

Development of the model of foreign student loyalty studying in Thailand

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Abstract

Purpose – This study aim to develop the model of foreign student loyalty studying in Thailand.

Design/methodology - the research was conducted among foreign students of three universities in Thailand. A total 406 useable responses were received. Analysis was using structural equation modeling.

Findings - 406 foreign students participated in this study; most of them are studying the first year. This study found that foreign student expectation has negative effect on foreign student satisfaction; Reputation is seen to be a major driver of foreign student loyalty.

Practical implications - The result of this study would help to increase the number of foreign students to come to study in the universities in Bangkok so that it can successfully complete the goal that increasing the number of foreign students in 2020 in Thailand up to 100,000 from the current figure of 20,000 and become a world-class regional academic and an education hub so that Thailand can successfully complete the 15-Year National Plan for Higher Education Development for 2008 to 2022 which formulated by OHEC.

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Originality/value - this paper introduces a practical model of foreign student loyalty to be applied to universities.

Keywords: foreign student expectation, foreign student satisfaction, reputation, foreign student loyalty

Introduction

In the age of globalization, many companies are operating business in a competitive environment level. They need employees with global awareness. Thus, it is vitally important that students who understand the global environment which they will work, In other words, student study abroad is more and more popular and needing.

Thailand is one of Southeast Asian emerging markets. Thus it also can't avoid the impact of globalization. Besides, there are many of advantages for foreign students study in Thailand. Therefore, the number of foreign students come to in Thailand is increasing. The Office of the Higher Education Commission (OHEC) reports that the total number of foreign students in Thai from 2008 to 2010 is 16361, 19052 and 20155. These number indicate that the trending of foreign students come to study in Thai is increasing.

However, comparing with the number of foreign students come to study in Thai in the goal of Thailand aiming- increasing the number of foreign students in 2010 in Thailand up to 100,000 from the current figure of 20,000, the distance of the truth and the goal is still very long. Thus student loyalty has become a very important strategic theme. Due to that analyzing student loyalty can bring advantages to higher education institutions (Navarro, 2005). Thureau (2001) pointed out that the advantages for analyzing student loyalty are including as the following: first, students are one of the main finance sources of university with enrolments; Second, loyal student is influencing teaching quality in a positive indirection

through active participation and a committed behavior (Rodie and Kleine, 2000). A loyal student can be a good advocate for using WOM to recommend the institution to friends/acquaintances. It is believe that word of mouth is a very powerful effect on the behavior that customers show regarding the decisions they are willing to take (Ghorban and Tahernejad, 2012). Besides, in order to update their knowledge more and more students are returning to higher education institutions (Navarro, 2005). Both two word-of-mouth and retention are benefit for Thai to easy to achieve the 15- Year National Plan for Higher Education.

Literature review

Literature in this study includes satisfaction, reputation and loyalty and foreign student expectation.

Satisfaction- reputation- loyalty

There are many researchers such as Johnson (2001); Seth (2004); Williams (2005) have studied the model link student satisfaction, reputation and loyalty. Dick and Basu (1994) suggest that satisfaction is an antecedent variable of loyalty. Loyalty is the result of customer satisfaction (Fornell, 1992; Fornell, 1996; Chan, 2003). Apart from this, customer satisfaction is both positively related to customer loyalty and corporate image, corporate reputation and brand reputation also (Selnes, 1993; Anderson1994; Johnson and Gustafsson, 2000; Johnson 2001; Oliver, 1980). Eskildsen (1999) also refers that reputation is really the one factor that has the most influence on student loyalty in higher education. Reputation building is looked upon as very important for attracting and retaining students (Bush, 1998; Standifird, 2005). Mullin (1995) and Nesdale (1995) highlighting that an attracted university lies with its reputation in the home country as a recognized institution, it would be as the study destination of international students.

Foreign student expectation

Expectation model indicated that, satisfaction is achieved through a two-stage process. The first stage is before buying, customer form expectations by the product performance (the product will provide a variety of interest and utility). After purchased, the customer obtained the true level of performance. Then compare the resulting gap between the expectation and perception. That is to say, satisfaction level is determined by the difference between customer perceived service performances and customer expects (Parasurama, 1986). Davies (2002), Long and Tricker (2004) pointed out that student have expectation in service quality, teacher, technology, learning environment and university accommodation.

It is important for universities to learn the exact expectations of the students since the higher education institutions can gain an important advantage to realize their expectations and manage those well by understanding the student expectations (Voss, 2007). If a university's education quality meets the student expectations or in other words if the gap between the expectations and perceptions is within the tolerance limit, it means that students are satisfied, students would make their university's advertisement. In this situation, the potential of other students liking this university increases (Smith and Hopkins, 2005; Laing, 2005). Wyles (1998) said that teachers have received a comparatively positive student evaluation in teaching. An effective teaching is essentially connected with how best to bring about the desired pupil learning by some educational activity (Chairs, 1989). An effective teacher improve student learning and lead to higher levels of student satisfaction with their learning experiences at university. Carnaghan and Webb (2005); Merritt (2000); Arambewela and Hall (2009) pointed out that a high education institutions within modern and adequate computer facilities can enhance the attractiveness of universities among students There are not only people said that using technology pays a key role in the satisfaction of students (Harvey, 2001).

Rand (1968) found that there is a significant relationship between the student satisfaction and learning environment. Forbes-Mewitt and Nyland (2008) said that the international students would benefit from living in university accommodation. Daryl LeGrew, the lead Vice-Chancellor on international issues for UA, also has expressed that university accommodation is safer than alternative forms of accommodation (Banham & Gilmore, 2009).

Conceptual framework

After reviewing the literature, the conceptual framework of the study was developed and is shown in the figure 1. There is one independent variable which effects foreign student satisfaction, university reputation and foreign student loyalty (dependent variable). For the independent variable foreign student expectation have five dimension to measure it, that is service quality, teacher, technology, learning environment and university accommodation.

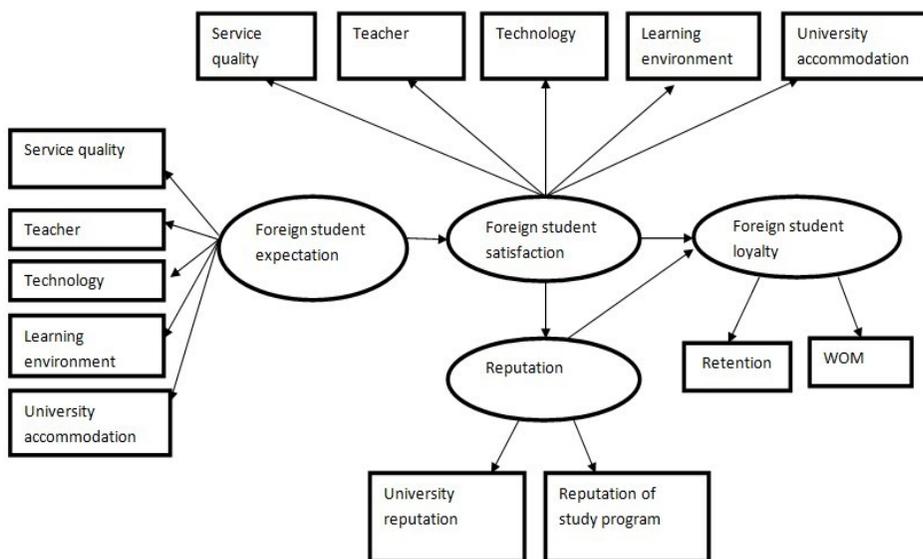


Figure 1 Conceptual framework of the research

Methodology

Population and sample

The questionnaires were distributed in three universities: Assumption University (ABAC) Hua Chiew Chalermprakiet University (HCU) and The University of the Thai Chamber of Commerce (UTCC) in Bangkok. A total of 500 foreign students answered the questionnaires of which 406 answered all the questions relevant for this study.

Research Instrument

The questionnaires were designed to measure independent variables foreign student expectation and dependent variables foreign student satisfaction, reputation and foreign student loyalty. Five-point Likert scale was used measured all indicators where “1” indicates the least favorable response alternative (Highly dissatisfied/ very poor reputation/ never recommend etc.) and “5” the most favorable response alternative (very satisfied/ very good reputation/ strongly recommend etc.)

The reliability of the questionnaires was measured by using the Cronbach's Alpha coefficient; it indicates the level of the items is correlated to each another. It establishes the internal reliability of the questionnaire responses (Fink and Jaruwacgirathanakul, 2005). The Cronbach's Alpha value with greater than 0.7 will be reliable enough used in the data collection. Cronbach's Alpha of this study is ranked from 0.703 to 0.870. It can imply that the data were acceptable.

Data analysis

Structure Equation Model (SEM) is used to examine the postulated hypothesis (research questions). The structural relationships among foreign student expectation, foreign student satisfaction, university reputation and foreign student loyalty were analyzed by LISREL 8.8 (Joreskog and Sorbom 2006). The purpose of LISREL 8.8(student version) is using to evaluate the goodness of fit, as the absolute

fit indices like chi-square (χ^2), goodness of fit index (GFI), and average goodness of fit index (AGFI), and root means square error of approximation (RMSEA) index is used. In addition, good-of-fit also incremental and decrement indices such as norm fit index (NFI), non-norm fit index (NNFI), comparative fit index (CFI), and norm chi-square (χ^2) are used to assess the goodness-of-fit.

Result

The result shows that the sample consisted of 322 males and 174 females. 33.3% of the foreign students were between the age of 16 and 20. 56.4% of the foreign students were the age between 21 and 25 and 10.3% of the foreign students were more than 26 years old.

According to the table 1 which The Goodness of fitness of this research is 0.99, The Adjusted Goodness of Fit Index (AGFI) of this study was 0.97 were almost approached to 1. The RMR of this study was 0.012, and the RMSEA was 0.00, represents perfect fit. The result was matching the conceptual framework of this study.

Table 1 Goodness of fit Statistic

FIT Index	Acceptable threshold levels	Value
Chi-square	relative to df with p-value (0.05)	Chi-square: 12.80
		P-value = 0.80
RMSEA	Values < 0.05	0.00
GFI	Values > 0.95	0.99
AGFI	Values > 0.95	0.97
RMR	Good model have small RMR	0.012

Figure 2 present the full structural model. The model in this study demonstrates the linkages among satisfaction, reputation and loyalty for foreign students at three universities in Thailand. In this study, university reputation is a major driver of foreign student loyalty at 0.64. The foreign student satisfaction also correlates positively with through a direct impact of 0.20. This means that a foreign student who has a positive perception about the university reputation is likely to make him/her more loyalty.

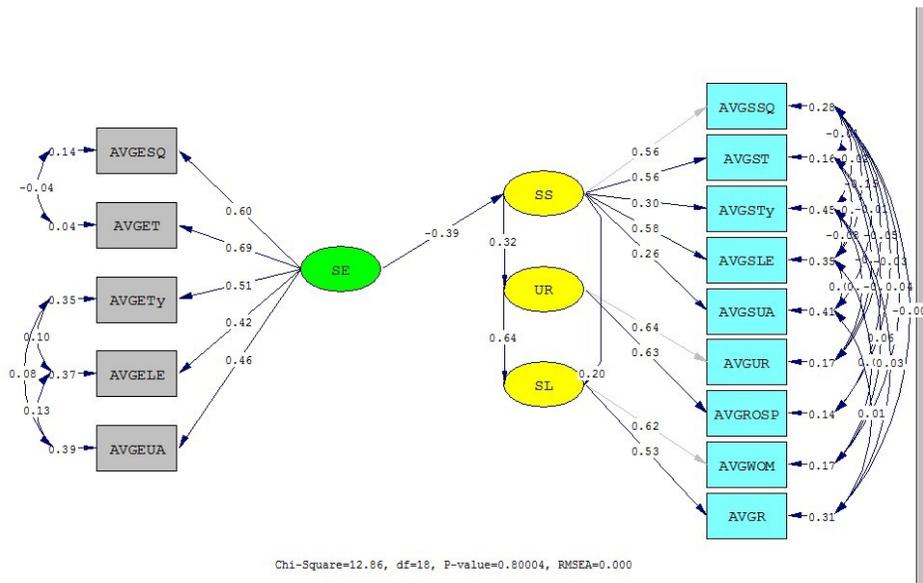


Figure 2 the full structural model

Discussion & Implementation

This research proposed and validated the model of foreign student loyalty studying in Thailand.

This study showed that foreign student expectation involved service quality, teacher, technology, learning environment and university accommodation. Among these five dimensions, teacher presented the value of LISREL estimates, which had the highest relationship with foreign student expectation. Appleton-Knapp and Krentler (2006) found that student's satisfaction varied by their expectation level.

Eskildsen (1999); Alves and Raposo(2007) found that the influence of expectation and satisfaction was negative. Thus, universities should increase foreign student satisfaction by decreasing the foreign student expects in teacher. Of course, university management team should learn the exact expectations of the student and manage those well, so that what universities do can meet the student's need.

Researcher also noticed that the university reputation plays a major support role in driving foreign student loyalty. Eskildsen (1999) also refers that reputation is really the one factor that has the most influence on student loyalty in higher education. University should pay attention to reputation building in both own country and other countries to attract more foreign students' interesting and know the value of the university. Mullin (1995) and Nesdale (1995) highlighting that an attracted university lies with its reputation in the home country as a recognized institution, it would be as the study destination of international students. Thus, university should give the important to the university reputation building to attract foreign students' interesting and know the value of the university.

The study results also indicate that word-of-mouth is the highest relationship between foreign student loyalty and the two dimensions. It means that when the foreign student becomes a loyalty student, he/she will introduce the university to his/her friends. It also has been proved that loyal customers have a positive behavior toward word of mouth (Kumar and Shah, 2004). Thus, university should do everything they can to make the foreign student become the loyalty student. For example, put the university advertisement on each web. Of course, the most efficiency method is cooperation with universities in other countries and then sending university representative to the universities to introduce the universities to the foreign students face to face.

Conclusion

The future research is needed to extent more factors into foreign student expectation. This is important for universities to know exact expectation of foreign student for setting up the suitable strategies to meet foreign student satisfaction. The future research should extent more area and number of respondents to make the data more credible.

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