



The Student Loyalty as a Part of Higher Education Organization's Intellectual Capital

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The aim of the research and research methodology

- to identify the main factors which have an influence on the student loyalty to the higher education institution in Latvia
- Fornell C., et.al, 1996, The American customer satisfaction index: Nature, purpose and findings. Journal of Marketing, 60, 7-18.pp.
- Data mining – questionnaires for the last year students and alumniees from the higher education institutions in Latvia, 2010 respondents
- Data analysis – Structural Equation Modeling with AMOS 16

Loyalty stages [Oliver, R.]:

- cognitive loyalty – brand recognition and beliefs;
- affective loyalty – attitude toward the brand has evolved over time on the basis of cumulative satisfaction;
- conative loyalty - the intent and motivation to re-buy the particular product.
- action loyalty - the intention to buy the product is implemented, as well as have a desire and willingness to overcome obstacles that may arise in order to purchase this

$$\text{Loyalty index} = \frac{\sum_{i=1}^n w_i \bar{x}_i - \sum_{i=1}^n w_i}{\sum_{i=1}^n w_i \max[x_i] - \sum_{i=1}^n w_i \min[x_i]} \times 100$$

w – unstandardized weights of loyalty indicators

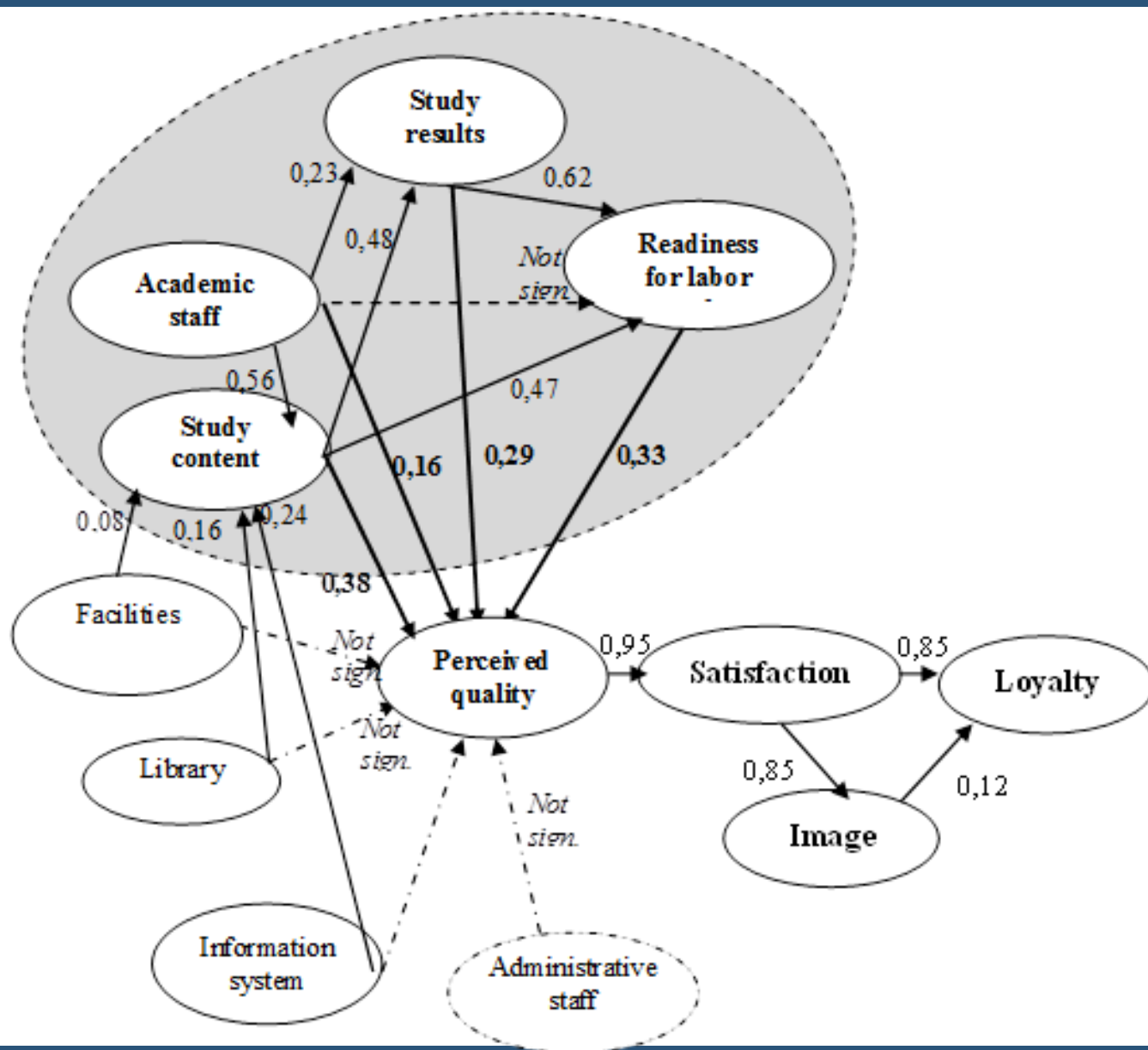
x – loyalty indicators

n- number of loyalty indicators

* the indices for satisfaction, perceived quality and image can be calculated in the same way

Indicators for loyalty:

- readiness to suggest the HE organization
- readiness to choose the HE again
- readiness to suggest the study programme of HE



The results - indices

	Loyalty model for higher education organizations in Latvia	Loyalty model in economics and business area	Loyalty model in natural sciences	Loyalty model in education sciences
Loyalty index	71	67	92	70
Satisfaction index	77	74	81	77
Image index	75	72	76	76
Perceived quality index	71	68	72	73

- Importance of «customer capital» in universities
- The student loyalty is one of the most important parts of the «customer capital».
- So far there have been made studies on the factors which are influencing the loyalty, but less attention has been paid to the loyalty assessment.
- The authors offer to use the principles of the Fornell et.al (1996) developed satisfaction index model to determine the factors influencing loyalty and to measure the depth of the student loyalty to the university.

- The most important elements affecting student loyalty – study content , readiness for labor market, learning outcomes and academic staff
- The service support elements or support processes, such as the administrative staff, library and information system, turned out to have a statistically irrelevant effect on the student-perceived quality, satisfaction and student loyalty.
- Too less attention paid on the internationalisation processes, IT tools