

# DIGITALES ARCHIV

ZBW – Leibniz-Informationszentrum Wirtschaft  
ZBW – Leibniz Information Centre for Economics

Radiman; Gunawan, Ade; Sri Fitri Wahyuni et al.

## Article

The effect of marketing mix, service quality,  
Islamic values and institutional image on students'  
satisfaction and loyalty

## Provided in Cooperation with:

Expert journal of marketing

*Reference:* Radiman/Gunawan, Ade et. al. (2018). The effect of marketing mix, service quality, Islamic values and institutional image on students' satisfaction and loyalty. In: Expert journal of marketing 6 (2), S. 95 - 105.

This Version is available at:

<http://hdl.handle.net/11159/4577>

## Kontakt/Contact

ZBW – Leibniz-Informationszentrum Wirtschaft/Leibniz Information Centre for Economics  
Düsternbrooker Weg 120  
24105 Kiel (Germany)  
E-Mail: [rights\[at\]zbw.eu](mailto:rights[at]zbw.eu)  
<https://www.zbw.eu/econis-archiv/>

## Standard-Nutzungsbedingungen:

Dieses Dokument darf zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden. Sie dürfen dieses Dokument nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, aufführen, vertreiben oder anderweitig nutzen. Sofern für das Dokument eine Open-Content-Lizenz verwendet wurde, so gelten abweichend von diesen Nutzungsbedingungen die in der Lizenz gewährten Nutzungsrechte.

<https://zbw.eu/econis-archiv/termsfuse>

## Terms of use:

*This document may be saved and copied for your personal and scholarly purposes. You are not to copy it for public or commercial purposes, to exhibit the document in public, to perform, distribute or otherwise use the document in public. If the document is made available under a Creative Commons Licence you may exercise further usage rights as specified in the licence.*

# The Effect of Marketing Mix, Service Quality, Islamic Values and Institutional Image on Students' Satisfaction and Loyalty

RADIMAN\*, Ade GUNAWAN, Sri Fitri WAHYUNI and JUFRIZEN

University of Muhammadiyah Sumatera Utara, Indonesia

*This study aims to develop student loyalty models as well as implement and refine student loyalty models in Private Islamic Religion Universities in Medan City. This study included an associative study. The questionnaires were distributed to 300 students and the survey implied multiple Likert scales. To process the data, we used Lisrel 8.80. The results of the study showed that the marketing mix, service quality, Islamic values, and institutional image had a positive and significant effect on student satisfaction and on student loyalty for the students of the Private Islamic Religion College in Medan.*

**Keywords:** *Marketing Mix, Service Quality, Islamic Values, Institutional Image, Loyalty, Satisfaction, Students*

**JEL Classification:** *M31*

## 1. Introduction

Competition in the education sector among state universities (PTN) and private universities (PTS) fighting to attract students is quite high. This high competition requires knowledge and good marketing strategies from all universities to attract prospective students from various high schools in Indonesia. The interest of prospective students to choose Higher Education is strongly influenced by their perceptions of the College. Students choose Universities they already know and have a good image. Kotler (2009) states that a person's attitude and actions towards an object are largely determined by their belief in the object's image. Imagery is a set of beliefs, ideas, and influences that one gets from a particular object (Kusdiyanto, 2008).

The success of image forming for universities is influenced by several factors, such as the history of the university, the facilities and infrastructure, and the success in providing educational services to students. The image appears based on the knowledge and information a person receives regarding an object. If the information is good, it will create a positive image, but if the information is badly received, it will cause a negative image. Information obtained is, for example, regarding how are the services provided by the university, how are the facilities and infrastructure of the university, how is the quality of human resources at

---

\* Corresponding Author:

Radiman, Faculty of Economics and Business, University of Muhammadiyah Sumatera Utara, Indonesia

Article History:

Received 31 October 2018 | Accepted 27 November 2018 | Available Online 14 December 2018

Cite Reference:

Radiman, Gunawan, A., Wahyuni, S.F. and Jufrizen, 2018. The Effect of Marketing Mix, Service Quality, Islamic Values and Institutional Image on Students' Satisfaction and Loyalty. *Expert Journal of Marketing*, 6(2), pp.95-105.

the university level. Institutional image according to student assessment will influence students to be loyal to their college (Novianti, 2009). Higher Education will highlight its advantages so that the community has its own assessment of the image of the university. Universities as educational service providers cannot be separated from maintaining the quality of services provided to students as consumers. Service quality plays a central role in today's business and non-business organizations, both those engaged in services or manufacturing. For improving the quality and satisfaction of students, universities must really pay attention to what are the needs and desires of students and improve the existing deficiencies. The improvement may be by running an academic service program that is able to meet the demands and satisfaction of students. Anderson et al. (1994) states that if a customer is satisfied with the quality of the service provided, it will cause customer loyalty so that the customer's buying interest increases and makes the customer loyal to the company's product. However, the decrease in the number of customers is likely to occur due to customer switching to competing companies, due to customer dissatisfaction. According to Anderson et al. (1994), if the customer is satisfied with the goods or services provided, it will cause an increase in customer loyalty.

According to Hannig-Thurau et al. (2001), customer loyalty is widely accepted as a major factor that helps companies to achieve long-term success. Therefore, in the context of marketing, consumer loyalty is the main objective that the company wants to achieve. According to Palmatier et al. (2006) loyalty is the result of a combination of factors or a multidimensional relationship between various interests, attitudes, sales achievements, and customer behavior. According to Hannig-Thurau et al. (2001), a student who is loyal to his college should not only use the institution but must have a positive attitude and cognition towards the institution as a basis for motivation to behave. In other words, student loyalty should not only provide benefits or benefits to universities when students are actively studying on campus; but of course, a bigger advantage is after students graduate from college. To achieve this loyalty, Gilmore (2008) suggested that universities match their programs to students who experience obstacles in their education or business professionals. Gilmore (2008) also stated that universities need to reduce ties and problems that hamper successful student graduation (such as granting scholarships and health programs) and appoint staff who are able to assist social and extracurricular work. The quality of teaching positively can be increased by the active participation of students in the service delivery process. This can be done, for example by giving the opportunity to engage in lecturer discussions and jointly develop the classroom atmosphere to stimulate teaching, encourage students to play a role in research activities by actively assisting in designing and collecting research data. After graduation, students can continue to support their tertiary institutions, such as (a) financial donations, (b) verbal promotion to prospective students, current students, and alumni, (c) offers or job placements, and (d) visiting public lecture.

## 2. Literature Review

### 2.1. Loyalty

Consumer loyalty is one of the main success factors for companies to obtain sustainable competitiveness (Lee and Cunningham, 2001). Companies need to know why consumers make repurchases after using their products. This information is the basis for the company in determining marketing strategies. Generally, companies use a measure of consumer satisfaction as a standard for monitoring consumer loyalty. But satisfaction alone will not create consumer loyalty without trust (Lee and Cunningham, 2001). Consumer loyalty is an asset and has an important role in a company. According to Hurriyati (2008) "*Loyalty is defined as non random purchase is expressed over time by some decision-making units*". Based on this understanding that loyalty refers more to the form of behavior of decision-making units, it is more likely to make continuous purchases of goods or services of a selected company. Thus, loyalty is formed because of the experience in using an item or service. Having loyal customers is the ultimate goal of all companies, but most companies do not realize that consumer loyalty is formed through different stages starting from looking for potential customers to customer advocates that will bring long-term benefits to the company. Before discussing further about what things need to occur to develop loyalty, here is the definition of loyalty (*customer loyalty*) according to Oliver (1997), namely the "commitment to repurchase or re-subscribe to selected products or services consistently in the future, although the influence of the situation and marketing efforts has the potential to cause behavioral change".

Loyalty is an important concept in marketing because loyalty is one factor that is able to determine the *market share* of a company. The market share itself is an asset of a company since the company entered a market, the company will face an obstacle or entry barrier because the company does not have a *market share* (Faria, 2003). In general, loyalty is something that causes consumers to choose a particular brand, service, shop, product, and activities. Loyalty is more a feature that is owned by consumers, and not only

something related to a brand (Uncles, 2002). Loyalty is a way for consumers to express their satisfaction with the performance of the product or service they receive (Ballester and Alleman, 2001).

## 2.2. Marketing Mix Service

According to Kotler and Keller (2009), the marketing mix is “a set of marketing tools used by marketing to achieve its marketing objectives in the target market”. Based on the description above, it can be said that the marketing mix has no limits to the number of marketing variables. Therefore, the number of variables does not rule out the possibility of developing and expanding according to the needs of the company. Furthermore, according to Lupiyoadi (2013), that “as a marketing mix, these elements (product, price promotion, place, people processes, services) influence each other so that if one is not exactly right for customers, it will affect the overall marketing strategy”. The service marketing mix as stated above consists of seven elements, namely: product, price, distribution (*place*), promotion, people, physical evidence, and process. According to Kotler (2009), for service marketing, the variable marketing mix of 4Ps includes an additional 3Ps so that the marketing mix implies 7Ps. Likewise Kotler and Fox (2003); Goncalves (1998) state that the marketing strategy in education in the world, which leads to a suitable marketing strategy are, known as 7Ps: *program, price, place (location / delivery system), promotion, processes, physical facilities, and people.*

## 2.3. Service Quality

Service is an activity that cannot be defined independently because it is essentially *intangible*, and represents the fulfillment of needs and does not have to be tied to the sale of other products or services. Services can also be said to be the benefits and satisfaction activities offered for sale. This is because the purchase of a service often also involves items that complete it, such as food in restaurants, guests staying at hotels, telephones in communication services, books sold in bookstores, electricity usage by electricity customers and so on. Quality is a word that for service providers is something that must be done well. Quality applications as the nature of product performance or performance are the main strategic parts of the company in order to achieve sustainable excellence, both as a market leader or as a strategy to continue to grow and develop. Tjiptono (2008) states that service quality is the expected level of excellence and control over the level of excellence to meet customer desires. Whereas Yamit (2001) stated, that in general, the quality of service is reflected in the comparison between consumer expectations and service performance.

From some of the opinions above it can be concluded that the quality of service is a level of excellence and is a formless output that benefits the customer and the high level is determined by the customer's expectations. According to Tjiptono (2008), the total service quality consists of three components, namely *technical quality, functional quality, and corporate image*. Based on the above components, it is known that the service output and delivery method are the factors used in assessing service quality. Because customers are involved in a service process, often the determination of quality becomes very complex. Tjiptono (2008) succinctly says that superior quality benefits include greater customer loyalty, greater market share, higher stock prices, higher selling prices, and greater productivity.

## 2.4. Institutional Image

The image is the consumer's perception of quality related to the brand/company name. A company or product/service that has a good image in the community will get a better position (Tjahjaningsih, 2013). Kotler (2009) defines an image as a set of beliefs, ideas, and influences gained by an object. A person's attitude and actions towards an object are mostly due to the object's image. Other studies, Howard (1998) explains that image has a role in marketing an organization because it has the potential to influence consumer perceptions and expectations about the goods or services offered and ultimately affect consumer satisfaction. The Corporate image has an influence on customer satisfaction because the company's image is seen as the success of marketing activities. Images can have an influence on customer purchasing behavior, especially for service companies where when services are difficult to evaluate, the company's image is believed to be an important factor affecting service quality, customer evaluation of customer perceived satisfaction from services provided (Wuryan and Legowo, 2009). An image is a reputation and achievement, although the image is something that is abstract and cannot be measured systematically, its form can be felt from the results of good and bad research that comes from the public or the wider community. This assessment can be related to respect, good impressions rooted in the values of trust. Harrison (2005) states that information about the company's image includes the following four elements: *Personality, Reputation, Value, Corporate Identity*.

## 2.5. Islamic Values

Islamic values are essentially a collection of living principles, teachings about how humans should live their lives in this world, one principle with another interrelated to form one whole which cannot be separated. The most important thing in the form of Islamic values must be transformed into the field of human life. In the division of other dimensions of Islamic life, there are dimensions of monotheism, sharia, and morals, but in general Islamic values are more prominent in the form of moral values. Faith or akida, Worship, Morals.

## **2.6. Consumer Satisfaction**

Satisfaction is a basic need that can be described as a pleasant thing. This basic need arises because of certain impulses must be channeled. Satisfaction will arise if the urge can be channeled and vice versa, the consumer will feel dissatisfied if these impulses cannot be channeled. Johnson and Fornell (1991) stated that consumer satisfaction is the result of a thorough evaluation of consumers on the performance of the product they consume. Yi (1991) identified two different concepts of customer satisfaction, namely *transaction-specific satisfaction* and *overall satisfaction*. *Transaction-specific satisfaction* is a concept that refers to the assessment of customer satisfaction after purchasing a particular product or brand. While overall satisfaction is a concept that measures the satisfaction (dissatisfaction) of consumers towards a particular product or brand based entirely on their experience in consuming the product or brand. Thus *overall satisfaction* can be seen as a function of *all transaction-specific satisfaction* that occurred before. In this study, the concept of customer satisfaction that is used is overall satisfaction (overall customer satisfaction). In the last few decades, consumer satisfaction has always been the focus of attention of academics and marketing practitioners. This attention comes from a philosophy that states that to achieve company success depends on the company's ability to provide what its customers want. In other words, customer satisfaction is the key to a company's success (Kurtz and Clow, 1993). Furthermore, Shin and Elliot (1998) explained that consumer satisfaction creates consumer retention, which in turn can increase the company's profits, considering the cost of maintaining existing customers is cheaper than the cost of finding new consumers. Besides, that satisfaction not only encourages the tendency of consumer behavior to repurchase but also encourages them to do positive word of mouth (Reicheld and Sasser, 1990; Boulding et al., 1993). According to Howard and Shets (in Tjiptono, 2008) revealed that consumer satisfaction is the cognitive situation of the buyer with respect to the equivalence or incompatibility between the results obtained compared to the sacrifices made.

Furthermore, Kotler and Keller (2007) define that satisfaction is a feeling of pleasure or disappointment someone who appears after comparing the performance (results) of the product that is thought about the expected performance (or results). If performance is below expectations, customers are not satisfied. If performance meets expectations, customers are satisfied. If performance exceeds expectations, customers are very satisfied or happy. Tjiptono, (2012) states that the creation of consumer satisfaction can provide several benefits, including the relationship between the company and consumers to be harmonious, provide a good basis for repurchase and create consumer loyalty, and provide *word of mouth* recommendations that are beneficial for the company. Irawan (2003) states: satisfied consumers are consumers who feel they get value from suppliers, producers or service providers. This *value* can come from a product, service, system or something that is emotional. Satisfied consumers are consumers who will share satisfaction with producers or service providers. In fact, satisfied consumers will share experiences with other consumers. This will be a reference for the company concerned.

## **3. Methodolgy**

The sample size can be calculated from the magnitude of the indicator multiplied by 5 to 10. Because this study uses 3 construct variables whose total number of indicators is 30, therefore the sample needed in this study is at least  $10 \times 30 = 300$  people. The location of this study was carried out in several Private Islamic Higher Education Institutions in Medan City such as North Sumatra Muhammadiyah University (UMSU), North Sumatra Islamic University (UISU), Nusantara Muslim University (UMN) and Alwasliyah University (UNIVA). Data collection techniques used in this study include interviews and questionnaires applied to related parties. The data analysis technique in this study involves an Structural Equation Model.

## **4. Results**

### **4.1. Structural Model Analysis**

Analysis of the structural model includes several criteria, namely:

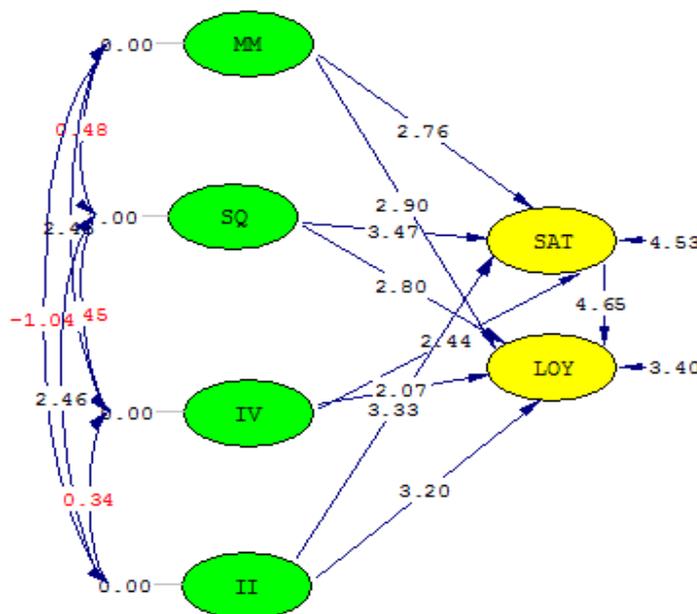
**Table 1. Goodness of Fit Structural Equation Model (SEM)**

GoF	Nilai	Tingkat Kecocokan
Statistic Chi Square ( $\chi^2$ )	2301,22	Good Fit
Goodness of Fit Index (GFI)	0.71	Not Fit
Standardized Root Mean Square Residuan (SRMR)	0.062	Marginal Fit
Root Mean Square Error of Approximation (RMSEA)	0.010	Good Fit
Non-Normed Fit Index (NNFI)	0.97	Good Fit
Normed Fit Index (NFI)	0.84	Marginal Fit
Adjusted Goodness of Fit Index (AGFI)	0.69	Not Fit
Relative Fit Index (RFI)	0.83	Marginal Fit
Incremental Fit Index (IFI)	0.97	Good Fit
Comparative Fit Index (CFI)	0.97	Good Fit

In table 1 above, we can see that the chi-square value 2301.22 shows a good fit category, then GFI value 0.71 and AGFI 0.69 fall into the marginal fit category. RMSEA value, NFI, and RFI NNFI, IFI, and CFI fall into the good fit and marginal fit. So it can be concluded that the overall suitability of the model is good.

#### 4.2. Causal Relationship Analysis

After analyzing the results of the goodness of fit of the research model, the next analysis conducted involves analyzing the causal relationships in the model. Statistical testing for causal relationships of structural models is carried out with a significance level of 5%, so that the critical value of the t-value is  $\pm 1.96$ . The estimation results of all causal relationships of research can be seen in the LISREL output 8.80.



**Figure 1. Structural Model (t-value)**

From the output LISREL result 8.80 (Figure 1), for causal relationship equation, we can note that:

1) *T-value* and Structural Equation Coefficient

From the causal equation above, *t-value* which the absolute value  $>1.96$  means that the trajectory coefficient is significant (Wijanto, 2008). The following table is the summary of *t-value* and the coefficient in the structural model: From the table above, it can be seen that, there are 9 significant trajectory coefficients. The interpretation of the trajectory coefficient will be explained further in the hypothesis testing.

2) Determination Coefficient ( $R^2$ )

Structural Equations

- SEM results for the model with satisfied as dependent variable

$$SAT = 0.22 * MM + 0.31 * SQ + 0.20 * IV + 0.27 * II$$

Errorvar. = 0.67,  $R^2 = 0.33$

**Table 2.** SEM results for the model with satisfied as dependent variable

	SAT	MM	SQ	IV	II
Standardized Coefficients	-	0.22	0.31	0.20	0.27
S.E.	-	(0.080)	(0.090)	(0.082)	(0.15)
Estimates	2.76	3.47	2.44	3.33	4.53

- SEM results for the model with loyalty as dependent variable

$$LOY = 0.47 * SAT + 0.21 * MM + 0.23 * SQ + 0.15 * IV + 0.24 * II$$

$$\text{Errorvar.} = 0.29, R^2 = 0.71$$

**Table 3.** SEM results for the model with loyalty as dependent variable

	LOY	SAT	MM	SQ	IV	II
Standardized Coefficients	-	0.47	0.21	0.23	0.15	0.24
S.E.	-	(0.072)	(0.084)	(0.073)	(0.075)	(0.086)
Estimates	4.65	2.90	2.80	2.07	3.20	3.40

From the *structural form equation* above it can be seen the R<sup>2</sup> for each equation. The value of R<sup>2</sup> function is to show how big each independent variable is able to explain its independent variables, this following is *structural form equation* above:

1. Student Satisfaction has R<sup>2</sup> of 0.33, this number show that *Marketing Mix, Student Satisfaction, Islamic Values, and Institution Image* can explain 33% variance from *Student Satisfaction*, while the rest is explained by other factors.
2. Student Loyalty has R<sup>2</sup> as 0.71, this number show that *Marketing Mix, Student Satisfaction, Islamic Values, and Institution Image* can explain 71% variance from *Student Loyalty*, while the rest is explained by other factors.

### 4.3. Hypothesis Testing

As the previous explanation, in this research there are 9 hypothesis. Hypothesis Testing Analysis is done with a level of significance 5%, so that produce critical t-value as  $\pm 1.96$ . Hypothesis is accepted that *t-value*  $\geq 1.96$ . The following table is testing hypothesis table for answer the entire of research questions:

**Table 4.** Research Model Hypothesis Testing

Hypothesis	Statement	T-value	Hypothesis Confirmation
H <sub>1</sub>	Marketing Mix of Student Satisfaction	2.76	The data supports the hypothesis
H <sub>2</sub>	Service Quality of Student Satisfaction	3.47	The data supports the hypothesis
H <sub>3</sub>	Islamic Values of Student Satisfaction	2.44	The data supports the hypothesis
H <sub>4</sub>	Institution Image of Student Satisfaction	3.33	The data supports the hypothesis
H <sub>5</sub>	Marketing Mix of Student Loyalty	2.9	The data supports the hypothesis
H <sub>6</sub>	Service Quality of Student Loyalty	2.8	The data supports the hypothesis
H <sub>7</sub>	Islamic Values of Student Loyalty	2.07	The data supports the hypothesis
H <sub>8</sub>	Institution Image of Student Loyalty	3.2	The data supports the hypothesis
H <sub>9</sub>	Student Satisfaction of Student Loyalty	4.65	The data supports the hypothesis

## 5. Discussion

From the results of this research, it was found that the variables which influence student loyalty in this study are marketing mix, service quality, institution image, Islamic values, and student satisfaction. The following aspects presented linkages between variables.

### 5.1. The Effect Of Marketing Mix on Student Satisfaction

Based on the data processing results from the structural model, we noted that marketing mix has a positive effect and significant for student satisfaction in Private Islamic Religion College in Medan city. This gives the meaning that a good marketing mix from Private Islamic Religion College in Medan city will give effect to the student satisfaction increasing.

Empirically, the findings of this study support the opinions expressed from the results of research by several researchers Bloomer, et al. (1998), who states that the better the quality of services provided will increase customer satisfaction. This research result supports the previous research that was done by Soedjati (2006) who concluded that the seven sub-variables of the marketing mix had an effect on student satisfaction

in three Private Islamic Religion Colleges in Bandung city. As well as research result of Subagiyo and Adlan (2017) who concluded that marketing mix influence to the student satisfaction. This results of this study are in line with several studies conducted by Lili et al. (2011), Athyaman (1997) and Nguyen (2012) that show that the marketing mix of a college takes positive effect to student satisfaction.

### **5.2. The Effect of Service Quality on Student Satisfaction**

Based on the data processing from the structural model, it can be known service quality variable directly take positive effect and significant to student satisfaction in Private Islamic Religion College in Medan city. This gives a meaning that a good service quality will have an impact on increasing student satisfaction. This shows that the availability of sufficient number of lecture rooms that are quite comfortable, the lecturer's ability in delivering material is good enough, employee responsiveness in provided service when needed and help the student in difficulty in a fast manner, the lecturers have many teaching experiences and graduated from reputable universities, and the academic part of providing services without distinguishing students has given satisfaction to students of Private Islamic Religion College in Medan city.

This research shows the same result with research conducted by Pratito (2012) that show the quality of academic administration services has a positive effect and significant effect on student satisfaction. The results of this study also strengthen the results of previous studies conducted by Ghozali (2010), Noviasari dkk (2015), , Mekic and Mekic (2016), Chandra et.al, (2018), Dora (2017), Jiewanto et al. (2012), Lunarindiah (2016) and Ratnasari (2016) service quality take effect to the student satisfaction. Asaduzzaman et al. (2013) states that there is a significant relationship between the constructs of service quality and student satisfaction.

### **5.3. The Effect of Islamic Values on Student Satisfaction**

Based on the data processing from the structural model, it can be noted that the Islamic Values variable directly exhibits a positive effect and significant to the student satisfaction for Private Islamic Religion College in Medan city. This gives a meaning that a good application of islamic values will have an effect in increasing the student satisfaction. This research support Usman and Rizwan's (2010) research who state that spiritual values are able to increase satisfaction. Halik (2016) mentions that religiosity has a positive and significant effect to customer trust. Then, Amaliyah et. al (2015) conclude that islamic values impact satisfaction. Furthermore, the results of the study of Gultom and Jufrizen (2016), and Qomariah (2012) conclude that islamic values display a positive effect and significant to student satisfaction.

### **5.4. The Effect of Institution Image on Student Satisfaction**

Based on the data processing from the structural model, it can be known that institution image directly take a positive effect and significant to the student satisfaction in Private Islamic Religion College in Medan city. This research gives a meaning that the better institution image in student view, the more increasing student satisfaction. The results of this study also strengthen the previous research that was done by Wuryan and Legowo (2009) showing that, there are significant effects and positive effects between institution image and student satisfaction. A good institutional image will give a perception of satisfaction to the student. The results of the study of Alves and Raposo (2010), Azoury et al. (2014), Effendi (2016) and Qomariah (2012), Noviasari dkk (2015) show that institutional image uncovers a positive effect on consumer satisfaction. Likewise, the results of Sugianto and Hartono's research (2018) conclude that the more proeminent the institution's image is, the more increasing a satisfaction student. Institutional image can affect the satisfaction of students where the image has a strong effect on student satisfaction (Wantara, 2008).

### **5.5. The Effect of Marketing Mix on Student Loyalty**

Based on the data processing from the structural model, it can be known that marketing mix variable directly takes a positive effect and significant to the student loyalty in Private Islamic Religion College in Medan city. The results of the study mean that the better application of marketing mix the more increasing the student loyalty. Empirically, findings of the results of this study support the research was done by Ogunnaike, et al. (2014), Thalib (2015) and Nina and Brooks (2008) show that there is an effect of a marketing mix to the student loyalty.

### **5.6. The Effect of Service Quality on Student Loyalty**

Based on the data processing from the structural model, it can be noted that service quality is directly related to student loyalty in Private Islamic Religion College in Medan city, showcasing a positive and significant effect. These results of this study show that the better the service quality in the student view, then

the higher their student loyalty will be. This research is in line with the research results that were achieved by Fares et al. (2013), Usman and Mokhtar (2016) and Ganic et al. (2018) who show that a service quality has a significant effect on student loyalty. Likewise, the research of Noviasari (2015) shows the same effect of service quality on student loyalty.

### **5.7. The Effect of Islamic Values on Student Loyalty**

Based on the results of data processing from the structural model, it is known that the variables of Islamic values directly have a positive and significant effect on the loyalty of students in Private Islamic Religion Universities in Medan City. This gives the meaning that the application of good Islamic values will have an impact on increasing student loyalty. The Islamic values embedded by leaders and lecturers were able to increase student loyalty. This finding supports research conducted by Usman and Rizwan (2010) which states that spiritual values can increase loyalty. The results of this study are not in line with the research of Qomariah (2012) which concluded that Islamic values had no effect on student loyalty.

### **5.8. The Effect of Institution Image on Student Loyalty**

Based on the results of data processing from the structural model, we have noticed that the variables of an institutional image directly impact the loyalty of students at Private Islamic Religion Universities in Medan. The results of this study mean that the better the image of the institution in the eyes of students, this it will increase the loyalty of the student.

The results of this study are in line with the results of research conducted by Jiewanto et al. (2012), Fares et al. (2013), Alves and Raposo (2010), Usman and Mohkhtar (2016), and Barusman (2014) which show that institutional image significantly influences student loyalty. Likewise, research conducted by Noviasari et al (2015) shows that institutional image has a significant effect on student loyalty.

### **5.9. The Effect of Satisfaction on Student Loyalty**

Based on the results of data processing from the structural model, it is known that the variable of student satisfaction directly has a positive and significant effect on the loyalty of students at the Private Islamic Religion College in Medan City. This means that a high student satisfaction will have an impact on increasing student loyalty. The results of this study are in line with the results of research conducted by Alves and Raposo (2010), Mekić and Mekić (2016), Usman and Mokhtar (2016), Barusman (2014), Chandra et.al, (2018), Dora (2017) and Thalib (2015) which show that student satisfaction has a significant effect on student loyalty. Likewise, the results of research conducted by Qomariah (2012) and Noviasari et al (2015) concluded that satisfaction affects student loyalty.

## **6. Conclusion**

Based on data analysis and previous discussion, we can formulate the following conclusions: Marketing Mix variables have a positive effect on Student Satisfaction in Private Islamic Religion Universities in Medan City. Thus, a prominent Marketing Mix will lead to a higher the Student Satisfaction.

Service quality variables have a significant positive effect on Student Satisfaction in Private Islamic Religion Universities in Medan City. Similarly, Islamic Values have a positive effect on Student Satisfaction significantly in Private Islamic Religion Universities in Medan City. In this paper, we have also noticed the positive impact of institutional image pn on Student Satisfaction

Regarding the dependent variable of student loyalty, the marketing mix has a positive effect on Student Loyalty in Private Islamic Religion Universities in Medan City. Similarly, all the other variables explored in this paper, namely service quality, Islamic values, institutional image, and satisfaction, have a direct and significant impact on student loyalty for the students who participated in this research. Thus, as each variable records an increase, that same increase will have a similar effect on student loyalty.

### **6.1. Suggestions for Future Research**

Based on the conclusions above, there are several suggestions that can be provided, namely, the University needs to pay attention to the factors that shape student loyalty, such as students who have a high loyalty to the University, students' loyalty for their chosen study programs or subjects. Because to gain a favorable reputation, students must feel satisfaction first. To achieve student loyalty, the University needs to improve the marketing mix of its services, the service quality and the University needs to have a good

reputation and have resonating values. This research is only limited to 2015 students, therefore there is a need for further research involving students from other generations.

## References

- Alves, H. and Raposo, M., 2010. The influence of university image on student behavior, *International Journal of Educational Management*, 24(1), pp.73-85. DOI 10.1108/09513541011013060
- Amaliah, I., Aspirantib, T. and Purnamasari, P., 2015. The Impact of the Values of Islamic Religiosity to Islamic Job Satisfaction in Tasikmalaya West Java. 2nd Global Conference on Business and Social Science-2015 (GCBSS-2015), 17-18 September 2015, Bali, Indonesia. *Procedia - Social and Behavioral Sciences*, 211, pp.984 – 991.
- Anderson, E.W., Fornell, C. and Lehmann, D.R., 1994. Customer Satisfaction, Market Share and Profitability: Finding From Sweden. *Journal of Marketing*, 58, pp 15-35.
- Andreassen, T.W. and Lindestad, B., 1998. Customer Loyalty and Complex Services: The Impact of Corporate Image on Quality, Customer Satisfaction and Loyalty for Customers with Varying Degrees of Service Expertise. *International Journal of Service Industry Management*, 9(1), pp. 7-23.
- Arwanda, N.O.D. and Hartoyo, S., 2014. Kepuasan, Citra, Dan Loyalitas Pada Lembaga Pendidikan Tinggi: Kasus Di Akademi XYZ. *Jur. Ilm. Kel. and Kons*, 7(2), pp.123-132.
- Asaduzzaman, Hossain, M. and Rahman, M., 2013. Service Quality and Student Satisfaction: A Case Study on Private Universities in Bangladesh. *International Journal of Economics, Finance and Management Sciences*, 1(3), pp.128-135. doi: 10.11648/j.ijefm.20130103.11
- Athyaman, A., 1997. Linking Student Satisfaction and Service Quality Perceptions: The Case of University Education. *European Journal of Marketing*, 31(7), pp.528-540.
- Azoury, N.D. and El Khoury, L.C., 2014. University image and its relationship to student satisfaction- case of the Middle Eastern private business schools. *International Strategic Management Review*, 2, pp.1–8.
- Barusman, A.R.P., 2014. Student Satisfaction as a Mediating Variable between Reputation, Image and Student Loyalty. *ITMAR -2014 Proceeding*, Vol. 1, pp.414-436.
- Becket, N. and Brooks, M., 2008. Quality Management Practice in Higher Education- What Quality Are We Actually Enhancing?. *Journal of Hospitality, Leisure, Sports and Tourism Education*, 7(1), pp.40-54. DOI:10.3794/johlste.71.174
- Bloomer, J., Ruyter K. and Wetzels, M., 1998. On the Relationship Between Perceived Service Quality, Service Loyalty and Switching Costs. *International Journal of Industry Management*, 9, pp.436-453.
- Boulding, W., Kalra, A., Staelin, R. and Zeithaml, V.A. 1993. A dynamic process model of service quality: from expectations to behavioral intentions. *Journal of Marketing Research*, 30, February, pp. 7-27.
- Chandra, T., Ng, M., Chandra, S. and Priyono, 2018. The Effect of Service Quality on Student Satisfaction and Student Loyalty: An Empirical Study. *Journal of Social Studies Education Research*, 9(3), pp.109-131.
- Clow, K.E. and Garretson, J.A. and Kurtz, D.L., 1994. An exploratory study into the purchase decision process used by leisure travelers in hotel selection. *Journal of Hospitality and Leisure Marketing*, 2, pp.53-72.
- Crosby, L., Evans K.R., Cowles D., 1990. Relationship quality in services sell ing: an interpersonal influence perspective. *Journal of Marketing*, 54, pp.68 – 81.
- Dora, Y.M., 2017. Analysis Effect of Service Quality, Educational Facilities, and Method of Learning, Student Satisfaction and Loyalty to Students - Studies in the University of Widyatama Bandung. *European Journal of Social Sciences*, 10(1), pp.16-27.
- Effendi, N.I., 2016. Analisis Pengaruh Kualitas Pelayanan dan Citra Institusi Terhadap Kepuasan Mahasiswa Untuk Meningkatkan Loyalitas Mahasiswa. *Jurnal Aplikasi Ekonomi dan Bisnis*, 1(1).
- Fares, D., Achour, M and Kachkar, O., 2013. The Impact of Service Quality, Student Satisfaction, and University Reputation on Student Loyalty: A Case Study of International Students in IIUM, Malaysia. *Information Management and Business Review*, 5 (12), pp.584-590.
- Ganić, E., Babić-Hodović., V and Arslanagić-Kalajdžić, M., 2018. Effects of Servperf Dimensions on Students' Loyalty -Do You Know what is Behind the Scene?. *International Journal of Business and Social Science*, 9(2), pp.215–224.
- Ghozali, I., 2010. Analisis Kualitas Jasa Pendidikandan Pengaruhnya Terhadap Loyalitas Mahasiswa Pada Perguruan Tinggi Swasta (PTS) Di Kota Semarang. *Media Ekonomi dan Manajemen*, 21 (Januari).
- Gilmore, A., 2008. Educating to Ensure Soft Skills. *Certification Magazine* [online] Available online at: <http://www.certmag.com/read.php?in=3321> [Accessed on 12 April 2018].

- Gultom, D.K and Jufrizen, 2016. Nilai Nilai Islam Sebagai Variabel Moderating Pada Pengaruh Bauran Pemasaran Jasa Dan Kualitas Pelayanan Terhadap Kepuasan Mahasiswa (Studi di Fakultas Ekonomi Universitas Islam Swasta di Kota Medan). *Jurnal Ilmiah Maksitek*, 1(1), pp.35-47.
- Gummesson, E., 2007. Exit services marketing – enter service marketing. *Journal of Customer Behaviour*, 6(2), pp.113-141.
- Halik, A., 2016. Pengaruh Bauran Pemasaran Jasa, Kualitas Layanan Dan Nilai Religiusitas Terhadap Kepercayaan Nasabah Dan Implikasinya Pada Komitmen Nasabah Bank Umum Syariah Di Wilayah Gerbang Kertasusila Jawa Timur. *JHP17 Jurnal Hasil Penelitian LPPM Untag Surabaya*, 1(1), pp.123-148.
- Harrison, S., 2005. *Marketers Guide To Public Relations*. New York: John. Willwy and Sons, Inc.
- Hennig-Thurau, T., Langer, M.F. and Hansen, U., 2001. Modeling and Managing Student Loyalty: An Approach Based on the Concept of Relationship Quality. *Journal of Service Research*, 3 (4), pp.331-345.
- Howard, J.A., Shay, R.P. and Green, C.A., 1998. Measuring the Effect of Marketing Information on Buying Intentions. *Journal of Consumer Marketing*, 5(3), pp.5-14.
- Huang, L., Yang, Z. and Hampton, G., 2011. Assessing Customer Satisfaction with Non-Profit Organization: Evidence from Higher Education. *Asian Journal of Business Research*, 1(2) pp.75-99.
- Irawan, H., 2003. *Principles of Customer Satisfaction*. Jakarta: PT Elex Media Komputindo.
- Jiewanto, A, Laurens, C and Nelloh, L., 2012. Influence of Service Quality, University Image, and Student Satisfaction toward WOM Intention: A Case Study on Universitas Pelita Harapan Surabaya. *Procedia - Social and Behavioral Sciences*, 40, pp.16 – 23.
- Johnson, M. D. and Fornell, C. 1991. A framework for comparing customer satisfaction across individuals and product categories. *Journal of Economic Psychology*, 12(2), pp.267–286.
- Kevin, M. E. and Dooyoung, S., 2002. Student Satisfaction: An alternative approach to assessing this important concept. *Journal of Higher Education Policy and Management*, 24(2), pp.197-209.
- Kotler, P. and Keller, K.L., 2007. *Marketing Management*. 12<sup>th</sup> Edition. Jakarta: PT. Index.
- Kotler, P., 2009. *Manajemen Pemasaran*. Jilid I, Edisi Kesebalas, Alih Bahasa Benyamin Molan. Jakarta: Indeks.
- Kusdiyanto, 2008. Citra Perguruan Tinggi Swasta di Kopertis Wilayah VI Jawa Tengah. *BENEFIT Jurnal Manajemen dan Bisnis*, 12(2) pp.150-160.
- Locklove, C., 2010. *Pemasaran Jasa Manusia, Teknologi, Strategi Perspektif Indonesia*. Jakarta: Penerbit Erlangga.
- Lunarindiah, G., 2016. The Influence Of Corporate Image, Service Quality, Perceived Value Toward Student Satisfaction And Student Loyalty. *Jurnal Manajemen dan Pemasaran Jasa*, 9(2), pp.239-252.
- Lupiyoadi, R., 2013. *Manajemen Pemasaran Jasa: Jasa Teori dan Praktik*. Jakarta: Salemba Empat.
- Mekić, E. and Mekić, E., 2016. Impact Of Higher Education Service Quality On Student Satisfaction And Its Influence On Loyalty: Focus On First Cycle Of Studies At Accredited HEIs In BH. *International Conference on Economic and Social Studies (ICESoS'16) - Proceedings Book*, pp.43-56.
- Minh Tuan, N., 2012. Effects of Service Quality and Price Fairness on Student Satisfaction. *International Journal of Business and Social Science*, 3(19), p.132.
- Nguyen, B. and Mutum, D.S., 2012. A review of customer relationship management: successes, advances, pitfalls and futures. *Business Process Management Journal*, 18(3), pp.400-419.
- Noviasari, R.A, Wulandari, D. and Suryaningsih, I.B., 2015. Pengaruh Citra Institusi Dan Kualitas Layanan Terhadap Kepuasan Dan Loyalitas Mahasiswa Universitas Moch. *Bisnis dan Manajemen*, 9(2), pp.190-201.
- Ogunnaike, O.O., Borishade, T.T, Adeniyi, S. and Omolade, O.O., 2014. Empirical Analysis of Marketing Mix Strategy and Student Loyalty in Education Marketing. *Mediterranean Journal of Social Sciences*, 5 (23), pp.616-625. Doi:10.5901/mjss.2014.v5n23p616
- Oliver, R.L., 2002. A cognitive model of the antecedents and consequences of satisfaction decisions. *Journal of Marketing Research*, XVII (November), pp.460-469.
- Omar, N, A., Nazri, M.A., Abu, K. and Yang, Z.O., 2009. Parents' Perceived Service Quality, Satisfaction, and Trust of a Childcare Centre: Implication on Loyalty. *International Review of Business Research Paper*, 5(5), pp.299-314.
- Palmatier, R.W., Dant, R.P., Grewal, D. and Evans, K.R., 2006. Factors Influencing the Effectiveness of Relationship Marketing: A Meta Analysis. *Journal of Marketing*, 70, pp.136–153.

- Parasuraman, A., Zeithaml, V.A. and Berry, L.L., 1991. A Conceptual Model of Service Quality and Its Implication for Future Research. *Journal of Marketing*, 49 (Fall), pp.41-50.
- Payne, A., 2001. *The Essence Of Service Marketing*. Diterjemahkan oleh: Fandy Tjiptono, Edisi Pertama. Yogyakarta: Penerbit Andi.
- Prasetyaningrum, I.D., 2009. Analisis Pengaruh Pembelajaran dan Kualitas Pelayanan terhadap Kepuasan Mahasiswa dan Loyalitas Mahasiswa (Studi Kasus pada Undaris Ungaran). *Tesis*. Semarang: Program Pascasarjana Universitas Diponegoro.
- Pratito, D.W., Triani, D. and Prapti, L., 2012. Analisis Pengaruh Kualitas Pelayanan Administrasi Akademik Terhadap Kepuasan Mahasiswa. *Studi Kasus Pada Fakultas Ekonomi Kelas Karyawan Universitas Semarang*, 10(4), pp.55-65.
- Qomariah, N., 2012. Pengaruh Kualitas Layanan dan Citra Institusi Terhadap Kepuasan dan Loyalitas Pelanggan (studi pada Universitas Muhamamadiyah di Jawa Timur). *Jurnal Aplikasi Manajemen*, 10 (1), pp.177-187.
- Rangkuti, F., 2008. *Measuring Customer Satisfaction: Teknik Mengukur dan Strategi Meningkatkan Kepuasan Pelanggan*. Jakarta: PT. Gramedia Pustaka Utama.
- Ratnasari, I., 2016. Pengaruh Kualitas Pelayanan Dan Citra Institusi Terhadap Kepuasan Mahasiswa Yang Berdampak Pada *Word Of Mouth* (Studi Kasus Pada Mahasiswa Universitas Singaperbangsa Karawang). *Value Journal of Management and Business*, 1(1), pp.51-63.
- Reichheld, F.F. and Sasser, W.E. Jr., 1990. Zero defections: quality comes to service. *Harvard Business Review*, September-October, pp. 105-111.
- Subagiyo, R. and Adlan, M.A., 2017. Pengaruh Service Quality, Marketing Mix dan Kepuasan Mahasiswa terhadap Customer Loyalty. *Jurnal Ekonomi Modernisasi*, 13(1), pp.1-15. doi:10.21067/jem.v13i1.1567
- Sugianto, L.O., dan Hartono, S., 2018. Model Peningkatan Citra Institusi Terhadap Loyalitas Mahasiswa Melalui Kepuasan Sebagai Variabel Intervening. *Jurnal Sains Manajemen dan Kewirausahaan*, 2 (1), pp.32-43.
- Sugiyono, 2006. *Metode Penelitian Bisnis*. Cetakan Kesembilan Bandung: Alfabeta.
- Syafaat, A., 2008. *Peranan Pendidikan Agama Islam Dalam Mencegah Kenakalan Remaja*. Jakarta: PT. Rajagrafindo Persada.
- Thalib, S., 2015. The Effect of Services Marketing Mix and Customer Value on Satisfaction, Trust, and Loyalty. *International Journal of Advanced Research*, 3(9), pp.935-949.
- Tjiptono, F., 2008. *Service Management Mewujudkan Layanan Prima*. Bandung: Alfabeta.
- Tjiptono, F., 2012. *Strategi Pemasaran*. Yogyakarta: AndiOffset.
- Usman, A. and Rizwan, Q.D., 2010. Spiritual Consciousness in Banking Manager and Impact on job Satisfaction. *International Business Research*, 3(2), pp.65-72.
- Usman, U. and Mocktar, S.S, M., 2016. Analysis of Service Quality, University Image, and Student Satisfaction on Student Loyalty in Higher Education in Nigeria. *International Business Management*, 10(12), pp.2490-2502.
- Wantara, P., 2008. Pengaruh Citra, Reputasi, Kualitas Pelayanan terhadap Kepuasan dan Loyalitas Mahasiswa PTS di Jawa Timur (Studi pada STIE dengan Program Studi Terakreditasi). *Jurnal Aplikasi Manajemen*, 7(2), pp.326-334.
- Widjaya, A., 2005. *Tanya jawab : Perilaku Konsumen dan Pemasaran Strategi*. Jakarta: Gramedia Pustaka Utama.
- Wuryan, S. and Legowo, D., 2009. Pengaruh Citra Lembaga, Kepercayaan Mahasiswa Terhadap Kepuasan Mahasiswa Dan Implikasinya Kepada Komitmen Relasional Mahasiswa Pada Fakultas Ekonomi Universitas Negeri Semarang. *TEMA (Telaah Manajemen)*, 6 (2), pp.119-131.
- Zeithaml, V., 1988. Consumer Perceptions of Price, Quality, and Value: A Means – End Model and Synthesis of Evidence. *Journal of Marketing*, 52, pp.2 – 22. Yi, Y., 1991. A Critical Review of Consumer Satisfaction. In V. A. Zeithaml (Ed.), *Review of Marketing*, 1990, pp. 68-123. Chicago, IL: American Marketing Association.

