MEDIATING EFFECT OF TRUST AND COMMITMENT ON STUDENT LOYALTY

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ABSTRACT

In facing the competitive market structure, Private University is forced to compete in order to attract students and to preserve them until graduation, continue their study to the higher level and to distribute positive information by word of mouth amongst the community as a form of persuasion to others. The purpose of this research is to analyze : The effect of image, perceived quality, and perceived value on student satisfaction, The effect of Student Satisfaction on Student loyalty mediated by trust and commitment. The source of the data is secondary data taken from The Ministry of National Education (Kemdiknas), Kopertis region III and the primary data is taken from a survey of Private University students in Jakarta, with the number of samples being = 500, analyzed by using Structural Equation Modeling (SEM) Lisrel 8.80.The findings of this research are: six hypothesis take positive effect and significant. Student loyalty is not influenced by student satisfaction mediated by trust (No mediating), Student loyalty is influenced by student satisfaction mediated by commitment (full mediating).

Keywords : commitment, image, perceived quality, perceived value, private university, students loyalty, student satisfaction, trust.

INTRODUCTION

In Portugal, the United States and various other European countries, there has been a substantial change in the Higher Education sector in the last two decades, which threatens the survival of some existing institutions. They face a competitive market structure, resulting in a very tight competition with limited resources to obtain a larger number of students (Alves and Raposo, 2010).

The same situational so occurred in Indonesia, the development of the number of private universities that increases from year to year is not proportional to the number of students accepted and the percentage of the sign up/being a student numbers are also too few. It can be seen in Table1 and Table 2, during the last 6 years (2004-2010) there was an increasing number of nearly 500 private universities in Indonesia, while on the other hand, the state universities remained stable or aren't increasing. Then again, the number of registrants were volatile, there was no significant improvement. It is not appropriate to the comparation ratio of the increasing number of private universities to prospective students accepted.

Table1: Total Number of State Universities to Private Higher Education.

No	Annotation	Academic Year					
		2004/2005	2005/2006	2006/2007	2007/2008	2008/2009	2009/2010
1	Total number of private universities	2.435	2.756	2.556	2.598	2.892	2.928
2	Total number of state universities	81	82	82	82	83	83
3	Total number of universities	2.516	2.838	2.638	2.680	2.975	3.011

source: www.psp.kemdiknas

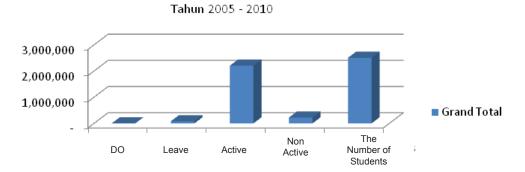
There were also problems on the Evaluation of The Self-evaluation based study program (EPSBED), in the period of time 2005-2010 the number of drop out students, the number of students who leave, and the number of non-active students, can be more than 12%, which is an indication a student loyalty issue on Private Higher Education (PTS).

 Table 2: The Number of Private Higher Education on the Number of Registrants in the Private Higher Education

No.	Annotation	Academic Year					
		2004/2005	2005/2006	2006/2007	2007/2008	2008/2009	2009/2010
1	Total number of private universities	2.435	2.756	2.556	2.598	2.892	2.928
2	Total number of private universities registrants	562.677	613.318	567.557	773.133	1.204.620	1.203.792

source: www.psp.kemdiknas

Chart 1 : The Number of Drop Out, Leave, Active and Non-active Students



Source: Information and Reporting Section, Secretariat of Directorate General of Higher Education

Thus, resulting in the institution of private universities to face a competitive market structure, to force the Private Universities (PTS) to compete in getting the number of students and to preserve them until the graduation, and proceed to the higher levels (chart 1). Those are the problems which inspired the researcher i.e. in choosing private universities as the object of the study. Based on this description, it is very important and interesting to conduct a research entitled "*Mediating Effect of Trust and Commitment on Student Loyalty*".

The Problems of the Study

Based on the description on the background of the study previously, the research questions can be formulated as follows:

- 1. How is the effect of the Image on Student Satisfaction?
- 2. How is the effect of Perceived Quality on Student Satisfaction?
- 3. How is the effect of Perceived Value on Student Satisfaction?
- 4 a. How is the effect of Student Satisfaction on Student Loyalty?
- 4.b. How is the effect of Student Satisfaction on Student Loyalty mediated by Trust?
- 4.c. How is the effect of Student Satisfaction on Student Loyalty mediated by Commitment?
- 5. How is the effect of Student Satisfaction on Commitment?
- 6. How is the effect of Student Satisfaction on Trust?
- 7. How is the effect of Trust on Student Loyalty?
- 8. How is the effect of Trust on Commitment?
- 9. How is the effect of Commitment on Student Loyalty?

The Objectives of the Study

Based on the background of the study and the problem of the study, this research is aimed to analyze:

- 1. The effect of Image on Student Satisfaction.
- 2. The effect of Perceived Quality on Student Satisfaction.
- 3. The effect of Perceived Value on Student Satisfaction.
- 4.a. The effect of Student Satisfaction on Student Loyalty.

4.b. The effect of Student Satisfaction on Student Loyalty mediated by Trust.

4.c. The effect of Student Satisfaction on student Loyalty mediated by Commitment.

- 5. The effect of Student Satisfaction on Commitment.
- 6. The effect of Student Satisfaction on Trust.
- 7. The effect of Trust on Student Loyalty.
- 8. The effect of Trust on Commitment.
- 9. The effect of Commitment on Student Loyalty.

THEORETICAL FRAMEWORK AND HYPOTHESIS DEVELOPMENT

Image

The image has been described as subjective knowledge, such an attitude, and a combination of the different product characteristics with the physical product but still identified with the product itself (Nguyen & LeBlanc, 1998). LeBlanc and Nguyen (1996) stated that the company's image is the result of the aggregation process in which customers compare and contrast the various attributes of the company. Landrum et al. (1998) stated that the image as the sum of all the beliefs an individual has towards the university. Kazoleas et al. (2001) stated that individual images can be interpreted as positive, neutral or negative towards the organization. Kotler and Fox (1995:231) defined that the image is a set of beliefs, ideas, and impressions of a person to an object. Corporate image is formed by a diverse group of external stakeholders and can be defined as the summary of the impression or perception of a company (Chun, 2005: 95). Minkiewicz et al. (2011) defined corporate image as a stakeholder beliefs, perceptions, feelings and attitudes toward the organization. So it can be concluded that the image is a representation of a person's mental or overall impression / stakeholders of the object or attribute.

Student Satisfaction

Halstead at al. (1994) stated that Satisfaction is an affective response, centered on comparing the result of the product with some standard set prior to the purchase and measured during or after consumption. Fornell (1992), satisfaction as a general evaluation based on the result of the product perceived after the purchase and compared with expectations prior to the purchase.

Elliott and Shin (2002:198), once described student satisfaction as "the favourability of a student's subjective evaluation of the various outcomes and experiences associated with education. Higher Education are increasingly recognizing the service industry and placing greater emphasis on meeting of the students expectations and their needs (Elliott & Shin, 2002:197). In addition, Kotler (2012) stated that satisfaction as a person's feeling of pleasure or disappointment resulting from comparing a product's perceived performance (or outcome) to expectations. If the performance perception is less than the expectation, then the customer is not satisfied, if the performance perception equals to the expectation, then the customer is satisfied and even exceed to the expectation itself, the customers will be highly satisfied or delighted.

Customers satisfaction can be regarded as the psychological summary evaluation or subjective summary based on customer experience compared to the expectations (Helgesen &Nesset, 2007). Definition of satisfaction according to Oliver (2010:8):

Satisfaction is the consumer's fullfilment response. It is a judgment for a product / service feature, or the product or service itself, provided (or is providing) a pleasureable level of consumption-related fullfilment including level of under or over fullfilment.

Perceived Quality

The service quality is known to have contributed to market share and customer satisfaction (Zeithaml, & Berry, 1985). Thus, knowledge of the service quality has become an important factor for all organizations controlled. The needs to remain competitive and survive. The service quality is often conceptualized as *the comparison between the service expectation with the actual performance perceptions* (Zeithaml et al., 1990). Parasuraman et al. (1985) stated that: Perceived service quality as a form of attitude, related to but not equivalent to satisfaction, resulting from a comparison of expectations with perceptions of performance. There are Five dimensions of service quality suggested Parasuraman et al. (1988) as follows:

- 1. *Tangibles* (physical products), availability of physical facilities, equipment and means of communication, and the others.
- 2. *Assurance*, covers the knowledge, skills, friendly, politeness, and trustworthy nature of the contact personnel to eliminate the customer's feeling of doubt and the feeling of being free from danger.
- 3. Reliability, the ability to provide the promised services properly and the ability to be trusted.
- 4. *Responsiveness*, willingness or desire of the employees to assist and provide services needed by customers.
- 5. *Empathy*, which includes contact personnel and corporate attitudes to understand consumer needs and difficulties, good communication, personal attention, the ease in communicating or relationships.
- 6. Different views on the service quality sometimes led to differences of opinion among different functional departments. Intangible, the nature of service diversity, making it more difficult to evaluate the service quality compared to the evaluation of goods, because the customer is always involved in service production, the needs that differentiate the process of service delivery (functional quality) and the service outcome (Groonros, 2007). Furthermore, Groonros (2007), stated that the total level of perceived quality is not only determined by the level of technical and functional dimensions, but also by the gap between expected and experinced quality. Therefore Lovelock and Wirtz (2011:406) defines the service quality from the user perspective as consistently meeting or exceeding customer expectations.

Perceived Value

Perceived value has proven to be a difficult concept to be define and measured (Woodruff, 1997). According to Woodruff (1997:142) "Customer value is a customer's perceived preference for and evaluation of those product attributes, attributing performances, and consequences arising from use that facilitate (or block) achieving the customer's goals and purposes in usage situations". Sanchez-Fernandez and Iniesta-Bonillo (2006:53) stated:

"consumer value is a cognitive-affective evaluation of an exchange relationship carried out by a person at any stage of the process of purchase decision, characterized by a string of tangible and/or intangible elements which determine, and are also capable of, a comparative judgment conditioned by the time, place and circumstances of the evaluation".

Kotler (2012:147) also stated that Customer-perceived value (CPV) is the difference the prospective customer's evaluation of all the benefits and all the costs of an offering and the perceived alternatives. In a broaden sense, it can be defined that the perceived value is the result or customer benefits that is received related to the total cost (including the price paid plus other costs related to the purchase). Generally, value is the deviation between the perceived benefits and costs (McDougall and Levesque, 2000). While Liljande and Strandvik (1993:14) stated that the perceived value equals to the perceived benefits divided by the perceived price. Similarly, the conclusions of Chen and Dubinsky (2003:326), the perceived customer value is "the customers perception of the net benefits obtained in return for the cost incurred in getting the desired benefits. Overall, it can be defined Zeithamal et al. (2009:528) perceived value is the consumer's overall assessment of the utility of a service based on perceptions of what is received and what is given. Therefore, Value is a trade-off between the most prominent components which is given and the return which is received.

Student Loyalty

Building and maintaining the Customer Loyalty is an important part (The heart) of marketing. Loyalty has been defined by Oliver (2010: 392) as:

... a deeply held commitment to rebuy or repatronise a preferred product/service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behavior.

Customer loyalty is the behavior of customers to maintain a relation with an institute through purchase of its products and services (Singh & Sirdeshmukh, 2000). Lam et al. (2004: 294) defined it as 'a buyer's overall attachment or deep commitment to a product, service, brand, or organization'. Customer loyalty can be divided into two categories, one of which is long term, and is an arguably more valid relationship, the other is a short-term relationship, in which the customer may be switched if and when the alternatives are relatively better given (Jones & Sasser, 1995). Bhote (1996) sees loyalty as the extent to which customers would recommend the services of one institution to others. Consumer loyalty can be defined as the repetition purchase behavior that has became a habit, in which there exists a relationship and high involvement in customer preferences towards a particular object, and are characterized by the absence of external information searching and the alternatives evaluation (Engel, Blackwell, and Miniard, 1995:144).

Trust

Trust is one of the variables that has attracted great interest in the academic community. This is due to the fact that Trust is considered as a strategic variable in marketing (Selnes, 1998). According to Moorman et al. (1992, 315) trust is defined as a willingness to rely on an exchange partner in Whom one has confidence. In the context of education, and the following definition stated by Morgan and Hunt (1994), student trust on the institution can be understood as their trust in the integrity and reliability, and is based on the personal experiences of students with the lecturers (Hennig-Thurau et al., 2001). Students trust is developed through personal experience with the lecturers and staff/employees of the institution. If an institution wants to build a long term relationship with a student, it has to develop trust worthyness as part of the relationship (Mendes et al., 2009). A trust as the Customer willingness to exchange with others to whom s/he believed (Sirdeshmukh, Singh and Sabol, 2002). Furthermore, Sirdeshmukh et al. (2002) asserts that trust creates value because it provides relational benefits derived from the interaction between companies and consumers, and reduce uncertainty in the consumer (Morgan, Hunt, 1994). According to Kotler and Keller (2012; 225):

Trust is the willingness of a firm to rely on a business partner. It depends on a number of interpersonal and inter organizational factors, such as the firm's perceived competence, integrity, honesty, and benevolence.

Furthermore, Kotler and Keler (2012:225) concluded that personal interaction with the company employees, the choice of the overall company and the perception of trust will grow at the same time with the experience. A company is more likely to be trusted if the following conditions are present:

- Giving total, honest information
- Providing incentives/rewards to the employees for their efforts to meet the customer needs.
- Having a partner relationship with the customers to help them in learning and helping themselves
- Offering a comparison in accordance with the competitive products.

Commitment

The development and relationship maintenance among partners in the long term is the main aim of the relational marketing concept. To create a successful relationship, the commitment among partner-relationship becomes the determinant. Generally, Marketing literatures see the commitment as an attachment (adhesion) among the groups that led to the desire for maintaining a relationship. Commitment is also defined as the exchanging partner which believes that a relationship continuity with partners is quite important as maximum efforts to preserve them (Morgan and Hunt, 1994) or the psychological attachment towards one organization (Gruen et al., 2000) in Tjahyadi (2010). In the organizational behavior literature, commitment itself consists of the aspects of emotional/affective and cognitive/calculative (Allen and Meyer, 1990). The recent research on customer loyalty reflects an attempt to integrate the concept of commitment attitudes in an endeavor to distinguish between true loyalty, forced or disloyalty (Bloemer and Kasper, 1995; Fullerton, 2005).

There are two types of conceptualization commitment customers, being: affective and calculative or continuance commitment, having different antecedents, contents and consequences (Zins, 2001) Calculative commitment is a way that customers are forced against their will to remain loyal (De Ruyter et al., 1999). In the calculative commitment customers, it can be applied to the organizations because they feel that ending one relationship involves economic or social sacrifice (Fullerton, 2005). Affective commitment reflects that the customers have taste and engagement with service providers similarly to the emotional bonding (Fullerton, 2003). Relationship commitment exists when the partners believe that the relationship is quite important as the maximum effort to maintain the long-term relationships. Moorman et al. (1992) defines "relationship commitment as an enduring desire to maintain a valued relationship. (Porter et al., 1974) also states: "Commitment is of critical importance in organizational buying behavior and can lead to important outcomes such as customer Decreased turnover". According to Tinto (1975), the students commitment is determined by their integration degree, both academic (participation in society, and universities and committees) and social (friendships and acquaintances with the fellow students). Thus, commitment refers to the fit between student abilities, skills, and values and expectations of the university system, demand, and value.

Image and the Student Satisfaction

Fornell (1992) shows that the image has a strong effect on customer satisfaction. The model proposed by Clow et al. (1997) suggested that the company image formed by *tangibles* such as price, advertisement and word of mouth concludes that the image both directly and indirectly affect through perceived quality on the satisfaction. Palacio et al. (2002) concluded that the overall image has an effect on the student satisfaction and affective and cognitive components also have a different effect on satisfaction. Alves and Raposo (2010) concluded that the university image has a direct and significant influence in creating the satisfaction process. Minkiewicz et al. (2011) stated that the company image has a significant positive relationship on the customer satisfaction.

The Perceived Quality and the Student Satisfaction

Parasuraman, Zeithmal, and Berry (1994) stated that service quality is part of the basic customer satisfaction. In handling the relationship between the service quality and satisfaction, they learn the model developed by Oliver (2010). Oliver's model combines the two concepts and proposed that perceived service quality is the antecedent of the satisfaction. The results show that service quality affects satisfaction. Parasuraman et al. (1988) compare the service quality towards the satisfaction. They define the quality service as a form of attitude, the overall long-term evaluation, while the satisfaction itself functions as a measure of a specific-transaction. Based on such understanding, it is considered that the perceived service quality is a global measurement, and so on, the direction of causality comes from the satisfaction to the service quality (Parasuraman et al., 1988). Athiyaman (1997) conducted a research of 1432 students from various levels of higher education in Australia. This research was aimed to investigate the relationship between the perceived quality and the

customer satisfaction. The results of this research showed that there is a high correlation between students satisfaction and perceived quality measurement. Cronin et al. (2000) considers the quality as an antecedent to satisfaction. It has been found that positive perceptions of service quality has a significant influence on the student satisfaction thus, attracting more students through *word of mouth* (Alves & Raposo, 2010). This study contributes to a conceptual model of service quality as an antecedent of customer satisfaction (Hu et al., 2009). These five dimensions of service quality (SQ) that positively correlated with the student satisfaction (Wei, 2011).

The Perceived Value and the Student Satisfaction

There is a growing recognition that satisfaction positively influenced by the perceived value (Chen, Dubinsky, 2003). In higher education, the relationship between *value* and satisfaction have also been investigated with the findings that the level of student satisfaction is influenced by the perceived value (Webb & Jagun, 1997; Brown & Mazzarol, 2009).

The Relationship of Satisfaction and Student Loyalty

Bowen and Chen (2001) stated that although their relationship is non-linear, but relationship between the two constructs is significant. Helgesen and Nesset (2007), stated that the student satisfaction directly affects the student loyalty. Kandampully and Suhartono (2000) also found the same conclusion. Satisfaction and loyalty are closely related, and satisfaction is an antecedent variable of loyalty (Dick, Basu, 1994). Customer satisfaction is positively associated with customer loyalty (H.H. Chang et al., 2009). Similarly, Rojas-Me'ndez et al. (2009) in his study stated that trust and commitment is a mediating variable between satisfaction and loyalty.

The Relationship of the Student Satisfaction, Commitment, Trust and Student Loyalty

Customers who had just enjoyed a satisfactory performance will tend to express the brandattitudes better and greater loyalty (Grace and O'Cass, 2004; Sivadas and Baker-Prewitt, 2000). Bansal et al. (2004) said that customer satisfaction is the priority of the affective commitment, and maintains a better satisfaction, stronger commitment in customer service. Satisfaction has a positive relationship with the commitment and trust (Tax et al., 1998). Fullerton (2005) develops a similar argument in maintaining the services quality and also boosting the affective commitment in consumer settings. It is found that satisfaction has a strong and significant effect on trust, commitment, and loyalty. According Hennig-Thurau, Langer and Hansen (2001), trust has a positive affect on the students loyalty, the empirical fact also shows that there is a conceptual connection of trust on the customers loyalty (Delgado-Ballester and Munuera-Aleman, 2001; Auh, S., 2005; Palmatier et al., 2006). *In Student's Relationship commitment*, the educational institutions have a significant positive relationship on the students loyalty (Helen and Ho, 2011). With these studies, the hypothesis is: Based on those description, the conceptual model of the students loyalty is as followed:

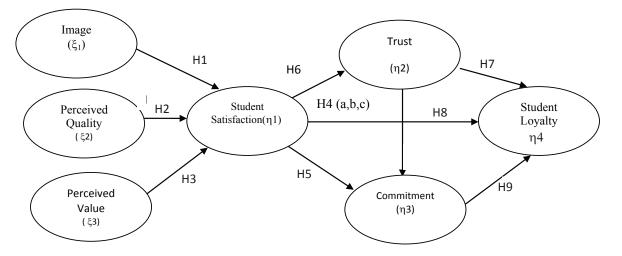


Figure 1. Conceptual model of the Student Loyalty

Research Hypothesis

Based on the previous description, the research hypothesis proposed is as follows:

- H1 : There is a positive and significant effect of image on the student satisfaction
- H2 : There is a positive and significant effect of Perceived Quality on the student satisfaction
- H3 : There is a positive and significant effect of Perceived Value on the student satisfaction
- *H4a* : There is a positive and significant effect of students satisfaction on the student loyalty.
- H4b : There is an effect of Student Satisfaction on the students loyalty mediated by Trust
- *H4c* : There is an effect of student satisfaction on the students loyalty mediated by commitment
- H5 : There is a positive and significant effect of Student Satisfaction on the Commitment
- *H6* : There is a positive and significant effect of Student Satisfaction on the trust
- H7 : There is a positive and significant effect of Trust on the students loyalty
- H8 : There is a positive and significant effect of Trust on the Commitment
- H9 : There is a positive and significant effect of Commitment on the students loyalty

METHODS

This research method is the study of perception/opinion of the research object, in this case, the object is the private university students, A Likert Scale was used because this scale asks respondents to show the level of agreement or disagreement on several statements about an object. This scale was developed by Likert Rensis and takes into consideration 5 categories or measurements, namely:

- 1. STS (Strongly Disagree)
- 2. TS (Disagree)
- 3. N (Neutral)
- 4. S (Agree)
- 5. SS (Strongly Agree)

The type of the data in this research is the subjective data (*self-report data*), thus the research data was directly taken from its source (primary data) and the secondary data is used as supporting data. The source of the data being, (1) Secondary data, taken from the Central Statistics Agency (BPS), Kopertis III and (2) The primary data, the students of the private universities in the Kopertis III region.

The population used in this research *(unit of analysis)* are private university students (PTS) in DKI Jakarta (Kopertis III region) and is conducted by making the level for the population members into sub-populations.

By dividing the population members into several sub-populations with some existing criteria of 1 to 5, then the research population of Private Higher Education in Table 3 is obtained.

Table 3: Population of Private Higher Education

No.	Private Higher Education	Population	Sample
1	Bina Nusantara University	4390	60
2	Gunadarma University	5544	76
3	Indonusa Esa Unggul University	1097	15
4	Mercu Buana University	4228	58
5	Nasional University	1462	20
6	Persada Indonesia YAI University	3055	42
7	Tarumanagara University	5253	72
8	Trisakti Universiy	5657	78
9	Atmajaya Catholic University	4634	63
10	Pancasila University	1172	16
sum		36492	500

Source : BAN-PT. Kemdiknas.go.id, 2012

RESULT AND DISCUSSION

Based on the results of data analysis using *Structural Equation Model* (SEM) and with applications of software processing tool LISREL8.80 then obtained *summary* measurement of the fit model as shown inTable 4. Below:

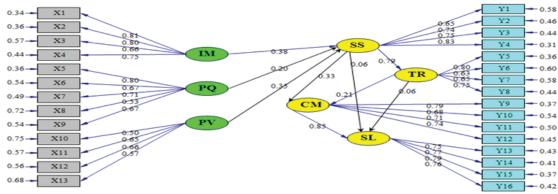
GOP Indicaator	OP Indicaator The Expected Measurement		Conclusion				
Absolute Fit Measurement							
GFI	GFI > 0.90	0.94	Good Fit				
RMSEA	RMSEA RMSEA < 0.08		Good Fit				
	Incremental Fit Measurement						
NNFI	NNFI > 0.90	0.89	Marginal Fit				
NFI	NFI > 0.90	0.98	Good Fit Fit				
AGFI	AGFI > 0.90	0.84	Marginal Fit				
RFI	RFI > 0.90	0.85	Marginal FIt				
IFI	IFI > 0.90	0.91	Good Fit				
CFI	CFI > 0.90	0.91	Good Fit				

Source : Result Lisrel 8.80

Based on table 4 above, only one index fit-model was obtained which is considered in having a *good fit* model i.e. GFI, RMSEA, NFI, IFI, dan CFI. The other Index-fit models are under the congruence measure, but still within the scope of the *marginal fit*. Marginal fit is the congruence condition of measurement model under either the criteria of *absolute fit* measure, or *the incremental fit*, but it still be continued to the further analysis, because it is close to the criteria of a *good fit* (Hair et al., 1998 :623). Thus, it can be continued to the further analysis.

From Structural Equation Model (SEM) by using LISREL 8.80, two models of line diagram are obtained, they are the *standardized* and *t-values* models, each models are shown in the following figure:

Figure 2: Result of SEM Calculation (Standardized Model)



Chi-Square=1972.03, df=365, P-value=0.00000, RMSEA=0.074

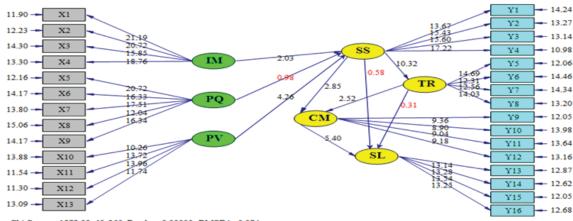


Figure 3 : Result of SEM Calculation (t-value Model)

Chi-Square=1972.03, df=365, P-value=0.00000, RMSEA=0.074

Based on Figure 3 above, it can be seen that the t values of the indicators forming the latent variable is greater than 2 (t > 2). According to Hair at al. (1998) if the value of t > 1.98, it can be categorized that all indicators forming the latent variables (exogenous and endogenous) are significant. While the value of Loading Factor (λ) in Figure 3 above shows that the variable indicators have the loading factor above 0.50. According to (Hair, 1998), the value of loading factor are categorized quite significant in forming a latent variable. Thus, refer to the opinion the lambda value (Hair, 1998) and the t-value above, it can be said that the indicators are significant in forming the latent variables. So that all of the indicators in this research can be further analyzed, since it has been able to form the latent variables.

There are nine (9) hypothesis tested in this research, based on the testing result from those nine hypothesis it can be concluded that not all hypotheses (H1 up to H9) are proven / accepted. The further testing results from each hypothesis can be seen in Table 6 as follows:

Figure above conclude that hypothesis 2 (H2) is not supported by the data (not accepted), it means that the Perceived Quality is not positively affect and significant on the students satisfaction. While hypothesis 1 (H1) and hypothesis 3 (H3) are supported by the data (accepted), it means that the Image and the Perceived Value are proven positive and significantly affect the Students Satisfaction.

Based on figures above, it can be concluded that hypothesis 4 (H4a) is not supported by the data (not accepted), it indicates that Students Satisfaction is not positively and significantly affect on the Student Loyalty. Meanwhile, the hypothesis 5 (H5) and the hypothesis 6 (H6) are supported by the data (accepted), it means that the Student Satisfaction is proven positively and significantly affect on the Commitment and Trust. Based on figures above, it can be concluded that hypothesis 7 (H7) is not supported by the data (not accepted), it is indicating that the Student Trust is not positively and significantly affect on the Student Loyalty. While the hypothesis 8 (H8) is supported by the data (accepted). It means that Trust id proven positively and significantly affect on the Commitment. Similarly, the hypothesis 9 (H9) is supported by the data (accepted), it means that the Commitment is proven positively and significantly affect on the Student Loyalty affect on the Student Loyalty. Based on the results of the hypothesis testing above, it can be concluded that the Student Satisfaction does not positively and significantly affect the Student Loyalty directly. But the Student Satisfaction does positively and significantly affect the Student Loyalty directly.

significantly affect the Commitment directly. as well as the Commitment which is positively and significantly affect the Student Loyalty directly. So, It can be concluded that the Commitment is a Full Mediating relationship between the Student Satisfaction and the Student Loyalty, or in other words, it can be concluded that the Commitment is fully mediated (full mediating) the effect of the Student Satisfaction on Student Loyalty. Thus, the Hypothesis 4b is accepted. Based on the results of hypothesis testing above, it can be concluded that the Student Satisfaction has positive and significant affect Trust directly. Nevertheless, Trust is not positively and significantly affect on the Student Loyalty. So, it can be concluded that the Trust has No Mediating relationship in the Student Satisfaction on the Student Loyalty, or in other words, Trust does not mediate (no mediating) the effect of the Student Satisfaction on the Student Loyalty. Thus, the Hypothesis 4c is rejected.

The findings of this research is to increase the Students Loyalty (especially students that would recommend this institution, as the best educational service provider to their friends/colleagues (Y15)), then the Student Commitment has to be increased (principally students who have a sense of belonging to the institutions as knowledge providers (Y9). Meanwhile, to increase the student commitment, then the Student Satisfaction (mainly those students who are satisfied with the institution as the best institution to gain knowledge for the future. (Y4)) must be increased. Then, to increase the Student Satisfaction, next the university image (particularly, because the students always have a good impression about the existence of universities in producing its graduates (X1) must be increased.

CONCLUSION

- 1. Image is proven positively and significantly to affect on the Student Satisfaction
- 2. Perceived Quality is proven not significantly to affect on the Student Satisfaction
- 3. Perceived Value is proven positively and significantly to affect on the Student Satisfaction
- 4.a. Students Satisfaction is proven not significantly to affect on the Student Loyalty
- 4.b. Trust does not mediate (no mediating) the affect of the Student Satisfaction on the Student Loyalty
- 4.c. Commitment is fully mediating (full mediating) the affect of the Student Satisfaction on the Student Loyalty
- 5. Student Satisfaction is proven positively and significantly to affect on the Commitment
- 6. Student Satisfaction is proven significantly to affect on Trust
- 7. Trust is not significantly proven to affect the Student Loyalty
- 8. Trust is proven positively and significantly to affect on the Commitment
- 9. Commitment is proven positively and significantly to affect on the Students Loyalty

Managerial Implications

Based on the results above, the research findings are obtained i.e. the Students Satisfaction on the universities will increase in some conditions:

- 1. Students would recommend their institution or university as the best service provider to their friends /colleagues (Y15).
- 2. Students have a strong commitment, especially a sense of belonging to their institutions or university as the knowledge provider (Y9).
- 3. The student's Institutions or university really pays attention to their interests in the learning process (Y5).
- 4. Students are satisfied with their institutions or university which is the best place to gain knowledge for their future (Y4).
- 5. Students always have a good impression about the existence of the university in producing the graduates (X1).
- 6. Students consider that the quality of education services they received is comparable to their investment, if it is compared to the other institutions (X12)
- 7. To increase the Student Satisfaction, a strong Image that significantly affects the student satisfaction (Priority) is needed, then a strong enough Perceived Value that significantly affect is required.

Limitation and Suggestions for the Future Research

- The sample of this Research is taken from some private universities in Kopertis III region Jakarta, taking into consideration the problem of time and place. The Subsequent researchers can continue this research by taking the additional samples from other private universities (PTS) outside the Kopertis Region III in Indonesia, with the availability of time.
- 2. There are many other factors that affect the Students Loyalty on the private university besides the variables in this research, such as communication, Student Complaint, Reputation and other factors which remain to be studied further, Due to there being other factors which have a dominant effect in increasing the Students Loyalty on the private universities.
- 3. In this research, the Commitment and Trust variables as mediating variables of Student Satisfaction on the Students Loyalty, by using Image variable, Perceived Quality and Perceived Value as the effect variable toward the Student Satisfaction. Then the next researchers can continue this research on the effect of the Student Satisfaction toward the Students Loyalty mediated with commitment and trust with different research objects. Thus, the findings of the research will have a different outcome.
- 4. The next researcher can conduct research by using the Student Satisfaction as the mediated variable of the effect of the Image, Perceived Quality, and Perceived Value on the Student Loyalty. Thus, the possible findings of the research will be different.
- 5. The Factors of trust and commitment in this research is the intervening factor, so for further research, the variables can be used as the independent variables on the Student Loyalty variable. Thus, those research results will likely to be different and more comprehensive.

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