

The Impact of Satisfaction on Loyalty in Higher Education : The Mediating Role of University's Brand Image

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Abstract

The selection process for excellent input (i.e., student) at the university has become the main issue in the higher education industry in recent years. More specifically, many top universities at the level of national and/or international select the excellent student candidate until the remote area in Indonesia. Thus, it makes local public universities in West Sumatera province also face high competition to finding the excellent candidate which is, excellent input is important to build university brand image. Therefore, this study investigates the determinants of customer satisfaction and student loyalty at Universitas Negeri Padang (UNP). By reason of there have been limited studies on mediating effect, this paper introduces the university brand image as a moderator. The researchers collected data from the student at UNP and path analysis was used to examine the research framework. The empirical findings show that student satisfaction is an important determinant of student loyalty. The interesting finding, university brand image has significantly mediating on the relationship between satisfaction and loyalty. The findings suggest that university brand image should be considered by the university's management as a good alternative for building student loyalty.

Keyword: *Satisfaction; brand image; higher education; student loyalty; mediating role*

Introduction

University brand image is important to determine of student loyalty in high education. As noted by Silva and Alwi (2008), university brand image is an intangible asset that is vital in achieving high-level university performance. The succeeded of UNP's transformation over the past 15 years, in higher education, should have a meaningful impact on student loyalty to institutions, such as feeling proud as students, providing advocacy, willing to recommend campus to friends and other people as one of the choices for college quality, and the possibility of telling good things about campus to others.

The loyalty of students to the institution is determined by many factors, among which the corporate brand image is perceived as good, satisfaction with the quality of services provided by academics to students. Balmer and Gray (2003) said that the quality of academic services perceived positively will form a positive image also of the institution because the image of the institution is a guarantee of quality. The satisfaction with the quality of academic services needs to be studied further, thus it can be said that the satisfaction of the quality of academic services is one of the factors that is very important in creating the image of the company (corporate brand image) and student loyalty to the higher education institution.

The definition of loyalty is expressed by many experts in the field of marketing. Kotler (2004: 112) states that loyalty or loyalty is roughly indicated from the level of customer resilience in a company (customer retention rate), and the loyalty can be measured from two dimensions, namely attitude and behavior (Dick and Basu, 1994). The attitude and behavior of student loyalty will be reflected in every activity carried out by students.

The concept of satisfaction in marketing science is interpreted broadly, for example according to Schnaars (1991), customer satisfaction can provide benefits, including the relationship between the company and its customers to be harmonious, provide a good basis for repeated purchases and create customer loyalty, and form a word of mouth (word-of-mouth) that is profitable for the company

(Tjiptono, 1994: 24). According to Engel, (1990) quoted by Tjiptono, (1997: 23) states that customer satisfaction is a post-sale evaluation where alternatives are chosen at least equal or exceed customer expectations. According to Kotler, (1996: 50) emphasizes that customer satisfaction is the level of one's feelings after comparing the performance (or outcome) he feels compared to his expectations.

Based on the various definitions above it can be concluded that basically the understanding of satisfaction includes the difference between expectations and performance or perceived results. Thus, student satisfaction is a comparison between expectations with performance or results obtained in the lecture process in college.

Based on this research ASQC in Kotler (2000: 57) concludes, that quality is a number of features and characteristics of products or services that have the ability to satisfy consumer needs. The research results of Parasuraman et al (1985: 48) on several types of services successfully identified ten main factors / dimensions that determine the quality of services, namely: reliability, responsiveness, competence, access, courtesy (courtesy), communication (communication), credibility (credibility), security (security), understanding (understanding), and tangible evidence. Talking about Company / Institution Brand Images (corporate brand image). According to the American Marketing Association (AMA) in Keller (2003: 3), a brand, a name, term, sign, symbol, or design, or a combination of them, intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competition. Brand is the name, term, sign, symbol, design or combination of these things which is intended to identify and differentiate goods or services of a seller with other seller's goods or services (Rangkuti, 2004: 2). In connection with this Kartajaya (2005: 1) states, that brands are not just names and not just logos or symbols, but brands are umbrellas that represent products or services.

In higher education services, brands are the lives of higher education services and the differentiation of values (values) given to these universities (Kertajaya, 2005: 186). Whereas, for the community as users of higher education services, the brand is a differentiation of values, guarantees and consistency in the quality of higher education services received (Simamora, 2003: 3).

Keller (2003: 66), "brand image as perceptions about a brand as held by consumer association held in consumer memory". According to Rangkuti (2004: 43) various associations that are remembered by consumers about brands can be assembled so that the association can form an image of a brand or brand image. A positive brand image consists of various associations that relate to the strength, goodness, and uniqueness of the brand in memory (Keller, 2003: 70). With various associations, such as strength, kindness, and uniqueness, what is remembered and assembled by students regarding the UNP brand will be able to form a positive brand image of UNP.

Furthermore Rangkuti (2004: 43) states, that brand associations can create value for customers, because he can help the process of preparing information to distinguish one brand from another. Thus, the UNP brand association can of course also create value for students, because it can help the process of preparing information that distinguishes the UNP brand from other college brands.

Several previous studies have shown a strong relationship between the quality and brand image of the company. For example, Randall (2003) explained that a positive brand image is due to the quality of service. This means that without the quality of academic services that are in line with customer expectations will not be able to create a positive image for the institution.

In addition, the quality of academic services also impacts satisfaction. According to Zethaml et al (2009), the quality of service is an antecedent of satisfaction. Furthermore, the brand image of the company / institution also has a strong relationship with satisfaction (Davies et al, 1997, 2004; Roper, 2004). Reinforced again with the findings of Silva and Alwi (2004) that positive brand image has an impact on customer satisfaction. Therefore, without a positive brand image students are perceived not to be able to satisfy students studying at UNP.

Finally, based on previous research shows how strong the relationship of quality, brand image, customer satisfaction and loyalty to one another (Davies et al, 1997, 2004; Roper, 2004; Silva & Alwi,

2004). But in the specific context, the relationship between these variables needs to be proven to obtain empirical reinforcement that all variables in the context of the research can answer the researchers' questions.

Methods

It can be concluded that the satisfaction of service quality can improve customer satisfaction and create a positive brand image for the company or institution. Furthermore, positive brand image and satisfaction have an impact on loyalty. The type of research is included in the descriptive study, which explains the effect of satisfaction on the quality of academic services, brand image on student loyalty in studying at UNP. This study use data analysis techniques after the data has been collected then do the verification to find out whether the respondent has answered completely or not. Data verification is done manually and with the help of statistical tools to ensure the absence of missing respondent answers.

The quantitative analysis to did to get the conclusion on the problem raised, the data obtained will be analyzed using path analysis. The path diagram is a complete structure of causal or variable relationships. A complete structure consists of substructures that identify it through forms that resemble regression structures. It is through this substructure that researchers calculate the path coefficients and draw conclusions as a whole later.

Path analysis is chosen because it can explain the direct and indirect effects of a set of causes (exogenous variables) on the consequent variables (endogenous variables). The results of the path analysis show the magnitude of the influence of each of the causal variables on the effect variables.

Results

Satisfaction on service quality was measured from 16 (sixteen) questions items including learning methods, professional feedback, teaching material, relevance of learning, evaluation of learning, lecturer support, availability of information, campus location, lecture building, reading room, discussion room, campus cleanliness, social atmosphere, canteen and campus reputation. The result shows that the level of student satisfaction on overall quality is satisfied. However, satisfaction with the quality of lecture buildings is very satisfied with an average score of 4.22.

This means that students perceive that the lecture building has met their expectations. Then, what campus location is also on a very satisfied range of 4.00. This means that the campus location is in accordance with the expectations of students. The lowest score indicated by the campus canteen is 2.57 or the range is less satisfied. This means that students feel that the campus canteen has not met their expectations. Then, the discussion room has the second lowest score with a score of 3.22. This means that the available discussion room has not been able to meet the expectations of students. Overall, the assessment of students who were very dissatisfied was only 2.67% and dissatisfied as many as 8.02%. When combined the percentage of students who are very dissatisfied and dissatisfied there are 10.69%.

The student perceptions of the overall brand image of the institution are in a good range with a score of 3.71. The highest perception score is the perception of the study program among students / friends around the campus in a good range with a score of 3.85. The lowest perception is the perception among entrepreneurs / companies with a score of 3.55. Even though the company scores the lowest score, its value is in a good range. Overall, the perception of the UNP brand is in a good range of 63.58%.

This study also shows that the level of college student loyalty is measured from four items of questions, namely the possibility of recommending campus to others, attending advanced education, telling good things about campus, and defending the campus when others are smeared. Based on these four items, the answer with the highest average score is the possibility of defending campus when someone else is did.

Regression analysis was used to see the effect of independent variables on the dependent variable, which this study analyzed the loyalty of FE UNP students by measuring the role of satisfaction variables on service quality and brand image as antecedent variables. The results of regression analysis to test equation 1 (one) obtained the determinant coefficient value (R^2) equal to 0.310 or by 31% the variation in the value of the dependent variable can be explained by the independent variable and the rest outside the variables studied. Judging from the F value of 89.285 with a significance level of 0.000.

This shows that this research model is feasible to be continued in partial testing because overall the variation in dependent values can be explained by independent variables. Furthermore, the regression coefficient (Beta) is 0.557 with a significant level of 0.000 at alpha 0.05. This shows that the satisfaction variable on service quality significantly influences the UNP brand image. The second regression equation obtained R^2 value of 0.383 or 38.3% variation in dependent value can be explained by the independent variable. F value is 61,357 with a significance level of 0,000.

This shows that this research model has fulfilled the feasibility of the model (goodness of fit) and can be continued in partially because the overall dependent value variation can be explained independently. Furthermore, the regression coefficient value (Beta) satisfaction variable on quality is 0.367 with a significance level of 0.000 at alpha 0.05 and the brand image variable with regression coefficient (Beta) is 0.330 with a significance level of 0.000 at alpha 0.05. This shows that the variables of satisfaction with the quality and brand image of UNP have a significant effect on student loyalty. Thus it can be concluded that the satisfaction of service quality directly affects student loyalty with a path coefficient value of 0.575 with an error value of e_1 variant of 0.831. Then, the indirect effect with the coefficient value is 0.121 with the value of the e_2 variant error value of 0.785. Finally, the overall effect of quality satisfaction variables on loyalty is 0.678.

Effect of Satisfaction on Service Quality on Student Loyalty

Tested for the hypothesis shows that the satisfaction of the quality of academic services has a significant effect on student loyalty. This means that the more satisfied students are about the quality of service provided by the lecturer, the more they will increase the loyalty of students studying at the FE UNP. Student satisfaction on the quality of the service includes satisfaction with the quality of the learning method, feedback, professionalism, teaching material, relevance of learning to the practical world, evaluation of learning, lecturer support in learning, availability of information, campus location, lecture building, reading room, cleanliness, atmosphere academic, area of discussion on campus, canteen, and campus reputation.

The findings of this study are in line with previous research such as the findings of Ahmad (2015) and Huong, et al (2015) stating that students' satisfaction influences the loyalty of students. In other words, satisfied students have high loyalty. Therefore, to increase the loyalty of students or students, the academic community should continue to maintain student satisfaction on the quality of services, especially with regard to lecture buildings because the results of the study showed that the highest satisfaction was indicated by the satisfaction of the lecture building. This means that the lecture building has met student expectations.

Effect of Satisfaction on Quality and Brand Image on Loyalty

Based on the results of the study showed that satisfaction with the quality of academic services and brand image significantly influence student loyalty. This means that the feeling of satisfaction or dissatisfaction of students is largely determined by the quality of the academic services they receive. If students perceive services in accordance with expectations, students will perceive that service quality has met expectations and can satisfy expectations. Furthermore, satisfaction with quality will give a good impression of the performance of the institution or will build a positive brand image of the institution and in the long run will increase student loyalty.

Loyalty is the outcome of customer satisfaction (Oliver, 1997). This means that one of the determinants of loyal or disloyal customers is satisfaction with the performance of the product or service. As with

higher education services, loyal students or not depend on their satisfaction with the performance of the college. Of course the higher the level of satisfaction during the learning process will make it more loyal to the institution.

Findings from the research results indicate that student satisfaction influences loyalty. This finding is theoretically appropriate that satisfaction will have a direct impact on loyalty (Oliver, 1997; Martenson, 2007). Regardless of the purpose of providing satisfaction with the quality of services to increase student loyalty, but satisfaction is something that must be obtained by students in modern education services today (Gasper, 2004). Furthermore, Johansson in Kotler and Keller (2009: 84) states that customer loyalty is closely related to brand image. This shows that the better the brand impression of an institution, the more loyal customers will be to the institution. Likewise famous college students feel proud as students because of the strong image of the institution in their eyes or the community. In fact, a strong institutional image can be a guarantee for students or graduates in getting better job opportunities.

Conclusions

The results of the study it can be concluded that the satisfaction of the quality of academic services directly and indirectly affects student loyalty. Then, satisfaction with service quality indirectly influences the brand image of the institution.

Based on the conclusions above, it can be suggested to policy makers in the UNP FE to be able to improve the quality of academic services, especially those considered to be very low such as library rooms and discussion rooms for students. Then, the leadership of FE UNP needs to continue to build a strong brand image in the minds of students in order to create the loyalty of UNP students. Finally, the image of the institution is not only for the benefit of students but also as a guarantee for them in getting work from external parties.

Building service recipient loyalty (students) is the main goal of universities, in facing education service competition that is increasingly turbulent. This is due to the incessant best universities at home and abroad, recruiting the best students to all corners of the country in Indonesia, including West Sumatra Province. Without building loyalty college students will experience long-term losses for the institution because loyal students can become the main pillars of delivering the best messages about institutions to other people (word of mouth), maintaining the institution's good name, recommending institutions to people other and at the same time as an advocacy for institutions. The results showed that satisfaction with service quality directly affected student loyalty and satisfaction with service quality indirectly affected student loyalty through the institution's brand image.

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