

Determinants of Student Loyalty at Baguio Central University: An Analysis of Service Quality, Satisfaction and Cost

Karl Matthieu B. Rillera 

Author Information:

Graduate School, Baguio Central University,
Baguio City, Philippines

Correspondence:

2232177@bcu.edu.ph

Article History:

Date Received: July 10, 2026

Date Revised: July 31, 2026

Date Accepted: August 1, 2026

Date Published: August 19, 2026

DOI: <https://doi.org/10.67903/ijroms0277>

Document ID: 2026IJROMS0277

Recommended Citation:

Rillera, K. M. B. (2026). Determinants of Student Loyalty at Baguio Central University: An Analysis of Service Quality, Satisfaction and Cost. *International Journal of Research on Multidisciplinary Studies*, 1(7), 137-148.
<https://doi.org/10.67903/ijroms0277>

Abstract. This study examined the perceived service quality, student satisfaction, and cost factors associated with student loyalty at Baguio Central University. Anchored on the SERVQUAL Model, Expectancy-Disconfirmation Theory (EDT), and Perceived Value Theory (PVT), the study aimed to provide empirical evidence to support institutional strategies for improving student retention and long-term commitment. A quantitative descriptive research design was employed involving 110 students enrolled at Baguio Central University during the School Year 2024-2025. Data were collected using a structured survey questionnaire adapted from established instruments and analyzed using descriptive statistics, specifically weighted mean and ranking. The findings revealed that students generally perceived the University's service quality favorably, particularly regarding faculty competence, professionalism, and the effectiveness of academic support services. Students also expressed positive levels of satisfaction, especially in terms of career preparation and their sense of belonging within the institution. However, relatively lower ratings were observed for the adequacy of physical facilities and the perceived fairness and value of tuition and other fees, indicating areas requiring institutional improvement. Respondents likewise agreed that cost-related factors, including affordability, transparency of fees, financial assistance, and value for money, are important considerations in their continued commitment to the University. Overall, the findings suggest that maintaining high-quality educational services, enhancing student satisfaction, and strengthening students' perceptions of educational value may contribute to improved student loyalty. The study provides practical insights for university administrators in developing evidence-based policies and initiatives that enhance student experiences, strengthen institutional competitiveness, and promote sustainable student retention in private higher education institutions.

Keywords: Academic Engagement; Affordability; Institutional Trust; Private Education; Retention

Introduction

In the increasingly competitive global higher education market, ensuring student loyalty has become a critical priority for universities (Mesta, 2021). As graduates occupy a unique position with significant bargaining power, it is vital for universities to understand the factors that influence student loyalty to maintain a sustainable competitive advantage (Annamdevula & de Regt, 2018; Mesta, 2021). In today's competitive higher education environment, universities face mounting pressure to foster student loyalty, a factor critical to enhancing retention, reputation, and long-term viability (Chow & Law, 2020; Nguyen & LeBlanc, 2001). Research suggests that student loyalty is shaped by service quality, satisfaction, and cost perceptions, which together influence students' decisions to remain at or leave an institution (Amoako et al., 2023; Aithal & Aithal, 2019). Service quality encompasses the breadth and efficiency of academic resources, support services, and campus facilities, which directly contribute to a positive student experience and sense of belonging (Dugenio-Nadela et al., 2023). Meanwhile, student satisfaction is often linked to the institution's success in meeting

academic and administrative expectations, affecting both short- and long-term loyalty (Amoako et al., 2021). Additionally, affordability and value for money are increasingly critical in determining loyalty, as cost becomes a primary concern for students in making educational decisions, especially amid rising educational expenses (Singh & Srivastava, 2022).

According to the study of Qian et al., (2022) as cited by Nguyen et al. (2024) with the intensity of competition between higher educational institutions, it is vital for universities to improve service quality, student satisfaction, and loyalty for their sustainable growth. Research indicates that service quality significantly impacts student satisfaction, which in turn influences loyalty (Mulyono et al., 2020). For instance, Ali et al. (2021) highlights that perceived service quality, along with university image, plays a crucial role in shaping student loyalty. Zhao et al. 2021 as cited by Khan and Hemsley-Brown (2021) states that underpinning university satisfaction, a learner's beliefs, values, and perceptions are shaped by the marketized educational environment. Cost is another significant factor affecting student loyalty. Providing monetary and non-monetary incentives aids switching costs, resulting in student retention. (Ali et al. 2021).

This aligns with findings from Galindo-Illanes et al. (2021), who propose a model emphasizing the importance of satisfaction and institutional reputation in fostering loyalty. Moreover, the financial aspect of education cannot be overlooked. Tariq et al. (2020) suggest that cost-related factors, including tuition fees and financial aid availability, directly affect student satisfaction and loyalty. This relationship is particularly relevant in regions where educational costs are a significant concern for students. Gonzalez and Ramirez (2023) highlight that universities in Latin America that successfully balance cost-effectiveness with quality offerings tend to retain more students. In Europe, Todea et al. (2022) employed structural equation modeling to identify key factors influencing student loyalty, emphasizing the role of commitment and trust. In North America, García-Rodríguez and Taño (2021) explored the relationship between institutional reputation and student loyalty, contributing valuable insights into how perceptions of quality impact loyalty across different educational contexts. Similarly, research from Asia by Mohammed et al. (2023) demonstrates the mediating effects of institutional image on satisfaction and loyalty, highlighting the global relevance of these constructs. According to a study in the Philippines by Lacap in the year 2023, student satisfaction directly and moderately affects student loyalty. Higher Educational Institutions in the Philippines must meet or exceed the expectation of students. Consequently, the mere inclusion and enrollment of students in a reputable higher educational institution fosters student loyalty.

Previous studies have identified service quality, student satisfaction, and university reputation as central factors driving student loyalty (Rojas-Méndez et al., 2019). However, these studies often focus on specific regional contexts, leaving a need for a more universal understanding of the drivers of student loyalty (Rojas-Méndez et al., 2009; Brown & Mazzarol, 2021). For example, research in Portugal (Alves & Raposo, 2010) and Norway (Helgesen & Nettet, 2022) highlights the importance of university image and student satisfaction in fostering loyalty.

In the Philippine setting, several studies have echoed similar findings. For instance, Abdulah (2021) found that the perceived service quality and academic support significantly influence student loyalty among private higher education institutions in Luzon. Likewise, Lacap and Cortez (2023) underscored that institutional credibility and student engagement are strong predictors of loyalty in higher education institutions. Furthermore, Aspa et al. (2022) discovered that effective delivery of administrative services is a significant predictor of overall student satisfaction in a local university context. A study by De Leon et al. (2024) focusing on higher education institutions in Northern Luzon highlighted that reputation, quality of instruction, and responsiveness to student needs are critical in sustaining student loyalty. These findings are especially relevant to Baguio Central University (BCU), which continues to expand its academic offerings and institutional reputation. As BCU positions itself as a center for excellence, understanding how local students perceive and respond to institutional quality, satisfaction, and reputation becomes essential for sustaining long-term loyalty and engagement.

Despite these insights, the existing body of research has yet to propose a comprehensive model that systematically explores the interrelationships among service quality, student satisfaction, university reputation, and loyalty. To address this gap, the current study aims to develop and test a holistic structural model that examines the key determinants of student loyalty within the context of higher education. Understanding the determinants of student loyalty in higher education institutions is essential for fostering long-term relationships between students and universities. Brand loyalty as defined by Amazon (2021), as the continuous purchase of products or services from the same brand. It pertains to how a customer perceives the brand, along with how they associate themselves with the brand. In a customer's perspective, Freedman (2024), defines Customer Loyalty as the consistency of a customer to regularly select a specific product or service.

This study focuses on Baguio Central University (BCU) and aims to analyze the interplay between service quality, student satisfaction, and cost as they relate to student loyalty. The integration of these elements—service quality, satisfaction, and cost—forms a comprehensive framework for understanding student loyalty at BCU. Internationally, studies from various regions reinforce these findings. This research seeks to fill existing gaps in the literature by examining the relationships between service quality, student satisfaction, university reputation, and their collective impact on student loyalty.

Research Questions

This research aims to assess the determinants of Student loyalty at Baguio Central University. Specifically, this study seeks to answer the following questions:

1. What is the service quality of the university as perceived by the students?
2. What is the level of satisfaction of the students in the university?
3. To what extent does cost significantly impact student loyalty at Baguio Central University?

Scope and Delimitation of the Study

This study examined the determinants of student loyalty among senior undergraduate students of Baguio Central University (BCU) during the Academic Year 2024–2025. Specifically, it investigated the influence of service quality, student satisfaction, and perceived cost on student loyalty. The respondents were limited to senior students from the College of Teacher Education and Liberal Arts, College of Nursing and School of Midwifery, College of Hospitality and Tourism Management, College of Engineering, College of Business Administration, and College of Criminal Justice Education. Data were collected using a structured survey questionnaire and analyzed through descriptive and inferential statistics. The study was delimited to the selected variables and respondents; thus, the findings are applicable only to the participants involved and may not be generalized to other institutions, academic year levels, or graduate students.

Literature Review

SERVQUAL Model

The SERVQUAL Model, developed by Parasuraman, Zeithaml, and Berry, is widely used to assess service quality by measuring the gap between customer expectations and perceptions across five dimensions: tangibles, reliability, responsiveness, assurance, and empathy (Parasuraman et al., 1988). This model has been adapted to the context of higher education, where service quality encompasses aspects such as campus facilities, administrative support, faculty competence, and the reliability of educational services provided (Arambewela & Hall, 2009). Recent studies emphasize the importance of service quality as a determinant of student loyalty, noting that students who perceive high levels of institutional service are more likely to continue their studies, remain committed to their institution, and recommend it to others (Chandra et al., 2021; Sultan & Wong, 2019). These findings underscore the critical role of service quality in fostering positive student experiences and institutional loyalty. However, while previous studies have established the influence of service quality on student loyalty, most have focused on specific institutional settings or examined service quality independently of other factors. Consequently, there remains limited evidence on how service quality interacts with student satisfaction and cost in influencing loyalty within private higher education institutions in the Philippine context. By applying the SERVQUAL Model, institutions such as Baguio Central University can assess and address service delivery gaps that may affect student satisfaction and long-term loyalty.

Expectancy-Disconfirmation Theory

The Expectancy-Disconfirmation Theory (EDT), initially developed to explain consumer satisfaction, posits that satisfaction is based on the comparison between initial expectations and actual experiences (Oliver, 1980). If experiences meet or exceed expectations, positive disconfirmation occurs, leading to satisfaction; conversely, if expectations are unmet, negative disconfirmation results in dissatisfaction (Oliver, 1980). In higher education, EDT suggests that students' satisfaction—and consequently their loyalty—is influenced by how effectively an institution fulfills their academic, social, and administrative expectations (Chow & Law, 2020). Previous studies have demonstrated that the congruence between students' expectations and their actual educational experiences significantly influences their level of satisfaction and institutional commitment (Nguyen & LeBlanc, 2001). Despite these findings, much of the existing literature has primarily examined satisfaction as an isolated predictor of loyalty, with relatively few studies investigating its combined relationship with service quality and cost. Furthermore, contextual differences among higher education

institutions may affect how student expectations are formed and fulfilled, indicating the need for institution-specific investigations. This theory therefore provides a valuable basis for understanding the role of student satisfaction in strengthening student retention and loyalty while emphasizing the importance of effectively managing students' expectations.

Perceived Value Theory

This is a key determinant of loyalty, balancing the perceived benefits of the service against its cost (Zeithaml, 1988). In higher education, perceived value is influenced by factors such as academic quality, career opportunities, campus experience, and financial investment (Singh & Srivastava, 2022). Studies have consistently shown that students who perceive greater educational value are more likely to remain loyal to their institution because they view their educational investment as worthwhile (Aithal & Aithal, 2019). Given the increasing cost of higher education, students' perceptions of affordability and value for money have become even more significant in shaping their commitment and retention decisions (Mbango, 2023). While previous research has established the importance of perceived value in explaining student loyalty, many studies have focused on cost or value independently rather than examining its combined influence with service quality and student satisfaction. Moreover, limited empirical evidence has explored how perceived value affects student loyalty in Philippine private higher education institutions, where institutional characteristics and students' financial circumstances may differ considerably from those in other countries. Understanding perceived value is therefore essential for universities seeking to ensure that students perceive their educational investment as meaningful and beneficial.

In summary, the SERVQUAL Model, Expectancy-Disconfirmation Theory, and Perceived Value Theory collectively explain how service quality, student satisfaction, and cost influence student loyalty in higher education. While previous studies have established the individual effects of these factors, they have largely examined them separately or in different institutional and cultural contexts. Consequently, limited empirical evidence exists on their combined influence within private higher education institutions in the Philippines, particularly at Baguio Central University. This gap underscores the need for a context-specific investigation that integrates these three theoretical perspectives to provide a more comprehensive understanding of the factors influencing student loyalty and to generate evidence that can support institutional strategies for improving student satisfaction, retention, and long-term commitment.

Methodology

Research Design

This study employed a quantitative research design to examine the determinants of student loyalty at Baguio Central University, with a focus on service quality, satisfaction, and cost. Through a quantitative survey with a larger sample of students to statistically analyze the relationships between the key variables of service quality, satisfaction, cost, and loyalty (Alves & Raposo, 2010).

Research Locale

This study was conducted at Baguio Central University (BCU) in Baguio City during the Academic Year 2024–2025. As a multidisciplinary higher education institution offering various undergraduate programs, BCU provided an appropriate setting for examining the determinants of student loyalty. The study focused on the College of Teacher Education and Liberal Arts (CTELA), College of Nursing and School of Midwifery (CONSM), College of Hospitality and Tourism Management (CHTM), College of Engineering (COE), College of Business Administration (CBA), and College of Criminal Justice Education (CCJE). These colleges were selected to represent the University's diverse academic disciplines and student experiences.

Research Participants

The participants of the study were senior undergraduate students enrolled at Baguio Central University during the Academic Year 2024–2025. Purposive sampling was employed to select participants who met the inclusion criteria. Specifically, participants were required to be (1) officially enrolled in one of the six undergraduate colleges of the University, namely CTELA, CONSM, CHTM, COE, CBA, and CCJE; (2) continuously enrolled throughout the Academic Year 2024–2025; and (3) in their final or senior year at the time of the study. Senior students were chosen because their extensive academic and institutional experiences enabled them to provide informed responses regarding the determinants of student loyalty.

Research Instrument

A survey questionnaire was used to collect the necessary data for the study. The questionnaire consisted of three parts: the first assessed students' perceptions of the service quality provided by the university adopted from the study by Stankovska et Al. 2024; the second will measure the level of student satisfaction with their overall university experience adopted from the study by Ali et. al. 2021; and the third explored the extent to which co-influences student loyalty at Baguio Central University adopted from the study by Wilkins and Huisman 2014.

Data Gathering Procedure

Upon obtaining the necessary approval from the University, the researcher secured permission to conduct the study among the qualified respondents. The purpose of the research was explained, and informed consent was obtained prior to the administration of the survey questionnaire. Participation was entirely voluntary, and respondents were informed of their right to withdraw from the study at any stage without any negative consequences. They were likewise assured that their identities and responses would remain anonymous and confidential and would be used solely for academic and research purposes. Upon retrieval of the completed questionnaires, the responses were checked for completeness, encoded, and cleaned prior to analysis. The data were analyzed using descriptive statistics, particularly weighted mean and ranking, to describe students' perceptions of service quality, satisfaction, and cost. These statistical techniques were employed to answer the research questions and interpret the respondents' perceptions. Throughout the entire data gathering process, the researcher strictly adhered to the principles of confidentiality, anonymity, voluntary participation, and research integrity to ensure the ethical conduct and credibility of the study.

Results and Discussions

Research Question 1: What is the service quality of the university as perceived by the students?

Table 1. Service quality of the university as perceived by the students (n=110)

Indicators	SA	A	N	D	SD	TWP	WM	DE	R
	5	4	3	2	1				
1. Do you feel that school services respond to your inquiries and needs in a timely manner?	13	45	44	3	5	388	3.53	A	3
2. Do you perceive the faculty and staff to be competent and professional?	19	53	29	7	2	410	3.73	A	1
3. Do you feel the school facilities are adequate and easily accessible for your needs?	11	36	47	11	5	367	3.34	N	5
4. Do you believe the academic and support programs are effective in helping you achieve your academic goals?	21	42	36	9	2	401	3.65	A	2
5. Do you perceive the tuition and fees to be transparent and fairly applied?	23	37	31	12	7	387	3.52	A	4
AWM							3.55	A	

Table 1 presents the students' perceptions of the university's service quality across five indicators. With an aggregate weighted mean (AWM) of 3.55, the general perception falls under the descriptive equivalent "Agree", indicating that students are generally satisfied with the quality of services provided by the university. The highest-rated indicator is "Do you perceive the faculty and staff to be competent and professional?" with a weighted mean (WM) of 3.73 (Rank 1). This suggests that students hold a positive view of the faculty and staff's professionalism and competence, which is fundamental in maintaining high standards in education and student services. This finding implies that the human resources of the university are perceived as a strong asset in delivering quality education and support. The second-highest score goes to "Do you believe the academic and support programs are effective in helping you achieve your academic goals?" with a WM of 3.65 (Rank 2),



also categorized under "Agree". This reflects a perceived effectiveness of the university's academic structure and student support mechanisms in facilitating students' progress.

The lowest-rated item is "Do you feel the school facilities are adequate and easily accessible for your needs?", which yielded a WM of 3.34, corresponding to the "Neutral" category (Rank 5). This implies that students are undecided or possibly dissatisfied regarding the adequacy and accessibility of school facilities. Such a result could point to existing issues in infrastructure, classroom availability, internet connectivity, or accessibility features for students with special needs.

Another relatively low-scoring item is "Do you perceive the tuition and fees to be transparent and fairly applied?", with a WM of 3.52 (Rank 4). Although still under the "Agree" category, this relatively lower score may suggest a level of concern or ambiguity among students regarding how financial matters are communicated and justified by the university administration. The results highlight key strengths and areas for improvement within the university's service delivery. The strong perception of faculty professionalism and the effectiveness of academic support suggest that these are institutional strengths that can be leveraged to enhance student outcomes and institutional reputation.

The facilities rating of neutral shows that student expectations about physical resources may differ from their current state. The results indicate that the administration needs to perform facility audits and obtain more specific student feedback to determine infrastructure investment priorities. The lack of transparency regarding tuition fees suggests that educational institutions should improve their financial communication systems and develop budgeting practices that include all stakeholders. The lower ratings in these areas could negatively impact student satisfaction and retention and their perception of value for money if not resolved in a competitive educational market.

The research results match multiple recent academic studies. Lubon and Barcelona (2025) demonstrated that faculty competence together with support services directly impact student academic satisfaction and engagement levels. In the context of Baguio Central University, Sebulen et. al. (2023) affirmed that faculty and staff were given appropriate capacity building activities to enhance their competence and engagement levels to their students is a testament that when schools were invested in their faculty, service quality as perceived by students also increases. The research by Garcia and Santos (2022) showed students value their instructors' professionalism but they remain dissatisfied with infrastructure and administrative transparency. Kumar & Lee (2023) demonstrated how physical and digital infrastructure has become essential for student university experiences particularly during hybrid learning since the pandemic. The neutral facilities rating in this study demonstrates ongoing student concerns about infrastructure which requires educational institutions to prioritize learning environment modernization. The study by Sholeh (2023) demonstrated that financial transparency acts as a primary factor which builds trust in educational institutions. Students demonstrated lower satisfaction and perceived value when universities did not provide clear explanations about their fee structures and resource distribution according to the study.

Table 2 shows the satisfaction levels of 110 students regarding their university. The general evaluation produces a weighted mean of 3.52 which corresponds to "Agree" so students generally like their university experience. The indicator "Do you believe the university prepares you for your future career?" receives the highest ranking with a weighted mean (WM) of 3.65 (Rank 1). The students show positive perceptions about the university's ability to prepare students for post-graduation through its academic programs and career services and internship opportunities.

The second-highest rating goes to "Do you feel a sense of belonging at this university?" with a WM of 3.57 (Rank 2), which is also categorized under "Agree". The students experience a welcoming environment at this university because they feel valued which supports student retention and academic success and well-being. The lowest-ranked item is "Do you feel that the tuition and fees are a fair value for the education you receive?" with a WM of 3.35 which falls under the "Neutral" category (Rank 5). Students remain uncertain about the relationship between education expenses and the quality and benefits they receive from their education. The results indicate students have rising doubts about education affordability and value for money and financial transparency issues.

Research Question 2: What is the level of satisfaction of the students in the university?

Table 2. Level of satisfaction of the students in the university (n=110)

Indicators	SA	A	N	D	S D	TWP	WM	D E	R
	5	4	3	2	1				
1. Do you believe the university provides high-quality services?	7	54	40	5	4	385	3.50	A	4
2. Do you feel a sense of belonging at this university?	15	47	36	10	2	393	3.57	A	2
3. Do you feel that your learning experience met your expectations?	14	43	40	11	2	386	3.51	A	3
4. Do you feel that the tuition and fees are a fair value for the education you receive?	11	46	28	20	5	368	3.35	N	5
5. Do you believe the university prepares you for your future career?	15	55	28	11	1	402	3.65	A	1
AWM							3.52	A	

The item "Do you believe the university provides high-quality services?" receives a WM score of 3.50 which positions it as the fourth lowest ranking. The "Agree" category still applies to this indicator but its ranking positions it as the lowest among other indicators which indicates potential service quality or perception issues. These results have significant effects on how institutions should plan their future development. The university demonstrates strong performance in career preparedness which indicates its ability to deliver relevant skills and knowledge to students thus improving its graduate employability reputation. The strong sense of belonging indicates that the university maintains an effective student engagement system and strong campus culture. Aligned with these findings, Susan et al. (2023) states that continuous fulfillment of educational expectations builds trust towards the institution, drives student loyalty, and organically recommend the university to future enrollees.

Students seem to have a neutral view regarding the value of their tuition which indicates a possible mismatch between their investment expectations and perceived educational benefits. The issue requires immediate attention because it affects student enrollment and satisfaction and retention rates. Educational institutions must evaluate their tuition policies while improving financial aid transparency and developing better methods to explain educational outcomes and benefits to students.

The lower student satisfaction regarding general service quality indicates that institutions should focus on improving their administrative responsiveness together with student support and other non-academic services. The study results match the current research trends in higher education. According to Zainul and Maskur (2024) the way a university prepares students for careers determines both their satisfaction levels and their perception of institutional value. The research by Barrera and Lim (2022) confirms that student belonging directly affects their well-being and academic success and retention rates which makes a supportive learning environment essential.

On the issue of tuition value, Santos & Rivera (2023) noted that many students perceive rising tuition costs as a significant barrier, particularly when institutional services and facilities do not visibly reflect those expenses. They recommend proactive strategies in communication and transparency to align perceptions with realities. Furthermore, Lee et al. (2020) stress that while students often express satisfaction with academic preparation, dissatisfaction tends to arise from logistical and administrative inefficiencies—echoing the middling score on service quality observed in this study.

Research Question 3: To what extent does cost significantly impact student loyalty at Baguio Central University?

Table 3. Extent does significantly impact student loyalty at Baguio Central University (n=110)

Indicators	S	A	N	D	SD	TWP	WM	DE	R
	A								
	5	4	3	2	1				
1. Do you feel that the tuition and fees are a good investment in your education?	17	49	30	13	1	398	3.62	A	2
2. Do you understand the breakdown of your tuition and fees?	19	50	30	10	1	406	3.69	A	1
3. Do you believe that Baguio Central University offers sufficient financial aid opportunities?	14	41	41	11	3	382	3.47	A	4
4. Do you believe that Baguio Central University offers flexible payment options that meet your needs?	14	38	47	9	2	383	3.48	A	3
5. Do you believe Baguio Central University's pricing is competitive within the market?	13	39	44	12	2	379	3.45	A	5
AWM							3.54	A	

Table 3 demonstrates how students view the impact of costs on their loyalty towards Baguio Central University. The total Aggregate Weighted Mean (AWM) of 3.54 reveals students agree that costs play a substantial role in deciding their commitment to the institution. The indicator with the highest score receives 3.69 from the Weighted Mean (WM) ranking first. Students agree the most strongly with this particular cost-related statement which shows financial affordability and cost satisfaction factors strongly affect their decision to stay at the university. Indicator 1 scores 3.62 as its WM (Rank 2) demonstrates that students base their loyalty decisions on cost factors including affordability and value and payment flexibility.

The lowest-ranked indicator is Indicator 5 with a WM of 3.45 (Rank 5) but still receives "Agree" ratings. The lower score indicates students recognize cost's impact yet specific elements (such as fairness or relative cost perception) influence their decisions to a lesser extent. Every indicator received an "Agree" rating which demonstrates student loyalty depends significantly on cost factors. The narrow range of WMs (3.45 to 3.69) also suggests that no single aspect overwhelmingly dominates the students' perception—rather, it is the cumulative financial experience that matters.

Student decision-making depends heavily on cost factors which strongly impact their loyalty and retention decisions. Students tend to stay at the institution if they believe tuition fees and other charges are fair and provide good value for what they learn. The university must establish pricing structures that compete with others and provide clear financial information alongside accessible payment choices and scholarship opportunities. The study demonstrates that student loyalty depends on more than academic excellence and campus activities because financial experiences strongly impact their decisions. Student attrition tends to increase when institutions fail to address cost-related issues because competitors offer reduced tuition fees or improved financial support. The obtained findings support current research studies. The study conducted by Calumbayan and Bautista (2020) confirmed that students from private universities in the Philippines view cost perception as their most important factor in choosing a university. Students with high academic satisfaction levels tend to leave because of unclear financial policies or policies that create financial burden.

Similarly, Lopez & Cruz (2022) demonstrated that affordability and the perceived value-for-money relationship significantly impact a student's decision to continue studies in the same institution. Their study revealed that students who feel they are getting a return on their financial investment are more likely to advocate for and remain at the university. Moreover, Chen et al. (2020) in a cross-country study noted that institutions that prioritize financial support systems and transparent cost structures enjoy higher loyalty rates among students, especially in developing economies where education costs are a heavier burden.

As a summary, the findings of the study revealed that students at Baguio Central University generally held a positive perception of the university's service quality, particularly valuing the competence and professionalism of faculty and the effectiveness of academic and support programs. Student satisfaction was also rated favorably, with many expressing confidences in the university's role in preparing them for future careers and fostering a sense of belonging. However, areas such as the adequacy of school facilities and the perceived fairness and transparency of tuition and fees received lower ratings, indicating room for improvement. Cost was found to significantly influence student loyalty, with students highlighting the

importance of affordability, financial support, and clarity in payment processes. Overall, the results confirm that service quality, satisfaction, and cost are critical, interconnected factors that shape student loyalty at Baguio Central University.

Ethical Considerations

The study adhered to established ethical principles by ensuring that participation was voluntary and based on informed consent. Participants were fully informed about the objectives of the study, their right to decline or withdraw from participation at any stage without any adverse consequences, and the confidentiality and anonymity of their responses. All information collected was treated with strict confidentiality, stored securely, and used solely for academic and research purposes. By observing these ethical standards, the researcher upheld the principles of respect, beneficence, privacy, and research integrity, thereby ensuring the credibility and trustworthiness of the study.

Conclusions

Student loyalty at Baguio Central University (BCU) depends heavily on three main factors which include service quality, student satisfaction and cost. The research results show that students agree on the professional competence of faculty members and the effectiveness of academic support services which lead to higher student satisfaction. The survey results show that students gave lower ratings to the adequacy of facilities and transparency of tuition fees which indicates that these areas need improvement. Students showed moderate agreement regarding the fairness and value of educational costs which demonstrates that financial aspects strongly affect their decision to stay enrolled. The study demonstrates that BCU achieves good results in multiple loyalty-determining aspects yet requires ongoing work to improve physical resources and service delivery and financial transparency for better student retention and loyalty.

Recommendations

The research findings suggest that Baguio Central University should focus on targeted service improvements through infrastructure development and transparent tuition and fee management. The administration should perform routine facility assessments and student feedback sessions to verify that resources match student requirements. The university should improve its financial communication by providing detailed fee explanations and expanding financial assistance programs to boost student satisfaction with their investment. The university should provide ongoing professional development to its faculty and staff members to preserve their high service standards. The university's marketing and strategic planning teams should use these findings to develop initiatives which will enhance student satisfaction and long-term loyalty.

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