

Conference Paper

Implementation of Service Marketing Mix Strategy to the Formation of Service Value and its Implications for Student Trust

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Abstract.

This study investigates the implementation of service marketing mix strategies and their implications for the formation of service value and student trust within educational institutions. As the higher education landscape becomes increasingly competitive, institutions are seeking innovative approaches to enhance the quality of their services and build enduring relationships with their students. This study aims to find out, analyze, and examine the implementation of service marketing mix strategies, service value, and student trust, as well as the effect of implementing the service marketing mix strategy on service value and its implications on good student trust. This study applies a descriptive qualitative design. Based on the analysis of the research results, the following findings were obtained: the implementation of the service marketing mix strategy is in the fairly good category, the service value is in the fairly good category, and student trust is in a good category. The service marketing mix strategy positively impacts the value of services and its application to student trust.

Keywords: service, marketing mix strategy, service value,; student trust

1. Introduction

Education is a long-term investment that must be organized and prepared with adequate facilities and infrastructure to achieve competence, namely a combination of knowledge, attitudes and skills reflected in everyday life. Education is an obligation for all citizens that must be implemented to improve the country's progress. The advance and retreat of a country are determined by the educational system implemented by the state itself [1]. If a country wants to advance in the field of industry, then its citizens must be able to create classy products. If the country wants to advance in the field of technology, then its citizens must be guided to become a creator of reliable machines. Likewise, in order to improve the welfare of the people, then the resulting citizen must be multitasking so that they can adjust to any situation.

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Published 3 January 2024

Publishing services provided by Knowledge E

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Selection and Peer-review under the responsibility of the ICHLSS Conference Committee.

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In Indonesia, all means have been done to advance physical and spiritual education within and outside of school. However, many obstacles hinder the pace of education development in Indonesia, which is still relatively low. In the era of globalization, education is very important to enter, survive and compete in it. Improving the quality of Human Resources needs to be considered so that the Indonesian people are able to compete in this era. Improvement of Human Resources can be done through the implementation of good quality education that provides provisions for the next generation to be successful in their business fields by passing an increasingly high level of competition. As stated in Law of the Republic of Indonesia Number 12 the Year 2012 on Higher Education (2012) states that Higher Education functions to develop abilities and form a dignified national character and civilization in order to educate the nation's life, develop an innovative, *responsive*, creative, skilled and cooperative academic community through the implementation of the Tridharma and develop science and technology by paying attention to and applying humanities value. In article 5, it states that Higher Education aims to develop the potential of students to become human beings who have faith and piety in God Almighty, have a noble character, healthy, knowledgeable, capable, creative, independent, skilled, competent, and cultured for the benefit of the nation. The production of graduates who master the branches of science and/or technology to meet national interests and increase the nation's competitiveness. Produced science and technology through research that pays attention to the value of the humanities in order to benefit the progress of the nation, as well as the progress of civilization and the welfare of mankind. As well as the realization of reasoning-based community service and research work that is useful in advancing the general welfare and educating the nation's life.

Based on the laws and government regulations that have been put forward, it can be known that education has a very important role in determining the development and self-realization of individuals, especially for the development of the nation and state. A culture's progress depends on how it recognizes, appreciates, and utilizes human resources [3]. In this case, it is closely related to the quality of education provided to members of society as learners. The uneven level of education in Indonesia is due to various factors, such as geographical barriers where the location of the house is far from campus, and gender discrimination that prioritizes boys to receive higher education than their daughters. Obstacles also arise from the economic side, namely poverty, which is related to the purchasing power of the surrounding community to be able to get an education that is currently increasingly expensive, so that only economically capable people can enjoy the world of education, especially in Higher Education [4]. This

situation is very contrary to the preamble to the 1945 Constitution in the 4th paragraph, which contains national education aimed at educating the nation's life. Also, in article 28 B paragraph (1) it is said that everyone has the right to develop the fulfillment of his basic needs, has the right to education and benefit from science and technology, art and culture, in order to improve the quality of his life, for the welfare of mankind. This situation is also contrary to article 31 paragraph (1) which contains that every citizen is entitled to education.

Education is the right of every Indonesian citizen, and education is a very important foundation for the progress of this nation and country. Education is needed to answer the market need for a quality workforce that can compete in the era of globalization [5]. Because it is undeniable that the Bachelor's degree title is the minimum requirement to be able to compete in the era of globalization as it is today [6]. Human Resources graduates from universities are not a guarantee that the human resources are of high quality. The number of unemployed undergraduates shows this because they are not absorbed in existing jobs in national and foreign companies.

With various public complaints about the low quality of higher education implementation, such as the rampant issuance of fake diplomas, the implementation of remote classes and lecture activities with compaction, forming a negative perception of the quality of higher education services in Indonesia, thereby reducing the trust of the public and graduate users, in this case, the company towards the quality of higher education implementation in meeting the needs and demands of the development of the times this moment. To adjust to the demands of globalization, especially in the field of education, the government, in collaboration with the community, is committed to organizing quality educational activities. It is shown by the increasing number of universities in the regions organized by both State Universities and Private Universities, with more affordable education costs compared to studying in big cities.

Students who enter a university certainly have much hope for employment, career development, and a sense of pride as students at the college. Every university must implement the right management system to become superior in higher education organizations. Hence, the organization can appropriately allocate the resources needed to provide the best service to the community in the field of education [7]. The number of private college students in one of the regencies in South Sulawesi has decreased. This is the case with most Private Colleges, where the number of students continues to decline yearly. Only a few Private Colleges could maintain their number of students and even raise the numbers from the previous year. The increase or decrease in the number of students every year can be one of the bases for looking at the level of

student confidence in the Private College concerned. Trust is a person's willingness to rely on and have a feeling of confidence that is then given to others in a given situation. Trust occurs when a person is confident in the reliability and integrity of the trusted party. Confidence in a party that has reliability and integrity will give a value of trust to that party so that someone can provide trust in something, namely educational services from Private Colleges.

2. Method

The research methodology outlines the steps that need to be carried out by the researcher, which include stages: preparation, data and information collection, data processing, study, and analysis to get a comprehensive and systematic description of the research [8]. This research is limited to the study of management science focusing on marketing management disciplines. Marketing research is "A function that connects consumers, customers, and society with marketers through information used to identify and define marketing opportunities and problems, create, improve and evaluate marketing actions, monitor marketing performance, and improve the understanding of marketing as a process".

This study aims to get an overview, analyze and examine the strategy of the service marketing mix and the service value of Private Colleges in one of South Sulawesi, Indonesia regencies. The research method used the descriptive method, emphasizing the exploration and interpretation of research results, which aims to analyze whether there is a mutual relationship between the variables of the Service Marketing Mix Strategy and Service Value. Thus, a descriptive method is used to answer the research objectives, namely, to determine the Service Marketing Mix Strategy and Service Value at Private Colleges.

3. Results and Discussion

The results of a pre-study of 30 Private Colleges respondents in one of South Sulawesi's regencies show that the Value of Services to Private Colleges has not been optimally formed. The results of the pre-research related to the Service Value of Private Colleges can be seen in Table 1 below.

Based on Table 1, regarding the value of services at Private Colleges shows the criteria of "fairly good". The organization the service marketing mix strategy at Private Colleges, shows the criteria of "fairly good". Thhas not supported the value of services through

TABLE 1: The Service Value of Private Colleges.

No	Dimension	Item	Very Good	Good	Fairly Good	Poor	Very Poor
			5	4	3	2	1
1	Product Value	The accreditation Rating is already good	1	9	19	1	0
2	Service Value	The academic services provided are good	0	6	16	8	0
3	Employee Value	Employees of the institution have good competence	1	6	16	7	0
4	Image Value	The college has a good organizational culture	2	7	17	4	0
Frequency			4	28	68	20	0
Percentage (%)			3	23	57	17	0

various accompanying dimensions, so it is necessary to get attention to increasing student trust, especially in employee value indicators, namely, institutional employees have good competence [9]. This illustrates that students still assess if the employees of the institution do not have the sensitivity, competence, or friendly attitude in providing services to students, so they still get difficulties, unclear information, and a sense of comfort from the employees.

Keller and Kotler (2015) also reveal that: “A company succeeds in offering products/services to customers if it is able to provide *value and satisfaction*.” Value is a consumer’s estimate of the product’s ability to satisfy its needs.” Meanwhile, according to Shavitt and Barnes [11], value is said to be personal and unique because the value is related to the benefits they receive from a product and the costs that must be incurred to be able to experience those benefits. From the data above, it can be seen that student responses are still low to the service marketing mix strategy offered by private high schools, especially those related to the diversity of study programs offered, accreditation ratings that are still average rank B. Pride in being registered as students in universities, and the quality of graduates who are easily absorbed by employment is still low.

Service marketing mix strategy is an important factor in increasing service value and loyalty, affecting student trust. Companies should design good strategies to be used to encourage and create a feeling of satisfaction for their customers to create loyal customers [12]. The satisfaction felt by consumers is achieved through the design of a good and appropriate marketing strategy. The main driver of increasing the value of services is the improvement of the performance of the service marketing mix (with the support of the influence of internal factors and individual external factors) [13]. Furthermore, if the customer is satisfied with the Service Marketing Mix, then the

customer will reuse the service [14]. They will do word of mouth to their colleagues, relatives, or closest acquaintances to use the service for various purposes in the same company. Based on the results of a pre-study of 30 respondents of Private Colleges, it shows that the service marketing mix strategy for Private Colleges is less than optimal. The results of the pre-research related to the marketing mix strategy of Private Colleges can be seen in table 2.

Based on Table 2, regarding is means that the service marketing mix has not been supported by responsibility for the organization’s sustainability [15]. So, it is necessary to get attention in increasing the value of services, especially on the indicator of service speed which shows that students’ confidence in choosing Private Colleges is still low. From the data above, it can be seen that student responses are still low to the service marketing mix strategy offered by private colleges, especially those related to the diversity of study programs offered, accreditation ratings that are still average predicate B. Pride in being registered as students in universities, and the quality of graduates who are easily absorbed by employment opportunities is still low. Companies need to take the best *relationship marketing* approach to build long-term relationships with customers and attract new customers [16]–[19]. This process builds and creates new values with individual customers and sharing lifelong benefits with them is critical for the company because *relationship marketing* creates customer loyalty and long-term benefits for the company.

TABLE 2: Private College Service Marketing Mix Strategy in East Priangan.

No	Dimension	Item	Very Good	Good	Fairly Good	Poor	Very Poor
			5	4	3	2	1
1	Product	Study Programs offered according to needs	7	7	13	2	1
2	Price	The amount of affordable education costs	6	8	14	1	1
3	Promotion	Promotions made	6	7	14	2	1
4	Place	Location is easy to reach	5	9	13	2	1
5	Person	Credibility of lecturers	5	6	16	2	1
6	Process	Service speed	4	4	20	1	1
7	Facilities	Buildings and learning facilities	5	5	18	2	0
Frequency			38	46	108	12	6
Percentage			18	22	51	6	3

3.1. The impact of service marketing mix strategies on the value of services

Based on the results of hypothesis testing shows that the application of the service marketing mix strategy has a significant influence on the value of services, meaning that the higher the variety/choice of Study Programs offered by universities and the quality of study programs offered and by prioritizing the quality of education and learning, the public trust will increase. The marketing mix strategy is the most important thing for Private Colleges. Based on the research results, Private Colleges have not been able to offer Study Programs that can meet the community's expectations, in the sense that they are still unable to compete with other Private Colleges outside the area.

The marketing mix strategy needs to be improved so that the value of services from private colleges can increase. Service products are "everything that a manufacturer can offer to be noticed, requested, sought, purchased, used or consumed by the market as a fulfillment of the needs or desires of the market in question"[20]. Products offered include physical goods, services, people or individuals, places, organizations, and ideas. So, products can be in the form of tangible or intangible benefits that can satisfy customers. A service product is an intangible appearance performance that is quickly lost, more perceptible than owned, and customers are more able to actively participate in consuming the service. Indeed, the customer does not buy goods or services but buys the benefits and value of something offered

In addition, place is part of the marketing mix that affects the value of services. The location of services used to supply intended customers is a key decision [21]. Decisions regarding the location of the service to be used involve consideration of how the service will be delivered to the customer and where it will take place. The place is also important as the environment in which and how the services will be delivered, as part of the value and benefits of the services.

3.2. The impact of service value on student trust

Based on the results of hypothesis testing shows that the value of services influences student trust, meaning that every university needs to prioritize the value or attractiveness of each service offered, such as study programs, accreditation predicates, quality of learning, services that are both academic and non-academic that need to be provided by universities. Graduates from Private Colleges must be able to compete in the world of Higher Education services, creating superior and competent graduates; these are

all selling points for universities. The indigo of higher education services increases, so student confidence will also increase, according [22] , who also revealed that: “A company succeeds in offering products/services to customers if it is able to provide value and satisfaction.

Customer value is a comparison between the benefits felt against a product and the costs that must be incurred to get the product. To get customer value that matches customer perception, a company must always follow it by providing appropriate products/services because customer value always changes. Values are personal and unique; they are said to be personal and unique because value is related to the benefits they receive from a product and the costs incurred to experience those benefits. Customer value describes the relationship between product and customer, namely, customer understanding what they want with the product/service offered to meet their needs compared to the costs incurred.

4. Conclusion

The Service Marketing Mix Strategy is in the “fairly good” category, meaning that the implementation of the Service Marketing Mix Strategy at Private Colleges has gone quite well. Private Colleges have Study Programs, and Accreditation Predicates offered quite high quality. However, there are still several aspects of weakness, including the ability and attitude of energy. Education/staff is still low in serving students. The service value of private high schools is in the category of “Enough”, meaning that the service value of private colleges has been formed quite well. This is shown by the relatively complete learning facilities developed in universities, and students have well felt the non-academic services provided by higher education. However, there are still some aspects of weakness, including the attractiveness/variety of study programs offered and the appearance of educational staff that is still not well organized. Student trust is in the “fairly good” category, meaning that students’ trust in Private Colleges is fairly good. This is shown by college graduates being easily absorbed by job opportunities.

The service marketing mix strategy has a positive and significant effect on the value of services, meaning that the more the service marketing mix strategy increases, the value of the services will increase. The dominant service marketing mix strategy is formed by the dimensions of product (product) and price (price), and the smallest dimensions of the dimensions of facilities (Physical Evidence) and HR (people), but the progress of the strategy of the service marketing mix is formed by all dimensions, both the largest and smallest dimensions all support each other. The value of services has a positive

and significant influence on student trust, meaning that the institution's commitment to always develop good learning facilities and non-academic services provided to students will create student trust in the institution.

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