

THE INFLUENCE OF SERVICE QUALITY AND CORPORATE  
IMAGE ON STUDENTS' LOYALTY IN HIGHER EDUCATION:  
THE CASE STUDY OF A LOCAL UNIVERSITY

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DOCTOR OF PHILOSOPHY  
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**The Influence of Service Quality and Corporate Image on Students'  
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Today, postgraduate education has become an important commodity in higher education industry and the competition for postgraduate customers among universities is stiff. As of 2006, there are 20 public universities, 21 private universities and more than 500 colleges in Malaysia competing for postgraduate students, their paying customers. The number of private institutions has increased tremendously after the government allowed private organizations to set-up their own universities and colleges. Furthermore, the government also allows foreign universities to market their programs in the country and even to set up their branch campuses here. Thus, one could expect a stiff competition ahead for customers, especially the postgraduate customers among universities. Perhaps one way the university could ensure

the steady inflow of its postgraduate students is through the loyalty of its outgoing undergraduates. This study modeled the loyalty of outgoing undergraduates towards their university by using service quality provided by the university and the corporate image of the university as independent constructs. The study sampled 872 outgoing undergraduates in the faculty of Business and Management, UiTM using the self-administered questionnaires. The exploratory factor analysis (EFA) procedure was carried out to determine the dimensionality of items under the respective constructs. The total variation explained for each construct ranged from 64.3% to 75.5%. Meanwhile, the Cronbach's measure of reliability for the constructs ranged from 0.69 to 0.96. The structural equation modeling (SEM) was carried out using AMOS 6.0. The study found both service quality and corporate image had a significant and direct influence on students' satisfaction. More importantly, students' satisfaction had a significant and direct influence on students' loyalty towards the university. However, unlike service quality, the corporate image of a university had a significant and direct influence on both students' satisfaction and students' loyalty. The findings of this study prove that the traditional weapon of providing excellent service quality alone is no longer adequate for a service provider, especially university, to prosper when the industry is becoming more competitive. Instead, a university also needs to project the favorable corporate image since it will help contribute to long-term growth and survival amid the competitiveness of higher education industry.

Abstrak tesis yang dikemukakan kepada Senat Universiti Malaysia  
Terengganu sebagai memenuhi keperluan untuk  
Ijazah Doktor Falsafah

**PENGARUH KUALITI PERKHIDMATAN DAN IMEJ KORPORAT  
TERHADAP KESETIAAN PELAJAR PENGAJIAN TINGGI:  
PENDEKATAN PEMODELAN PERSAMAAN BERSTRUKTUR**

ZAINUDIN BIN AWANG

May 2007

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Hari ini pengajian lepasan ijazah merupakan komoditi penting di dalam industri pengajian tinggi dan persaingan adalah semakin sengit. Pada tahun 2006 sahaja, terdapat 20 buah universiti awam, 21 buah universiti swasta serta lebih 500 kolej di Malaysia bersaing untuk mendapatkan pelanggan. Bilangan universiti di negara ini bertambah dengan ketaranya setelah kerajaan juga membenarkan organisasi swasta untuk menubuhkan universiti dan kolej. Kerajaan juga membenarkan universiti luar negara untuk memasarkan program pengajian mereka di negara ini, malahan mereka juga dibenarkan menubuhkan cawangan di negara ini. Ini menambahkan lagi persaingan antara universiti untuk mendapatkan input pelajar. Mungkin suatu cara untuk sesebuah universiti memastikan kemasukan mencukupi ke program lepasan

ijazah mereka ialah melalui kesetiaan graduan ijazah pertama mereka. Kajian ini memodelkan kesetiaan graduan ijazah pertama terhadap universiti dengan menggunakan kualiti perkhidmatan di universiti dan imej korporat universiti sebagai pembolehubah bebas. Kajian ini mengambil sampel 872 pelajar ijazah pertama fakulti perniagaan dan pengurusan Universiti Teknologi MARA menggunakan soal-selidik tadbir sendiri. Prosedur Analisis Faktor dijalankan untuk menentukan komponen bagi setiap pembolehubah yang dikaji. Variasi yang diterangkan oleh setiap pembolehubah berada di antara 64.3% dan 75.5%, dan nilai kebolehpercayaan instrumen pula berada di antara 0.69 dan 0.96. Pemodelan persamaan berstruktur telah dijalankan menggunakan AMOS 6.0. Kajian ini mengesahkan kualiti perkhidmatan dan imej korporat sesebuah universiti mempunyai pengaruh langsung yang ketara terhadap kepuasan pelajar kepada universiti; dan kepuasan pelajar pula mempunyai pengaruh langsung yang ketara terhadap kesetiaan mereka kepada universiti. Tidak seperti kualiti perkhidmatan, imej korporat sesebuah universiti mempunyai hubungan langsung yang ketara terhadap kedua-dua pembolehubah utama iaitu kepuasan pelajar dan kesetiaan mereka kepada universiti. Kajian ini juga telah membuktikan bahawa kualiti perkhidmatan yang cemerlang sahaja belum tentu mencukupi untuk sesebuah universiti terus maju dan berkembang apabila bilangan pesaing telah bertambah. Sebaliknya sesebuah universiti juga perlu menonjol imej korporat yang cemerlang kerana ianya boleh menyumbang ke arah kemajuan dan perkembangan yang berterusan di masa hadapan walaupun saingan menjadi semakin sengit.

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