

The Impact of Brand Trust and Students Satisfaction Towards Student Loyalty

Wendi Usino¹, Dewi Murtiningsih², Moeljadi³

{wendi.usino@budiluhur.ac.id¹, dewi.murtiningsih@budiluhur.ac.id², moeljadip@yahoo.com³}

Faculty of Information Technology, Budi Luhur University, Jl. Raya Ciledug Raya, Jakarta, Indonesia¹, Faculty of Economy and Business, Budi Luhur University, Jl. Raya Ciledug Raya, Jakarta, Indonesia², Faculty of Economy and Business, Brawijaya University, Jl. MT Haryono, Malang, East Java, Indonesia³

Abstract. This study aimed to determine the impact of academic service quality on student loyalty, the impact of academic services on student satisfaction, and the impact of student satisfaction on student loyalty. This research was explanatory research in which the population was students of Faculty of Economics and Business Budi Luhur University, Jakarta. The data were collected using questionnaires that its reliability and validity were tested for 30 respondents. The research sample used was purposive sampling with total 96 respondents. The data were analysed using SPSS. Based on the analysis results, it was seen that brand trust affects students' loyalty. However, brand trust did not affect student satisfaction, and student satisfaction did not affect student loyalty. The limitations of this study were on the research object and the number of respondents. The least number of variables used in this study was to expect further research to add other variables that could affect student satisfaction and loyalty. Based on data analysis, it revealed that brand trust variable did not affect student satisfaction and student satisfaction variable did not influence student loyalty

Keywords: Brand Trust, Student Satisfaction, Student Loyalty.

1 Introduction

Budi Luhur University must be able to retain customers which in this case is the current student and as much as possible tries to find new customers or prospective students while still paying attention to aspects of marketing. According to Ibanez et al. in Gecti and Zengin (2013) and Hafizah (2012), brand trust is one of the factors that can affect brand loyalty [1],[4],[9]. With the belief in the higher brands, it is expected that consumers will be loyal to the brand. According to Lau and Lee in Rizan et al. (2012), brand trust is the trust of consumers in a brand with various risks faced as their expectation of the brand to provide positive benefits, which with the brand trust, it will lead to brand loyalty [18]. According to Hellier et al. (2003), that satisfaction is considered as the preferred degree or overall customer satisfaction that found by the product's ability to meet the consumers' wishes, expectations, and needs to the product [10]. According to Kotler (2003), customer satisfaction is the perception of a person for the performance of a product or service that compared to expectations owned by consumers, where with customer satisfaction, it will lead to brand loyalty [12]. Customer satisfaction is closely related to quality. A company needs to know

several factors that affect consumer perceptions and expectations. According to Griffin (2005) Loyalty is literally interpreted as loyalty, including the loyalty of a person to an object [5],[6].

2 Framework And Hypotheses Concept

2.1 Composite Reliability

Research conducted by Nisa et al. (2013), Bastian (2014), Tezinde et al. (2001) and Lau and Lee (1999) show the evidence that brand trust affects consumer loyalty [1],[13],[16],[23]. The existence of trust is the activator of the rise of loyalty, because it can create highly valuable relationship exchange. Consumer loyalty, in this case the students, based on continuous relationships and the maintenance of important value relationships created for Budi Luhur University Jakarta from the trust. Thus, trusts are closely related to consumer loyalty (Garbarino and Johnson, 1999), which in this case is about brand trust. According to Ibanez et al. in Gecti and Zengin (2013) and Hafizah (2012), brand trust is one of the factors that can affect brand loyalty [3],[4],[9]. Based on the above opinion, hypothesis is created as follows:

H1: Brand trust affects student loyalty.

2.2 Brand Trust towards Student Satisfaction

The research of Setyawan (2008) conclude that brand trust is a mediating variable of the relationship between the variables of satisfaction on the brand [21]. When consumers get satisfaction from the purchase of a product then it will create a positive attitude to the brand so that consumers will make a purchase [19]. Chaudhuri and Holbrook (2001) define brand trust as the willingness of average consumer to depend on the ability of a brand in getting its utility or function [2]. Based on the above opinion, a research hypothesis can be developed as follows:

H2: Brand trust affects student satisfaction.

2.3 Student Satisfaction towards Student Loyalty

Research conducted by Evans and Lindsay in Mohsan (2011) shows that companies with satisfied customers have a good opportunity to turn them into loyal customers who buy products from the company over a long period of time [15]. This is also expressed by Lokito and Dharmayanti (2013) that satisfaction owned by the customer significantly influence customer loyalty to the brand [14]. According to Oliver (1999), that customer satisfaction is a major cause of brand loyalty, which means that the loyalty arises because of satisfaction to the brand of certain products and/or services [17]. According to Boulding et al. and Selnes in Karsono (2008) that a positive and significant influence is found between satisfaction and loyalty [11]. According to Kotler (2003) customer satisfaction is the perception of a person for the performance of a product or service that compared to expectations owned by consumers, where with customer satisfaction, it will lead to brand loyalty [12]. Results of research conducted by Ha et al. (2009) and Ha et al. (2011) reveal that customer satisfaction has a positive and significant impact on brand loyalty [7],[8]. Thus, based on the above opinion, hypothesis can be built as follows:

H3: Student satisfaction affects student loyalty.

3 Methodology

This research is the category of explanatory research. The population in this study are students of Faculty of Economics and Business (FEB) Budi Luhur University (from generation of 2013/2014, 2014/2015, and 2015/2016) with a total of 2244 students. The sample in this study amounted to 96. Here is the Slovin formula and table the number of samples in accordance with the percentage. The percentage usage on the samples number isto obtain sample from each generation based on itsproportion.

$$n = N / (1 + N.e^2) \quad (1)$$

Where:

n = Sample number

N = Total Population

e = errors margin e.g. 10%

n = 2244 / (1 + 2244. 10% 2) = 96

Based on Slovin formula, the samples number in this study amounted to 96. Then to easein spreadingthe questionnaires, a table percentage of the samples number for each year is created as follows:

Table 1. Sample Percentage of Each Force.

Academic Year	Number of FEB Students (JM)	Percentage (%) = JM/JT X 100%	Sample (n) n= % X n <i>Slovin</i>
2013/2014	774	35%	34
2014/2015	791	35%	34
2015/2016	679	30%	28
Total (JT)	2244	100%	96

Source: Data Processed Year 2017

The measurement scale used is the interval scale by using Likert scale. The data collection techniques used is interviews using a research instrument in the form of questionnaires. The analysis tools used are validity and reliability, correlation analysis, regression analysis, and coefficient of determination. The research variables with their indicators are shown in detail in Table 2.

Table 2. Sources Referred for the Measurement.

No.	Variable	Indicator	Source
1	<i>Brandt Trust</i>	<ul style="list-style-type: none"> • Brand Reputation • Brand Predictability • Brand Competency • Trust In The Company • Brand Linking 	Lau and Lee (1999) [13]

2	Student Satisfaction	<ul style="list-style-type: none"> • More Faithful • Often Buying More • Provide Comments • Less Attention to Other Brands 	Kotler (2003) [12]
3	Student Loyalty	<ul style="list-style-type: none"> • Habits of Transaction • Repeat purchase • Recommendation • Commitment 	Selnes (1993) [20]

4 Analysis And Findings

Based on the reliability test result, it can be stated that it is reliable, because Cranbach Alpha value is >0.60 (Ghozali, 2001), and the validity test is valid with corrected item correlation greater than 0.3 point [22]. Regression analysis result of the influence of brand trust to student loyalty, brand trust to student satisfaction, and student satisfaction to student loyalty are described in following figure:

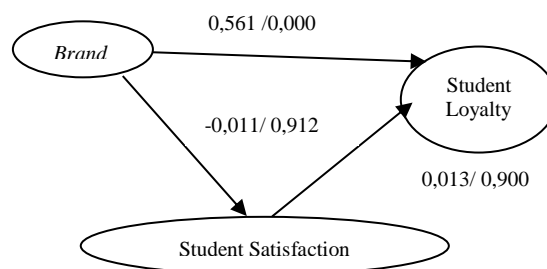


Fig. 1. Regression Analysis Results.

4.1 Brand Trust Affects Student Loyalty

Based on the regression analysis in Figure 1, it can be seen where the sig. value of brand trust to student loyalty is 0.000; this means the value of Pvalue is smaller than 0.05 which then it can be said that brand trust affects student loyalty. Empirical facts shows that brand trust indicators in the form of brand reputation, brand predictability, brand competency, trust in the company, and brand linking are well perceived by the respondents, so that brand trust is able to influence student loyalty. This research is in line with research conducted by other researchers [1],[3],[13],[16],[23]..

4.2 Brand Trust Affects Student Satisfaction

Based on the results of regression analysis in Figure 1 above, it can be known sig. value of brand trust to student satisfaction is 0.912. This means the value of Pvalue is greater than 0.05, in which brand trust does not affect student satisfaction. Empirical facts show that respondents still perceive low indicator of brand trust so that does not yet able to influence consumer satisfaction. This is because the staff/lecturer of Budi Luhur University Jakarta has not provided good friendly and service, so this affects the satisfaction of students. This research is not in line with a research conducted [2],[19],[21].

4.3 Student Satisfaction towards Student Loyalty

The result of regression analysis in Figure 1 shows that sig. of student satisfaction is 0.900. This means the value of Pvalue is greater than 0.05 in which student satisfaction does not affect student loyalty. Empirical facts show that respondents still perceive low indicator of student satisfaction. This is because the students are still not loyal to the campus where they studied by with rare involvement or participation in activities held by the campus, the students unwilling to comments related to the campus, and the students are still often paying attention to other universities. This study is inconsistent with the research conducted [7],[8],[11],[14],[15],[17].

5 Managerial Implications

The management of Budi Luhur University Jakarta is expected to continue to provide and fulfill what is needed and desired by the students as well as able to maintain the emotional bonds between Budi Luhur University and its students. It is expected that the results of this research can help the campus managers to pay more attention to the factors that influence students loyalty such as: further improvement on the role of students both in activities held by the campus and students involvement in giving comments to some activities held by the campus, or students participations by commenting on a policy applied by the campus. It is expected to form the emotional ties of students with the campus and make students to continue their studying to a higher level at Budi Luhur University Jakarta.

5.1 Future Research

Suggestions for future research are: adding other variables that may affect student satisfaction and loyalty such as service quality, brand equity, switching cost, and other variables. It is needed to extend the research object, as well as increase the number of respondents, and of course also the use of other methods in obtaining and processing data.

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