



**FACTORS AFFECTING INTERNATIONAL STUDENTS'
SATISFACTION: EMPIRICAL STUDY OF PUBLIC
HIGHER LEARNING INSTITUTIONS IN MALAYSIA**

BY

MOHAMMED IDRIS GAAS

**A dissertation submitted in fulfilment of the requirement for
the degree of Master of Science (Marketing)**

**Kulliyyah of Economics and Management Sciences
International Islamic University Malaysia**

OCTOBER 2018

ABSTRACT

Recently, the topic of customer satisfaction has gained a lot of attention. Therefore, customer satisfaction in services sector has received more focused studies and deep researches. As education is a service sector, the purpose of this study is to examine factors influencing satisfaction level of international students in the institutions of public higher learning in Malaysia. Primary data was collected from a convenient sample by distributing self-administrated questionnaire in four universities (UM, UTM, UPM, and IIUM) in Klang Valley area. Among 318 returned questionnaires, only 307 questionnaires could be used for analysis. SPSS was used to analyse the collected data, regression was applied for testing the relationship between variables namely; non-academic aspects, academic aspects, reputation of an institution, accessibility, and program issues of an institution as independent variables while the dependent variable was students' satisfaction. The results revealed that all independent variables have a positive impact on the satisfaction level. Surprisingly, reputation was found to be the most significant factor influencing satisfaction level of international students, followed by non-academic aspects while accessibility was found to be the weakest factor affecting satisfaction level. Finally, it is expected that this study could help education providers to identify factors that affect students' satisfaction level the most and allocate their resources to improve those factors.

خلاصة البحث

ركزت الدراسة بصورة مباشرة على العوامل المؤثرة على رضا الطلاب الأجانب في قطاع التعليم العالي الحكومي في ماليزيا، والتي تهدف الى معرفة العوامل التي تؤثر على مستوى الرضا لدى الطلاب الأجانب في مؤسسات التعليم العالي الحكومي. ولتحقيق هذا الهدف استخدم الباحث اسلوب المسح بالعينة العشوائية الممثلة للمجتمع الطلابي باربعة جامعات حكومية بماليزيا موضوع الدراسة وهي: الجامعة الإسلامية العالمية، جامعة مالايا، جامعة التكنولوجيا بماليزيا و جامعة بوترا، وقد تم تحليل البيانات باستخدام برنامج الحزمة الاحصائية (SPSS)، كما إستخدام اسلوب تحليل الإنحدار لمعرفة العلاقة بين المتغيرات: الجوانب غير الأكاديمية، الجوانب الأكاديمية، سمعة المؤسسة، سهولة تقديم الخدمة وبرنامج المؤسسة كمتغيرات مستقلة بينما المتغير التابع هو رضا الطلاب. وقد أظهرت نتائج الدراسة أن جميع المتغيرات المستقلة لها تأثير إيجابي على مستوى الرضا. وجاءت النتائج على النحو التالي: سمعة المؤسسة كانت العامل الأكثر أهمية في التأثير على مستوى الرضا لدى الطلاب الأجانب، تليها الجوانب غير الأكاديمية، بينما وجد عامل سهولة تقديم الخدمة هي الأضعف من بين هذه العوامل. وتوصلت الدراسة إلى بعض التوصيات الهامة والتي من شأنها تحسين وزيادة مستوى الرضا لدى الطلاب الأجانب في مؤسسات التعليم العالي العام في ماليزيا.

APPROVAL PAGE

I certify that I have supervised and read this study and that in my opinion, it conforms to acceptable standards of scholarly presentation and is fully adequate, in scope and quality, as a dissertation for the degree of Master of Science (Marketing).

.....
A.K.M Ahasanul Haque
Supervisor

I certify that I have read this study and that in my opinion it conforms to acceptable standards of scholarly presentation and is fully adequate, in scope and quality, as a dissertation for the degree of Master of Science (Marketing).

.....
Zaireena Wan Nasir
Internal Examiner

.....
Nur Kamariah Abdul Wahid
Internal Examiner

This dissertation was submitted to the Department of Business Administration and is accepted as a fulfilment of the requirement for the degree of Master of Science (Marketing).

.....
Noor Hazilah Abd Manaf
Head, Department of
Business Administration

This dissertation was submitted to the Kulliyah of Economics and Management Sciences and is accepted as a fulfilment of the requirement for the degree of Master of Science (Marketing).

.....
Hassanuddeen Abd. Aziz
Dean, Kulliyah of Economics
and Management Sciences

DECLARATION

I hereby declare that this dissertation is the result of my own investigations, except where otherwise stated. I also declare that it has not been previously or concurrently submitted as a whole for any other degrees at IIUM or other institutions.

Mohammed Idris Gaas

Signature

Date

INTERNATIONAL ISLAMIC UNIVERSITY MALAYSIA

**DECLARATION OF COPYRIGHT AND AFFIRMATION OF
FAIR USE OF UNPUBLISHED RESEARCH**

**FACTORS AFFECTING INTERNATIONAL STUDENTS’
SATISFACTION: EMPIRICAL STUDY OF PUBLIC HIGHER
LEARNING INSTITUTIONS IN MALAYSIA**

I declare that the copyright holders of this dissertation are jointly owned by the student and IIUM.

Copyright © 2018 Mohammed Idris Gaas and International Islamic University Malaysia. All rights reserved.

No part of this unpublished research may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording or otherwise without prior written permission of the copyright holder except as provided below

1. Any material contained in or derived from this unpublished research may be used by others in their writing with due acknowledgement.
2. IIUM or its library will have the right to make and transmit copies (print or electronic) for institutional and academic purposes.
3. The IIUM library will have the right to make, store in a retrieved system and supply copies of this unpublished research if requested by other universities and research libraries.

By signing this form, I acknowledged that I have read and understand the IIUM Intellectual Property Right and Commercialization policy.

Affirmed by Mohammed Idris Gaas

.....
Signature

.....
Date

ACKNOWLEDGEMENTS

Alhamdulillah, all Praises due to Allah, the Almighty, the most gracious and most merciful. Alhamdulillah for providing me the will, ability and patience to acquire knowledge and complete my master degree.

First, it is my utmost pleasure to dedicate this work to my dear parents and my family, who granted me the gift of their unwavering belief in my ability to accomplish this goal: thank you for your support and patience.

Second, a sincere gratitude and special thanks goes to my supervisor Professor A.K.M Ahasanul Haque for his continuous support, endless encouragement and leadership, and for that, I will be forever grateful.

I would like to express my appreciation and thanks to my lecturers in the department and the faculty of Economics and Management Sciences, classmates and colleagues and those who helped me with their time, effort and support to complete this dissertation. To the members of my dissertation committee, thank you for sticking with me.

TABLE OF CONTENTS

| | |
|---|-----------|
| Abstract | ii |
| Abstract in Arabic | iii |
| Approval Page..... | iv |
| Declaration | v |
| Copyright Page..... | vi |
| Acknowledgements | vii |
| Table of Contents | viii |
| List of Tables | x |
| List of Figures | xi |
| CHAPTER ONE: INTRODUCTION | 1 |
| 1.0 Introduction..... | 1 |
| 1.1 Background of the Study | 3 |
| 1.2 Statement of the Problem..... | 7 |
| 1.3 Research Objectives..... | 9 |
| 1.4 Research Questions..... | 10 |
| 1.5 Significance of the Study..... | 11 |
| 1.6 Chapter Summary | 12 |
| CHAPTER TWO: LITERATURE REVIEW..... | 13 |
| 2.1 Introduction..... | 13 |
| 2.2 Related Theories of the Study..... | 13 |
| 2.3 Operational Definitions of Selected Terms | 17 |
| 2.3.1 Service Quality and Satisfaction | 17 |
| 2.3.2 Measurement Scales of Service Quality | 19 |
| 2.4 Related Empirical Studies..... | 22 |
| 2.5 Hypotheses Development of Higher Education Performance (HEdPERF) Model | 24 |
| 2.5.1 Non-Academic Aspects to Students' Satisfaction | 26 |
| 2.5.2 Academic Aspects to Students' Satisfaction..... | 26 |
| 2.5.3 Institution's Reputation to Students' Satisfaction..... | 27 |
| 2.5.4 Academic Program Issues to Students' Satisfaction..... | 28 |
| 2.5.5 Accessibility to Students' Satisfaction..... | 29 |
| 2.6 Conceptual Framework..... | 30 |
| CHAPTER THREE: METHODOLOGY | 31 |
| 3.1 Introduction..... | 31 |
| 3.2 Research Design | 31 |
| 3.3 The Population..... | 32 |
| 3.4 Respondents of the Study | 32 |
| 3.5 Instruments | 34 |
| 3.5.1 The questionnaire | 34 |
| 3.6 Data Collection Procedures | 35 |
| 3.7 Data Analysis Procedures | 36 |

| | |
|--|-----------|
| CHAPTER FOUR: DATA ANALYSIS AND PRESENTATION OF RESULTS | 37 |
| 4.1 Introduction..... | 37 |
| 4.2 Data Preparation and Screening..... | 37 |
| 4.2.1 Missing Data | 38 |
| 4.3 Descriptive Analysis | 38 |
| 4.3.1 Response Rate | 39 |
| 4.3.2 Demographic Characteristics of Participants | 39 |
| 4.4 Reliability Testing | 45 |
| 4.5 Exploratory Factor analysis | 47 |
| 4.6 Hypothesis Testing | 53 |
| | |
| CHAPTER FIVE: DISCUSSION AND CONCLUSION | 59 |
| 5.1 Introduction..... | 59 |
| 5.2 Discussion on Findings..... | 59 |
| 5.3 Summary of Findings | 64 |
| 5.4 Implication of the Research | 65 |
| 5.5 Limitations of the study | 67 |
| 5.6 Suggestions for Future Study | 67 |
| 5.7 Conclusion | 68 |
| | |
| REFERENCES..... | 69 |
| | |
| APPENDIX A: RESEARCH QUESTIONNAIRE..... | 73 |

LIST OF TABLES

| | | |
|------------|--|----|
| Table 2.1 | Definition of terms | 19 |
| Table 4.1 | University currently you are studying in | 40 |
| Table 4.2 | Current level of study | 40 |
| Table 4.3 | Current year of sstudy | 41 |
| Table 4.4 | Other demographic variables | 42 |
| Table 4.5 | Ethnicity | 43 |
| Table 4.6 | Country of origin | 44 |
| Table 4.7 | Reliability statistics | 46 |
| Table 4.8 | Reliability statistics | 47 |
| Table 4.9 | KMO and Bartlett's test | 48 |
| Table 4.10 | Initial Eigenvalues | 49 |
| Table 4.11 | Rotated component matrixa | 50 |
| Table 4.12 | Rotated component matrix | 52 |
| Table 4.13 | Model summary | 53 |
| Table 4.14 | ANOVAa | 54 |
| Table 4.15 | Coefficients | 54 |
| Table 4.16 | Summary result of the hypothesis | 58 |

LIST OF FIGURES

| | | |
|------------|--|----|
| Figure 2.1 | Expectancy-disconfirmation paradigm | 15 |
| Figure 2.2 | Expectancy-disconfirmation paradigm (Performance part) | 17 |
| Figure 2.3 | Conceptual framework of factors affecting international students' satisfaction | 30 |

CHAPTER ONE

INTRODUCTION

1.0 INTRODUCTION

Higher education is increasingly becoming a global service sector (Abdullah, 2005). As is the case with other services, higher education has certain characteristics that differentiate it from products (goods); namely, intangibility, heterogeneity, and inseparability. If it were not for technology, it would have been impossible to store services. Education is not an exception to these characteristics.

Various factors such as globalization (Chui, Ahmad, Ahmad Bassim, & Ahmad Zaimi, 2015), limited access to education in home countries (Mazzarol & Soutar, 2002), and higher employment opportunities have pushed students to leave their homelands and travel overseas to pursue and gain formal education. Intentional students' mobility -which includes any form of cross-border mobility- has become common (Sirat, Bakar, & Lie, 2013). This has urged many governments to place funding systems in support of higher education sector to enhance the education service quality and meet students' needs and expectation. However, due to limited capacity of funding, along with the business nature, educational institutions need to compete with each other to receive the sponsorships and entice students to enroll.

Due to its stability, Malaysia's economy has been growing steadily for the past decades. The education sector is believed to be a key player in national development and hence has been receiving increasing focus from the country's policy maker (Hazilah Abd Manaf, Ahmad, & Ahmed, 2013; Yusoff, 2012). Beside accessibility for locals and availability of private educational institutions, efforts made by the

government have given Malaysia a position to become a hub for both international students and international education institutions that opened branch campuses in the country. Since then, Malaysia has attracted students from various countries and regions around the world especially from, China, Indonesia, Bangladesh, Middle East, Africa, and east-Europe countries.

Over 20 years in internationalization of Malaysian education, Malaysia has become a great option and a preferred destination for many international students who want to further their study abroad (Ali, Zhou, Hussain, Nair, & Ragavan, 2016). The UNESCO institute of statistics (2014) published a list of top twenty study destination countries for international students where Malaysia has been twelfth in the ranking, before South Korea (13) and Singapore (18). Furthermore, Education Malaysia Global Service (EMSG), in its website, reported that UNESCO has ranked Malaysia as the world's 11th preferred higher education destination for international students, catering for 2 per cent of the world's international student population amounting to 100,000 students (malaysia.gov.my, 2017). In addition, the report stated that the UNESCO recognized Malaysia as one of the top ten preferred destinations for higher education among international students (StudyMalaysia.com, 2016).

With all these efforts taking place, higher education institutions should not be complacent about enhancing students' experience to satisfy their students' needs and meet or exceed their expectation. It is widely noted that success in global world economy belongs to organizations that provide excellent services to their customers (Hossain & Rahman, 2013). Some goes for education sector. Memon, Salleh, Rosli Baharom, and Harun (2014) stated that student satisfaction mainly depends on service quality factors. Excellent quality service can secure a competitive advantage for institutions as excellent services have high-perceived quality service and can exceed

the expectation of students. Khoo, Ha, and McGregor (2017) concurred with Chih et al., (2012) and emphasized the importance of satisfying customers/students through improving service quality as this can ensure a higher rate of customers' (students) retention.

Therefore, public and private higher education institutions have to think differently about their primary customers (i.e. the students), and shift towards customers-oriented business to meet their customers' needs and achieve their satisfaction through excellent service quality.

1.1 BACKGROUND OF THE STUDY

Various factors encourage students to pursue their studies abroad. These factors include globalization (Chui, Ahmad, Bassim, & Zaimi, 2016), ease of travelling, and similarity of education syllabuses, commonality of language and perception of quality level of education in host countries (Mazzarol & Soutar, 2002). Education has become one of the sectors people would leave homelands for and travel overseas to pursue and gain knowledge. Nowadays, students' mobility has become very common. Students would choose their study destinations, go overseas and continue their education in foreign countries.

Although the main motive for students' mobility is to further their education and pursue knowledge, there are other elements that encourage such mobility. Interest in offered courses and employability were found to be the major reasons students enrol at the institutions (Sadiq Sohail, Rajadurai, & Azlin Abdul Rahman, 2003). Social and environmental factors such as, safety, lifestyles, transportation, cost of living as well as tuition fees can also play a significant role in students' choice of

destinations country to study abroad and choosing a particular institution (Arambewela & Hall, 2009).

International students' market (students who study outside their countries) is essentially big and expands gradually. Arambewela and Hall (2009) cited from Naidoo, (2006) that international education widens its scope due to increasing student mobility, academic mobility, and institution mobility. Arambewela and Hall (2009) added factors that contributed to the expansion of international students' numbers such as off-shoring campuses by foreign educational institutions and subsidiaries or partnership arrangements. A study conducted by International Development Program "IDP" (2007) estimated that the international education market would increase to 7.2 million by year 2025. Moreover, Yusoff (2012) concurred with Altbach (2004) that the number of intentional students studying over-seas around the world is expected to be eight 8 million by the year 2025. USA, UK, Canada, Australia, and New Zealand are the pioneers in attracting the market of international students from countries like China, India, Indonesia, Hong Kong and the Middle-East (Arambewela & Hall, 2009).

The industry of higher education is one of the fast growing service industries that is daily exposed to globalization effect (Damme, 2001; O'Neil & Palmer, 2004; H. Nadiri et al. 2009). Malaysian government has made efforts to internationalize its education system and polarize students from all around the world. Among the efforts that were made by Malaysian government are providing various scholarships for local students as PTPTN and international students like Malaysia International Scholarship (mohe.gov.my, 2017). As Malaysia has the vision of attracting two hundred thousand 200,000 international students by year 2020, (Olutokunbo et al. 2013), the number of international students has gradually increased.

Malaysia is among countries that enjoy political stability and economic growth. The economic growth in Malaysia has shifted from agriculture-based to industry and knowledge-based. Consequently, focusing on the education sector as the main industry contributor to the national development has gained great significance. Since then, Malaysia gradually has become a favourable destination for international education institutions to open branches and campuses such as Monash and Nottingham universities. Ten (10) reputable international universities have opened branches in Malaysia (Jusoh, 2017). According to Yusoff (2012), there were in total 1,134,134 students enrolled in Malaysian higher education institutions in year 2010, and 86,923 of these students were internationals. Now, in Malaysia there are twenty (20) public universities and about two-hundred (200) private universities, with licences to enrol international students (StudyMalaysia.com, 2017).

As a result, International students have flowed to Malaysia pursuing their education. Malaysian higher Education aims to double international students' enrolment by 2025 to 250,000 students (Mustafa, 2017). However, the number of International students who enrolled in higher education in 2017 was reported to be 170, 068 students (Civil Service Delivery Unit, 2017). According to Sirat, Bakar and Lie (2013) in 2009, students from the Middle East amounted to around 39 per cent of the total number of international students studying in public higher education institutions in Malaysia. Currently, most of intentional students are from emerging market countries like China, Indonesia, Bangladesh, Africa and Europe. Having said that, students would choose institutions that have better service quality and meet or even exceed their expectation, because these are factors that can drive their satisfaction as the customers of educational institutions. Therefore, it is of importance to have a close view on customers' satisfaction and service quality.

Service quality factors are important to business and service sectors. Subrahmanyam (2017) agreed with Kotler (2000) and Bolton et al. (2004) on the importance of continuous improvement of customers' service to remain competitive in this dynamic and complex business environment. When it comes to service sector, Subrahmanyam (2017) cited from Seth, Deshmukh, and Vrat, (2005) that service quality has become so vital in business industries. The role of service quality is undeniable in business and service industries. Many researches and studies have been conducted on service quality and its impact on customers and their satisfaction. Numerous models were also developed to measure quality of services. It is a common notion in service business to speculate that quality level of service has a major impact on customers' satisfaction and customers' retention (Green et al., 2013).

When it comes to service quality factors in education service, many researches have been done emphasising the impact of service quality factors in education sector. Asaduzzaman, et al. (2013) concurred with Arambewela and Hall, (2009) that students' satisfaction is a major source of competitive advantage as it leads towards students' retention and long-term survival strategies that depend also on the service quality that universities can provide to distinguish themselves from other educational institutions. Given the increasing number of universities in Malaysia, this research aims at examining factors affecting intentional students' satisfaction in Malaysia's higher education.

1.2 STATEMENT OF THE PROBLEM

Unlike products, sizes, colour, weight or substances cannot determine service, customers may have prior expectation based upon previous experience, personal needs, or other reasons (Akhlaghi, Amini, & Akhlaghi, 2012). Thus, having quality services could be a difficult task for organization to manage (Akhlaghi et al., 2012). Therefore, it is fair to say that in order to keep current customers satisfied and obtain new potential customers, services providers, including educational sectors, need to focus on improving quality of services and measure service quality from their customers' point of views.

With growing globalization and rapid technology development, Akhlaghi et al, (2012) the Malaysian education sector is facing rigorous competition from regional and global educational institutions, each trying to attract more international students to enrol in their institutions (Sadiq Sohail et al., 2003). Chui et al., (2016) conducted a study for evaluating service quality factors and stated that competition among higher education institutions offering similar courses and programs makes the strategy of striving to improve the quality services very essential and necessary. This competition could be national, regional, or international, each aiming at attracting students. With the competition taking place, its negative effect is clear as there is a decline in the enrolment of international students in Higher Education Institution in Malaysia, (Chui et al., 2016). That makes concentrating on service quality an essential tool for business to use for gaining competitive advantage (Arghi & Atharinegad, 2012; Raghavan. & Ganesh, 2015).

Moreover, Sadiq Sohail et al., (2003) found that quality education is a major factor for students to enroll at a university. That can explain the fact that satisfied customers stay longer, tend to spread positive word-of-mouth, and are more likely to be loyal. Satisfied education customers are not an exception. However, service quality has several dimensions and dissimilar factors. Therefore, different studies have different conclusions with regard to service quality dimensions that have impact that is more significant on students' satisfaction. With service quality having dissimilar dimensions, it is important to measure satisfaction through quality service and identify the most significant dimensions that influence satisfaction of major customers in the education sector.

Even though there are numerous literature studies that have been conducted on the importance of service quality on public higher education institutions, Khoo et al., (2017) stated that the private territory lacks sufficient literature in the quality service field. However, Farahmandian, Minavand, and Afshardost, (2013) argued that researches that have been done regarding students' perception of service quality have generally focused on students from private institutions and universities mostly in the developed countries like UK, Australia, and the United States while lesser studies are conducted on the public universities specially in the developing countries. Farahmandian et al., (2013) concurred with and cited from Kimani, Kagira et al. (2011) that few studies have been done on students' perception level with regard to service quality. With regard to the context of Malaysian higher education, the literature available on education and quality are relatively rare and limited, (Farahmandian et al., 2013; Wei and Ramalu2011).

Even though, many research works have been done on measuring satisfaction through service quality, Brochado (2009), Hittman (1993) and Abdullah, (2005) concur that service quality has been given a lot of attention by researchers in several sectors and in tertiary education sector from others' perspective but less from students' standpoint of view. That has made the approach too narrow as it has over-emphasised on the academic aspect and has given less attention to non-academic aspect in measuring service quality in the education sector. Therefore, it is essential for education providers to identify and recognize elements that contribute to the satisfaction of their customers/students through service quality.

Thus, educational institutions need to have a clear vision to enhance the quality of education services to meet international students' expectation and satisfy their needs. Consequently, they will be able to differentiate themselves from competitors, attract new international students, Chui et al., (2016) and obtain loyalty of current students. However, enhancing quality of services to satisfy target customers could be one of the hardest tasks to accomplish.

1.3 RESEARCH OBJECTIVES

In dynamic and competitive world of service businesses, it is so common to conclude that service businesses need to provide and focus on perceived service quality to satisfy their customers, gain retention and competitive advantage, and stand out of the competition. The general objective of this study is to examine the factors affecting international students' satisfaction. Thus, it is possible to draw a conclusion on dimensions, elements, and factors that have positive impact on students' satisfaction.

Therefore the specific objectives of this study are:

- 1) To examine the impact of non-academic aspects on international students satisfaction in higher education sector.
- 2) To examine the impact of academic aspects on international students satisfaction in higher education sector.
- 3) To examine the impact of institution's reputation on international students satisfaction in higher education sector
- 4) To examine the impact of program issues on international students satisfaction in higher education sector.
- 5) To examine the impact of accessibility on international students satisfaction in higher education sector.

1.4 RESEARCH QUESTIONS

- 1) Do non-academic aspects have positive impact on international students' satisfaction in higher education institutions?
- 2) Do academic aspects have a positive impact on international students' satisfaction in the higher education institutions?
- 3) Does institution's reputation have a positive impact on international students' satisfaction in the higher education institutions?
- 4) Do academic program issues have a positive impact on international students' satisfaction in the higher education institutions?
- 5) Does accessibility have a positive impact on international students' satisfaction in the higher education institutions?

1.5 SIGNIFICANCE OF THE STUDY

Education sector is among the leading industries in Malaysia as it has played a significant role in its national development (Yusoff, McLeay, & Woodruffe-Burton, 2015). That is because education nowadays has become a global industry, (Arambewela & Hall, 2009). The number of international students studying in other than their own country is expected to reach eight (8) million by the year 2025 (Yusoff, 2012). Hazilah Abd Manaf, Ahmad, and Ahmed, (2013) stated that the government of Malaysia has taken the responsibility of providing and supporting education, which serves as an instrument of national development. The government's aim is to make Malaysia an educational hub in the South-East Asia region through enhancing the education sector and increasing the number international students from 75,000 students to 150,000 students by 2015 (Hazilah Abd Manaf et al., 2013). The estimated contribution of international students to Malaysia's economy is around RM5.9 billion a year. The ministry expected this figure to rise to RM15.6 billion by 2020 (Jusoh, 2017).

Due to the strong competition among service providers, Seth et al., (2005), and dynamic nature of this service sector, ministries of education, higher education institutions should constantly work on recognizing factors that play roles in satisfying their customers. At the end, students are the primary customers of this industry, Sultan and Yin Wong, (2012) and organizations have shifted their focus areas to maximizing profit through customers' satisfaction. Therefore, measuring quality services and identifying factors affecting satisfaction among students of higher education institutions is vital. If these factors were properly identified and accordingly addressed, they would contribute towards keeping current customers, enticing new potential, (McLeay, Robson, & Yusoff, 2017), gaining sustainable competitive

advantage, (Wilkins & Stephens Balakrishnan, 2013), and students' satisfaction, (Yarimoglu, 2014). Ensuring students' satisfaction would make them potential brand ambassadors through positive word of mouth as well as engaging actively in promoting the respective institutions, enhancing service provider's corporate image, and inciting potential market intention to enrol at the institutions. Student satisfaction is as important as providing the core service of delivering education to them. That is to ensure that education services providers remain as the preferred institutions destinations for international students to enrol and pursue their education. Adding to that, this study is expected to contribute and help education institutions to precisely identify the factors that influence international students' satisfaction to allocate their limited resources to increase the most effective factors.

1.6 CHAPTER SUMMARY

With the world dynamic economic environment, strong competition, and a constantly changing technology, it has become an intractable task for service providers to remain at the top in the industry for a longer period. Since education has become a business industry, it follows the same rules. There is an increasing need for educational institutions to distinguish themselves from other institutions by paying a close attention to factors influencing student's satisfaction. The main factor is quality level of service. It is undeniable that service quality has an impact on satisfaction level of customers, students in this case. Sequentially, this action would raise the standard of the education level and attract global education customers. Thus, it would have a positive impact on the country's economy. The purpose of this study is to examine factors that influence the satisfaction of international students in the higher education in Malaysia.

CHAPTER TWO

LITERATURE REVIEW

2.1 INTRODUCTION

In this chapter, the researcher highlights various and different theories and models discussing customers satisfaction, operational definitions, and previous empirical and related studies on the topic. The most popular theory of satisfaction is expectancy-disconfirmation theory which consists of two dimensions namely expectation of customers and performance of perceived service. This theory was selected because it has a direct link to the topic of the research at hand. However, many researchers are of opinion that satisfaction is better measured by performance-based only which constitutes one part of the expectancy-disconfirmation theory. They argued that expectation-performance-based theory is inadequate and ineffective in measuring customer satisfaction. Therefore, the researcher adopts the performance-based view and uses the Higher Education Performance (HEdPERF) model to examine the effect of the model's factors on international students' satisfaction in the higher learning institutions in Malaysia.

2.2 RELATED THEORIES OF THE STUDY

Primary Education is defined by Al-Huqayl (1991) as “the level in which the pupil Ibrahim, Rahman, and Yasin, (2014) cited from Mahaparta and Khan (2007) and Sirvanci (1996) that students have been considered to be the major customers in the education sector and play a significant role in the future of education institutions. Therefore, students' satisfaction in higher education institutions is a must for