

# **ANALYSIS OF MARKET ORIENTATION ATTRIBUTE PRIORITY LEVEL IN INDONESIAN HIGHER EDUCATION INSTITUTIONS**

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***Abstract:** The aims of the study are to define the attributes of market orientation on higher education institution in Indonesia; to determine the strengths and weaknesses of the market orientation; to categorize strengths and weaknesses of market orientation in the higher education institution in Indonesia. Sample size used in this study is 200 respondents consisting both students and users. There are 32 items defined and analyzed using a service quality model. The goals are to determine the strengths and weaknesses of the service quality, to make categorization of strengths and weaknesses and to test by using paired sample t-test in order to find the ranking of the attributes of the market orientation of higher education institution in Indonesia. The result shows that most of market orientation attributes are weak. The priority of market orientation attribute is found to be significant.*

***Keywords:** Market Orientation, Service Quality, Higher Education.*

## **INTRODUCTION**

Conducting evaluation on the attributes of a market orientation of higher education institution universities in Indonesia, especially universities using the service quality model, is one of the most widely used (Pawitra and Tan, 2003). This model was developed in the mid-1980s by Parasuraman *et. al.* (1985) to determine the quality of service by way of a gap between perception and customer expectations about service quality of the organization's performance. Accordingly, the quality of services consisting of the perceived quality and expected quality. Moreover, perceived quality can be defined as the customer's general assessment of the position and the excellence of the services they receive, the quality is expected to explain the expectations about the services they receive.

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The service quality model was first developed in 1983 by Parasuraman, Zeithaml and Berry. His research is to design initially with 10 (ten) dimensions: tangibles, reliability, responsiveness, safety access, communication, understand the needs of consumers. In the next development, of the ten dimensions were simplified into five (5) dimensions, namely tangibles, reliability, responsiveness, assurance, and empathy. The service quality was constructed into three parts, namely the first part deals with the customers' perception of service expected (expectation), the second part deals with customer perception of performance (performance). In the first and second parts there is gap between expectation and performance. The gap is measured with a different score, namely performance minus expectation). If the gap indicates a positive score, then this shows that the performance is better than what customers expect, while a negative score shows that the quality of service is low. Furthermore, the third part deals with the level of interest (level of importance) of dimension service. This score is used for weighting the quality of service received to obtain the service quality score is more accurate.

As it is known that both theorists and researchers agree that consumer behavior is the development of theories and concepts giving important contribution to the service quality in "marketing disciplines". Customer satisfaction is originally a slogan, turned into a reality that eventually became one of the theories in the science of marketing (Bhote, 1996: 4, Gale, 1994). Satisfaction of the customers is the key in the operation of a number of organizations (Hill, 1996: 1). Customer satisfaction is an important outcome of the operating performance of industrial services and the most influence on customer loyalty (Anderson, *et. al.*; 1994). Meanwhile. Cronin and Taylor in 1992 says that in determining the quality of service simply by performance measurement consisting of performance and expectation as the service quality, which is claimed by Cronin and Taylor as a reflection of the customer's perception of the most excellence of the service quality and that the expectation is not a part of the concept (Robinson, Franchsini, Lee *et. al.* in Agustini 2005: 30). Therefore, in the era of globalization, it is difficult to deny that the marketing activities that become part of the competitive strategy that can provide huge contribution in improving company's performance (Cann and George 2003). Therefore, the competitiveness of companies in the turbulent environment of a transitional economy is largely determined by the ability of companies to develop the concept of market orientation. In fact, according to Kotler and Levy (1969) states that the market orientation which is the implementation of the marketing concept is relevant to all types of organizations that deal with customers and other concerned parties.

As a matter of fact, one effort to meet the challenges and opportunities, universities in Indonesia implement the market-oriented goal, contributing to the improved performance of this concept that has been already proven empirically (Qureshi, 1989, 1993; Caruana, Ramaseshan and Ewing 1998). Market orientation developed within an organization will be significant resources to maintain a competitive advantage.

Thus, a market-oriented company chose a more prudent target market and offers a better total and tailored to the preferences of its customers. In general, market orientation is understood as a business response to a particular part of the external environment consisting of consumers and competitors (Kohli and Jaworski, 1990; Narver and Slater, 1990). This study aims to define the attributes is the quality of service; determine the strengths and weaknesses of the universities market orientation; categorization of the strengths and weaknesses of the market orientation, by adopting service quality models used as a tool of analysis.

## **ORIENTATION OF HIGHER EDUCATION MARKET**

### **The Concept of Market Orientation**

The orientation of the market is a strategy to be able to provide services according to the needs and desires of customers. Therefore, maintaining market orientation is often said that the organization should gather information from customers about the needs and desires as well as the use of customer information that has been available to design and offers.

Two phenomenal concept proposed by Narver and Slater (1990), which represents a cultural perspective and Kohli and Jaworski (1990), which viewed from the perspective of market orientation behavior. According Narver and Slater (1990) market orientation is an organizational culture which is manifested as customer orientation, competitor orientation, and coordination among the existing functions, using the criteria of long-term goals and make a profit. Based on these two criteria illustrated that the concept of market orientation is less appropriate for non-profit organizations such as universities motif. Meanwhile Kohli and Jaworski (1990) looked at the market orientation as organizational behavior in implementing the concept of marketing. This behavior is emphasized on the activity which consists of market information collection, dissemination of market information and respond to information that market. This study uses the definition provided by Kohli and Jaworski (1990). In addition most appropriate model for the universities has also been used on the same object of research by Caruana, Ramaseshan and Ewing (1998) in Australia and New Zealand as well as Flavia'n and Lozano (2006) in Spain.

### **Orientation of Higher Education Market**

Some literature on marketing an educational institution originally appeared in the 1980s in the US and the UK to adopt the model of business organization (Oplatka and Brown, 2004). This topic is able to attract the attention of researchers, so that in the 1990s a study on the implementation of marketing in college bloom (Edgett and Parkinson 1993; Grönroos 1990; Gummesson 1991; Hannagan 1992; Kotler and Andreasen 1987; Lovelock and Weinberg 1989). In connection with the

implementation of the marketing concept of market orientation, especially in educational institutions, Caruana, Ramaseshan and Ewing (1998) argues that to win the competition in the era of competitive market, universities must implement a market orientation. However, the application of these concepts in educational institutions is still debated. Driscoll and Wicks (1998) criticizes that the customer-driven approach which is another term for a market orientation is not suitable for education. Both researchers are concerned about this concept that can be misinterpreted to be an opportunity for the students as a customer to negotiate the curriculum and assessment system based on what they want. Accordingly, this approach is considered to cause a decline in the quality of education.

On the other hand, one of the underlying reasons for the universities to apply the concept of market orientation is a change in government policy that occurred in various policy. The policy is the reduction of government subsidies to universities (especially public universities). It requires institutions that are working hard to find sources of non-government finance. Qureshi (1989 and 1993) and Caruana, Ramaseshan and Ewing (1998) found that universities market oriented policy easy is to get non-government funding. These findings can be used as a basis for universities in Indonesia to implement the concept. Another factor that can be an incentive for universities to adopt a market orientation is globalization. The era of the free market has led to the emergence of foreign higher education institutions that are ready to compete with the domestic universities.

According to the marketing concept, the institution can survive and win the competition in the global market is an institution that is able to offer more value and in accordance with the wishes of customers (Kotler 2003). This shows that the free competition now, universities must be able to conduct designing market-oriented activities (Maydeu-Olivares and Lado 2003). In addition changes in higher education in Indonesia gives opportunities of applying market orientation. This is in line with the vision of higher education in 2010 formulated the quality and links to 'student needs' (Directorate General of Higher Education 2003). Theoretically efforts should be made to improve quality is to minimize the gap between the supply of services rendered to the customer expectations (Zeithaml, Berry and Parasuraman 1988). Explicitly, these efforts can be realized by getting to know and understand the customer, which is the keyword of the concept of market orientation. Based on the above description that the implementation of market orientation needs to be done at the universities. As a service organization, universities require specific strategies and specific rules in adopting the concept.

## **RESEARCH METHODS**

In this research the method of analysis was done through several stages. Validity and reliability testing to determine the validity and reliability of the data was carried out using Cronbach's alpha. Gap analysis was also performed in order to obtain the both

positive and negative differences. Positive differences between expectations and perceptions show the strength; while negative differences show weakness on the service quality. The gap analysis results need to be tested in order to prove whether the gap is significant or not, then the next step is the gap to be tested using paired sample t-test, and further step is to perform calculation of weighted ratings on the gap. This score is used to weight the service quality received to obtain the more accurate score.

**RESEARCH RESULT**

**Profile of Respondents**

Profile of student respondents consists of gender, types of education, and level of education as obtained from the survey of 200 respondents. The description shows the following factors: Gender consists of 42.5% males and 57.5% female; 34.5% state universities and 65.5% private universities; as well as education consisting of 40% Diploma III, 45% Diploma IV/S1 and 15% Masters and Doctorate holders. While the user respondents consists of 18% finance and insurance industry group, 16% communication and information, 11% manufacturing, 10.5% tourism and hospitality, 9.5% education, 9% automotive and the rest is in other industries, such as hospitals, intasnipemerrintah and others. Sex consists of 70% men and 30% women with education level are as follows 47.5% DIV/S1, 30% S2, 20% S3 and 2,5% D3.

**Validity and Reliability**

Cronbach Alpha is used to explore inter-item consistency of scale by using SPSS 17.0 for Windows. Test of reliability over 200 student respondents and 200 user respondents shown in Table 1.

**Table 1**  
**Reliability Test Result**

<i>Dimensions/Sub-dimensions</i>	<i>Number of items</i>	<i>Reliability Statistics (Cronbachs' Alpha)</i>			
		<i>Students</i>		<i>Users</i>	
		<i>Percieved</i>	<i>Expectation</i>	<i>Percieved</i>	<i>Expectation</i>
Overall Scale	32	.937	.942	.976	.908
1. Customer Orientation	18	.911	.913	.959	.805
2. Competitor Orientation	6	.798	.833	.934	.857
3. Inter-Functional Coordination	8	.833	.859	.936	.889

**Analysis Service Quality Model**

In order to determine the attributes of market orientation in higher education institutions, gap analysis of the service quality is applied to scale the market orientation of universities. In the table 4 the writer displays the positive difference between expectations and perceptions showing the strength, while the negative differences

shows weakness on the service quality. In this context, the analysis shows the findings that the market orientation of the universities from the view point of students and users can be seen in Table 2 and Table 3.

**Table 2**  
**Analysis of Gap Student Respond**

<i>Item</i>	<i>Exp</i>	<i>Perc</i>	<i>Gap</i>	<i>Notes</i>
<i>Student (Customer) Orientation Item</i>			–	
1. University measures students' satisfaction every academic year	4.34	3.43	(0.91)	Weak
2. University cares about students' well being	4.47	3.40	(1.07)	Weak
3. University understands the needs of students	4.46	3.31	(1.15)	Weak
4. Complaints by students are dealt quickly	4.44	3.23	(1.22)	Weak
5. The complaints procedure is easy for student to access	4.43	3.12	(1.31)	Weak
6. The complaints procedure is easy for students to understand	4.40	3.30	(1.10)	Weak
7. Student are given information that help them to understand what to expect from this university	4.26	3.45	(0.81)	Weak
8. Staff in the university are eager to support students and go beyond their role definition	4.19	3.17	(1.02)	Weak
9. Students' feedback on their experiences influence the teaching and learning process	4.17	3.39	(0.78)	Weak
10. Staff are attentive to students' concerns	4.33	3.19	(1.14)	Weak
11. We encourage students to offer constructive positive comments	4.21	3.29	(0.92)	Weak
12. Staff are regularly provided with information about students' views and experiences	3.99	3.36	(0.63)	Weak
13. The university understands what kind of teaching and learning the students value most	4.19	3.39	(0.81)	Weak
14. We encourage students to offer constructive negative feedback	4.24	3.56	(0.68)	Weak
15. Responding to students' needs is my major task	4.26	3.31	(0.95)	Weak
16. A good teacher is one whose students are happy as satisfied	4.37	3.57	(0.80)	Weak
17. The university meets and goes beyond the promises it makes to students	4.37	3.35	(1.02)	Weak
18. Senior staff promote the spirit of customer orientation and focus	4.23	3.29	(0.94)	Weak
<i>Competition Orientation</i>				
1. This university compares favourably with other university in meeting students' needs	4.17	3.26	(0.91)	Weak
2. Information about what my colleagues in other universities are doing helps me in my role	4.21	3.39	(0.83)	Weak
3. Senior managers often refer to the actions of other university	3.92	3.20	(0.73)	Weak
4. The majority of staff take an interest in what's going on in other universities	3.83	3.26	(0.58)	Weak
5. The university usually responds positively to other universities' new initiatives and developments	4.03	3.33	(0.70)	Weak
6. The university understand the needs of students better than other universities	4.20	3.36	(0.84)	Weak
<i>Intra-functional Orientation</i>				
1. In meetings we discuss information about students' concerns in order to make improvements	4.35	3.58	(0.77)	Weak
2. Academics help to attract prospective students	4.50	3.67	(0.83)	Weak
3. Academic staff cooperate to promote the university's image	4.26	3.55	(0.71)	Weak

*Cont. table 2*

<i>Item</i>	<i>Exp</i>	<i>Perc</i>	<i>Gap</i>	<i>Notes</i>
4. Administrative staff cooperate to promote the university's image	4.30	3.53	(0.78)	Weak
5. All faculties and departments contribute to the marketing of the university	4.34	3.45	(0.89)	Weak
6. The guiding light in curriculum development or new initiatives is the demand of the students	4.25	3.20	(1.06)	Weak
7. Marketing information is discussed and shared with academic staff	4.13	3.35	(0.78)	Weak
8. Current students are always central to decision-making in the university	4.29	3.12	(1.17)	Weak

**Tabel 3**  
**Analysis of Gap User's Respond**

<i>Item</i>	<i>Exp</i>	<i>Perc</i>	<i>Gap</i>	<i>Notes</i>
<i>User (Customer) Orientation Item</i>				
1. University measures users' satisfaction every academic year	4.67	3.36	(1.31)	Weak
2. University cares about users' well being	4.56	3.59	(0.97)	Weak
3. University understands the needs of user	4.59	3.36	(1.23)	Weak
4. Complaints by users are dealt with quickly	4.34	3.09	(1.26)	Weak
5. The complaints procedure is easy for user to access	4.41	2.99	(1.42)	Weak
6. The complaints procedure is easy for users to understand	4.39	3.06	(1.34)	Weak
7. User are given information that help them to understand what to expect from this university	4.29	3.25	(1.05)	Weak
8. Staff in the university are eager to support users and go beyond their role definition	4.18	2.89	(1.29)	Weak
9. Users' feedback on their experiences influence the teaching and learning process	4.43	3.53	(0.90)	Weak
10. Staff are attentive to users' concerns	4.21	3.02	(1.19)	Weak
11. We encourage users to offer constructive positive comments	4.45	3.47	(0.98)	Weak
12. Staff are regularly provided with information about users' views and experiences	4.08	3.32	(0.76)	Weak
13. The university understands what kind of teaching and learning the users value most	4.36	3.41	(0.95)	Weak
14. We encourage users to offer constructive negative feedback	4.39	3.48	(0.91)	Weak
15. Responding to users' needs is my major task	4.18	3.15	(1.03)	Weak
16. A good teacher is one whose users are happy as satisfied	4.56	3.55	(1.02)	Weak
17. The university meets and goes beyond the promises it makes to users	4.37	3.20	(1.18)	Weak
18. Senior staff promote the spirit of customer orientation and focus	4.10	3.01	(1.09)	Weak
<i>Competition Orientation</i>				
1. This university compares favourably with other university in meeting users' needs	4.03	3.22	(0.81)	Weak
2. Information about what my colleagues in other universities are doing helps me in my role	3.99	3.23	(0.76)	Weak
3. Senior managers often refer to the actions of other university	4.24	3.21	(1.03)	Weak
4. The majority of staff take an interest in what's going on in other universities	4.18	3.37	(0.82)	Weak

Cont. table 3

<i>Item</i>	<i>Exp</i>	<i>Perc</i>	<i>Gap</i>	<i>Notes</i>
5. The university usually responds positively to other universities' new initiatives and developments	4.33	3.35	(0.98)	Weak
6. The university understand the needs of users better that other universities	4.42	3.57	(0.85)	Weak
<i>Intra-functional Orientation</i>				
1. In meetings we discuss information about users' concerns in order to make improvements	4.43	3.63	(0.81)	Weak
2. Academics help to attract prospective users	4.46	3.39	(1.07)	Weak
3. Academic staff cooperate to promote the university's image	4.39	3.17	(1.22)	Weak
4. Administrative staff cooperate to promote the university's image	4.36	3.18	(1.19)	Weak
5. All faculties and departments contribute to the marketing of the university	4.35	3.35	(1.00)	Weak
6. The guiding light in curriculum development or new initiatives is the demand of the users	4.37	3.31	(1.06)	Weak
7. Marketing information is discussed and shared with academic staff	4.02	3.17	(0.85)	Weak
8. Current users are always central to decision-making in the university	4.25	3.31	(0.94)	Weak

The results of the analysis of gap needs to be tested to prove whether the gap is significant or not; then the next step is to be tested with Paired sample *t*-test. The test results with Paired sample *t*-test showed that there is no differences or it can be stated that the gap is not significant as it is shown in Table 4 and Table 5.

**Table 4**  
**Paired Sample *t*-test - Student Responses on Market Orientation**

<i>Item</i>	<i>GAP</i>	<i>t</i>	<i>Sig</i> (2-tailed)	<i>Notes</i>
<i>Student (Customer) Orientation Item</i>				
1. University measures students' satisfaction every academic year	(0.91)	-12.825	.000	Sig.
2. University cares about students' well being	(1.07)	-14.451	.000	Sig.
3. University understands the needs of students	(1.15)	-14.080	.000	Sig.
4. Complaints by students are dealt with quickly	(1.22)	-14.982	.000	Sig.
5. The complaints procedure is easy for student to access	(1.31)	-16.061	.000	Sig.
6. The complaints procedure is easy for students to understand	(1.10)	-12.976	.000	Sig.
7. Student are given information that help them to understand what to expect from this university	(0.81)	-10.975	.000	Sig.
8. Staff in the university are eager to support students and go beyond their role definition	(1.02)	-12.938	.000	Sig.
9. Students' feedback on their experiences influence the teaching and learning process	(0.78)	-11.280	.000	Sig.
10. Staff are attentive to students' concerns	(1.14)	-15.359	.000	Sig.
11. We encourage students to offer constructive positive comments	(0.92)	-13.086	.000	Sig.
12. Staff are regularly provided with information about students' views and experiences	(0.63)	-8.101	.000	Sig.

Cont. table 4



<i>Item</i>	<i>GAP</i>	<i>t</i>	<i>Sig</i> <i>(2-tailed)</i>	<i>Notes</i>
13. The university understands what kind of teaching and learning the students value most	(0.81)	-10.697	.000	Sig.
14. We encourage students to offer constructive negative feedback	(0.68)	-8.659	.000	Sig.
15. Responding to students' needs is my major task	(0.95)	-11.857	.000	Sig.
16. A good teacher is one whose students are happy as satisfied	(0.80)	-10.712	.000	Sig.
17. The university meets and goes beyond the promises it makes to students	(1.02)	-13.622	.000	Sig.
18. Senior staff promote the spirit of customer orientation and focus	(0.94)	-12.278	.000	Sig.
<i>Competition Orientation</i>				
1. This university compares favourably with other university in meeting students' needs	(0.91)	-11.063	.000	Sig.
2. Information about what my colleagues in other universities are doing helps me in my role	(0.83)	-10.739	.000	Sig.
3. Senior managers often refer to the actions of other university	(0.73)	-9.458	.000	Sig.
4. The majority of staff take an interest in what's going on in other universities	(0.58)	-8.094	.000	Sig.
5. The university usually responds positively to other universities' new initiatives and developments	(0.70)	-9.924	.000	Sig.
6. The university understand the needs of students better than other universities	(0.84)	-10.797	.000	Sig.
<i>Intra-functional Orientation</i>				
1. In meetings we discuss information about students' concerns in order to make improvements	(0.77)	-11.076	.000	Sig.
2. Academics help to attract prospective students	(0.83)	-11.058	.000	Sig.
3. Academic staff cooperate to promote the university's image	(0.71)	-9.715	.000	Sig.
4. Administrative staff cooperate to promote the university's image	(0.78)	-11.625	.000	Sig.
5. All faculties and departments contribute to the marketing of the university	(0.89)	-13.147	.000	Sig.
6. The guiding light in curriculum development or new initiatives is the demand of the students	(1.06)	-14.113	.000	Sig.
7. Marketing information is discussed and shared with academic staff	(0.78)	-11.163	.000	Sig.
8. Current students are always central to decision-making in the university	(1.17)	-14.470	.000	Sig.

**Table 6**  
**Paired Sample t-test-User's Responses on Market Orientation**

<i>Item</i>	<i>GAP</i>	<i>t</i>	<i>Sig</i> <i>(2-tailed)</i>	<i>Ket</i>
<i>User (Customer) Orientation Item</i>				
1. University measures users' satisfaction every academic year	(1.31)	-20.359	.000	Sig.
2. University cares about users' well being	(0.97)	-13.622	.000	Sig.
3. University understands the needs of user	(1.23)	-15.354	.000	Sig.
4. Complaints by users are dealt with quickly	(1.26)	-16.095	.000	Sig.
5. The complaints procedure is easy for user to access	(1.42)	-17.820	.000	Sig.

Cont. table 5

<i>Item</i>	<i>GAP</i>	<i>t</i>	<i>Sig</i> (2-tailed)	<i>Ket</i>
6. The complaints procedure is easy for users to understand	(1.34)	-15.625	.000	Sig.
7. User are given information that help them to understand what to expect from this university	(1.05)	-13.670	.000	Sig.
8. Staff in the university are eager to support users and go beyond their role definition	(1.29)	-16.174	.000	Sig.
9. Users' feedback on their experiences influence the teaching and learning process	(0.90)	-9.533	.000	Sig.
10. Staff are attentive to users' concerns	(1.19)	-16.050	.000	Sig.
11. We encourage users to offer constructive positive comments	(0.98)	-12.729	.000	Sig.
12. Staff are regularly provided with information about users' views and experiences	(0.76)	-13.273	.000	Sig.
13. The university understands what kind of teaching and learning the users value	(0.95)	-15.712	.000	Sig.
14. We encourage users to offer constructive negative feedback	(0.91)	-14.518	.000	Sig.
15. Responding to users' needs is my major task	(1.03)	-15.736	.000	Sig.
16. A good teacher is one whose users are happy as satisfied	(1.02)	-11.181	.000	Sig.
17. The university meets and goes beyond the promises it makes to users	(1.18)	-16.967	.000	Sig.
18. Senior staff promote the spirit of customer orientation and focus	(1.09)	-10.769	.000	Sig.
<i>Competition Orientation</i>				
1. This university compares favourably with other university in meeting users' needs	(0.81)	-10.287	.000	Sig.
2. Information about what my colleagues in other universities are doing helps me in my role	(0.76)	-10.552	.000	Sig.
3. Senior managers often refer to the actions of other university	(1.03)	-13.001	.000	Sig.
4. The majority of staff take an interest in what's going on in other universities	(0.82)	-5.037	.000	Sig.
5. The university usually responds positively to other universities' new initiatives and developments	(0.98)	-17.153	.000	Sig.
6. The university understand the needs of users better that other universities	(0.85)	-13.963	.000	Sig.
<i>Intra-functional Orientation</i>				
1. In meetings we discuss information about users' concerns in order to make improvements	(0.81)	-11.431	.000	Sig.
2. Academics help to attract prospective users	(1.07)	-13.885	.000	Sig.
3. Academic staff cooperate to promote the university's image	(1.22)	-17.550	.000	Sig.
4. Administrative staff cooperate to promote the university's image	(1.19)	-16.465	.000	Sig.
5. All faculties and departments contribute to the marketing of the university	(1.00)	-13.702	.000	Sig.
6. The guiding light in curriculum development or new initiatives is the demand	(1.06)	-16.449	.000	Sig.
7. Marketing information is discussed and shared with academic staff	(0.85)	-12.354	.000	Sig.
8. Current users are always central to decision-making in the university	(0.94)	-14.165	.000	Sig.

While Table 7 and Table 8 shows that the gap proves to be significant, but in order to obtain top-ranking service attributes, then the weighting of the gap is done. This score is used for weighting the quality of service received in order to obtain the service quality more accurate score. The results of the ranking of weighting can be seen in Table 7.

**Table 7**  
**Gap with the Weighted Attributes –Student’s Response**

<i>Item</i>	<i>Exp</i>	<i>Perc.</i>	<i>Gap</i>	<i>Norm</i>	<i>Rank</i>
<i>Student (Customer) Orientation Item</i>					
1. The complaints procedure is easy for student to access	4.43	3.12	(1.31)	0.08	1
2. Complaints by students are dealt with quickly	4.44	3.23	(1.22)	0.07	2
3. University understands the needs of students	4.46	3.31	(1.15)	0.07	2
4. Staff are attentive to students’ concerns	4.33	3.19	(1.14)	0.07	2
5. The complaints procedure is easy for students to understand	4.40	3.30	(1.10)	0.06	3
6. University cares about students’ well being	4.47	3.40	(1.07)	0.06	3
7. The university meets and goes beyond the promises it makes to students	4.37	3.35	(1.02)	0.06	3
8. Staff in the university are eager to support students and go beyond their role definition	4.19	3.17	(1.02)	0.06	3
9. Responding to students’ needs is my major task	4.26	3.31	(0.95)	0.06	3
10. Senior staff promote the spirit of customer orientation and focus	4.23	3.29	(0.94)	0.05	4
11. We encourage students to offer constructive positive comments	4.21	3.29	(0.92)	0.05	4
12. University measures students’ satisfaction every academic year	4.34	3.43	(0.91)	0.05	4
13. Student are given information that help them to understand what to expect from this university	4.26	3.45	(0.81)	0.05	4
14. The university understands what kind of teaching and learning the students value most	4.19	3.39	(0.81)	0.05	4
15. A good teacher is one whose students are happy as satisfied	4.37	3.57	(0.80)	0.05	4
16. Students’ feedback on their experiences influence the teaching and learning process	4.17	3.39	(0.78)	0.05	4
17. We encourage students to offer constructive negative feedback	4.24	3.56	(0.68)	0.04	5
18. Staff are regularly provided with information about students’ views and experiences	3.99	3.36	(0.63)	0.04	5
<i>Competition Orientation</i>					
1. This university compares favourably with other university in meeting students’ needs	4.17	3.26	(0.91)	0.20	1
2. The university understand the needs of students better than other universities	4.20	3.36	(0.84)	0.18	2
3. Information about what my colleagues in other universities are doing helps me in my role	4.21	3.39	(0.83)	0.18	2
4. Senior managers often refer to the actions of other university	3.92	3.20	(0.73)	0.16	3
5. The university usually responds positively to other universities’ new initiatives and developments	4.03	3.33	(0.70)	0.15	4
6. The majority of staff take an interest in what’s going on in other universities	3.83	3.26	(0.58)	0.13	5

*Cont. table 7*

<i>Item</i>	<i>Exp</i>	<i>Perc.</i>	<i>Gap</i>	<i>Norm</i>	<i>Rank</i>
<i>Intra-functional Orientation</i>					
1. Current students are always central to decision-making in the university	4.29	3.12	(1.17)	0.17	1
2. The guiding light in curriculum development or new initiatives is the demand of the students	4.25	3.20	(1.06)	0.15	2
3. All faculties and departments contribute to the marketing of the university	4.34	3.45	(0.89)	0.13	3
4. Academics help to attract prospective students	4.50	3.67	(0.83)	0.12	4
5. Marketing information is discussed and shared with academic staff	4.13	3.35	(0.78)	0.11	5
6. Administrative staff cooperate to promote the university's image	4.30	3.53	(0.78)	0.11	5
7. In meetings we discuss information about students' concerns in order to make improvements	4.35	3.58	(0.77)	0.11	5
8. Academic staff cooperate to promote the university's image	4.26	3.55	(0.71)	0.10	6

**Table 8**  
**Gap of Weighted Attributes -User's Response**

<i>Item</i>	<i>Exp</i>	<i>Perc</i>	<i>Gap</i>	<i>Norm</i>	<i>Rank</i>
<i>User (Customer) Orientation Item</i>					
1. University measures users' satisfaction every academic year	4.67	3.36	(1.31)	0.07	1
2. University cares about users' well being	4.56	3.59	(0.97)	0.05	3
3. University understands the needs of user	4.59	3.36	(1.23)	0.06	2
4. Complaints by users are dealt with quickly	4.34	3.09	(1.26)	0.06	2
5. The complaints procedure is easy for user to access	4.41	2.99	(1.42)	0.07	1
6. The complaints procedure is easy for users to understand	4.39	3.06	(1.34)	0.07	1
7. User are given information that help them to understand what to expect from this university	4.29	3.25	(1.05)	0.05	3
8. Staff in the university are eager to support users and go beyond their role definition	4.18	2.89	(1.29)	0.06	2
9. Users' feedback on their experiences influence the teaching and learning process	4.43	3.53	(0.90)	0.05	3
10. Staff are attentive to users' concerns	4.21	3.02	(1.19)	0.06	2
11. We encourage users to offer constructive positive comments	4.45	3.47	(0.98)	0.05	3
12. Staff are regularly provided with information about users' views and experiences	4.08	3.32	(0.76)	0.04	4
13. The university understands what kind of teaching and learning the users value most	4.36	3.41	(0.95)	0.05	3
14. We encourage users to offer constructive negative feedback	4.39	3.48	(0.91)	0.05	3
15. Responding to users' needs is my major task	4.18	3.15	(1.03)	0.05	3
16. A good teacher is one whose users are happy as satisfied	4.56	3.55	(1.02)	0.05	3
17. The university meets and goes beyond the promises it makes to users	4.37	3.20	(1.18)	0.06	2
18. Senior staff promote the spirit of customer orientation and focus	4.10	3.01	(1.09)	0.05	3

*Cont. table 8*

<i>Item</i>	<i>Exp</i>	<i>Perc</i>	<i>Gap</i>	<i>Norm</i>	<i>Rank</i>
<i>Competition Orientation</i>					
1. This university compares favourably with other university in meeting users' needs	4.03	3.22	(0.81)	0.15	4
2. Information about what my colleagues in other universities are doing helps me in my role	3.99	3.23	(0.76)	0.14	5
3. Senior managers often refer to the actions of other university	4.24	3.21	(1.03)	0.20	1
4. The majority of staff take an interest in what's going on in other universities	4.18	3.37	(0.82)	0.16	3
5. The university usually responds positively to other universities' new initiatives and developments	4.33	3.35	(0.98)	0.19	2
6. The university understand the needs of users better than other universities	4.42	3.57	(0.85)	0.16	3
<i>Intra-functional Orientation</i>					
1. In meetings we discuss information about users' concerns in order to make improvements	4.43	3.63	(0.81)	0.10	4
2. Academics help to attract prospective users	4.46	3.39	(1.07)	0.13	2
3. Academic staff cooperate to promote the university's image	4.39	3.17	(1.22)	0.15	1
4. Administrative staff cooperate to promote the university's image	4.36	3.18	(1.19)	0.15	1
5. All faculties and departments contribute to the marketing of the university	4.35	3.35	(1.00)	0.12	3
6. The guiding light in curriculum development or new initiatives is the demand of the users	4.37	3.31	(1.06)	0.13	2
7. Marketing information is discussed and shared with academic staff	4.02	3.17	(0.85)	0.10	4
8. Current users are always central to decision-making in the university	4.25	3.31	(0.94)	0.12	3

From Table 8 and Table 9 it can be seen that the highest rank that can improve satisfaction are attributes of market orientation both in terms of college students and graduates user.

## DISCUSSION

### Strengths and Weaknesses of Higher Education Market Orientation

Measurement of the strength and weakness of universities' market orientation shows that all 32 attributes are weakness of the service that should be improved so that satisfaction can be improved. This weakness is shown by the results of the negative gap, as shown in Table 4. Results of the negative gap is a gap between expectation and performance which is also supported by the results testing using the Paired sample *t*-test showing that the test is significant.

Results of the gap between expectation and performance as well as the testing of paired sample *t*-test does not have automatically show the level of interest. In order to be able to determine the level of interest of the weighting of attributes should be done.

Results of weighting 32 attribute items, attributes, in fact providing VIP services, inform customers about the package sent to them via phone or sms, pay attention to the customer's personal feelings and take delivery of customer addresses are attributes that the weighted gap value is relatively larger. This indicates that the attributes indicating the gap is greater than the other attributes which need to be paid attention due to the impact that can enhance to improve the quality of service. The categorization is based on the weighted gap within their multiple dimensions of service quality developed by Parasuraman, *et. al.* (1985) with five dimensions namely tangibles, reliability, responsiveness, assurance, and empathy.

It is also argued by Mentzer *T. et. al.* (1999) where one of them is the quality of the contact person, addressed to the customer orientation of the contact person of the supplier, in particular the desire of consumers to personnel of customer service with regard to his ability, empathy for the situation, and the concern upon the settlement of any problem (Bhitner, 1990). While Suprenant and Solomon (1987) suggest that the perception of service quality is more than that has been attempted service process, which involves contact person who ultimately able to produce customer satisfaction, therefore the quality of contact personnel is an important aspect as a liaison between employees and customers. Information quality relating to customer perception of the information provided by suppliers with regard to products for those customers who are likely to be selected. (Mentzer, Flint, and Kent, 1999; Mentzer, Rutner, and Matsumo, 1997; Novack, Reinhart, and Langley 1994; Reinhart, Cooper, and Wegenheim, 1989). This information is packaged in a catalog/brochure. If the information is available and with adequate quality, customers will be able to use that information to make decisions

### **Market Orientation Priority**

As a matter of fact, ranking in the attributes that have been developed indicate that customer requirements for services in each service attribute capable of providing satisfaction to customers. The satisfaction of customers will be the key to success and customer loyalty in accordance with the opinion of Hill (1996: 1) Satisfaction of customers is the key in the operation of a number of organizations. Besides, customer satisfaction can affect customer loyalty, this concept supports the idea Anderson, *et. al.* (1994) that customer satisfaction is an important outcome of the operating performance of industrial services and the most influence on customer loyalty. Therefore, ranking the priorities as shown in Table 8 was intended to determine the requirements be prioritized by customers that could eventually form the satisfaction and loyalty.

Beside that, as Shen *et. al.* (2000) also suggest that a deep understanding of customer needs and expectations is a prerequisite for achieving customer satisfaction. Therefore the determination of the ranking of priorities can be determined terms desires customer

service influencing on customer satisfaction. The same was stated by Hill (1996) that the satisfaction of the customer is key in the operation of a number of organizations. And finally satisfaction may establish loyalty, because customer satisfaction which was originally a slogan, turned into a reality that eventually became one of the theories in the science of marketing (Bhote, 1996: 4, Gale, 1994).

## **CLOSING**

From the results and discussion it can be concluded that the market orientation of universities, showed that although the definition of market orientation attribute of universities can become the measurement of customer satisfaction. In addition, the resulting weakness of GAP analysis of expectation and performance, though overall level of significance testing has been performed by comparing the mean and weighted gap to obtain ranking, which can not be used as the argument on the prerequisites of service expected by customers.

Ranking of priorities towards customer requirements into the terms of service for the universities market orientation in improving its services so that customer satisfaction can be improved.

However, this study still needs testing with other analytical tools to test the accuracy of the instruments that have been used in the research. Further testing such as the use of the model of Kano and Quality Function Deployment with the House of Quality is recommended, so the final result can be reliable in the decision making of standard service to be provided in order to increase customer satisfaction.

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