



## **LINKING PERCEIVED SERVICE QUALITY, PERCEIVED SACRIFICE,**

## **AND PERCEIVED VALUE TO CUSTOMER SATISFACTION**

### **IN HIGHER EDUCATION SERVICES:**

**THE CASE OF MASTER OF MANAGEMENT PROGRAM, GADJAH MADA UNIVERSITY,  
YOGYAKARTA**

### **ABSTRACT**

As it is the case with any industry, higher education services, particularly MMGMU, face the same dilemma of competition. That is why, how MMGMU could differentiate itself from its competitors by finding and creating its competitive edge becomes the main strategy to at least survive in the business. However, unlike any other businesses where resources might be abundant, as a nonprofit organization, higher education provider should run their business by maximizing the limitation of income yet providing maximum contribution as what is being expected by its customers. That is, higher education providers continuously seek the best ways to operate effectively and efficiently.

From the perspective of services marketing, there is an evidence to suggest that customers' main expectations of service are quite simple and basic, customers expect service organizations to do what they are supposed to do, and they expect fundamentals and not fanciness; performance, not empty promises. Therefore, students are expecting maximum outcome from the education services provision, as they have paid certain amount of money, sacrificed their potential time and effort to acquire the service. These ideas provide a basis of how to meet the key challenge, that is, to deliver satisfactory outcomes to its customers in a cost-effective manner. The constructs of perceived service quality, perceived sacrifice, perceived value and customer satisfaction are applied as a principal theory to understand how those constructs interrelated to each other and its contribution to satisfy the customers, in a cost-effective manner, for sure.

Structural Equation Modeling (SEM) analysis is applied to this research to both test the measurement model and structural model of the relationship, that is, to test the underlying indicators of the constructs and how these constructs are related one to another. Purposive sampling method is employed to capture the 200 selected samples of students from an online survey tool. Participants were being asked to complete a self-administered questionnaire which consists of 38 questions of perceived service quality construct, 4 questions of perceived sacrifice construct, 4 questions of perceived value construct, and 4 questions to indicate customer satisfaction construct, where each question was accompanied by a seven point Likert-like scale scoring format.

Result of the analysis shows that perceived value plays an important role in predicting the outcome of customer satisfaction, where perceived value is largely defined by the quality of the service received by the customer. Therefore, improvement on the ground of service quality should be considered as one competitive edge for MMGMU, as it is portrayed in the slogan of MMGMU, "The Tradition of Quality".

**Keyword:** Perceived Service Quality, Perceived Sacrifice, Perceived Value, Customer Satisfaction, Higher Education Service, Master of Management Program Gadjah Mada University