How can universities improve student loyalty? The roles of university social responsibility, service quality, and "customer" satisfaction and trust

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Abstract:

Purpose – Student loyalty is important if universities are to stay in business by recruiting and retaining satisfied students who provide positive evaluations of their university to others. The current study employed a theoretical framework established by consumer researchers to test the hypothesis that university social responsibility (USR) would predict student loyalty, but that this relation would be mediated by perceived service quality, student satisfaction, and student trust in their university.

Design/methodology/approach – Fee-paying university students in Pakistan (n = 608) completed a questionnaire to assess their perception of USR and service quality, their satisfaction with and trust in their university, and loyalty toward their university.

Findings – Structural equation modelling with partial least squares software supported the hypotheses that higher perceived USR would be related to higher student loyalty, and that this relation would be mediated by perceived service quality, student satisfaction, and student trust.

Originality/value – This study provides a novel contribution to the limited literature on USR and its relations with student loyalty. Several models have previously examined the relation between corporate social responsibility and general consumer loyalty, but these have limited applicability to the education sector. The data in this study support a model showing that USR supports student loyalty through its positive impact on perceptions of service quality, student satisfaction, and student trust. The findings suggest that USR could be a marketing tool that supports student loyalty, as long as USR initiatives increase students' perceptions of service quality, satisfaction and trust in their university.

Keywords:

Student loyalty, University social responsibility, Service quality, Student satisfaction, Student trust

Introduction

The global trend to marketize higher education has led to increasing competition among universities for students (Latifet al., 2019). Universities are becoming managed as businesses, some students are beginning to identify as consumers (Bunce et al., 2017; Tomlinson, 2017) and concepts such as "customer" satisfaction are now central to evaluations of a university's success. Although equating students with consumers and universities with service providers sits uncomfortably with academics (King and Bunce, 2020), and can have a negative relation to academic performance (Bunce et al., 2017), successful universities, like businesses, need to take customer satisfaction seriously. Satisfaction, however, is just one factor that is implicated in the broader concept of customer loyalty (Chaudhuri and Holbrook, 2001; Dick and Basu, 1994).

Customer loyalty can be defined as "the level of commitment of the average consumer towards a brand or service provider" (Mandhachitara and Poolthong, 2011, p. 123). Loyalty includes dimensions such as positive word-of-mouth evaluations to others, recommending the service to others and defending the service providers' virtues. Customer loyalty can also be considered a behavioral intention to maintain an ongoing relationship with a service provider (Singh and Sirdeshmukh, 2000). In a higher education context behavioral loyalty can, for example, be measured with respect to the number of students staying at their university (retention) and the number of students undertaking further study within the higher education institution (HEI). Building a loyal customer base, therefore, is vital for retaining and growing market share and for developing a sustainable competitive advantage (Popli, 2005; Kotler and Armstrong, 2008; Dick and Basu, 1994).

Several studies from consumer research have investigated possible antecedents to customer loyalty. Most notably, these include: (1) service quality, (2) customer satisfaction and (3) customer trust. Importantly, these three antecedents are also interdependent: high service quality predicts customer satisfaction, which in turn predicts customer trust (Annamdevula and Bellamkonda, 2016; Rojas-Mendez et al., 2009). While there is a plethora of research on customer loyalty in sectors such as business, retail and the services industry, there is comparatively less in this increasingly important area for research in higher education. Understanding the predictors of student loyalty is important for the higher education sector because it is likely to have the same benefits as customer loyalty to other service providers, including building a loyal customer base and growing market share. Loyal students are more likely to continue a relationship with their university after graduation, consider engaging in further study at their university (Rojas-Mendez et al., 2009) and are less likely to leave the university (Popli, 2005). They are also more likely to make future financial contributions to the institution and advocate for their university by recommending it to others (Ali et al., 2016). Recently, social responsibility has been identified as a significant contributor to improved customer loyalty. Abundant literature is available on the link between corporate social responsibility (CSR) and customer attitudes and behaviors (Green and Peloza, 2011; Tian et al., 2011; Srinaruewan et al., 2015). For example, studies have shown a significant impact of corporate social responsibility on service quality (Butt and Asghar, 2013), customer satisfaction (Luo and Bhattacharya, 2006), trust (Swaen and Chumpitaz, 2008) and loyalty (Maignan et al., 1999; Du et al., 2010; Rashid et al., 2015). However, there is a lack of empirical research on university social responsibility (USR) and how it can affect students who are an integral component to the commercial success of HEIs (Sanchez-Hernandez and Mainardes, 2016; Fernandes et al., 2013). The need to study the potential impacts of social responsibility in HEIs is warranted because it has yet to find its place as a performance indicator in university ranking system (Shek and Hollister, 2017). Universities are now recognizing the value of both increasing and promoting the ways in which they demonstrate social responsibility (Vazquez et al., 2015).

There have been some studies that have examined the impact of social responsibility on employee attitudes and behaviors in HEIs (Asrar-ul-Haq et al., 2017). This study found that perceived CSR has a significant relationship with job satisfaction and organizational commitment. A small number of studies have also begun to examine how USR might be promoted by universities as a tool to enhance student outcomes, such as student satisfaction (Vazquez et al., 2015). This research is based on the premise that a socially responsible university can lead to better student attitudes and behaviors and increased loyalty. For example, Vazquez et al. (2015) revealed that the overall perception of USR was significantly related to quality of service and student satisfaction. Additionally, El-Kassaret al. (2019) have called for further research in the area of USR to deepen knowledge of USR and its impact on students' and perceptions of university-related outcomes such as perception of university quality of service, as well as student satisfaction. Such understanding will eventually determine the practical applications of USR that will support the HEIs' survival and progress.

It is worth noting that most studies on CSR and USR have been conducted in European countries and the United States of America, but the current study was conducted in Pakistan. This makes an important contribution to the literature because it will be useful to demonstrate if the consequences of social responsibility are the same in a developing country (Malik and Kanwal, 2018; Asrar-ul-Haq et al., 2017). Examining these issues from another cultural perspective could also benefit HEIs in terms of understanding how to develop loyalty among international students.

As social responsibility is concerned with the relationship between an organization and its stakeholders (Crowther and Seifi, 2013), it is viable to assume that students would be affected by the ability of their institution to be socially responsible. The present study argues that USR would lead to improved student loyalty, just as CSR leads to improved customer loyalty. The aim of this research was to examine the former possibility.

This paper makes a unique contribution to this body of research in several ways. First, it provides an original addition to the limited literature on USR and its relations with student loyalty. Several models have previously examined the relation between CSR and general consumer loyalty, but these have limited applicability to the education sector. Second, this study will provides a new short measure of USR adapted from Latif (2018). Third, the research will examine the mechanisms through which USR impacts student loyalty, and, finally, the study utilises a sample from a developing country to explore whether the role of USR in student loyalty are generalizable in this context. The literature review will now consider the three main antecedents to customer loyalty: (1) service quality, (2) customer satisfaction and (3) customer trust.

Literature review and hypotheses development

Service quality

Irrespective of their industry, organizations focus on the quality of services that they provide to their customers because these have an integral role in developing competitive advantage and in attracting new and retaining existing customers (Ugboma et al., 2007). In education, loyalty requires developing a solid relationship with students (Annamdevula and Bellamkonda, 2016); ignoring service quality is likely to be detrimental to student loyalty (Aliet al., 2016; Sultan and Wong, 2013). In a study by Hennig-Thurau et al. (2001) 1,162 students studying at six German universities completed a questionnaire to assess the impact of relationship quality with their university on student loyalty. They asked students, for example, whether they would choose the institution again and whether they would recommend it to others. Hennig-Thurau et al. (2001) found that teaching

quality was highly related to student loyalty, meaning that students who rated teaching as higher quality were also more loyal.

Satisfaction

In terms of satisfaction, previous research shows that high-quality services lead to satisfied customers (Annamdevula and Bellamkonda, 2016). Student satisfaction is an attitude that results from the evaluation of the students' experiences of educational services (Elliot and Healy, 2001). Several studies have found that a higher level of perceived service quality is associated with improved student satisfaction (Annamdevula and Bellamkonda, 2016; RojasMendez et al., 2009; Paswan and Ganesh, 2009; Fernandes et al., 2013). Furthermore, a study of postgraduate students at Spanish universities Giner and Rillo (2016) found that student satisfaction had a significant positive impact on student loyalty.

Trust

The third issue is trust. Trust encourages customers to create positive expectations related to the future behaviors of that service provider, which may enhance the customer's commitment to that service provider (Sirdeshmukh et al., 2002). Romero (2015) notes that little is known about student trust, and investigations of trust in the education sector are relatively recent (Kwan, 2016). Educational institutions are social systems, and high levels of learning are unlikely to occur without a nurturing environment that includes trust (Bryk and Schneider, 2002). In education, students' trust may be understood as the students' confidence on the university's integrity and reliability (Rojas-Mendez et al., 2009). Satisfied students are more likely to trust their service provider, for example, Rojas-Mendez et al. (2009) found that improved student satisfaction was associated with a higher level of trust in a sample of 752 Chilean university students (see also Vlachos et al., 2009).

Loyalty

In terms of student loyalty, these dynamics suggest that students will be loyal to their university if they perceive that they have experienced high service quality, are satisfied and can trust their HEI (Perin et al., 2012). Together, these three factors support students' confidence that their HEI will continue to provide the same level of service in the future and, consequently, they are likely to be more willing to recommend their HEI to others and to return to it themselves if and when seeking future degrees (Schertzer and Schertzer, 2004; Helgesen and Nesset, 2007). In support of this idea, Annamdevula and Bellamkonda (2016) surveyed the attitudes of students about the quality of service, satisfaction, and loyalty from seven public universities in India. They found that superior level of perceived service quality resulted in improved levels of satisfaction, which subsequently increased loyalty.

University social responsibility

The three antecedents to customer loyalty – service quality, satisfaction, and trust – have themselves been shown to be influenced by the broader theoretical construct of CSR. According to Business for Social Responsibility (2000), CSR is "operating a business in a manner that meets or exceeds the ethical, legal, commercial and public expectations that society has of business."It refers to the notion that corporations have an obligation to outside constituent groups in society, beyond stakeholders and beyond that prescribed by law (Jones, 1980). In relation to the higher education sector, this construct has been labeled as USR. According to Latif (2018), USR refers to a university's commitment to recognizing the interests of society and performing in a way that improves the well-being of its members through the provision of quality educational services. Esfijani et al. (2013)

further define USR as a concept whereby a university integrates all of its functions and activities with societal needs through active engagement with its communities in an ethical and transparent manner, which aims to meet all stakeholders' expectations. USR can be measured based on how well a university focuses on its ethical responsibilities, takes seriously its research/development responsibilities and has a commitment to philanthropy (Latif, 2018).

Much of the research on the impact of social responsibility has focused on business and how it affects organizational performance (Reverte et al., 2016; Mehralian et al., 2016). CSR has a significant impact on service quality (Mandhachitara and Poolthong, 2011), customer satisfaction (Luo and Bhattacharya, 2006), trust (Swaen and Chumpitaz, 2008) and loyalty (Maignan et al., 1999). In addition to evaluating the direct impact of CSR on loyalty, existing research has found that service quality, satisfaction, and trust act as important mediators in understanding the impact of CSR on customer loyalty (Chomvilailuk and Butcher, 2014; Shin and Thai, 2015; Pivato et al., 2008). In other words, CSR influences customer loyalty through its impact on perceived service quality, satisfaction, and trust. As social responsibility is in part concerned with the relationship between an organization and its stakeholders (Crowther and Seifi, 2013), it is reasonable to assume that student evaluations of their institution would also be affected by the extent to which they perceive their institution as socially responsible.

Vazquez et al. (2015) examined factors that influence students' satisfaction during the use of education services using a USR model. The study analyzed the responses of 400 students from the University of Le□on, Spain, asking them to rate the educational, cognitive, organizational and social impact of the university on service quality and student satisfaction. They found that the overall perception of USR was a determining factor of service quality and student satisfaction. The authors argued the need for additional research to explore the impact of USR on trust and student loyalty.

Aims of the current study

The current study sought to apply previous research on the antecedents of customer loyalty to explore whether these can help universities to understand student loyalty. Specifically, the study asked students to complete a questionnaire to examine their level of loyalty to their university, as well as their perceptions of their USR and university service quality. Students also rated their level of satisfaction and trust in their university. We tested a mediational model to establish whether USR predicts student loyalty because of its positive influence on service quality, student satisfaction, and student trust (Figure 1).

H1. Students who perceive their university as being more socially responsible are subsequently more loyal to their university because a more socially responsible university is associated with providing higher levels of service quality, has more satisfied students and has students with higher levels of trust in their university.

H2. The relations between the mediators: we expected that students' ratings of service quality would positively predict student satisfaction, and that student satisfaction would subsequently positively predict student levels of trust in their university.

Research methodology

Pilot study

To obtain an appropriate measure of USR, a pilot study was conducted to assess the factor structure of a brief form of the 47-item USR questionnaire developed by Latif (2018). In the original

questionnaire, participants rated their level of agreement with each item on a scale of 1 (strongly disagree) to 5 (strongly agree). The short 19-item version of USR scale maintains three key dimensions of USR: ethical responsibilities, research and development and

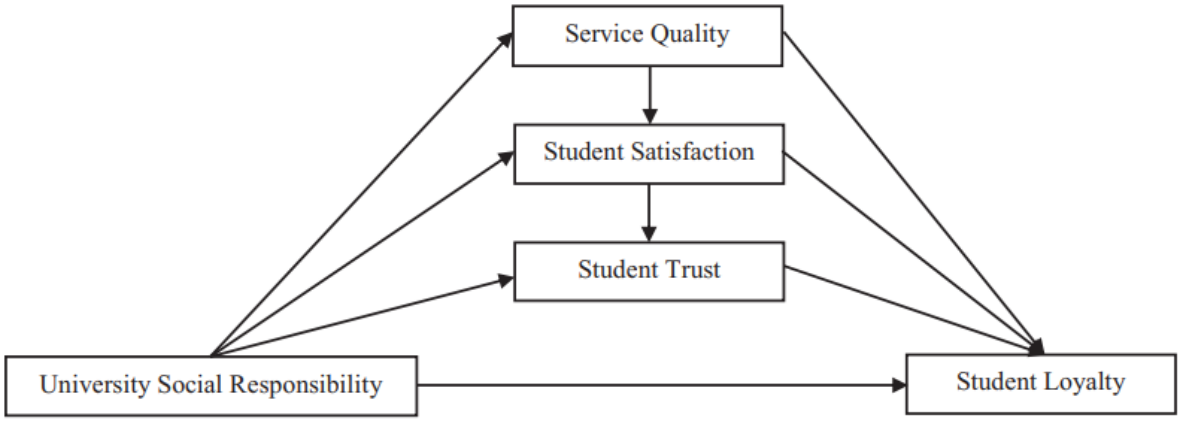


Figure 1. Proposed mediation model tested in the current study

philanthropic responsibilities. Ethical responsibilities were assessed with a total of seven items relevant to principles, values and standards within the field of higher education, e.g. The university has a comprehensive code of conduct. Research and development responsibilities was assessed with six items regarding whether it fulfilled its responsibilities around funding, industry links and supporting research with social and economic impact, e.g. The university arranges for links with industry to develop skills in students. Philanthropic responsibilities were assessed with six items relevant to the level of consciousness within the university toward discretionary responsibilities, including charity, scholarships and support, e.g. The university consistently offers scholarships to those in need.

To verify the factor structure of this shortened version, 215 students from one university in Pakistan completed the questionnaire. Exploratory factor analysis (EFA) using SPSS 20 revealed the expected three factors solution; however, three items did not fit the factor structure and were removed: one item from research and development was removed because it failed to load onto its respective factor, and two further items were removed because they did not show acceptable loadings (< 0.50) (one item from research and development and one item from philanthropic responsibilities). The final three factor structure explained 60.80% of the total variance in USR. The results of EFA are summarized in Table 1.

Factor	Scale number and item		Factor number 1	2	3
Ethical responsibilities	(1)	The university has a comprehensive code of conduct	0.683		
	(2)	The university tries to perform in a manner consistent with expectations of societal and ethical norms	0.736		
	(3)	The university has reduced consumption of scarce resources, such as water and electricity	0.675		
	(4)	The university encourages student/staff initiatives toward good environmental performance	0.712		
	(5)	The university encourages its members to follow professional standards	0.689		
	(6)	The university is committed to prevention of pollution on all major environmental aspects	0.571		
	(7)	The university behaves with honesty, transparency and fairness in all its activities and relationships with others	0.651		
Research and development	(1)	The university arranges for links with industry to develop skills in students		0.761	
	(2)	The university encourages and empowers students to undertake research that creates social and economic impact		0.787	
	(3)	The university integrates values such as respecting individual and social rights when carrying out research		0.650	
	(4)	The university encourages scientific research on social problems and knowledge generation		0.627	
Philanthropic responsibilities	(1)	The university consistently offers scholarships to those in need			0.694
	(2)	The university offers free education to support staff			0.807
	(3)	The university understands and offers more time for students to pay their fees if they are in financial difficulty			0.756
	(4)	The university offers financial support to employees/ students for extra-curricular activities			0.631
	(5)	The university participates in voluntary charitable activities within their local community			0.620

Table 1. Final factor structure of the brief form of the USR scale

Main study

Participants. Data were collected from 608 students, of which 323 were male (53%) and 285 were female (47%). The average age was 23.94 years (SD = 4.06). Just over one-third of students (230, 38%) were enrolled in an undergraduate program, while 378 (62%) were enrolled in a postgraduate program. The students were studying at eight different higher education institutions in Pakistan.

Measures. The questionnaire comprised five sets of scales regarding perception of USR, service quality, student satisfaction, student trust, and student loyalty. Students rated their level of agreement with each item on a scale of 1–5 where 1 strongly disagree and 5 strongly agree. The questionnaire was in English, which is the language in which students at university in Pakistan are taught.

Service quality was measured with Hennig-Thurau et al.'s (2001) six item scale. Example items include I am satisfied with the quality of academic staff at my university and I have access to latest infrastructure at my university. Satisfaction was measured using a five-item scale by Annamdevula

and Bellamkonda (2016). Example items include I am satisfied with my decision to register at this university and My choice to choose this university was a wise one. Student trust was assessed using a five-item scale by Dehghan et al. (2014), following Hennig-Thurau et al. (2001). Example items include I am sure that the university staff were always acting in my best interest and Integrity is a word I would use when describing the university staff. Student loyalty was measured using Hennig-Thurau et al.'s (2001) six-item scale. Example items include I would recommend my program to someone else and I would recommend my university to someone else. The wording of items from all four of these scales was adapted slightly to make them suitable for the current study context.

Procedure. Data were collected from eight HEIs in Pakistan. Permission was gained from the Heads of Department before approaching students. Students were provided with a hard copy of the questionnaire and invited to complete it at the end of class. Students were under no obligation to take part. The questionnaire took approximately 10 min to complete, and data were collected between November 2017 to February 2018.

Data analysis and results

Following the recommended two-stage analytical procedures by Anderson and Gerbing (1988), we first tested the measurement model to explore the validity and reliability of each of the questionnaires using SPSS 20. Subsequently, we tested the structural model to examine the hypothesized relationships between the variables (using SmartPLS 3.2.7, Ringle et al., 2015) (see Hair et al., 2017).

Test of the measurement model: reliability and validity. The measurement model was developed and tested for reliability and validity. The factor loadings and other measurement properties for each construct are shown in Table 2. All loadings within each construct exceeded the recommended level of 0.60 (Chin, 1998), resulting in confidence that all items helped in estimating each underlying construct. Instrument reliability was assessed using Cronbach's alpha and composite reliability (CR). As shown in Table 2, Cronbach's alpha and CR exceeded the 0.70 threshold (Wasko and Faraj, 2005), meaning that all constructs in the study had internal consistency. Convergent validity was acceptable because the average variance extracted (AVE) and CRs were all higher than 0.50 and 0.70, respectively (Table 2). Discriminant validity was assessed using the Fornell and Larcker (1981) criterion. According to Fornell and Larcker (1981), AVE is established if the square root of constructs' AVE (shown in italics along the diagonal in Table 3) is greater than the inter-correlations of other constructs. The results show that the AVE was greater than the squared correlation between each pair of constructs, thus providing evidence for discriminant validity (Table 3).

Structural model assessing the relation between university social responsibility and loyalty.

First, we examined the amount of variance explained by the independent variables on the various outcome variables. Loyalty was predicted by USR, service quality, satisfaction, and trust, and together, these variables explained 59.1% of the variance in loyalty. USR explained 53.4% of the variance in service quality, while USR and service quality combined explained 55.4% of the variance in satisfaction. USR and satisfaction explained 49.7% of the variance in trust. These can be described as moderate (Chin et al., 2008).

To assess whether the relation between USR and student loyalty was mediated by service quality, satisfaction, and trust, we examined R2, beta (β) and the corresponding t-values via a bootstrapping procedure with 5,000 samples (Hair et al., 2017). The study involved a total of five variables. USR was the predictor variable, service quality, satisfaction, and trust were the mediating variables, and loyalty was the outcome variable. We first tested the direct effects by testing the hypotheses that

USR predicts loyalty, and USR predicts the mediating variables service quality, satisfaction, and trust. Subsequently, we explored the relations between the mediating variables to determine whether service quality predicted satisfaction, which in turn predicted trust. Finally, we tested indirect effects to examine the hypothesis that service quality, satisfaction, and trust mediated the relation between USR and loyalty (Figure 2).

Direct effects. The results supported H1. First, USR positively and significantly predicted loyalty ($\beta = 0.181$, $t = 3.995$, $p < 0.001$), meaning that the more that students agreed that their university demonstrated USR the more loyal they were. USR also positively and significantly predicted all three mediators: service quality ($\beta = 0.731$, $t = 35.185$, $p < 0.001$), satisfaction ($\beta = 0.292$, $t = 6.554$, $p < 0.001$), and trust ($\beta = 0.356$, $t = 8.655$, $p < 0.001$); thus, the more that students agreed that their university demonstrated USR, the more likely they were to agree

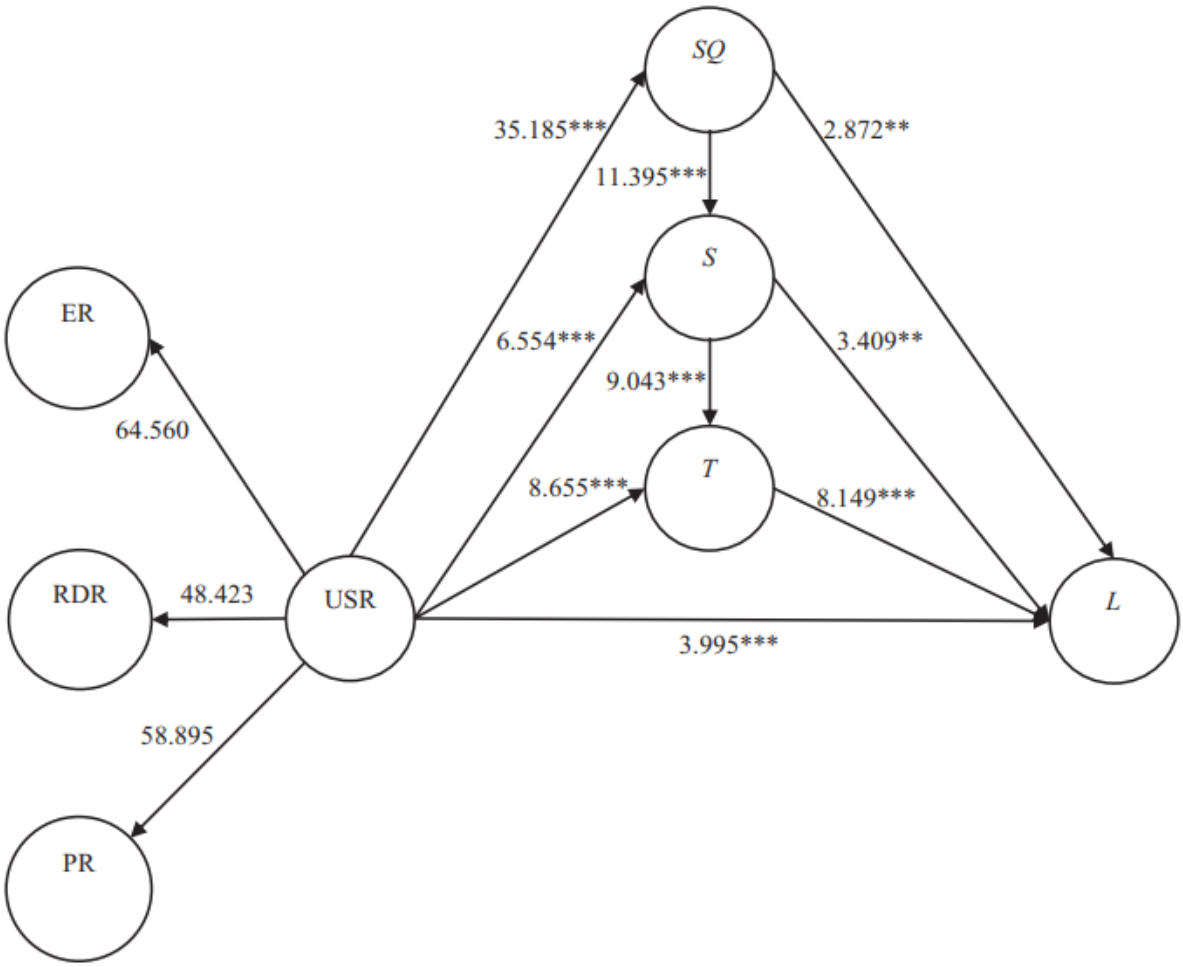
Scale	Cronbach's Alpha	CR	AVE	Scale item number and loadings 1	2	3	4	5	6	7
Ethical responsibilities	0.868	0.899	0.561	0.811	0.805	0.696	0.82	0.8	0.738	0.697
Research and development	0.855	0.902	0.698	0.816	0.86	0.843	0.822	–	–	–
Philanthropic responsibilities	0.847	0.891	0.62	0.754	0.808	0.787	0.802	0.787	–	–
Service quality	0.883	0.911	0.631	0.795	0.819	0.815	0.82	0.784	0.729	–
Satisfaction	0.909	0.932	0.734	0.849	0.873	0.886	0.872	0.801	–	–
Trust	0.896	0.923	0.707	0.848	0.86	0.829	0.857	0.81	–	–
Loyalty	0.876	0.906	0.617	0.755	0.772	0.804	0.813	0.802	0.767	–

Table 2. Reliability and convergent validity of the constructs

	ER	PR	RDR	SQ	S	T	L
Ethical responsibilities (ER)	*0.749*						
Philanthropic responsibilities (PR)	0.545	*0.788*					
Research and development responsibilities (RDR)	0.557	0.578	*0.835*				
Service quality (SQ)	0.625	0.649	0.559	*0.794*			
Satisfaction (S)	0.548	0.586	0.53	0.717	*0.857*		
Trust (T)	0.574	0.533	0.466	0.674	0.652	*0.841*	
Loyalty (L)	0.557	0.562	0.491	0.661	0.644	0.703	*0.786*

Note(s): Italics refer to Square Root of AVE

Table 3. Discriminant validity of the constructs (Fornell and Larcker criterion)



Note(s): Service Quality (*SQ*), Satisfaction (*S*), Trust (*T*) and Loyalty (*L*). * < 0.05, ** < 0.01 and *** < 0.001

Figure 2. Direct relations between USR (comprising ethical responsibilities, research and development responsibilities and philanthropic responsibilities

that their university provided service quality, they were more satisfied, and they had higher levels of trust in their university.

Next, the direct effects of the mediating variables on loyalty were assessed. There were significant positive relations for all three mediating variables on loyalty: service quality (β = 0.155, t = 2.872, p = 0.004), satisfaction (β = 0.168, t = 3.409, p = 0.001), and trust (β = 0.375, t = 8.149, p < 0.001), meaning that higher perception of service quality, more student satisfaction, and more trust were associated with increased loyalty.

Indirect effects. The three indirect effects of USR on student loyalty through service quality, satisfaction, and trust were significant (Table 4). This means that service quality, student satisfaction, and student trust partially mediated the influence of USR on student loyalty and supports H1.

Relations between the mediators. Finally, the relations between the mediating variables were assessed to test H2, which proposed that service quality, satisfaction, and trust predicted each other in turn. The analysis supported this hypothesis: service quality positively predicted satisfaction (β =

0.504, $t = 11.395$, $p < 0.001$), and satisfaction positively predicted trust ($\beta = 0.417$, $t = 9.043$, $p < 0.001$).

Discussion

The present study applied a theoretical framework for understanding "customer" loyalty to increase our understanding of student loyalty and its relevance to higher education. Notably, the study examined relations between USR and student loyalty as mediated by perceived service quality, student satisfaction, and student trust in their university. As expected, the study found a significant impact of USR on student loyalty meaning that the more that a student perceived their university as acting ethically, as having a research and development focus, and as being engaged in philanthropy, the more loyal students were. This is in line with previous research that has consistently found positive associations between CSR and customer loyalty (e.g. Chomvilailuk and Butcher, 2014). Understanding predictors of student loyalty is valuable to universities for helping them to develop a loyal customer base and grow their market share. The findings of the present study demonstrate that USR has an important relation with student loyalty that is of potential value for universities who want to maintain and grow their student body.

The present study found significant positive direct effects of USR on service quality, and student satisfaction and trust. In terms of service quality, in line with previous research, there was a significant impact of USR on students' perception of service quality (see, e.g. Mandhachitara and Poolthong, 2011). This suggests that, in addition to USR activities, service must be of high quality to establish student loyalty (Mandhachitara and Poolthong, 2011). In the current study, a significant positive relation between USR and student satisfaction was also found, which is consistent with previous research (e.g. V azquez et al., 2016). Furthermore, students who made a positive evaluation of USR, and student were also more trusting of their university (e.g. Swaen and Chumpitaz, 2008). The positive relation between USR, and student satisfaction and trust can be attributed to that fact that USR initiatives demonstrate understanding of student-related issues and help add value and credibility that builds satisfaction and trust among the students.

Significant positive direct effects were subsequently found between each of the three mediators, (service quality, satisfaction and trust), and loyalty. Student perception of service quality was significantly and positively related to student loyalty, confirming the results of earlier studies (e.g. Annamdevula and Bellamkonda, 2016). This could be attributed to the notion that superior services by academics, administrators and other supporting staff lead to students feeling valued, which was associated with increased loyalty toward the institution. As found by previous research (e.g. Fernandes et al., 2013), the current study also found a significant relation between student satisfaction and loyalty, as well as student trust and loyalty (e.g. Perin et al., 2012). This could be attributed to the fact that when service providers are able to build customer satisfaction and trust, they are simultaneously reducing the risk to service provision that customers may perceive. In turn, this reduction of perceived risk may enhance the customer commitment to that service provider (Chen and Chang, 2005). In terms of student loyalty, these dynamics could mean that if students trust the HEI's personnel and management, they may also be confident that the HEI will continue to consistently provide the same level of service in the future (Carvalho and Mota, 2010).

The study also assessed the relations between the mediating variables. Specifically it tested the hypothesis that perceptions of service quality predicted student satisfaction, which in turn predicted student trust. Consistent with existing studies, the present study found a significant positive

association between service quality and student satisfaction (e.g. Aliet al., 2016). This suggests that to attain student satisfaction in higher education, there is a need to

Variable	Indirect effect	SE	t	p
Service quality	0.113	0.040	2.850	0.004
Satisfaction	0.049	0.016	3.054	0.002
Loyalty	0.134	0.022	6.065	0.000

Table 4. Indirect effects of service quality, satisfaction and trust on the relation between USR and loyalty

provide high-quality educational services. A high level of student satisfaction could be the result of student service expectations being met. The current study also found a significant positive impact of student satisfaction on student trust, supporting the findings of Grossman (1999). This is perhaps not surprising because a high level of satisfaction, as a result of receiving good service quality, would be associated with trust that such quality would continue in the future. Universities can build trust by offering consistently good service quality, e.g. by treating students in a consistent and equitable manner, managing and meeting student's expectations and handling student complaints in a caring manner (Elliott and Healy, 2001).

The current study finally assessed the mediating roles of service quality, student satisfaction and student trust on the link between USR and student loyalty. The results revealed that service quality, satisfaction and trust mediated the relation between USR and loyalty. These findings indicate that the implementation of USR indirectly increases student loyalty if it is embedded in the university in a way that improves service quality, builds student levels of satisfaction and makes the university more trustworthy. Although there is a significant lack of literature on the role of USR in the education sector, the marketing and management literature has consistently found similar results. For example, Mandhachitara and Poolthong (2011) demonstrated that service quality and student satisfaction both mediated the relationship between social responsibility and repeat patronage intentions (behavioral loyalty). The results of the present study also support previous research showing that trust mediates the relation between USR and loyalty (e.g. Vlachos et al., 2009). USR initiatives may not, therefore, support the development of loyalty unless they also raise students' perception of service quality, satisfaction, and trust (Shin and Thai, 2015). The results indicate that university administrators should recognize that investing in USR could have a significant interaction with positive student responses (e.g. loyalty in the present study).

Limitations and future research directions

There are some limitations to the study that may impact on generalizability. The first is that participants were from universities in Pakistan, which has a one-tier university system, unlike in many Western countries that have a two-tier system (e.g. Ivory League versus mainstream universities in the USA and research-intense versus teaching-intense universities in the UK). Therefore, more research is required to determine the generalizability of the findings to different types of universities in Western countries. Furthermore, cultural or other differences between students studying in Pakistan and Western countries may impact on generalizability, e.g. Pakistan is a collectivist society, whereas many Western countries are individualistic societies, meaning that USR may be perceived differently according to cultural context. Another limitation of the present study is that it was based on correlational data, meaning that the cause and effect could not be

determined. Experimental studies will be needed to support the suggestion that increasing USR will lead to an increase in student loyalty. The current data do not rule out the possibility that students who are more loyal to their university are more likely to perceive their university as engaging in more USR. Future studies may also assess the impact of USR on other relevant variables such as university image or relationship quality with students and determine the impacts on student outcomes such as level of academic performance. This will create a more complete view of the impact of USR on its student body.

Implications and conclusions

The main contribution from this study stems from confirmation of the hypothesized relations between USR initiatives, service quality, student satisfaction, student trust, and student loyalty. This study also supports the idea that USR in the higher education sector creates "added value" for students and is associated with positive perceptions of service quality, higher student satisfaction, higher trust and increased student loyalty. Hence, USR represents an opportunity for offering value to students, which improves the HEI's image and consequently makes it easier to attract and retain students. These findings could be relevant to all HEIs that have a "customer-oriented" environment, where students seek more for their money and whose evaluations affect their university's position in league tables. The study suggests that education administrators could create programs that promote, establish, develop and maintain successful long-term relationships with both current and former students through identification of antecedents that play a role in establishing USR. The findings of this study also suggest that HEIs should invest in USR and in communicating their USR initiatives. This could help to improve the reputation of the university and lead to positive attitudes and behaviors in students such as trust and loyalty.

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