The Impact Analysis of Service Quality Towards Behavioral Intentions with Perceived Value and Customer Satisfaction as its Intervening Variables on Trisakti School of Management

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Abstract: The importance of maintaining the quality of education of a country, making education in Indonesia also continues to make improvements both from the Elementary School level to the University level. At the University level alone, there is increasing competition between the State and Private Universities to produce more and more qualified graduates. So many universities are starting to think of strategies to win the competition. One of them by maintaining the Service Quality they provide. This study aims to determine the effect of Service Quality on Behavioral Intention or the tendency to behave, with perceived value and customer satisfaction as intervening variable at Trisakti School of Management (TSM). The results of this study indicate that service quality has a positive and significant influence on perceived value and behavioral intentions, perceived value positively and significantly influence customer satisfaction and behavioral intentions, and customer satisfaction positively and significantly influence behavioral intentions. The results of this study also show that perceived value and customer satisfaction as intervening variables successfully mediate the relationship between service quality and behavioral intentions.

Keywords: Service quality; perceived value; customer satisfaction; behavioral intention.

1. Introduction

University is a formal service provider institution that deals in the field of education, although in its daily operations it doesn't highlight profit as its main goal, but providing excellent service to students is still an obligation as what profit-oriented institutions do, so that over the time, the world of education is still required to keep on develop in providing good services that suit to their needs and desires of its consumers and still manage to have good accreditation of University and its Majoring Programs.

At this moment there is a bigger opportunity for private Universities to attract more prospective students than state universities seeing by the greater number of private universities. Things that will lead to tight competition among private universities to improve their quality by providing services that meet the needs and fulfillment for the students.

There are 2 variables in service quality measurement which are functional quality and technical quality (Grönroos, 1984). Therefore, the most popular measurement tools for service quality was developed by Parasuraman et al, (1985) whereas at the beginning consists of 10 variables which are tangibility, reliability, responsiveness, communication, credibility, security, competence, courtesy, understanding and access, which then redefined and simplified at the year 1988 into 5 useful variables; tangibles, reliability, responsiveness, assurance and empathy.

An effective way to measure the perceived value or the value that's felt by the customer is defined by the customer itself at their next purchase, which if its good then they will repeat in using/buying the service or products or they can switch to other products or services. That's why consumer satisfaction level must be achieved and maintained. In other words, the better satisfaction level of the consumers, the bigger consumer retention achieved (Anderson and Sullivan, 1993; Fornell 1992) and their willingness to recommend to others (Zeithaml and Bitner, 1996).

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Consumer satisfaction will be achieved when the value and customer service that's provided has meet or even exceed the consumer expectation in their previous experience. Consumer satisfaction index model from Europe and America shows that the service quality is the main satisfaction component (Fornell et al, 1996). Bagozzi (1992) proposes that evaluating service quality of products or services that will lead to measurement of the emotional satisfaction which in turn encourage behavioral intentions.

Zeithaml dan Bitner (1996) identify two variables for measuring behavioral intentions that are profitable and not profitable. The beneficial behavior intention means that customers will convey positive words, repurchase intention and loyalty (Ladhari, 2008; Zeithaml and Bitner, 1996), while unfavorable behavioral intentions tend to spread negative words and convey their negative experiences to other customers and the intention to turn to the competitors. Customer perceived value has been accepted as a reliable predictor of customer satisfaction and consumer purchasing behavior intentions (Andreassen and Lindestad, 1992; Choi, 2004; McDougall and Levesque, 2000; Sweeney, 1999; Wu et al, 2014).

2. Literature Review
2.1 Service Quality
Service quality comes from a comparison between what the customer feels the seller will offer (their expectations) with the service performance from the actual seller (Gronroos 1982). The idea that service quality is a function of performance gaps is expected to be strengthened by broad-based exploration studies conducted by Parasuraman et al. (1985).

According to (Kotler, 2012), service quality is the sum of the characteristics of goods and services that show its ability to satisfy customer needs, for both of those that appear clear and hidden. For companies engaged in the service sector, providing quality services to customers is an absolute thing to do if the company wants to reach success.

Service quality can be known by comparing consumer's perception of services that they really receive or obtain with the service that they actually expect or wants from all the service attributes from a company. If the service received or perceived (perceived service) is as expected, then the quality of service is perceived as good and satisfying, if the service received exceeds consumer expectations, then the quality of service is perceived as very good and have a good quality. On the contrary, if the services received are lower than expected, then the quality of service is perceived poorly (Tjiptono, 2014).

Service quality has several variables which underlie the formation of service quality, according to Parasuraman there are five variables of service quality (SERVQUAL) which underlie the formation of service quality, the five variables of service quality are:
1. Tangible,
   Tangible is the physical evidence of the services which can be physical facilities of equipment used as a physical representation of the service.
2. Reliability,
   Reliability is the ability to provide services that promise with appropriately and the ability to be trusted, especially in providing the services punctually and in the right way according what has been promised without making mistakes.
3. Responsiveness,
   Responsiveness is the willingness or the readiness from the employee to provide services needed by consumers.
4. Assurance,
   Assurance that includes knowledge, abilities, politeness, and the trustworthiness of personal contacts.
5. Empathy,
   Empathy which includes personal or company contact attitudes to understand needs or difficulties, consumers, good communication, personal attention, and ease of communication or relationships.

2.2 Perceived Value

Zeithaml (2009, p. 14) defines perceived value as the overall assessment of consumers from how the products or services is used based on their perceptions of what is received and what is given. Perceived value can be defined as the result of a personal comparison between the benefits felt overall and the perceived sacrifice or costs paid by the customer (Zeithaml, 2009).

Customer perceived value is very important for marketers, because it can affect their buying behavior in the future. Perceived value has an effect to the prices that consumers are willing to pay for a product or service. To be able to understand the perceived value of its customers, the company must be able to identify the foundation factors behind their perceived value. Understanding the factors that determine consumer's perceived value can help companies to produce goods or services that can provide a balanced value between the benefits obtained by consumers of a service and the price they must pay for these services.

Sweeney and Soutar (2001) through different empirical study has design a measurement scale to measure the perceived value (PERVAL). Analysis of reliability and validity is done in designing PERVAL, which results in a five-variables reduction proposed by Sheth et al. (1991a, b) into three, namely:
1) Functional
   Functional variables are related to utilities derived from product and service attributes. Customers gain value from attributes such as product quality, service quality, or price (Sweeney et al., 1999). This is an economic analysis and rationally comparing benefits and sacrifices.
2) Social
   Lapierre (2000) defines social value as an image based on the reputation and credibility and the social impact that the company had.
3) Emotional
   The emotional variable of perceived value comes from the feelings and emotions that the product or service creates an impact on the buyer.

2.3 Customer Satisfaction

According to Zeithaml, Bitner, and Gremler (2009) "satisfaction is a person's feeling of pleasure or disappointment that results from comparing a product or service's perceive performance (or outcome) to their expectations" so that it can be defined as the feeling of satisfied or disappointed customers from comparing from perceived performance according to customer expectations. Kitapci et al. (2008) stated that customer satisfaction involves cognitive and affective components that influence the foundation of satisfaction. This is in line with the definition by Worsfold et al. (1994, p. 25), which describes customer satisfaction "as a cognitive and affective evaluation of customers based on personal experience in all service episodes in a relationship. Affective components have referred to consumers' feelings about a stimulus or event, for example whether the consumers like a product or not. The cognitive component refers to consumer's thought, for example what is believed by consumers from a product. Cognitive process consists of five mental processes, namely: understanding, evaluating, planning, choosing, and thinking.

According to Kotler (2010: 211) He suggested the definition of customer satisfaction as follows: "Satisfaction is the level of a felt state person resulting from comparing a producer's perceived performance or outcome in relation to the person's expectations". Thus, the level of satisfaction is a function of the difference between perceived expectations and reality (perceived performance and expectations). A consumer will experience three levels of satisfaction. If the reality received is lower than their expectations, then consumers are not satisfied. If reality matches their expectations, consumers are satisfied. If reality exceeds their expectations, consumers are very satisfied, very pleased or very happy.

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2.4 Behavioral Intention

Kotler (2014) behavioral intention is a condition whereas customer has good intention or attitude that is loyal to the brand, product and the company thus they are willingly to share the superiority to others. Saha and Theingi (2009) define behavioral intention as a customer's likelihood to perform certain behaviors such as positive word-of-mouth about a service provider to others, having the intention of repurchasing and loyalty to providers of service providers. Zeithaml, Berry and Parasuraman (1996) say, "The consequences of service-quality perceptions on individual-level behavioral intentions can be viewed as being desirable to monitor." Which means, the consequences that arise from perceptions of service quality in the form of intention to behave individually the individual can be seen as a signal of the company's success or failure to retain its customers.

From few opinions about behavioral intention, it can be concluded that the behavioral intention variable is the final goal. If a product has a favorable behavioral intention, the company will be able to survive and win the competition. One of the beneficial behavioral intentions is the presence of a positive attitude about a product or service provider. This positive attitude can be a positive word of mouth. This word of mouth is a low-cost promotion that has a tremendous effect on the survival of the company. If our consumers can spread good news to other people or friends, therefore will encourage purchases.

In this research, behavioral intentions were measured based on 3 variables, namely:
a. Loyalty to Company: a condition in which a customer repurchases regularly, cannot be influenced by competitors to change and refer to others.
b. Propensity to Switch: a behavior that indicates the possibility of moving or not to a competitor.
c. Willingness to Pay More: Willingness to make payments that are higher than it should be to get the benefits received.
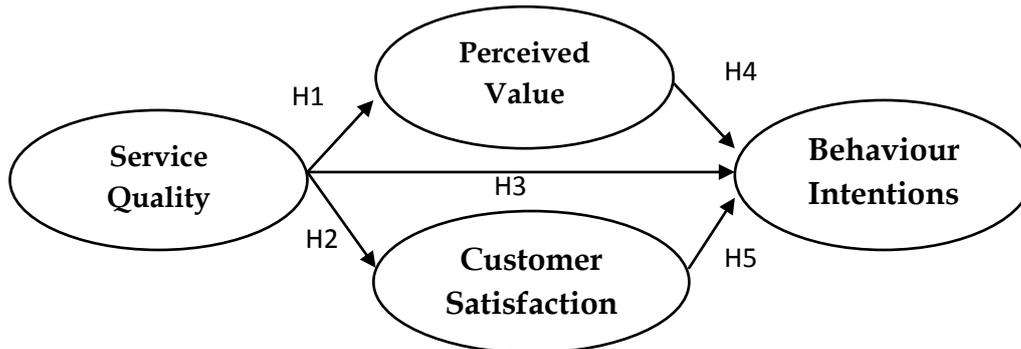
Conceptual Framework

Figure 1. Conceptual Framework

Hypothesis:
H1: There is a positive relationship between service quality and customer perceived value.
H2: There is a positive relationship between service quality and customer satisfaction.
H3: There is a positive relationship between service quality and customer behavior intentions.
H4: There is a positive relationship between the perceived value of customers and customer satisfaction.
H5: There is a positive relationship between the perceived value of customers and customer behavior intentions.

3.   Research Methodology

3.1. Population and Sample Research

Population is a generalization area consisting of objects or subjects that have certain quantities and characteristics set by researchers (Sugiyono, 2016). The population referred to in this research were students of Trisakti School of Management (TSM), Jakarta.

The sample in this research is part of the population that is expected to be able to represent the population in the research. The sampling technique in this study was a non-probability sampling technique. According to Sugiyono (2016) non-probability sampling technique is a sampling technique that does not provide the same opportunity / opportunity for each element or member of the population to be selected as a sample.

The sampling technique used by the researchers is quota sampling where this technique is used to determine the sample of the population that has certain characteristics to the desired number (quota) (Sugiyono, 2016). The chosen sample was the 2014-2017 Trisakti School of Management students.

3.2. Operational Definition and the Research Variable

1. Service quality (XI) is the perceived level of advantage and control over that level of advancement to fulfil customer's desired. (Kotler, 2011:85). The indicators are:
   a.   Tangible (physical proof)
   b.   Empathy
   c.   Reliability
   d.   Responsiveness
   e.   Assurance
2. Perceived Valued (Y1)
   a.   Functional: Measured through the student's perceived benefit and the suitability costs with the quality that was given to students.
   b.   Social: measured by the comfort felt by students, lecturers are able to motivate students, and lecturers serve students' interests well.
   c.   Emotional: measured through appropriate decision making in choosing TSM as a place to gain knowledge, a comfortable environment, and understand student's needs and interests in the lecture process.
3. Customer Satisfaction (Y2)
   Customer satisfaction is considered as how a person's feelings after receiving a product or service compared to others whose results are able to meet the customer's expectations.
4. Behavioral Intention (Z1)
   a.   Loyalty: Measured through the willingness of students to use services from TSM to   train new employees in their working place in the future.
   b.   Recommendation: Measured through the willingness of students to suggest and encourage their friends / relatives to study at TSM, as well as student's tendency to give a positive response to their friends / relatives.
   c.   Paying premium prices: Measured through the payment process and the suitability of sacrifices (costs) provided with the value felt by the students.

3.3 Path Analysis

The research used structural equation modeling (SEM) based on partial least square (PLS) to answer the problem statement. Partial least square (PLS) was first used for public methods in estimating the path model that uses latent constructs and multiple indicators in it. Partial least square (PLS) is used to test a weak theory and problem in assuming normality of data distribution (Jogiyanto, 2008).

4. Results and Discussion
4.1. Result
4.1.1. Path Coefficient Evaluation and Coefficient of Determination (R²)

Evaluation of path coefficient is used to show how strong the influence of the independent variable on the dependent variable. Whereas the determination coefficient is used to measure how many endogenous variables are influenced by other variables. R2 value above 0.75 and above are categorized as substantial, 0.50 - 0.75 means moderate, and 0.25 - 0.50 means weak.
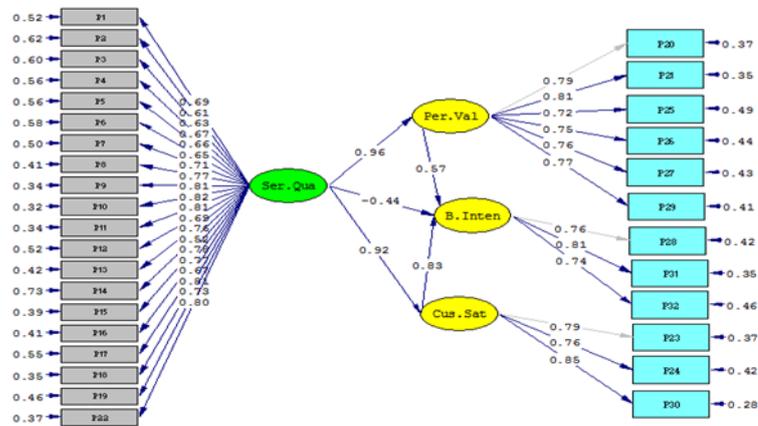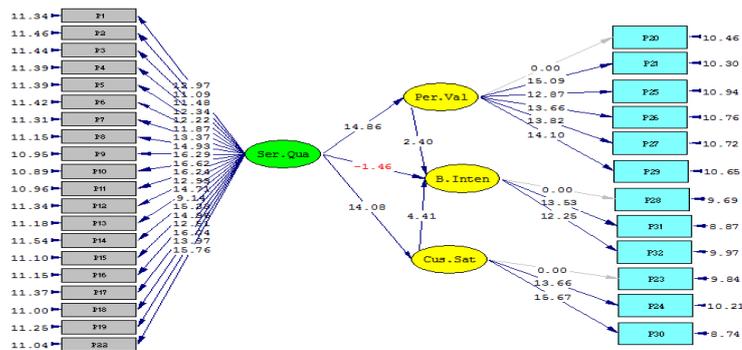

Figure 2. Path Coeffiecient

Figure 3. Outer dan Inner Model

Coefficient of Determination (R²)
Structural Equations

Per.Val = 0.96*Ser.Qua, Errorvar.= 0.085 , R² = 0.92
      (0.064)   (0.022)
       14.86   3.89

Cus.Sat = 0.92*Ser.Qua, Errorvar.= 0.16 , R² = 0.84
      (0.065)   (0.036)
       14.08   4.43

B.Inten = 0.57*Per.Val + 0.83*Cus.Sat - 0.44*Ser.Qua, Errorvar.= 0.11 , R² = 0.89
     (0.24)   (0.19)   (0.30)   (0.047)
      2.40   4.41   -1.46   2.38

Indirect Effect
Indirect Effects of KSI on ETA

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        Ser.Qua
        --------
Per.Val      - -
Cus.Sat      - -
B.Inten     1.31
           (0.31)
            4.27
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The path coefficient analysis result of this research shows that customer satisfaction level is at 0.54 which is the result of multiplication of 0.96 and 0.57 and perceived value of 0.76 which is the result of multiplication of 0.92 and 0.83, both intervening variables strengthen the connection between service quality and behavioral intentions. The connection of service quality to behavioral intentions directly shows the number -1.46 where the numbers that show this direct connection are smaller than using perceived value and customer satisfaction as intervening variables of 0.54 and 0.76.

In addition, almost all variables in this model have a path coefficient with positive numbers except the behavior intentions variable which has a negative path coefficient. So, if the greater the positive value of the path coefficient on an independent variable towards the dependent variable, then the stronger the influence of the independent variable on the dependent variable, and vice versa if the path coefficient value of the negative variable so then it makes the influence weaker.

The value of coefficient of determination (R^2) perceived value that was influenced by service quality was 0.92. Which means that the service quality variable affects the perceived value of 92% while the other 8% is influenced by other variables outside the research. Then for the customer satisfaction variable, which is influenced by service quality and perceived value of 0.84. This means that the service quality variable and perceived value affect customer satisfaction by 84% while the other 16% is influenced by other variables outside the research. Then, behavioral intentions variables that are influenced by service quality, perceived value, and customer satisfaction are 0.89. That is, service quality variables, perceived value, and customer satisfaction affect behavioral intentions by 89% while the other 11% are influenced by other variables outside the research.

4.1.2. T-Statistics and Hypothesis Tests

In this research there are intervening variables, namely the link between the dependent variable and the independent variable. Testing the mediation hypothesis (intervening variable) can be done by the t-test procedure. T-test experiment is used to get the t-statistical value that is needed if the researcher wants to do a hypothesis test, so the researcher can say the influence of a variable can be said to have a significant influence or not. T-test is done using the bootstrapping method. Bootstrapping method is a re-sampling testing process carried out by a computer system to measure the accuracy of the sample estimate. Bootstraping is used to measure the accuracy of the sample. If the bootstrap value is more than (>) 1.96 then it is stated that the variable has a significant effect on the contrary whereas if the bootstrap value is lower (<) than 1.96, then the effect of the variable is stated to be weak (Abdillah & Hartono, 2015).

T-statistics on the effect of customer satisfaction on behavioral intentions show a value of 4.41 which means customer satisfaction has a significant effect on behavioral intentions. T-statistics on the effect of perceived value on behavioral intentions show a value of 2.41, which means that perceived value has a significant effect on behavioral intentions.

T-statistics on the influence of service quality on behavioral intentions showed -1.46, which meant that service quality did not significantly influence behavioral intentions. The T-statistic on the influence of service quality on customer satisfaction shows a value of 14.08, which means that service quality has a significant influence on customer satisfaction. T-statistics on the influence of service quality on perceived value showed 14.86, which means that service quality has a significant influence on perceived value.

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4.2. Discussion

4.2.1. Service Quality towards Perceived Value

The result of this research is that the service quality of Trisakti School of Management has a significant influence on perceived value with the value of the T-statistic test> with the value of 1.96, which is 14.86. This research shows the result of that service quality has a significant influence on perceived value, where it is aligning with the opinion that service quality has a high impact on customer perceived value (Zameer, Tara, Kausar, & Mohsin, 2015). The quality of service provided is able to grow and the perceived value felt by students such as the perceived benefits, costs incurred in accordance with the quality received, students feel comfortable, students feel proud, students feel motivated, up to lecturers who are able to provide motivation and provide values of life to students. The connection between service quality and perceived value can also be proven to have a significant connection, so the value felt by the students can be high because it is supported by good quality of service from Trisakti School of Management.

4.2.2. Service Quality towards Customer Satisfaction

The results of this research also show that service quality has a significant effect on customer satisfaction. In the results of this research it is known that there is a significant effect where the T-statistics test results with a value of 14.08 which is above 1.96. So it is known that the quality service of higher education influences the satisfaction of Trisakti School of Management students.

4.2.3. Service Quality for Behavioral Intentions

The results of this research show that service quality has no significant effect on behavioral intentions with the test value of the T-statistic below 1.96 which is -1.46, so it can be concluded that service quality does not significantly influence behavioral intentions.

4.2.4. Perceived Value of Behavioral Intentions

This research has the result that the perceived value of Trisakti School of Management students has a significant influence on behavioral intentions with the value of the T-statistic test> of 1.96 which is 2.40, so it can be concluded that there is a direct influence of perceived value on behavioral intentions. This research came out with the results that show that perceived value has a significant influence on behavioral intentions, which is in align with the opinion (Amoah, Radder, & van Eyk, 2016) that the perceived value of customers has a positive influence on customer satisfaction and influences customer behavior intentions. Trisakti School of Management students have succeeded in creating the suitability of the perceived value by students as expected. Proven by the results of this research from the questionnaire that students do not have any problems with the costs incurred because they feel the benefits of studying at Trisakti School of Management so as to influence the behavioral intention of students. The connection between perceived value and behavioral intentions could also be proven to have a significant connection, so that behavioral intentions that are created in Trisakti School of Management students are quite high because of the positive perceived value.

4.2.5. Customer Satisfaction for Behavioral Intentions

This research came out with the result that customer satisfaction in Higher education has a significant influence on behavioral intentions with the value of the T-statistic test> of 1.96 which is 4.41, so it can be concluded that there is a significant effect of customer satisfaction on behavioral intentions. This research also has the results that show that customer satisfaction has a significant influence on behavioral intentions, which is in line with the opinion (Jandavath & Byram, 2016) that when customer satisfaction is successfully created it results in positive customer intentions.

4.2.6. Perceived Value and customer satisfaction mediating the Connection between Service Quality and Behavioral Intentions

This research aims to see the influence of service quality on behavioral intention by using perceived value and customer satisfaction as its intervening variables. Perceived value and customer

satisfaction have a significant connection to service quality and behavioral intentions. The direct influence of the service quality on the behavior intentions value is at -1.46 while the indirect influence of service quality through perceived value and customer satisfaction on behavioral intentions value is at 4.27, this indicates that perceived value and customer satisfaction mediate the connection of service quality to behavioral intentions.

5.   Conclusion

Based on the results of this research on the analysis of the influence of Service quality on Behavioral Intentions with Perceived Value and Customer satisfaction as an intervening variable on Trisakti School of Management shows that service quality has a positive and significant effect on customer satisfaction and perceived value, but the service quality has a negative and insignificant effect on behavioral intentions, and customer satisfaction have a positive and significant effect on behavioral intentions. The results of this research also show that perceived value and customer satisfaction as an intervening variable mediate the connection between service quality and behavioral intentions.

Based on the results of the research and discussion above, the researcher will propose a few suggestions, namely the next research which will conduct a similar theme research is expected to conduct more in-depth research by involving other variables and even increase the number of variables studied, and are expected to develop research models and be supported by theoretical concepts and the latest issues, in addition in future research, can examine things that have not been studied in this research, namely whether there is a positive effect of perceived value on customer satisfaction, which can be seen if there is an increase in perceived value, it will create customer satisfaction based on a positive connection between perceived value and customer satisfaction. So that it can be seen when the perceived value by students is good, whether the students will feel satisfy. Other suggestions can be given to Trisakti School of Management in order to always improve the quality of service so that the ideal customer satisfaction level can be achieved.

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