## Customer Trust: Influenced Factors of Private Higher Education in Aceh Province

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#### Abstract

This research was conducted to discover how the influence of the performance of service marketing mix and customers trust to the value of education services and the image of private universities as well as its implications customer trust. The method used is a method of descriptive survey and methods of explanatory survey. Unit analysis in this study is the private universities contained in Aceh province which are at Kopertis I, amounting to as much 95 PTS. Number of samples had taken as much 50 PTS consisting of the University, High School, Academy, and Polytechnic. Respondents in this study consist of 550 students from the number of PTS selected as the analysis unit. The method of data analysis is using the Partial Least Square- Path Modeling (PLS- PM). The results hypothesis testing descriptive show that the performance of service marketing mix, customers trust, the value of education services, the image of universities and customer trust has not good for private universities in Aceh Province. Hypothesis testing verification showed that variable value services customers and the image of college is variable full intervening in which proved that the performance of service marketing mix and customers trust do not have direct influence of the customer trust

KEYWORDS: Marketing Mix, Image, Service Value, Customer Trust, Performance

#### I. INTRODUCTION

Change of the environment, the development of science, technology, as well as information systems that the more rapidly encourage the birth of the paradigm of the world knows no limit. Flow mobilization of goods, services and man who is also increasingly rapidly lead system of the world economy into the scheme of the economy and trade global nature. Finally the management companies in the local level and international should be able to follow the current global competition a very demanding the ability to adapt to creatively in order to anticipate market changes an increasingly dynamic. From the condition of the above phenomenon, business sector is always remain even tend to rapidly growing, in the globalization era and free trade is the industrial sector services. It can be seen from the shift contribution income countries which was originally rely on the agricultural sector, switch to the industrial sector, manufacturing and then put the service sector as a sector highest in the process of economic development (Lovelock& Wirtz, 2011: 28).

One of the service sectors in education is the college which is one of instruments of national education, also vehicle experts, expected to be the center of the organizers and development of science, technology and art as the scientific community which is full of ideals, as well as able to contribute to the development.

In bargaining negotiations the General Agreement on Trade in Service (GATS), the provision of education services is one of the 12 other service sectors are liberalized. education as one of the tertiary sector of industry, because the main activity is to transform the uninformed and those who do not have the skills to be people who are knowledgeable and have the skills.

One of the regions which have a great potential for the development of the world higher education is Aceh. In 2012 Kopertis of Aceh will be established, the Ministry of education and culture (Kemendikdud) approve the proposed establishment of the Coordinating Private Higher Education (Kopertis) in Aceh. The development of Private Higher Education (PTS) in Kopertis region I number of private universities (PTS) in Kopertis region I for North Sumatra and Aceh, there are 327 college or 11, 13% of the number of universities in Indonesia. For Kopertis region I for North Sumatra Province there is much as 231 college or 7. 88% of the total college contained in Indonesia. As for Aceh province there is much as 95 private universities or 3, 18% of the number of private universities in Indonesia. Judging from the number of college for Kopertis region I, for Aceh province has 95 college or 29 14% rest are in North Sumatra Province

The low customer trust based on the phenomenon that there because it is still lack of the image of universities in meeting customer demands today, the phenomenon that appears when this is indicated with lectures in PTS always wondering if PTS the intended will be able to educate a bachelor the real, given the tuition in PTS a high often do not balanced by the quality of education generated. In fact, most of those who sign up in PTS suspected often amazed with the appearance of brochures without ever browse the PTS they go. In addition allegedly still lacks of the PTS create cooperation with the world industry in doing the empowerment of alumni and in support program development learning.

In addition, private colleges in the province of Aceh, adults tend to not fully able to develop positioning

strategies in the form of the development of educational programs marketing mix carefully not be used as a tool to make improvements to superior service for its students. Relationship programs with customers tend not well developed, especially in terms of customers trust (customer relationship) that oriented to long-term relationships with customers to increase the value by using information technology (IT), and focus on the integration of the various competences of the "voice" of consumers in order to provide superior customer value long-term profitable company and potential customers.

Based on the background research above, and then will be reviewed into a study conducted in private universities in Aceh province to examine empirically the influence of the performance of service marketing mix and client relationship to the value of education services and the image of college as well as its implications on the customer trust.

Based on the basis theoretical concepts and the results of previous studies prepared framework empirical in this research as in Figure 1.

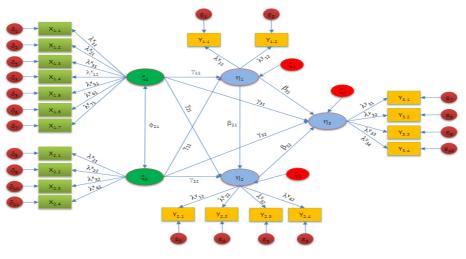


Figure 1. Research Model

The formulations of the hypothesis in this research are as follows:

- H1: Performance service marketing mix has been implemented well, on the PTS in Aceh Province, customer relationship has been running properly on the PTS in Aceh Province, the value of education services on the PTS in Aceh Province superior, the image of private universities in both private universities in Aceh Province and customer trust to the PTS in Aceh Province high.
- H2: performance marketing mix services related to customers trust
- H3: Performance service marketing mix, and customers trust effect on the value of education services on the private universities in Aceh Province, either partially or simultaneous
- H4: Performance service marketing mix, and customers trust effect on the image of private universities in Aceh Province, either partially or simultaneous
- H5: Performance service marketing mix, and customers trust effect on the customer trust in the private universities in Aceh Province, both partial directly or simultaneous as well as through the value of education services and the image of PTS.
- H6: Value education services and the image of private universities effect on the customer trust in the private universities in Aceh Province, either partially or simultaneous

#### **II. LITERATURE REVIEW**

#### 2. 1. Performance of Marketing Mix

Definition of the performance of the marketing mix in the services higher education/ college which is the application of service marketing mix in providing customer needs/ students as much as possible, by increasing elements of the marketing mix consisting of the product, the price, promotion, distribution channels, people, the process, and physical evidence. Further, marketing performance are consists of sales value, sales growth, and market portion. Where those three indicators will ultimately boils down to the company profit. Marketing performance is a concept to measure the market achievement of a product (Ferdinand, 2000).

#### 2.2 Customer Relationship

Customers' relationship is the ways in which your company communicates and deals with existing customers (entrepreneur.com). Customers' relationship by using the information technology to create a cross- functional enterprise system that integrates and automate processes customer service in the field of sales, marketing, and product service/ services related to the company. In the world of education customers can be seen from different perspective, such as, Hamidin (SNATI 2008: 33)

#### 2.3 Service Value

The customers in making a purchase will take into account offers that will give the highest value. They want a maximum value, with limited by the search costs as well as knowledge, mobility, and income is limited, they form a hope of value and act accordingly. The facts whether offers meet the hope of value of education services affect the satisfaction and allow them back. The company needs to learn the market and know the customer value.

#### 2.4 Image

Dimensions of that image are as an impression owned students to a Higher Education as a reflection or evaluation of Higher Education in question. Image can be formed through the two factors, namely the communication factor and student experience during the following the education. Communication between organizations with the public can affect consumer perception of the organization. In addition to influenced by the promotion and communication through the media, student perceptions of one with other students or commonly known as the word of mount communication. the influence of communication types of this very large effect is especially against the perception of prospective students who have not have experience in touch with universities. Other studies conducted by Polat and Tugba( 2011) stated dimensions of organizational image includes: "The research on image states that the first impression that organizations make on consumers is highly effective in creating the image perception and it is decisive in intentions to apply a positive image perception positively effects students" loyalty and satisfaction level. The most positively perceived image dimension was the quality image which is followed by appearance image, social image, and infrastructure and facility image and programmed image "

#### 2.5 Customer Trust

The study of customer trust, put forward by Solomon and Fernado (2003), which states that the customer trust is a view of customers in the long term which is the attachment and interaction humanitarian between customers and service providers. It in requires for more focused relationship by building relationships commitment and trust between providers of goods and services with customers.

Trust or belief is the most vital in the business Luarn and Lin (2006: 159). Stresses that the trust arise when one of the parties believe that action other parties will produce positive results for him. So, when customers obtain the impression of positive qualities then he would believe in a brand.

In this context, trust has a function (1) as an investment guard relationship with the way in collaboration with the existing, (2) hold an alternative short term other parties compared with long term benefits expected with partners that there, and (3) see all actions co- certainly responsible because there is the belief that his will not act opportunistic Morgan and Hunt, in Gunnar (2009) explained that the trust is important indicator for the success of customer relationship with the company. Therefore, can be expressed that there is a positive relationship between the trust in a company with the customer loyalty. This statement is also consistent with the previous studies by Chaudhuri and Holbrook (2001).

#### III. RESEARCH METHOD

#### 3.1. Research Design

This study employed the descriptive and verification research design because it covered all private college from different background segment. Through this, the opinions of their performance influenced by many factors were ascertained through the use of a questionnaire and observation.

#### **3.2 Population and Samples**

These research populations are Aceh private college who worked or studied in 95 private colleges. Sample determination was calculated using Slovin formulation (Sekaran and Bougie, 2011). Questionnaires are given to respondents who work or studied in Aceh private college.

#### 3.3 Method of Data Analysis

Data obtained from the questionnaire for main tool of primary data collecting and do direct observation in private college in Aceh. To test verification hypothesis with Partial Least Square-Path Modeling (PLS-PM) is used as alternative solution of structural equation where as solution with complex relative LISREL. Main goal of PLS implementation is to predict other goal of PLS which is confirm theory and explain whether there is relation among latent variables.

#### IV. ANALYSIS AND RESULT

Based on the assessment of the seventh dimension of the performance of service marketing mix on the PTS in Aceh Province obtained an average rating score of the seventh dimension used to measure performance variables service marketing mix general education has not implemented well, it is seen from the average score of the service marketing mix performance 3.77 or smaller than 4. 19. The results hypothesis testing descriptive for performance variables service marketing mix on the PTS in Aceh Province show that the null hypothesis is received indicating that the performance of service marketing mix has not implemented well on the private universities in Aceh Province, based on the hypothesis test shows the value t- count little more of t- table. Thus alternative hypothesis that states performance marketing mix has been implemented well rejected. This is because not fully manager PTS in Aceh Province able to in developing strategies positioning in the form of the development program service marketing mix of education in accordance National Standard Higher Education as an attempt to increase the value of education services and the image of PTS will be able to improve customer trust PTS in Aceh Province.

# 4.1. Effect of Marketing Mix Performance and Customer Relationship to Service Value partially and simultaneously.

Based on the hypothesis testing partial provide the conclusion that the null hypothesis was rejected on the level of 5% significance. These results provide information that there is the influence of partial of the performance of service marketing mix of the value of education services and there is the influence of customer's relationship partially to the value of education services. The amount of the influence of the performance of service marketing mix of the value of education services for 0.274 which means the ability PTS in Aceh province to get customers through the influence of the performance of the marketing mix of the value creation education services smaller compared with the ability of customer relationship is in maintaining relations with customers greater value of its influence in the amount of 0. 303. that is PTS more difficult to get the number of its customers but to defend it better meaningful presence of customer loyalty in the PTS in Aceh Province. The calculation result path coefficient effect simultaneously between the performance of service marketing mix and customers relationship to the value of education services, thus the above hypothesis is used test statistic F with the results hypothesis testing give F count greater than the value F table so that the conclusion of testing is rejected the null hypothesis which means there is the influence of simultaneous of the performance of service marketing mix and customers relationship to the value of education services. Great diversity of variable value of education services that can be explained by the performance variables service marketing mix and variable customers relationship achieve 0.222 or by 22. 2%, the rest of variation of 77. 8% explained by the other variables that are not studied.

# 4.2 Effect of Marketing Mix Performance and Customer Relationship to Education Image partially and simultaneously

Based on the hypothesis testing partial provide the conclusion that the null hypothesis is received on the level of 5% significance. However, for performance variables service marketing mix has a significant influence to the level of significance 10%. For the significance level of 5% provide information that there is no influence of partial LIVE of the performance of service marketing mix and customers' relationship to the customer trust. The results hypothesis testing partial provide the conclusion that the null hypothesis was rejected on the level of 5% significance. These results provide information that there is the influence of partial of the performance of service marketing mix and customers' relationship partially to the image of college. The hypothesis give F count greater than the value F table so that the conclusion of testing is rejected the null hypothesis which means there is the influence of simultaneous of the performance of service marketing mix and customers relationship to the image of college. Great diversity of variable image of college that can be explained by the performance variables service marketing mix and variable customers relationship achieve 0.432 or for 43. 2%.

# 4.3 Effect of service marketing mix performance and customers relationship to the customer trust, both direct influence partially and simultaneous and the influence through the value education services and Image of PTS.

The test results hypothesis suggests that there is no influence of partial directly from the variable service marketing mix and customers' relationship to the customer trust. However taking into account the significance of the influence of the performance of service marketing mix and customers relationship of the variable value of education services and the image of universities and a significant influence of the value of services customers trust the suspected there is the influence of which is not directly from the performance of service marketing mix and customers relationship to the customer trust either through value of education services and the image of PTS.

Results hypothesis testing indirect effect indicate indirect effect of the performance of service marketing mix and customers relationship to the customer trust either through value of education services and the image of private universities, and previously indicated that the intervening variable value of education services and the image of private universities direct effect of the customer trust and also variable performance marketing mix and customers relationship direct effect of the value services customers and the image of private universities so that these results showed that the customer trust indirectly influenced by the performance of service marketing mix and also customers relationship. This study showed that variable value of education services and the image of private universities is variable full intervening in which proved that the performance marketing mix and customers relationship do not have direct influence of the customer trust but provide indirect effect a significant.

The calculation of the influence of variable performance marketing mix, customers relationship, the value of education services and the image of private universities show that the greatest influence of the customer trust given by the performance marketing mix with a total of the influence of reach 0.498 standard deviation which is then followed by the second is the value of education services with great influence of 0.320 standard deviation and on the third position and the fourth in sequence is the image of college for 0.298 deviation standard and customers relationship amounted to 0.192 standard deviation. The amount of the influence of the performance of service marketing mix of the value of education services.

Results hypothesis testing give F count greater than the value F table so that the conclusion of testing is rejected the null hypothesis which means there is the influence of simultaneous of the performance of service marketing mix and customers relationship to the customer trust. Great diversity of variable customer trust that can be explained by the performance variables service marketing mix and variable customers relationship achieve 0.149 or by 14.9%.

# 4.4 Effect of value of education services and the image of private universities to the customer trust in the private universities in Aceh Province, either partially or simultaneously.

Based on the hypothesis testing partial provide the conclusion that the null hypothesis was rejected on the level of 5% significance. These results provide information that there is the influence of partial of the value of education services and the image of college partially to the customer trust. The results hypothesis testing give F count greater than the value F table so that the conclusion of testing is rejected the null hypothesis which means there is the influence of simultaneous of the value of education services and the image of college to the Customer Trust. Great diversity of variable customer trust that can be explained by the variable value services customers and variable image of college achieve 0.374 or for 37. 4%. After proved there is the influence of simultaneous

#### V. CONCLUSION AND FUTURE RESEARCH

Results hypothesis testing descriptive statistics show that the performance of service marketing mix has not implemented very well, customers relationship have not running very well, the value of education services have not superior, the image of private universities have not very good, and customer trust has not higher in private universities in Aceh Province. There are the relationships between the performances of the marketing mix and customers' relationship. There are the influence of the performance of service marketing mix and customers relationship to the value of education services and the image of PTS on the private universities in Aceh Province, either partially or simultaneous findings in the hypothesis testing verification obtained results that the variable value of education services and the image of college is variable" full intervening variable" in which proved that the performance marketing mix and customers relationship do not have direct influence of the customer trust but provide indirect effect a significant through the value of education services and the image of PTS. Required study of a more depth of the variables that can affect significantly on the performance of service marketing mix and customers relationship who can affect the value of education services and the image of private universities.

so it can be compiled a model alternative to solving problems related to increase customer trust PTS. Further research is needed by using or adds indicators of the right and means can also use the concepts of different with this study. Increased performance marketing mix of the dimensions promotion services PTS can be done by 1) promotion through the IT media such websites, social networking (Face book, twitter), 2) outsource to the teaching staff qualified as teachers; 3) improve learning process by establishing the Agency quality assurance( Quality Assurance); 4) Maximize means using of learning by doing resource sharing between the study program as well as looking for a source of fund through grants for the addition of facilities and infrastructure. Develop cooperation with the world government agencies as well as industry through using of alumni services and stakeholders PTS.

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