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Student Satisfaction, University Brand Image and Its Impact on Word of Mouth Communication

Suwandi Sumartias¹ and Imam Nuraryo²

¹ Department of Information and Communication Studies, Faculty of Communication, Padjadjaran University,
E-mail: suwandi.sumartias@unpad.ac.id

² Department of Communication Studies, Kwik Kian Gie School of Business, Jalan Yos Soedarso Kav.87 Sunter, Jakarta
Indonesia 14350, E-mail: imam@kwikkiangie.ac.id

Abstract: The research aimed to investigate how the university student satisfaction and the university brand image affect on word of mouth (WOM) communication mediated by university brand loyalty. This study conducted a questionnaires and distributed to 350 undergraduate students who studying in North Jakarta private universities, by using purposive sampling technique. The respondent who response back questionnaires were 336 students. To see the relationship between variables simultaneously, the researchers use Structural Equation Model (SEM). The results indicated that student satisfaction and university brand image impacted on WOM communication by mediating university brand loyalty. This research gives a consideration of private universities in North Jakarta, Indonesia to build a positive student satisfaction, university brand image, thus improve students' WOM communication will positively occurred.

Keywords: student satisfaction, university brand image, brand loyalty, WOM Communication

INTRODUCTION

Nowadays higher education institutions, including university and college, have increasingly become business process with their students as the customers. Student satisfaction therefore become important in business education context. Education institutions have to pay attention more student satisfaction (Elliot and Shin, 2002). In addition, education institutions, especially private universities or colleges, in which are based on the concept of business operations use value marketing to establish a brand image to attract more students.

For private universities, brand image is essential. Generally, the brand image of public universities is superior to that of private universities in Indonesia. Due to more private universities than public universities in Indonesia, Indonesian high school students tend to choose to study in public or state universities with a

better brand image. Moreover, the number of private universities in Indonesia has growth although the number of first year students has more likely decrease.

A unique brand image is what schools need to convey to student as customers. University brand image therefore influences the selection of university stakeholder (student, parents, and communities). Brand loyalty is also important. When the concept represented by a brand is more consistent with the self concepts of consumers, brand loyalty will be higher. Brand loyalty means that even when other brands produce a superior appearance, convenience or value, customers will continue buying the original brands (Chin, 2016). Brand loyalty is the source of profits. Hence, concern about brand loyalty is an effective method to manage brand equity. Students are the customers of universities, and with high quality customers, corporate (University) can develop maximum profits.

Word of Mouth (WOM) Communication plays significant role customers' consumption behavior an influence their purchase decision-making of products (Gelb and Sundaram, 2002). Hence, WOM is the most proper marketing strategy for universities. Students are the subjects of WOM. Loyal customers will create positive WOM for corporate. The brand image of a school significantly influences student enrollment intention. Student satisfaction and student loyalty are also important. Positive recommendations of the school reputation from seniors or alumni considerably will usually enhance the new students intention to study.

Therefore, the school brand image and student satisfaction influence student loyalty and WOM. According to arguments aforementioned, this research investigates university brand image, student satisfaction, brand loyalty and WOM communication as research variables. The students who studying in North Jakarta were the subjects of this research. This research also investigates whether the students will represent the positive WOM communication about their university.

LITERATURE REVIEW

Consumers can predict product quality, develop purchase behavior and save it in their memory by brand image. Aaker and Biel (1993) assert that brand image includes perceptions of quality, value and attitude, as well as brand associations and feelings. It is more multidimensional than perceived quality and, consequently, has a higher level of abstraction. A large amount of literature regarding the impact of intrinsic and extrinsic cues on perceived quality exists.

In an educational system, the brand image established by school is an important factor when students select a school. With a positive school brand image, student can recognize the differences among school and develop their selection intention. The symbolic brand image aims to connect individuals with specific groups, roles and self images. It means the school brand image can satisfy the consumers' upgrading of self-value, enhancement of social roles, harmony in group relationships and identification with self image. It is a social image perception related to social reputation, instructional characteristics and characteristic of human resources (Chen, 2011).

According to Pate (1990) university student satisfaction will influence their intention to recommend the university to others and their intention to have advance study or donation in the same university. When students evaluate satisfaction, they will reflect on their experience on campus. College can analyze and improve their service quality according to the investigation results. Davis and Ellison (1995) suggested that

if students are familiar with the campus, including academic knowledge, services and facilities, their satisfaction will the colleges.

Small (2008) expands on the analysis of the “customer” in higher education by considering the concept of student service staff as both servicing customers, and as the internal customers of academic and other general staff. Small argues that there is a perception that students are acting increasingly as “customers” because of the rising costs of higher education. Students who have experienced increases in the costs of attendance often feel entitled to proportionate increases in the levels of service they receive.

Despite students identifying as customers, student services staff in a study conducted by Small were still reluctant to identify them as customers. The term “customer” was said to carry negative commercial connotations that implied that the basis of each interaction was financial, when staff perceived their relationship with students as being altruistic. Though student services staff may be reluctant to perceive students as customers, this perception will improve retention rates by forcing the focus to be on the customer (Rudge, 2014).

Aaker (2012) suggested that brand loyalty means the capability of a brand to attract keep consumers. Jacoby and Chestnut (1978) suggested that brand identification and brand loyalty are highly similar. Based on the market type, brand loyalty can be classified into three categories: loyalty for fast moving consumer goods brands, brand loyalty for durable goods and loyalty for the brands from the service market. Markets will be classified according to transaction value, purchase frequency, final use destination, level of involvement, supplier and the purchasing process (Ramona, 2012). Brand loyalty can be observed by consumers’ specific behavior, while brand identification is a kind of psychological attitude that cannot be shown by behavior. In addition, brand loyalty is based on identification and satisfaction with a brand.

Word-of-mouth communication refers to the information sharing and communication among customers to receive better services (Shaemi & Barari, 2011). In this type of relationship, customers who have been pleased of a product, service, or an event, tell other people about their satisfaction (Goyette et al., 2013) and attract progressive attention of people to the products. In fact, it tends to be a viral marketing that one says to two people, two say to four people, four say to eight people and ... (Jamalzadeh, 2014). Word of mouth (WOM) is people’s face to face communication without commercial intention (Chin, 2016).

Swan and Oliver (1989) define WOM as consumers sharing consumption experiences with others and consumers recommending retailers to others. WOM can be both positive and negative (1983). However, only students’ positive WOM can help a school. According to Arndt (1967) the characteristic of WOM is oral communication, person to person communication, between a receiver and a communicator whom the receiver perceives as non commercial, regarding a brand, product or service. WOM represents the client’s willingness to recommend the product and service to others in the near future (Dabholkar et al, 1995). According to those explanations, the literature review and the logical thinking, this research purposed the following hypotheses as follows:

H1: University student satisfaction has a positive impact on brand loyalty

H2: Brand image of universities has a positive impact on brand loyalty

H3: Brand loyalty of universities has a positive impact on WOM Communication

H4: University student satisfaction has a positive impact on WOM Communication through brand loyalty as a mediating variable

H5: Brand Image has a positive impact on WOM Communication through brand loyalty as a mediating variable

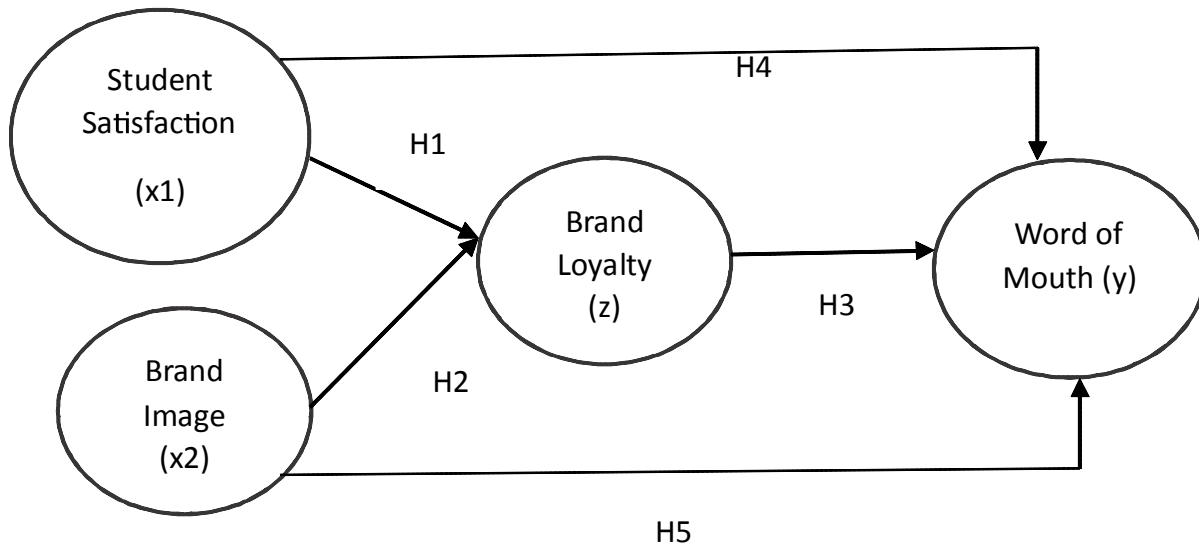


Figure 1 : Theoretical Model for University Student Satisfaction, Brand Image, Brand Loyalty and WOM Communication

RESEARCH METHODS

The target population for this study is the undergraduate students in the three private universities in North Jakarta. Since each university possesses almost homogeneous characteristics in term of location, environment, facilities, and climate condition, the study could select one or more than one campus to represent the north Jakarta region.

To test the hypothesis, this research conducted survey. The questionnaires were design a 5-point Likert Scale. 350 questionnaires using purposive random sampling were distributed to university students and 341 questionnaires were returned. After coding, there were 336 valid questionnaires, indicating a valid response rate of 97%.

The data collected was analyzed through SPSS 17.0 for descriptive statistics. SmartPLS 2.0 M3 was used to test the theoretical model and evaluate the impact of different source factors on university's image. The choice of Partial Least Squares path modeling technique was due to its ability to simultaneously test the quality of the measures and judge the explanatory power of the relations between the different constructs. Partial Least Squares (PLS) path modelling is a structural equation modelling technique (SEM) that can simultaneously test the measurement model (relationships between indicators or manifest variables and their corresponding constructs or latent variables), also called the outer model, and the structural model (relationships between constructs) also called the inner model.

FINDINGS

The results of the chi-square test is $\chi^2 (46)=303.111$ ($p=0.00<0.05$). However, chi-square values are sensitive to large samples and skewness distribution. When there are more samples or the skewness of data

is serious, the chi-square values will increase. According to Bagozzi and Yi (1988) the residual analysis measure ($RMSEA=0.065$) without the limitation of freedom. Therefore this research used their postulate.

The goodness of fit index ($GFI=0.912$), the normed fit index ($NFI=0.949$) and the comparative fit index ($CFI=0.969$), were above 0.90 and were acceptable. The measurement indicated that the overall model fit was good. This research measured the consistency of the observed variables in the same dimension in using Cronbach's α . The Cronbach's α of student satisfaction, brand image, brand loyalty, and WOM were above 0.7.

Based on the statement aforementioned, internal consistency and reliability of the questionnaire were good. In addition, this study measured the internal consistency of the dimensions using the Composite Reliability (CR) of the latent variables. In this study, the CR s of all latent variables were higher than the lowest limit of 0.60 suggested by Fornell and Larcker (1981). Therefore, the internal quality of the research model was satisfying.

The validity test is confirmed by standardized loading factor > 0.4 (Hair et al, 2010), and reliability test by cronbach alpha > 0.6 (Malhotra, 2004). This study showed that all the questionnaires items were valid and reliable. It would be seen on table 1, that all of the indicators contains good and fit measure based on the requirements of statistical condition. The factor loadings of the observed variables on the latent variables were above 0.652 and the t values were significant, which indicated that observation variables and latent variables were significantly related (Anderson & Gerbing, 1988; Bagozzi & Yi, 1988).

Table 1
Summary of Confirmatory Factor Analysis for Variables

<i>Variables</i>	<i>Items</i>	<i>Loading*</i>	<i>Errors</i>	<i>A</i>	<i>CR</i>
Student Satisfaction	X1.1	0.771	0.131	0.775	0.751
	X1.2	0.816	0.128		
	X1.3	0.652	0.377		
Brand Image	X2.1	0.911	0.200	0.924	0.927
	X2.2	0.887	0.189		
	X2.3	0.916	0.167		
	X2.4	0.766	0.393		
Brand Loyalty	Z1	0.850	0.156	0.927	0.923
	Z2	0.893	0.244		
	Z3	0.853	0.205		
	Z4	0.870	0.140		
	Z5	0.868	0.146		
Word of Mouth	Y6	0.887	0.110	0.939	0.940
	Y7	0.899	0.122		
	Y8	0.913	0.088		
	Y9	0.964	0.060		
	Y10	0.959	0.088		
	Y11	0.792	0.232		

Model Fit Measures $\chi^2(46) = 303.111$, $RMSEA = 0.065$, $GFI = 0.912$, $NFI = 0.949$, $CFI = 0.969$

*Note: Loading indicates $P < 0.001$.

The Average Variances Extracted (*AVE*) of all variables were above 0.5. this means all variables were acceptable (Fornell & Larcker, 1981) (see Table 2). This research had good convergent validity. In addition, the square roots of the average extracted variance of the latent variables in the model were above the correlation coefficients among the dimensions. The latent variables of this study revealed satisfying discriminant validity (Jöreskog & Sörbom, 1992).

Table 2
Matrix of the Correlation Coefficient and AVE

	<i>Student Satisfaction</i>	<i>Brand Image</i>	<i>Brand Loyalty</i>	<i>WOM</i>	<i>AVE</i>
Student Satisfaction	0.750	0.000	0.000	0.000	0.562
Brand Image	0.651	0.872	0.000	0.000	0.761
Brand Loyalty	0.867	0.666	0.867	0.000	0.751
WOM	0.745	0.606	0.872	0.908	0.825

Validation of Causal Relationships

The result of validation is indicated in table 3. The hypothesis of student satisfaction and loyalty was 0.673 ($p < 0.001$) and was significant, indicating that student satisfaction significantly and positively influences brand loyalty. In other words, satisfaction will enhance the relationship with loyalty. It is proved that H1 was supported. Meanwhile, the hypothesis of brand image and loyalty was 0.236 ($p < 0.001$) and was significant, indicating that university brand image significantly and positively influences brand loyalty. In other words, brand image enhances the relationship with loyalty. Therefore H2 was also supported.

The impact of brand loyalty on WOM was 0.887 ($p < 0.001$) and was significant, indicating that brand loyalty significantly and positively impacts WOM. In other words, brand loyalty will enhance the positive word of mouth communication to others. According to the test result of Table 3, Student satisfaction is significantly impacted by the brand loyalty to WOM. Likewise, university brand image was significantly impacted by the brand loyalty to WOM. It concludes that fourth and fifth hypothesis was supported.

Table 3
Hypotheses Result

<i>Relationships & Corresponding Path</i>	<i>Path Value</i>	<i>Results</i>
Student Satisfaction → Brand Loyalty (H1)	0.673	Supported
Brand Image → Brand Loyalty (H2)	0.236	Supported
Brand Loyalty → WOM (H3)	0.887	Supported
Student Satisfaction → Brand Loyalty → WOM (H4)	0.597	Supported
Brand Image → Brand Loyalty → WOM (H5)	0.209	Supported

DISCUSSION & CONCLUSION

This research concludes that the undergraduate student satisfaction and university brand image in north Jakarta Universities impact on word of mouth communication through brand loyalty. Regarding the overall framework of this study, the fit measures used to validate the assumed model indicated that the model had

a good fit. In addition, the correlation path coefficient, p value, of the variables was significant. the five hypotheses of this study therefore were supported. Brand loyalty has a mediating effect on the influence of student satisfaction and brand image on the positive WOM to others.

The impact of student satisfaction with college, after the hypothesis was validated, the findings showed that the students satisfaction positively influences loyalty. It was concluded that when students are more satisfied with their universities, they will be more loyal to the schools. The exploration of the relationship between brand image and loyalty revealed that brand image significantly and positively influences loyalty. It was concluded that when universities have a positive brand image, university students will be more loyal.

This study presents the practical implication to increase service which is offered by universities in North Jakarta. If it would happen because the negative impact on unsatisfied and the perception about university brand image and make negative WOM for example that the students wouldn't recommend those colleges as a recommended university. If the satisfaction is relatively high, then the student will also be loyal and recommend colleges to his or her friends. It should be a consideration of other private university to build a positive student satisfaction, university brand image, thus the WOM intention will positively occurred.

Regarding word-of-mouth, the empirical findings showed that university students' loyalty positively influences word-of-mouth communication. This research concluded that when university students are highly loyal to their schools they have high word-of-mouth communication. Since the hypothesis of WOM was supported, this study concluded that university students' higher loyalty to schools will enhance their word-of-mouth communication. Based on the empirical findings, university brand loyalty positively influences WOM.

Based on the research purposes and the above findings, the author proposed suggestions regarding the practical operation of universities and future research. Brand image significantly influences the construction of students' loyalty. University managers should properly cultivate and enhance the brand image. This will not only attract students but also easily construct student loyalty.

According to the findings of this study, students' satisfaction with schools relatively influences their loyalty. Therefore, university administrators should not only enhance their external brand image but also pay attention to satisfaction with internal service equality, such as the administration personnel's service attitude, the quality of the curriculum and the facilities, in order to develop a friendly campus and construct positive campus service quality.

The findings of this study had a number of constructive managerial implications. There have been numerous past business management studies on loyalty; however, these studies did not probe into the antecedents of loyalty. They recognized that loyalty is an important factor to keep customers, but they could not propose specific reasons. From the perspective of university management, this study treated brand image and satisfaction as the antecedents of loyalty and loyalty as the antecedent of word-of-mouth communication. This research could serve as references for future research on related antecedents. In addition, past research on loyalty mostly suggested that brand identification will lead to loyalty, repurchase behavior, or the intention to switch brands.

Nevertheless, This research contains limitations. This case confined within only three universities in North Jakarta Indonesia, so that the theory identified were not easily to generalize. In the the researcher suggests the next research should use larger samples to better understanding the students' behavior especially

in higher education sector. Another research could add some variables such as commitment and trust and students flow which were infrequently identified in higher education sectors.

Especially in Indonesia, universities have been influenced by the myth of school brand. Many parents and students pursue reputable universities and sometimes neglect the effect of university service quality on students. The empirical results of this study showed that although brand image is the key factor of student loyalty, student satisfaction with schools is also important. The results could function as criteria for modern university administrators, who should not only enhance the brand but also pay attention to the service quality of schools. Further research should consider of service quality besides brand image and student satisfaction for more understand in recognizing that students are customers of the higher education institution as services organization.

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