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Research paper

Decision of Staying Active to Re-Study as the Implication of Quality, Orientation, and Services Costs Mediated by Student Satisfaction and Word of Mouth

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Abstract

The growth and development of Private University is strongly influenced by the large number of students who are studying at Private University. This is because the fund that is needed to fund all the activities of Private University are sourced from the students. The more students who actively study the more rapid the growth and development of Private University will be. This study aims to analyze the student decisions of Staying Active to re-study is an implication of Service Quality, Service Orientation, Service Costs which are mediated by Student Satisfaction and Word of Mouth. This study was conducted on Private University students in West Java. The method in this study is the survey method where the data is obtained by the distribution of questionnaires to students. The population of this study is private university students in West Java who have been studying in semester 2. With a sample size of 350 students. This study data is analyzed by using Structural Equation Modeling (SEM) with AMOS 18 program.
This study uses 6 (six) variables altogether, they are Service Quality, Service Orientation, Service Cost, Student Satisfaction, Word of Mouth and Decision of Staying Active to Re-Study. This study will test Service Quality, Service Orientation, Service Costs can directly influence student decisions of staying active to re-study or it is need a mediation of student satisfaction and word of mouth.

Keywords*: Service Quality, Service Orientation, Service Cost, Student Satisfaction, Word of Mouth, Decision of Staying Active to Re-Study.*

1. Introduction

The purpose of Higher Education is to prepare learners to become members of the community who have academic and professional skills who can apply, develop and create science, technology and art. Developing and disseminating science, technology and arts and optimizing its use is to improve people's living standards and enrich national culture, *Undang Undang Republik Indonesia*/Act of the Republic of Indonesia No. 2 in 1989 on National Education System, Article 16, Paragraph (1).
The following data is the number of State Universities and Private Universities, Students of State Universities and Private Universities, Educational Staff of State Universities and Private Universities in Indonesia. It can be seen in Table 1.1.

Tabel 1.1 Jumlah PTN dan PTS, Mahasiswa PTN dan PTS, Tenaga Edukatif PTN dan PTS Di Indonesia

Provinsi	Jumlah Perguruan Tinggi		Jumlah Mahasiswa		Jumlah Tenaga Edukatif	
	Negeri	Swasta	Negeri	Swasta	Negeri	Swasta
Aceh	3	99	49,221	50,405	3,361	4,835
Sumatera Utara	3	259	46,217	376,445	4,155	10,628
Sumatera Barat	5	102	68,382	93,914	3,925	3,492
Riau	2	75	41,991	75,787	2,025	2,757
Jambi	1	42	1652	3561	12	144
Sumatera Selatan	2	115	28,516	133,823	2,193	4,168
Bengkulu	1	16	1721	3631	10	101
Lampung	2	80	17,920	76,090	1,655	2,707
Kepulauan Bangka Belitung	2	12	3173	4773	26	244
Kepulauan Riau	2	26	2039	2310	126	950
DKI Jakarta	5	329	570,578	584,388	6,006	20,897
Jawa Barat	7	393	138,741	527,881	9,067	19,605
Jawa Tengah	7	265	140,563	296,357	8,170	11,378
DI Yogyakarta	3	124	99,780	181,854	4,623	6,826
Jawa Timur	15	363	200,815	565,309	10,934	18,088
Banten	1	113	15,244	117,689	807	4,102
Bali	4	58	35,807	51,271	3,209	2,500

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Nusa Tenggara Barat	1	55	18,9 49	90,3 88	1,4 37	2,8 14
Nusa Tenggara Timur	3	43	1810 1	57,2 33	15 04	1,9 05
Kalimantan Barat	3	42	2627 8	4308 2	15 71	133 5
Kalimantan Tengah	1	23	11,6 04	16,7 92	1,0 84	808
Kalimantan Selatan	2	47	20,9 78	55,6 36	1,6 96	1,7 23
Kalimantan Timur	5	60	42,1 04	42,1 01	1,7 40	1,8 75
Kalimantan Utara	4	44	33,8 91	25,4 39	3,4 01	1,3 94
Sulawesi Utara	1	33	18,6 41	42,3 07	1,5 30	1,6 35
Sulawesi Tengah	4	20	64,9	239,	4,6	7,8
Sulawesi Selatan		8	07	142	81	08
Sulawesi Tenggara	1	38	18,7 27	41,4 14	1,3 30	1,5 80
Gorontalo	1	11	1862 8	1607 2	87 0	621
Sulawesi Barat		12		1798 3		513
Maluku	3	23	1482 2	2949 8	16 07	856
Maluku Utara	1	16	7113	1901 5	56 7	958
Papua Barat	2	16	4581	1713 5	62 1	598
Papua	2	39	1518 8	2808 3	99 3	132 3
Indonesia	**99**	**3,1 81**	**1,82 7,240**	**4,01 2,347**	**87, 533**	**143 ,382**

Sumber: Kementrian Pendidikan dan Kebudayaan
Data dikutip dari publikasi Statistik Indonesia

From table 1.1-3, it can be seen the number of State Universities/*PTN* = 99 with the number of students = 1.827.240 and Educative Staff = 87.533. While the number of Private Universities/*PTS* = 3.181 with the number of students = 4,012,347 and Educative Staff = 143.382. And the largest number of private universities in West Java is 393. The number of private universities/*PTS* which is quite a lot means it can be sure there is a pretty tight competition between private universities to get students and keep students.

According to (Wallance, 1999) major customers of higher education institutions are students. It means that, without students being taught, there will be no business or services to be provided for the higher institutions. Robert's research (2013) suggests that higher education now recognize that it is necessary to become much more student-centered in terms of sending learning and understanding methods and competing for students. Meanwhile, according to Wiese, et al. (2010), the nonprofit and higher education sectors undergo periods of change and increasing of competition. Where the higher education environment is undergoing significant change the focus moves on competitiveness and service to customers (das, 2015a). Asaduzzaman, Hossain & Rahman, (2013) argues that higher education is less focused on good customer service processes but rather on the final product of producing educated graduates. Meanwhile, the various educational options continue to grow and students look for the institutions that will provide them with a unique educational experience that they will remember for a lifetime. (Kimani, 2011) argue that students who enter higher educations are the customers who are seeking an education program that will prepare them for a successful career and profitable work. According to (Justin, 2007), University should become more student-oriented and, moreover, more service-oriented. The quality of educational services in institutional/higher education businesses is very important because of the increased competition between university business institutions, (Kimani, 2011). But time increases the quality of education, without the prospect of possible funding. So this sector faces many difficulties, such as crowded lecture rooms, outdated curriculum, and poor learning facilities. (Ilias, Hasan, 2008) identify that the main factors that can influence student satisfaction levels; Students' perceptions of learning and teaching, teaching and learning support facilities (such as library, computer and laboratory facilities), learning environment (Lecture room, laboratory, social room and university building), support facilities (facilities of health, canteen, student accommodation, student services) and the external Aspects of students (such as Finance, transportation).

Students tend to be satisfied within them when the Institutions of Education services are provided as their expectations, or they will feel greatly satisfied when the services are provided beyond their Expectations, or completely satisfied when they receive more than they expect. Conversely, students are dissatisfied with educational institutions when services are less than their expectations, and when the gap between perceived and expected service quality is high, they tend to communicate negative aspects (Petruzzellis, Uggento, 2006). Word of Mouth is the main factor which is associated with 20-50% of all purchasing decisions, (Bughin & Doogan, 2010). The research result which is conducted by (palmer, 2011) state that, Word of Mouth has an important influence on consumer purchasing decisions.

Therefore, this study is conducted to analyze Decision of Staying Active to Re-Study is an implication of Quality, Orientation and Service cost that is mediated by Student Satisfaction and Word of Mouth.

2. Literature Review

2.1 Quality of Service

Navarro et al. (2005) mention that students evaluate quality of organization based on tangibility (Teachers), reliability and responsiveness (Teaching methods) and Institutional management and these factors are direct Influence on student satisfaction level. According to Mavondo and Zaman (2000) that the institution's academic reputation, quality of lecturers and Facilities provisions. According to Korka Mihai (2009), "quality of education is defined as a set of characteristics from research programs and providers, which meet the expectations of beneficiaries

2.2. Service Orientation

Service orientation is a set of basic trends from individuals and the process of generating individuals from the same kind to provide service, courteous and willing to assist in dealing with customers and associates (palmer, 2011). Service orientation is defined as "a strategic response to market information which is designed to implement the marketing concept within the overall framework of service orientation to customers, (palmer, 2011).

2.3. Service Cost

According to Kotler and Keller (2012): "Cost is the amount of money which is needed to obtain some combination of products and services that accompany it." Whereas according to Tjiptono (2004): "Cost is a monetary unit or other measure (including other goods or services) in order to obtain the right to the use of any good. According to Walton (2004: 17) Cost and quality of service have high enough influence on customer satisfaction. And According to Diah Natalisa and M. Fakhriansyah (2008) in Widyaningtyas (2010) states that the measurement of cost indicators is measured by using the factors of price conformity with service.

2.4. Student Satisfaction

Tian and Wang (2010) argue that Satisfaction is the congruence function between perceived performance and the respectable bene-

fits of consumers' Personal value, and consumers' value configuration is influenced by the center of cultural values. Satisfaction is also considered as a deliberate performance that results in one's satisfaction Malik & Usman (2010). According to Sapri and Finch (2009), customers are the lifeblood of an Organization, both private and public company sectors. The fulfillment of student satisfaction is an important role in determining the accuracy and correctness of the system which is used. The expectations of the students can play deeper role as before they even participate and become involved in higher education Palacio, Meneses, & Perez (2002). Conversely, Hasan & Ilias (2008) assume that Satisfaction actually covers the problems of Perception and student experience during the college years, Student satisfaction is being formed continuously with repeated Experience of life on campus.

2.5. Word of Mouth

Consumer purchasing behavior becomes increasingly observant of what they buy (Lange & Elliot, 2012). People gather about information and opinions of the products from the people before buying (Attia et al, 2012).
Word of Mouth is a method of Communication between two non-commercial and non-Beneficial people in the business they are talking about (Taylor et al, 2012). Consumers are keen to respond, create an Information exchange between Consumers and more increase Word of Mouth Facts. Word of Mouth has shown that it matters and impacts customer decisions (Allsop et.al.2007), and helps maintaining post-purchase. According to McGriff.J.A, (2012), Word of Mouth has wide variety of special effects in today's world. Initially it could be an optimistic or unconstructive effect. Secondly, it can influence the product, brand, service or even employee performance in the company. Corporately, the significant effect of Word-of-Mouth is customer purchases (Osmonbekov et.al. 2009). So Word of Mouth can ask consumers to consider buying a product in a way that could not be spent on any advertising expenditure.

2.6. Research Sample

Sampling technique that is used in this study is Proportional Random Sampling. The questions in questionnaire to be disseminated to students are designed in such way and are tested first, in order to get answers / information in accordance with the research purpose. The questionnaire consists of questions that are developed from reviewing the relevant literature in this area of research. The number of samples for this study is 350 Private University students in West Java.
In this study, the decision of respondent determination does not pay attention to the aspects: Faculty, Study Program, Accreditation of Study Program, University Status: Accredited / Not accredited, National and International university rank, The total student in each university (Student Body), The number of Study Program and The total of students in every study program.

3. Research Results

3.1. State of the Art

From the results of previous studies which are conducted by previous researchers, then what distinguishes this study with previous studies are: This study uses 6 (six) variables, they are: Quality of Service, Service Orientation, Cost, Customer Satisfaction, Word of Mouth and Decision of Staying Active. In which this study has not been done by previous researchers. With Research Indicators are as follows:

1. Quality of Service is adapted from Zeithaml et al, 2009, (Munhurrun, Bhiwajee, 2010) and Gallan et al., 2013 in Roland (2016) includes: Physical Evidence, Reliability, Feedback, Warranty and Empathy.
2. Service Orientation Lytle, et al (1998), Hogan et al. (1984), Mendoza (2016) includes: Employee Empowerment, Service Technology, Failure Recovery, Service Vision.
3. Service Costs are adapted from Lupiyoadi (2014), Handoko (2015), and Kotler (2016) includes: Affordable Fees, Scholarships during the education period, and the amount of fees paid in accordance with the benefits.
4. Student Satisfaction is adapted by Cronin and Tylor (1992), Oliver (1997), Anwar, Ahmed, and Baloch (2015), Kotler (2016), include: Interest Degrees, Impressions on Actual Performance, and Conformity with Expectations.
5. Word of Mouth is adapted from (Lovelock, 2011), (palmer, 2011), (Lipiyoadi, 2013), Fanny (2016) includes: Action and Activities of Conversation, Providing Information, Giving Motivation, and Recommendations.
6. Decisions of Staying Active to Study is adapted from (Griffin, 2012), (Hasibuan, 2012), (Svoboda and Cerny, 2014), (Chou, 2016), (das, 2015b), (Kotler, 2016) includes: Trust on Universities, Motivation, Attitude, Family and Economics.

3.2. Research Model

The result from the preparation of research variables and indicators of each variable, it can be modeled for this study. This research model can be seen in Figure 4.2 as follows:

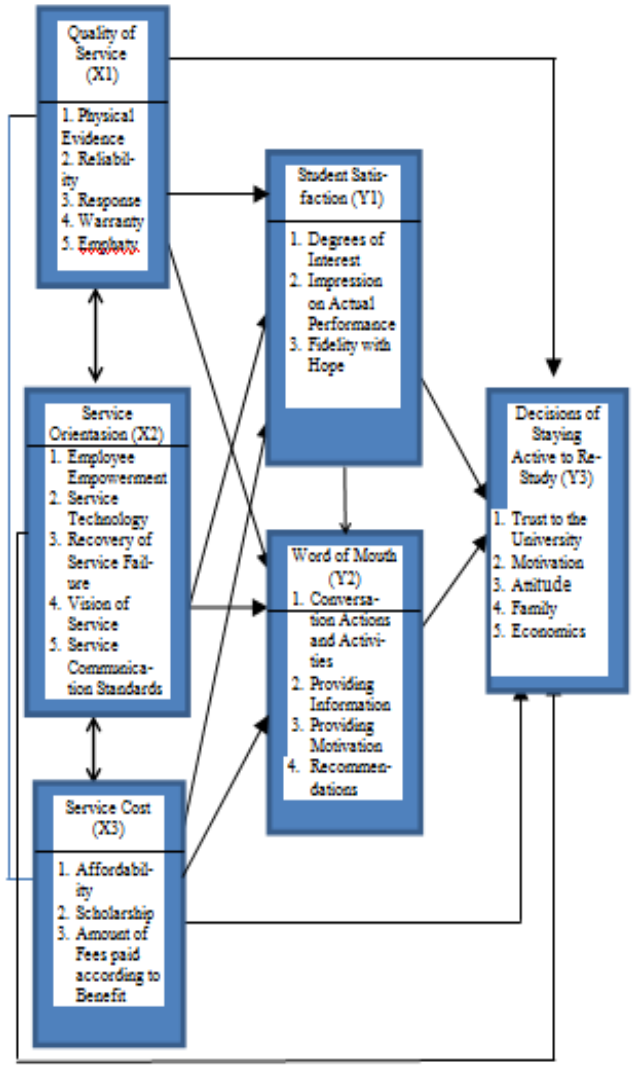


Figure 4.2
Research Paradigm
Source: Data processed, 2017

3.3. Instrument Test Results

3.3.1. Validation and Reliability Test

From the results of processing by using SPSS it is obtained Validition testing results value for Quality of Service, Service Orientation, Service Cost, Student Satisfaction, Word of Mouth and Decisions of Staying Active to Re-Study can be seen in table 4.3.1 as follows

Tabel 4.3.1 Validition testing results value for Quality of Service, Service Orientation, Service Cost, Student Satisfaction, Word of Mouth and Decisions of Staying Active to Re-Study

Variabel	Item	Validitas		
		r hitung	r kritis	resume
Service Quality (X1)	1	0.652	0.3	Valid
	2	0.709	0.3	Valid
	3	0.592	0.3	Valid
	4	0.618	0.3	Valid
	5	0.673	0.3	Valid
	6	0.559	0.3	Valid
	7	0.770	0.3	Valid
	8	0.630	0.3	Valid
	9	0.326	0.3	Valid
	10	0.383	0.3	Valid
	11	0.670	0.3	Valid
	12	0.510	0.3	Valid
	13	0.727	0.3	Valid
	14	0.624	0.3	Valid
	17	0.318	0.3	Valid
	18	0.548	0.3	Valid
	19	0.628	0.3	Valid
	20	0.386	0.3	Valid
	21	0.787	0.3	Valid
	1	0.413	0.3	Valid
Service Orientation (X2)	2	0.499	0.3	Valid
	3	0.841	0.3	Valid
	5	0.680	0.3	Valid
	6	0.775	0.3	Valid
	7	0.765	0.3	Valid
	8	0.526	0.3	Valid
	9	0.500	0.3	Valid
	10	0.599	0.3	Valid
	11	0.848	0.3	Valid
	12	0.688	0.3	Valid
Service Cost (X3)	1	0.490	0.3	Valid
	2	0.496	0.3	Valid
	3	0.512	0.3	Valid
	4	0.617	0.3	Valid
	5	0.698	0.3	Valid
	6	0.724	0.3	Valid
	7	0.734	0.3	Valid
	8	0.422	0.3	Valid
Student Satisfaction (Y1)	1	0.513	0.3	Valid
	2	0.359	0.3	Valid
	3	0.447	0.3	Valid
	4	0.378	0.3	Valid
	5	0.671	0.3	Valid
	6	0.812	0.3	Valid
	7	0.776	0.3	Valid
	8	0.817	0.3	Valid
Word of Mouth (Y2)	1	0.583	0.3	Valid
	2	0.555	0.3	Valid
	3	0.739	0.3	Valid
	4	0.797	0.3	Valid
	5	0.797	0.3	Valid
	6	0.690	0.3	Valid
	7	0.641	0.3	Valid
	8	0.746	0.3	Valid
Decisions of Staying Active to Re-Study (Y3)	1	0.897	0.3	Valid
	2	0.641	0.3	Valid
	3	0.721	0.3	Valid
	4	0.846	0.3	Valid
	5	0.727	0.3	Valid
	6	0.838	0.3	Valid
	7	0.781	0.3	Valid
	8	0.428	0.3	Valid
	9	0.690	0.3	Valid
	10	0.690	0.3	Valid

Source: Data processed, 2017

After validation testing, it is performed reliability testing using the same data. Reliability testing results for Quality of Service, Service Orientation, Service Cost, Student Satisfaction, Word of Mouth and Decisions of Staying Active to Re-Study can be seen in table 4.3.1-2 as follows:

Tabel 4.3.1-2Reliability testing results for Service Quality, Service Orientation, Service Cost, Student Satisfaction, Word of Mouth and Decisions of Staying Active to Re-Study

Variabel	Cronbach Alpha	Cut Off	Resume
Service Quality	0.842	0,7	Reliabil
Service Orientation	0.841	0,7	Reliabil
Service Cost	0.711	0,7	Reliabil
Student Satisfaction	0.738	0,7	Reliabil
Word of Mouth	0.828	0,7	Reliabil
Decisions of Staying Active to Re-Study	0.903	0,7	Reliabil

Source: Data processed, 2017

The calculation results of reliability coefficient (Cronbach Alpha) variables of Quality of Service, Service Orientation, Service Cost, Student Satisfaction, Word of Mouth, and Decision of Staying Active to Study, all dimensions have reliability coefficient which is greater than 0.7 is acceptable and good, so as all Variable instruments can be used for data collection Quality of Service, Service Orientation, Service Cost, Student Satisfaction, Word of Mouth and Decisions of Staying Active to Study. So this instrument can be used for data collection.

5. Conclusions

This study is conducted at Private University in West Java with unit of analysis and observation is student of Private University who is studying and has taken lecture ≥ 2. The number of sample in this research is 350 students. From the previous study, this study uses six variables, namely: Variable Service Quality, Service Orientation, Service Cost, Student Satisfaction, Word of Mouth and Decision of Staying Active to Re-Study because the research on the six variables are not done together by previous researchers. The model is designed to examine the relation and influence between the variables: Quality of Service, Service Orientation, Service Cost on Decision of Staying Active to Study and Service Quality, Service Orientation and Service Cost through Student Satisfaction and Word of Mouth. From the test results of instrument Validation and reliability it can already be used for data collection.

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