THE CORRELATION BETWEEN STUDENTS SATISFACTION AND STUDENT LOYALTY AT UNIVERSITAS ADVENT INDONESIA

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Abtract

Customer satisfaction in the 21st century is becoming more important. All businesses want satisfied and loyal customers who want to do business with them not only because they get better value in terms of product, price and service, but also because these customers continue to have pleasant experiences in dealing with them. Universitas Advent Indonesia is an organization is that is aware that their customer is an important part for their business, and loyalty is the result of a customer satisfaction. The purpose of the study specifically would like to elicit answers to the following: 1) Student satisfaction at Universitas Advent Indonesia, 2) Student loyalty at Universitas Advent Indonesia, and 3) Relationship between student satisfaction and loyalty at Universitas Advent Indonesia. The method used in this study is descriptive method. The sample of the study is using stratified random sampling. The researcher identifies the target population and select 10% from the 2008-2010 incoming students at Universitas Advent Indonesia, as many as 123 students as sample respondent of the study. The conclusion from the result of the study there is a significant relationship between student satisfaction and student loyalty with the level r_s (0.642) and significant (0.000), it appears there is a strong correlation between student satisfaction and student loyalty. The $t_{level} = 7.888$ and $t_{table} = 1.9600$, it means H_o is rejected. The determination coefficient is 34%, it means student satisfaction influenced the student loyalty 34% and the residue 66% influenced by other factors.

Keywords: Satisfaction, Loyalty, Student Satisfaction, Student Loyalty

Introduction

Customer satisfaction in the 21st century is becoming more important. Every organization is aware that their customer is an important part for their business, and loyalty is the result of a customer satisfaction. All businesses want satisfied and loyal customers who want to do business with them not only because they get better value in terms of product, price and service, but also because these customers continue to have pleasant experiences in dealing with them. Customer satisfaction has therefore become the key operational goal for many organizations. They have invested heavily in improving performance in areas that make a strong contribute to customer satisfaction, such as quality and customer service.

The history of loyalty is presented in a chronological fashion through the identification of major eras, each of which is characterized by different issues, concerns, and approaches to loyalty. And by 1970, loyalty had become an increasingly common topic within and among college and university campuses. In his book, Alverio (2010) said that student loyalty is the "permanence of a student in a college institution until he/she completes his/her study program as determined by economic, social, ethical and institutional factors" (p. 11).

Universitas Advent Indonesia (UNAI) is a university in West Java, Indonesia that has enjoyed an increased in the number of the students the past few years. The university provides degrees in diploma program, undergraduate program and master program. There are 6 faculties that are approved by the government, such as Faculty of Theology, Faculty of Business, Faculty of Education, Faculty of Nursing, Faculty of Math and Science, and Faculty of Information Technology. The students are customers of the university, and they are varies in genders; batches, living condition, faculty curriculum, etc. Each of them constitutes different perceptions, reading their satisfaction and loyalty as a student in Universitas Advent Indonesia.

Statement of the Problems

This study was conducted to investigate the university student satisfaction and loyalty at Universitas Advent Indonesia. The study specifically would like to elicit answers to the following questions:

- 1. What is the student satisfaction at Universitas Advent Indonesia \Box
- 2. What is the student loyalty at Universitas Advent Indonesia \Box
- 3. What is the relationship between student satisfaction and loyalty at Universitas Advent Indonesia

This study aimed to explain the relation between the student satisfaction (customer satisfaction) and the degree of their retention (customer loyalty). Accordingly, the subjects presented in the following are customer/student satisfaction, and customer/student loyalty.

Literature on Satisfaction and Loyalty

Studies on customer satisfaction and loyalty have resulted in numerous research topic and literature. The following discussion gave insight on satisfaction and loyalty.

Satisfaction

Satisfaction has been a research topic for a long time, and in the last century there were many researches about satisfaction, specifically the topic of customer satisfaction. According to Allen (2004), "The first research involving the measurement of customer satisfaction occurred in the early 1980s" (p. 2). He further stated that some researches (Oliver, 1980; Churchill and Surprenant, 1982) were tended to focus on the operationalization of customer satisfaction and its antecedents. But by the mid-1980s, the focus of both applied and academic research had shifted to construct refinement and the implementation of strategies designed to optimize customer satisfaction (Allen, 2004, p. 2). Arnold, et.al (2002, p. 617) said, "Satisfaction is a judgment of a

pleasurable level of consumption-related fulfillment, including levels of under fulfillment or over fulfillment." In contrast, Hill, et.al (2007, p. 2) said, "the word satisfaction is the most appropriate label for the range of attitudes and feelings that customers hold about their experiences with an organization." While satisfaction is sometimes equated with performance, it implies compensation or substitution whereas performance denotes doing what was actually promised. The level of customer satisfaction is when comparing a product's perceived performance with his or her expectation. It also could refer to discharge, extinguishment, or retirement of an obligation to the acceptance of the obligor, of fulfillment of a claim.

Satisfaction in Customer

Customer satisfaction is typically defined as the feeling that a person experiences when an offering meets his or her expectations. When an offering meets the customer's expectations, the customer is satisfied; if no, the customer is dissatisfied. Hill (2006, p. 2) said that, "customer satisfaction is a measure of how your organization's total product performs in relation to a set of customer requirements" (p. 2). Furthermore, Hill, et.al (2007) sees that, "customer satisfaction is not improved by low cost gimmicks and quick fixes" (p. 9). It takes real investment is basic essentials of meeting customers' most important requirements. Thus, customer satisfaction is a term frequently used in marking, is a measure of how products and services supplied by a company meet or surpass customer expectation. Hence, customer satisfaction can be defined as the number of customers, or percentage of total customers, whose reported experience with a company, its products, or its services exceeds specified satisfaction goals.

Satisfaction in Students

University has the same issue as other business environments in terms of satisfaction. University is a business on education, and current student satisfaction can have a very important impact on future behavior.

Grant and Anderson (2002) said that "the students are obvious to be the customers in the university organization (p. 28)." They further stated that the university organization as an educational institution worldwide is undergoing fundamental shifts in how they operate and interact with their main customers as students (Grant and Anderson, 2002, p. 28).

Wang and Tian (2007) also see which the customer satisfaction in the university is the student satisfaction. Hence, more and more people are concerned about the student satisfaction. In some countries, there are even advice from some people that student satisfaction should be

included to evaluate the level of the university. In America, the ranking of the university for U.S, German and Japan, they usually made some indicators that related with the students satisfactions (Wang and Tian, 2007). Universitas Advent Indonesia, with the student number approximately 1500 students, is a private university in Bandung, Indonesia. In an effort to increase student retention and their satisfaction, there is a need to measure their reason.

The study of student satisfaction can be found in many research and books, even internet, blog, etc. Many researchers have looked into the importance of customer satisfaction. A prominent guru on Marketing, Kotler, defined satisfaction as a person's feelings of pleasure or disappointment resulting from comparing a product's perceived performance (or outcome) in relation to his or her expectations. Hoyer and MacInnis (2001) said that satisfaction can be associated with feelings of acceptance, happiness, relief, excitement, and delight.

Factors of Students Satisfaction

According to Hawkins and Lonney (2003, p 12) said that the factors of satisfaction includes price, product/service quality, response and remedy to problems, reliability and convenience of acquisition.

Price. This means that the relationship between price and value of products/services determined by the difference between the value received by customers of a product/ services produced by the business entity and the price relate to level of satisfaction. The satisfaction on price includes: satisfied with tuition fee, dorm fee according to facilities, satisfied with internet fee, meal charge in accordance to me, and satisfied with financial administration.

Product/Services Quality. This means the quality of all the components that make up the product/services so the product/services have added values. The satisfaction on product/service quality includes: satisfied with the way of lecturer teach, satisfied with academic administration, lecturer control of the material, and easily get communication with lecturer.

Response and remedy to problems. This means about the attitude of employee in the entity in responding to complaints or assists customers in overcoming problems that occur. The satisfaction on response and remedy to problems includes: lecture and staff respond to student's problem, listening to student's opinion, give a solution to student's need, and forum and fun consulting room are available.

Reliability. This means a combination of the ability of a product from a reliable business entity, so that a product/services can be produced in accordance with what was promised by the business entity. The satisfaction on reliability includes: access internet around the campus, provide newest edition of books, and provide facilities.

Convenience of Acquisition. This means a convenience provided by the business entity to the customer to the product/services it produces. The satisfaction on convenience of acquisition includes: provide ease enrollment, provide regular scholarship, No trouble when administer the administration.

Customer Loyalty

Shilling (2011) describe that customer loyalty has become an important aspect in the marketing world. He further sees customer loyalty as the totality of feelings or attitudes of customer to repurchase a particular product or service, nowadays can also be seen by simply revisit shop or website. Customer loyalty has always been critical to business success and profitability. In his book, Sugandhi (2003, p. 139) said that, "the customer loyalty is a behavior for the customer that will have the re-purchase, which will have a good relationship with the company or organization" (p. 139).

Why customer loyalty The customer loyalty stands for some points that customers' returning again and again to make business with the sellers, even when the sellers don't have the best product, the lowest price, or the fastest delivery. The customer loyalty is the result of building past positive experiences with an individual. Loyalty can be achieved in the business, only when the sellers could know their customers well and take care of the relationships between the customers and themselves. Kuo, Chang, and Cheng (2011) said that, "because it is much cheaper to serve loyal customers and easier to maintain their support, customer loyalty is of great value to organizations." They further stated that attracting a new customer cost 6 times more than retaining an existing customer. To a great extent, the success of a recreational sport and fitness business depends on how the business manages customers' loyalty.

Loyalty and Satisfaction

Customer satisfaction and customer loyalty is a deliver relationship; on the other hand, customer loyalty comes after the customer satisfaction. It is very easy to understand, because no customer will have loyalty to a product if he or she is not satisfied. Customer loyalty is from the concept of customer satisfaction. It is a behavior that was affected by price, product or service characteristic, etc. Thus the customer will keep their buying behavior for one brand product or service.

Customer satisfaction is a feeling state, but customer loyalty pay attention to the repurchase, is a continuous state, so customer satisfaction is the foundation of customer loyalty. But how is the relation between customer satisfaction and customer loyalty. Chen, Hsiao and Lee (2005) said that, "Most studies about loyalty and customer satisfaction were focused on studying the correlation between both subjects for business companies." And they also sated the following presents a compilation of the findings about the correlation of loyalty and customer satisfaction." Through these researches, it is apparent that a positive relationship does exist between customer satisfaction and loyalty. According to Oliva, Olivia & Macmillan (1992), there is a non-linear relationship between customer satisfaction and loyalty. Their study found that the negative point of satisfaction is related to the customer's willingness of making repeat purchases. When level of satisfaction is higher than the negative point, the customer's willing would quickly increase as customer satisfaction grows. But on contrary, the customer's willing would also decrease as customer satisfaction (Chen, Hsiao and Lee, 2005).

In Parasuraman, Zeithmal & Berry's (1994) study, they proposed three kinds of behaviors what customers will do when they feel dissatisfied after purchases made: the first one, take business away, it means customers would do change their purchasing of the products or services to other suppliers or companies; the second behavior is, external reaction, customers would complaints to other customers or organizations rather than the company; and last behavior is, internal reaction, customers would directly react or complain to the company or supplier. From their study, we may see how is the worse side if the customers are not satisfied to the company, and their disloyalty will also bring the negative side to the company. Chaudhuri & Holbrook (2001) conducted a study on the correlation among customer satisfaction, willingness of making repeat purchases, and customer loyalty. This study resulted that customer satisfaction would have a positive effect on the customer's willingness of making repeat purchases could be as a behavior of the customer's loyalty. Therefore, they said that there is a positive correlation between customer satisfaction and customer loyalty.

Factors of Student Loyalty

In the article *Why is Customer Loyalty Important to Your Business*, Nutt (2007) said, "customer loyalty is very valuable to the organization. Customer loyalty can be loosely defined as the predisposition of any given customer to purchase your goods or services over comparable ones available in the marketplace." He further explained that when speaking of products, that, rather than services or the broader classification which includes both, it is often referred to as brand loyalty. Thus, investing time and energy in promoting customer loyalty should be an integral component of any business marketing strategy (Nutt, 2007). He also stated the following reasons

of working toward promoting customer loyalty that were used for this study: repeat business, greater volume, cross-selling opportunities, protect companies from competition, and word of mouth-to-mouth marketing.

Repeat Business. Loyal customers, almost by definition, will purchase your goods or services again and again over time. Depending on what type of business you have and what the sales cycle is like, you may end up selling more to one loyal customer in a year than you might to even 10 first time customers. The loyalty on repeat business includes: study here because parents convinced, alumni association support, and willingness to continue study here.

Greater Volume. As the companies build relationships with their loyal customers, it will develop much easier to sell to the customers in higher volumes. This may happen naturally, or the company may choose to incentivize the process for their customers. In any case, higher volumes mean greater sales, which translate to higher overall profits. The loyalty on greater volume includes: the source of students, percentage of quit/exit is small, and percentage of problem students is small

Cross-selling Opportunities. Customers who express brand loyalty have a relationship with the company. They trust the company will provide quality products and customer service. This creates a great opportunity for the companies to fulfill more of their customers' needs. It means the companies can make sales to loyal customers across product lines, and thus increase their overall sales volume without needing to focus so much on attracting new customers. The loyalty on cross-selling opportunities includes: believe in good quality, feel maintained, and services are the best here.

Protects the Companies From the Competition. The more loyal the customers tend to be the safer the companies will be from the draw of the competition. Establishing strong brand loyalty can make any business practically immune to competitive forces. This is especially important in places where new players enter the marketplace often. The loyalty on protets the companies from the competition includes: convinced to the campus, get more value and proud of being one student here.

Word of Mouth to Mouth Marketing. Loyal customers can also bring you new customers. Customers that have great relationships with a business tend to talk about it. Happy and satisfied customers who keep coming back to you are very likely to refer others who may need your product and/or services (Nutt, 2009). The loyalty on word of mouth-to-mouth marketing includes: willing to promote university, know campus from alumni, and proud to share.

Method of Research

Research Designs

This study utilized a historical and descriptive research design. It was historical as the researcher looks into the five-year trend of student enrollment in Adventist University of Indonesia. This study used field survey. It was a field survey since a set of questionnaire was administered to the respondents. It is a concise description of the research methodology and justification for its choice. Procedures are followed in the collection of data such as when, where, and how data are obtained.

Research variables in this study consisted of:

- 1. Independent Variable (Variable X) Satisfaction.
- 2. Dependent Variable (Variable Y) Loyalty.

Population and Sampling

In this study population was taken by researcher from the university students at Adventist University of Indonesia. The sample of the study is using stratified random sampling (Fraenkel & Wallen, 1994). The researcher identifies the target population and select 10% from the 2008-2010 incoming students at Universitas Advent Indonesia, as many as 123 student as sample respondent for the study. They are from various department and field major and are currently studying at Universitas Advent Indonesia.

Result of the Study

The result finding of the study includes the demographic profile of the respondent, the student satisfaction, customer loyalty and the relationship between satisfaction and loyalty.

Demographic Profile of the Respondents

The researcher took the research at Universitas Advent Indonesia. Based on the research, the analysis of the respondents' demographic profile, based on gender and batch, is as following:

Gender	Ν	Percentage
Male	57	46.3%
Female	66	56.7%
Total	123	100%

Table 1Gender of the Respondents

Table 1 shows the Universitas Advent Indonesia respondents' gender, male are 46.3%, female respondents are 56.7%. The respondents are from different faculties.

The batch of the respondents was categorized into three groups (see Table 2). The table indicates that about one-third of the respondents (42 or 34.1%) are from batch 2010, they are sophomore student in the university; the second batch is also as same as the first batch, around one-third of the respondents (41 or 33.3%), they are from batch 2009, the junior students; and another one-third (40 or 32.5%) of the respondents are from the senior students, they are from batch 2008.

Batch	Total	Percentage
2010	42	34.1%
2009	41	33.3%
2008	40	32.5%
Total	123	100%

Table 2Batch of the Respondents

Table 3 gives to us the frequency distribution of the religion status of the respondents. The result shows the majority of the respondents (107 or 87%) are Adventist .

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Religion	Total	Percentage			
Adventist	107	87.0%			
Non Adventist	16	13.0%			
Total	123	100%			

Table 3Religion of the Respondents

Student Satisfaction

Table 4 shows to us the overall mean result of Student Satisfaction is 3.40. It means that the students satisfaction level at Universitas Advent Indonesia is indifferent. Among the five indicators of satisfaction, table 4 also shows that, the first indicator with mean response of 3.25 has the lowest point, it means compare with other indicators, the students are not really satisfied with the price/cost at this university. The third and fifth indicators with mean 3.32 and 3.42 respectively indicate that teachers' response to problems and convenience of acquisition have only some impact in the students' satisfaction. And those result from product/ service quality (3.51) and reliability (3.50) shows the main reason of students' satisfaction.

Variables	Mean	Sig.	Remarks
Satisfied with Price/Cost	3.25	0.00	HS
Satisfied with product/service quality	3.51	0.00	HS
Satisfied with Response to Problems	3.32	0.00	HS
Satisfied with Reliability	3.50	0.00	HS
Satisfied in Convenience of Acquisition	3.42	0.00	HS
Students Satisfaction	3.40	0.00	HS

Table 4Student Satisfaction

Students Loyalty

The statistic result of student loyalty is indicated in table 5. The result shown that the overall extent of student loyalty (3.56) and indicates they are loyal.

Variables	Mean	Sig.	Remarks
Loyalty in Repeat Business	3.58	0.00	HS
Loyalty in Greater Volume	3.42	0.00	HS
Loyalty in Cross Selling Opportunity	3.59	0.00	HS
Loyalty in Protection from Competition	3.60	0.00	HS
Loyalty in Word Mouth Marketing	3.64	0.00	HS
Students loyalty	3.56	0.00	HS

Table 5Students Loyalty

The second indicator of loyalty in greater volume is with a lowest mean value 3.42 and is shows that this indicator makes them indifferent loyal toward the university. However, the other four indicators such as repeating business (3.58), crossing selling opportunity (3.59), protection from competition (3.60), and mouth to mouth marketing (3.64) all indicate their loyalty towards the university. The five indicators are all extremely significant (=.00).

Relationship between Student Satisfaction and Student Loyalty

The correlation analysis is used to determine the relationship between variable X (Student Satisfaction) and variable Y (Student Loyalty). And this analysis is based on the score of the variable X and Y.

Table 6 Ranking Effect of Student Satisfaction on Student Loyalty

			Variable	Variable
			Student	Student
			Satisfaction	Loyalty
Spearman rho	Variable Student	Correlation	1.000	.642**
	Satisfaction	Sig. (2 tailed)		.000
		Ν	123	123
	Variable Student	Correlation	.642**	1.000
	Loyalty	Sig. (2 tailed)	.000	
		Ν	123	123

Correlation Summary

** Correlation is significant at the 0,01 level (2- tailed)

Base on the table 6 it revealed that the correlation $r_s = 0.642^{**}$ and the significant level 0.000 means that the student satisfaction correlate to student loyalty is meaningful. The level of correlation r > 0 (base on hypothesis) indicates that Ha is accepted and Ho is rejected, which means there is positive and significant correlation between student satisfaction and student loyalty.

Based on table 7 the Coefficient table, it appears that the level of t value (7.888) which of the result above of the table t-value (1.9600) and is significant (0.000) which of the result below 0.05 so that Ha is accepted or the correlation is significant and the student satisfaction correlate to student loyalty.

Model	Unstandardized Coefficients		Standardized Coefficients		
	В	Std.error	Beta	t	Sig.
1 (Constant)	23.053	3.919		5.882	.000
Variable Student Satisfaction	.473	.060	.583	7.888	.000

Table 7Coefficient

a. Dependent Variable: Variable Student Loyalty

Based on table 8, the R square (determination) describes about the capable of the independent variable as predictor to variable dependent. The determination (R^2) 34% shows the influence of the student satisfactions to student loyalty is not strong, and the remains of 66% is caused by other factor .

Model		R	Adjusted	Std.error of
	R	Square	R Square	Estimated
1	.583	.340	.334	7.96439

Table 8				
Model Summary				

a. Constant: Variable Student Satisfaction.

b. Dependent : Variable Student Loyalty

For hypothesis, the authors used a t test. Significant level a $\alpha = 0.05$ and df = 2. The criteria for acceptance and rejection of Ho are as follow:

 H_0 is rejected if: $t_{count} > t_{tablel}$ H_0 is accepted if: $t_{count} < t_{table}$

$$t_{\text{count}} = \frac{r_{\text{s}\sqrt{n-2}}}{\sqrt{1-r^2}}$$
$$t_{\text{count}} = \frac{0642\sqrt{132-2}}{\sqrt{1-0.642^2}}$$

 $t_{hitung} = 9.5473$

Conclusion

The conclusion was derived from the result of the study. From the description and analysis of the result of the study that has been done, it can be concluded as the following: based on the result of research, the overall mean result of Student Satisfaction is 3.3994. It means that the students' satisfaction at Universitas Advent Indonesia is indifferent. Among its five indicators, satisfied with Price/Cost got the lowest mean value, it indicates the students paid a lot attention to the cost of studying at this university for their satisfaction. The statistic result of student loyalty shows that the overall extent of student loyalty (3.5632) and indicates the students are loyal toward the university. The study indicates that Ha is accepted, means there is a significant correlation between student satisfaction and student loyalty with the level r_s (0.642) and the significant (0.000), it appears there is a strong correlation between student satisfaction and student loyalty. The $t_{level} = 7.888$ and $t_{table} = 1.9600$, it means H_o is rejected. The determination coefficient is 34%, it means student satisfaction influenced the student loyalty 34% and the residue 66% influenced by other factors.

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