

# THE EFFECT MARKETING MIX ON WORD OF MOUTH COMMUNICATION: EVIDENCE FROM INDONESIA BANKING SCHOOL

Muhammad Triya Rizky

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*Handwritten signature and date:*  
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Harri Putianto

## ABSTRACT

Universities have a very strategic role in preparing the next generation of nation, as well as agents of change (agents of change) for a nation. Currently in Indonesia there are approximately 4,568 institutions of higher education, consisting of 398 government-owned colleges and 4,170 private-run universities. This research tries to expand the previous research result related to marketing mix as the driving force of attitude of word of mouth in STIE Indonesia Banking school. This study aims to test empirically the influence of the marketing mix of word of mouth at STIE Indonesia Banking School. This research is done quantitatively through descriptive research design. Data were collected through an online survey of millennial generation samples in Indonesia. To test the hypothesis, the data collected is estimated using Structural Equation Modeling approach. The results of hypothesis testing in this study showed that nine of the eleven variables showed a positive attitude toward word of mouth, but 2 variables showed a negative attitude toward word of mouth. Price, promotion, place, people, physical evidence, processes have a positive impact on perceived value that will cause a positive attitude to customer satisfaction and customer loyalty to generate positive word of mouth. But there are two variables that humidify the negative impact on perceived value of product and physical evidence.

**Keywords:** Marketing mix, Perceived value, Customer Satisfaction, Customer Loyalty, Word of Mouth

## 1. INTRODUCTION

College has a very strategic role in preparing the next generation of the nation, as well as agents of change for a nation. According to data we receive through Ristekdikti.go.id currently in Indonesia, there are 4,568 institutions around the college, including 398 government-owned colleges and college 4,170 held in private. The number of higher education institutions in Indonesia from year to year continues to increase, which makes the tight competition in the world of educational services.



However, with the more serous users assessing quality product, hard business and any effort to further improve the quality of products and services. Professionals are therefore aware of the importance of accurate quality management to continue to exist and move forward through global and intense industrial competition nowadays. The products of education are no exception. Quality and services delivered by educational institutions will largely determine its ability to compete among many existing competitors. The same also applies to the banking School of Indonesia as an institution offering educational services College. Nielsen's research validation proposal in south-east Asia FUM as well as the formation of consumer

confidence, the research also showed that potential users are highly dependent on consumers who already have a high-yield of one product.

**Chart 1. Southeast Asian Consumers' Trust in Forms of Advertising vs. Action**



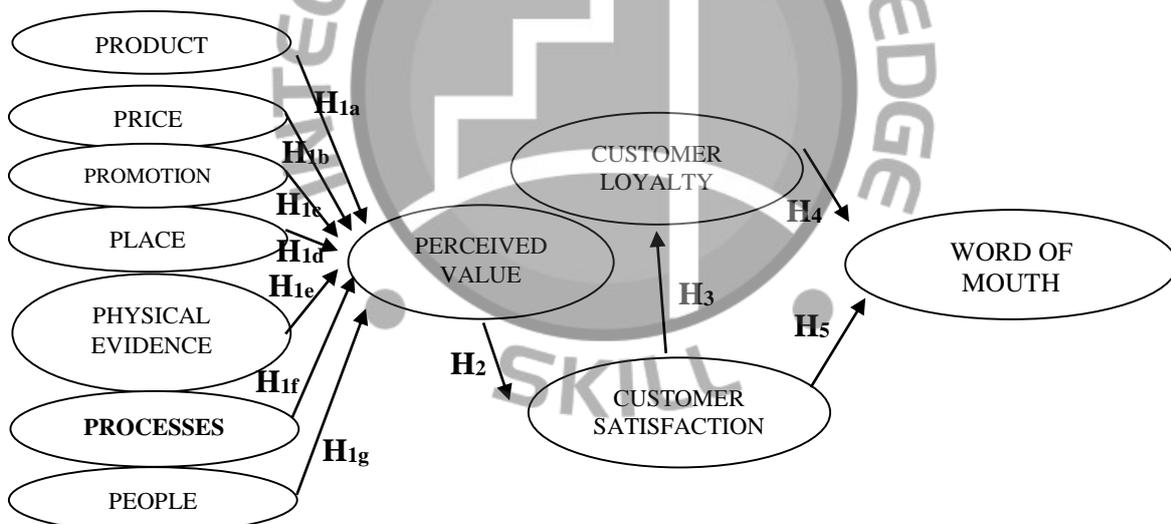
In previous research, he argues that the concept of a 4 p marketing mix is very important because it is central to marketing control (Cengiz and Yayla, 2007). In a competitive situation like today, companies have to priorities elements of the marketing mix. It does not focus on some elements alone by any means and ignores the others. It emphasized the need to recognize the fact that some elements may be important than others at certain times (Cengiz and Yayla, 2007). Meanwhile, (Ivy, 2008) Identifying the marketing mix as a set of managed marketing tools used to generate the desired response from the various target markets. The size of the role of the marketing mix is not despite the significant impact against customer loyalty and customer satisfaction, which in turn largely dictates positive word of mouth. This is as stated by the (Cengiz and Yayla, 2007) That positive word of mouth Customer loyalty factors and customer satisfaction formed from the application of the marketing mix concept by creating a perceived value that is effectively being achieved by the company. Therefore, based on the description, the researchers then took the title: **The effect of Marketing Mix on Word of Mouth Communication: Evidence from Indonesia Banking School.**

## 2. THEORETICAL BASIS

The product is a combination of the company's goods and services that are thrown to consumers (Kotler & Armstrong, 2008b). Price is the amount of money that must be paid to the customer to get the product. This action is performed in order to adjust the price to the current competition situation and bring these products in order to be in line with buyers' perception of the value of such products (Kotler & Armstrong, 2008a). The place is the company activity that made the product available to consumers (Kotler & Armstrong, 2008a). The promotion involves activities that present the benefits of your product or service and persuade customers to buy products or services that are available. Promotions may be 21 days in some forms, for example: advertisement, personal selling, Sales promotions, public relations, verbal communication (Kotler & Armstrong, 2008a). Physical Evidence It cannot be the environment in which the ServiceCreate and where sellers and customers interact. Then plus real goods that support the performance or communication Service. (Adiele et al., 2015). The process is a combination of all activity, which generally takes place around procedures, organization of work, mechanisms, and other recurrent issues, where services are produced and delivered to the consumer. In conjunction with the marketing services, the services rendered have been strongly influenced by "people" who provide quality. The decision in the "people" This means in relation to the selection, training, mobilization and management of human resources (MSDM) (Lupiyoadi, 2013g). The

perceived value of the customer is a strategy to look for companies, and the Dantelah became the focus of major marketing attention (Lin & Sher, 2005). Customer satisfaction is the central concept in marketing because it is very appropriate to meet the needs and wishes of customers. The company is introducing a product to customer satisfaction at the same time, and earning a profit instead (Han & Ryu, 2009). The conventional approach places emphasis on customer satisfaction, cost reduction, good market research to market share. While the contemporary approach focuses on customer loyalty, customer retention, zero defection and life-long customer. Customer satisfaction must therefore be coupled with customer loyalty. Customers who are genuinely loyal are not only able to become word of mouth advertisers, However, most likely to be loyal to products and services provided by companies for many years (Anchan, 2011). Although (Kotler & Keller, 2007) Word of Mouth Is the perception of the communication process in the form of granting the recommendation individually and in a group to a product or service that seeks to provide personal information.

Based on the above summary of the whole as well as in order to achieve research results, This research is the work of simulating the previous research conducted by the (Cengiz and Yayla, 2007) Right The effect of marketing mix on positive word of mouth communication: evidence from accounting offices in Turkey and sustained by (Anchan, 2011) Called Pengaruh's marketing mix towards the formation of the spoken word on education products first in PT Adyaeduka Dinamika (English First). The theoretical frameworks can therefore be created as follows: product, price, promotion, place, physical evidence, processes, people Effect for the perceived value, perceived value Impact on customer satisfaction, customer satisfaction Influential Terhadap customer loyalty And word of mouth, customer loyalty And customer satisfaction Have an impact on word of mouth. The following picture is a frame of mind used in this research:



### 3. RESEARCH METHODOLOGY

In this study, which comes the object is Indonesia's Stieg banking school, so that's the target of the study is Indonesia's banking school students or alumni Stieg has felt the services provided by the Stieg Banking School of Indonesia. Where is Indonesia's Stieg Banking school one of the colleges that existed in Indonesia. The target for the respondents will then reach Indonesia's Stieg banking school with the aim of finding it easier to bring together data researchers.

In terms of research to undertake this type of research Descriptive Quantitative. Research descriptive is a form of final research whose main purpose is to enlarg something, usually features or market functions (Malhotra, 2009a). In this study, researchers used descriptive quantitative research that will be conducted in a single phase (cross sectional design). Cross sectional design is the type of research design that contains a collection of information on a

particular sample is only a one-time sample of a particular component of the population (Malhotra, 2009b).

Data collection is carried out by means of techniques survey Questionnaire to respondents who are registered through a systematic list of questions with answers that are easy to understand. Outcome of the survey questionnaire and then processed by the researcher with statistical methods using analytical methods Structural Equation Model (SEM) with software AMOS 22. In this study it deals with the influence product, price, promotion, place, physical evidence, processes. People, customer satisfaction, customer loyalty, perceived value to word of mouth communication Stieg Banking School Indonesia.

Research use of primary and secondary data collected to achieve the research objectives.

#### a. Data Primer

Basic data are data that is created by researchers to solve a particular intent research problem (Malhotra, 2009c). This data is information collected by the researcher directly from its origins. Baseline Data on the research undertaken by researchers directly from the source. Basic data on the research carried out by disseminating the questionnaire, which is to collect data by putting the question in the form of a questionnaire.

The questionnaire is structured techniques to obtain data that contain a series of questions, and are produced in writing or verbally to obtain information from the respondent (Malhotra, 2009d).

In this research, methods of questionnaire are listed in the Internet media that Google Drive and disseminated through social media to respondents who have met the requirements of researchers. The form given to respondents, namely:

1. Profile of respondents
2. Questions about the Product (4 indicator)
3. Questions about the Price (5 indicator)
4. Questions about the Promotion (4 indicator)
5. Questions about the Place (3 indicator)
6. Questions about the Physical Evidence (4 indokator)
7. Questions about the Processes (3 indicator)
8. Questions about the People (4 indicator)
9. Questions about the Customer Satisfaction (3 indicator)
10. Questions about the Customer Loyalty (4 indicator)
11. Questions about the Perceived Value (3 indicator)
12. Questions about the Word of Mouth (3 indicator)

#### B. Secondary data

The data collected for the purpose is separate from the completion of the uncollateralized problem. This data can be found quickly and cannot be spent from a variety of sources, such as books, internet media, research journals related to the subject of this research (Malhotra, 2009e)

The secondary data were obtained from the supporting books relating to the research, such as information from textbooks, periodicals, and publications relating to the research problem. Researchers are involved in library activities by searching the organization for this research by reading a range of sources associated with this research.

The combined population is a whole element which has a series of similarities, which include the universe for marketing research problems. The population in this research is a student/to the Stieg Banking school Indonesia (Malhotra, 2009f).

The sample is a subgroup of the population elected to participate in the study. The characteristics of the sample are called statistics, and then used to make a compilation (inference) about population parameters (Malhotra, 2009f).

Technical sampling Used in this study are convenience random sampling. Total sample multiplied by 5, according to the sample size according to guidelines (Hair, Black, Babin, & Anderson, 2010). Noted by (Hair et al., 2010) That the sample size by hand is dependent on the number of indicators that can be multiplied by 5 to 10. The number of indicators in this study there is 40, 5 multiplied to 200 respondents who are a student/to the Stieg Banking School of Indonesia.

$$\begin{aligned}\text{Number of samples} &= \text{indicator} \times 5 \\ \text{Number of samples} &= 40 \times 5 = 200\end{aligned}$$

#### 4. ANALYSING AND DISCUSSING

IBS has been operating officially since the year 2004, based on the letter of decision of the Minister of National Education of INDONESIA No.: 37/D/O/2003. Establishment of IBS is the development of an Indonesian banking development Organization (LPPI), a not-for-profit corporation that provides services to banks and associations in the formation of professional bankers' power. Historically the LPPI already plays a role over a period of 50 years, and the precursor was established in 1950's. The names and activities of these organizations had experienced some changes, starting from the Higher Education Academy of Science, especially financial banking (PTIKP), Indonesia Banking Development Institute (LPPI) and Indonesia Bankers Organization (IBI). However, since the year 2004 the Agency is returning to its activities under the LPPI name again. In 2008, Ban-PT as agencies for official accreditation assessment, which gives the value of the "B" and 2013, has the value of the same accreditation. The value of accreditation obtained for bachelor's degrees (S1) courses in study program or in the management of accountancy. Officially the two licenses for Prodi on banking specificity.

##### Validity Pre-Test

The validity of the measurement is made by analyzing Data on the respondents as much as 30 respondents to see value Kaiser meyer-olkin measure os sampling adequacy, barlett's test os spcercity, anti-image matrices, total varianve explained, and factor loading of component matrix. Software Used for This analysis is SPSS 21.

**Tabel 4.1 Hasil Uji Validitas (Pre-test)**

Leave Variable	Indicator	KMO	SIG	MSA	Factor Loading	Criteria
Predicted Value		>0.5	<0.05	>0.5	≥0.5	
Product	PRO1	0.715	0.000	0.665	0.887	Valid
	PRO2			0.736	0.739	Valid
	PRO3			0.844	0.745	Valid
	PRO4			0.684	0.835	Valid
Price	PRC1	0.773	0.000	0.785	0.734	Valid
	PRC2			0.743	0.828	Valid
	PRC3			0.768	0.895	Valid

	PRC4			0.838	0.736	Valid
	PRC5			0.750	0.715	Valid
Promotion	PRM1	0.717	0.000	0.671	0.840	Valid
	PRM2			0.858	0.852	Valid
	PRM3			0.679	0.927	Valid
	PRM4			0.694	0.793	Valid
Place	PLC1	0.520	0.000	0.512	0.910	Valid
	PLC2			0.512	0.908	Valid
	PLC3			0.851	0.341	Tidak Valid
People	PEO1	0.580	0.000	0.512	0.794	Valid
	PEO2			0.745	0.835	Valid
	PEO3			0.595	0.913	Valid
	PEO4			0.497	0.740	Valid
Physical vidence	PE1	0.704	0.000	0.733	0.825	Valid
	PE2			0.657	0.902	Valid
	PE3			0.739	0.849	Valid
Processes	PR1	0.833	0.000	0.848	0.891	Valid
	PR2			0.795	0.941	Valid
	PR3			0.854	0.920	Valid
	PR4			0.843	0.880	Valid
Perceived Value	PV1	0.671	0.000	0.806	0.770	Valid
	PV2			0.629	0.887	Valid
	PV3			0.643	0.872	Valid
Customer Satisfaction	CS1	0.696	0.000	0.713	0.935	Valid
	CS2			0.626	0.971	Valid
	CS3			0.779	0.915	Valid
Customer Loyalty	CL1	0.729	0.005	0.706	0.755	Valid
	CL2			0.706	0.766	Valid
	CL3			0.757	0.717	Valid
	CL4			0.768	0.672	Valid

Word of Mouth	WOM1	0.710	0.000	0.751	0.844	Valid
	WOM2			0.668		Valid
	WOM3			0.724		Valid

Source: Data processing with SPSS results 21

The results of the analysis using the Software SPSS 21 can be found in Table 4.1 for validity testing measurement. Almost all apply so that the measuring instrument can be collected. The measuring equipment in the study is valid. There are several measurement instruments that do not meet the terms of the MSA that are ideally  $> 0.5$  and factor loading Measuring resource  $\geq 0.7$  ie PLC3, but researchers still maintain the measurement tool because most of the other valid measurement tools are in place.

### Reability Pre-Test

Reliability test is used to measure consistency on the questionnaires, meaning that the measuring instrument will ensure that the measurements remain constant if the measurement is repeated. The reliability test is a continuation of the test's validity, where the test item is a valid only item. Determine the reliability of the instrument or whether the decision on the limitation cornbach's  $\alpha \geq 0.60$  (Priyatno, 2014). Following are the results of the analysis of the research reliability test measurement instruments:

**Tabel 4.2 Hasil Uji Reliabilitas (Pre-test)**

Variable	Cornbach's Alpha	Criteria
Product	0.805	Reliable
Price	0.842	Reliable
Promotion	0.876	Reliable
Place	0.605	Reliable
People	0.834	Reliable
Physical evidence	0.835	Reliable
Processes	0.925	Reliable
Perceived Value	0.798	Reliable
Customer Loyalty	0.700	Reliable
Customer Satisfaction	0.932	Reliable
Word of Mouth	0.819	Reliable

Source: Data processing with SPSS results 21

In Table 4.2 It can be concluded that the results of the test data are reliabilities pre-test on each research variable i.e. product, price, promotion, place, physical evidence, processes. People, customer satisfaction, customer loyalty, perceived value, and verbal word greater than above 0.60 Alpha Cornbach. Those results reflect that a questionnaire has been distributed to the respondents and the results will remain constant if the measurement is repeated.

## RELIABILITY AND VALIDITY TEST RESULTS

A variable with any validity can be said to be good if it standardized loading factor (SLF)  $\geq 0.5$  and that is ideally at  $\geq 0.7$ . Reliability testing of SEM using Average Variance Extended (AVE) dan Construct Reliability (CR) with good reliability is  $\geq 0.7$  for CR and  $\geq 0.5$  for AVE (hair et. Al., 2010).

Variable	Indicators	Validity Test		Reliability Test		
		Factor Loading	Concluded	AVE $\geq 0.5$	CR $\geq 0.7$	Concluded
Product	PRO1	0.675	Valid	0.527	0.816	Reliable
	PRO2	0.710	Valid			
	PRO3	0.790	Valid			
	PRO4	0.724	Valid			
Price	PRC1	0.766	Valid	0.556	0.866	Reliable
	PRC2	0.714	Valid			
	PRC3	0.826	Valid			
	PRC4	0.747	Valid			
	PRC5	0.701	Valid			
Promotion	PRM1	0.738	Valid	0.536	0.825	Reliable
	PRM2	0.928	Valid			
	PRM3	0.638	Valid			
	PRM4	0.078	Invalid			
Place	PLC1	0.757	Valid	0.609	0.821	Reliable
	PLC2	0.906	Valid			
	PLC3	0.659	Valid			
People	PEO1	0.828	Valid	0.642	0.875	Reliable
	PEO2	0.773	Valid			
	PEO3	0.942	Valid			
	PEO4	0.629	Valid			
Physical Evidence	PE1	0.743	Valid	0.620	0.830	Reliable
	PE2	0.843	Valid			
	PE3	0.772	Valid			
Processes	PR1	0.825	Valid	0.751	0.923	Reliable
	PR2	0.929	Valid			
	PR3	0.874	Valid			
	PR4	0.835	Valid			
Perceived Value	PV1	0.842	Valid	0.724	0.887	Reliable
	PV2	0.868	Valid			
	PV3	0.843	Valid			
Customer Satisfaction	CS1	0.941	Valid	0.799	0.922	Reliable
	CS2	0.887	Valid			
	CS3	0.851	Valid			
Customer Loyalty	CL1	0.601	Valid	0.540	0.822	Reliable
	CL2	0.672	Valid			
	CL3	0.787	Valid			
	CL4	0.853	Valid			
Word of Mouth	WOM1	0.892	Valid	0.779	0.913	Reliable
	WOM2	0.913	Valid			
	WOM3	0.841	Valid			

Source: Data processing with SPSS results 21

Table 4.4 based on each indicator of each variable declared valid and reliable because of satisfying the required values i.e. each observable variable has the value factor loading  $\geq 0.5$ ,  $0.5 \geq AVE$  and  $CR \geq 0.7$ . In general, there is value in the reliability model of measuring good value (measurement models), so it can be inferred that the indicators used can explain latent variables being formed.

### GOODNESS OF FIT

Experiences goodness of fit It aims to see how well the models match the specification of the sample data or were seen. High scores on measurements goodness of fit Very expected. Following analysis results of several indices goodness of fit:

**Table 4.5 Result Goodness of Fit**

GOF	Cut of Value	Results of Analysis	Evaluation Model
CMIN/DF	$\leq 5.0$ (good fit)	3.886	Good fit
CFI	$\geq 0.90$ (good fit)	0.679	Poor fit
RMSEA	$< 0.08$ (good fit)	0.120	Poor fit

Based on table 4.5, on the first indicators i.e. Cmin/DF is well suited because the results of the analysis show the value below 5.0 which means a good fit. On the indicator, the results indicator indicates that YFNS fit poorly because it is below 0.90. A rmsea indicator shows a poor fit due to the results of the analysis of over 0.08.

### RESULTS OF HYPOTHESIS TEST

The general model has variables that have a causal relationship between endogenous endogenic variables. To test hypotheses, the way in which it is done is to know the significance by looking at the P value of the causal relationship in models in general. If the value estimate in the analysis showed positive results and the value of P  $\leq 0.05$ , the hypothesis was proven to be significant and therefore supported by the data. If the value estimate shows negative results and the value of  $p > 0.05$  then untested hypothesis Significant and not supported by the data.

Following results of analysis of data from the whole model:

**Table 4.6 Output Regression**

Hypothesis	Estimate	p	Concluded
PV $\leftarrow$ PRO	-0.490	***	H1 <sub>a</sub> Unsupported Data
PV $\leftarrow$ PRC	0.561	***	H1 <sub>b</sub> Supported Data
PV $\leftarrow$ PRM	0.121	0.003	H1 <sub>c</sub> Supported Data
PV $\leftarrow$ PLC	0.113	0.015	H1 <sub>d</sub> Supported Data
PV $\leftarrow$ PEO	0.176	***	H1 <sub>e</sub> Supported Data
PV $\leftarrow$ PE	0.080	0.161	H1 <sub>f</sub> Unsupported Data

PV ← PR	0.266	***	H1 <sub>g</sub> Supported Data
CS ← PV	0.985	***	H2 Supported Data
CL ← CS	0.494	***	H3 Supported Data
WOM ← CS	0.119	0.014	H4 Supported Data
WOM ← CL	0.931	***	H5 Supported data

Based on table 4.6, can be concluded from an analysis of any hypothesis as follows:

1. Negative influence product to perceived value That is the theory 1<sub>a</sub> Have p-value Registration  $\leq 0.05$  Where applicable p-value  $\leq 0.05$  to be supported by data, however product to perceived value Not supported by the data due to the negative estimate. The fact that the product is owned by IBS is not entirely different from other higher education that is seen from the average value of the respondent on the measuring instrument product of 4.725 On a scale of 7, as well as on the research showing indicators PRO4 (according to my IBS providing the needs of students to face the world of work in the future) have mean The lowest value of the values where 4.18 is lower than the average value of the variable product.
2. Price Experiences Have a positive impact against Perceived Value Because the value estimate shows positive results i.e. 0.561, and for the value p OfThe responsible individual is the theory  $\leq 0.05$  That means the value of the p  $\leq 0.05$ . Then the results of a theorem Price Proven positive effect against Perceived Value and supported by the data. However, in an indicator of PRC2 (for my IBS providing a good discounted price) mean Low of 4.34, where that value is lower than the average value of the variable price of 4,668.
3. Influence of the Promotion Against the perceived value That is the theory 1<sub>c</sub> Available because the estimate of value shows positive results i.e. 0.121, as well as p-value of 0.003 eligible means p-value  $\leq 0.05$  to be supported by data. However, on the indicator (PRM4IBS has been using the Internet to its full potential as one of advertising its products in the media) mean Low of 4.89. Those results showed a lower value than the average variable promotion at 5,062.
4. Place Have a positive impact against Perceived Value Because the point estimate value Positive results from Blaina, at 0.113, And Value of the p of hypothesis is 0.015 That means the value of the p  $\leq 0.05$ . Then the results of a theorem Place Proven positive effect against Perceived Value and supported by the data. However, on the indicator (PLC3 according to The IBS meEasy to access) mean lowest of 4,125. Those results showed a lower value than the average variable placeAt 5,355.
5. People Have a positive impact against Perceived VArea Because the value estimate shows the positive results of CMITu 0.176, and for the value p OfThe responsible individual is the theory  $\leq 0.05$  That means the value of the p  $\leq 0.05$ . Then the results of a theorem People Proven positive effect against Perceived Value and supported by the data. However, in an indicator of PEO1 (I feel a prompt service without any delay because of the bureaucratic procedures and the IBS) shows the value mean lowest i.e. from 4,505, these values show below the average value of the variable people i.e. from 4,748. It demonstrated the need for special attention to improve the value of PEO1.
6. Negative influence Physical Evidence to Perceived VArea That is the theory 1<sub>f</sub> Not supported by the data because it has the value p-value of 0.161 Where it does not apply p-value  $\leq 0.05$  to be supported by data. Physical evidence Owned by IBS deeply affects its students and Alumni, the need for an increase in supplies as well as tools for teaching and learning. This fact is manifested by the mean of PE1 indicators with the lowest value of 5,115, where those values indicate below the average value of the variable physical evidence i.e. from 5,160.
7. Processes Have a positive impact against Perceived Value area because the point estimate valuePositive results from Blaina, at 0.266, and for the value p of the presumption is  $\leq 0.05$  That means the value of the p  $\leq 0.05$ . MakThe presumption results Processes

Proven positive effect against Perceived Value and supported by the data. However, on indicators PR3 (I feel an IBS meuserlliki's good working mechanism) must have a value of mean That is, the lower of 4.88 average value of the variable processes of 5,021.

8. Perceived Value Have a positive impact against Customer Satisfaction Because the point estimate value Positive results from Blaina, at 0985, and for the value p of the presumption is  $\leq 0.05$  That means the value of the  $p \leq 0.05$ . Then the results of a theorem Perceived Value Proven positive effect against Customer Satisfaction and supported by the data.
9. Customer Satisfaction Have a positive impact towards Customer Loyalty On the estimated Karen value menuNjukan positive i.e. Gasil 0494, and the value p of the presumption is  $\leq 0.05$  That means the value of the  $p \leq 0.05$ . Then theory results Customer Satisfaction Proven positive effect against Customer Loyalty and supported by the data. This is manifested by the average value of the variable Customer Satisfaction Of 4,621, however in CS2 indicators (the services provided meet my IBS expectations) which have a value of mean the lowest are 4.56.
10. Customer Satisfaction Have a positive impact towards Word of Mouth Because the estimate of value shows positively i.e. 0119 Gasil, and value p Of The theory was 0.014 That means the value of the  $p \leq 0.05$ . Then theory results Customer Satisfaction Proven positive effect against Word of Mouth and supported by the data. This is manifested by the average value of the variable Customer Satisfaction Of 4,621, however in CS2 indicators (the services provided meet my IBS expectations) which have a value of mean the lowest are 4.56.
11. Customer Loyalty Have a positive impact towards Word of Mouth That The estimated value of Rena showed positive results i.e. 0931, and the value p of the presumption is  $\leq 0.05$  That means the value of the  $p \leq 0.05$ . Then theory results Customer Loyalty Proven positive effect against Word of Mouth and supported by the data. This is manifested by the average value owned by the variable Customer loyalty of 4,878, However, the value of the indicator is CL1 mean with a value of 4,155.

## MANAGERIAL IMPLICATION

Based on the results of the above research, there are at least two managerial implications for marketer who use word of mouth as a marketing vehicle:

- Pay attention to the variable product Affecting the perceived value, If ordered by priority according to the scale an estimation coefficient is obtained in a test of the assumption, the emphasis placed on the aspects product is sufficient. On the other hand, marketers also need to reduce the possibility of events from the impact of the other variables although this still needs to be confirmed more specifically on the research that lasted. The results of this study show That the product is not owned by IBS is completely different from other higher education that is seen from the average value of the respondent on the measuring instrument product of 4,725 on a scale of 7, as well as on the research showing that the indicator PRO4 (according to my IBS providing the needs of students to face the world of work in the future) has mean The lowest value of the values where 4.18 is lower than the average value of the variable product, notes that the assessment of the products owned by IBS has not been in line with the wishes and needs of the student, so it expects IBS to complement the quality of the product, and dissemination and promotion will be a surplus product that has been Owned by IBS. For highest average value variable is retained because the respondents are very concerned against the variable.
- Trying to form a positive attitude physical evidence to perceived value. In forming a positive attitude, Purpose of marketing in the form of a greater Intend consumers to use or use the back of a product or service increasingly unachievable one of them caused by physical evidence. On the other hand, the formation of positive attitudes towards word of mouth It will also encourage

users to voluntarily distribute a return service They never reach others as well as increasing customer satisfaction and consumer loyalty. This under certain conditions may even lead to the formation of the viral effect found experience by word of mouth. This fact is proved by mean of PE1 indicators with the lowest value of 5,115, where those values indicate below the average value of the variable physical evidence i.e. from 5,160. It is enough to conform to the expectations of students and alumni, but on the other hand IBS needs to use tools that are used today so that more students and former students feel quickly about what is already provided by IBS. For The highest average value is maintained because of the respondents ' high concern against the variable.

## 5. CONCLUSION

The aim of this research is to test the influence of an aspect of the marketing mix against perceived value, perceived value towards customer satisfaction, customer satisfaction and customer loyalty towards its marketing obligations against the spoken word. This research is an expansion of a previous research framework (Cengiz & Yayla, 2007) Adding humans, physical evidence, and processes as an additive variable. The results of the analysis by SEM method generally show that the proposed theory has proved to be, except for the 2 negative assumptions not evident in this study. Based on the results of the analysis in the previous chapter, this conclusion is:

1. Product Without proving a positive impact against perceived value
2. Price Test positive against perceived value
3. Promotion Proven positive effect against perceived value
4. Place Proven positive effect against perceived value
5. People Proven positive effect against perceived value
6. Physical evidence Proven positive effect against perceived value
7. Processes Proven positive effect against perceived value
8. Perceived value Proven positive effect against customer satisfaction
9. Customer satisfaction Proven effect on customer loyalty
10. Customer satisfaction Proven effect on word of mouth
11. The proven impact on customer loyalty word of mouth

## LIMITATION AND FURTHER RESEARCH

Descriptive research design features that can only draw the empirical facts to test the hypothesis can be considered one of the limitations in the research that led to a negative impact product and physical evidence has yet to be captured on this research. The results and conclusions of this study may be a suggestion for marketer who use word of mouth About ways of marketing or research that will be more advanced in dealing with word of mouth. About a council for the marketer and further research as follows:

1. For marketer  
In building word of mouth should always give priority to aspects that could improve the quality of the marketing mix, particularly in terms of repairing product and physical evidence Make it more of a perfeititive to be able to continue to improve the positive attitude of users and promote excellence product and physical evidence Against a candidate.
2. For further research  
First do the test again by selecting objects word of mouth, product dan physical evidence Stronger degrees. The condition can be extended with the selection of the respondent sample that is more sensitive to product and physical evidence for example, among those more mature or more have time constraints compared to the millennial generation in a test on this research.  
A second more thorough research can be done through an experimental approach, so that product and physical evidence in different levels to improve the sensitivity

studies in capturing the negative impact product and physical evidence to perceived value, In this case the word of mouth.

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