

University Strategy to Develop Service Quality, Marketing Mix and University Reputation on Students Satisfaction in Indonesia

¹Afni Mufliyah Hasdiansa, ²Dr. Valliappan Raju

^{1,2}Limkokwing University, Malaysia

Abstract

The aim of this research to give the understanding of the university's strategy to develop service quality, marketing mix, and university reputation on student satisfaction in Indonesia. The researcher used qualitative research as research design. Qualitative research is an approach, which is also called an investigative approach because researchers usually collect data by face-to-face and interacting with people in research sites. The subject in this study is a university stakeholder. In this study there are three types of data collection methods, namely observation, interview and documentation. In conducting data analysis, researchers used interactive data analysis methods. In this research, the researchers conclude that Education can be marketed if that has products as commodities; products have standards, specifications and packaging, have clear goals, have networks and media, and have marketers. Thus, the point is that with the existence of educational marketing, it will create a quality culture in every segment and step, so that the education process provided is in accordance with customer needs and leads to satisfaction, while satisfaction from education customers will deliver the institution to a better image and increase in demand of education, so that income at the institution increases as well.

Keywords

Education Strategy, Strategy, Service Quality, Marketing Mix, and University Reputation.

I. Introduction

In the Higher Education sector, there is a phenomenon of increasingly intense business competition in the industry. Higher Education as a part of the formal education sector makes the need for education services increasingly large and diverse, so that it becomes a strategic sector that is expected to produce quality human resources [10]. Besides that it was revealed that only 25 percent of the total Private University that had students above 500, the rest only had less than 500 students. From here, the Private University is required to not only develop the right strategy in attracting prospective students, but also a strategy to keep these students continuing to follow the process of higher education until graduation.

The success or failure of an organization depends on its competitive advantage. Therefore, every organization must be able to create and maintain its competitive advantage if it wants to survive and continue to grow. In addition to competitive advantage, the sustainability of an institution or organization is also very dependent on its customers. An institution or organization must not lose customers if it wants to stay in the market, because the cost of finding a replacement for lost customers will be much greater. This conception applies also to a college, especially private universities. Adhering to this conception, every Private University manager needs to always evaluate the Private University competitive position and implement the specific action steps needed to improve it to excel in competition.

In Indonesia, student retention is one indicator of the assessment of University quality and study programs established by the National Accreditation Board - Higher Education (BAN-PT), namely in the standard "Student", related to the level of drop out. For private universities (PTS), student retention has a major influence on the financial stability of universities. As for students, fulfilling the obligation to pay a sum of money is intended to obtain services in the form of a higher education process [11].

One way to improve student retention is through improving institutional image. Corporate image includes attitudes and feelings that consumers have about the nature and reality of the underlying company or the results of how consumers perceive the company [25]. Thus, the company's image builds strategic value for the company by giving it a competitive advantage over its competitors [4].

In addition to institutional image, student retention can also be influenced by the quality of services provided by a university [7]. The advantages of a service product depend on the uniqueness and quality provided by the service provider, whether it is appropriate or not with customer expectations. Quality of service is a measuring tool about how far the difference between reality and customer expectations for the service they receive [2]. In other words, service quality measures the extent to which a service meets customer needs [5]. In Higher Education institutions, in general the form of servants received by students can include internal services academic, student and administrative activities [36].

The results of the study in several previous studies show an empirical basis for this study. Whereas the gap of research results found in the previous research shows that there is a research gap (research gap), which can be used as a basic reason in this study. Some of the reasons for this research are: First, there are differences or inconsistencies in the concept of retention. Retention in several studies is expressed as loyalty [21]. While [1] in his research on conceptual issues and the definition of customer retention, it has been stated that although there is great attention to customer retention in academic and management studies, in reality it is still practically poorly understood.

This study aims to contribute to the development and understanding of university reputation, service quality, marketing mix in universities, as well as providing guidance for college leaders in evaluating stakeholders, especially students.

II. Review of Literature

A. Service Quality

The concept of quality is difficult to define because quality means different things to different people. The way one customer will experience a product or service is not the same way another will

experience it. Quality can be categorized in terms of various perspectives like Judgement, product, user, value or manufacturing perspective [12]. With the judgment perspective, the quality of a product cannot be defined but one can recognize it one he sees it. The user perspective is about how the needs of a customer are met.

A product/service that does not address these needs is said to be of lower quality. The value perspective views quality in terms of product/service features and price. If two products have identical features but one has a lower price it will have a higher value and therefore higher quality. The product perspective associates quality with features. Products with more features are assumed to be of higher quality compared to those with less. Under the manufacturing perspective, meeting product specifications is the main determinant of quality. [15] Defines quality as “totality of features and characteristics of a product or service that bear on its ability to satisfy given needs.” A shorter definition that is generally accepted is that quality is the ability to meet or exceed customer expectations. These two definitions are derived from the product and user perspectives described earlier.

Service quality is an attitude formed overlong term evaluation of performance [33]. Service quality can also be viewed in terms of measurements. Palmer [25] categorises these measurements as disconfirmation approaches, performance-only measures, and importance performance analysis. The disconfirmation model refers to the difference between expected and perceived quality. Quality gap is expressed as $Q=E-P$ where Q is quality, E is expectation and P is the perception.

Performance-only measures exclude the expectation (E) from the equation and only measure performance or perception (P). According to [26] the SERVPERF Model was developed because of the difficulties of conceptualizing expectations. Both SERVQUAL and SERVPERF are based on the five dimensions of service quality, which are reliability, assurance, tangibles, empathy, and responsiveness. However, although all these dimensions are important there are some those are more important than others from the customer’s perspective.

Higher Education performance (HEDPERF) is a performance-based model that is similar to SERVPERF because it measures perception only and not the gap between expectation and perception, as is the case with SERVQUAL. It is used to measure service quality in higher education. The importance-performance approach classifies elements of service in terms of performance and importance. The elements that are more important are given more attention in evaluation. Apart from expectations and perceptions that define the measurement of the service quality gap customers also use the corporate image of the organization to evaluate service quality [13]. This image can be split into physical and functional service quality. The physical part is what can be measured objectively like the length of a waiting line while functional quality is that part of the service that cannot be measured objectively. An example is the attitude of service provider’s staff.

In general, the main drivers of service quality are staff and the right technology [18]. The author suggests that having well trained and motivated staff and the right technology have an effect on service quality with information technology having the largest impact. Apart from the customer the level of service quality is also

determined by other factors like the competitors, the technology used, efficient use of resources, cost and also the owners of the business who have to decide whether to use quality as a competitive advantage or just provide the basic quality [18].

B. Marketing Mix

[19] Extends the concept of service marketing mix consisting of 4 P; Product, Price, Place/ distribution channels), and Promotion. Within marketing target, service marketing mix concept is applicable to all industries both goods and services, including educational services. While in a service business, [12] suggest three additional P in service marketing; People, Physical Evidence, and Process. Educational service is a process included in a system. According to [8] service are a process and a system. Meaning of service as a process, is produced from three input process; people (consumer), material and information. As a system, servicing business is a combination of Service Operating System and Service Delivery System. Service marketing emphasizes on service delivery system; how a company delivers services to consumers. The accuracy of service marketing strategy of a company is determined by perceived service quality and measured by the quality of customer perceived service (service performance / perceived service) as well as the expected service (customer expectation). Overall service quality is the totality of each element of service mix.

Service marketing mix and service quality including educational services can be improved through service quality elements / determinants. According to [8] five elements determine the service quality; tangible, empathy, reliability, responsiveness, and assurance or certainty.

- Tangibles, reflects the physical facilities such as lecture hall, offices, lecture rooms, clothes and appearance of employees, the location of campus, lecture facilities and offices.
- Empathy, includes the ease of communication and understanding of student needs such as attitude, reasonableness of fees being offered, the willingness to help students, responding to every request of students, courtesy of employees, individual attention to students, understanding employees to students, attention to the interests of students, attention to student needs and attention to personal student needs.
- Reliability, includes the trust on institutions, the accuracy of student records, student confidence on employees and lecturers.
- Responsiveness, includes speed of service and institutions support in faculty and staff.
- Assurance, includes an institution promise on students, determining timing of service provision, lectures security, determining operational timing and certainty of rendered services.

C. University Reputation

The various definitions of corporate reputation have considered at least four elements. [6] emphasizes that corporate reputation represents the net affective or emotional reaction and involves the overall estimation in which a company is held by its constituents. A second aspect considers the object specific components on which this overall evaluation is based that may include the extent to which the firm is well known; good or bad, reliable, trust- worthy, reputable and believable. [3] group these attributes under the two headings of economic and non-economic variables while emphasizing a third aspect in that reputation is the result of past actions. For these authors corporate reputation is defined as a set

of economic and non-economic attributes ascribed to a firm, and inferred from the firm's past behavior. A fourth aspect of corporate reputation emphasizes information cues that result from direct and indirect experiences and information received emphasizes the management aspect and asserts that it is the outcome of a competitive process in which firms signal their key characteristics to constituents to maximize social status.

A positive corporate reputation has been related to a number of beneficial outputs or consequences for the firm. It has been linked empirically to the intention to purchase a service to the attitude of buyers to salespersons and products in a purchase situation to attracting investors, lowering the cost of capital, and enhancing the competitive ability of the firm [6].

III. Methodology

The researcher used qualitative research as research design. Qualitative research is an approach, which is also called an investigative approach because researchers usually collect data by face-to-face and interacting with people in research sites [34]. The subject in this study is a university stakeholder. In this study there are three types of data collection methods, namely observation, interview and documentation. In conducting data analysis, researchers used interactive data analysis methods. Where research only describes the data that has been collected, then the data is then analyzed to get meaning, the value of the data that has been collected and then obtained conclusions [32].

IV. Results

Education is a service product produced by an educational institution that is non-profit, so that the results of the education process are invisible. And when looking at the educational institution itself from a corporate perspective, the educational institution is a production organization that produces educational services purchased by consumers. If the producer is unable to market their products, in this case education services, because their quality cannot satisfy consumers, then the production of services offered does not sell. That is, educational institutions that process educational services are not able to satisfy users education in accordance with market needs, even these educational institutions will not apply to continue to survive [12].

Education is something that has important priorities at the moment; good education can be used as investment capital for the future. Good and quality education can determine one's career in the world of work so that it becomes more professional, therefore education at the tertiary level is currently considered important by the community. The large number of tertiary institutions, causing intense competition in obtaining prospective students, various potentials and advantages of higher education will be deployed to the maximum extent possible, to face the competition, so it is very important for universities to conduct branding to introduce their campus. Therefore, universities must have a good "branding" to continue to face competition between universities, especially foreign universities are also increasingly aggressively promoting to attract new students in Indonesia.

Unlike physical products, an education service cannot be stored. It is produced and consumed together. The impact is on the marketing system, especially on the demand side. If stable demand will facilitate education service providers to make preparations, both from facilities and infrastructure and other educational technology

equipment. However, if demand fluctuates, it is more difficult for education service providers to undertake marketing strategies. Education services cannot be seen and felt by consumers before consumers buy or get education service providers directly. Consumers also cannot predict what results will be obtained by consuming these educational services, except after buying them.

The main objective of this process is to improve the quality of education in a sustainable, continuous and integrated manner. Efforts to improve the quality of education intended are not all at once, but are aimed at improving the quality of each component of education. The use of the term marketing is now very developed in all sectors of our activities. So, in this case education marketing can be interpreted as how to satisfy consumers or educational customers by using a logical rationale, if consumers are not satisfied means that marketing fails.

Thus, the educational institution is an institution engaged in educational services that its activities serve consumers in the form of students, students, students and the general public. And in this research can be explained what is education marketing, steps in education marketing and so on.

A. Accreditation

The first time that will be seen by prospective students or stakeholders is of course accreditation, therefore it is very important for state and private universities to conduct accreditation carried out by BAN-PT. And this branding strategy is very good to implement, accreditation not only attracts prospective students but also attracts several agencies to cooperate. Why there are well-accredited campuses with a lot of enthusiasts, the reason is clear, for accredited campus student candidates to look more qualified and certainly will influence to be used in the workforce.

B. Service Quality Improvement through Systems Information

Yes, at this time technology has been very helpful to educational institutions, and this is very useful to use campus branding tools to attract new students with sophisticated services. Indeed, information systems can improve the quality of services such as services in terms of PMB, academics, human resources as well as employee selection, training and training, and the payroll system becomes more sophisticated. And of course the campus that uses information systems looks more professional, and certainly attracts prospective students [9].

By developing information systems, the campus can also have many benefits, such as: neatly arranged reports that make it easier for employees, and obtain detailed and valid data for evaluation data, and can make decision-making data by leaders for campus progress of course. If you use the Information System developed by Sevima, you will get many advantages, one of which is integrated with PDDikti Feeder, and obviously reporting will be easier.

C. Strategic Marketing in Education

In education marketing there are several strategic steps, namely:

1. Market identification, which is a study conducted to determine market conditions and expectations including educational attributes that are of interest to education consumers.
2. Market segmentation and positioning, which divides the

market into groups of buyers that are distinguished based on needs, characteristics, or behavior that may require different products. While positioning is a characteristic and distinctive product differentiation that makes it easy for consumers to differentiate service products between one institution and another.

3. Product differentiation, differentiation is an effective way to find market attention. This strategy is a strategy that offers a different offer than the offer provided by competitors.
4. Marketing communication, namely the publication of achievements by independent media, such as news in the mass media.
5. School services, this is seen as what consumers expect. The gap that often occurs is the difference in perceptions of the quality and attributes of education services. Based on the results of research on service organizations, including schools, there are several characteristics of good service organizations, namely:
 - Strategic concept that has a focus on consumers.
 - Quality commitment from top management.
 - Determination of high standards.
 - System for monitoring service performance.
 - System to satisfy customer complaints.
 - Satisfying employees with customers.

There are five steps in order to achieve the above characteristics, namely:

- Reliability is the ability to carry out the promised services accurately and reliably.
- Responsiveness is the ability to help customers and provide services quickly.
- Confidence is the knowledge and competence of teachers and their ability to generate trust and confidence.
- Empathy is a condition for caring, giving personal attention to customers.
- The form is the appearance of physical facilities, equipment, personnel and communication media.

Promotional activities are a priority component of branding and marketing activities. With the promotion, consumers (prospective students) will know that the campus has many good programs for prospective new students. Many promotional activities are said to be identical with funds owned by agencies. The greater the funds owned by an educational institution, generally it will produce a level of promotion that is also very intense to be able to do. But funds are not above everything. Limited funds can be overcome with smarter and more precise innovations, one solution that can be done is to improve campus performance or so forth.

Promotional activities are closely related to the dissemination of information to be submitted to prospective new students. In the delivery of this information strategy there are several ways, such as making campus brochures, and utilizing media social advertising.

D. Making a good Image for Education

The image is the impression of feelings or conceptions that exist in the public about the company, regarding an object, person or institution. The image cannot be printed like printing an item, but the image is an impression obtained in accordance with knowledge, one understands of something. The image is formed from how the institution carries out its operational activities, which have a

main foundation in terms of service. Images are also formed based on impressions, based on experience experienced by someone towards something, so that it can build a mental attitude. And this mental attitude will later be used as a consideration for making decisions. Because imagery is considered to represent the totality of one's knowledge of something [16].

Educational institutions and other non-profit institutions seek funds needed to finance the organization. These funds are obtained from people associated with the organization. Therefore, to make it easier to flow, a good image of the organization needs to be formed. Thus, educational institutions must strive to create a positive image in the hearts of the community, so that people can make decisions to register their sons and daughters to enter the educational institution. The formation of this image also cannot be formed quickly and briefly, because the community is as sensitive and critical. Negative images are usually quickly formed, but positive images require a long time. Therefore, educational institutions continuously build, shape and maintain a positive image.

E. Different

Branding that you should not miss again is having distinctions or uniqueness from other campuses, such as having a department that is rarely available on other campuses, but opening up many job opportunities. Or have unique slogans also included in this marketing strategy, many campuses in Indonesia are applying this branding like the University of Veteran in Surabaya campus, they are giving permission to their campus with a unique phrase / slogan that is "Bela Negara Campus, of course this will have an emotional impact on prospective registrants, there is also the PGRI University Adi Buana in Surabaya city with their motto "Campus Spirit Morning". Etc. The uniqueness will be embedded in the brains of prospective students and will attract more prospective new students [3].

F. University Publication

University publications are many ways, one of which is using the university website. Lots of publications, profiles, study programs / majors, scholarships and information on campus and so on. Publications in other forms and have a significant impact by sending news or research to journals or international publications, such as newsletters and educational magazines. In this way the reputation of a university will be formed, of course the news content or research submitted must be interesting and worthy of discussion at the international level, surely the university will become more famous and have strong branding, and this is very beneficial for the campus.

G. Alumnus as Higher Education Marketer

It is undeniable, alumni are also good branding for the campus, because alumni will be a benchmark for prospective new students, such as the outstanding alumni will be used as glass by most prospective students because they also want to feel the same success.

V. Conclusion

Education marketing is a renewal step when an educational institution must follow the tight competition to obtain customers [24]. For educational institutions that already have a good image in the community such as favorite schools, the implementation of marketing education only requires planning that further perfects the existence of the school by carrying out continuous improvement

quality with innovation as a new breakthrough in anticipating the demands of the work world as a relevance from the world of education. Education that can be marketed is education that has products as commodities; products have standards, specifications and packaging, have clear goals, have networks and media, and have marketers. Thus, the point is that with the existence of educational marketing, it will create a quality culture in every segment and step, so that the education process provided is in accordance with customer needs and leads to satisfaction, while satisfaction from education customers will deliver the institution to a better image and increase in demand. education, so that income at the institution increases as well [34].

References

- [1] Ahmad, Rizal, Buttle, Francis, "Customer retention: A potentially potent marketing management strategy", *Journal of Strategic Marketing*, 9: 1, pp. 29-45, 2001.
- [2] Daniel, B., "Service quality in higher education: The students' viewpoint. University of Manchester, pp.1-123, 2012.
- [3] Dahmiri et al., "The Influence of service marketing mix and service quality on students' satisfaction in Jambi University, Indonesia", *International Journal of Economics, Commerce and Management*, Vol. 5, Issue 6, 2017.
- [4] Faizan, A., Yuan, Z., Kashif, H., Kumar, N., Ari, R., "Does higher education service quality affect student satisfaction, image or loyalty: A case study of international students in Malaysian public universities? *Quality Assurance in Education*, Vol. 24 (1), pp. 70-94, 2016.
- [5] Faranak, K., Behnaz, K., "Service quality in higher education", *Interdisciplinary Journal of Research in Business*, Vol. 1 (9), pp. 38-46, 2011.
- [6] Fares, D., Achour, M., Omar, K., "The impact of service quality, student satisfaction, and university reputation on student loyalty: A case study of students in IIUM, Malaysia", *Information Management and Business Review*, Vol. 5 (12), pp. 584-590, 2013.
- [7] Gall, M., Gall, P., Borg, W., "Educational research", 8th Edition. Boston: Pearson Education Inc., 2007.
- [8] Ghulam, M., Khan, M., Affaq, Q., "Impact of service quality on customer satisfaction in higher education institutions", *Journal of International Education Research*, Vol. 4 (3), pp. 23-29, 2014.
- [9] George Siemens et al., (2013), "Improving the Quality and Productivity of the Higher Education Sector. [Online] Available: https://www.solaresearch.org/wp-content/uploads/2017/06/SoLAR_Report_2014.pdf.
- [10] Hasan, A., Rahman, A., Azleen, T., Razak, M., "Service quality and student satisfaction: A case study at private higher education institutions", *Journal of International Business Research*, Vol. 1 (3), pp. 32-46, 2011
- [11] Hayan, D., Mikhles, A., "The impact of service quality on student satisfaction and behavioral consequences in higher education services," *International Journal of Economy, Management and Social Sciences*, Vol.2 (6), pp. 285-290, 2013.
- [12] Hamzah, E., "Concept of the Education Services Marketing Mix in Indonesia", *Managerial Marketing eJournal*, Vol. 8, No. 46, 2016.
- [13] Hernon, P., Whitman, J., "Delivering satisfaction and service quality: A customer-based approach for libraries", Chicago: American Library Association, 2011.
- [14] Hoffman, K. Bateson, J., "Services marketing: concepts, strategies, & cases", Boston, MA: Cengage Learning, 2016.
- [15] H. Stimac, M.L. Simic, "Competitiveness In Higher Education: A Need For Marketing Orientation And Service Quality," *Recent Issues in Economic Development*, pp. 23-34, 2012.
- [16] Jayanth, D., "Measuring Student Satisfaction at Higher Educational Institutions", Saarbrücken: LAP LAMBERT Academic Publishing, 2015.
- [17] Jalal, M., Haim, A., Ari, W., "Service quality and students' satisfaction at higher learning institutions: The competing dimensions of Malaysian Universities' competitiveness", *Journal of Southeast Asian Research*, Vol. 10 (9), pp. 1-10, 2011.
- [18] Kotler, K. L. Keller, "Marketing Management", Edinburgh Gate: Pearson Education Limited, 2013.
- [19] Larry J. Rosenberg, "A Marketing Approach for Customer Retention", *Journal of Consumer Marketing*, Vol. 1 Issue 2, pp. 45-51, 1984.
- [20] Leary, M., "Introduction to behavioral research methods (3rd Edition). Allyn & Bacon, Boston: USA, 2001.
- [21] Malik, M., Danish, R., Ali, U., "The impact of service quality on students' satisfaction in higher education institutions of Punjab", *Journal of Management Research*, Vol. 2 (2), pp. 1-11, 2010.
- [22] Menon, M., Terkla, D., Gibbs, P., "Using data to improve higher education: Research, policy and practice", Rotterdam: Sense Publishers, 2014.
- [23] Mugenda, O., Mugenda, A., "Research methods: Quantitative and qualitative approaches", Acts Press, Nairobi Kenya, 2003.
- [24] Pang, N., "Globalization: Educational research, change and reform", Hong Kong: Chinese University Press Hong Kong Institute of Educational Research, 2016.
- [25] Parasuraman, A., Zeithaml, V.A., Berry, L. L., "SERVQUAL: A multi-item scale for measuring consumer perceptions of service quality", *Journal of Retailing*, 64, pp. 12-40, 1988.
- [26] Parasuraman, A., Zeithaml, V.A., Berry, L. L., "A conceptual model of service quality and its implications for future research", *Journal of Marketing*, 49, pp. 41-50, 1985.
- [27] Paul, G., "Measuring service quality in higher education: A South African case study", *Journal of International Education Research*, Vol. 10 (2), pp. 131-143, 2014.
- [28] Rodrigues, L., "Service quality measurement issues and perspectives", Hamburg: Anchor Academic Pub, 2013.
- [29] Senakham, T., "Customers' expectations of service quality in the Thai University fitness centers in Bangkok metropolitan area, Kingdom of Thailand", Spanish Fort: United States Sports Academy, 2010.
- [30] Wiersma, W., Jurs, S., "Research methods in education (9th Ed)", New York: Pearson Education Incl., 2009.
- [31] Zeithaml, V., "Delivering quality service", Berlin New York: Springer, 2014.
- [32] Zikmund, G., Babin, J., Carr, J., Griffin, M., "Business Research Methods, 8th Edition. Oklahoma, 2010.
- [33] Zhou, M., "Advances in education and management: International Symposium, ISAEBD 2011, Dalian, China, August 6-7, 2011: proceedings. Heidelberg: Springer.
- [34] Z. Fadeeva, Y. Mochizuki, "Higher Education for Today and Tomorrow: University Appraisal for Diversity, Innovation and Change Towards Sustainable Development," *Integrated Research System for Sustainability Science*, pp. 249-256, 2011.



Afni Mufliyah Hasdiansa, pursuing her Ph.D Management in Limkokwing University in Kuala Lumpur, Malaysia.