



The Influence of Customer Expectation and Marketing Mix on Customer Loyalty with Customer Satisfaction as Intervening

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Abstract

The purpose of this study was to determine whether there is an effect of customer expectations and marketing mix on customer loyalty with customer satisfaction as an intervention at SMK Al-Ittihad. All activities carried out by a school will ultimately lead to students' value regarding their perceived satisfaction. If student satisfaction is realized, loyalty to school is also manifested. This study's population were all SMK Al-Ittihad Boarding School Jungpasir, Wedung, Demak in the 2020/2021 academic year, with the sampling technique being the Stratified Random Sampling technique. The data collection technique is a questionnaire. The path analysis results (Path Analysis) show that there is a significant influence between the variable Customer Expectations and the Marketing Mix partially on Customer Satisfaction with the Sig. <0.05. Directly there is a significant influence between the variable Customer Expectations and Customer Satisfaction with Customer Loyalty with the Sig Value. <0.05, and there is no significant influence between the Marketing Mix variable and Customer Loyalty with the Sig. 0.778 > 0.05. Customer Expectations directly affect Customer Loyalty with the direct effect value is greater than the indirect effect value (0.507 > 0.316). Marketing Mix directly affects Customer Loyalty with the greater direct effect value than the indirect effect value (0.013 > -0.201). This research is useful as input in the development of management science, especially in marketing management.

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INTRODUCTION

Most countries have a formal education system, which is generally compulsory. In this system, students' progress through a series of schools. SMK Al-Ittihad is one of the vocational schools in Wedung, Demak Regency. The school was established in 2011, although this school has recently grown quite well. The number of students has increased every year, but the increase is not significant because there is also student movement. Therefore researchers here look at the problems which arise, so the research conduct to find out the solution.

Customer expectation (students) can be explained into nine factors: price, range of products, the uniqueness of comfort, reliability, quality of service, money value, reliable information and the right place to learn. Customer expectations or expectations have a positive influence on customer satisfaction. The value of customer expectations and better understanding can affect the perceived value and customer satisfaction (Jahanshahiet al., 2016).

Schools are one of the businesses in the service sector, so it cannot be denied that many schools use various marketing strategies to get students, or in marketing terms, they are often referred to as consumers. The marketing strategy in attracting students is not only influenced by advertising or promotion; therefore, many schools use a *marketing mix* strategy. A customer-oriented marketing strategy by improving communication can foster customer loyalty (Farida & Ardyan, 2018; Rizqulloh & Elida, 2015).

Service quality and Customer Relationship Management have a close relationship in determining customer satisfaction. A consumer may also experience various levels of joy. If the product or service does not meet his expectations, the consumer will feel dissatisfied and vice versa (Cidral et al., 2018; Yilmaz, 2017). Previous research found a very close relationship between service quality and customer satisfaction level; the better the quality, the more likely the customer will be more satisfied (Liaw & Huang, 2013). The higher the quality of the services provided, the

higher the students' satisfaction and the higher the quality provided can affect student satisfaction. Therefore it causes a loyal attitude towards vocational students (Mark, 2013). This study is in line with Missildine et al., (2013), who stated that service quality positively affects customer satisfaction.

Quality in a service is a dynamic condition related to products, services, people, processes, and the environment that meet or be beyond expectations. Service quality has a significant effect on customer loyalty (Yousapronpaiboon, 2014). This theory shows that service quality can increase interest in staying with the company. The research quality of services conducted has a positive and significant effect on customer loyalty (Farida & Ardyan, 2018; Osler, 2011).

Theoretically, in previous studies, there is a research gap, including research conducted by Semuel (2006), which states that customer expectations of service products directly affect customer satisfaction and customer loyalty. The study conducted by Albayrak and Caber (2014) states a negative effect between customer satisfaction and customer loyalty. On the other hand, customer satisfaction attributes positively affect customer loyalty (Maria et al., 2011). Another research gap is research conducted by Sultan & Wong (2010), where the results show that service quality has a positive and significant impact on customer loyalty. However, this study is different from Hidayat (2009), where service quality does not directly affect customer loyalty.

Meanwhile, seen from the side of the marketing mix on customer loyalty, there is a research gap between the research of Tiyanto et al., (2013) which states that marketing strategy has a positive and significant effect on customer loyalty with research by Sya'idah and Jauhari (2018) which states that there is a part of the strategy. Marketing, namely promotion, has a negative effect of -0.155 on customer loyalty. In addition, the choice of themes on the influence of customer expectations and the marketing mix in this study is because both customer expectations and marketing mix are significant elements in the development and expansion of education.

This study aims to determine the effect of customer expectations and marketing mix on customer loyalty with customer satisfaction as an intervening. This research's advantages are as input in the development of management science, especially in marketing management. Moreover, it is also used as input in developing competitive strategies between service industries engaged in education.

According to (Seyedaliakbar et al., 2016), there is a significant influence between customer expectations and customer satisfaction on customer loyalty. Satisfaction is the potential to build loyalty. Samuel (2006) also agrees that customer expectations or expectations can affect customer satisfaction.

Wijaya (2017), from the results of her research, states that the marketing mix has a positive and significant effect on customer satisfaction and consumer satisfaction has a positive and significant impact on consumer loyalty. Nova Ely Tiana and Endang Setyawati (2012) state that the study results show that products and promotions directly affect customer satisfaction and loyalty. Likewise, satisfaction which directly affects customer loyalty. Putra (2015) research results show that the marketing mix has a significant positive effect on loyalty through customer satisfaction. Based on previous explanation, research hypothesis are:

Hypothesis 1 (H1): customer expectations have a positive effect on customer satisfaction.

Hypothesis 2 (H2): marketing mix has a positive effect on customer satisfaction.

Hypothesis 3 (H3): customer expectations have a positive effect on customer loyalty.

Hypothesis 4 (H4): marketing mix has a positive effect on customer loyalty.

Hypothesis 5 (H5): Customer satisfaction has a positive effect on customer loyalty.

Hypothesis 6 (H6): Customer expectations affect loyalty through customer satisfaction

Hypothesis 7 (H7): Marketing mix affects loyalty through customer satisfaction.

METHODS

This research is quantitative research with a causal research design. This study's population is all students of SMK A1-Ittihad Boarding School Jungpasir, Wedung, Demak in the academic year of 2020/2021 with 180 people as samples. The sampling technique in this study is the technique of Stratified Random Sampling. Researchers choose to use this sample because the population is not in the same strata. The variables measured in this study are customer expectations (X1), with indicators, according to Almsalam (2014), are Tangible, Reliability, Responsiveness, competence, and Empathy. The marketing mix variable (X2) with indicators of the four marketing mix elements is combined with three additional elements, which was later known as the 7P, namely: Product, Price, Promotion, Place, People, Physical Evidence, and Process. The variables of customer satisfaction (Y1) with indicator according to El-Adly (2019) are Product, Sales, After sales services, Location, Culture, and Time.

The research data collection tool is a questionnaire, and the validity is tested. The validity test results show the value of Item Corrected item-total Correlation of all statement items > R table (0.146) so that this research instrument can be said to be valid. The reliability test results show that the Cronbach's Alpha value is 0.898 > 0.7, so that this research instrument can be said to be reliable.

This study's data analysis method is inferential (quantitative) using the requirements test, namely the linearity test, normality test, multicollinearity test, heteroscedasticity test, and linearity test. It also uses path analysis to test the path's construction, whether it is empirically tested or not. It looks for the direct and indirect effect of a set of independent variables on the dependent variab

RESULTS AND DISCUSSION

Analysis of the data used in this study uses quantitative analysis that is path analysis.

Requirements Test

Linearity test

The Deviation from the Linearity value of the three independent variables is > a significant level (0.05) (Table 1), so it can be concluded that there is an essential linear relationship between the independent and dependent variable in this study.

Table 1. Linearity Test Results

No.	Independent Variable	Deviation from Linearity	Sig.	Note
1	Customer Expectation	0.896	0.05	Linear
2	Marketing Mix	0.871	0.05	Linear
3	Customer Satisfaction	0.531	0.05	Linear

Normality test

Based on table 2, the *Asymp* value is obtained. *Sig (2-tailed)* Kolmogorov-Smirnov test 0.200 > significant level (0.05), so it can be said that the data in this study has a normal distribution.

Table 2. Normality Test Result

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		180
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	.23995828
Most Extreme Differences	Absolute	.047
	Positive	.042
	Negative	-.047
Test Statistic		.047
Asymp. Sig. (2-tailed)		.200 ^{c, d}

Multicollinearity Test

Based on table 3, all independent variables have a Tolerance value > 0.1 and VIF value < 10,

so it can be said that there are no symptoms of multicollinearity in the regression model.

Heteroscedasticity Test

Table 3. Multicollinearity Test Result

No.	Independent Variable	Tolerance	VIF
1	Customer Expectation	0.531	1.883
2	Marketing Mix	0.701	1.427
3	Customer Satisfaction	0.569	1.759

Table 4. Heteroscedasticity Test Result

No.	Independent Variable	Calculated Sig.	Sig.
1	Customer Expectation	0.859	0.05
2	Marketing Mix	0.020	0.05
3	Customer Satisfaction	0.000	0.05

Based on table 4, not all independent variables have a Sig. Accumulated value > 0.05, so it can be said that heteroscedasticity symptoms occur in the regression model of this study.

Path Analysis

The path analysis test is used to prove the Customer Satisfaction variable as an *intervening* variable between Customer Expectations and Marketing Mix to Customer Loyalty.

Table 5. Path Analysis Test Result

No	Variable	Standardized Coefficients		Significance	
		Customer Satisfaction	Customer Loyalty	Customer Satisfaction	Customer Loyalty
1	Customer Expectation	0.660	0.507	0.000	0.000
2	Marketing Mix	-0.420	0.013	0.000	0.778
3	Customer Satisfaction	-	0.479	-	0.000

The path analysis test result can be shown in Figure 1:

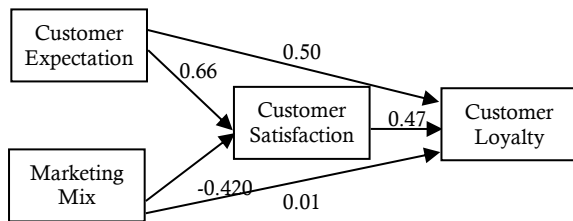


Figure 1. Path Analysis

Based on the results of the path analysis, the following effects can be obtained that Sig value of the relationship between Customer Expectation and Customer Satisfaction is $0.000 < 0.05$, so it can be concluded that there is a significant direct influence between Customer Expectation and Customer Satisfaction. Second, Sig value of the relationship between Marketing Mix and Customer Satisfaction is $0.000 < 0.05$, so it can be concluded that there is a significant direct influence between the Marketing Mix and Customer Satisfaction variables.

Third, Sig value of the relationship between Customer Expectation and Customer Loyalty is $0.000 < 0.05$, so it can be concluded that there is a significant direct influence between the Customer Expectation and Customer Loyalty variable. Fourth, Sig value of the relationship between Marketing Mix and Customer Loyalty is $0.778 > 0.05$, so it can be concluded that there is

no significant direct influence between Marketing Mix and Customer Loyalty variable. Fifth, Sig value of the relationship between Customer Satisfaction and Customer Loyalty is $0.000 < 0.05$, so it can be concluded that there is a significant direct influence between the Customer Satisfaction and Customer Loyalty variable.

The direct effect of customer expectations on customer loyalty is 0.507. Meanwhile, customer expectations on customer loyalty through customer satisfaction are $0.660 \times 0.479 = 0.316$. Then the total effect of customer expectations on customer loyalty is obtained $0.507 + 0.316 = 0.823$. It was found that the value of the direct influence is greater than the value of the indirect effect ($0.507 > 0.316$). Thus, it can be concluded that customer expectations directly affect customer loyalty.

The direct effect of the Marketing Mix on Customer Loyalty is -0.013. In comparison, the influence of Marketing Mix on Customer Loyalty through Customer Satisfaction is $-0.420 \times 0.479 = -0.201$. Then, the Marketing Mix's total effect on Customer Loyalty is obtained $0.013 + (-0.201) = -0.188$. It was found that the value of the direct impact is greater than the value of the indirect effect ($0.013 > -0.201$), so that it can be concluded that the Marketing Mix directly affects Customer Loyalty.

There is a direct and significant influence between customer expectations and customer satisfaction in SMK Al-Ittihad, which has a probability value of $0.000 < 0.05$. Thus, the hypothesis (H1), which states that customer expectations directly and significantly affect customer satisfaction, is correctly proven. This means that reasonable expectations will impact customer satisfaction. Students' expectations significantly affect the pleasure which they get later to the performance given by the school. This study supports the research conducted by Samuel (2006), which stated that customer expectations and marketing mix on customer satisfaction has a positive and direct effect. This study agrees with Seyedaliakbar et al., (2016), who stated that customer expectations and marketing mix could affect customer satisfaction.

There is a direct and significant influence between the marketing mix on customer

satisfaction in SMK Al-Ittihad, which has a probability value of $0.000 < 0.05$. Thus the hypothesis (H2) states that the marketing mix directly and significantly affects customer satisfaction is correctly proven. An effective marketing mix strategy from the school will help it achieve its marketing goals to create satisfaction on customers (students) automatically. The results of this study support the research conducted by Suarniki & Lukiyanto (2020), who also said that the marketing mix affects customer satisfaction. The higher the marketing mix is expected to have a positive impact on customer satisfaction.

There is a direct and significant influence between customer expectations and customer loyalty in SMK Al-Ittihad, which has a probability value of $0.000 < 0.05$. Thus, the hypothesis (H3), which states that customer expectations directly and significantly affect customer loyalty, is correctly proven. Customer Expectations become a reference that determines Customer Satisfaction which finally becomes a consideration for customers to make repurchases so that Customer Loyalty will be created. The results of this study support the research conducted that show customer expectations affect customer loyalty.

The relationship between customer satisfaction and customer loyalty is when consumers reach the highest level of customer satisfaction which creates a strong emotional bond and long-term commitment to the company brand (Jahanshahiet al., 2016). Consumer satisfaction has a positive and significant effect on brand loyalty in Ponds products (Sultan & Wong, 2010). This study is also in line with the research conducted by Song et al., (2013) there was a significant positive relationship between customer satisfaction and brand loyalty.

There is no significant direct influence between the marketing mix and customer loyalty in SMK Al-Ittihad, which has a probability value of $0.778 > 0.05$. Thus, the hypothesis (H4) states that the marketing mix affects loyalty is correctly proven, but the effect is inversely proportional. This means that a high marketing mix will have an impact on decreasing customer loyalty. Promotional activities consist of all kinds

of incentive tools, and most of them are short term. This is mainly used to stimulate consumers to buy certain products that are displayed on the front.

Išoraitė (2016) stated that the marketing mix has a significant effect on consumer loyalty, the same researcher Londhe (2014) explained that marketing strategy has a positive effect on customer loyalty. This statement implies that the higher the marketing strategy is implemented, it is expected to have a positive impact on customer loyalty.

There is a direct and significant influence on customer expectations to customer satisfaction in SMK Al-Ittihad which has a probability value of $0.000 < 0.05$. Thus the hypothesis (H5) states that customer satisfaction directly and significantly affects customer loyalty is correctly proven. This means that high customer satisfaction will have an impact on increasing customer loyalty. Customer satisfaction is an indicator where the school's performance is following the expectations expected by students. The satisfied customers will eventually make repurchases and eventually become loyal. This study supports the research conducted by Sultan & Wong (2010), which showed that customer satisfaction has a direct and significant influence on customer loyalty. Fan et al., (2015) there is a significant influence between customer expectations and customer satisfaction on customer loyalty. Satisfaction has the potential to build loyalty. Customer expectations or expectations could affect customer satisfaction.

Testing an indirect effect shows an indirect effect between customer expectations and customer loyalty mediated by customer satisfaction. In this case, the direct effect value calculation is greater than the indirect effect value ($0.507 > 0.316$). Therefore, this study has proven the hypothesis (H6), which states that customer expectations positively affect customer loyalty through customer satisfaction in SMK Al-Ittihad. Thus, it can be concluded that customer expectations directly affect customer loyalty. Students' expectations of the school become a reference for what they have received so far. If school performance is good, students' satisfaction will be created and has implications

for customer loyalty. The results support the research conducted by Farida and Ardyan (2018), which stated a significant influence between customer expectations and customer satisfaction toward customer loyalty.

Testing an indirect effect shows an indirect effect of the marketing mix on customer loyalty mediated by customer satisfaction. In this case, the direct effect value is greater than the indirect effect value ($0.013 > -0.201$). Therefore, this study has successfully proven the hypothesis (H7), which states that the marketing mix positively affects customer loyalty through customer satisfaction. So it can be concluded that the Marketing Mix directly affects Customer Loyalty. The practical and appropriate marketing mix will lead to student satisfaction, which will finally cause Customer Loyalty (Student). The results support the research conducted by Cynthia (2017) in which the research stated that the marketing mix has a positive and significant impact on consumer satisfaction in which customer satisfaction has a positive and significant impact on customer loyalty.

CONCLUSION

Based on the conducted research results, the conclusions can be drawn as follows. There is a direct and significant influence between Customer Expectations and Customer Satisfaction. The research show a direct and significant influence between the Marketing Mix and Customer Satisfaction. There is a direct and significant influence between the customer expectations and customer loyalty. There is no direct and significant influence between the Marketing Mix and Customer Loyalty. Customer Satisfaction and Customer Loyalty have a significant influence, customer expectations and customer loyalty have significant influence. Direct and significant influence between Marketing Mix and Customer Loyalty also proven.

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