

Building Corporate Image and Securing Student Loyalty in the Malaysian Higher Learning Industry

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ABSTRACT

The increase in the numbers of both public and private higher learning institutions (HLI) in Malaysia has resulted in the industry becoming relatively very competitive. The situation calls for HLIs to focus on establishing a strong corporate image and providing student satisfaction to secure their loyalty. Delivering quality services would lead to student satisfaction and loyalty. This study reports on a research finding that undertakes to examine the effect of service quality and corporate image on students' satisfaction and loyalty among outgoing Business and Management undergraduates of a public HLI in Malaysia. Structural Equation Modelling (SEM) was used to test the proposed hypothesised model in the study. The findings of the study illustrate, that although service quality has direct influence on students' satisfaction, it has no significant effect on student loyalty. However, students' satisfaction has a significant influence on student loyalty. The study also suggests that corporate image has direct influence on students' satisfactions and loyalty. Hence, securing students' satisfaction through delivering high-quality services and investing in building strong and positive corporate image are important factors in gaining students loyalty.

INTRODUCTION

A tremendous growth has been observed in the Malaysian higher learning industry, especially after the passing of the Private Higher Education and Institution Act 1996 (PHEIA 1996, Act 555). The growth in the number of both public and private higher learning institutions (HLIs) is reflected by the increase in the numbers of institutions established from year 1996 to 2008. It is reported (Ministry of Higher Education, Malaysia, 2006) that, in 1996, there were 9 public universities and no private university. However, in 2008 the number of public university increased to 20 (http://www.mohe.gov.my/webkpt_v2/maklumat.info_kpt_senarai.php?m=3&navcode=NAV004&subcode=SUB001&lang=ENG) and private universities and colleges increased to 53 (http://www.phed.gov.my/Services/IPTS_Directory.aspx?m=Semua&c=Semua). It can be seen that there is a remarkable growth in the number of private higher learning institutions (universities and colleges) within the period compared to public higher learning institutions. The entrance of new "players" into the industry created competitive situations as contended by Michael Porter (Wheelen and Hunger, 2008). The competitive situation within the industry is fueled by the existence of foreign universities in the country, through either the setting up of branch campuses or the offering of franchising programmes to local private universities and colleges. Thus, Malaysian students could earn degrees from foreign universities without going abroad and it costs less compared to studying abroad.

In one aspect, the growth provides more opportunities for potential candidates to continue their studies at higher levels. In addition, students have more choices to make in terms of which higher learning institution to pursue their studies, creating a situation where they have more "bargaining power" compared to their counterparts before the passing of PHEIA in 1996. According to Porter Competitive Forces (Wheelen and Hunger, 2008), buyers' bargaining power is one of the forces that makes the industry become competitive where they can bargain for higher quality and more services. Acknowledging the competitive situation within the industry, HLIs embarked on designing strategic promotional efforts, for example advertising their academic programmes through several printed and electronic media and participating in education exhibitions or fairs organised both locally and internationally. Recently, public HLIs were given a new assignment to increase the number of postgraduate student enrollment. This is in line with the government 9th Malaysian plan's mission to create and strengthen human capital resources. This new task creates a challenge to

public HLIs in term of attracting potential candidates to do postgraduate studies generally due to several reasons. Firstly, those students who had financed their undergraduate studies using study loans would prefer to immediately join the job market in order to make adequate earnings to pay back their study loans. In addition, continuing their studies would mean extra financial burden to them on top of the existing study loans which they are committed to settle upon graduating. Secondly, it is not a pressing issue to some first degree graduates to continue their studies to a higher degree since not all positions in the job market require postgraduate degrees qualifications. Thus, some graduates may not think that acquiring postgraduate degrees is essential. Thirdly, not all outgoing undergraduates are academically qualified to continue studies into postgraduate programmes. Hence, the task of increasing postgraduates students' enrollment needs to be addressed strategically in order to ensure long-term successful performance of the institutions.

In a competitive market, perhaps looking at the relationships amongst corporate image, service quality, student's satisfaction and loyalty would provide some useful insights to the management of higher learning institutions in terms of meeting the new assignment to increase postgraduate students' enrollment. There is a strong relationship between customer satisfaction and loyalty and much had been said about the advantages of securing customer satisfaction and loyalty. For example, it is discovered that increased customer satisfaction can be linked to customer loyalty and profit (Heskett, et al., 1997). Efforts to attract existing or loyal customers are cheaper than attracting new customers (Zeithaml, Bitner and Gremler, 2008). In addition, they can become an important source of reference and disseminate positive words of mouth about the institutions. The practice of ascertaining factors that influenced customer's satisfaction and loyalty is observed to be widely accepted by most private services business organisations which usually operate in a highly competitive market. Nevertheless, such practices received less attention from most public institutions, including public HLIs in Malaysia. Since the higher education industry is becoming more competitive, it is important to ascertain the driving factors which influence customer (student) satisfaction and loyalty in the effort to enjoy the benefits of securing customer satisfaction and loyalty enjoyed mostly by the counterparts in the private industry.

In addition, it is also noted by Fatt et al. (2000) that in a competitive environment many companies should engage in projecting a strong and positive reputation amongst their different stakeholders such as the public, employees, students and government. Positive corporate image can be achieved, for example, through participating in various activities organised nationally and internationally such as participating in research exhibitions and competitions, and organising corporate philanthropic activities that include sponsoring charitable events and conducting community projects. According to Carlos Flavia'n, Miguel Guinal'ú and Eduardo Torres, (2005) image can influence consumer's (student) behaviour. Thus, it is also interesting to know how students' perception of an institution's image could influence their satisfaction and loyalty. Therefore, this study was conducted to ascertain the role of service quality, corporate image, and customer satisfaction in influencing the outgoing undergraduate students' intentions to continue their postgraduate study at the same university, to provide a positive word of mouth and recommendations to their friends, families and other potential students. In addition, the study examines the effect of customer satisfaction as a moderating variable that mediates the relationships linking service quality and corporate image with the customer loyalty.

BACKGROUND

Service Quality and Customer Satisfaction

Like any other organizations in competitive industries, HLIs have to distinguish themselves from competitors. Since services are intangible, it becomes more challenging for service providers to distinguish themselves from competitors compared to those involved in producing tangible products. However, one of the ways to distinguish themselves from competitor is through service quality. Zeithaml et al. (2008) state that most companies dedicated to providing quality service are proven to be successful across industries. Shank et al. (1995) suggest that higher education possesses all the characteristics of service industry which are intangible, heterogeneous, inseparable from the person delivering it, variable, perishable, and the customer (student) participates in the process of production of the service. Therefore, like any other institution in the service industry, colleges and universities should undertake initiatives to understand the role and importance of service quality on customer satisfaction.

HLIs provide educational programmes to students who are subjected to an evaluation system concerning their academic achievements throughout their studies. While attending academic programmes at any particular HLI, students are exposed to several types of core and supplementary services provided by the institution and they continuously evaluated these different aspects of services quality throughout their studying period at the institution. Alongside with providing academic services, HLIs provide non-academic supporting services facilitating the students' learning and evaluation process. Usually, students do not participate in evaluating the academic programmes offered by the institution. Academic programmes are evaluated by the Malaysian Qualifications Agency (MQA), a statutory body established to accredit post-secondary or higher education academic programmes provided by educational institutions and facilitate the recognition and articulation of qualifications [[http://en.wikipedia.org/wiki/Ministry_of_Higher_Education_\(Malaysia\)](http://en.wikipedia.org/wiki/Ministry_of_Higher_Education_(Malaysia))]. However, students may evaluate other related services accompanying the delivery of the academic programmes during their studying period. For example, they assess the delivery performance of academic staff and non-academic staff, the quality of academic facilities and the environments within the university which previously was neglected in higher education quality assessment as pointed out by Darlene and Bunda (1991) who claimed that assessments of most higher education quality had not been based on assessment related to the service provided.

It is important to exercise an evaluation of the quality of the different aspects of services provided in HLIs, especially when the customer is "captured" for a longer period of time compared to customers in other service industries. In other service industries such as banking, dry cleaning or repair services the service delivery process is short and customers can switch service providers if they were not satisfied with the service quality rendered in their next transaction. Switching costs are high for students to change universities once they are enrolled in a particular university. Once students are enrolled in an undergraduate programme of a HLI, they would be "locked-up" in a longer service delivery process, usually 3 to 4 years. Even though students may have the freedom to switch university, the switching costs are high once they are registered as students at a particular university. Among the switching costs incurred by students include both financial and non financial costs as indicated below:

1. Search costs. It is the cost incurred by the students during the process of searching alternatives universities. The costs include the effort of initiating contacts with several prospective universities of interest.
2. Financial costs. The student can incur some financial costs during the process of applying for a new university and quitting from the existing university. Once accepted to the new university the candidate has to pay tuition, accommodation and other related fees to the new university. Also, the candidate may not get the refund from the existing university for the sum of money paid for the similar fees mentioned in the above.
3. Time costs. The process of applying for a place at the other university of their choice involves time costs. The student stands to loose at least one semester of studying time in the process of making arrangements to change to another university.
4. Psychological costs. The student may apply for a credit transfer for subjects taken at the previous university when they get accepted to study at the new university. However, the process does not guarantee that their application will be successful since not all subjects taken at the previous university are transferable to the new university. The fear of being rejected constitutes psychological costs that the students have to endure.

The labourious process which usually involves high switching costs normally discourages students changing service provider and completed their undergraduate programs. They make decisions either to continue doing their post graduate studies at the same university or looking for other alternative competing universities only after completing their study at the existing university. The benefits of attaining customer satisfaction in other service industries have been discussed by many authors such as Lovelock (2001), Fitzsimons and Fitzsimons (2001), and Brown and Gulycz (2002). For example, Fitzsimons and Fitzsimons (2001) pointed out that satisfied customers would turn into loyal customers. Supporting Fitzsimons and Fitzsimons, Lovelock (2001) discussed the economic benefits of loyal customers, which include increased usage over time; reduced operating costs, profit from referrals and receiving a premium price. In addition, Brown and Gulycz (2002) stated that customer satisfaction is a competitive weapon because traditional bases for differentiation, such as product features, price, and distribution are insufficient. However, according to Zeithaml et al. (2008), practitioners tend to use the term service quality and customer satisfaction interchangeably and

suggest that service quality is a component of customer satisfaction that focuses to measure specifically the dimensions of service that comprises of 5 dimensions namely reliability, responsiveness, assurance, empathy and tangibility. Customer satisfaction is influenced by other factors such as product factors, price, personal and situational factors. Hence, customer satisfaction is defined as (Zeithaml et. al. 2008, p. 104):

“Satisfaction is the customer’s evaluation of a product or service in terms of whether the product or service has met the customer’s needs and expectations.”

Students Loyalty the Outcome of Student Satisfaction

It is argued by Heskett et al. (1997) that there is a link among customer satisfaction, loyalty and profit. Increased customer satisfaction leads to increase in customer loyalty and has a positive outcome on profit. A loyal customer is defined as a customer who would continue to purchase goods or service from the same company whenever possible, and who continues to maintain positive attitudes towards goods and services from the company (Zainudin et al., 2004). Anderson et al. (1994) and Anderson and Mittal (2000) found that customer loyalty stems from their future intentions toward an organisation, whereby these future intentions are defined as the outcome of satisfaction process. They grouped the future intentions into two categories namely, economic behaviours and social behaviours. The study done by Anderson et al. (1994) found that the intention disseminated through word-of-mouth of the existing customers will be used as input for expectations by future customers. For the purpose of this study, social behavioural intention is defined as the students’ intention to recommend the university to their fellow students as well as friends and family. Customer loyalty consists of both behavioral and attitudinal dimensions Behavioral dimensions refer to customer’s behavior of repeat purchases, indicating a preference for a brand or service over time (Bowen and Shoemaker, 1998). The attitudinal dimensions, on the other hand, refer to the customer’s intention to repurchase and to provide positive words of mouth and recommendation regarding the products or service to friends and families whenever possible to do so (Getty and Thomson, 1994). In addition, Dick and Basu (1994) propose two conditions in defining customer loyalty, which represent the intersection of relative attitude and repeat patronage. First, customers who exhibit loyalty behaviour engage in repeat purchase whenever appropriate. Second, customers who are loyal in attitude are likely to make recommendations to someone else and sometimes their loyal attitude will lead to loyal behavior in the form of repeat purchases. In other words, the customers who possess both dimensions tend to form a long-term relationship with the company.

As regards customer loyalty in relation to higher education environment, the study defines behavioural loyalty as the students’ willingness to remain at the university to complete their existing undergraduate programs and their intention to continue the graduate programs at the same university again in the future. Meanwhile, the attitudinal loyalty is defined as the student’s willingness to provide positive words of mouth and recommendation concerning their university to their families, friends, employers and organizations whenever there are opportunities.

Corporate Image

Numerous definitions of corporate image are found in the psychology and marketing literature. For example, corporate image has been defined as the overall impression made on the minds of the public about an organisation (Barich and Kotler, 1991). It is related to the various physical and behavioural attributes of the organisation. Examples include tradition, ideology, company name, reputation, price levels, variety of service, ideology, and the impression of quality communicated by persons experiencing the service from the organisation. Other aspects, such as corporate identity, level and quality of advertising, and delivery systems also contribute to corporate image. Zimmer and Golden (1988) define corporate image as the “overall impression” of a firm left on the minds of customers after experiencing its product or service. In other words, corporate image reflects the firm’s superiority, trustworthiness, strength, reliability, and efficiency of its delivery system in the eyes of its customers. Bloemer et al. (1998) define corporate image as the customers’ overall impression concerning the company based on their multiple encounter experiences with its product or service, and the multiple messages received about the company from the media communication. Rynes (1991) defines corporate image as a general impression of the customers about an organisation generated from its successful inventions, achievements, and social contributions. Haedrich (1993) defines corporate image as “a psychological personality profile” constructed by an individual regarding the organization. In line with Haedrich (1993), Treadwell

and Harrison (1994) define corporate image as an individual's current "idiosyncratic representation" of a particular organisation including related attitudes, beliefs, and impressions about the organization and its behavior. Thus, the favourable corporate image of a firm may be helpful in the competitive market since it might differentiate the firm from its competitors.

Kennedy (1977) divides corporate image into two principal components namely functional and emotional component. The functional component is related to the tangible characteristics of the organisation such as buildings, infrastructure facilities, location, and the people. The emotional component is associated with psychological dimensions that are manifested by feelings and attitudes towards an organisation. These feelings are derived from individual experiences with an organisation and from the processing of information on attributes that constitute functional indicators of corporate image. The service marketing guru, Gronroos (1984) argues that corporate image is of the utmost importance especially, to service firms, and to a great extent is determined by customers' assessment of the service they receive.

Furthermore, Gronroos (2001) states:

"A favourable and well-known corporate image would be an asset of a firm in the service industry. This is because image has an impact on customer perceptions of the communication and the operation of the firms in many aspects. If a service provider has a positive image in the minds of customers, minor mistakes will be forgiven and will not affect their perceived quality towards the firm. As time progresses, more and more business organisations offering similar products and services emerge, thus creating competition for customers among themselves"

The objective of the Study and Hypotheses Formulation.

Generally, the purpose of the study is to identify the influence of service quality and corporate image on loyalty, while examining the mediating effect of student's satisfaction on these relationships. The specific objectives of the study are as follows:

1. To ascertain the effect of service quality on student loyalty.
2. To identify the mediating effect of student satisfaction on the relationship between service quality and student loyalty.
3. To test the effect of corporate image on student loyalty.
4. To determine the mediating effect of student satisfaction on the relationship between corporate image and student loyalty.

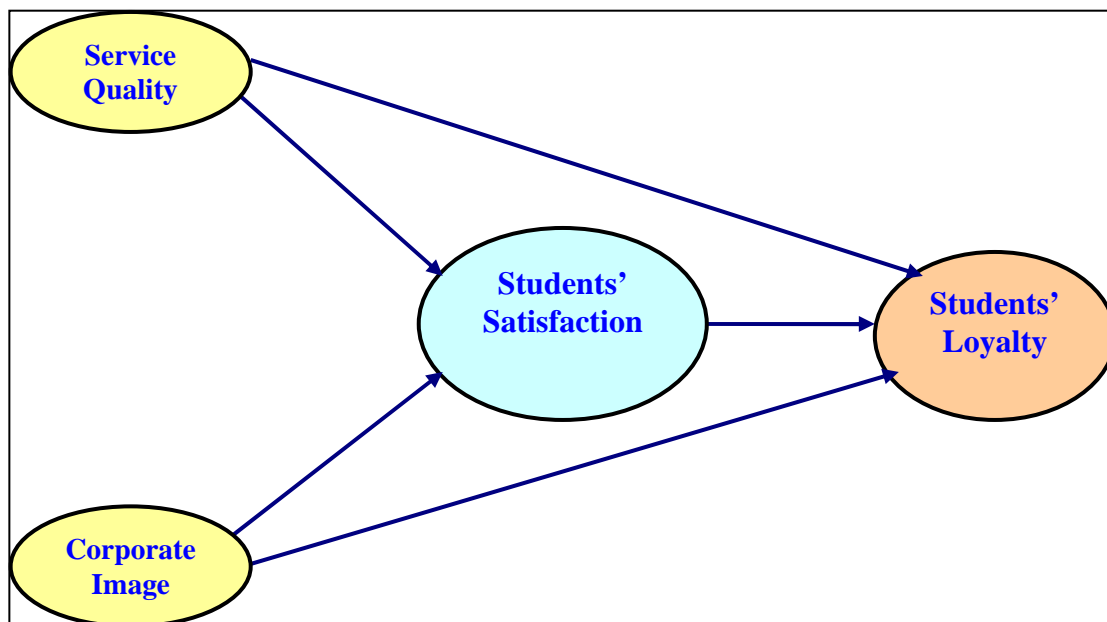


Figure 1. The Proposed Hypothetical Model of Service Quality, Corporate Image, Student Satisfaction and Loyalty.

Figure 1 illustrates the proposed hypothetical model of the study. Therefore, the study was conducted to test the following hypotheses:

H1: Service Quality has positive significant influence on Students' Datisfaction

H2: Students' Satisfaction significantly mediates the relationship between Service Quality and Students' Loyalty.

H3: Corporate Image has positive significant influence Students' Loyalty

H4: Students' Satisfaction significantly mediates the relationship between Corporate Image and Students' Loyalty.

METHODS

Population and Sample

The target population for this study is the undergraduate students in the Faculty of Business and Management at Universiti Teknologi MARA (UiTM). UiTM has branches in all states in the country. Since the branch campuses are widely scattered in term of geographical location, the study applied the stratified sampling method whereby peninsular Malaysia is divided into five geographical areas, namely eastern region, northern region, southern region, western region, and east Malaysia. The regions are divided in such a way in order to ensure homogeneity among campuses within one region, hence reducing the sampling error within that particular region. Since each region possesses almost homogeneous characteristics in term of location, environment, facilities, and climate condition, the study could select one or more than one branch campus to represent the respective region.

The Service Quality Instruments

The study adopted and customised the service quality items developed by Owlia and Aspinwall (1996). In their study, Owlia and Aspinwall (1996) developed the framework for service quality which consists of 34 items grouped into 14 dimensions, namely reliability, responsiveness, understanding customers, access, competence, courtesy, communication, credibility, security, tangibles, performance, completeness, flexibility, and redress. However, after testing further through several empirical analyses, they found these 14 dimensions have overlapped. The study develops a statement for every service quality item concerning the service at the university. The service quality is measured based on the respondent's perception for every item in a questionnaire.

The Corporate Image Instruments

The study adopted and customised the corporate image items from Theus (1993) and Kazoleas et al. (2001). The two authors developed the items based on their study on university education. The items developed by Theus (1993) consist of admission standard, quality of faculties, expenditure per student, size of endowment, size of operating budget, volume in the library, computing facilities, building structures, leaderships of a university, attributes of the faculty, global perception of university programmes, perception of a specific programme (science, liberal art, fine arts, business school etc), and the perception regarding the "prestige" of a university. The study adopts 16 corporate image items developed by Theus (1993) and Kazoleas et al. (2001) which are relevant with the high educational setting in the country and customises them accordingly. The study develops a statement for every corporate image item of the university. The score on corporate image is measured based on the respondent's perception for every item in a questionnaire.

The Customer Satisfaction and Loyalty Instruments

The study adopts the concept of customer satisfaction proposed by Gronroos (1984). The customer satisfaction items are customises to suit high educational setting in the country. The study develops a statement for every customer satisfaction item based on satisfaction with the process and satisfaction with the outcome. This study decides to adopt and customise the items developed by Bloemer et al. (1999) to suit a higher educational setting. The study develops a statement for every customer loyalty items. The score on customer loyalty is measured based on the extent of respondent's agreement or disagreement for every item in a questionnaire. For all instruments, the respondent could provide the score from 1 (strongly disagree) to 10 (strongly agree) with the statements provided in the questionnaire.

Sample Size Determination

Hair et al. (1995) stated that, for any research that requires doing the factor analysis procedure to determine the dimensionality for the items employed, the sample size obtained should be at least five times as many as the items to be analysed. However, the authors suggest that it is highly acceptable and most preferred if the study can obtain a sample based on a ten-to-one ratio. In other words, if the study could obtain a number of sample ten times the number of measuring items in the questionnaire. This study has 73 items which consisted of 34 service quality items, 16 corporate image items, 14 customer satisfaction items, and 9 customer loyalty items. Hence, it is highly preferable and adequate if the study could obtain $10 \times 73 = 730$ samples as stated by Hair et al. (1995). In order to play safe due, to unanswered or unreturned questionnaires, the study decided to distribute questionnaires to 250 undergraduate students in each region. Thus, the total number of questionnaires distributed in five regions was 1250. The number of questionnaires returned was 872, and this figure exceeds the required sample size of 730 as stated by Hair et al. (1995). Hence, it is appropriate for the study to proceed with the factor analysis procedure to determine the dimensions for each construct.

FINDINGS

Initially, the Principal Component Factor Analysis procedure was applied to the data set to determine the underlying factors under the respective constructs. The study renames the respective dimensions and determines their reliability by computing the Cronbach's Alpha. The dimension is highly reliable judging from the Cronbach's values ranging from 0.688 to 0.96. Table 1 to Table 4 illustrates the reliability value for each dimension. Interestingly, the findings indicate that all reliability measures exceed 0.6 as recommended by Nunally (1978).

Table 1: Reliability Statistics for Service Quality Items

| Dimension | Number of items in a component | Cronbach's Alpha |
|---------------------------|--------------------------------|------------------|
| Human Element | 14 | 0.960 |
| Academic Facilities | 14 | 0.957 |
| Infrastructure Facilities | 5 | 0.870 |

Table 2: Reliability Statistics for Corporate Image Items

| Dimension | Number of items in a component | Cronbach's Alpha |
|------------------|--------------------------------|------------------|
| Academic Image | 7 | 0.909 |
| University Image | 5 | 0.855 |
| Recognitions | 3 | 0.685 |

Table 3: Reliability Statistics for Customer Satisfaction Items

| Dimension | Number of items in a component | Cronbach's Alpha |
|-----------|--------------------------------|------------------|
| Process | 9 | 0.933 |
| Outcome | 5 | 0.880 |

Table 4: Reliability Statistics for Customer Loyalty Items

| Dimension | Number of items in a component | Cronbach's Alpha |
|----------------|--------------------------------|------------------|
| Retention | 4 | 0.874 |
| Recommendation | 5 | 0.918 |

Estimating the Goodness of Model Fit

The schematic diagram of the proposed model in Figure 1 is converted into the Structural Equation Modelling procedure as illustrated in Figure 2. In Figure 2, we can see the dimensions for each construct, as explained in table 2 to table 5, is included in the model. The estimate of parameters is presented in Figure 3.

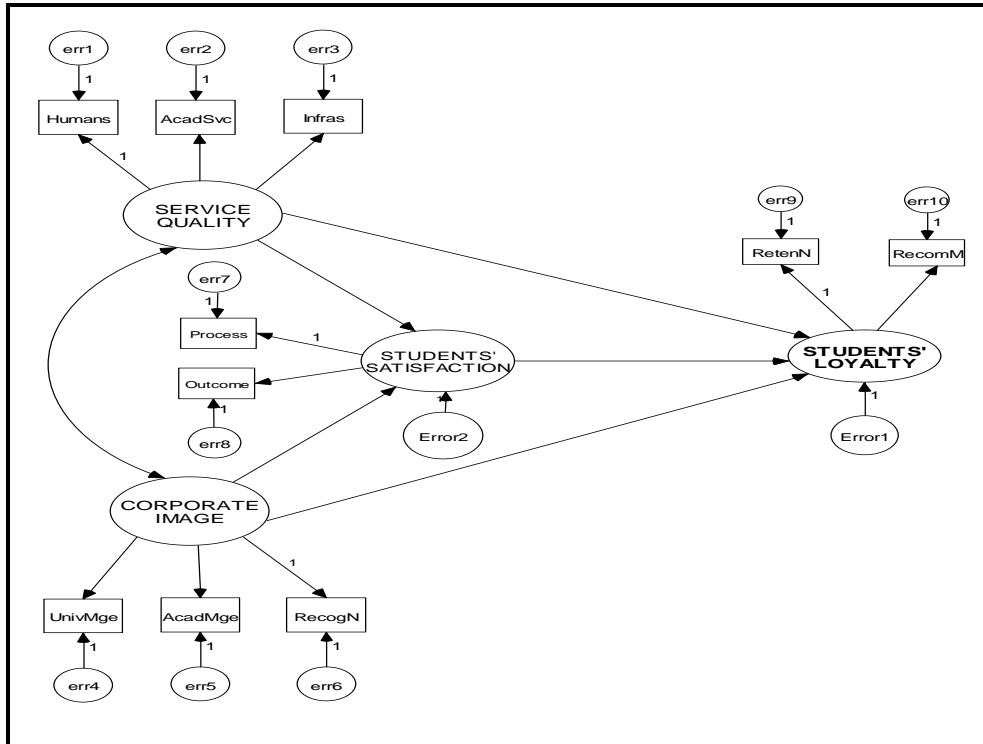


Figure 2: The Structural Model Showing the Dimensions under the Respective Constructs

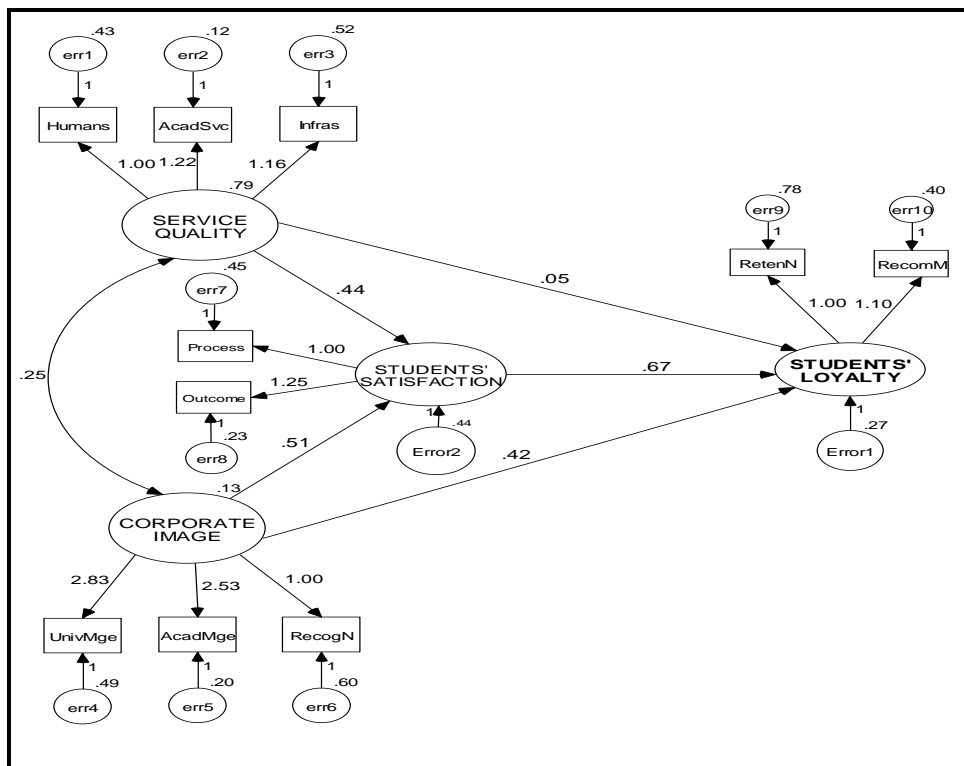


Figure 3: The Structural Model Showing the Estimate of Parameters Linking the Constructs

The study uses a few universally-recognised indexes as a measure to assess the fitness of the proposed model. The indexes used are Goodness of Fit Index (GFI), Adjusted Goodness of Fit Index (AGFI), and Parsimony Goodness of Fit Index (PGFI). Table 5 illustrates the fitness indexes produced by AMOS 5.0 to indicate the fitness of the model.

Table 5: Model Fit Summary produced by AMOS

| Model | GFI | AGFI | PGFI |
|--------------------|-------|-------|-------|
| Default model | 0.960 | 0.923 | 0.506 |
| Saturated model | 1.000 | | |
| Independence model | 0.322 | 0.171 | 0.263 |

Referring to Table 6 above, the Goodness of Fit Index (GFI) is 0.96. This figure exceeds 0.90 as required by Joreskog and Sorbom (1984). According to Joreskog and Sorbom (1984) the GFI value of 0.90 or higher indicates the model is a perfect fit to the data. Another index, the Adjusted Goodness of Fit Index (AGFI) is 0.923. The figure also exceeds the requirement by Tanaka & Huba (1985). Tanaka & Huba (1985) state that the AGFI value above 0.90 indicates the model is a perfect fit to the data. Finally, the study looked at the Parsimony Goodness of Fit Index (PGFI). The PGFI for the model is 0.506. Mulaik et al. (1989) state that the PGFI value exceeds 0.5 would indicate the model employed is a perfect fit to the data in the study. The path analysis among all constructs in the model is illustrated in table 6.

Table 6: Path analysis for all constructs in the model

| Variables | Path | Variables | Beta Estimate | Standard Error | Critical Region | P-value |
|------------------------|------|------------------------|---------------|----------------|-----------------|--------------|
| Students' satisfaction | ← | Corporate image | 0.508 | 0.145 | 3.506 | *** |
| Students' satisfaction | ← | Service Quality | 0.442 | 0.057 | 7.719 | *** |
| Students' loyalty | ← | Corporate image | 0.421 | 0.142 | 2.960 | 0.003 |
| Students' loyalty | ← | Service quality | 0.051 | 0.058 | .884 | 0.377 |
| Students' loyalty | ← | Students' satisfaction | 0.673 | 0.053 | 12.597 | *** |

The findings of the study fail to accept the first hypothesis proposed in the study which states that service quality has a significant effect on students' loyalty ($p\text{-value} > 0.05$). However, the findings of the study support the second hypothesis of the study that states students' satisfaction significantly mediates the relationship between service quality and students' loyalty. The findings suggest that service quality has an indirect relationship on students' loyalty through students' satisfaction for the services rendered by the university.

CONCLUSIONS AND IMPLICATIONS

The study was conducted to examine the relationships amongst the components of post-experience evaluation of public higher education, namely satisfaction, service quality and loyalty. In addition, the study examines the influence of corporate image on student post-purchase experience through student satisfaction and loyalty. The findings of the study support the literature that service quality is the antecedent to student satisfaction and the consequences of student satisfaction is student loyalty. The study also uncovers that corporate image has an impact on customers post-purchase experiences. This suggests that public HLIs should not overlook to build a favourable corporate image since it has an impact on customer perceptions of the firms in many aspects, such as functional and emotional aspects.

The finding indicates an important implication to the university in term of managing students' expectations. Students' loyalty is established when they are satisfied with services rendered by the institutions. In others words, the delivered services meet their expectations. Therefore, it is important to avoid making promises of delivering service quality which the institutions probably fail to deliver because this may jeopardise students' loyalty. Secondly, the management of a university should undertake to monitor the quality of services implemented by the university meeting students' expectations from time to time. There is a likelihood that students' expectations may change during the long period of time they are getting services from HLIs, hence serious attentions need to be given in measuring students' expectations and perceptions of the delivered service quality and addresses made to the shortfalls in the reliability, assurance, tangibility, empathy and responsiveness aspects of service quality.

In addition, the findings of the study support the third hypothesis of the study that proposes corporate image has positive significant influence on students' loyalty (p -value < 0.05). Moreover, hypothesis four of the study is also supported which suggest students' satisfaction significantly mediates the relationship between corporate image and students' loyalty. The findings provide an important implication to the management which suggests that maintaining a favorable corporate image of the university would be able to gain its outgoing undergraduates loyalty into becoming the paying customers of the postgraduate centre also at the same university. At the same time, the corporate image of a university has a significant influence on students' satisfaction being the paying customers of the university. Again the university could benefit from the behaviour of its satisfied customers. Therefore, it is recommended to HLIs to spend time, resources and effort to build a strong image of the service operations through advertising and other effective promotional campaigns to create a strong and favourable image to its stakeholders which include students. Thus, the favourable corporate image of a HLI may be helpful in the competitive market since it might differentiate it from its competitors.

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