

The Effect of Service Quality, Reputation, and Perceived Price on Purchase Decisions with Customer Satisfaction as an Intervening Variable (Study on Parents of Students at Ciputra School Surabaya)

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ABSTRACT

This study examines the impact of Service Quality, Reputation, and Perceived Price on purchase decisions and customer satisfaction among parents of Ciputra School Surabaya students. Path analysis using PLS software revealed a positive and statistically significant effect on purchase decisions. Service Quality and Reputation significantly influence customer satisfaction, while Perceived Price has no effect. Customer Satisfaction mediates the impact of Service Quality on purchase decisions, but cannot judge Reputation and Perceived Price's effects. The findings suggest that management should implement strategies to ensure Ciputra School's future viability and growth.

Keywords: *Keywords: Customer Satisfaction; Perceived Price; Purchase Decision; Service Quality; Reputation;*

I. INTRODUCTION

Private schools face competition from schools offering foreign curricula, leading parents to choose Singapore, Cambridge, Australian-Victorian Education, and International Baccalaureate. To win competition, schools must meet parental satisfaction and improve school quality. Positive school-family relationships predict achievement, and improving policies and practices can boost parental satisfaction. Schools must focus on improving education services to provide parental satisfaction and maintain their children's education. The reputation of the school, price, and fees also play a role in parents' choices when sending their children to school. To become a successful school, schools must focus on consumer satisfaction, as parents are the decision-makers for students.

Ciputra Surabaya School, a cooperation education unit in Indonesia, can use the international curriculum base to become the largest International Baccalaureate (IB) curriculum provider. The study aims to test and analyze whether service quality affects the purchase decision of parents at Ciputra Surabaya School, customer satisfaction can mediate the relationship between service quality and purchase decisions, and customer satisfaction can mediate the relationship between reputation and purchase decisions.

The selection of a school by parents for their children is associated with the purchasing choice process, which is influenced by numerous elements across various research. In a recent study conducted by Herianto et al. (2022), the authors examined the elements that impact parental decision-making about the enrollment of their children in educational institutions. The findings of the study revealed that four key factors emerged as very relevant in this regard. These factors include the provision of excellent services and a conducive environment, the demonstration of student competences, the effectiveness of the learning management system, and the reputation of the school. In a separate investigation, Griffith (2020) and Jonsdotir et al. (2017) discovered that several elements contributing to parental satisfaction, together with

consumer satisfaction, have a significant impact on parents' loyalty and dedication to the educational institution attended by their children. Conversely, in cases where parents perceive inadequate support from the educational institution, it is likely to result in a negative parental experience, leading to the manifestation of their discontent in a visible manner. Moreover, Thompson and Galindo (2016) shown in their research that a favourable association between families and schools was indicative of academic success. This association was found to be influenced by the degree of parental contentment with their children's educational institution.

The aforementioned analysis suggests that the convergence of robust school-family relationships and a heightened degree of school satisfaction contributes significantly to the enhancement of children's academic achievements. Hence, the implementation of school policies and practises aimed at enhancing school-parent interactions has been demonstrated to heighten parental satisfaction levels and yield beneficial effects on their child's academic achievement.

II. THEORETICAL REVIEW

Service quality is a consumer assessment of the level of service received, focusing on meeting or exceeding consumer expectations. It is a dynamic condition related to products, people, processes, and environments that can satisfy stated and implied needs. Quality is customer-focused, meaning the product or service is designed, manufactured, and given to meet customer desires (Kotler: 2019).

The quality of service is also related to a company's reputation, which is an intangible asset that depends on its actions as an entity. Firm reputation dimensions include financial performance, vision and leadership, products and services, workplace environment, social responsibility, and emotional appeal (Goetsch and Davis: 2019).

Price perception is a psychological factor that influences customer reactions to prices, affecting purchasing decisions. Customer satisfaction is crucial for business success, and

organizations can measure it through various methods, such as periodic surveys and customer willingness to provide product or company recommendations (Schiffman and Kanuk: 2004).

Purchasing decisions are a problem-solving process that involves analyzing needs and wants, searching for information, assessing sources of selection, purchasing decisions, and post-purchase behavior. By focusing on service quality, companies can increase profits and gain a wider market share (Kotler and Keller: 2016). Referring to some previous research related to this research, it can be summarized and recapitulated in the table below:

Previous research has explored the influence of price, service quality, and customer satisfaction on purchasing decisions. The study by Hermenegildo de Fatima Carvalho, Estanislau de Sousa Saldanha, and Alvaro Menezes Amaral (2020) found that price, service quality, and customer satisfaction significantly influence purchase decisions. However, customer satisfaction is not significant in influencing price variables. Vita Ningrum (2019) conducted a thesis analyzing the influence of website, price, service quality, and customer satisfaction as intervening variables on purchasing decisions. The study found that website variables, price, and service quality significantly affect purchase decisions, and customer satisfaction mediates website variables, price, and service quality on the purchase decision. Syaiful Irfan, Abdul Halik, and Feliks ABK Panjaitan's study found that product quality and price perception significantly affect customer trust, while quality, product, perception, price, and consumer trust have a significant influence on purchasing decisions. Gumilang Dendi Anggi and Sri Mulyati's study found that service quality, group references, and facilities significantly affect school selecting decisions. Nurmin Arianto, Nandan Limakrisna, and Jan Horas V Purba's study analyzed the effect of service quality, cost (Price), and CRM on student parents' decisions in choosing junior high school education services. Ari Apriani, Cristina Catur Widayati, and Rizky Vita Losi's study found that price perception, service convenience, and service quality had positive and significant effects on customer satisfaction, while brand equity had no effect. Kumuma et al's study found that price and service quality affect consumer satisfaction. Dwi Putranto Hadi and Rhian Indradewa's study found that service quality affects customer satisfaction and corporate reputation has a significant effect on customer satisfaction. Eric Harianto, Damelina Tambunan, Liliana Dewi, and Yuwono Marta Dinata's study found four significant factors influencing parents' decisions in choosing K-12 education during the Covid-19 pandemic: Service and Ambience Excellence, Student Competencies, Learning Management System, and School Reputation.

Relationships Between Variables

The Effect of Service Quality on Purchasing Decisions

Service quality significantly impacts consumer behavior, as it evaluates service providers' ability to meet customer expectations. Purchase decisions are influenced by consumer perceptions and evaluations, with good service increasing satisfaction, trust, and perceived value. Poor service damage business reputation and discourages purchases. Prioritizing investments in quality services can influence purchasing decisions (Huang and Benyoucef, 2017)

The Effect of Reputation on Purchasing Decisions

Company reputation significantly impacts customer purchasing decisions, reflecting trustworthiness, reliability, and confidence in the product or service. It also positively influences parents' decision-making in choosing their children's schools, as noted by Et al (2022).

The Effect of Perceived Price on Purchasing Decisions

Perceived price refers to the price consumers perceive when making purchasing decisions about a product or service. Factors like price, preferences, brand loyalty, product features, marketing, and situation also influence consumer behavior. A reasonable price positively influences parents' decisions in choosing their child's school (Arianto: 2020)

The Effect of Customer Satisfaction on Purchasing Decisions

Customer satisfaction significantly impacts purchasing decisions, as it influences attitudes towards a brand or product. Positive attitudes increase likelihood of repeat purchases, while dissatisfaction can negatively impact brand loyalty. Negative experiences can undermine trust and lead to alternative choices. Understanding and managing customer satisfaction is crucial for influencing purchasing decisions.

The Effect of Service Quality on Customer Satisfaction.

Customer satisfaction is significantly influenced by service quality, which involves meeting expectations, building trust, resolving issues effectively, and creating positive experiences. A quick response from a customer service representative increases satisfaction, and trust is crucial in customer satisfaction. Service quality is also reflected in handling complaints and problems, transforming negative experiences into positive ones, increasing customer satisfaction and loyalty. Studies show that higher service quality leads to higher customer satisfaction (Carvalho et al: 2020).

The Effect of Reputation on Customer Satisfaction

A positive reputation is linked to customer satisfaction, as a reputable entity with positive attributes like reliability, quality, and customer-centricity creates satisfactory expectations. A strong reputation builds trust and confidence, enhancing customer satisfaction. Negative reputations negatively affect satisfaction, while corporate reputation is crucial for winning competition. School reputation also impacts parent satisfaction, enhancing the school's reputation in education (Hadi & Indradewa, 2019).

The Effect of Perceived Price on Customer Satisfaction

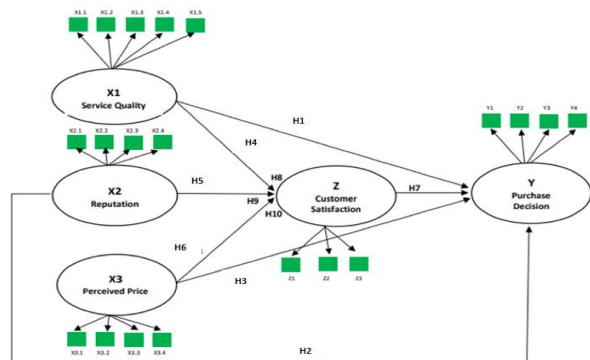
Perceived price is a customer's subjective evaluation of a product or service's value compared to costs. Research shows that price affects customer satisfaction, but it is not significant. Poor service can still lead to disappointment (Vita Ningrum, 2019; Kelvianto et al., 2018). Carvalho et al (2020).

III. RESEARCH METHODS

According to Sugiyono (2016), quantitative methods, based on positivism, examine populations and samples using data collection instruments. Data analysis uses statistical instruments to test hypotheses. The study uses the Structural Equation Model (SEM) to uncover deeper patterns and

mechanisms affecting observed relationships.

In this study data were obtained through the distribution of questionnaires to respondents to test the effect of independent variables on dependent variables, the influence of independent variables on intervening variables and influence Intervening variables against dependent variables. The independent variables to be examined are *service quality* (X1), *reputation* (X2), *perceived price* (X3) and *customer satisfaction* as intervening variables (Z) while the dependent variable is *purchase decision* (Y).



Diolah Peneliti, 2023

Figure 1: Research Model

Conceptual Framework

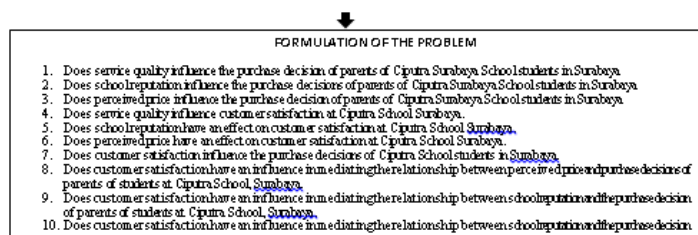


Figure 2. Conceptual Framework

Research Hypothesis

The study examines the impact of service quality, reputation, perceived price, partial service quality, perceived price, and customer satisfaction on the purchase decisions of parents of

students at Ciputra Surabaya School in Surabaya. Results show that customer satisfaction has a positive and significant effect on the relationship between service quality and purchase decisions, as well as the relationship between reputation and purchase decisions. Additionally, customer satisfaction mediates the relationship between perceived price and purchase decisions.

H1 = Service quality influences the purchase decision of parents of students of Ciputra School Surabaya in Surabaya

H2 = Reputation influences the purchase decision of parents of students of Ciputra Surabaya School in Surabaya

H3 = Perceived Price against purchase decision of parents of students of Ciputra School Surabaya in Surabaya

H4 = Partial service quality affects customer satisfaction of parents of students at Ciputra School Surabaya.

H5 = Reputation has an influence on customer satisfaction of parents of students at Ciputra School Surabaya.

H6 = Perceived Price affects customer satisfaction of parents of students at Ciputra School Surabaya.

H7 = Customer satisfaction influences the purchase decision of parents of students of Ciputra Surabaya School in Surabaya

H8 = Customer satisfaction has a positive and significant influence in mediating relationships

IV. RESEARCH RESULTS AND DISCUSSION

Ciputra Surabaya School, a Cooperation Education Unit under Law No. 30 of 2003, aims to become the largest International Baccalaureate curriculum provider in East Java. With population growth and economic growth, the middle class is increasingly aware of quality education. However, the emergence of similar schools in West Surabaya presents challenges for Ciputra School.

This study analyzes 268 parental data from Ciputra School students, focusing on service quality, reputation, perceived price, customer satisfaction, and purchase decision.

Table 1.
Respondents by Gender

Gender	Frequency	%
Man	63	23.5 %
Woman	205	76.5 %
Total	268	100%

Source: Processed Data

Respondents with female gender have more number when compared to male respondents, which is as much as 76.5% of the total respondents.

Table 2.
Distribution Based on Children's Education Level

Ladder	Frequency	%
Playgroup A	4	1.49%
Playgroup B	14	5.22%
Kindergarten A	9	3.36%
Kindergarten B	17	6.34%
Grade 1	12	4.48%
Elementary	14	5.22%
Grade 3	18	6.72%
Grade 4	21	7.84%
Grade 5	20	7.46%
Grade 6	17	6.34%
Junior High	24	8.96%
Junior High	20	7.46%
Junior High	19	7.09%
High School	21	7.84%
High School	22	8.21%
High School	16	5.97%
Total	268	100%

Source: Processed Data

Respondents represented all grade levels at Ciputra School.

Table 3.
Description of Service Quality Variables (X1)

Indicators / Items		Respondents' Answers					Mean		
		STS	TS	N	S	SS			
Reliable X1.1	X1.1.1 - Sekolah Ciputra Surabaya provides services as promised	N	0	0	5	174	89	4.31	
		%	0.0	0.0	1.9	64.9	33.2		
	X1.1.2 Sekolah Ciputra Surabaya provides reliable services.	N	1	1	23	151	92	4.24	
		%	0.4	0.4	8.6	56.3	34.3		
	X1.1.3 Sekolah Ciputra Surabaya provides services appropriately when I first visited.	N	0	3	18	164	83	4.22	
		%	0.0	1.1	6.7	61.2	31		
	X1.1.4 Sekolah Ciputra Surabaya provides services at the promised time	N	0	0	5	174	89	4.31	
		%	0.0	0.0	1.9	64.9	33.2		
	X1.1.5 - Sekolah Ciputra Surabaya is proactive in conveying information on student progress during the learning process.	N	0	12	4	178	74	4.17	
		%	0.0	4.5	1.5	66.4	27.6		
Responsiveness X1.2	X1.2.1 - Sekolah Ciputra Surabaya staff gave a quick response when I asked a question.	N	2	3	26	157	80	4.16	
		%	0.7	1.1	9.7	58.6	29.9		
	X1.2.2 - Academic Staff of Sekolah Ciputra Surabaya provide good service to students	N	0	3	18	164	83	4.22	
		%	0.0	1.1	6.7	61.2	31		
	X1.2.3 - When my child needs help, school staff are immediately there to help	N	1	1	23	151	92	4.24	
		%	0.4	0.4	8.6	56.3	34.3		
	X1.2.4 - Sekolah Ciputra Surabaya staff always help me with solutions when I need them	N	0	9	8	164	87	4.23	
		%	0.0	3.4	3	61.2	32.5		
	Assurance X1.3	X1.3.1 When in Sekolah Ciputra Surabaya environment,	N	3	16	20	164	65	4.01

Indicators / Items		Respondents' Answers					Mean	
		STS	TS	N	S	SS		
Intangible X1.4	the school atmosphere of students and parents feels safe.	%	1.1	6	7.5	61.2	24.3	4.20
	X1.3.2 - Sekolah Ciputra Surabaya staff are dedicated, positive, polite	N	0	6	13	170	79	
		%	0.0	2.2	4.9	63.4	29.5	4.15
	X1.3.3 - Sekolah Ciputra Surabaya staff have the knowledge to answer parents' questions.	N	2	6	24	155	81	
		%	0.7	2.2	9	57.8	30.2	4.22
	X1.3.4 - With international standard teachers, Sekolah Ciputra Surabaya produces international quality graduates.	N	0	2	15	173	78	
		%	0.0	0.7	5.6	64.6	29.1	4.22
	X1.4.1 - Sekolah Ciputra Surabaya provides individual attention to students.	N	0	4	13	170	81	
		%	0.0	1.5	4.9	63.4	30.2	4.20
	X1.4.2 - Sekolah Ciputra Surabaya handles students with great care.	N	0	7	3	187	71	
		%	0.0	2.6	1.1	69.8	26.5	4.24
	X1.4.3 - Sekolah Ciputra Surabaya strives to understand the special needs of parents in terms of parent's lounge facilities, Whatsapp, broadcast information, school website, newsletter	N	0	4	9	175	80	
	%	0.0	1.5	3.4	65.3	29.9	4.12	
X1.5.1 - Sekolah Ciputra Surabaya has visually attractive building facilities	N	2	7	17	181	63		
	%	0.0	2.6	6.3	67.5	23.5	4.22	
X1.5.2 - Sekolah Ciputra Surabaya has modern facilities in the form of laboratories, libraries, gym, sports fields, Ciputra Hall etc.	N	0	4	13	170	81		
	%	0.0	1.5	4.9	63.4	30.2	4.20	
X1.5.3 - Cleanliness, tidiness and comfort of the room Sekolah	N	0	6	13	170	79		
Indicators / Items		Respondents' Answers					Mean	
		STS	TS	N	S	SS		
Ciputra Surabaya has clean classrooms, playgrounds, canteens.		%	0.0	2.2	4.9	63.4	29.5	4.24
X1.5.4 - Sekolah Ciputra Surabaya uses IT devices that are always up to date to support the teaching and learning process.		N	0	4	9	175	80	
		%	0.0	1.5	3.4	65.3	29.9	4.24
X1.5.5 - Sekolah Ciputra Surabaya staff look neat and professional.		N	0	4	9	175	80	
		%	0.0	1.5	3.4	65.3	29.9	4.22
X1.5.6 - Sekolah Ciputra Surabaya uses a qualified/modern Learning Management System		N	0	2	15	173	78	
		%	0.0	0.7	5.6	64.6	29.1	4.21
		Grand Mean Service Quality					4.21	

Indicators / Items	Respondents' Answers						Mean
	STS	TS	N	S	SS		
Ciputra Surabaya has clean classroom, playgrounds, canteens.	%	0.0	2.2	4.9	63.4	29.5	4.24
X1.5.4 - Sekolah Ciputra Surabaya uses IT devices that are always up to date to support the teaching and learning process.	N	0	4	9	175	80	
	%	0.0	1.5	3.4	65.3	29.9	4.24
X1.5.5 - Sekolah Ciputra Surabaya staff look neat and professional.	N	0	4	9	175	80	
	%	0.0	1.5	3.4	65.3	29.9	4.22
X1.5.6 - Sekolah Ciputra Surabaya uses a qualified modern Learning Management System	N	0	2	15	173	78	
	%	0.0	0.7	5.6	64.6	29.1	4.21
Grand Mean Service Quality							4.21

The table shows that 268 respondents expressed strong agreement or disagreement on the Service Quality variable (X1), with 89 respondents (33.2%) expressing strong agreement, 174 (64.9%) agreeing, and 0 (0.0%) disagreeing. The average result was 4.31, indicating a majority of respondents agreed on the first question. Of 268 respondents, 92 expressed strong agreement on the Service Quality variable, with 56.3% agreeing and 23 neutral. The majority of respondents agreed on the second question, with an average of 4.24.

The majority of respondents (31%) expressed strong agreement on the Service Quality variable (X1), with 61.2% agreeing and 61.2% disagreeing. The average response was 4.31, indicating a strong affirmative majority.

The majority of respondents agreed with the statement on Service Quality, with 89 respondents strongly agreeing and 64.9% agreeing. Neutral responses were found, while disagreeing responses were found. The average score was

4.31, indicating strong agreement on question four.

The majority of respondents (74.6%) expressed strong agreement on the Service Quality variable (X1), indicating that Ciputra School is proactive in conveying information on student development during the learning process. The average response was 4.17, indicating strong agreement on question five.

The majority of respondents (80.9%) strongly agreed with the statement "Ciputra School Staff gave a quick response when asked a question" from 268 respondents. The average response was 4.16, indicating strong affirmative agreement on question six.

The majority of respondents, 61.2%, expressed strong agreement on the Service Quality variable (X1), with 83% of respondents agreeing. Neutral respondents (6.7%), disagreed (1.1%), and expressed strong disapproval (0.0%). The average score of 4.22 indicates strong agreement.

Of 268 respondents, 34.3% expressed strong approval for school staff immediately helping their child when needed. 56.3% agreed, with neutral responses from 8.6% and 0.4% disagreeing. The majority answered affirmative on the eighth question, with an average of 4.24.

The majority of respondents (87.5%) expressed strong agreement and strongly agreed on the Service Quality variable (X1), stating that the Ciputra School Staff always helps with solutions when needed. The average response was 4.22, indicating a strong consensus among respondents.

The majority of respondents (43.3%) strongly agreed with the tenth question of the Service Quality variable (X1), stating that the school atmosphere of students and parents feels safe in Ciputra School. The average response was 4.01.

The majority of respondents (79.5%) expressed strong agreement on the Service Quality variable (X1), with 170 respondents agreeing and 6 respondents disagreeing. The average response was 4.20, indicating that most respondents agreed on the eleventh question.

The majority of respondents, 30.2%, strongly agree with the statement that Ciputra School Staff have the knowledge to answer questions from students and parents. The average response was 4.15, with neutral, disagree, and strong disapproval responses.

The majority of respondents (78.1%) strongly agreed with the statement that Ciputra School produces international quality graduates with international standard teachers. The average response was 4.22, with neutral responses (5.6%), disapproval (0.7%), and strong disagreements (0.0%).

The majority of respondents (81.2%) agreed with the statement that Ciputra School provides individual attention to students on thirteenth question. The average response was 4.22, with neutral, disagree, and strong disapproval responses. The majority of respondents agreed on the fourteenth question.

The majority of respondents (71.5%) expressed strong approval for Ciputra School handling of students with care, with 187 respondents agreeing and 7 respondents disagreeing. The average response was 4.20, indicating agreement on the fifteenth statement on the Service Quality variable.

The majority of respondents on the sixteenth questions (29.9%) expressed strong approval for Ciputra School's efforts to understand parents' needs in terms of facilities, communication, and newsletters. The average response was

4.24, with neutral, disagree, and strong disapproval responses.

The majority of respondents (23.5%) expressed strong approval for Ciputra School's visually attractive building facilities, with 181 respondents agreeing and 17 respondents disagreeing. The average response was 4.12, indicating that the majority of respondents agreed on the seventeenth question.

The majority of respondents (81.2%) agreed with the eighteenth statement on the Service Quality variable (X1), with 63.4% agreeing and 63.4% agreeing. The average response was 4.22, indicating agreement among respondents. The majority expressed strong disapproval or neutral opinions.

The majority of respondents agreed with the nineteenth statement on the Service Quality variable (X1), with 79 respondents (29%) expressing strong agreement. The average response was 4.20, with 170 respondents (63.4%) strongly agreeing, 13 neutral respondents (4.9%), 6 disagreeing, and 0 expressing strong disapproval.

The majority of respondents (80.9%) expressed strong agreement on the Service Quality variable (X1), with 65.3% agreeing and 9% neutral. The average response was 4.12, indicating agreement on the twentieth question.

The majority of respondents (4.2%) agreed with the twenty-first statement on the Service Quality variable (X1), stating that Ciputra School Staff should look neat and professional. The average response was 29.9%, with 65.3% of respondents expressing strong agreement, while 9 respondents had neutral answers.

The majority of respondents (78.1%) expressed strong agreement on the twenty-second statement on the Service Quality variable (X1), with 173 respondents (64.6%) agreeing and 2 respondents (0.7%) disagreeing. The average response was 4.22.

Ciputra School's Service Quality variable received the highest approval rating, with respondents stating it provides services as promised. The lowest approval rating was for the school atmosphere, highlighting the need for better security facilities.

Reputation Variable (X2)

Table 4.
Description of the Reputation Variable (X2)

Indicators / Items	Respondents' Answers					Mean	
	STS	TS	N	S	SS		
X2.1 Relevance Sekolah Ciputra Surabaya staff build good relationships with children according to their age development.	N	0	9	10	175	74	4.17
	%	0.0	3.4	3.7	65.3	27.6	
X2.2 Credibility Being under the auspices of the Ciputra group, it is a guarantee of the quality of Sekolah Ciputra Surabaya	N	0	12	5	176	75	4.17
	%	0.0	4.5	1.9	65.7	28.0	
X2.3 Trustworthiness Sekolah Ciputra Surabaya is believed to be a superior quality school.	N	0	9	12	172	75	4.17
	%	0.0	3.4	4.5	64.2	28	
X2.4 Recognizability Innovation and entrepreneurship have become things that are generally known by the community, becoming the advantages possessed by Sekolah Ciputra Surabaya compared to other schools in Surabaya	N	0	6	13	167	82	4.21
	%	0.0	2.2	4.9	62.3	30.6	
Grand Mean - Reputation							4.18

The table shows 268 respondents' opinions on the Reputation variable (X2), indicating that majority of respondents agreed on the first question. Strong approval was found from 27.6% of respondents, while agreement was found from 65.3% of respondents. Neutral and dissenting responses

were found in 3.4% and 0.0% of respondents, respectively.

From 268 respondents, 28.0% expressed strong approval for being under the Ciputra group's auspices, while 65.7% agreed, 1.9% neutral, 4.5% disagreed, and 0% strongly disagreed. The majority agreed on the second question, indicating a strong consensus on the quality of Ciputra Schools.

The majority of respondents (47.0%) agreed that Ciputra School is a superior quality school, with 172 respondents (64.2%) expressing strong approval, 12 respondents (4.5%) neutral, 9 respondents (4.5%) disagreed, and 0 respondents (0.0%) strongly disapproving.

The majority of respondents (82.6%) expressed strong approval for innovation and entrepreneurship, with 167 respondents agreeing and 63.2% agreeing. Neutral responses (4.9%) and disagreements (2.2%) were also present. The average score of 4.21 indicates agreement on the fourth question on the Reputation (X2) variable.

Respondents rated Recognisability as the best Reputation variable, indicating innovation and entrepreneurship's community-known advantages at Ciputra School. Other items are balanced but deserve attention for maintaining and improving the school's reputation.

Perceived Price Variable (X3)

Table 5.
Description of the Perceived Price Variable (X3)

Indicators / Items	Respondents' Answers					Mean	
	STS	TS	N	S	SS		
X3.1 Affordability Tuition at Sekolah Ciputra Surabaya Proportional to the quality of education provided	N	0	13	3	174	78	4.18
	%	0.0	4.9	1.1	64.9	29.1	
X3.2 Price competitiveness Cost Schools in Sekolah Ciputra Surabaya are relatively competitive when compared to similar schools in Surabaya	N	0	14	3	193	58	4.10
	%	0.0	5.2	1.1	72.0	21.6	
X3.3 Price to quality compliance Facilities, teacher qualifications, curriculum and learning process in accordance with the expected international school standards.	N	0	15	2	192	59	4.10
	%	0.0	5.6	0.7	71.6	22	
X3.4 Price compatibility with benefits The costs incurred are comparable to the benefits of attending Sekolah Ciputra Surabaya	N	0	13	4	173	78	4.18
	%	0.0	4.9	1.5	64.6	29.1	
Grand Mean Perceived Price							4.14

The table shows that 268 respondents expressed strong approval or agreement on the Perceived Price variable, with 29.1% of respondents expressing strong approval. The majority of respondents agreed, with 174 respondents agreeing and 0 strongly disagreeing. The average result is 4.18.

From 268 respondents, 21.6% expressed strong agreement on the school's relatively competitive fees compared to similar schools in Surabaya. The majority of respondents agreed, with 193 respondents agreeing and 0.0% disagreeing. The average response was 4.10.

The majority of respondents (59%) expressed strong agreement on the third question, with 192 respondents (71.6%) agreeing and 59 respondents (0.2%) disagreeing. The average score of 4.10 indicates agreement.

The majority of respondents agreed that the costs

incurred at Ciputra School are comparable to the benefits. The Perceived Price variable indicates that price suitability, benefits, and affordability are Ciputra School's strengths in the Surabaya school competition map.

Customer Satisfaction Variable (Z)

Table 6.
Description of the Customer Satisfaction (Z) Variable

Items	Respondents' Answers					Mean	
	STS	TS	N	S	SS		
Z1.1 A form of emotional response. The school's treatment of students is very good, feel safe in school.	N	0	5	12	163	88	4.25
	%	0.0	1.9	4.5	60.8	32.8	
Z1.2 One form of cognitive. Alumni who graduated from <u>Sekolah Ciputra</u> Surabaya are known to be positive, becoming a reference in choosing to <u>Sekolah Ciputra</u> Surabaya	N	0	2	17	158	91	4.26
	%	0.0	0.7	6.3	59.0	34.0	
Z1.3 This response emphasizes specific focuses <u>Sekolah Ciputra</u> Surabaya is a well-known school with undoubted quality	N	0	4	14	163	87	4.24
	%	0.0	1.5	5.2	60.8	32.5	
Z1.4 This response occurs at certain times (after selecting, basing on accumulated experience etc.) <u>Sekolah Ciputra</u> Surabaya is the right choice for my son's educational success	N	0	7	13	163	85	4.22
	%	0.0	2.6	4.9	60.8	31.7	
Grand Mean <i>Customer Satisfaction</i>							4.24

The table shows that 268 respondents expressed strong approval or agreement on the first question, with 32.8% of them expressing strong approval. The majority agreed, with neutral responses and strong disapproval. The average score was 4.25, indicating a strong majority of respondents agreeing.

From 268 respondents, 34.0% expressed strong agreement on the statement that alumni from Ciputra School have a positive image. The majority of respondents agreed, with neutral answers from 17-63%, disapproval from 2 respondents, and strongly disagree from 0 respondents.

The majority of respondents (87.5%) agreed with the statement that Ciputra School is a well-known school with undoubted quality. The average response was 4.24, indicating agreement on the third question.

Out of 268 respondents, 31.7% strongly agreed with Ciputra School for their child's education, while 68.8% agreed, 13 neutral, 2.6% disagreed, and 0 expressed strong disapproval. The average of these responses was 4.2, indicating majority of respondents agreed on the fourth question.

Item Z1.2 is the highest-rated indicator item, indicating strong and positive perception of Ciputra School as a quality learning environment.

Purchase Decision Variable (Y)

Table 7.
Description of Purchase Decision Variables (Y)

Items	Respondents' Answers					Mean	
	STS	TS	N	S	SS		
Y1.1 Perceived need The information provided by <u>Sekolah Ciputra</u> Surabaya through flyers, prospectus books, newsletters, social media is quite convincing.	N	0	7	3	187	71	4.20
	%	0.0	2.6	1.1	69.8	26.5	
Y1.2 Activities before purchase <u>Sekolah Ciputra</u> Surabaya is the best choice when compared to other similar schools.	N	0	6	13	170	79	4.20
	%	0.0	2.2	4.9	63.4	29.5	
Y1.3 Wear time behavior The educational facilities and services provided by <u>Sekolah Ciputra</u> Surabaya are as expected.	N	0	5	11	179	73	4.19
	%	0.0	1.9	4.1	66.8	27.2	
Y1.4 Post-purchase behavior I recommend the <u>Sekolah Ciputra</u> Surabaya to others	N	0	3	13	172	80	4.23
	%	0.0	1.1	4.9	64.2	29.9	
Grand Mean Purchase Decision							4.21

The table shows that 268 respondents expressed strong approval, agreement, neutral, disagree, and strong disapproval of Ciputra School's information through flyers, prospectus books, newsletters, and social media. The majority of respondents agreed on the first question, with an average of 4.20.

From 268 respondents, 29.5% expressed strong approval for Ciputra School, while 63.4% agreed, with neutral responses from 13 and 2.2%, and 0% strongly disagreed. The average score of 4.20 indicates strong agreement.

The majority of respondents (73.2%) expressed strong approval for Ciputra School's educational facilities and services, with 179 respondents agreeing and 5 disagreeing. The average score of 4.19 indicates agreement among respondents.

The majority of respondents (80.9%) expressed strong agreement on the second question, with 172 respondents (64.2%) agreeing and 172 (49.2%) neutral. The average score of 4.23 indicates strong agreement. Y1.4 highest average item, Ciputra School recommended for quality and facility improvements.

Research Instrument Test

The questionnaire in this study was used as a data collection tool first carried out research instrument trials. The tests carried out are validity and reliability tests. This test is intended to measure the level of accuracy and reliability of questionnaires as a data collection tool.

Validity test

Validity testing is crucial in studies, particularly using questionnaires, to assess the validity of concepts and empirical reality. It measures the instrument's ability to accurately measure or express data from studied variables. High and low validity indicate the extent to which collected data does not deviate from the variable's description.

Validity of instrument tested using Pearson Correlation technique, with a correlation coefficient ($r \geq r$) indicating item validity or ability to measure variable.

Table 8.
Instrument Validity Test

Variable	Indicators	Coefficient of Validity (r Calculate)	Criterion (r Table)	p value	Ket
Service Quality (X1)	X1.1	0.935	0.1381	< 0.001	Valid
	X1.2	0.920	0.1381	< 0.001	Valid
	X1.3	0.912	0.1381	< 0.001	Valid
	X1.4	0.913	0.1381	< 0.001	Valid
	X1.5	0.951	0.1381	< 0.001	Valid
Reputation (X2)	X2.1	0.897	0.1381	< 0.001	Valid
	X2.2	0.782	0.1381	< 0.001	Valid
	X2.3	0.883	0.1381	< 0.001	Valid
	X2.4	0.794	0.1381	< 0.001	Valid
Perceived Price (X3)	X3.1	0.842	0.1381	< 0.001	Valid
	X3.2	0.833	0.1381	< 0.001	Valid
	X3.3	0.828	0.1381	< 0.001	Valid
	X3.4	0.851	0.1381	< 0.001	Valid
Customer Satisfaction (Z)	Z1.1	0.962	0.1381	< 0.001	Valid
	Z1.2	0.948	0.1381	< 0.001	Valid
	Z1.3	0.964	0.1381	< 0.001	Valid
	Z1.4	0.979	0.1381	< 0.001	Valid
Purchase Decision (Y)	Y1.1	0.806	0.1381	< 0.001	Valid
	Y1.2	0.812	0.1381	< 0.001	Valid
	Y1.3	0.819	0.1381	< 0.001	Valid
	Y1.4	0.790	0.1381	< 0.001	Valid

The table shows correlation coefficients for items with a total score (r) > 0.1381, indicating validity as data collection tools for measuring variables.

Reliability Test

Reliability tests assess measuring instrument stability, consistency, and accuracy using Cronbach's Alpha. A Cronbach's Alpha coefficient of 0.6 or higher indicates reliability or consistency in measuring variables.

Table 9.
Instrument Reliability Test

Variable	Items	Cronbach's Alpha	Alpha If Item Deleted	Information
Service Quality (X1)	X1.1	0.957	0.944	Reliable
	X1.2		0.949	
	X1.3		0.952	
	X1.4		0.949	
	X1.5		0.940	
Reputation (X2)	X2.1	0.860	0.779	Reliable
	X2.2		0.862	
	X2.3		0.790	
	X2.4		0.847	
	X3.1		0.820	
Perceived Price (X3)	X3.2	0.859	0.823	Reliable
	X3.3		0.827	
	X3.4		0.814	
	Z.1		0.898	
Customer Satisfaction (Z)	Z.2	0.901	0.890	Reliable
	Z.3		0.897	
	Z.4		0.897	
	Y.1		0.891	
Purchase Decision (Y)	Y.2	0.889	0.888	Reliable
	Y.3		0.882	
	Y.4		0.886	

From the Table it is known that the value of *Cronbach's Alpha* for all variables is greater than 0.6. From the provisions mentioned earlier, thus the items that measure these variables are declared reliable or consistent in measuring these variables.

Measurement Model Evaluation

This research model consists of 5 (five) constructs, namely *Service Quality* (X1), *Reputation* (X2), *Perceived Price* (X3), *Customer Satisfaction* (Z), and *Purchase Decision* (Y). Evaluation of measurement models is a stage to test the validity and reliability of a construct.

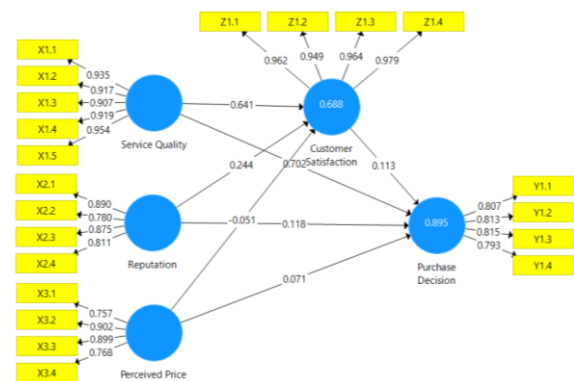


Figure 4. Path Diagram – Path Coefficients

Construct Validity Evaluation

The evaluation of a reflective model evaluates indicators' validity using convergent and discriminant validity, with convergent validity testing indicating an instrument's outer loading above 0.5. Results are presented in the table.

Table 10.
Loading Factors

Variable	Indicators	Outer Loading	AVE	Cut Off	Information
Service Quality (X1)	X1.1	0.935	0.858	0.5	Valid
	X1.2	0.920		0.5	Valid
	X1.3	0.912		0.5	Valid
	X1.4	0.913		0.5	Valid
	X1.5	0.951		0.5	Valid
Reputation (X2)	X2.1	0.897	0.706	0.5	Valid
	X2.2	0.782		0.5	Valid
	X2.3	0.883		0.5	Valid
	X2.4	0.794		0.5	Valid
	X3.1	0.842		0.5	Valid
Perceived Price (X3)	X3.2	0.833	0.696	0.5	Valid
	X3.3	0.828		0.5	Valid
	X3.4	0.851		0.5	Valid
	Z1.1	0.962		0.5	Valid
Customer Satisfaction (Z)	Z1.2	0.948	0.928	0.5	Valid
	Z1.3	0.964		0.5	Valid
	Z1.4	0.979		0.5	Valid
	Y1.1	0.806		0.5	Valid
Purchase Decision (Y)	Y1.2	0.812	0.651	0.5	Valid
	Y1.3	0.819		0.5	Valid
	Y1.4	0.790		0.5	Valid

The table shows that all indicators measuring Service Quality, Reputation, Perceived Price, Customer Satisfaction, and Purchase Decision have a loading factor value greater than 0.5, indicating validity. Discriminant validity is also assessed using Average Variance Extracted (AVE), with AVE values exceeding 0.5 for each variable. This indicates that the indicators capable of measuring the latent variable are declared valid.

Discriminant validity is determined by cross correlation, with a loading factor value greater than indicator correlation value for a corresponding variable. Results are presented in table.

Table 11.
Cross Correlation

Indicators/Items	X1	X2	X3	Y	Z
X1.1	0.935	0.810	0.544	0.841	0.741
X1.2	0.917	0.757	0.521	0.819	0.818
X1.3	0.907	0.818	0.585	0.872	0.723
X1.4	0.919	0.776	0.579	0.906	0.760
X1.5	0.954	0.821	0.615	0.910	0.751
X2.1	0.685	0.890	0.528	0.679	0.645
X2.2	0.726	0.780	0.477	0.693	0.628
X2.3	0.665	0.875	0.488	0.654	0.629
X2.4	0.795	0.811	0.429	0.805	0.662
X3.1	0.379	0.370	0.757	0.417	0.278
X3.2	0.602	0.552	0.902	0.588	0.485
X3.3	0.618	0.560	0.899	0.607	0.493
X3.4	0.383	0.377	0.768	0.423	0.288
Y1.1	0.746	0.692	0.461	0.807	0.647
Y1.2	0.803	0.791	0.454	0.813	0.642
Y1.3	0.739	0.587	0.492	0.815	0.629
Y1.4	0.741	0.659	0.609	0.793	0.704
Z1.1	0.796	0.730	0.480	0.775	0.962
Z1.2	0.766	0.722	0.446	0.775	0.949
Z1.3	0.790	0.752	0.458	0.781	0.964
Z1.4	0.805	0.747	0.473	0.791	0.979

The table shows that indicators measuring Service Quality, Reputation, Perceived Price, Customer Satisfaction, and Purchase Decision have a greater loading factor than others, indicating they can measure latent variables.

Construct Reliability Evaluation

Test construct reliability using cronbach alpha and composite reliability, with composite reliability greater than 0.7 or cronbach alpha greater than 0.7. Results are presented in table summary.

Table 12.
Construct Reliability

Variable	rho_A	Cronbach's Alpha	Composite Reliability
X1	0.959	0.959	0.968
X2	0.861	0.860	0.905
X3	0.895	0.859	0.901
Z	0.974	0.974	0.981
Y	0.822	0.822	0.882

The table shows composite reliability in Service Quality, Reputation, Perceived Price, Customer Satisfaction, and Purchase Decision, with Cronbach's Alpha value greater than 0.7.

Goodness of Fit Model

The Goodness of Fit Model assesses exogenous variables' ability to explain endogenous variables' diversity using R-Square and Q-Square predictive relevance in PLS analysis. Results summarized in table.

Table 13. Goodness of fit model

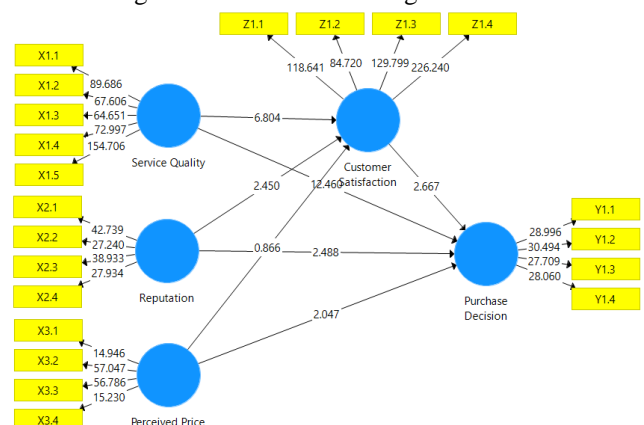
Dependent Variables	R ²
Customer Satisfaction (Z)	0.688
Purchase Decision (Y)	0.895
$Q^2 = 1 - (1 - R^2) * (1 - R^2)$	
$Q^2 = 1 - (1 - 0.688) * (1 - 0.895) = 0.967$	

The R-square for Customer Satisfaction (Z) is 0.688, indicating 68.8% diversity due to Service Quality, Reputation, and Perceived Price. Purchase Decision (Y) has an R-square of 0.895, indicating 89.5% diversity due to Service Quality, Reputation, Perceived Price, and Customer Satisfaction.

The Q-Square predictive relevance (Q2) value of 0.967 indicates 96.7% model explanation for data diversity, with 3.3% explained by uninvolved factors, indicating strong model performance.

Hypothesis test

Significance testing is used to test the presence or absence of direct or indirect influence of exogenous variables on endogenous variables. The test criteria state that if the value of T Statistics \geq T Tabel (1.96) or *p value* < level of significance (*alpha* = 5%) then it is stated that there is a significant influence of exogenous variables on endogenous variables.

**Figure 5. Path – T Statistics diagram**

The results of significance testing can be known through the following table:

Table 14.
Hypothesis Testing

Hypothesis	Path	Coef (O)	STDEV	T Statistics	P Values
H1	X1 → Y	0.702	0.056	12.460	0.000*
H2	X2 → Y	0.118	0.047	2.488	0.013*
H3	X3 → Y	0.071	0.035	2.047	0.041*
H4	X1 → Z	0.641	0.094	6.804	0.000*
H5	X2 → Z	0.244	0.100	2.450	0.015*
H6	X3 → Z	-0.051	0.059	0.866	0.387
H7	Z → Y	0.113	0.043	2.667	0.008*
H8	X1 → Z → Y	0.073	0.029	2.533	0.012*
H9	X2 → Z → Y	0.028	0.016	1.695	0.091
H10	X3 → Z → Y	-0.006	0.007	0.809	0.419

Based on the table above, it can be seen that the mathematical structural model formed is:

Equation 1: $Z = 0.641 X1 + 0.244 X2 - 0.051 X3$

Equation 2: $Y = 0.702 X1 + 0.118 X2 + 0.071 X3 + 0.113Z$

Table 15. Effect Size

Exogenous	Mediation	Endogenous	Direct	Indirect	Total Effect = Direct + Indirect
X1	-	Z	0.641	-	0.641
X2	-	Z	0.244	-	0.244
X3	-	Z	-0.051	-	-0.051
Z	-	Y	0.113	-	0.113
X1	Z	Y	0.702	0.073	0.775
X2	Z	Y	0.118	0.028	0.146
X3	Z	Y	0.071	-0.006	0.065

Based on the table above, it can be informed that:

1. The study finds a significant influence of Service Quality (X1) on Purchase Decision (Y) among parents of Ciputra Surabaya School students in Surabaya. A positive path coefficient of 0.702 indicates that Service Quality significantly increases Purchase Decisions, supporting the H1 hypothesis.
2. The study found a significant influence of Reputation (X2) on Purchase Decision (Y) among parents of Ciputra Surabaya School students in Surabaya. The H2 hypothesis, stating that Reputation affects purchase decisions, is accepted at a 5% significance level. A positive path coefficient on Reputation (0.118) indicates a positive effect on purchase decisions.
3. The study found a significant influence of perceived price (X3) on purchase decisions (Y) among parents of Ciputra Surabaya School students in Surabaya. The H3 hypothesis, which states that better perceived price leads to increased purchase decisions, is accepted. The path coefficient at Perceived Price is positive, indicating a positive effect on purchasing decisions.
4. The study found a significant effect of Service Quality (X1) on Customer Satisfaction (Z) at a 5% significance level, supporting the H4 hypothesis that Service Quality affects customer satisfaction at Ciputra School Surabaya. A positive path coefficient of 0.641 indicates a positive effect, suggesting that better Service Quality leads to increased customer satisfaction.
5. The study finds a significant influence of reputation (X2) on customer satisfaction (Z) at a 5% significance level, supporting the H5 hypothesis that reputation affects

customer satisfaction at Ciputra School Surabaya. A positive path coefficient on reputation (0.244) indicates a positive effect, suggesting that better reputation leads to increased customer satisfaction.

6. The study finds no significant effect of perceived price (X3) on customer satisfaction (Z) at a 5% significance level, rejecting the H6 hypothesis that perceived price affects customer satisfaction at Ciputra School Surabaya.
7. The study found a significant influence of Customer Satisfaction (Z) on Purchase Decision (Y) among Ciputra Surabaya School students in Surabaya. The H7 hypothesis, which states that higher customer satisfaction significantly increases purchase decisions, is accepted. The path coefficient in Customer Satisfaction is positive, indicating a positive effect on decision-making.
8. The study examines the effect of Service Quality (X1) on Purchase Decision (Y) through Customer Satisfaction (Z). The results show a significant influence of X1 on Y through Z, supporting the H8 hypothesis that Customer Satisfaction positively mediates the relationship between Service Quality and Purchase Decision of parents at Ciputra School Surabaya.
9. The study examines the effect of Reputation (X2) on Purchase Decision (Y) through Customer Satisfaction (Z) at a 5% significance level. Results show no significant influence of Reputation on Purchase Decision, rejecting the H9 hypothesis that Customer Satisfaction mediates the relationship between Reputation and Purchase Decision of parents at Ciputra School Surabaya.

The study examines the effect of perceived price on purchase decisions through a Customer Satisfaction mediator (Z), revealing no significant influence at a 5% significance level. This contradicts the H10 hypothesis, which suggests customer satisfaction mediates the relationship between perceived price and purchase decisions of parents at Ciputra School Surabaya.

Discussion

Based on the analysis that has been done on the data obtained from the respondents above, it can be explained further about how the results on each variable used in this study.

Variable Service Quality (X1)

Ciputra School has achieved strong consumer perception among parents of students regarding service quality. The highest respondent assessment was for "Ciputra School provides services as promised," indicating reliability in the eyes of parents. Overall, the school's service quality is highly regarded, demonstrating its success in providing high-quality services to students and parents.

Service quality encompasses a company's overall excellence, encompassing responsiveness, reliability, competence, empathy, and tangible. A positive experience impacts purchasing decisions, leading to brand loyalty, repeat purchases, and positive word-of-mouth recommendations.

Reputation Variable (X2)

Reputation represents the perception or opinion that customers hold about a company or brand based on past performance, customer experience, and overall position in the market. A positive reputation can greatly influence purchasing decisions by building trust, credibility, and confidence in the

minds of consumers. Consumers are more likely to choose products or services from top brands because they believe that those brands are more likely to deliver on their promises and provide a satisfactory customer experience.

Ciputra School, established over 26 years ago, maintains a strong reputation for sustainability. Parents have high approval for the school's reputation, with an average score of 4.18. However, there are still disagreements and neutral responses, indicating further efforts to improve the school's reputation.

Variable Perceived Price

Perceived price is a consumer's subjective evaluation of product or service costs, considering the perceived value and benefits received. It considers factors like quality, reputation, and other benefits. Consumers are willing to pay higher prices if they perceive a product or service offers superior value or meets their specific needs better than alternatives.

Ciputra School, a high-quality facility, has a high fee price. However, respondents generally approve of the perceived price and quality provided by the school. The lowest items, price and facility suitability, require Ciputra School's attention.

Customer Satisfaction Variable (Z)

Customer satisfaction in the education industry refers to the level of satisfaction experienced by students and parents regarding educational services. Satisfied customers are more engaged, motivated, and successful, leading to positive perceptions and recommendations, contributing to the institution's reputation and growth.

Ciputra School's customer satisfaction variable averages 4.24, indicating satisfaction among parents of students. This satisfaction encourages loyalty, positive word of mouth, and sustainability, ultimately benefiting the school's growth and sustainability.

Variable Purchase Decision (Y)

From the perspective of purchase decision, *approval rating* given by parents of Ciputra School students can be said to be quite high, especially in the question item "I recommend Ciputra School to others" with an average approval value of 4.23, this illustrates that parents' satisfaction with the decision to choose Ciputra School is at a very good level. Overall, the *Purchase Decision* variable received positive responses with an average of 4.21.

Decision-making in education involves evaluating features, benefits, quality, cost, compatibility, and reputation of educational products or services, considering factors like objectives, learning outcomes, user experience, support, and long-term sustainability.

The Effect of Service Quality on Purchase Decisions

Service Quality significantly influences Purchase Decision (Y) at a 5% significance level, with a t statistic of 12.460 and a p value of 0.000*. A positive path coefficient of 0.702 indicates that higher Service Quality significantly increases Purchase Decisions.

This result is also in line with research conducted by Carvalho et al (2020) which also concluded the role of *Service Quality* which has a positive and significant influence on the *Purchase Decision process*. Likewise, the findings of

Gumilang & Mulyati's (2020) research also took the process of selecting schools as objects of study. Another study in line with these findings was conducted by Apriani et al (2021) who also found a positive and significant influence of *Service Quality* on *Purchase Decisions*.

This gives an idea of how good Service Quality will make consumers feel comfortable, satisfied and decide to make a purchase, in the context of schools, parents of students will choose schools that are able to provide quality services.

The Effect of Reputation on Purchase Decisions

Testing the effect of Reputation (X2) on *Purchase Decision* (Y) yields a t statistic of 2.488 and a p value of 0.013*. The test results show that the p value (0.013*) < level of significance (alpha=5%). This means that at a real level of 5% it can be concluded that there is a significant influence of Reputation (X2) on Purchase Decision (Y). When viewed from the path coefficient on Reputation a positive value of 0.118 indicates that Reputation has a **positive** effect on Purchase Decision. This can mean that the higher the Reputation, the more Purchase Decision can increase significantly.

The Effect of Perceived Price on Purchase Decisions

Testing the effect of Perceived Price (X3) on Purchase Decision (Y) yields a t statistic of 2.047 and a p value of 0.041*. The test results show that the p value (0.041*) < level of significance (alpha=5%). This means that at a real level of 5% it can be concluded that there is a significant influence of Perceived Price (X3) on Purchase Decision (Y). When viewed from the path coefficient at Perceived Price a positive value of 0.071 indicates that Perceived Price has a **positive** effect on Purchase Decision. This can mean that the better the Perceived Price, the more Purchase Decision can increase significantly.

This result confirms research conducted by Vincencia and Christiani (2021) who conveyed the findings of their study results that Perceived Price has a positive and significant effect on Purchase Decisions.

The Effect of Service Quality on Customer Satisfaction

The study found a significant effect of Service Quality (X1) on Customer Satisfaction (Z) at a 5% significance level. A positive path coefficient of 0.641 indicates a positive effect on satisfaction, supporting Carvalho et al's (2020) research that good service quality leads to increased satisfaction, loyalty, and positive word of mouth.

The Effect of Reputation on Customer Satisfaction

The study found a significant influence of Reputation (X2) on Customer Satisfaction (Z) at a 5% significance level. A positive path coefficient on Reputation (0.244) indicates a positive effect on customer satisfaction, indicating that a better reputation leads to increased satisfaction. This finding aligns with Hadi and Indradewa's (2019) research, which found that a company's reputation leads to higher consumer satisfaction.

The Effect of Perceived Price on Customer Satisfaction

The effect of Perceived Price (X3) on Customer Satisfaction (Z) results in a t of 0.866 and a p value of 0.387. The test results show that the p value (0.387) > level of significance (alpha=5%). This means that at a real level of 5% it can be

concluded that there is no significant effect of *Perceived Price* (X3) on *Customer Satisfaction* (Z).

Perceived Price basically refers to a customer's subjective evaluation of the price of a product or service. This is based on their perception of the value they receive in relation to the amount they pay. Customer satisfaction, on the other hand, is a measure of overall customer satisfaction or happiness with a product or service after purchase or consumption.

Price significantly influences customer satisfaction, as shown by Vita Ningrum (2019) and Kelvianto et al (2018). However, Carvalho et al (2020) and Apriani et al (2021) show that price is not the sole factor determining satisfaction. Poor service can lead to disappointment, as seen in Ciputra School, where parents may not prioritize price in their children's education.

The Effect of Customer Satisfaction on Purchase Decisions

The study found a significant influence of Customer Satisfaction (Z) on Purchase Decision (Y) at a 5% significance level. A positive path coefficient of 0.113 indicates that higher satisfaction significantly increases purchase decisions. Carvalho et al (2020) confirm these findings, suggesting that consumers' satisfaction and positive feelings about a product or service make it easier to make a purchase decision.

Effect of Customer Satisfaction Mediation (Z) in the relationship of Service Quality (X1) and Purchase Decision (Y)

The study found a significant influence of Service Quality (X1) on Purchase Decision (Y) through Customer Satisfaction (Z). The indirect path coefficient showed a positive value of 0.073, indicating that Service Quality positively mediates the influence of Purchase Decisions through Customer Satisfaction. This supports Carvalho et al.'s findings on the role of Customer Satisfaction mediation in the relationship between Service Quality and Purchase Decision.

The Effect of Customer Satisfaction Mediation (Z) in the relationship between Reputation (X2) and Purchase Decision (Y)

Test the effect of *Reputation* (X2) on *Purchase Decision* (Y) through a *Customer Satisfaction* mediator (Z) resulting in a *t* of 1.695 and *p* value of 0.091. The test results show that the *p* value (0.091) > level of significance ($\alpha=5\%$). This means that at a real level of 5% it can be concluded that there is no significant influence of *Reputation* (X2) on *Purchase Decision* (Y) through the mediator *Customer Satisfaction* (Z). This means that *Customer Satisfaction* is unable to mediate the influence of *Reputation* on *Purchase Decisions*.

The Effect of Customer Satisfaction (Z) Mediation in the relationship between Perceived Price (X3) and Purchase Decision (Y)

Test the effect of *Perceived Price* (X3) on *Purchase Decision* (Y) through a *Customer Satisfaction* mediator (Z) resulting in a *t* of 0.809 and a *p* value of 0.419. The test results show that the *p* value (0.419) > the level of significance ($\alpha=5\%$). This means that at the real level of 5% it can be concluded that there is no significant influence of *Perceived Price* (X3) on *Purchase Decision* (Y) through the Customer

Satisfaction mediator (Z). This means that *Customer Satisfaction* is unable to mediate the influence of *Perceived Price* on *Purchase Decisions*. This finding is also a confirmation of the research of Carvalho et al, where Customer Satisfaction is not able to mediate the relationship between Perceived Price and Purchase Decision.

V. CONCLUSION, IMPLICATION AND SUGGESTION

Conclusions

At a 5% level of significance, there is no significant effect of Service Quality (X1) on Purchase Decision (Y), Perceived Price (X3) on Customer Satisfaction (Z), or Reputation (X2) on Purchase Decision (Y). Customer Satisfaction is unable to mediate the influence of Reputation on Purchase Decisions. Perceived Price (X3) has no significant influence on Purchase Decision (Y) through a Customer Satisfaction mediator (Z), indicating that Customer Satisfaction is not a mediator for Perceived Price on Purchase Decisions.

The study's findings indicate that Service Quality is the primary factor influencing the Purchase Decision of parents whose children are enrolled in Sekolah Ciputra. Therefore, it is imperative for the School to develop a comprehensive strategic plan that focuses on maintaining and improving the quality of its services, including both tangible and intangible elements, in order to stimulate a rapid increase in student enrollment. One possible approach to achieving this objective is through improving the calibre of teachers, upgrading and refining educational infrastructure, and maximising the efficiency of external communication. One such strategy is expeditiously implementing a module for Customer Relationship Management System (CRM) to efficiently manage interactions with parents and potential parents. The implementation of this measure will effectively facilitate the transmission of information from the educational institution to both current and prospective parents, thereby mitigating the discontentment observed among an increasing population of elderly students.

Customer satisfaction is a crucial factor that exerts a substantial impact on parents' decision-making processes regarding purchases. Consequently, it is imperative for Sekolah Ciputra to consistently ensure and monitor the levels of satisfaction among students' parents. This may be achieved through the implementation of frequent surveys, thereby facilitating the ongoing pursuit of sustainable improvements. In addition, it is imperative to persistently undertake endeavours aimed at preserving and enhancing the school's standing, as reputation constitutes a pivotal factor influencing the decision-making process of parents contemplating enrollment at Sekolah Ciputra.

Managerial Implications

The study highlights the significant impact of Service Quality, Reputation, Perceived Price, and Customer Satisfaction on purchase decisions. Ciputra School must enhance service, reputation, and prices to attract customers. A student-centric approach, active participation, and collaboration are crucial for growth and student numbers.

Advice for Ciputra School and other Researchers

Service quality is crucial for parents' decision-making in schools, and improving service performance can attract more students. Ciputra School plans to build a CRM module to

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improve communication with parents and reduce dissatisfaction. Periodic market research is needed to understand competition and improve facilities and pricing. Education shifts focus from teachers to students, involving them in curriculum design and delivery. Teachers should encourage group projects, peer learning, and collaborative problem-solving to create a collaborative environment. Further research in other industries with diverse respondents is expected to produce more accurate and relevant findings.

Research Limitations

The study's short research time limits accuracy and in-depth analysis, and online questionnaire responses may not reflect respondents' true opinions. The findings are limited to Ciputra School Surabaya, but can be generalized to other industries.

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