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# Efects of *Relationship Marketing* On University Students' Satisfaction and Loyalty in High School Of Economic Science Enam Enam Kendari

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# ------ABSTRACT-----

Abstract: This study aims to examine and analyze empirically the effects of relationship marketing on satisfaction and loyalty of students at the High School of Economic Science Enam Enam Kendari. This research is intended to explain the position of the explanatory variables that were examined as well as the relationship and effects of one variable with another variable. The results showed that (1) Relationship marketing has directly significant and positive impacts on student satisfaction and loyalty. Increased relationship marketing and a real positive direction increase student satisfaction and loyalty of students at the High School of Economics Science Enam Enam Kendari, (2) there are direct student satisfaction and not significant positive effect on student loyalty. It means that the satisfaction students can directly not form loyalty of students.

Keywords: Relationship Marketing, Student Satisfaction and Loyalty

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# I. INTRODUCTION

Current image of Private University is still dominated by a rather inferior perception by the public, mainly if it is compared to State University. This can be seen by greater number of senior high graduation that still prefers to continue their study to State University and puts Private University as the last option or such a get-way option. This phenomenon has been such a challenge for Private University to be more creative in marketing their institution to the public. This aims to attract prospective students or public to continue their study and create prospective students' or public trust on Private University performance quality and quantity so that they have loyalty on the PU.

Current marketing concept more directs to *customer retention* concept and encourages loyalty on the offered products. Marketing orientation changes from the focus of *what we sell* into *what customer buy*, can be the consideration that it is necessary for an organization or company to maintain the relationships with its customers.

The *relationship marketing* theory is the marketing philosophy focusing on the efforts to maintain long term relation with the existing customers in the form of customer loyalty and also the efforts to attract new customers. So, the core of relation marketing is to build and maintain customer loyalty. Success keys of the *relationship marketing* implementation according to Khoe Yao Tung (1997:6) include the steps: (1) identifying main customers; (2) correcting and using customer information; (3) measuring relation values and *relationship marketing* program; (4) managing and motivating organization for *relationship marketing*; (5) *marketing* as collection of thoughts on functions; and (6) improving and maintain customer relatedness.

Storbacka (2001:33) expressed that there are 3 (three) inseparable *relationship marketing*, namely; (1) *people* as the actor of customer *relationship*, (2) *process* having orientation to customer satisfaction, and (3) required *technology* in building the relation. Based on the issues, it is very clear that all of the components involved in the *relationship marketing* are the inseparable one with others. In this research context, the *customer relationship marketing* can provide benefits for customers and enable to minimize any competition barriers for competitors, so that it enables the company to improve its customer loyalty (Evans and Lakin, 1994; Hennig-Thurau & Klee, 1997 and Reynold & Betty, 1999). So, this research is directed to determine the inter-variable relation giving effects on the customer loyalty, namely the *customer relationship marketing* as the marketing strategy that is applied by the company to maintain and improve the customer loyalty through (*customer satisfaction*).

University student satisfaction serves an important role in the education sector related to its role as the service industry. Therefore, it is necessary to evaluate the student satisfaction on education service quality by the university. This can be done to ensure the student perception on their experiences and their expectation. There will be known any discrepancy on expectation and positive gap or experiences.

Maintain student loyalty in this current business era is such a demand to be directly done. Since basically, by maintaining student loyalty, university will be always maintain its survival. These loyal students can provide word of mouth through giving recommendation to close friends so that they can be the students in the university. Relationship marketing is one of the concepts having close relation to student satisfaction. Gordon (1998); Dwiana (2006); Oliver (1997); Griffin (1995); and Czepiel (1992) express that the relationship marketing provides significant effects on student satisfaction. The relationship marketing strategy used by the university can create student satisfaction after evaluating the strategy. The relationship marketing is also one of the concepts having close relation with the student loyalty. Zeithaml and Bitner (2000); Berman (1996); Storbacka (2001); Gordon (1998), Wardenny (2005); and Griffin (1995) express that the relationship marketing provides significant effects on the student loyalty. Relationship marketing can provide benefits for the students and enable to minimize any competition barriers for competitors, so that it enables the company to improve its customer loyalty.

Then, the student satisfaction is one of the concepts having close relation with student loyalty. Bromeer, Ruyter and Peters (1999), Lee and Feick (2001), Fullerton and Taylor (2002) as well as Caruana (2002) said that the student satisfaction provides significant effects on the loyalty. Student having satisfaction level after evaluation on product purchase will affect on its loyalty level on the product or service. Hereby, it can conclude that higher satisfaction level by the students from the results of product or service purchase can lead to higher loyalty level. Relationship between relationship marketing concept on student loyalty can be mediated by the student satisfaction concept. Mousa Rezvani, Shahram Gilaninia and Seyyed Javad Mousavian (2011) said that the effects given by the relationship marketing on the loyalty can be mediated by the satisfaction. This argument indicates that student satisfaction can strengthen or weaken the effects given by the relationship marketing on student loyalty. It means that if the students are satisfied to the relationship marketing strategy applied by the university, then there will be higher student loyalty level. Also the other way around, if the students are not satisfied to the relationship marketing strategy applied by the university, then it will weaken the relation between the relationship marketing and the student loyalty. This research aims to: (a). Test and analyze the effects of the relationship marketing on the student satisfaction, effects of the relationship marketing on the student loyalty and to test and analyze the effects of satisfaction on student loyalty in High School of Economic Science of Enam Enam Kendari.

### II. REVIEW LITERATURE

#### 2.1 Relationship Marketing Concept

Relationship marketing is the new arising concept in the marketing literature in the last decades (Christopher et. al. 1991; Gronroos, 1994; Gummeson, 1994; Morgan and Hunt, 1994; Benet, 1996). Term of "relationship marketing" has broad use (Evans and Laskin, 1994; and Gronroos, 1990). In this context, there are many written definition of relationship marketing in the form of desired outputs and there is no indication of input demands or characteristics enabling any researchers to determine which relationship marketing policy to be applied (Blois, 1996:161).

Relationship marketing focuses on building relation with customer one by one. Then, it is necessary for depth and accurate information about customer situation, attitude, needs and preferences. There are researches on relationship marketing that full of marketing relation antecede, results and activities. As a result, Morgan and Hunt (1994:22) said that there are many references of relationship marketing definitions offering all of the marketing activities ranging from establishment, development and maintenance. This definition is started fr5om the main goal of relationship marketing. Furthermore, it can find out the way to implement the relationship marketing concept or the needs for the relationship marketing implementation. According to Zeithaml and Bitner (2000:171), relationship marketing is the sustainable customer relation guidance through the marketing. The guidance is the business philosophy of a strategic orientation focusing on an effort to maintain and improve the existing customer relation, than looking for new customers.

## 1.2. Customer Satisfaction Concept

Customer satisfaction can mean as a feeling of happy or unhappy by the customers when it is seen from the consumption result evaluation on a type of product. Czepiel (1992) said that "because satisfaction is defined (and can be measure) as the discrepancy between expectation and perceived realty, a firm can change its customer satisfaction without changing its offering at all". This indicates that basically, the customer

satisfaction can be formed by two issues, namely expectation and reality assessment. According to Kotler (2002:36), satisfaction is one feeling when there is discrepancy between performance (results) received by the customers and the expectation. If there is lower performance than the expectation that the customer will be disappointed. When the performance is similar to the expectation, then the customer will be satisfied. If the performance exceeds the expectation, the customer will be greatly satisfied.

Then, according to Mowen (2002:89) "customer satisfaction is the overall customer attitude shown after they get and use the product or service. This is a post-selection evaluative assessment caused by a particular purchase selection and experience of using or consuming the goods or services. In this research, it is used the college consumer satisfaction as the Student satisfaction variable. Today, there is increasingly greater attention to student satisfaction and dissatisfaction. This is due to the increasing number of universities, so that students have many choices. There are empirical evidences showing attention to student satisfaction, in this case as the customer, namely a number of published research results regarding customer satisfaction. There are several authors defining that there will be student satisfaction when students compare their perceptions of product or service performance with their expectations. Satisfaction or dissatisfaction is a response to a perceived disconfirmation evaluation between previous expectations and actual performance of the perceived product after its use. Furthermore, according to Tsedan Wilton, there are two main variables that determine customer satisfaction, namely expectation and perceived performance. If the perceived performance exceeds the expectations, then the customer will be satisfied, but if otherwise, the customer will be not satisfied.

#### 1.3. Customer Loyalty Concept

Dick da Basu (Fandy, 2000: 110) considered customer loyalty as an attitude and customer loyalty as a behavior. Loyalty combination as attitude and behavior provide 4 (four) loyalty possibility situation, namely: (1). No loyalty, when the attitude and behavior of customer repeated purchase is weak, then there will be loyalty. (2). Spurious loyalty, when there is relatively weak attitude and strong repeated purchase behavior pattern. (3). Latent loyalty, when the strong attitude is completed with weak repeated purchase behavior. (4). Loyalty, is the most expected ideal situation by the marketers, in which there is positive customer attitude on the product or university, as well as it is completed with consistent repeated purchase pattern.

The increasingly rapid competition condition encourages the university to create sustainable acceleration so that it can adapt and innovate to environmental changes and run in a parallel manner by reorganizing its organizational and marketing strategies in order to survive and exist in the business journey. The paradigm change of the marketing company from customer satisfaction to customer loyalty is also expressed by Bhote (Fandy, 2000: 107) stating that, "Future corporate orientation is shifting from a conventional approach to a contemporary approach." The conventional approach emphasizes on the customer satisfaction, cost reduction, market share and market research, while the contemporary approach focuses more on customer loyalty, customer retention, and Lifelong customers. The relationship between satisfaction level and customer loyalty level, according to Schnaars (1998: 204) can be divided into 4 groups, namely:

- 1. Failures, is the level of low satisfaction and loyalty or in this case, there are satisfied or not loyal customers.
- 2. *Defector*, is the level of high customer satisfaction but there is low loyalty.
- 3. Forced loyalty, is low student or customer satisfaction by there is high loyalty. This can be caused by the customers having bonds to the loyalty promotion program by the company or university. Fourth, *successes*, when there is high satisfaction and loyalty level of customer of high school students. Such conditions enable for positive *word of mouth* for the company or university.

The above description provide clear understanding on customer loyalty as the customer commitment on a brand, shop, or supplier based on positive attitude and it is reflected from consistent repeated purchase (Sheth et al dalam Fandy, 2000: 110).

#### III. CONCEPTUAL FRAME WORK

The conceptual framework underlying this research is that High Schools of Economic Sciences Enam Enam Kendari is one of the private universities that provide educational services to prospective students and existing students. Increasing competition makes the university work extra hard so that it can keep understanding loyalty of existing students as well as expand its market share. Thus, it is necessary for the university to improve the student satisfaction and *relationship marketing* in order to retain students. On the basis of that thought, there will be student loyalty if the students have high satisfaction and commitment to maintain a profitable long-term relationship with High Schools of Economic Sciences Enam Enam Kendari.

The student loyalty in the High Schools of Economic Sciences Enam Enam Kendari is measured through 5 (five) indicators namely trust  $(Y_{2.1})$ , psychological commitment  $(Y_{2.2})$ , company burden  $(Y_{2.3})$ , recommendation  $(Y_{2.4})$ , and cooperation  $(Y_{2.5})$ . Students in High Schools of Economic Sciences Enam Enam Kendari are said to be loyal when they have high trust, psychological commitment and burden if there are any changes on the High

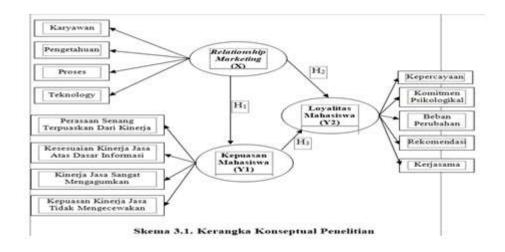
Schools of Economic Sciences Enam Enam Kendari; they also recommend it to other people and the High Schools of Economic Sciences Enam Enam Kendari party can cooperate with other universities. The *Relationship marketing* is one of the important factors giving effects on the student loyalty on the High Schools of Economic Sciences Enam Enam Kendari since the *relationship marketing* can provide benefits for the students and enable to minimize the competition barriers for the competitors, so that it enables the university to improve the student loyalty.

Results of the research conclude that the *relationship marketing* provides positive and significant effects on the customer loyalty (Zeithaml and Bitner, 2000; Berman, 1996; Storbacka, 2001; Gordon, 1998; Wardenny, 2005; and Griffin, 1995). Improved *relationship marketing* is in line with the improved customer loyalty to the company. In this research, the *relationship marketing* is measured through (4) four indicators, namely: employees  $(X_{1,1})$ , knowledge  $(X_{1,2})$ , Process  $(X_{1,3})$  and technology  $(X_{1,4})$ .

Relationship marketing is also one of the important factors giving effects on the student satisfaction in High Schools of Economic Sciences Enam Enam Kendari since the relationship marketing relates to the strategy of maintaining customers that is used by the university so that it can create student satisfaction after evaluation on the strategy.

Results of the research conclude that the *relationship marketing* provides positive and significant effects on the customer satisfaction (Gordon, 1998; Dwiana, 2006; Oliver, 1997; Griffin, 1995; and Czepiel, 1992). Improved *relationship marketing* is in line with the improved customer satisfaction to the company. In this research, the student satisfaction is measured through four (4) indicators, namely: feeling of happily satisfied to the performance  $(Y_{1.1})$ , suitability service performance and expectation on basic information  $(Y_{1.2})$ , very amazing service performance  $(Y_{1.3})$  and not disappointing service performance satisfaction  $(Y_{1.4})$ .

Besides, the satisfaction is the intervening variable that can strengthen indirect relation between the *relationship marketing* and loyalty variables (Mousa Rezvani, Shahram Gilaninia and Seyyed Javad Mousavian, 2011). Good implementation of *relationship marketing* strategy will create student satisfaction to maintain valuable long term relation so that it can affect on the improved student loyalty in the High Schools of Economic Sciences Enam Enam Kendari. For clear conceptual framework above, it will present by the scheme 3.1. as follow:



# **Research Hypotheses**

H<sub>1</sub>: Relationship marketing provides significant and positive effects on the student satisfaction in the High Schools of Economic Sciences Enam Enam Kendari.

H<sub>2</sub>: Relationship marketing provides significant and positive effects on the student loyalty in the High Schools of Economic Sciences Enam Enam Kendari.

H<sub>3</sub>: satisfaction provides significant and positive effects on the student loyalty in the High Schools of Economic Sciences Enam Enam Kendari.

# IV. METHODOLOGY

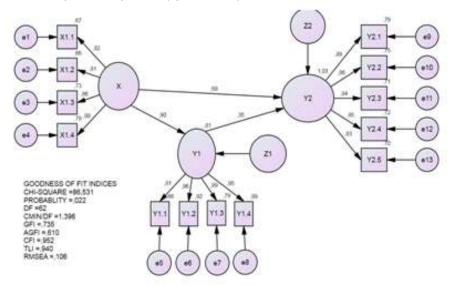
The research location is at High School of Economic Science Enam Enam Kendari located in the address at Cambodia Street No. 3. 79. The study period is 3 months with the details of time: in the first month, the researchers distributed the questionnaires. In the second month, the researchers collected questionnaires that

have been filled by the respondents and in the third month, the researchers processed the data with the assistance of SPSS and AMOS Software. The population in this study is all of the students, there are 870 students at High School of Economic Science Enam Enam Kendari. Determination of the number of sample research used Stratified Proportional Random Sampling technique namely the sample method by distributing population into homogeneous groups called as strata and then it is taken randomly from each stratum. The reason for using this sampling technique is to facilitate the author in data collection through the shared questionnaires.

Size of required minimum sample for the SME analysis is 100. Size of suggested samples by Hair, *et al.*, (1999) is 100-300. And then, it used observation comparison for each parameter, namely 5-10 multiplied by the number of indicators. The number of sample is 120. Determination of respondents is obtained through the Stratified Random Sampling method. The analysis used to answer the hypotheses in this research is *Structure Equation Model* or SEM by using AMOS 20 program and SPSS Version 20 program package.

#### V. ANALYSIS AND RESULTS

## 5.1 Measurement Analysis of confirmatory factor analysis of the Standardized Estimate



Source: Processed Results of Primary Data with Amos Version 20 Software

Based on the scheme 5.1. above, the measurement model through *confirmatory factor analysis* for each of these research variables, based on constructed model and measurement indicators in this research, it can be illustrated as follow.

# Relationship Marketing (X) Variable

Table 5.9. Loading Factor ( $\lambda$ ) measurement of Relationship Marketing (X) variable

No	Indicator Variable	Loading Factor (λ)	Cut Off Point
		(Standardized Regression Weights)	
1	Employee $(X_{1.1})$	0,817	
2	Knowledge $(X_{1.2})$	0,810	> 0.60 atom 600/
3	Process (X <sub>1.3</sub> )	0,855	$\geq$ 0,60 atau 60%
4	Technology (X <sub>1.4</sub> )	0,882	

Source: Processed Results of Primary Data with Amos Version 20 Software

In Table 5.9, it confirms that the four variable indicators having the biggest contribution on the formation of relationship marketing latent variable in the High School of Economic Science Enam Enam Kendari are technology variable indicator  $(X_{1.4})$  with the factor loading  $(\lambda)$  value by 0,882 or 88,2%, then, the process  $(X_{1.3})$  with the factor loading  $(\lambda)$  value by 0,855 or 85,5%, the employee  $(X_{1.1})$  with the factor loading  $(\lambda)$  value by 0,817 or 81,7%, meanwhile, the variable having low role in the formation of relationship marketing variable is knowledge  $(X_{1.2})$  with the factor loading  $(\lambda)$  value by 0,810 or 81,0%. Therefore, based on these research findings, the knowledge variable indicator  $(X_{1.2})$  based on the student assessment is still required to obtain serious attention. The manager party of High School of Economic Science of Enam Enam Kendari must improve the knowledge owned by the employees working in High School of Economic Science of Enam Enam Kendari so that the relationship marketing strategy can be applied appropriately.

#### Satisfaction Variable (Y<sub>1</sub>)

Table 5.10. Loading Factor ( $\lambda$ ) Measurement of Satisfaction Variable ( $Y_1$ )

No	Variable Indicators	Loading Factor (λ) (SRW)	Cut Off Point
1	Feeling of happily satisfied of the performance $(Y_{1,1})$	0, 814	
2	Suitability of service performance with the expectation based on the basic information $(Y_{1,2})$	0, 961	≥ 0,60 atau 60%
3	Greatly amazing service performance (Y <sub>1,3</sub> )	0,890	
4	Not disappointing service performance satisfaction $(Y_{1.4})$ 0,946		

Source: Processed Results of Primary Data with Amos Version 20 Software

In Table 5.10.,it confirms that the four variable indicators having the biggest contribution on the formation of student satisfaction variable in the High School of Economic Science Enam Enam Kendari are Indicator of suitability of service performance with the expectation based on the basic information  $(Y_{1.2})$  with the *factor loading* ( $\lambda$ ) value by 0,961 or 96,1%, then the not disappointing service performance satisfaction  $(Y_{1.4})$  with the *factor loading* ( $\lambda$ ) value by 0,946 or 94,6%, greatly amazing service performance  $(Y_{1.3})$  with the *factor loading* ( $\lambda$ ) value by 0,890 or 89,0%, meanwhile, the variable having low role in the formation of satisfaction variable is Feeling of happily satisfied of the performance  $(Y_{1.2})$  with the *factor loading* ( $\lambda$ ) value by 0,814 or 81,4%. Therefore, based on these research findings, the feeling of happily satisfied of the performance variable indicator  $(Y_{1.2})$  based on the student assessment is still required to obtain serious attention. The manager party of High School of Economic Science of Enam Enam Kendari must improve the student perception on the feeling of happily satisfied of the performance indicator, so that the students are satisfied to the employee performance. One of the ways to be done by the manager party of the High School of Economic Science of Enam Enam Kendari is to improve the service speed given to the students, provide accurate and transparent information to the students, and also improve employee friendliness to the students.

## Loyalty Variable (Y2)

Table 5.11. *Loading Factor* ( $\lambda$ ) measurement of loyalty Variable ( $Y_2$ )

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No	Variable Indicators	Loading Factor (λ) (Standardized Regression Weights)	Cut Off Point	
1	Trust $(Y_{2.1})$	0,888		
2	Psychological commitment (Y <sub>2.2</sub> )	0,865	≥ 0,60 atau 60%	
3	Change load (Y <sub>2.3</sub> )	0,845	≥ 0,00 atau 00%	
4	Recommendation (Y <sub>2.4</sub> )	0,849		
5	Cooperation (Y <sub>2.5</sub> )	0,835		

Source: Processed Results of Primary Data with Amos Version 20 Software

In Table 5.11.,it confirms that the four variable indicators having the biggest contribution on the formation of loyalty variable in the High School of Economic Science Enam Enam Kendari are Indicator of trust variable  $(Y_{2.1})$  with the *factor loading* ( $\lambda$ ) value by 0,888 or 88,8%, then the psychological commitment  $(Y_{2.2})$  with the *factor loading* ( $\lambda$ ) value by 0,865 or 86,5%, recommendation  $(Y_{2.4})$  with the *factor loading* ( $\lambda$ ) value by 0,849 or 84,9%, company burden  $(Y_{2.3})$  with the *factor loading* ( $\lambda$ ) value by 0,845 or 84,5%, meanwhile, the variable having low role in the formation of loyalty variable is cooperation  $(Y_{2.5})$  with *factor loading* ( $\lambda$ ) value by 0,835 or 83,5%. Therefore, based on these research findings, the cooperation variable indicator  $(Y_{1.2})$  based on the student assessment is still required to obtain serious attention from the manager party of High School of Economic Science of Enam Enam Kendari. The manager party of High School of Economic Science of Enam Enam Kendari must improve the student perception on the cooperation indicator, so that the students have high loyalty level. One of the ways to be done by the manager party of the High School of Economic Science of Enam Enam Kendari to improve the student perception on the cooperation indicator  $(Y_{2.5})$  is by providing the students opportunities to always help the manager party of the High School of Economic Science of Enam Enam Kendari in doing all of the work activities.

#### 5.2 Results of Structural Model Reliability Testing

The model reliability testing is started by evaluating whether any deviation on the estimated parameters based on the *maximum likelihool* method by analyzing: (a) negative error variance or variance error significance on the constructed constructs; (2) coefficient of *standardized exceeding of very close to 1 and 3, very large standard* 

*error associated with any estimated coefficient* (Hair et.,al 2006). Summary of the structural model reliability testing computing results is presented in Table 5.12 as follow.

Table 5.12. Comparison of Model Suitability Index With Cut Of Value

Model Suitability Criteria	Model Suitability Index of Initial Structure	Cut Of Value	Information
Chi-square	86,531	Kecil	Good
Probability	0,022	≥ 0,05	Not Good
RMSEA	0,106	≤ 0,08	Good
GFI	0,735	≥ 0,90	Not Good
AGFI	0,610	≥ 0,90	Not Good
CFI	0,952	≥ 0,95	Good
NFI	0,854	≥ 0,90	Not Good
TLI	0,940	≥ 0,95	Not Good

Source: Computing Results With AMOS Version 20 Software

Test results in Table 5.12 show that the constructed structural model in this study is acceptable even with various limitations in accordance with the observed data which is shown by the Probability, GFI, AGFI, NFI and TLI values that have not fulfilled the cut of value. However, Chi-square, RMSEA and CFI values, all are above the cut of value as required as the fit structural model.

Referring to the principle of parsimony (Arbuckle and Wothke, 1999 in Solimun, 2004) that if there are one or two criteria of *goodness of fit* that have met the expected value, then the model can be said good or the hypothesis model development conceptually and theoretically can be said to be supported by the empirical data. Thus, it can be concluded that the development structural model in this research is well-adjusted to the observation results so that it enabled to conduct analysis of structural relationships and hypothesis testing.

#### 5.3 Structural Relation Model Testing

Analysis results of structural model suitability is constructed as a basic for inter-latent variable relation and the hypothesis testing is previously presented the *standardized regression weights* with the purpose to determine the inter-latent variable relation that is hypothesized and the significance level of causality relation in Table 5.14 as follow.

Table 5.13. Standardized Regression Weights Of Research Inter-Latent Variables

Effects of Inter-Latent Variable	Direct Effects	Indirect Effects
Student Satisfaction ← Relationship Marketing	0,902	0,000
Student Loyalty ← Relationship Marketing	0,684	0,384
Student Loyalty ← Student Satisfaction	0,352	0,000

Source : Computing Results With AMOS Version 20 Software

Estimation result of *standardized regression weights*, C.R. (critical ratio) or t test and probability test in table 5.13 shows that there are three direct constructed relationship models in this research, the whole are: (1) *relationship marketing* provides significant and positive effects on student satisfaction; (2) relationship marketing provides insignificant and positive effects on student loyalty; (3) student satisfaction provides significant and positive effects on student loyalty. Results of this analysis prove that the student loyalty is largely determined by the student satisfaction in the use of offered services and relationship marketing strategies applied by the management of the Six Schools of Economic Sciences Six Kendari. Students who have high levels of satisfaction because of the support of applied relationship marketing strategies will create student behavior with loyalty so that they will inform and recommend the offered services in the future. Furthermore, relationship marketing provides significant effects on student loyalty through student satisfaction which can be seen on the indirect effects by 0.384. Student satisfaction serves as an intervening variable relating and strengthening the effects of relationship marketing on student loyalty.

## 5.4 Effects of Relationship Marketing On Student Satisfaction

Result of the research find out that the relationship marketing provides significant and positive effects to the student satisfaction. If the management of High School of Economic Science Enam Enam Kendari aims to improve the student satisfaction, then the strategy to be used to measure student perception is to improve the

implementation of relationship marketing strategy especially through serious attention to the service process given by the employees and the lecturers at the High School of Economic Science Enam Enam Kendari; because based on the results of confirmatory factor analysis, it indicates that the process indicator has a small role or contribution out of the four indicators forming the relationship marketing variable, which the employees at the High School of Economic Science Enam Enam Kendari provide services that seem to be unfair by the students. This should be anticipated by the High School of Economic Science Enam Enam Kendari so that the employees do not provide services that seem to be unfair by the students. One of the strategies that can be applied to improve the process of service to the students is to recommend to all employees at High School of Economic Science Enam Enam Kendari not to provide unfair services to students, because all students have equal rights to receive the services given by the employees at the High School of Economic Science Enam Enam Kendari.

# 5.5 Effects of Relationship Marketing On Student Loyalty

Results of the testing in this research proves that the relationship marketing provides significant and positive effects on the student loyalty which is shown by the value of estimated *standardized regression weight* coefficient between the relationship marketing and the student loyalty at High School of Economic Science Enam Enam Kendari by 0.684 with a positive direction. The effect coefficient with positive value means that the good relationship marketing tends to increase student loyalty. Results of this study can be concluded that the there is positive and real change in the relationship marketing strategy in order to increase the student loyalty. This means that better relationship marketing given to the student will lead to higher level of student loyalty also to use the same service in the future at the High School of Economic Science Enam Enam Kendari. Changes in the relationship marketing have positive and significant effects to student loyalty improvement. Therefore, the key to success to be achieved in improving the student loyalty is by improving the relationship marketing strategy.

Results of this study support the theory put forward by Schiffman and Kanuk (2004: 578) stating that the goal of relationship marketing is to create a strong and long-lasting relationship with a group of core customers. Results of this research also support the results of previous research conducted by Wardenny (2005) which state that there is a meaningful relationship between the implementation of relationship marketing and the loyalty.

#### 5.6 Effects of Student Satisfaction on Student Loyalty

Based on research results can be known that the student satisfaction has no significant effects on the student loyalty. This proves that the satisfaction by the students cannot form the student loyalty. Results of the research reject the theory expressed by Barness (2001) in Tjiptono (2005) stating that there will be long term loyalty if the students have high satisfaction level on the products offered by the company or organization. Results of the research also reject the theory expressed by Barness (2003) stating that one of the key factor influencing on the loyalty is satisfaction. Results of the research also reject previous research results by Caruana et.,al (2002) having conclusion that the satisfaction influences significantly on the loyalty.

#### VI. LIMITED RESEARCH

The researchers acknowledge that in this research implementation, there must be any limitation, beyond the time and cost limitation, namely:

- 1. Model specification developed in this research is still classified as the simple and general one so that there are yet any really complex results. Besides, this research is only done based on cross-sectional data, while to know the attitude and behavior, it is necessary for long period research and deep interview.
- 2. This research is only focused on a private university, namely High Schools of Economic Science Enam Enam Kendari, in the future, it can conduct researches with broader scopes.
- 3. The variables used in this study that influence on the student loyalty are only relationship marketing and student satisfaction variables. There are many other variables related to the student loyalty who have not been included in the formation of this research variables such as agency image and institutional performance.
- 4. There are quite a lot variables that influence on the student loyalty, but the variables used in this study are only two variables, namely the relationship marketing and the student satisfaction, so that it cannot be generalized that the student loyalty is only influenced by the relationship marketing and student satisfaction variables.

## VII. CONCLUSION

From the research results can be proposed as follows: (1). Relationship marketing directly provides significant and positive effects on the student satisfaction and loyalty. Changes in the relationship marketing has positive and real effects on increased student satisfaction and student loyalty at High Schools of Economic Science Enam Enam Kendari. This fact shows that good relationship marketing strategy has contributed to increased

student satisfaction and loyalty. (2). Student satisfaction provides directly positive but not significant effects on the student loyalty. This means that the student satisfaction at High Schools of Economic Science includes items: feeling of happily satisfied of performance, suitability of service performance with expectations on the basis of information, amazing service performance and not disappointing service performance satisfaction do not have effects on the student loyalty in the future.

# VIII. SUGGESTION

Suggestions that can be given are: (1). Researchers are expected to utilize and develop the results of this study by using different variables or indicator used in each variable needs to be developed. For example, there are additional variables, namely agency image and agency performance. Future researchers are also advised to use more precise data analysis methods. (2). For other researchers with a quantitative paradigm but to understand contextual, subjective and informal objects, this research method can be perfected with better methodological integration. It is necessary to accomplish the development of contextual theory with quantitative approach so that the fundamental elements of the object are better understood; thus, the research instrument in the framework of quantitative approach can be developed appropriately.

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