a major focus for economic development. This research paper should be useful in model development in marketing management, especially with variables of perceived value, student satisfaction, service quality and student loyalty. Also, expected to theoretically contribute to university regulators and policymakers, as well as to academicians and researchers pursuing this field of study.

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