

The University's Reputation as Intervening Is Between Quality of Service and Electronic Word of Mouth at Private Universities in Medan City

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ABSTRACT

This study aims to see the direct influence of service quality rather than electronic word of mouth (EWOM) and by presenting the role of the university's reputation in mediating the quality of service at EWOM at private universities in Medan City. A sampling of 120 respondents from five private universities with active student status, a minimum study period of three semesters, and a strata 1 education level. The research methodology used is path analysis with the Smart PLS Program Version 3. The results show that the service quality is directly greater. its effect on EWOM when compared to the effect from service quality on EWOM is mediated by the reputation of the university at private universities in Medan City.

Keywords: EWOM, Service Quality, University Reputation

JEL Classification: M00, L80, I20

INTRODUCTION

Electronic word of mouth (EWOM) is one of the promotions using electronic equipment connected to the internet and is very effective today because people tend to look for their own information about a product (Hariono, 2019). Next consumers learn the brands that have been successfully obtained (Lin, 2012). Before making a purchase of EWOM products can be used as a consideration (Adjei et al., 2010; Lee & Koo, 2012; Zhu, F. & Zhang, 2010). The same goes for EWOM in private colleges.

EWOM at private colleges provides students with the opportunity to share information about their experiences during their studies. Providing information about related services from people they know, which are different geographical areas who have experience of the services in question (Cheung & Thadani, 2010). One of the determinants of the formation of EWOM with the excellent service quality at private universities. Dimensions of service quality are divided into five dimensions, including tangible, reliability, responsiveness, empathy, and assurance. Hanaysha (2016), the service quality in the education industry is expressed as the overall evaluation of the services it receives as part of the experience during the education process, which includes activities outside and inside the classroom such as available classrooms based on the type of activities, employee and student interactions, the availability of facilities that support learning and relationships with teachers.

Research that discusses the service quality to EWOM, such as research carried out by Kartika, *et al* (2019) Service quality is the driver of positive EWOM. These findings are expected to provide an empirical understanding related to the efforts made by marketers to create positive EWOM. Susilowati and Yasri (2019) There is a positive relationship between dimensions from service quality consisting of (tangible, reliability, responsiveness, empathy, and assurance,) and EWOM. Wibowo (2019) He found in his research that the service quality was influential and the significant to EWOM. Jiewanto and Nelloh (2012) The service quality affects EWOM. Thus hypothesis 1 is the quality of service that has a positive as well as significant effect on EWOM.

The reputation of the university also contributed in building EWOM, because the reputation of the university concerns the good name of an institution. The reputation of the university is something that is natural and built over a long time. The reputation of a college university is factor in the value creation process to students. The reputation of a good university according to students and prospective students is needed by a college. The reputation of the university is very important for the survival of a university in the future, so it is expected that it will be able to influence prospective students to choose to study in college. A good university reputation can also be an intermediary between the quality of service with EWOM as well as research that has been done by (Jiewanto et al., 2012; Nisar et al., 2020). It found that its reputation as a intervening between service quality and EWOM. EWOM is not only directly affected by the good or not of the service quality but through the intervening variable that is the reputation of universities in universities.

LITERATURE REVIEW

1.1. Service Quality

Service quality consists of multi-dimensional service quality assessment, namely tangible, reliability, responsiveness, empathy, and assurance (Parasuraman, 2014). The service quality will be able to be interpreted by the amount of service received by consumers with the amount of service expected by consumers. The greater the service received, the more satisfied the consumer with the service quality. The service quality

with five dimensions is also divided into several indicators so that the measurement is more measurable.

1.2. University Reputation

Fombrun, Gotsi, M. and Wilson in Hasan and Yun (2017) Define a company's reputation as an overall evaluation conducted by *stakeholders* of the company over time. Evaluation of the reputation of the university is based on direct experience rather than stakeholders who of course have already been directly involved with the company. As for other forms of communication and symbolism that will provide information about how a company's actions when compared to actions that will also be taken by other companies.

Urde & Greyser (2016) A good reputation increases profits because it attracts consumer attention to the products produced by the company, investors in securities, and employees to the company's job openings. The reputation of the company influences in choosing the products tube purchased, the securities in which we will invest, and the job offers we will receive. The public would rather do business with someone who has a good reputation in their eyes.

In a very competitive situation, if we do not have a good reputation, it is the same as a decrease in sales. Because a company that is already trusted will certainly build a pool of credibility and cleverness. However, the reputation of the university that has been owned cannot be courage. Once we have a bad reputation in the eyes of consumers, it will be very difficult to improve and restore people's trust in us. In essence, reputation is very valuable because reputation informs us about what products are right to buy, which companies are right to work in, or which securities are right to invest in.

1.3. Electronic Word of Mouth (EWOM)

Hennig & Thureau, et al (2004) EWOM is promotion section carried out by word of mouth carried out by consumers / former consumers to others using electronic equipment connected to the internet. Communication in the form of EWOM can be done in various ways, such as: communication in groups. The division of dimensions of EWOM in the opinion of (Hennig-Thureau et al., 2004) consists of eight dimensions, among others: platform, concern for other, helping companies, expressing positive emotions, social benefits, and seeking rather than information.

RESEARCH METHOD

The research methodology used is the explanatory survey method. The observation unit is a student of semester 4 (four) and above at the level of education strata 1 (S1). The analysis methods that will be used in data processing are Partial Least Square - Path Modeling (PLS - PM).

Type of population and sample

Population in this study is all students who are active at 5 (five) private universities in Medan City, namely: Universitas Muhammadiyah Sumatera Utara, Universitas Pembangunan Panca Budi, Universitas Medan Area, Universitas Muslim Nusantara Al-Wasliyah, and Universitas Islam Sumatera Utara. The study used structural equation modeling (SEM). For SEM analysis requires a sample of at least 5 to 10 times the number of indicators to be analyzed (Ferdinand, 2013). The study had 24 indicators; researchers took samples of $5 \times 24 = 120$ samples.

Framework of Research

Figure 1. Framework of research

The hypothesis:

- 1) The quality of service has a positive as well as significant (5%) effect on EWOM.
- 2) The quality of service has a positive as well as significant (5%) effect on EWOM through the university's reputation as an intervening variable.

RESULTS

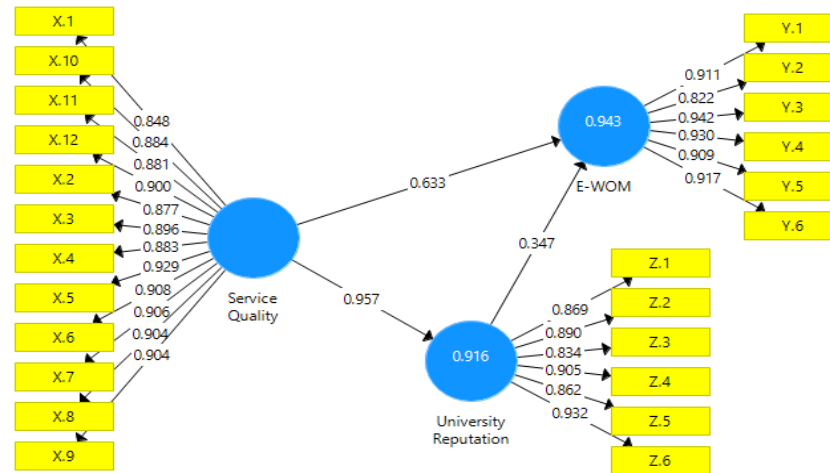
Table 1. Characteristics of Respondents

No.	Respondents Based	Amount	Percentage	Total Respondents	
1.	Semester	4 s/d 5	16	13%	120
		6 s/d 7	62	52%	
		8 over	42	35%	
2.	Age	18 s/d 20	10	8%	120
		20 s/d 22	49	41%	
		22 over	61	51%	
3.	Occupation	Work	54	45%	120
		Not Working	66	55%	
4.	Resources	Friend	34	28%	120
		Family	33	28%	
		Internet	28	23%	
		Other	25	21%	
5.	Sex	Male	54	45%	120
		Female	66	55%	

Source: Author's Data, 2021

Table 1 above shows that from the characteristics of respondents the majority is in semester 6-7 as much as 52%. The majority of respondents over the age of 22 were 51%. The respondent's employment status was not working as much as 66%. The source of information obtained came from friends as much as 34%. Most respondents were female as much as 66%.

Picture 1. Output PLS Algorithm



Test Validity and Reliability

Test Validity

Data processing results with Smart PLS Program 3.0 obtained validity value for all indicators already above 0.70 (Ghozali & Latan, 2015). So that the data can be processed further. For more details the value of validity for each variable indicator can be seen as follows.

Table 2. Instrument Validity Test

Construct	Indicator	Outer Loading	Cut off	Result
Service Quality	X.1	0,848	0,7	Valid
	X.2	0,877		Valid
	X.3	0,896		Valid
	X.4	0,883		Valid
	X.5	0,929		Valid
	X.6	0,908		Valid
	X.7	0,906		Valid
	X.8	0,904		Valid
	X.9	0,904		Valid
	X.10	0,884		Valid
	X.11	0,881		Valid
	X.12	0,900		Valid
University's Reputation	Z.1	0,869	0,7	Valid
	Z.2	0,890		Valid
	Z.3	0,834		Valid
	Z.4	0,905		Valid
	Z.5	0,862		Valid
	Z.6	0,932		Valid
Electronic Word of Mouth (EWOM)	Y.1	0,911	0,7	Valid
	Y.2	0,822		Valid
	Y.3	0,942		Valid
	Y.4	0,930		Valid
	Y.5	0,909		Valid

Source: Output Smart PLS, 2021

Reliability Test

Reliability tests are tests of the reliability of data that is accurate and consistent in measuring a variable. Smart PLS 3.0 program, in measuring the reliability of reflexive indicators on a variable. Value for reliability greater than 0.70 (Ghozali & Latan, 2015). All the reliabilities values of the three variables can be seen as follows.

Table 3. Instrument Reliability Test

Construct	Composite Reliability	Result
EWOM	0,965	Reliabel
Service Quality	0,979	Reliabel
University Reputation	0,955	Reliabel

Source: Output Smart PLS, 2021

The three variables above have a composite reliability value already above 0.70 so that the three variables can already be said to be reliable. Because the data has qualified valid and reliable, the next data processing can be done.

The result from coefficient of determination (R-Square) test is used to see the magnitude of the influence of all independent variables on dependent variables in the form of percentages (Henseler & Sarstedt, 2015). The value of R-Square can be seen in the following Table 4.

Table 4. R-Square

	R Square	R Square Adjusted
Electronic WOM	0,943	0,942
University Reputation	0,916	0,915

Source: Output Smart PLS, 2021

An R-Square score of 0.943 means the variable EWOM can be explained by the construction of the service quality and reputation of the university, at 94.3%. As for the reputation variables of the university affected the service quality by 0.916 or by 91.6%.

Picture 3. Output Smart PLS Bootstrapping

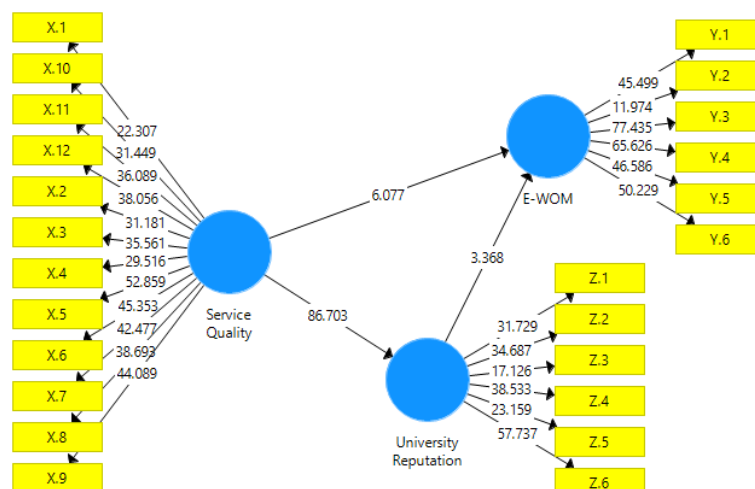


Table 5. Path Coefficients

	Original Sample	Standard Deviation	T Statistics	P Values
Service Quality -> Electronic WOM	0,633	0,113	5,626	0,000
Service Quality -> University Reputation	0,957	0,012	81,473	0,000
University Reputation -> Electronic WOM	0,347	0,112	3,106	0,002

Source: Output Smart PLS, 2021

Table 5. the effect of service quality on EWOM was 0.633 or 63.3%. The study showed that the quality of the service had a positive and significant effect on EWOM, with a calculated T value of 5.626 which was certainly greater than 1.96 and a Probability value of 0.000 which was certainly smaller than 0.05. So that the influence of quality of service on the reputation of the university amounted to 0.957 (95.7%). The impact of the university's reputation on EWOM was 0.347 (34.7%). The quality of service had a positive and significant impact on the reputation of the university with a T-count of 81,473 which was certainly greater than 1.96 and a Probability score of 0.000 which was smaller than 0.05. While the reputation of the university has a positive and significant impact on EWOM with a T count of 3.106 which is much greater than 1.96 and the probability value of 0.002 is much smaller than 0.05.

Table 6. Path Analysis

	Original Sample	Standard Deviation	T Statistics	P Values
Service Quality -> University Reputation -> EWOM	0,332	0,110	3,024	0,003

Source: Output Smart PLS, 2021

The table above shows that the track analysis is the impact of service quality on EWOM through the reputation of universities with a T count of 3.024 whose value is much greater than 1.96 and the probability value of P 0.003 whose value is less than 0.05.

DISCUSSION

Hypothesis 1: Impact of Quality of Service on EWOM

Output Program Smart PLS Demonstrate results that the service quality has a positive as well as significant impact on EWOM. All this explains that with good quality service at private universities will encourage the occurrence of positive EWOM in the student environment. The results of this study are also in line with the results of the research conducted by (Jiewanto et al., 2012; Kartika & Shihab, 2019; Susilowati & Yasri, 2019; Wibowo, Hans Kristian., Junaedi, 2019). They stated in their research that good service quality will encourage positive EWOM. In this study with good service quality at private universities to students, students perform an action in the form of spreading information by word of mouth by using electronic equipment connected to the internet. So that the information conveyed by students in the form of EWOM is positive in relation to the service quality they receive during their studies at private universities.

Hypothesis 2: Impact of Quality of Service on EWOM through the University's Reputation

The quality of service will affect the occurrence of EWOM through the university's reputation variable that states an indirect relationship between the quality of service and EWOM. The results of this study showed a positive and significant influence in line with the research conducted by (Jiewanto et al., 2012; Nisar et al., 2020) It found that its reputation as a intervening between service quality and EWOM. EWOM is not only directly affected by the good or not of the service quality but through the intervening variable that is the reputation of universities in universities.

CONCLUSION

The direct and indirect influence between service quality to EWOM produces different results. Where direct influence is greater than indirect influence so that the role of the university's reputation as a variable between service quality and EWOM is less functional in private college students in Medan City. This is clearly what is more important by students is quality service so that they will feel satisfied and they will tell it by word of mouth information in the form of EWOM.

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DECLARATION OF CONFLICTING INTERESTS

The author declares that there is no conflict of interest.

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