Chapter 6
Mediating Effects of Study Outcomes on Student Experience and Loyalty: A Comparison of Home and International Students

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ABSTRACT
This paper aims to examine whether expectations of the student experience have an impact on student loyalty that is mediated by expectations of study outcomes at their university. To achieve this, a 15-minute pen and paper survey was self-administered to a convenience sample of students at a major university in Western Australia. The total sample size was 400 students, with 200 students each drawn from the home and international student populations. Findings suggest the university’s image and facilities that prepare students for career, personal and academic development were positively related to home student loyalty, while teaching and support services that prepare students for career development were positively related to both home and international students’ loyalty. Since the global trend is toward a customer-oriented model, universities can remain competitive by providing the ‘gestalt’ student experience that helps students to achieve their study outcomes and develop loyalty toward their university.

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INTRODUCTION

Global demand for higher education has been growing by 2.7% per year and is estimated to increase from 2.17 million in 2005 to 3.72 million in 2025, accounting for a phenomenal 70% rise over the 20 years (Bank, Olsen, & Pearce, 2007). Growth in demand is attributed to four key factors. First, the 1.1% annual global population growth (CIA, 2006) has resulted in higher global demand for places at universities (Duderstadt, 2000). Second, governments have encouraged demand through open policies, scholarships and financial aid (Paswan & Ganesh, 2009). For instance, the implementation of the Bologna convention has created harmonisation of academic degrees across the European Union, resulting in greater choice and mobility of students (Alves & Raposo, 2010). Third, the workplace requires more sophisticated education from its workforce. Universities are expected to assist students in developing skills that enhance employment prospects (McIlveen & Pensiero, 2008). Lastly, higher education is seen as a key to quality of life since education can increase personal economic well-being (Duderstadt, 2000).

Several factors present as challenges to providers of higher education. First, competition for the student dollar has increased with growth in global demand for higher education (Mavondo, Tsarenko, & Gabbott, 2004). In the English-speaking world, the USA, Canada, the UK, Australia, New Zealand, Hong Kong and Singapore are identified as strong contenders in providing tertiary education (Paswan & Ganesh, 2009). Second, universities have increasingly become self-funding as government support becomes more limited (Brown & Mazzarol, 2009). Thus, universities need to find ways to differentiate themselves and survive. Third, the steady rise of students’ own fee contribution and the emergence of a trend toward more full-fee paying, largely international, students ensure many students view themselves as customers (Blackmore, 2009; Brown & Mazzarol, 2009). In the USA, the UK and Australia, students are increasingly aware of their rights and voice opinions of their expectations (Sander et al., 2000). As a result, universities are more akin to profit-making organisations or ‘enterprise universities’ (Marginson & Considine, 2000) that are market-driven and customer-focused (Clemes, Gan, & Kao, 2007; Paswan & Ganesh, 2009).

Clearly, universities are undergoing transition from a teaching-oriented model to a customer-oriented model (Kuo & Ye, 2009). To remain competitive, it is crucial for universities to understand student expectations and provide a supportive environment that meets such expectations (Sander et al., 2000). Researchers have observed student expectations of a favourable university experience can positively impact on their participation at university (e.g., Lengnick-Hall, Claycomb, & Inks, 2000) and increase their loyalty toward their university (e.g., Brown & Mazzarol, 2009).

Current research acknowledges the need to explore the ‘total student experience’ for its influence on student attitude toward their university (e.g., Kuo & Ye, 2009). The total student experience encapsulates “academic, administrative and support systems rather than focusing solely on instructional quality” (Kuo & Ye, 2009, p. 751). Such an experience must take into account what outcomes students expect from studying at their university. However, despite the global trend toward a customer-oriented model (Blackmore, 2009; Brown & Mazzarol, 2009), research that integrates the expectations of student experience and study outcomes for their impacts on student loyalty remains limited. Insight into student expectations of study outcomes may hold the key to what students hope to take away from their experience and how they are prepared to continue an association with their university when they graduate. In addressing these issues, universities may have better opportunities for attracting prospective students and retaining current ones. This paper aims to examine whether expectations of the student experience have an impact on student loyalty that is mediated by expectations of study outcomes at