



Student Satisfaction as a Marketing Strategy: A Case Study of Students at a University with Excellent Accreditation in Bandung, Indonesia

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Abstract. The purpose of this research is to help universities find out the factors that can increase student satisfaction so that universities can be chosen amid intense competition between universities. The quantitative method was used by distributing online questionnaires to 105 respondents who were undergraduate students majoring in Management at one excellent university in, Indonesia. The questionnaire data were then processed using the PLS-SEM data analysis technique. The results of the study found that service quality affected university brand image, and university brand image became a mediating variable that affected student satisfaction. Service quality through university brand image mediation variables perceived by students will increase student satisfaction. It is expected that in the future this research will have an impact on universities to develop marketing strategies with a focus on these factors that can increase student satisfaction so that universities can compete with others.

Keywords: Marketing · service quality · Student Satisfaction · University Brand Image

1 Introduction

In recent years, higher education has been considered to provide individuals with the opportunity to get a better quality of life, a more stable economy, and better access to health care. This causes universities to face many challenges from this competition, so market demand becomes uncertain [1]. Universities face a competitive environment that is commercial and increasingly competitive day by day. In the current era of globalization where many choices are offered, the strategy taken is an effort to increase student satisfaction as an effort to gain university competitiveness [2].

Previous studies [3–7] explained service quality in service companies. Unfortunately, none of the five studies explained that service quality affected satisfaction with the mediating variable of brand image. With university brand image serving as a mediating variable and subsequently emerging as the study's novelty, this research focuses more on the subject of study at the university by examining the impact of service quality on student satisfaction.

As part of a marketing strategy to stand out from the various universities available in Bandung, Indonesia, this study tries to pinpoint variables that may have an impact on student happiness. A quantitative method by distributing online questionnaires to 105 respondents, all of which are undergraduate students majoring in Management at an excellent university in Bandung, Indonesia. PLS-SEM was used as an analytical technique in processing questionnaire data. According to the results of this study, service quality strongly influenced student satisfaction through the university brand image. To improve student satisfaction, universities construct their brand image based on the level of service that they believe they provide. The impact on research helps universities in determining the marketing strategy to be taken that focuses more on the university brand image that can affect student satisfaction so that universities are expected to be competitive. Novelty in this study is to discuss service quality that affects student satisfaction with university brand image as a mediating variable.

The purpose of the research is to help universities in developing marketing strategies that are used to increase student satisfaction. University brand image was selected as the study's mediating variable because it has the potential to influence student satisfaction. Service quality that affects student satisfaction with the university brand image mediating variable at the university is assessed as a novelty in this study. To obtain the results of the research, the method used is a quantitative methodology with 105 respondents distributed online which is then processed using PLS-SEM as an analytical technique.

1.1 Literature Review

Student Satisfaction

Currently, the idea of contentment has grown and entered the environment of university [8]. According to [5], student experience in learning and teaching is not solely a factor that affects student satisfaction but must be assessed as a whole by students from the institution. Students' repeated experiences in their campus life will continuously form student satisfaction [8].

Service Quality

In an educational environment, the transition occurs so quickly, this of course makes it increasingly difficult for institutions to maintain a competitive advantage in the respective markets they want to target [9]. Previous research has emphasized that an important component that plays a role in promoting competitive advantage in universities lies in service quality [10]. In a study [11] it was explained that the aspect of outstanding service quality can provide a positive perception of the university's brand image. Furthermore, research [5] reveals that "customer satisfaction" and "service quality" are terms that are often used interchangeably, but the two terms have different constructs. Based on the explanation above, the hypotheses formed in this study are:

H1: Service Quality affects the university's brand image.

H2: Service Quality affects student satisfaction.

University Brand Image

Increasing competition in the education industry causes universities with low brand

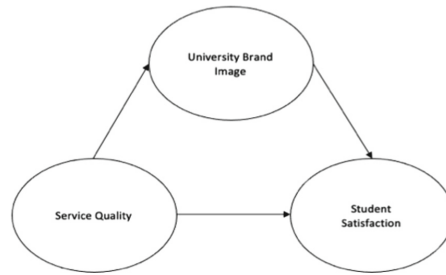


Fig. 1. Research Framework

images to face increasingly competitive market challenges [12]. The challenges and pressures of competition are so high for universities, making this sector overcome them by increasingly adopting marketing strategies and brand image [13]. According to [11], a university brand image is a portrait made by university managers to make a positive or negative response from students. University brand image is needed in the decision-making process, so prospective students can identify and recognize a university that has a strong brand image and can differentiate itself from others [12]. A university needs to be able to start building the image of the university and prioritize this component in the competitive market to attract more students [14]. University brand image that is not attractive to students will cause student dissatisfaction with increased complaining behavior so that negative word of mouth from students can reduce their loyalty to the university [11]. So that the next hypothesis in the study is:

H3: University brand image affects student satisfaction.

Research Framework shown in Fig. 1 as follow:

2 Method

This study used a quantitative methodology by distributing online questionnaires and analyzing with data analysis techniques using PLS-SEM. The population involved in this study was undergraduate students of the Management Study Program class of 2020 at several accredited universities in Bandung. This study employed the Slovin formula with a 10% margin of error to obtain a sample of 98 respondents, and 105 respondents used in this study. [15]. A sampling of 105 respondents was collected within one week in May 2022.

Likert scale ranged from 1 (strongly disagree) to 5 (strongly agree) to measure each indicator with a quantitative research methodology. Factors that explain causal considerations between variables served as an informative exploratory examination strategy. [16] states that an informative examination is a strategy to explore which aims to explain the factors that have a causal relationship between variables.

3 Result and Discussion

Based on the analysis of the measurement model shown in Table 1, the validity and reliability requirements of all variables and indicators can be met for the next stage of analysis [17]. The results of the analysis show that all composite reliability and Cronbach’s alpha value is greater than 0, 7, which means that the reliability is met. Furthermore, all AVE values have exceeded the recommended acceptable threshold of 0, 5, this also means that the data meets the element of validity.

It can be seen in Table 2 that the entire R-square is > 0,02. This means that if the R-square > 0,02 indicates the relevance of the predictor to explain variables in the predicted substantial or moderate category [17].

It can be seen in Table 3 that the discriminant validity of all variables is met. All the square roots of the mean-variance have a value greater than any correlation involving latent variables [18]. The diagonal value is higher than the value at the top and bottom in the same column, besides that, convergent validity can be seen from a value greater than or equal to 0,05.

Figure 2 of the outer model illustrates the relationship between indicators and latent variables. If the value of the outer loadings is greater than 0,7, the correlation of indicators with latent variables will be recognized as legitimate. [18]. In the first test, five indicators,

Table 1. Latent Variable Coefficients

| Variables | Cronbach’s Alpha | rho_A | Composite Reliability | Average Variance Extracted (AVE) |
|-------------------------|------------------|-------|-----------------------|----------------------------------|
| Service Quality | 0,962 | 0,965 | 0,965 | 0,540 |
| Student Satisfaction | 0,931 | 0,932 | 0,946 | 0,744 |
| Universitas Brand Image | 0,954 | 0,954 | 0,961 | 0,755 |

Table 2. Measurement Model Test Result

| Variables | R. Square | R Square Adjusted |
|-------------------------|-----------|-------------------|
| Student. Satisfaction | 0,797 | 0,793 |
| Universitas Brand Image | 0,766 | 0,764 |

Table 3. Correlation Among Latent Variables with Square Roots of AVE

| Variables | Service Quality | Student Satisfaction | Universitas Brand Image |
|-------------------------|-----------------|----------------------|-------------------------|
| Service Quality | 1,000 | 0,862 | 0,875 |
| Student Satisfaction | 0,862 | 1,000 | 0,867 |
| Universitas Brand Image | 0,875 | 0,867 | 1,000 |

namely SQ1, SQ2, SQ7, SQ11, and SQ12 were declared invalid by having an outer loading value of less than 0,7 so that the five indicators were eliminated. After re-testing by eliminating five indicators, the results showed that the QS8 indicator was invalid or the outer loadings were less than 0,7 so the QS8 indicator was also removed. Re-testing was carried out by eliminating a total of 6 variable indicators and using a total of 18 SQ variables, the results showed that all variables had outer loadings of more than 0,7 and were declared valid.

The summary of the hypothesis test can be seen in Table 4. The results obtained by P-Values are smaller than 0,05 so it can be concluded that all hypotheses can be accepted [18]. Service quality has a significant influence on student satisfaction which then increases in significance after going through the university brand image mediation variable to student satisfaction.

Figure 3 is the output model which explains that every increase in service quality will increase student satisfaction by 0,380. Then every increase in service quality through the university brand image mediation variable will increase student satisfaction by 0,787.

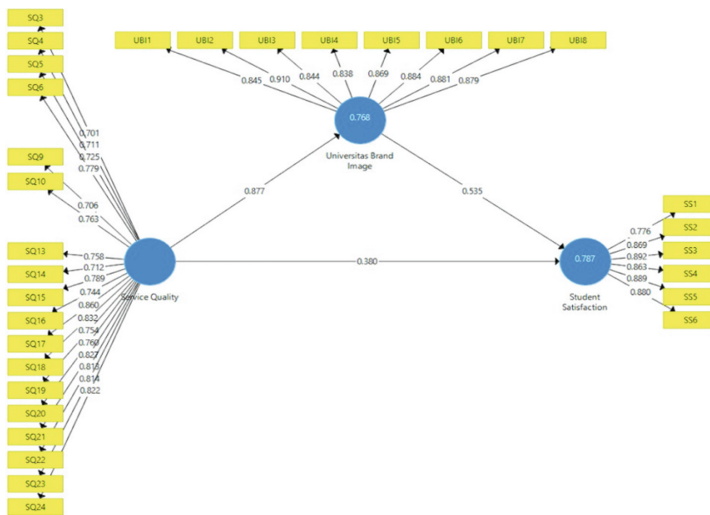


Fig. 2. Model Result I

Table 4. Hypothesis Testing Results

| Hypothesis | Path coefficient | P Values | Conclusion |
|---|------------------|----------|------------|
| Service Quality -> Student Satisfaction | 0,380 | 0,002 | Supported |
| Service Quality -> Universitas Brand Image | 0,877 | 0,000 | Supported |
| Universitas Brand Image -> Student Satisfaction | 0,535 | 0,000 | Supported |

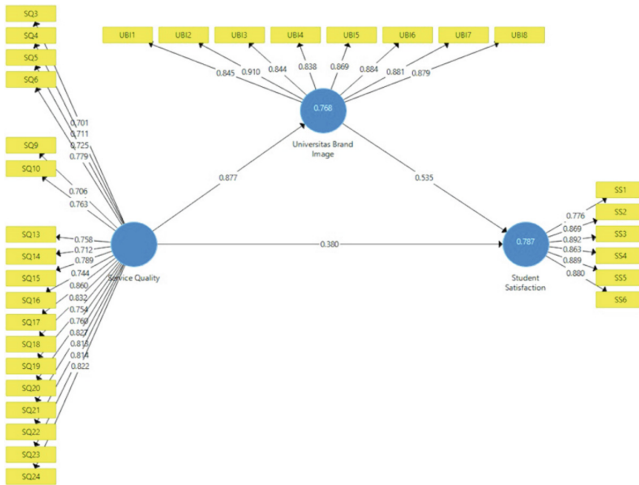


Fig. 3. Model Result II

4 Conclusion

This study found that service quality affected student satisfaction both directly and through the mediating variable of university brand image. The results of the study were supported by a quantitative methodology for distributing online questionnaires to respondents who were undergraduate students majoring in Management at one excellent university in Bandung, Indonesia using PLS-SEM for analyzing the data. According to the findings, the service quality variable had a direct impact on student satisfaction, and this effect became more significant when it was mediated by the university brand image variable. The impact of the research is expected to be a marketing strategy for universities that are currently facing high competition by further increasing student satisfaction.

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