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Joint Conference

Foreign Trade Research Institute Sungkyunkwan University (SKKU) and Universitas Indonesia (UI)

**“Trade, Business and Investment in
the Global Economic Recovery”**

7th - 8th November 2013

Sungkyunkwan University (SKKU), Seoul, Korea



Certificate

Management Research Center - Department of Management
Faculty of Economics and Business Universitas Indonesia in association with Sungkyunkwan University
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Joint Conference
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The 8th International Conference on Business
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PROCEEDINGS

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CONFERENCE AGENDAS

The 8th International Conference on Business and Management Research (ICBMR)
Seoul, November 7-8th, 2013

Thursday, November 07, 2013

11:00 am - 11:05 am	Opening Ceremonies MC: Hongjoo Jung, SKKU			
11:05 am - 11:10 am	Opening Declaration UI Host			
11:10 am - 11:15 am	Greeting SKKU President			
11:15 am - 11:20 am	Greeting Ambassador of Indonesia in South Korea			
11:20 am - 11:40 am	Keynote Speech 1: Secretary of Labor Department, South Korea			
11:40 am - 12:00 pm	Keynote Speech 2: Sylvia Tiwon, South East Asian Studies, UC Berkeley			
12:00 pm - 1:00 pm	Lunch Break			
1:00 pm - 2:20 pm	Stephanie Octavia and Lita Nattaya (The Influence of Economic Sharia to the Global Economy)	Triza Mudita and Tengku Ezni Balqiah (The Effect of Country Image on Perception of Product Image: Study of South Korea's)	Sung-Min Ryu (Distribution Channel of Korea: Today and Future?)	Young-Han Kim (The Future of Korea-Indonesia Economic Cooperation: Bilateral Investment Cooperation & Investment Risk)
3:00 pm - 4:20 pm	Concurrent Session 1			
4:40 pm - 6:00 pm	Concurrent Session 2			

Friday, November 08, 2013

9:00 am - 10:20 am	Concurrent Session 3
10:40 am - 12:00 pm	Concurrent Session 4
12:00 pm - 1:00 pm	Lunch and Award Ceremony
1:15 pm - 1:25 pm	Get on a Bus
2:30 pm - 3:30 pm	Company Visit 1 (Samsung Electronics)
4:30 pm - 6:00 pm	Company Visit 2 (Agricultural Cooperative Headquarter & Museum)
6:30 pm - 7:30 pm	Individual City Tour & Dinner
8:00 pm - 9:30 pm	Nanta Show

THE INFLUENCE OF SERVICE QUALITY IN DEVELOPING WORD-OF-MOUTH (WOM) MARKETING: AN EMPERICAL STUDY ON TERTIARY EDUCATIONAL INSTITUTION

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Abstract:

As the business competition is increasingly stringent, it gives impacts on the achievement of development goals in the field of marketing. The goal is to obtain not only the profit of the transaction but also the effective long-term marketing relationship between the consumer and the organisation. One of benefits of the relationship is the spread of possitive information about the organisation, product, or brand among consumers, through the word-of-mouth (WOM) activity. The possibility of the consumers' willing to do word-of-mouth marketing will be stronger when it is preceded by the emerging of the trust, commitment and repurchase behaviour on the service quality given by the organisation. This study, then, reveals the relationship among variables which influence the occurance of the WOM marketing.

This study involved the students of all departments on private colleges in Yogyakarta. The samples were choosen by doing quota sampling and convenience sampling. After going through the process of validity and reliability test, the data which were obtained then were analyzed by means of structural equation modelling (SEM) approach.

The findings of this study show the importance of the role of the affective commitment and the level of trust as a mediator variable to build WOM marketing from the students. The power of WOM marketing is further strenghtened because the existence of indirect impact of service quality given by the management through the student repurchase intentions.

Key words: *Service quality, trust, affective commitment, repurchase intentions, word-of-mouth*

INTRODUCTION

The latest condition of business environment is no more dominated about reaching the maximum profit. But, it moves to build the link through long term relationship with the whole potential market. Maintaining relationship it means carrying out the market through their loyalty to obey the market policy from the company to meet their demand and others. Creating and maintaining long term loyalty will give positive restitution and this relationship will be more important to the service (Bourdeau, 2005)

Day (2008) said that company will have future investment by maintaining customers' loyalty through education, creating better communication, and building trust but, on the other hands the customers will lose their loyalty immediately when the company is ignoring them.

In addition to that, customers' loyalty becomes a basic target to the management plan, marketing strategy and it will be very useful to develop the competitive atmosphere (Arambewela and Hall, 2006). In terms of relationship between the customers and business activity, loyalty can be realized as tendency to repurchase and willingness to give recommendation to others (Lawton et al., 1998).

According to some businessman repurchase intentions (RI) is having a strategic value, because repurchasing correlates to customer's retention and gives some direct impacts to the profit improvement and reduce the cost for the future business activities (Rodgers, 2010). In addition to that, repurchase intention is held by making organization as the first choice, always using the same product when need it, and being loyal as the customers (Tian-Cole et al 2002). Furthermore, Fullerton (2005) stated that behavior intention is correlated to reuse or buy continuously the same product and the willingness to pay more.

In addition to that, recommendation to others (word of mouth WOM) is a kind of perceived expression which is realized to information communication or sharing experience between customers about the brand, product, or special service (Wen et al., 2010). The effective WOM communication influence the choice of product and service because, the given information is judged as more credible and trusted by the customers than commercial source of information (Lii and Lee, 2012).

Repurchase intention (RI) and word of mouth (WOM) can be created if there is a customer's trust. In terms of service industrial, the experience of attainment service quality level in the previous year will give impact to the trust perception (Henning-Thurau et al., 2001; Chenet et al., 2010). If the perception and the trust move to the positive side, it will push the consumers to have loyal attitude to the product and company (Gabarino and Johnson, 1999), the consumers' loyalty in the form of RI (Mc Cole, 2004; Lii and Lee, 2012) and WOM (Nusair et al., 2010; Lii and Lee, 2012). This opinion supported by research proves that customers give direct influence and be the important component in building the loyalty and long term relationship between customers and company.

In addition to that, the important factor to build loyalty is not only trust but also customers' commitment. Commitment is strong desire to maintain a relationship (Palmatier et al., 2006). That desire rises as an appreciation of the customers to improve their partnership level. Moreover, commitment is the next step of the customers' trust, and influences the customers' loyalty (Henning – Thurau et al. 2001; Rodgers, 2010).

The description above shows that to build long term loyalty, the company is not only improving the service quality, but also needs to build the trust and commitment. This research tries to analyze the correlation of the three variables to the loyalty, RI, and WOM, whether it's correlated directly or not.

THEORETICAL REVIEW

Word of Mouth (WOM)

The concept of loyalty is very important to build long term relationship between the customers and the company. In the education institution and university students' loyalty give benefits and advantages to maintain and increase the students number (Arambewela and Hall, 2006). Students' loyalty can be created through the activities that involved heart feeling and positive cognitive attitude to the institution as the basic motivation to behave, such as the integration of the students to the university system, quality of teaching, emotional commitment to the institution and external commitment (Hening -Thurau et al., 2001). After graduation, students are able to ask a support to their university, such as: (a) Financial donation, (b) Verbal promotion to student candidate and ongoing students and the alumni, (c)

Offering job or assisting to the job placement, and (d) Attending general lecture (Hening – Thurau et al., 2001).

Furthermore, Wong and Sohal (2006) stated that loyalty is correlated to possibility of the customers to do business transaction like repurchasing, and improving verbal communication as referencing and publicity or WOM. This statement is in line with Lawton et al (1998) that loyalty can be created as tendency to repurchase and willingness to give recommendation to others (WOM).

WOM is an interpersonal communication attitude after buying a product. WOM is informal communication between a customers and other people which are correlated to stuff and service, includes something that correlated to the happiness, activity, or new experience, recommendation to others, and very obvious incident (Wen et al., 2010). That way of communication is an expression of experience which is informed to other people (Wen et al., 2010).

If someone has experience and completed by strong feeling, so they will motivate their self to tell about their experiences to the other people (Nusair et al., 2010). Furthermore, the delivered information will be more credible and it is more trusted by the customers than source of commercial information (Lii and Lee, 2012). Besides that, WOM indicates there is correlation between customers and company as a reflection of the service quality and as base to improve the income and profit (Ray and Chiagouris, 2009)

Based on the research context of service industry, someone's intention to be able to do WOM communication way can be influenced by someone's experience in terms of consuming (Bordeau, 2005; Ray and Chiagouris, 2009), the level of trust (Palmatier et al., 2006; Nusair et al., 2010; Rodgers, 2010), commitment (Palmatier et al., 2006; Chenet, et al., 2010; Nusair et al., 2010; Rodgers, 2010), and because of perception of certain quality service (Chenet, et al., 2010).

Repurchase Intention (RI)

Loyalty to do repurchase is customers' intentions which is based on the intention to repurchase in the future (Chauduri and Ligas, 2009). In addition to that, repurchase intention held by making organization as the first choice, always use the same product when we need it, and always be loyal as customers (Tian – Cole et al., 2002).

The realization of customers' loyalty is the repurchase intention, and it can be completed by the willingness to pay the same product but with the higher price (Fullerton, 2005), impact of price increasing. Repurchase gives direct impact to the profit improvement and price reducing (Rodgers, 2010). The continuity of business achievement also can be predicted easier, because the price to find and serve new customers can be more expensive than maintaining the old customers (Lii and Lee, 2012).

Furthermore, Bordeau (2005) stated that repurchase activity can give positive impact to the WOM. This finding is supported by Rodger's research (2010). This research shows that RI has positive correlation to WOM. In addition to that, Ray's and Chiagouris's research also shows that WOM can be influenced by RI positively. That's the background of this research.

HI: RI has positive influence to the WOM

Commitment

Commitment will be described as a support or strong desire to maintain a relationship (Palmatier et al., 2006; Wong and Sohal, 2006). This support is caused by customer's experience of previous transaction, the customers appreciate it by improving the relationship quality with the company (Albari, 2012). The appreciation can be realized by the willingness of the customers to make temporary loss in order to get benefit of long term relationship (Mattila, 2001). According to Chenet (2010) commitment can push them to loyalty, guidance and intention behavior, communicate directly through the WOM, and willingness to give recommendation.

Commitment can be observed from different point of view. However, commitment with the affective dimension (emotional) gives more dominant influence to the loyalty than another dimension of commitment. It is in line with the Henning – Thurau et al research (2001), that emotional commitment becomes a variable between the impacts of trusty to the customers' loyalty. In terms of customers behavior, customers with strong affective commitment tend to be guided by their emotion then their cognition when make future purchasing decision (Mattila, 2004).

Affective commitment is shown by close relation and knows each other deeply (Fullerton, 2005). Emotional commitment is closely correlated to the brand purpose expressions, source of emotion and feeling that reflects involvement degree and someone's identification to the organization. In the next step it will create sense of belonging (Valette-Florence et al., 2010). In addition to that, Mattila (2001) customers who are correlated emotionally with the company tend to be ready in terms of investing more money to maintain their relationship than the customers that have low affective commitment.

Furthermore Nusair et al (2010) stated that affective commitment will give positive influence to the WOM. This statement supports Mattila's opinion (2001) that affective commitment have tendency to improve the willingness of customers as company supporter by giving recommendation the company to the other person through positive verbal communication between costumers (WOM). Some research also proves empirically that affective commitment can influence the WOM positively (Gordon,2005; Palmatier et al.,2006; Ray and Chiagouris, 2009; Rodgers, 2010). Based on that problem the hypothesis is formulated as follows:

H2: Affective commitment has positive influence to WOM.

In addition to that WOM Mattila (2001) stated that emotional relationship is prerequisite to the future stronger relationship such as habit or repurchase intention. This opinion is supported by Gordon's research (2005), Palmatier et al (2006) and Rodgers (2010) prove that there is a positive influence to repurchase intention (RI). Based on this case the hypothesis is formulated as follows:

H3: affective commitment has positive influence to RI

Trust

Trust is defined as customers' hope about the service provider is trustworthy and can meet their promises which are given for them (Lii and Lee, 2012). Furthermore, customers' trust level is important variable that contributes to maintain good long term relationship between the provider and customer. Those variables are conceptualized generally as key of cooperative attitude to build long term marketing relationship (Nusair et al., 2010). From the service provider side as the strongest marketing relationship tool which is available for the

company and become foundation of long term relationship (Palmatier et al., 2006). In terms of customers' intentions their trust to the provider is very basic element to realize all of the promises in order to maintain the relationship (Moliner et al., 2007), so it will make customers feel comfort because their hope will be realized when they are consuming the product (Nusair et al., 2010).

The trust level elements are consisted of strength and integrity (Nusair et al., 2010), or kindness and honesty (Moliner et al., 2007). According to (Nusair et al., 2010) individual or group will be willing to trust their transaction partner if they are sure that their partner can be trusted to fulfill the duty during this relationship. Customers also feel that the good intention of provider is undisputable to improve their prosperity (Moliner et al., 2007). The promises which are given to the customers is undoubted, and the interaction between them is transparent, verifiable, and absolute (Moliner et al., 2007). Trustworthy rises because partner will do something that give positive impact, and they will not take unpredictable action that give negative impact, so the customers will feel comfort because they will meet their hope when they are consuming the product (Nusair et al., 2010).

In addition to that Palmatier et al, (2006) stated that trust and commitment between exchange partners is important to make good cooperation. This cooperation is needed to get coordination level and completing the step between the exchange partners in order to reach the goal. Because of that, commitment and customers' trust is the key element for the provider to maintain long term relationship (Moliner et al., 2007). It means trust and commitment is conceptualized as the key of cooperative attitude to build success of long term marketing relationship (Nusair et al., 2010).

Furthermore, Nusair et al. (2010) stated that in many research about marketing, the correlation shows that trust is very important to influence verbal communication (WOM) between the customers, whether it's direct communication or through affective commitment. In his research Rodgers (2010) proved that there is relationship between trust and WOM. Moreover, Palmatier et al. (2006) and Lii and Lee (2012) also succeed to prove that trust can create positive influence to the WOM. Based on that explanation the research hypothesis is:

H4: Trust has positive influence to the WOM

In addition to that, trust is not only creating positive influence to the WOM but also to the RI. This statement is proved empirically in Bordeau's research (2005), Palmatier et al. (2006), Rodgers (2010), and Lii and Lee (2012). Based on this notification, the hypothesis will be formulated as follows:

H5: Trust has positive influence to RI

Beside the customers' loyalty dimension, trust also influences the affective commitment (Mc Cole, 2004). According to Nusair et al (2010) affective commitment also can be mediator variable from trust to the WOM. Moreover, Moliner et al, (2007), Rodgers (2010), and Albari (2012) are succeeding to prove it in their research that trust can create positive influence to the affective commitment. Based on this explanation the hypothesis will be formulated as follows:

H6: Trust has positive influence to the affective commitment.

Service Quality

Service can be defined as action or treatment which is offered from the service provider to the customers, which can give benefit to the customers in the certain time and

place, by creating a change the desire or intentions of the customers (Lovelock and Wirtz, 2011). The content of operational service is the service which is given by provider to the customers, so assessment of service quality will be based on perception approach from all sides which are involved in the service process (Albari, 2012).

In the study of service quality assessment there are some research models, such as 5 gap model (Parasuraman et al., 1985), 7 gap from Lovelock and Wirtz (2011), 7 gap model from Shahin (2008), or direct quality assessment that decide whether it is good or bad (Yu et al., 2006). Furthermore, there are so many contents or quality of service attribute which is assessed. Parasuraman et al. (1988) creates 22 attributes which are categorized into 5 dimension of service quality, so Snipes et al. (2006) using 4 types and 27 attributes of service quality assessment. Moreover Henning-Thurau et al. (2001) only use some attributes item or important indicator of service quality in their research.

The correlation context between service quality and another variable will be explained by these following theories. Henning – Thurau et al. (2001) is succeed to prove that quality of service can give positive influence to the trust. This research finding is supported by another research, such as: the research finding of Chenet et al. (2010), Ou et al. (2011), and Albari (2012). Based on the explanation of service quality above, the hypothesis will be formulated as follow:

H7 : Service quality has positive influence to trust.

In addition to that Nusair et al. (2010) stated that quality of service influence the affective commitment. This opinion is in line with research of Henning – Thurau et al. (2001). Moreover Jones et al. (2010) shows that quality of service is correlated with the affective commitment. Based on that explanation the hypothesis will be formulated as follows:

H8 : Service quality has positive influence to affective commitment

The quality of service is not only giving positive influence to the trust and affective commitment, but also to other aspects. Henning – Thurau et al. (2001) found that quality of service gives positive influence to the loyalty. Moreover Chenet et al. (2010) in his research found positive influence of service quality to the RI (repurchase intention). Based on that theory the hypothesis will be formulated as follows:

H9 : Service quality has positive influence to WOM

H10 : Service quality has positive influence to RI

Based on explanation of references and hypothesis above, this research used framework approach (model) just like formulation which is presented in Figure 1.

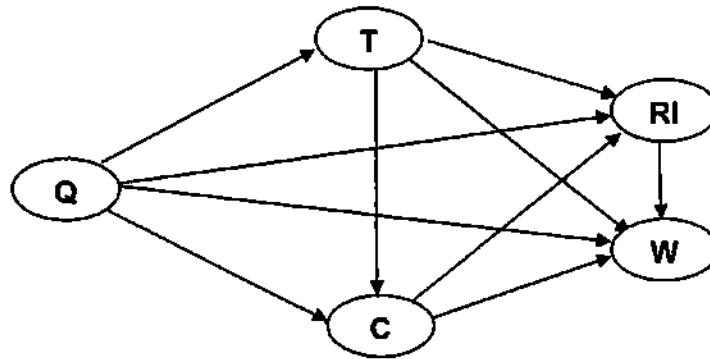


Figure 1:
Research framework

RESEARCH METHOD

Research population in this research is list of student who actively took classes in Universitas Islam Indonesia, Yogyakarta. In relation with establishing long-term connection, this choice of subject promising the potential of benefit and advantage to maintain and increase number of students, as what predicted by Arambewela and Hall (2006).

The amount of sample is set to 166 respondents. This number is obtained with 99% degree of trust and 10% of maximum sampling deviation and it is appropriate with sample's interval which is needed for the usage of technical analysis structural equation modeling (SEM) and AMOS data processing program (Ghozali, 2013) . Meanwhile the sample taking is done by convenience sampling approach, which implemented when students still active at campus.

5 variables of research are measured by research indicator which is modified from previous researches. The assessment indicators for service quality (4 items) and affective commitment (2 items) are modification of Hennig-Thurau et al's research (2001). The trust variable indicator (3 items) is result of modification from Garbarino and Johnson's research indicator (1999). Repurchasing variable indicator (2 items) and WOM (1 item) are modified from Hennig-Thurau et al (2001) and Helgesen & Nettet's (2007) concept of loyalty. Those indicators were used in Albari's research (2012). Furthermore, all research variables are measured by five-segment interval scale, with score of response varied from strongly not agree until strongly agree.

Data test of validity and reliability are obtained by approach of confirmatory factor analysis (CFA) and AMOS application. Data is stated as valid if the standardized loading factor for each indicator reach minimum point of 0.50, meanwhile construct is stated as reliable if the value of composite reliability reach minimum point of 0.60 (Ghozali, 2013). Result of recapitulation measurement is presented in Table 1.

Table 1:
Recapitulation of Mean, Validity, dan Reliability Indicators

Information	Code	Mean	Valid.	Reliab.
Service quality	Q	3,262		0.830
Quality of academic staff is good	Q1	3,108	0,799	
Quality of facility is adequate	Q2	3,114	0,721	
Quality of lecturer is good	Q3	3,554	0,575	
Quality of academic service is good	Q4	3,271	0,854	
Trust	T	3,084		0.891
I believe staffs have complete ability	T1	3,151	0,842	
I believe staffs always give their best ability	T2	3,072	0,872	
I believe staffs always serve my needs	T3	3,030	0,850	
Affective commitment	C	3,485		0.798
I always feel close with this university	C1	3,229	0,749	
I feel very proud able to study in this university	C2	3,741	0,877	
Repurchase intention:	RI	3,235		0.609
I will be loyal to support this university	RI1	3,470	0,673	
If I want to continue study, I will choose this university	RI2	3,000	0,650	
WOM:				1,000
I will recommend this university to other people	W	3,693	1,000	

From Table 1 it is understood that standardized loading factor from all indicators of research variable is resulting value more than 0,50. Meanwhile process of reliability test with composite reliability approach shows result which in a higher level than has been required, minimum 0,60. Because of this reason, it is can be acknowledged that statement items in service quality, trust, affective commitment, repurchase intention, and WOM are stated as valid variables.

Based on Table 1, it is also inferred the average value of indicators which contributing for each research variable. From the service quality variable, it is known that an indicator that contribute most for whole value of variable is the quality of lecturers (Q3), meanwhile the least contributor is quality of academic staffs (Q1). If the rank of data value is divided into 5 category, in average the variable for service quality is valued as adequate. Similiarly in average value of trust and repurchasing intention variable. At this trust variable, indicators show increase of value on adequate category with complete ability of staff (T1) as the first contributor. Meanwhile the intentions of respondent to support university (RI1) is valued with high category. However, that value is not enough to increase rank of variables in adequate category.

On the other hand, average result of affective commitment and WOM show value with high category. On affective commitment, the highest contributor is students' pride upon university (C2). For WOM variable which is supported by one indicator, able to produce highest average value among indicators and research variable.

With the calculation, whole measurement indicator which valid and reliable, can be used to analyze research model with SEM approach.

RESULT ANALYSIS

Analysis and research model calculation is conducted by using AMOS data analysis program. Results of the analysis by testing the goodness of fit models show good critical

value ($X^2 = 0.000$; $GFI = 1.000$; $NFI = 1.000$; $IFI = 1.000$; $CFI = 1.000$). The test also shows that data were normally distributed, because value of critical ratio skewness reach highest value as 2,175, or below the limit value of 2:58 at a significance level of 1%. Outlier evaluation for 166 data cases which is analyzed by Mahalanobis d-squared approach, has the highest value of 25 011 and level of probability (p_2) 0.023. Mahalanobis value is lower than $X^2 = 32.91$ with degrees of freedom (12) and the probability of 0.001, so it can be stated all of the data does not indicate outliers, or the difference of score between observation data and centroid is not that significant. In addition, the value of the sample covariance matrix Determinant is 66.834 or far above the value of zero, so that it is stated that there is no multicollinearity problem in the data analyzed.

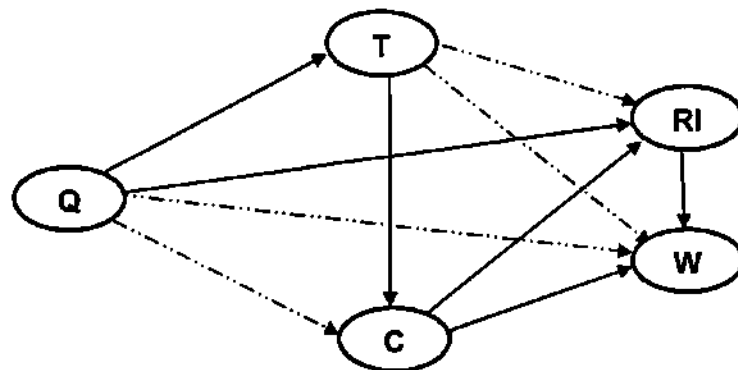
With those result, the recapitulation of research model which show dependency among variables is presented in Table 2.

Table 2:
Recapitulation of Research Model Significance Calculation

Hypotesis	Standardized estimate	P	Conclusion
H1 RI → W	.389	***	Accepted
H2 C → W	.298	***	Accepted
H3 C → RI	.340	***	Accepted
H4 T → W	.052	.310	Not Accepted
H5 T → RI	-.100	.192	Not Accepted
H6 T → C	.325	.002	Accepted
H7 Q → T	.792	***	Accepted
H8 Q → C	.161	.077	Not Accepted
H9 Q → W	.084	.211	Not Accepted
H10 Q → RI	.299	.004	Accepted

Note: *** = $p < 0.001$; RI = repurchase intentions; W = WOM; C = affective commitment; T = trust, dan Q = service quality

Based on Table 2 it can be seen that 6 from 10 hypotheses are proved significant (H1, H2, H3, H6, H7, and H8), while 4 other hypotheses (H4, H5, H8, and H9) are not significant. Because there is a hypothesis that proved not significant, then to strengthen the result, it is necessary to do retesting the model of research which involving linkages among variables to support research hypotheses. From reconfirmation of the model, it can obtained models, with measurement values $X^2 = 3,444$, $p = 0486$; $cmin / df = 0861$; $GFI = 0.992$; $AGFI = 0.969$; $TLI = 1.000$; $NFI = 0989$; $IFI = 1.000$; $CFI = 1.000$, and $RMSEA = 0.000$. With the condition that the model fit the probability value linkages between variables entirely below 1%. All models can be shown as in Figure 2.



Gambar 1:
Result of model research testing

From hypothesis which is proved significantly, researchers found probability value less than 1% ($p < 0.01$). It is can be concluded, in very significant way, the intention to repurchase give positive impact towards WOM (H1), there is also affective commitment give positive impact towards students' loyalty, whether it is WOM recommendation (H2) or repurchasing intention (H3). That research result aslo shows that degree of trust from students can strengthen positively their affective commitment (H6). Quality of the service given by UII give positive impact towards degree of trust (H7) and students' intention to repurchase (H10). Those show that the higher changes of value in each exogen variable, the more changes occurred in value of endogen variable, and vice versa.

The calculation show testing result that is not significant, whether it is caused by more than 5% calculation probability, and/or estimation coefficient resulting in negative value. That happened in H4 and H5, so it can be stated that degree of trust has no positive impact and directly towards repurchasing intention and students' WOM activity. Thus, the service quality which is delivered by UII still not give direct impact in forming affective commitment among students (H8) or boosting students to recommend WOM (H9).

From model calculation confirmation, next step is to calculate impact of each exogen variable towards other variable (endogen), whether the calculation is done totally or by direct and indirect impact (variable chain). Recapitulation result of the impact of exogen variable towards endogen is presented in Table 3.

Table 3:
The impact of exogen towards endogen variable recapitulation

Info	Total impact				Direct impact				Indirect impact			
	Q	T	C	RI	Q	T	C	RI	Q	T	C	RI
T	,792	,000	,000	,000	,792	,000	,000	,000	,000	,000	,000	,000
C	,359	,453	,000	,000	,000	,453	,000	,000	,359	,000	,000	,000
RI	,344	,148	,326	,000	,227	,000	,326	,000	,117	,148	,000	,000
W	,248	,198	,436	,401	,000	,000	,305	,401	,248	,198	,131	,000

The result in Table 3 above shows how service quality (Q) impact degree of trust from students (T) with 0,792 value. This amount same with direct impact from service quality towards degree of trust which is presented in the middle column, without the possibility of service quality indirect influence. That amount of value means from every changing unit of service quality that is delivered by UII, will give positive changes (in line) with degree of trust from students, equal to 0,792 unit. Same explanation relatively also can be used for linkage of other variables, for instance $T \rightarrow C$, $C \rightarrow RI$, and $RI \rightarrow W$.

Direct impact of service quality towards affective commitment (C) equal with 0,000. This is happened because hypothesis which support linkage between those two variables (H8) was proven not significant. Whereas total impact of service quality variable towards commitment affective is 0,359. That total value is obtained from total indirect impact from quality of service towards affective commitment through trust variable ($Q \rightarrow T \rightarrow C$). Because of this, indirect impact is obtained from multiplication between direct quality service proportion towards trust and direct service quality proportion from affective commitment ($0.792 \times 0.453 = 0.359$). The discussion of assessment which relatively same, also applied for calculation of trust impact towards repurchasing intention (RI) through mediator affective commitment variable ($T \rightarrow C \rightarrow RI$).

The impact of total service quality towards repurchasing intention is 0.344. This value came from addition of: (1) direct impact of service quality towards repurchasing intention (Q

→ $RI = 0,227$), (2) indirect impact of service quality towards repurchasing intention with trust mediator variable and affective commitment ($Q \rightarrow T \rightarrow C \rightarrow RI = 0,117$). This value can be obtained from multiplication of service quality's indirect impact towards affective commitment through trust ($Q \rightarrow T \rightarrow C = 0,359$) with direct impact of affective commitment towards repurchasing intention ($C \rightarrow RI = 0,326$). Total calculation is $0,227 + (0,359 \times 0,326) = 0,344$.

From calculations above, the total impact of all variables in research model towards the possibility of WOM recommendation which will be conducted from the sub by students can be obtained from adding of direct impact of affective commitment towards WOM ($C \rightarrow W = 0,305$) and the total impact of service quality towards WOM through repurchasing intention mediation variable ($Q \rightarrow RI \rightarrow W = 0,344 \times 0,401$). Total value of influence is $0,443$.

DISCUSSION

The importance of long-term relationships between the customer and the organization has become the latest marketing discourse. Discussion and research about marketing led to many important variables that support the potential for the long-term relationship. Model/theoretical framework which is developed in this research constructs provides a more detailed discourse on the long-term relationships between educational institutions and university students. Exploration of important variables are not only directed at the general context of the potential of loyalty, but also elaborated on the critical dimensions of loyalty itself and is broken down into repurchase intentions dimension (RI) and possible recommendation of verbal communication dimension (WOM), so that the context of data analysis will be sharper. In addition, the two-dimensional marketing implications are somewhat different, such as what proposed by Fullerton (2005), AUH (2005), Rodgers (2010), and Lii and Lee (2012), or by Ray and Chiagouris (2009) and Nusair et al. (2010).

This study was able to prove the positive influence of the repurchase intentions to WOM. This may imply that students have a strong consideration for study in higher education at the same university in the future and willing to help the development of the university through verbal communication recommendations to others. Results of this study were able to strengthen the results of a previous study conducted by Bourdeau (2005), Ray and Chiagouris (2009), and Rodgers (2010).

Activities to re-purchase and WOM recommendations are to be used as a more powerful predictor of future behavior university student who is still active today. This is because the two dimensions of loyalty empirically supported by the positive influence of affective commitment to the intentions of repurchases and WOM activity. Whereas affective commitment can be as a form of expression of personal relationships (Fullerton, 2005), willingness to become a member (Valette-Florence et al., 2010), and the willingness to invest (Mattila, 2001) with the organization. Results of this study also support the research findings Mattila (2001), Gordon (2005), Palmatier et al. (2006), and Rodgers (2010) previously, although with different study subjects.

Strengthening positive predictions become greater because it turns out that affective commitment is positively influenced by the beliefs of the students to the university institution. The results are consistent with previous research conducted by McCole (2004), Rodgers (2010), and Albari (2012). In the context of a long-term relationship between the customer and the organization, the relationship of trust, commitment, and loyalty will better ensure the success of the relationship (eg, Palmatier et al., 2006; Moliner et al., 2007; Nusair et al., 2010). This means that by the results of this research, the continuous activities of the

university in the future, even supported by the increasing number of potential students is becoming more assured.

The results also showed that the characteristics of the quality of service that had been provided by the university already increase the degree of confidence and intentions to repurchase. Nevertheless quality of service has not been able to prove levels of affective commitment and encourage the recommendation activities or verbal communication (WOM) from students. It was probably because of the characteristics of the quality of service delivered to students are still in practical terms, but operationally not been accompanied by a delivery service that is able to touch the emotions or ideals of university students to the university.

In addition, this study also failed to prove the hypothesis that the degree of confidence is positively and directly influence to the intentions to repurchase and WOM activity recommendations. Degree of confidence gained by the students from the quality of service delivered by the university is not able to directly encourage students to undertake loyalty activities to the university, but it has to through affective commitment first. This was probably caused not because of the practical reasons, but because of the reasons as has been proposed by Albari (2012), that stated the more idealistic reasons, religious or other reasons that do not serve as an indicator of quality service measurement and confidence in this study.

With the success and failure of hypothesis verification as described above, the model developed in this study is still showing the substantial result. This opinion is based on the total effect of the variables of service quality, trust, commitment, and intentions to repurchase to WOM, which can produce a total effect of 0.443. The magnitude of these effects is quite high for the scope of social studies, which is widely understood to have a very complex aspect.

MANAGERIAL IMPLICATIONS

The success of the studies shows the linkage of the significant variables of WOM activity can be used as empirical reference for the management of the university to implement key policies related to student loyalty. Attention is mainly directed to understand the variables and important indicators used in this study. As resulted by the research, management can maintain or even improve the excellence that has been identified, such as the availability of good quality lecturer, the ability of employees, exploration of pride for being able to go to university, and the availability of qualified programs. Along with those attention, the students are expected to have sufficient reason and proud to recommend the existence of the university to others.

This study also has some limitations. First, this study only involves one big educational institution in Yogyakarta as research subjects. To be a practical reference for managerial policy and could even become an established theoretical base strength in the scope of education in the future, there should be a kind of research that explores the educational institutions and more widespread.

Second, this study indicated that the quality of service as antecedent variables using practical indicators, thus directly less encourage students to do WOM recommendation. Future researches are expected to develop indicators of quality of service and/ or to have an antecedent variable that contains the indicators that lead to idealism or religious activities. Third, some of the variables in this study only uses few indicators of measurement, thus causing the possibility of some hypotheses are not proven significantly. Hence the need for future research to add the measurement indicators in the variables which are included in the study by examining the contain in the discussion of existing theories.

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