The Relationship between Customer Value and Customer Satisfaction in Face-to-face Tutorials at Universitas Terbuka

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Abstract

This article discusses the relationship between Customer Value and Customer Satisfaction in the context of face-to-face tutorials at Universitas Terbuka, Indonesia. In this study, the idea — which was derived from marketing theory for tangible products — was implemented for face-to-face tutorial services. The sample consisted of 200 students involved in face-to-face tutorials whose perceptions of the tutors' performance, tutorial results, tutorial costs and students' satisfaction were measured by using six scales. Customer Value consists of the tutors' performance, tutorial results and tutorial costs; and Customer Satisfaction was derived from SERVQUAL. The findings show that there is a significant positive correlation between Customer Value and Customer Satisfaction. This finding indicates that marketing theory for tangible product can also be used for face-to-face tutorials as an intangible product.

Keywords: Customer value, face-to-face tutorials, students' perceptions, tutors' performance, customers' satisfaction

Introduction

An important argument for developing distance education (DE) is that it provides opportunities for adults to learn anywhere, and at any time suitable for them. Individualization, flexibility, student friendliness and student autonomy are considered to be fulfilled by DE (Nanda, 1997).

According to Kumar and Rao (1998), formal education is usually offered in school, college or university classrooms where students and teachers meet regularly at scheduled times. However, this is not the only way to educate people: knowledge, attitudes and skills can be effectively taught without the learner and teacher being in the same classroom at fixed hours.

Instructors/teachers and students in DE are at a distance from each other (Bufford, 2005). Because the distance from students was regarded as a deficit, the first pedagogic approach in DE was to find ways in which this could be bridged, or reduced by using technology. However, printed courses are still important for the DE students, and should be as self-instructional as

possible. By studying this kind of material, the students can learn by themselves without any help from other people (Nigam & Kaushik, 1996).

In general, student-tutor communication takes place either in face-to-face or online tutorials. The focus of tutorials is on individual students, with the emphasis being more on learning rather than teaching — learning is fully active for the student (Bork & Gunnarsdottir, 2001). Face-to-face tutorials are very similar to teaching and learning in regular classes, while distance tutorial can be asynchronous by using email/online learning or synchronous by using video conferences.

Face-to-face Tutorials at Universitas Terbuka

Universitas Terbuka (UT) is an open and distance education institution in Indonesia which, since its establishment in 1984, offered face-to-face tutorials to the students. However, the number of students who attended these tutorials was low (Belawati, 1998) and now they are provided only if the number of participants is at least 20. Tutorials for some courses are fees-based and are offered according to demand (Belawati, 2001).

The targets for face-to-face tutorials are students who need them and who have access to a location at which they are held (Belawati, 2001). Students can inform their Regional Centre if they want to be involved in face-to-face tutorials and their tutorial scores contribute 50% to the final results of courses.

In UT, these face-to face meetings take place only eight times a semester (compared with 16 for traditional universities) and, therefore, tutors need to manage the meetings efficiently to cover the curriculum content. Tutors also have to give three assignments in the meetings and allocate tutorial scores/grades to the students.

Customer Value and Customer Satisfaction

Quality is clearly an important aspect of education, to reduce students' failure to fulfil society's demands. If the quality needs to be improved, this requires human resources and tools to support education, and the vehicle for improvement is quality management (Arcaro, 1995).

According to marketing theory, every customer has a customer-value. Product quality, service quality, and the price of products are three elements in building Customer Value; and Customer Value has a relationship with Customer Satisfaction (Nauman & Giel, 1995). This theory relates to tangible products that are sold in the market, and product quality can be measured by, for example, endurance and the number of product failure. The quality of services provided by, for instance, sales persons, teachers and

trainers cannot be measured directly. Quality is a construct/latent variable and, therefore, service quality is measured from customers' perceptions (Parasuraman et al., 1988). The price of a product is the cost when it is sold. Customers in face-to-face tutorials are the students. In this setting, product quality is the tutorial results; service quality is the tutors' performance; and the price of the product is the cost of the tutorials. While, in general, the quality of tangible products can be measured objectively using the indicators noted above, service quality and Customer Satisfaction cannot be measured as easily for face-to-face tutorials. Since they are latent variables, they have to be measured from indicators in students' perceptions of how they were implemented.

Tutors/lecturers work to help students to mastering the course content (Mulyasa, 2005), for which they have to prepare content materiel (Arends, 1989) and master the course content (Cruickshank, Jenkins & Metcalf, 2009); and they also need to be able to explain the relevant concepts (Arends, 1989). In addition, they require good communication skills (Taylor, 2003) and be skilful in evaluating students' progress (Arends, 1989). If tutors possess all these qualities, they should be able to perform their functions very well. In this article, tutors' performance consists of tutorial preparation, mastery of content, teaching ability, communication ability, and tutors' discipline in implementing face-to-face tutorials.

A teacher's performance influences students' success (Mulyasa, 2005): unquestionably, teachers play an important role in helping students to master their courses. Teachers/tutors need to understand that in the teaching-learning process, they have to prepare themselves to help students develop competencies which reflect the curriculum's goals. Also, while teachers will improve their teaching ability year after year as their experience increases, students have to work hard in studying if they want to be successful.

Through tutorials, students' understanding of course materials should improve as they carry out many exercises to enhance their ability in solving problems. Students' motivation in learning is also expected to be high so that, at the end of the semester, they will be ready to take the examinations and get good pass results.

A product's price should be competitive, which means that good products and services should not be expensive, especially if the same products are also available from other competitors. Hanif, Hafeez and Riaz (2010) found that price fairness had a larger impact on Customer Satisfaction than customer services. A product's price is basically determined by its quality

and service quality (Nauman & Giel, 1985).

In the case of face-to-face tutorials at UT, certain considerations have to be taken into account in determining the price, such as the cost for renting rooms and electronic tools, fees for tutors, and fees for those who are involved in managing tutorials. However, tutorial price should consider students' economic background (Ratminto & Winarsih, 2005) as they also need to spend some money in copying handouts, problem-solving, and other written materials. UT offers a fair price for its face-to-face tutorials.

Customer Satisfaction is customers' respond to what they expect and what they experienced from a product/process (Hallowell, 1996). Service and performance influence Customer Satisfaction, with performance being a result of activities from a work plan (Rivai & Basri, 2005). Service quality is influenced by perceived service and expected service. If the perceived service is less than the expected service, the customer will not be satisfied; but, on the other hand, if the perceived service is more than the expected service, the customer will be satisfied.

There are five dimensions that build Customer Satisfaction, namely reliability, responsiveness, assurance, empathy and tangibles (Parasuraman et al., 1988). As stated above, all the variables were measured based on student perception. In terms of face-to-face tutorials, it was hypothesized that Customer Value and Customer Satisfaction were positively correlated.
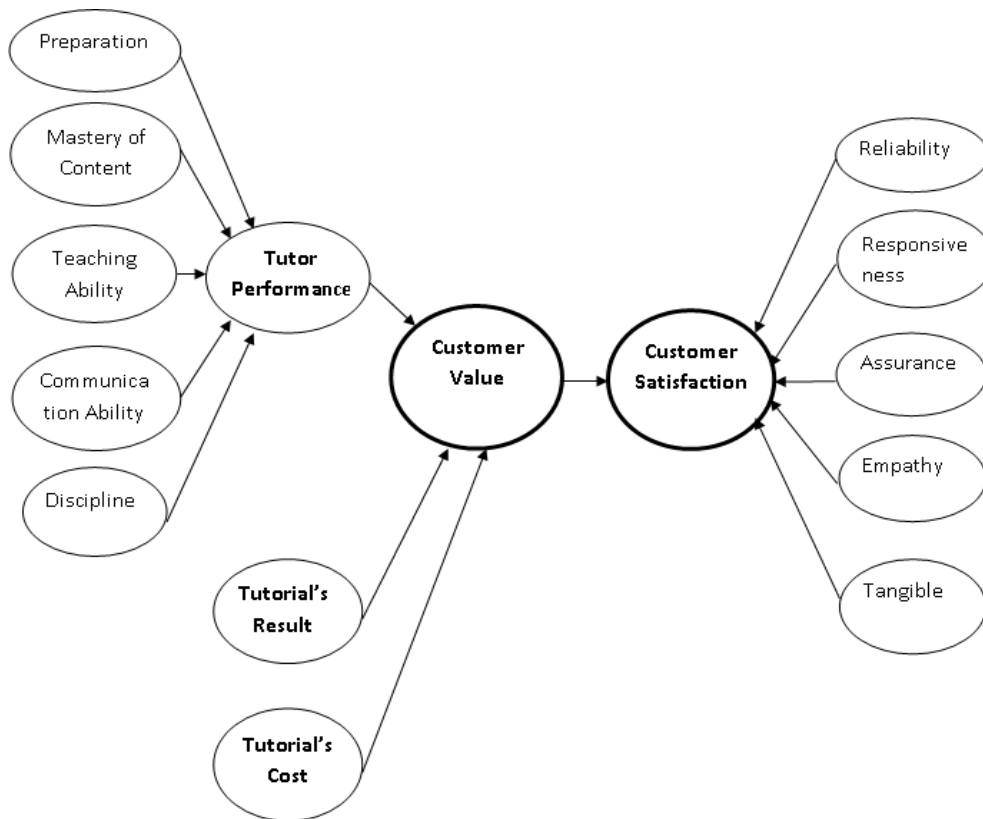
Figure 1 The relationship between variables

Methods

The population for this research was all students who were involved in face-to-face tutorials in Jakarta and Bandung. The sample was taken by purposive sampling, with 100 students from Jakarta and 100 from Bandung. These respondents were the students who attended the classes at the end of face-to-face tutorial activities.

To collect the information, some statements were developed and measured on six scales. Tutor's performance, which consisted of five sub-variables, was assessed by 38 items; and the tutorial result and the cost were measured by five items each. The scales ranged from 1=strongly disagree to 6=strongly-agree. Customer Satisfaction which consisted of reliability, responsiveness, assurance and empathy was measured by 25 items, on a scales from 1= extremely-not-satisfied to 6=extremely satisfied.

Factor analysis and correlations were used in analysing the data. Exploratory factor analysis was employed to form latent variables

(constructs) from measurable variables (statements). Correlation was used to see the degrees of linear relationship between Customer Value and Customer Satisfaction.

Result and Discussion

A test of validity showed that the correlation coefficients between each statement and the total score were between 0.389 and 0.886, all of them being significant at $p < 0.05$. Most of the correlation coefficients were greater than 0.780, which showed that all the statements were valid. In addition, Cronbach's Alpha value for each variable was between 0.759 and 0.915, which also demonstrated that the instrument was reliable.

Descriptively, students gave a positive response to almost all the statements, with most of the mean values of statements being between 4.27 and 5.37 where the scores were from 1 to 6. Only one statement, which was about the availability of an overhead projector/image projector, had an average score of 3.47. Although it was the lowest mean value, it was still greater than 3.00. There were 10% to 13% of respondents who gave 'negative' responses (a response score of ≤ 3) on some statements. From descriptive information, most of the students did not face difficulties in following face-to-face tutorials and were also satisfied with the process of these tutorials.

All statements in each variable/sub-variable formed one factor. When five factors in tutor performance and Customer Satisfaction were factorized by using factor analysis, they also formed one factor. Also when three factors in Customer Value were factorized, one factor was produced (Herman, 2012).
Finally, when data in Customer Value and Customer Satisfaction were correlated, the correlation coefficient was 0.596 and significant at $p < 0.001$ (see Table 1). Therefore, data in this research supported the theory that Customer Value and Customer Satisfaction have a relationship (Nauman & Giel, 1995). Another study conducted by Akbar and Parvez (2009) found that Customer Satisfaction influences customer loyalty and mentioned that service quality should be improved in order to create such loyalty. It is expected that by giving good services and a fair price, students will study harder and will have good grades in the examinations. If this happens, at least students' expectations were reached, and they could suggest to other students that should attend face-to-face tutorials; and so besides their loyalty, they may ask others to be new customers in tutorials.

Table 1 Correlations between Customer Satisfaction and Customer Value (N=200)

	Customer Value	Customer Satisfaction
Customer Value	1	.596[**]
Customer Satisfaction	.596[**]	1

** Significant at p < 0.01

This correlation coefficient showed that the linear relationship between Customer Value and Customer Satisfaction was strong enough (r = 0.596, significant at p < 0.001). The theory states that Customer Value has a relationship with Customer Satisfaction. As mentioned before, this theory is related to tangible products. Since face-to-face tutorials are a service, they are intangible, but this finding showed that the theory still works for an intangible product (face-to-face tutorials).
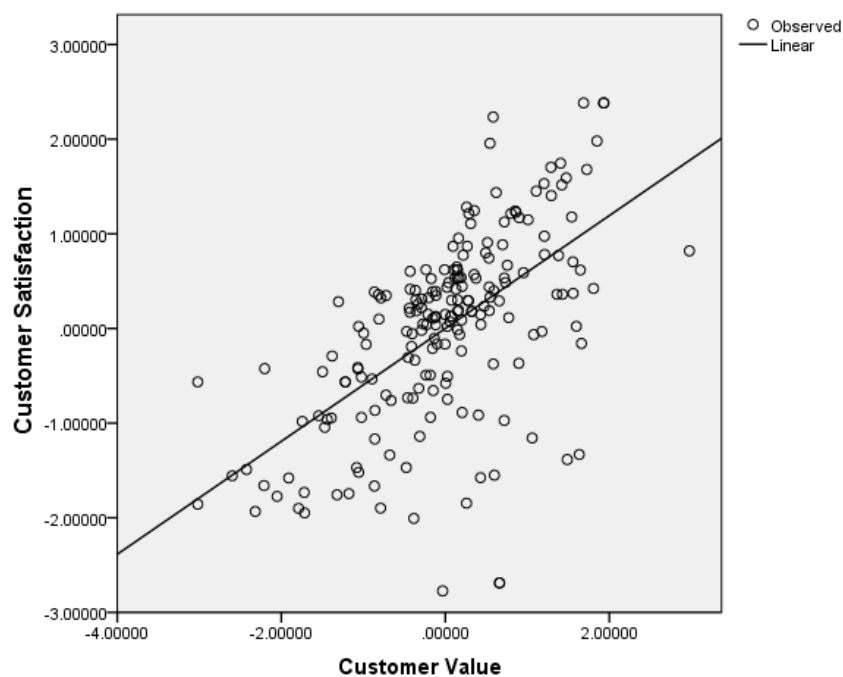

Figure 2 Scatter plot between Customer Value and Customer Satisfaction

Figure 2 shows the pattern of linearity between Customer Value and Customer Satisfaction. Although some data are rather far from the centre, in general their linear relationship is still strong.

Conclusion

The students gave positive responses to almost all the statements in the instrument. The majority of means values of statements were between 4.27 and 5.37 where the maximum score was 6.00. In addition, most of the students were satisfied by the implementation of face-to-face tutorials, even though some facilities still did not exist. The students demanded that facilities such as an overhead projector/image projector must be available in tutorial classes.

The data supported the hypothesis that the correlation between Customer Value and Customer Satisfaction in UT's face-to-face tutorials was positively significant. Based on this finding, the marketng theory for tangible products, which was used in this article, can also be used for intangible products such as face-to-face tutorials.

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