

The Influence of Customer Satisfaction and Electric Word of Mouth on the Reputation of Muhammadiyah Universities

Fawzi Rizki Pradana¹, Mai Ulfa Atika², Sri Handayani³

¹Universitas Muhammadiyah Yogyakarta, Indonesia

²Universitas Gadjah Mada, Indonesia

³Universitas Muhammadiyah Yogyakarta, Indonesia

ARTICLE INFO

Article history:

Received October 9, 2023

Revised September 10, 2023

Published December 1, 2023

Keywords:

Customer Satisfaction;

eWOM;

Reputation;

Higher Education.

ABSTRACT

A university's reputation has become a crucial element in the intense competition in the world of higher education. In the context of Muhammadiyah universities, reputation plays an increasingly significant role in maintaining and increasing their attractiveness in the eyes of students, alumni, and other stakeholders. This article aims to investigate 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 perceptions of students and related parties regarding the quality of service and experience provided by universities. The level of satisfaction of students and other stakeholders can shape a positive image of the university, maintain student sustainability, and support an active role in building the university's reputation. Second, eWOM is a mechanism where information, reviews, and recommendations are spread widely via digital platforms. We investigate how eWOM can impact the perception and reputation of Muhammadiyah universities. Dissemination of information through eWOM has great potential in influencing other people to choose their university. The results of this research are expected 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 intense competition in the world of higher education.

Corresponding Author:

Fawzi Rizki Pradana, Universitas Muhammadiyah Yogyakarta, Yogyakarta, Indonesia.

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 [1]. 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 [2]. 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 [3] and study results [4] 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 [5]. One way to improve the reputation of a university is by using customer satisfaction and electronic word of mouth [6].

Customer satisfaction is a key element that plays a central role in maintaining and developing positive relationships between universities and various interested parties [7]. 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 [8]. 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 [9].

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 [10]. 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 [11]. 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 [12], [13].

Based on the explanation explained above, it is important for universities to systematically monitor, evaluate, and improve customer satisfaction to maintain their competitiveness and ensure their positive contribution to the development of education and society as a whole. Apart from that, understanding the role of eWOM and managing it well is an important step for universities to ensure their reputation remains positive and maintained in the ever-growing digital era. This research aims to investigate how customer satisfaction and eWOM influence the reputation of Muhammadiyah Higher Education.

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 [3]. 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, [5] 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 [4], education is a service that makes it difficult for consumers to measure its quality. According to [1], 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 [2], 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 [14], 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 [15], 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 [7], 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 [16]. 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 [17] 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 [13] 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 [18], 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. [19] 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 [20]. 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 [13] 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 [21]. 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.

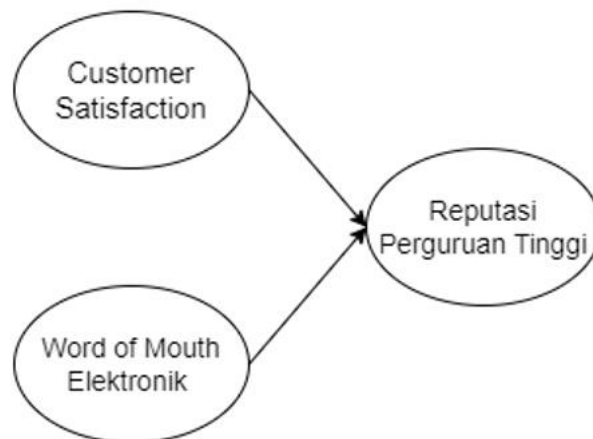


Fig 1. Relationship between eWOM, Customer Satisfaction, and Higher Education Reputation

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 [22]. 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 [23].

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 [24].

4. CONCLUSION

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 [11]. 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 [13]. 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 [10]. 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 [21]. 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 [21]. 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 [18]. 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 [25]. 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 [26].

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 [6], [16]. 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 [9]. 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 [6], Customer Satisfaction is a factor that cannot be ignored to maintain and improve the reputation of PTM Muhammadiyah in the long term.

REFERENCES

- [1] G. Miotto, C. Del-Castillo-Feito, and A. Blanco-González, "Reputation and legitimacy: Key factors for Higher Education Institutions' sustained competitive advantage," *J. Bus. Res.*, vol. 112, pp. 342–353, May 2020, doi: 10.1016/j.jbusres.2019.11.076.
- [2] V. Kaushal and N. Ali, "University Reputation, Brand Attachment and Brand Personality as Antecedents of Student Loyalty: A Study in Higher Education Context," *Corp. Reput. Rev.*, vol. 23, no. 4, pp. 254–266, Nov. 2020, doi: 10.1057/s41299-019-00084-y.
- [3] M. M. Vernon, E. A. Balas, and S. Momani, "Are university rankings useful to improve research? A systematic review," *PLOS ONE*, vol. 13, no. 3, p. e0193762, Mar. 2018, doi: 10.1371/journal.pone.0193762.
- [4] A. Lafuente-Ruiz-de-Sabando, P. Zorrilla, and J. Forcada, "A review of higher education image and reputation literature: Knowledge gaps and a research agenda," *Eur. Res. Manag. Bus. Econ.*, vol. 24, no. 1, pp. 8–16, Jan. 2018, doi: 10.1016/j.jeeden.2017.06.005.
- [5] P. Foroudi, Q. Yu, S. Gupta, and M. M. Foroudi, "Enhancing university brand image and reputation through customer value co-creation behaviour," *Technol. Forecast. Soc. Change*, vol. 138, pp. 218–227, Jan. 2019, doi: 10.1016/j.techfore.2018.09.006.
- [6] M. Bakrie, B. Sujanto, and R. Rugaiyah, "The Influence of Service Quality, Institutional Reputation, Students' Satisfaction on Students' Loyalty in Higher Education Institution," *Int. J. Educ. Vocat. Stud.*, vol. 1, no. 5, Jul. 2019, doi: 10.29103/ijevs.v1i5.1615.
- [7] Y. Yi and R. Natarajan, "Customer satisfaction in Asia," *Psychol. Mark.*, vol. 35, no. 6, pp. 387–391, Jun. 2018, doi: 10.1002/mar.21093.
- [8] I. Gunawan, "CUSTOMER LOYALTY: The Effect Customer Satisfaction, Experiential Marketing and Product Quality," vol. 1, no. 1, 2022.
- [9] M. Moslehpour, K. Y. Chau, J. Zheng, A. N. Hanjani, and M. Hoang, "The mediating role of international student satisfaction in the influence of higher education service quality on institutional reputation in Taiwan," *Int. J. Eng. Bus. Manag.*, vol. 12, p. 184797902097195, Jan. 2020, doi: 10.1177/1847979020971955.
- [10] N. Donthu, S. Kumar, N. Pandey, N. Pandey, and A. Mishra, "Mapping the electronic word-of-mouth (eWOM) research: A systematic review and bibliometric analysis," *J. Bus. Res.*, vol. 135, pp. 758–773, Oct. 2021, doi: 10.1016/j.jbusres.2021.07.015.
- [11] S. Hussain, W. Guangju, R. M. S. Jafar, Z. Ilyas, G. Mustafa, and Y. Jianzhou, "Consumers' online information adoption behavior: Motives and antecedents of electronic word of mouth communications," *Comput. Hum. Behav.*, vol. 80, pp. 22–32, Mar. 2018, doi: 10.1016/j.chb.2017.09.019.
- [12] E. W. Solikhah and A. P. K. Rizky, "The Influence of Celebrity Endorsements and Innovation on Fashion Customer Satisfaction".
- [13] E. W. SOLIKHAH, "The Effect E-Wom Website Attractiveness E-Trust and Innovation on Purchase Decision Online Sales," *유통과학연구 JDS*, vol. 20, no. 11, pp. 61–69, 2022.
- [14] N. Schirmer, C. M. Ringle, S. P. Gudergan, and M. S. G. Feistel, "The link between customer satisfaction and loyalty: the moderating role of customer characteristics," *J. Strateg. Mark.*, vol. 26, no. 4, pp. 298–317, May 2018, doi: 10.1080/0965254X.2016.1240214.
- [15] B. Al Kurdi, M. Alshurideh, and A. Alnaser, "The impact of employee satisfaction on customer satisfaction: Theoretical and empirical underpinning," *Manag. Sci. Lett.*, pp. 3561–3570, 2020, doi: 10.5267/j.msl.2020.6.038.
- [16] M. Farhan, R. I. Hussain, S. N. Khan, M. S. Tahir, and H. Bhatti, "The Relationship Among The Corporate Reputation, Customer Satisfaction, Customer Loyalty And Behavioral Intentions. A Study On The Pakistan Textile Industry," *Int. J. Disaster Recovery Bus. Contin.*, no. 3, 2020.
- [17] G. Zouari and M. Abdelhedi, "Customer satisfaction in the digital era: evidence from Islamic banking," *J. Innov. Entrep.*, vol. 10, no. 1, p. 9, Feb. 2021, doi: 10.1186/s13731-021-00151-x.
- [18] E. Ismagilova, E. L. Slade, N. P. Rana, and Y. K. Dwivedi, "The Effect of Electronic Word of Mouth Communications on Intention to Buy: A Meta-Analysis," *Inf. Syst. Front.*, vol. 22, no. 5, pp. 1203–1226, Oct. 2020, doi: 10.1007/s10796-019-09924-y.
- [19] A. Krishnamurthy and S. R. Kumar, "Electronic word-of-mouth and the brand image: Exploring the moderating role of involvement through a consumer expectations lens," *J. Retail. Consum. Serv.*, vol. 43, pp. 149–156, Jul. 2018, doi: 10.1016/j.jretconser.2018.03.010.
- [20] L. J. Liang, H. C. Choi, and M. Joppe, "Understanding repurchase intention of Airbnb consumers: perceived authenticity, electronic word-of-mouth, and price sensitivity," *J. Travel Tour. Mark.*, vol. 35, no. 1, pp. 73–89, Jan.

- 2018, doi: 10.1080/10548408.2016.1224750.
- [21] T. D. Le, A. R. Dobele, and L. J. Robinson, "Information sought by prospective students from social media electronic word-of-mouth during the university choice process," *J. High. Educ. Policy Manag.*, vol. 41, no. 1, pp. 18–34, Jan. 2019, doi: 10.1080/1360080X.2018.1538595.
- [22] Y. Muri, "Metodologi Penelitian Kualitatif, Kuantitatif dan Penelitian Gabungan," *Jkt. Prenadamedia Group*, 2016.
- [23] J. S. Abi Anggito, "Metode Penelitian Kualitatif," 2018.
- [24] J. W. Creswell and C. N. Poth, *Qualitative inquiry and research design: Choosing among five approaches*. Sage publications, 2016.
- [25] Syamsul Arifin, "ANALYSIS OF EDUCATION LEVEL AND INCOME EFFECT TO THE NUMBER OF POOR INHABITANT IN INDONESIA," *Int. J. Glob. Account. Manag. Educ. Entrep.*, vol. 1, no. 1, pp. 45–55, Jun. 2020, doi: 10.48024/ijgame2.v1i1.12.
- [26] K. Y. Lee and H. Choi, "Predictors of electronic word-of-mouth behavior on social networking sites in the United States and Korea: Cultural and social relationship variables," *Comput. Hum. Behav.*, vol. 94, pp. 9–18, May 2019, doi: 10.1016/j.chb.2018.12.025.