

The Influence of Customer Relationship Management, Website Quality and Service Quality on Student Satisfaction

Randy Eryll Endarwan and Dewi Murtiningsih
Universitas Budi Luhur

Keyword: Customer Relationship Management, Website Quality, Service Quality.

Abstract: This research aims to determine the influence of customer relationship management on student satisfaction, website quality on student satisfaction and service quality on student satisfaction. This research is explanatory research. The population in this research were bachelor degree student (S1) in five Faculties of Budi Luhur University Jakarta who had taken 4th semester of education. Data was collected using a questionnaire that was tested for reliability and validity. The study sample used proportional random sampling with the number of respondents are 110 students. Data were analyzed by SEM-PLS. The results of this study are customer relationship management influences student satisfaction; website quality influences student satisfaction; service quality influences student satisfaction.

1. INTRODUCTION

To produce graduates who are ready for globalization competition, Budi Luhur University must compete with other universities, especially private universities. The growth of new universities has made the existing universities try their best to maintain their current customers by applying customer relationship management (CRM). Maintaining customer is easier than gaining new customer. According to research, it needs five times standard cost to gain one new customer than to maintain one existing customer (Ratnasari and aksa, 2011).

Website quality can be considered as an attribute of a website which contributes to its usefulness for consumer (Gregg and Walczak, 2010). Effective Website must also displays 7 elements which usually called 7C. Those 7 elements are context (layout and design), content (text, picture, sound and video in the website), community (how the site enables communication between users), customization (the ability of the site to present itself to various users or enable user to personalized the site), communication (how the site enables site communication with users, users with site or two way communication), connection (connection level of the site with other sites), and commercial (the ability of the site to support commercial transaction). The website of

Budi Luhur University nowadays is already displaying those 7C criteria well.

The inconsistency result of the research conducted by Kurniawan and Lubis (2013) states that customer relationship management does not influence customer satisfaction. Furthermore, the result of the research conducted by Nugroho and Sari (2016) states that website quality in information dimension does not positively and significantly influence user satisfaction; and the research result of Kurniawan and Susanto (2017) states that service quality positively but insignificantly influences patient satisfaction.

Based on the inconsistency of the above research results, therefore the research gap of this research is the existence of insignificant previous research results. Based on this, the researchers are interested to redo the research by adding other variable entitled: "The influence of customer relationship management, website quality and service quality on student satisfaction (A Study at Budi Luhur University Jakarta)".

2. THEORITICAL REVIEW

2.1 Customer Relationship Management (CRM)

According to Kotler and Armstrong (2006) customer relationship management (CRM) is the whole process to build and maintain relationship with customer by giving superior customer value and customer satisfaction. Customer relationship management (CRM) is an activity involving all human resources to maintain the existing customer, a strategy to process and maintain relationship with customer, an effort to find out the expectation and needs of customer (Lukas, 2001). According to Laudon and Traver (2002) customer relationship management (CRM) keeps information of customers, stores and records all contacts happened between customers and company, and also creates customer profile for company staff who needs information about the related customer. Lukas (2001) divided customer relationship management (CRM) into three main components, they are (1) Human resources, in this case, employees as the applicator of customer relationship management (CRM). In human resource dimension, the important key factor is organizational structure, role, and responsibility, company culture, procedure and change management program. Overall, (2) process includes system and procedure that help people to know more and establish close relationship with customer. Organizational structure, operational policy, and reward-punishment system must be able to reflect what was achieved by customer relationship management (CRM). The implementation of customer relationship management (CRM) will change the existing business process, both process which involves customer directly and indirectly. In customer relationship management (CRM), the whole existing business functions must focus on customer, (3) technology is introduced to help to accelerate and optimizing human factor and process in daily customer relationship management activity. However, we must first see the business structure, consumer behavior, employee and work culture, because technology cannot just solve problems. We must realize that technology is a supporting tool to complete the added value of customer relationship management. Lovelock and Wirtz (2011) explain that an effective customer relationship management (CRM) strategy consists of 5 processes, they are: (1) Strategy development, determination of gradual service, determination of target in every segment

and design of loyalty rewards, (2) Value creation, company (bank) must relays what consumer needs to consumer through gradual service and loyalty programs, (3) Multichannel integration, giving service to worldwide consumer directly through every existing service channel, (4) Information management, gradual and accurate data processing and also the usage of analysis tools related to company and consumer effectively, (5) Performance assessment, successfully applying customer relationship management (CRM) process, company must be able to create value between consumer and company, target and goal achievement of marketing sector, and also control of customer relationship management (CRM) program so that other programs related to CRM can run as expected.

2.2 Website Quality

Website quality is one of the methods or website quality measurement technique based on end-user perception. Website quality can be considered as an attribute of website which contributes its usage to consumer (Gregg and Walczak, 2010). According to Zeithaml, Parasuraman and Berry (1990) website quality is one of the methods or website quality measurement technique based on end-user perception. While according to other experts like Barnes and Vidgen (2002), website quality is an instrument developed to measure usage, information and service interaction quality of website internet. Website quality has been developing starting from webqual version 1.0, webqual version 2.0, webqual version 3.0 and the latest is webqual version 4.0. Website quality first version is webqual version 1.0 which was developed in a website domain of a business school in Great Britain. It was done in a workshop with 6 master students as delegation. The purpose of this development was to compile criteria of website quality which is appropriate with the studied object. The issue raised was "What is website quality of an excellent business school?". From the workshop, 24 indicators are found to emphasize on information quality. Website quality second version is webqual version 2.0 which was applied on business to customer (B2C) website. This version emphasizes more on interaction quality aspect. At this time, the version was tested on a domain of an online bookstore such as Amazon, Blackwells and Internet Bookshop, and it shows that interactive level of website influences internet purchase. Website quality third version is webqual version 3.0 which was implemented on online auction website. In this version, based on review

result of Barnes and Vidgen (2002) of the previous two versions, indicators on website quality are summarized into three categories, they are: usability quality, information quality and interaction quality. The newest version of website quality is weqqual version 4.0. In this version, it uses three measurement categories which includes 23 questions about usability, information quality and service interaction quality. In this version, the dimension for website quality has been replaced with usability. Kim and Niehm (2009) mentioned that the previous researchers divide website quality dimension into five, they are: (1) Information that includes content quality, usability, completeness, accurate and relevance, (2) Security that includes trust, privacy and security guarantee, (3) Convenience that includes easy to be operated, understandable and speed, (4) Comfort that includes visual attraction, emotional attraction, creative and attractive design, (5) service quality that includes online completeness and customer service.

2.3 Service Quality

According to Kotler (2008), service quality is the performance offered by a person to another. This performance can be intangible and does not affect the ownership of any item and to anybody. The main point is service, which is an action done by a seller to its buyer or consumer to fulfill consumer's needs and expectation. Tjiptono and Chandra (2012) mention that to create customer satisfaction, product offered by organization must be qualified. The term quality itself contains various interpretation because it has several universal level (common anywhere), cultural (depends on culture value system), social (formed by social economy class, ethnic group, family, friends), and personal (depends on each individual's preferences or taste). In simple way, quality can be considered as invalid free product. In other words, product which is made according to standard (target, goal or requirement that can be defined, observed and measured). Tjiptono and Chandra (2012) in the case of service marketing, state that quality dimensions that are frequently used as reference are: (1) Reliability, the ability to give promised service immediately, accurately and satisfying, (2) Responsiveness, employee's desire and willingness to help customers and give responsive service, (3) Guarantee that covers knowledge, competence, courtesy and trustworthy nature of employees, free of physical harm, risk or doubt, (4) Empathy covers the convenience in starting relationship, effective communication,

personal attention and understanding of individual needs of customers, (5) Physical proofs that cover physical facility, equipment, employees and communication means. The concept of service quality according to Mudrick, Render and Russell (2007) are as follow: (1) Consumer's perception of service quality which is generated from the comparison of their expectation before they receive service and the experience of the service, (2) Quality perception comes from service process and service result, (3) There are two kinds of service quality, normal and exception. Normal is the level of quality in which service should be given. The exception is the level of quality in which there is exception of a handled problem.

2.4 Consumer Satisfaction

Tjiptono (2012) mentioned that consumer satisfaction is a person's feeling level after comparing the perceived performances or results with expectation. According to Kotler and Armstrong (2003), consumer satisfaction is a person's happiness or disappointment which appears after comparing his perception or impression of a certain product's performance or result with his expectations. While Lupiyoadi (2001) mentioned that consumer satisfaction is someone's feeling level where that person is stating the comparison result of a product or service performance he received, and he expected. According to Kotler and Keller (2007), the characteristic of satisfied customer is more loyal or becoming a loyal customer, buying more product when company launches new product, perfecting the existing product, giving comment that is beneficial for the product and company, paying less attention on competitor's product and advertisement, less sensitive of prices, giving opinions or ideas to company, and requiring less service cost than new customer, because the transaction is becoming regular. According to Tjiptono (2002), there is two models of consumer satisfaction: (1) Kognitif Model; it is consumer's judgment based on the difference between a set of combination which is considered to be ideal for individual and his perception of the real combination and attribute. In other words, the judgment based on the difference between the ideal and the actual, (2) Affective Model which states that individual consumer's judgement of a product or service is not only based on rational calculation but also subjective needs. According to Tjiptono and Chandra (2005) six factors influence consumer satisfaction: (1) Service product that includes product which is good and

fulfilling consumer’s taste and expectation. (2) Price which is attached to a product reflects the quality of the product, (3) Promotion, the basic of promotion research related to company product and service information in their effort to communicate the benefits of the product and service to targeted consumer, (4) Location is a place which is part of company attribute in the form of company and consumer location, (5) employee’s service which is service given by employees in their effort to fulfill consumer’s needs and expectation to satisfy them, (6) Facility is a part of company attribute in the form of mediator to support the operational running of the company which is related to consumer, (7) Atmosphere is a supporting factor because if a company is impressive then the consumer will experience their satisfaction.

2.5 Research Hypothesis

2.5.1 Customer Relationship Management Influences Customer Satisfaction.

According to the research conducted by Sirait (2018), it is stated that customer relationship management influences customer satisfaction. Furthermore, the idea stated by Victor, Jorie, and Sumawauw (2015) also proved that customer relationship management affects customer satisfaction.

H1: Customer relationship management influences customer satisfaction

2.5.2 Website Quality Influences Customer Satisfaction.

Research conducted by Kurniawati, Kusyanti, and Mursityo (2018) stated that website quality influences customer satisfaction. The idea of Risyandi and Zuliestiana (2017) also proved that website quality influences customer satisfaction.

H2: Website quality influences customer satisfaction.

2.5.3 Service Quality Influences Customer Satisfaction.

The research conducted by Lubis and Andayani (2017) stated that service quality influences customer satisfaction. The idea of Fadli (2017) also proved that service quality influences customer satisfaction.

H3: Service quality influences customer satisfaction.

3. RESEARCH METHOD

This research is explanatory. The research objects are customer relationship management, website quality, and service quality. The subjects are bachelor degree students (S1) of five faculties of Budi Luhur University who are at least already on their 4th semester. The sample of the research is 100 plus 10%, therefore, the total sample (n) becomes 110 respondents. This is determined based on consideration that if there are invalid questionnaire data, the rest can still fulfill the minimum principle of sample measurement. The analysis model is using Structural Equation Modeling (SEM) with Partial Least Square (PLS) application.

4. DISCUSSION

4.1 Structural Test

Structural model in PLS is evaluated using R2 for the dependent variable and path coefficient value for independent variable, and then the significance level is measured based on t-statistic value of each path. The structural model of this research can be seen in Picture 1 .

Table 1: Model Fit Test (Model Fit)

Size	Result	Criteria	Remarks
SRMR	0,0718996	< 0.08a	Model Fit
NFI	0,9174420	> 0.90b	Model Fit
rms Theta	0,1124196	< 0.12a	Model Fit

a) Henseler, J. et al., (2014), b) Lohmöller (1989)
Source: Data processed, 2019

Table 2: Path Coefficients (t-Value)

Path	T Statistic (>1.96)	P Values (<0.05)	Remarks
From Variable to Variable			
Customer Relationship Management -> Student Satisfaction	1,97145	0,04959	Significant
Website Quality -> Student Satisfaction	1,20378	0,22962	Insignificant
Service Quality -> Student Satisfaction	4,56790	0,00001	Significant

Source: Data Processed in 2019

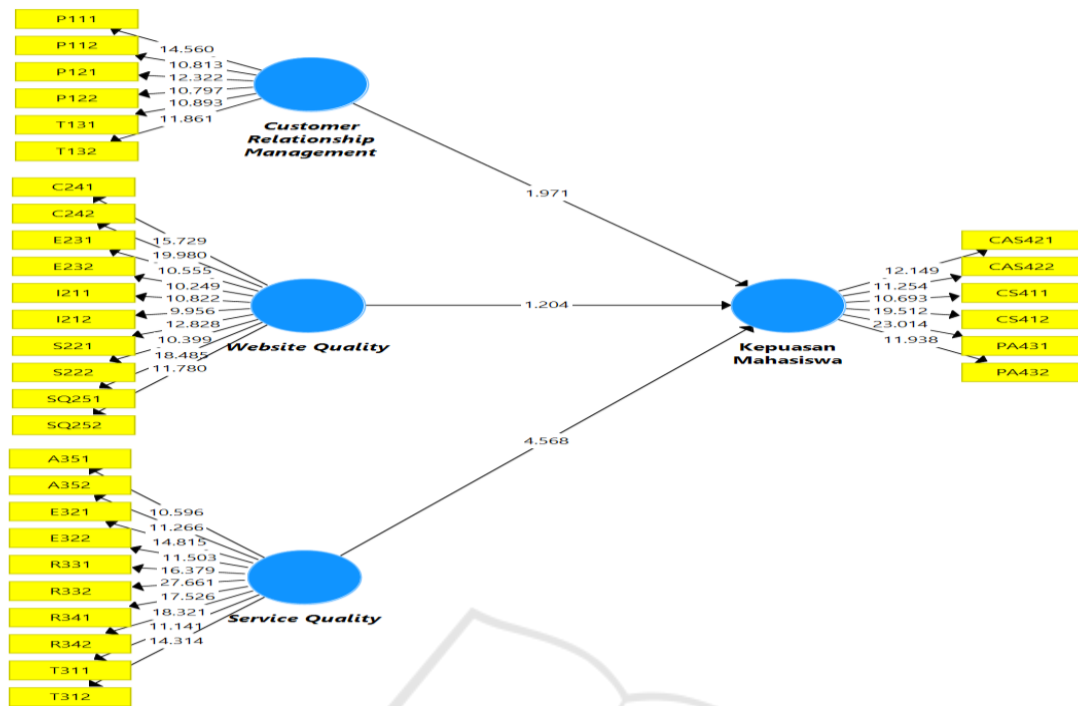


Figure 1: Display of PLS Algorithm Bootstrap Result
Source: Output Model Structural, Data Processed in 2019

To measure the significance of the prediction model in the model structural test, it can be seen from t-statistic value from independent variable to dependent variable on Path Coefficient table on output PLS on table 2.

table value or $4,56790 > 1,96$, which means that SQ variable positively influences student satisfaction with significance below 5% (significant).

4.2 Hypothesis Test

Hypothesis H1 Test: From Table 4.10 above, it can be seen that the p-value customer relationship management (CRM) is 0,04959 with significance below 5% shown by t statistic value $> t$ -table value or $197145 > 1,96$. The positive p-value shows that customer relationship management positively influences student satisfaction.

Hypothesis H2 Test: The second test is conducted to see whether website quality (WQ) positively influences student satisfaction. The test result on table 4.10 above shows that WQ p-value is 0,22962 by t-statistic value $< t$ -table value or $1,20378 < 1,96$, which means the significance level of website quality is below 5% (insignificant).

Hypothesis H3 Test: The test on hypothesis three is to see the influence of service quality (SQ) on student satisfaction. The test shows that p-value of SQ is 0,00001 by t-statistic value $> t$ -

4.3 Research Results

4.3.1 The Influence of Customer Relationship Management on Student Satisfaction

Based on the test result of hypothesis one, it can be concluded that customer relationship management variable positively influences customer satisfaction. This research is in line with the research conducted by Sirait (2018) which stated that customer relationship management influences customer satisfaction, and also the research of Victor, Jorie and Sumarauw (2015) which proved that customer relationship management influences customer satisfaction.

4.3.2 The Influence of Website Quality on Student Satisfaction

Based on the test result of hypothesis two, it shows that website quality insignificantly influences student satisfaction. This research contradicts with the research conducted by Kurniawati, Kusyanti and

Mursityo (2018) which stated that website quality influences customer satisfaction, and also research by Risyandi and Zuliestiana (2017) which proved that website quality influences customer satisfaction.

4.3.3 The Influence of Service Quality on Student Satisfaction

The test result of hypothesis three shows a significant influence of service quality on student satisfaction. This research is in line with the research conducted by Lubis and Andayani (2017) which stated that service quality influences customer satisfaction, and also the research by Fadli (2017) which proved that service quality influences customer satisfaction.

5. CONCLUSION

Based on the discussion, contribution and research findings, configuration of conceptual framework such as research model, therefore specifically the research conclusion is customer relationship management can influence student satisfaction; website quality does not significantly influence student satisfaction; service quality can influence student satisfaction.

A recommended suggestion based on the research for Budi Luhur University is to focus more on paying attention to customer relationship management through a more friendly service from the lecturers to students. To pay more attention to the infrastructure that supports website and its display because respondents mention easiness as dominant contribution in reflecting website quality variable which is still lacking. In example, the website of Budi Luhur University is not fast enough to be accessed and less user friendly. And to more attentive on suggestion and complaints relay by the students since service quality has important contribution in reflecting and it needs to be improved.

Suggestion for further research is to add the number of sample, expand the research object, and add relevant topic. Furthermore, future research is suggested to analyze data using different tools such as SPSS, GeSCA, and SEM_Amos.

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