
THE INFLUENCE OF CUSTOMER SATISFACTION AND ELECTRIC WORD OF MOUTH ON THE REPUTATION OF MUHAMMADIYAH UNIVERSITIES

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ABSTRACT

The reputation of a university is one of the crucial elements in the tight competition in the world of higher education. In the context of Muhammadiyah universities, reputation plays an increasingly important role in maintaining and increasing its attractiveness in the eyes of students, alumni, and other stakeholders. This article aims to examine the impact of two main factors, namely Customer Satisfaction and Electronic Word of Mouth (eWOM) on the reputation of Muhammadiyah universities. First, Customer Satisfaction is a factor that influences the perception of students and related parties towards the quality of service and experience provided by the university. The level of satisfaction of students and other stakeholders can shape a positive image of the university, maintain the sustainability of student life, and support an active role in building the reputation of the university. Second, eWOM is a mechanism for disseminating information, reviews, and recommendations widely through digital platforms. We examine how eWOM can influence the perception and reputation of Muhammadiyah universities. The dissemination of information through eWOM has great potential in influencing others to choose their university. This paper contribution is to provide a deeper understanding of how Customer Satisfaction and eWOM influence the reputation of Muhammadiyah Universities and help these universities to remain competitive amidst the tight competition in the world of higher education.

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1. INTRODUCTION

Higher education is an educational institution that has an important role in forming quality human resources and contributing to the development of society. A university's reputation is one of the key factors that influence the choice of prospective students, support from stakeholders, and the overall image of the institution (Miotto et al., 2020). A positive reputation reflects the quality of the educational institution. However, developing higher education institutions in Indonesia is not easy, considering that competition between universities is increasingly fierce.

A student's decision to choose a place to continue their studies is a decision that involves considerations that are adjusted to the existing situation and conditions (Kaushal & Ali, 2020). If the situation that appears does not match their expectations, then doubts can arise, which in the end can lead to a decision not to choose that university as a place to continue their studies. This shows that decision-making regarding college selection has many dimensions and impacts, and is an integral part of the educational decision-making process.

According to research (Vernon et al., 2018) and study results (Lafuente-Ruiz-de-Sabando et al., 2018) which explains that the reputation of universities has a significant impact on graduates in finding work. Each university creates a positive image and reputation to compete with other universities. Therefore, universities need to become more competitive in the higher education market to attract the best students and provide the best job opportunities for their graduates.

A good college reputation for graduates can also influence their performance in companies. Graduates from prestigious universities tend to be considered potential employees. This creates a positive impression on the company and makes the graduate a desirable candidate in the job market. This also increases graduates' confidence and suitability in the world of work (Foroudi et al., 2019). One way to improve the reputation of a university is by using customer satisfaction and electronic word of mouth (Bakrie et al., 2019a; Lee & Choi, 2019).

Customer satisfaction is a key element that plays a central role in maintaining and developing positive relationships between universities and various interested parties (Yi & Natarajan, 2018). Especially in the world of higher education, customer satisfaction covers several aspects that reflect the quality and effectiveness of the institution. Factors such as the quality of teaching provided, the availability of adequate modern facilities, responsive academic support, and the holistic experience provided to students are key elements that contribute to the level of satisfaction of students and other stakeholders. This level of satisfaction serves as a very important indicator in evaluating the extent to which universities can meet and even exceed existing expectations (Gunawan, 2022). In the increasingly competitive world of higher education, customer satisfaction has become a determining element that not only describes the quality of education, but also plays a strategic role in retaining students, obtaining financial support, and building a solid reputation in the academic community (Moslehpour et al., 2020).

Apart from customer satisfaction, electronic word of mouth (eWOM) is also an important factor that needs to be considered in the current digital era. eWOM refers to the dissemination of information, reviews, and views conveyed online through various platforms such as social media, review websites, discussion forums, and various other digital channels (Donthu et al., 2021). The importance of eWOM is growing along with the widespread use of the internet and social media in society. In the context of higher education, eWOM has the potential to have a significant impact on the reputation of higher education (Hussain et al., 2018). Information, testimonials, or criticism spread through eWOM can quickly reach prospective students, parents, and other interested parties. Their perception of the educational institution can be influenced by what they encounter and read online, and this can impact their decision to enroll or support the college (Solikhah & Rizky, n.d.).

Based on the description above, it is important for universities to periodically monitor, evaluate, and improve customer satisfaction in order to maintain competitiveness and ensure positive contributions to the development of education and society as a whole. In addition, understanding the role of eWOM and managing it well is an important step for universities to ensure that their reputation remains positive and

maintained in the ever-growing digital era. This paper contribution is to find out how customer satisfaction and eWOM affect the reputation of Muhammadiyah Universities.

2. LITERATURE REVIEW

The impact of the globalization era which increases the need for quality Human Resources (HR) has led to an increase in demand for higher education providers. Competition between universities also has the potential to increase, especially if the government grants permission for foreign educational institutions to operate in Indonesia (Vernon et al., 2018). An increase in the number of universities will result in increasingly fierce competition in getting and retaining students. Therefore, every higher education service provider continues to strive to offer high-quality education. To be able to face this competition, (Foroudi et al., 2019) stated that higher education leaders must treat higher education institutions as business entities. Although there are similarities between universities and companies in terms of financial needs for development and assets, what differentiates universities is their responsibility to create good social by preparing quality human resources.

In the era of industrialized education, consumers have many product choices, including higher education. Producers, in this case universities, need to think about how their products can attract consumer attention. However, education is a type of service whose quality is difficult to measure because it is abstract and intangible. As explained by (Lafuente-Ruiz-de-Sabando et al., 2018), education is a service that makes it difficult for consumers to measure its quality. According to (Miotto et al., 2020), reputation is one of the most important intangible assets for companies, especially in the case of higher education whose quality is difficult to measure. Universities need to have a good reputation to maintain and grow their business. Knowing how consumers evaluate reputation is important because it can be a competitive advantage that differentiates a college from its competitors.

By understanding their reputation, university leaders can plan policies to improve their reputation and maintain it if the university is considered to have a good reputation. A good reputation allows universities to gain consumer trust and communicate the benefits of the university's products. As mentioned (Kaushal & Ali, 2020), identifying several benefits that universities with a good reputation can gain, including increasing the number of students, the ability to charge premium prices, increasing perceptions of quality, and a sense of pride among students, alumni, and employees.

According to (Schirmer et al., 2018), customer satisfaction is the result of a comparison between their experience and the performance provided by a product or service. If this performance does not meet expectations, customers will feel dissatisfied. Conversely, if performance exceeds expectations, customers will feel very satisfied. This experience is felt after the customer uses the product or service. Meanwhile, from the perspective of (Al Kurdi et al., 2020), customer satisfaction describes their attitudes toward service providers, which includes emotional reactions to the differences between expectations and the reality they experience. Meanwhile, according to (Yi & and Natarajan, 2018), customer satisfaction is their assessment of the extent to which the product or service has met their needs and expectations.

From these definitions, it can be concluded that higher education customer satisfaction is an emotional response that arises after students receive service and the extent to which the service meets student expectations. To achieve customer satisfaction, universities must understand the factors that can increase customer satisfaction (Farhan et al., 2020). Customer satisfaction, in the end, can strengthen the relationship between universities and customers, create loyalty, and contribute to the reputation of universities in the eyes of the public, especially students and prospective students. According to (Tjiptono, 2005) there are four methods used to determine the level of customer satisfaction, namely:

- Complaint and Suggestion System

This method can be done online by monitoring activity on social media related to higher education. Colleges can follow the reviews, comments, and discussions that occur on platforms such as Twitter, Facebook, and review websites. It provides insight into how the college is responding to the online community, including students, alumni, and prospective students.

- Ghost Shopping (Mystery Shopping)
This method can be carried out by conducting interviews and focus groups which involve direct interaction with students, alumni, and other stakeholders. In interviews or group discussions, they can talk in more depth about their experiences with college. This allows colleges to hear more detailed and in-depth feedback about their strengths and weaknesses.
- Lost Customer Analysis (Customer Analysis)
This method focuses on understanding why students decide to stay or leave college. Colleges can analyze retention data to identify factors that influence student decisions. If the retention rate is high, this can be an indication of a good level of satisfaction. Conversely, a low retention rate may indicate a satisfaction problem that needs to be addressed.
- Customer satisfaction survey
This method involves the use of surveys to collect data on customer perception and satisfaction. These surveys can cover various aspects, such as teaching quality, facilities, academic support, and others. Students, alumni, and other stakeholders are asked to evaluate their experiences with the college. The results of this survey provide an idea of the extent to which customers are satisfied or dissatisfied with college services.

Furthermore, electronic word of mouth (eWOM) according to (SOLIKHAH, 2022) is informal, non-commercial online communication about opinions about a service or item, which occurs in person, via telephone, e-mail, or other communication methods. According to (Ismagilova et al., 2020), eWOM is a statement made by customers, both potential customers, actual customers, and previous customers about a product or company, whether positive or negative, whose information is available to many people or institutions via internet media. (Krishnamurthy & Kumar, 2018) explains that Electronic Word of Mouth (eWOM) is a phenomenon where individuals use digital platforms, such as social media, review websites, and online forums, to share experiences, opinions, reviews, or recommendations. they are about a specific product, service, or entity. In this context, eWOM is a form of electronic communication that allows individuals to influence the perceptions and behavior of others online. eWOM can include product reviews, service testimonials, brand recommendations, or even criticism of an entity (Liang et al., 2018). This is especially important in the digital era, where information can quickly spread and influence reputation and purchasing decisions.

Based on the definitions above, it can be concluded that electronic word of mouth (eWOM) in higher education is a form of communication regarding services from higher education online, whether positive or negative. This opinion is based on the experience of students who have used certain services, or students can also utilize the experience of other students in assessing certain services in making decisions. According to (Solikhah & Rizky, n.d.) there are three indicators of electronic word of mouth, namely:

- Quantity
The quantity of e-WOM refers to the amount of information or comments submitted by students regarding a particular service via online media and reflects the amount of information obtained when students are in the stage of searching for information about the desired product or service. Comments or reviews submitted via online media can be in the form of positive or negative reviews or comments. A greater quantity of online reviews will make them more observable and attract students' attention. The quantity of e-WOM becomes very important when prospective students have limited knowledge about a university. Lots of reviews from various sources about a college can increase prospective students' confidence in the college.
- Credibility
Because new social media and e-commerce platforms are constantly emerging, it is very important to ensure the credibility of e-WOM. It can be said that credible e-WOM can have an impact on building student trust and loyalty. The credibility of e-WOM is related to the extent to which prospective students feel they have received recommendations from certain sources, whether from people or other students who can be trusted. If prospective students consider a service, review, or comment to be a credible source, they will use it to make a decision.

- Quality

The quality of e-WOM refers to the persuasive power of comments in information messages. Prospective student decisions can be based on several criteria or requirements that meet the needs of prospective students and are based on the perception of the quality of information that prospective students receive (Cheung et al., 2008). Therefore, to determine students' perceptions of the quality of information as an element for assessing their decisions. In addition, considering the extent to which the information provided is helpful, clear, and easy to understand can be important in determining prospective students' perceptions of the quality of information as an element for assessing higher education institutions.

Based on previous research, the relationship between Electronic Word of Mouth and Customer Satisfaction plays an important role and has a positive impact on improving the reputation of a product and service (Le et al., 2019). There are three variables in this framework, namely Electronic Word of Mouth, Customer Satisfaction, and Higher Education Reputation. This research was conducted to study whether Electronic Word of Mouth and Customer Satisfaction can improve the reputation of Muhammadiyah Higher Education. Based on what has been explained, the following research model was obtained.

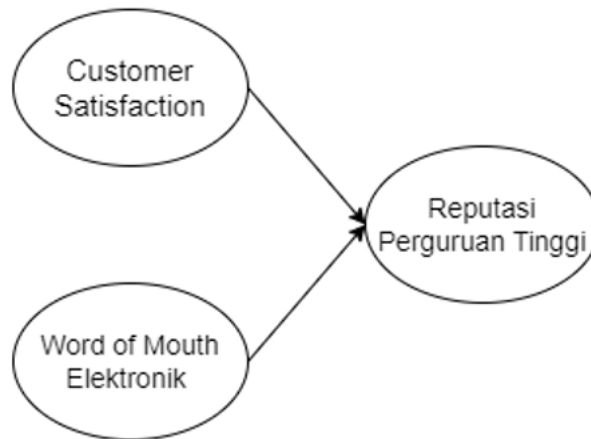


Figure 1 Relationship between eWOM, Customer Satisfaction, and Higher Education Reputation

3. METHODS

This research is a type of descriptive research using a qualitative approach. Descriptive research is a research method that shows the characteristics of the population or phenomenon being studied. Finally, this research method mainly focuses on explaining the object of research and answering what events or phenomena occur. This method is different from other methods which tend to focus more on discussion. Descriptive research aims to provide a detailed description of the research focus (Muri, 2016). A qualitative approach is a research approach that does not use statistical procedures in data analysis but prioritizes data interpretation in the form of descriptions (Abi Anggito, 2018).

This research data is in the form of secondary data, namely in the form of journals that are relevant to the topic studied, namely the influence of organizational culture and social capital on teacher performance. Data was collected using research literature and analyzed using qualitative analysis techniques in three stages, namely: data reduction, data presentation, and closing (Creswell & Poth, 2016).

4. RESULT AND DISCUSSION

The influence of Electronic Word of Mouth (eWOM) in improving the reputation of Muhammadiyah Universities (PTM) is a very significant factor in the current digital era. E-WOM includes all forms of

digital communication related to Muhammadiyah Higher Education, such as online reviews, recommendations, views or experiences of students, alumni, and others related to higher education (Hussain et al., 2018). eWOM plays an important role in increasing awareness and visibility of Muhammadiyah Higher Education. Positive information spread through eWOM can help universities reach more prospective students, who may have never heard of Muhammadiyah Higher Education before (SOLIKHAH, 2022). This is the first step in strengthening their reputation in the eyes of the public.

Electronic Word of Mouth also allows Muhammadiyah Higher Education to build a positive image. Positive reviews and testimonials about the quality of teaching, student experience, and facilities can create the perception that Muhammadiyah Higher Education is a competent tertiary institution and provides quality education (Solikhah & Rizky, n.d.). This positive image plays an important role in strengthening the reputation of universities. In addition, eWOM has a direct influence on prospective students' decisions. When they see many positive testimonials about Muhammadiyah College, they are more likely to choose this college as their educational destination (Le et al., 2019). This contributes to increasing the number of applicants and can also improve the quality of students accepted.

Apart from prospective students, Muhammadiyah College alumni also play a role in strengthening the reputation of universities through eWOM. Their positive testimonials and experiences can help build the image and reputation of Muhammadiyah Higher Education in the eyes of the public (Lee & Choi, 2019). Alumni who are proud of their college will be more likely to provide positive testimonials and contribute to a strong alumni community. Electronic Word of Mouth is not just about positive reviews but also involves the management and response to negative reviews. By managing eWOM wisely, Muhammadiyah Higher Education can respond quickly to problems that arise, provide solutions, and ensure that eWOM as a whole has a positive impact on reputation (Ismagilova et al., 2020). Thus, eWOM plays a very important role in strengthening the reputation of Muhammadiyah Higher Education in the increasingly developing digital era.

Furthermore, Customer Satisfaction is also an important factor in improving the reputation of Muhammadiyah Higher Education (PTM). Customer Satisfaction refers to the level of satisfaction felt by students, alumni, and related parties with the services and experiences they receive from Muhammadiyah Higher Education (Syamsul Arifin, 2020). Students who are satisfied with various aspects such as the quality of teaching, facilities, academic support, and their learning experience, tend to provide positive testimonials about this college. This testimonial is a form of Electronic Word of Mouth (eWOM) which has great potential to form the perception that Muhammadiyah Higher Education is an educational institution that cares about the welfare of its students and provides a satisfying learning experience (Solikhah & Rizky, n.d.).

Customer satisfaction also plays an important role in retaining students. Students who feel satisfied with their experience at Muhammadiyah Higher Education are more likely to remain loyal and continue their studies until completion (Bakrie et al., 2019b; Farhan et al., 2020). This not only helps in maintaining student numbers but also increases graduation rates, which in turn can improve the reputation of higher education institutions in terms of the quality of education provided (Moslehpour et al., 2020). Alumni who are satisfied with the education they received at Muhammadiyah College have great potential to become ambassadors or representatives of this college. They will likely provide positive testimonials, participate in an active alumni community, and actively support efforts to improve the college's reputation.

Overall, Customer Satisfaction has a key role in improving the reputation of Muhammadiyah Higher Education. The satisfaction felt by students and alumni helps shape a positive image, strengthens loyalty, and supports active involvement in strengthening the university's reputation. In the fierce competition in the world of higher education (Bakrie et al., 2019b), Customer Satisfaction is a factor that cannot be ignored to maintain and improve the reputation of PTM Muhammadiyah in the long term.

5. CONCLUSION

The study concludes that customer satisfaction and electronic word of mouth (e-WOM) significantly influence the reputation of Muhammadiyah universities. High levels of satisfaction among students and stakeholders create a positive perception, leading to favorable e-WOM that amplifies the institution's

credibility and attractiveness. This synergy enhances the university's reputation, making it more competitive in the educational landscape. Therefore, Muhammadiyah universities should prioritize strategies that improve customer satisfaction and encourage positive online interactions to strengthen their institutional image.

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