The Impact of Student Satisfaction on Student Loyalty:
The Role of Student Trust

Marcellia Susan
Maranatha Christian University

Jacinta Winarto
Maranatha Christian University

Agus Aribowo
Maranatha Christian University

Yusuf Osman Raihin
Maranatha Christian University

Martalena
Maranatha Christian University

Herlina
Maranatha Christian University

Herman Kambono
Maranatha Christian University

Enny Prayogo
Maranatha Christian University

Universities offer higher education services that have different characteristics from other services. Students make decisions regarding the selection of departments with the consideration that these decisions will have a long-term impact because they will not switch to other universities until they finish their studies. This study focuses on student loyalty, trust, and satisfaction. The study was conducted with a sample of students from private universities in Bandung, Indonesia. The analysis was conducted using a descriptive and verification approach, and structural equation modeling was used to confirm the research model. The results indicate the impact of student satisfaction and trust on their loyalty. Departments or universities can utilize the research findings to identify the determinants of students' willingness to recommend and convey positive things about the department or university.

Keywords: higher education, service, loyalty, trust, satisfaction

INTRODUCTION

As providers of higher education services, Universities need to realize that higher education services have different characteristics from other services. For students as one of the markets for higher education service providers, choosing a particular university requires careful consideration. By deciding to study at a particular university, students want to complete their studies which require a relatively long time. In this case, the trust in the university that will be the choice of study becomes very important, and the trust in the institution is a necessity that must be maintained for its continuity. Following what was stated by (Cao, Shi, & Yin, 2014), if customer trust is damaged, it will not be easy to repair it in a relatively short time immediately. Companies must strive for customers to have confidence in competence, integrity, and benevolence and to form a positive impression that the company is concerned and cares for their interests (Cao, Shi, & Yin, 2014).

Higher education service providers generally develop strategies to obtain good-quality students. In this case, student satisfaction and loyalty are essential aspects that form the basis for considering their strategy (Austin & Pervaiz, 2017). In the context of higher education, loyalty is to be achieved and maintained not only when students are still studying at university but also even after students graduate (Giner & Rillo, 2016).

Many factors can determine student loyalty. Understanding the determinants of loyalty can help universities maintain student loyalty (El-Kassar, Makki, & Perez, 2018). In addition to student trust, as previously stated, student satisfaction is one of the determinants of their loyalty (Yu & Kim, 2008) (Paul & Pradhan, 2019). Students who study are satisfied and confident in the department or university will be loyal, characterized by their willingness to convey positive things and recommend the department/university. In this case, student loyalty will increase if they are more satisfied with the university's services (Leonnard, Daryanto, Sukandar, & Yusuf, 2014).

The effect of student satisfaction on their loyalty is not always supported by empirical research. The existence of research gaps, as indicated by previous research results showing different results (Ismanova, 2019) (Viet, 2021). This study was conducted to confirm the effect of student satisfaction and trust on their loyalty. In addition, it also analyzes the effect of satisfaction on student trust in the department or university.

LITERATURE REVIEW

Marketers of both manufacturing and service companies can profit and achieve a competitive advantage if their customers are loyal. In this case, customer loyalty can be reflected by their willingness and loyalty to repeat purchases in the future (Raza, Rather, & Bhutta, 2020). Companies not only need to retain existing customers but also to seek new customers (Giner & Rillo, 2016). Loyalty is also related to these efforts, retaining, and acquiring new customers (Rengel, Ramirez, & Benavides, 2017).

Loyalty has a significant positive relationship with consumer trust. Consumer satisfaction significantly affects their trust. Satisfaction also has a positive impact on consumer loyalty (Menidjel, Benhabib, & Bilgihan, 2017) (Ledikwe, Lombard, & Klopper, 2019), and consumer trust influences their loyalty

(Ledikwe, Lombard, & Klopper, 2019). Satisfaction can directly or indirectly impact consumer loyalty through the mediation of consumer trust. In this case, the relationship between loyalty and satisfaction is clarified by consumer trust as a moderating variable (Menidjel, Benhabib, & Bilgihan, 2017).

In the context of education services, service providers need to provide optimal services so that customer loyalty can be maintained in the long term (Abbas, 2019), which means that universities need to strive for sustainable relationships with students (Orozco & Arroyo, 2017). In this case, loyalty can be reflected in the willingness of customers to provide recommendations and convey positive things (Ismadi & Susan, 2019).

Maintaining student loyalty can be done by constantly trying to make students satisfied with the services they receive. The importance of student satisfaction (Weerasinghe, Lalitha, & Fernando, 2017) is shown by its impact on student loyalty to higher education institutions (Appuhamilage, 2019) (Paul & Pradhan, 2019) (Pham, Limbu, Bui, Nguyen, & Pham, 2019). Another study even indicated the strong impact of student satisfaction on their loyalty (Brown & Mazzarol, 2009) (Pham & Williamson, 2018), and student loyalty is primarily determined by their satisfaction with college (Thomas, 2011).

RESEARCH METHODS

The measurement of each construct uses previous studies as bases (Austin & Pervaiz, 2017) (Orozco & Arroyo, 2017) (Gallegos & Vasquez, 2019)which are adapted according to the context of this research, including the pandemic situation in which the research is conducted in. All constructs are measured using a 6-point numerical scale.

The relationship between variables is clarified through the position of each research variable in this research model. University student satisfaction regarding Facilities, Value, Learning Process, Non-Academic Aspects, Academic Aspects, Harmony, and Learning Outcomes from the department or university becomes an independent variable. Student trust is an intervening variable, while student loyalty is a dependent variable.

Data is obtained through a survey of undergraduate students in private universities in Bandung, Indonesia, active during data collection. A total of 321 data are obtained, processed, and analyzed using structural equation modeling using Lisrel software.

RESULTS AND DISCUSSION

Collected data concerning each research variable are first tested to ensure that each indicator does measure research variables reliably and would produce the same results if the data is collected from different respondents at different times. Validity tests are conducted for each item from each construct, and reliability tests are conducted for each construct. The result from each item show scores between 0.547 to 0.825, which shows that all indicators' measurement of Satisfaction with Facilities, Values, Learning Process, Non-Academic Aspects, Academic Aspects, Harmony, Learning Outcomes, Trust, and Student Loyalty constructs are valid. The Alpha Cronbach test results show a score of 0.766 to 0.886, indicating that all constructs are reliable.

A descriptive approach is used to obtain insight into university students' satisfaction regarding Facilities, Values, Learning Processes, Non-Academic Aspects, Academic Aspects, Harmony, and Learning Outcomes. The pandemic requires minimum physical contact, which limits learning and teaching activities to online systems. With a score of above 5 out of 6, university students are satisfied with the online facilities provided by universities in the form of meeting applications such as zoom, google meet, and Microsoft teams. University students are also satisfied with the Learning Management System and communication media facilities provided for their daily learning activities.

Students' satisfaction regarding disciplines and values is collected from respondents' answers regarding university values' reflection on the student's behavior and actions. Other indicators used are the practice of said values by non-academic employees on their services towards the students. In this case, students feel the most satisfied with the application of university values by the teaching staff. In line with learning

processes, students are satisfied with the physical learning activities in the classroom, with the addition of growth in knowledge obtained through said learning activities. In this case, students are mainly satisfied with the adaptation of university learning material in accordance with current needs and developments. On non-academic aspects, students are most satisfied with the clarity and accuracy of administration officers in responding to student queries. The students are relatively satisfied with the administration officers' hospitality in responding to their questions and their resourcefulness in solving academic or financial issues, with a score of approximately 4.8 out of 6. Regarding academic aspects, university students are satisfied with the qualification and experience of the lecturers. They are also satisfied due to how the subject matters taught in classes are in accordance with the syllabus. This satisfaction mainly emerged from the knowledge they learned during the learning processes. According to the Harmony aspect created in the campus environment, students feel satisfied with the equality of treatment and opportunities to develop despite students' backgrounds. The lowest satisfaction of this aspect is on the personal concern they receive from the university. Concerning learning outcomes, students' satisfaction is similar regarding their growth in ability relevant to the subject matter, increase in communication skills through the learning process, and growth in leadership skills obtained during the learning process.

Descriptive analysis regarding student trust (with a score of 5 out of 6), students believe that the Department/Faculty/University can be trusted. They believe that the university's leaders always make decisions for the betterment of the students. In addition, students also believe that their welfare becomes the basis of all decisions made by the university.

The students' loyalty, with a score of 5 out of 6, shows that students are willing to speak positively about their university. They also will recommend friends and families to enroll in their university. The highest score that the respondents give is on their willingness to recommend their university when someone asks for a recommendation.

This study is also conducted to confirm a research model regarding the interrelationship between the research variables. Data processing using structural equation modeling shows a result that can be seen in Figure 1. The resulting Structural Equation Modeling shows a Goodness of Fit Index (GFI) = 0.85, Root Mean Square Error of Approximation (RMSEA) = 0.072, Normed Fit Index (NFI) = 0.97, and Comparative Fit Index (CFI) = 0.98. According to the structural equation modeling seen in Figure 1, the result indicates that students' trust plays a role towards their loyalty. It is supported by data processing result, which shows a positive influence from students' trust towards their willingness to recommend their university when someone asks for a recommendation. The result shows that the student trust variable is statistically significant, with a p-value of 4.02 and a positive coefficient of 0.79. It indicates that the students who trust the department or university and the decision makings of their university's leaders who prioritize the needs and welfare of their students would encourage them to speak positively and recommends the university that they enrolled to. The findings of this study corroborate previous research that trust is a determinant of customer loyalty (Menidjel, Benhabib, & Bilgihan, 2017) (Ledikwe, Lombard, & Klopper, 2019) (Jun & Yi, 2020).

The result of the tests also shows that students' loyalty is also determined by their satisfaction. Out of the independent variables relating to university students' satisfaction in various aspects provided by universities and their study programs, only satisfaction regarding facility aspects determines students' loyalty. In this study, the measurements used to gauge facilities focused on the availability of facilities relevant to online learning experiences. It was conducted with the consideration that the pandemic forces lecturers and students to be able to adapt to online learning environments. Before the pandemic, the department or university had not implemented online learning processes. The availability of proper and satisfactory Learning Management Systems, meeting application facilities, and communication media facilities will build the students' loyalty. The positive influence of facility aspects on student loyalty has a positive coefficient of 0.37 and a p-value of 2.26. Data processing result also indicates that university students who are satisfied with academic and non-academic aspects, values, harmony, learning process, and learning outcomes will not necessarily be loyal to their university. The result of this study which shows a positive influence from students' satisfaction towards their loyalty, is supported by several previous results from other researchers (Thomas, 2011) (Fernandes, Ross, & Meraj, 2013) (Leonnard, Daryanto, Sukandar,

& Yusuf, 2014) (Giner & Rillo, 2016) (Austin & Pervaiz, 2017) (Appuhamilage, 2019) (Paul & Pradhan, 2019) (Pham, Limbu, Bui, Nguyen, & Pham, 2019), with one particular research emphasizing the strength of university students' satisfaction towards their loyalty (Pham & Williamson, 2018).

FIGURE 1
DATA PROCESSING RESULTS
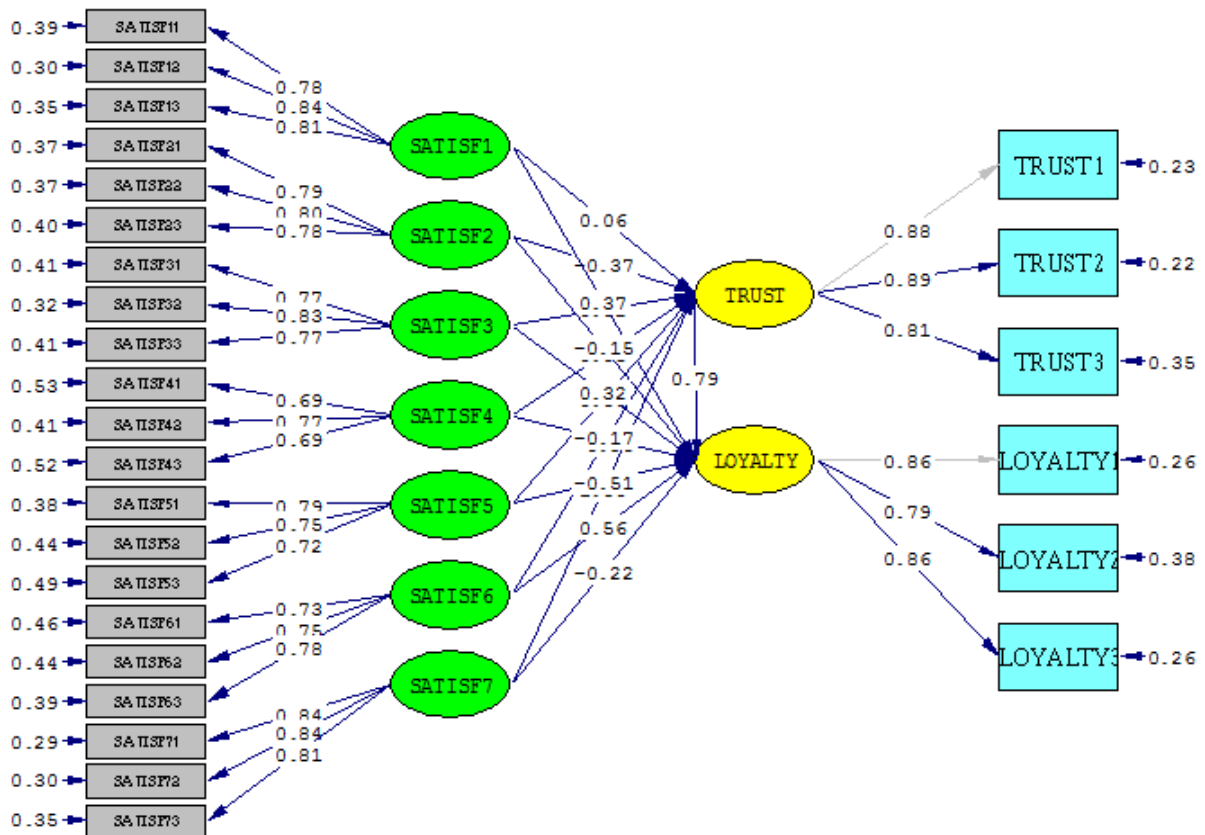
Other studies related to the effect of trust on loyalty also support the results of this study. With different research objects, the results show the need to gain trust to form customer loyalty, which means that efforts made to increase trust will increase loyalty (Ledikwe, Lombard, & Klopper, 2019). Regarding the relationship between student satisfaction and loyalty, the results of this study indicate that student satisfaction does not determine trustworthiness. Therefore, the findings of this study are not in line with previous research, which showed that customer satisfaction impacts their trust (Susan, 2018) (Ledikwe, Lombard, & Klopper, 2019), so customers will have higher trust if they are satisfied with the services they receive.

CONCLUSION

This research focuses on the loyalty of university students and the factors that determine it. Overall, the research results show that students are loyal, indicated by their willingness to recommend and positively speak about their study program and university. University students are satisfied with several aspects: Facilities, Values, Learning Processes, Non-Academic Aspects, Academic Aspects, Harmony, and Learning Outcomes. They also believe that the department and university base their decision on the student's well-being.

Hypothesis testing clarifies the determining factors of student satisfaction and trust towards their loyalty to their department/university. The findings of this study show that out of several aspects which become the bases of student satisfaction, only the facility regarding the online learning process determines their loyalty. It is relevant to the circumstance surrounding the research during the pandemic, in which the learning experience relies entirely on the university's support and facility. Other findings show that satisfied students do not necessarily trust the department or university.

Based on the result of this research, there are still many opportunities for further study. In this case, it is not only other variables that may determine student loyalty but also factors that can impact trust, considering that these variables significantly impact student loyalty to the study program or college.

ACKNOWLEDGEMENT

REFERENCES

Abbas, S. (2019). Brand loyalty of Higher Education Institutions. *Marketing and Management of Innovations*, (1), 46–56.

Appuhamilage, K. (2019). The impact of loyalty on the student satisfaction in higher education - A structural equation modeling analysis. *Higher Education Evaluation and Development*, *13*(2), 82–96.

Austin, A., & Pervaiz, S. (2017). The Relation Between 'Student Loyalty' and 'Student Satisfaction' (A case of College/Intermediate Students at Forman Christian College). *European Scientific Journal*, SPECIAL/edition, pp. 100–117. ISSN:1857-7881(Print), e-ISSN:1857-7431.

Brown, R., & Mazzarol, T. (2009). The importance of institutional image to student satisfaction and loyalty within higher education. *High Educ*, *58*, 81–95.

Cao, T., Shi, G., & Yin, Y. (2014). How to repair customer trust of of high-risk products after negative publicity. *Nankai Business review International*, *5*(4), 382–393.

El-Kassar, A., Makki, D., & Perez, M. (2018). Student-University Identification and Loyalty Through Social Responsibility: A Cross-Cultural Analysis. *International Journal of Educational Management*, *33*(1), 45–65.

Gallegos, J., & Vasquez, A. (2019). Explaining university student loyalty; theory, method, and empirical research in Chile. *Academia Revista Latinoamericana de Administracion*, *32*(4), 525–540.

Giner, G., & Rillo, A. (2016). Structural equation modeling of co-creation and its influence on the student's satisfaction and loyalty towards university. *Journal of Computational and Applied Mathematics*, *291*, 257–263.

Ismadi, F., & Susan, M. (2019). The Impact of Identity on Loyalty with Reputation as Mediating Variable. *International Journal of Innovation, Creativity and Change*, *5*(6), 938–951.

Ismanova, D. (2019). Students' loyalty in higher education: The mediating effect of satisfaction, trust, commitment on student loyalty to Alma Mater. *Management Science Letters*, *9*, 1161–1168.

Jun, S., & Yi, J. (2020). What makes followers loyal? The role of influencer interactivity in building influencer brand equity. *Journal of Product & Brand Management*, *29*(6), 803–814.

Ledikwe, A., Lombard, M., & Klopper, H. (2019). The perceived influence of relationship quality on brand loyalty - An emerging market perspective. *African Journal of Economic and Management Studies*, *10*(1), 85–101.

Leonnard, L., Daryanto, H.K., Sukandar, D., & Yusuf, E.Z. (2014). The Loyalty Model of Private University Student. *International Research Journal of Business Studies*, *7*(1), 55–68.

Menidjel, C., Benhabib, A., & Bilgihan, A. (2017). Examining the moderating role of personality traits in the relationship between brand trust and brand loyalty. *Journal of Product & Brand Management*, *26*(6), 631–649.

Orozco, F., & Arroyo, J. (2017). Students' loyalty in higher education: The roles of affective commitment, service co-creation and engagement . *Journal of Management*, *33*(57), 96–110.

Paul, R., & Pradhan, S. (2019). Achieving Student Satisfaction and Student Loyalty in Higher Education: A Focus on Service Value Dimensions. *Services Marketing Quarterly*, *40*(3), 245–268.

Pham, L., & Williamson, S. (2018). Student Perceptions of E-Learning Service Quality, E-Satisfaction, and E-Loyalty. *International Journal of Enterprise Information System*, *14*(3), 19–40.

Pham, L., Limbu, Y., Bui, T., Nguyen, H., & Pham, H. (2019). Does e-learning service quality influence e-learning student satisfaction and loyalty? Evidence from Vietnam. *International Journal of Educational Technology in Higher Education*, *16*(7), 20–26.

Raza, A., Rather, R., & Bhutta, U. (2020). An assessment of corporate social responsibility on customer company identification and loyalty in banking industry: A PLS-SEM analysis. *Management Research Review*, *43*(11), 1337–1370.

Rengel, V., Ramirez, M., & Benavides, A. (2017). Analysis of communication factors influencing customer loyalty among university students. *Revista Latina de Comunicacion Social*, *72*, 751–764.

Susan, M. (2018). Service Quality, Satisfaction and Trust: A Study of Public Hospitals in Bandung, Indonesia. *International Journal of Engineering & Technology*, *7*(3.30), 393–396.

Thomas, S. (2011). What Drives Student Loyalty in Universities: An Empirical Model from India. *International Business Research*, *4*(2), 183–192.

Viet, V. (2021). The Effect of Service Quality Dimensions on Student's Satisfaction and Loyalty. *ABAC Journal*, *41*(1), 81–99.

Weerasinghe, I., Lalitha, R., & Fernando, S. (2017). Students' Satisfaction in Higher Education Literature Review. *American Journal of Educational Research*, *5*(5), 533–539.

Yu, G., & Kim, J. (2008). Testing the Mediating Effect of the Quality of College Life in the Student Satisfaction and Student Loyalty Relationship. *Applied Research Quality Life*, *3*, 1–21.