

ANALYSIS OF COMPETITIVE ADVANTAGE THROUGH PRIVATE HIGH EDUCATION SERVICE QUALITY AND DIFFERENTIATION

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ABSTRACT

The purpose of this study is to determine the effect of service quality and differentiation for competitive advantage private high education. This research was conducted in Makassar by taking a sample of Private school students . Technique data collecting by interview and questionnaire. Data were analyzed quantitatively by using structural equation models.. These results indicate that the quality and differentiation factors capable of affecting the competitive advantages of Private Colleges in Makassar.

Keywords : *Competitive Advantage , Quality Service, Differentiation*

A. INRODUCTION

1. BACKGROUND RESEARCH

Sustainability organization of private high educations in the future is highly dependent on the ability of the private high education to build competitive advantage. Hasan (2008) says that illustrates the competitive advantage that a company can do better than other companies even if they move in the same industry. A college will be able to compete if it has a commitment to create and maintain the satisfaction of the stakeholders (students, parents of students , users).

Competition between universities is getting tougher, better Intercollegiate State and Private Universities (Husein Umar, 2006) . However PTS face more severe challenges, because besides fulfilling the accreditation standards, should also consider the quality aspects PTS (Suharli, 2012). The issue of quality is a central issue in question won the competition between Private University.

To achieve the competitiveness of the private universities, Ham and Hayduk (2003: 204), states that there are three factors that affect the global issues and

organizations both large and small, including universities. Three factors are Service Quality, Customer Satisfaction and Behavioral Intention.

Many PTS are bankrupt or close the program of study because of competition. According to data from the central APTISI, as much as 30 percent or 800 private universities (PTS) in Indonesia bankrupt (Kompas, 2011). Meanwhile University Private Coordinator (Kopertis) region IX Prof. Dr. Ir. H. Andi Niartiningih, MP announced from 354 colleges there are 200 more colleges are categorized as healthy until February 2014, the rest must do the repairs and improvements because it must conform to the standards of the Directorate of Higher Education (Higher Education) Ministry of Education and Culture (Kemendikbud). In addition, there are about 70 courses (Prodi) in several universities declared closed by the Coordinator of Private Universities (Kopertis) Region IX South Sulawesi in just a month as it is considered unhealthy (ANTARA Sulsel, 2014).

According to Porter (1994), the success or failure of a company depends on its competitive advantages. Every company should be able to create and maintain a competitive advantage in their industry, if it wants to stay alive (survival) and if necessary develop. This conception also apply to a college, especially private universities.

Furthermore, Porter (1997) says that competitive advantage is basically evolved from the value created by a company able to buyers that exceed the cost of the company in creating it. Value is what a buyer is willing to pay for what the companies give them. Superior value can be derived from bid prices lower than competitors for equivalent benefits or providing unique benefits that more than offset modest for a higher price. This superior value can be achieved either on a broad target market or narrow (focused). In other words, there are two basic types of competitive advantage regardless of the wide or narrow target market, namely the cost advantage and differentiation (Porter, 1997; Hunger & Wheelen, 2003).

By optimizing competent owned by PTS, will obtain a sustainable competitive advantage (sustained competitive advantage). Their competence will be a source of competitive advantage when colleges have competence valuable, rare, difficult to imitate and difficult to replace (Barney, 1991)

Overall, several factors as noted above can influence competitive advantage PTS especially private high school in Makassar. Thus this study interesting to do because in order to achieve competitive advantage that is a reflection of the quality of services, differentiation and consumer satisfaction.

2. PROBLEM FORMULATION RESEARCH

1. Is service quality effect on competitive advantage of Private High Education
2. Is the differentiation effect on the competitive advantage of Private High Education

B. RESEARCH FRAMEWORK AND HYPOTHESES RESEARCH

1. QUALITY SERVICE AND COMPETITIVE ADVANTAGE

According to Feigenbaum (1996) quality is an important force that can lead to success both within the organization and growth of the institution, it could

also be applied in the quality of education service delivery. Therefore PTS find new ways not only reduce costs, but increase the added value for the services offered to students.

Quality of care is the expected level of competitive advantage and control over the level of competitive advantage is to meet customer expectations, Lovelock in Tjiptono (2004: 59). Meeting the needs and desires as well as the value of quality is largely determined by the level of interest and customer satisfaction as the wearer. Unsatisfactory service will cause a reduction in consumer and even disappear as consumers switch to another company either in the sale of goods or services. This is a major challenge for companies in building the image of a company that is not only able to create and build but also can provide satisfactory service.

Dr. D Selcen , Dr. Serkan Aydin , Doc . Dr. Metin Ates , Dr. Tansel Ayse Cetin (2011) The results of the study explains that there is influence between quality of service and health service to satisfaction , which in turn form the consumer loyalty . There is a significant effect of the variable quality of service and customer satisfaction that have an impact on customer loyalty.

Biljana Angelova and Jusuf Zekiri (2011) studies show that high- quality services to address the needs and consumers wants will establish customer satisfaction is the key to sustainable competitive advantage. There is a significant relationship only between the quality of their service with a competitive advantage .

Khalid Mehmood Warraich, Imtiaz Ahmad Warraich and Muhammad Asif (2013) The telecommunications industry has the highest rating on the tangibles resources mainly on the equipment and on the appearance of customer service staff, and the lowest rating on empathy, especially on ignorance to consumer interest and attention less on consumer , The conclusion that the quality of service that will generate competitive advantage.

2. DIFFERENTIATION AND COMPETITIVE ADVANTAGE

In connection with the influence of differentiation for competitive advantage, put forward by Heiko Gebauer, Anders Gustafsson, and Lars Witell (2010) Research results show the influence of a complex between customer needs, innovation, service differentiation, the performance of the company on competitive advantage.

According Kottler (2007: 385), product differentiation activities of the company can be in the form, features, quality, performance, quality, suitability, durability, reliability, easy to fix, style, and good design, and is expected to add to the company's image in the minds of consumers, The success of differentiation not only creating products that are unique and hard to imitate but also a positive assessment of consumer perceptions of where that will build prospective customers for a product and corporate image.

Joy I. Dirisu, Dr. Oluwole Iyiola, & Dr. OS Ibidunni (2013) There are many ways to differentiation products in obtaining sustainable competitive advantage such as by product innovation, product design, product quality, and products that are unique, so the company's competitive advantage can be achieved.

Based on the description of the framework can be formulated linkages between the study variables such as Figure 1 below :

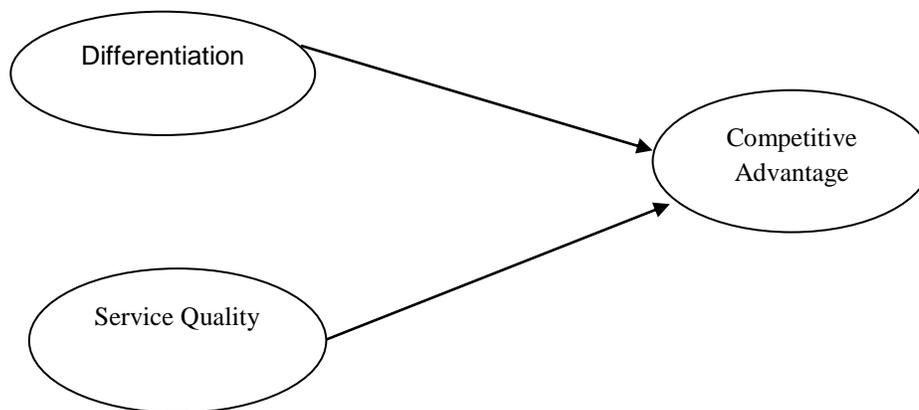


Figure 1

Paradigm linkages between Service Quality, Differentiation, and Competitive Advantage

4. RESEARCH HYPOTHESISIR

On the framework and paradigm of research in the model above research, the research hypothesis can be formulated as follows :

1. Quality of care affect the competitive advantage
2. Differentiation affect the competitive advantage

C. METHODS

In accordance with the objectives of this research, which is a description of the service quality, differentiation, customer satisfaction with competitive advantage Schools Private, the design of the research is explanatory research or confirmation research. The unit of analysis in this study is a Private High School in Makassar with the observation unit is a private high education students.

Determination of the size or number of sample done by considering the conditions to be met when using the SEM, the samples ranged between 100-200 and the minimum is five times the number of dimensions and the maximum is ten times the number of dimensions (Hair, 2000). This study uses 22 dimensions so that the minimum requirement of the sample was 110 and the maximum is 220. Meanwhile, according to Ferdinand (2002), if the study uses SEM sample used should have a minimum of 100 respondents. The samples used in this study as many as 220 samples and meet the minimum requirements in using SEM.

D. RESULTS AND DISCUSSION

1. SERVICE QUALITY ANALYSIS OF EDUCATION

Quality of service has a direct influence, positive and significant competitive advantage with p value of $0.037 \leq 0.05$ with coefficient of 0.001. Thus the hypothesis that directly affects service quality, positive and significant competitive advantage can be demonstrated. These results indicate that the quality of good service will have an impact on the achievement of competitive advantage private high education in Makassar.

Definition of quality of service centered on addressing the needs and desires of customers as well as the accuracy of delivery to compensate customers' expectations. Quality of service is the expected level of excellence and control over the level of excellence to meet the customer's wishes (Tjiptono and Diana, 2003). Quality of service is known by comparing the expectations / interests of customers looking for services with the services they actually receive. According to Feigenbaum (1996) quality is an important force that can lead to success both within the organization and growth of the institution, it could also be applied in the quality of education service delivery. Furthermore, if the quality of education was associated in the administration, it can be guided by the Act No. 20 of 2003 on National Education System and Government Regulation No. 19 Year 2005 on National Education Standards which states that quality assurance is required both internally and externally.

According to Feigenbaum (1996) quality is an important force that can lead to success both within the organization and growth of the institution, it could also be applied in the quality of education service delivery. Therefore PTS find new ways not only reduce costs, but increase the added value for the services offered to students. Quality of care is the expected level of competitive advantage and control over the level of competitive advantage is to meet customer expectations, Lovelock in Tjiptono (2004: 59).

The opinion is in line with the findings of this study, based on the results of tests of significance were performed in this study, the relationship exogenous variables endogenous variables of service quality to competitive advantage, showed that the quality of service gives positive results and significant competitive advantage. Means that the higher quality of service, the higher the chance to gain a competitive advantage. Therefore, significant influence, then the variable quality of service becomes an important variable to be considered

private high education in achieving competitive advantage.

Based on the statistical analysis of the results obtained by the value of the most dominant influence is an indicator of competitive advantage not easily copied, it indicates that the quality of service will affect the competitive advantage when a private high school is considered capable of increasing the number of students gain from year to year, high school students have a study period graduate on time, and lecturers have special expertise in the academic field. Thus the quality of service will provide a strong influence on the competitive advantages of a private high school in Makassar.

Results of this research was supported by Mark Ihalainen (2011) findings show fluctuating trend of customer satisfaction, to gain a competitive advantage through customer satisfaction, there must be improvements in the quality of service. There is no direct pangaruh service quality on competitive advantage through customer satisfaction.

The results also supported by Biljana Angelova and Jusuf Zekiri (2011) studies show that high-quality services to address the needs and consumers wants will establish customer satisfaction is the key to sustainable competitive advantage. There is a significant relationship between service quality and competitive advantage.

2. DIFFERENTIATION ANALYSIS OF COMPETITIVE ADVANTAGE

Differentiation has a significant influence on competitive advantage with p value $0.05 \leq 0,029$ with coefficient of 0.001. Thus the hypothesis that differentiation directly influences the proven competitive advantage. This result explains that the differentiation at a private high school can directly increase the competitive advantage.

The study's findings provide results that significant differentiation effect on competitive advantage private high education in Makassar. These results provide evidence that the private high school that has a differentiation in terms of content, context and infrastructure, had a direct impact positively and significantly to the competitive advantages of a private high education in Makassar.

From the analysis it was found that differentiation had an immediate effect on competitive advantage , contributing factors assumed that consumers perceive the value (value) provided by the private high school

where they were studying . Differentiation offered by the private high schools in the form of differentiation of content , context , and infrastructure capable of affecting the competitive advantage since high school have little diversity of courses offered , already has partnerships with institutions in the world of work , high school and college students have a good reputation in the field academic and non-academic.

Results of this study confirmed by Joy I. Dirisu, Dr. Oluwole Iyiola , & Dr. OS Ibidunni (2013) There are many ways to differentiation their products in obtaining sustainable competitive advantage such as by product innovation, product design, product quality and unique products. It is assumed that a company does not meet the criteria of differentiation will not be able to affect the competitive advantage directly but must be supported by other aspects in achieving a competitive advantage.

Other aspects capable of supporting differentiation in winning the competition is consumer satisfaction as described in the findings Alex Douglas , Jacqueline Douglas , and John Davies (2010) results showed that competitive advantage is built with differentiation on service and application of differentiation strategies effect on customer satisfaction . From these studies it can be concluded that the differentiation is carried out and is able to give satisfaction to the consumer will produce competitive advantage

Abbas Al-alak Basheer Saeed (MZ) Tarabieh A. (2011) The findings of the study show that customer orientation has positive influence on organizational performance through differentiation of innovation and market differentiation. Effect of innovation greater differentiation than the market differentiation, both simultaneously builds competitive advantage which is the result of best organizational performance.

According Kottler (2007: 385), product differentiation activities of the company can be in the form, features, quality, performance, quality, suitability, durability, reliability, easy to fix, style, and good design, and is expected to add to the company's image in the minds of consumers , The success of differentiation not only creating products that are unique and hard to imitate but also a positive assessment of consumer perceptions of where that will build prospective customers for a product and corporate image.

Furthermore, with respect to the effect of differentiation on competitive advantage, put forward by Heiko Gebauer, Anders Gustafsson, and Lars Witell (2010) Research results show the influence of

a complex between customer needs, innovation, service differentiation, the performance of the company on competitive advantage.

The findings in this study can also be interpreted that the differentiation of the private high school are factors that directly promote the creation of competitive advantage, because the private college considers that the differentiation of directly shaping the competitive advantage of the private high school. Results of analysis in this study describes the effect of differentiation on competitive advantage private high school in Makassar, that differentiation in the form of content, context and infrastructure owned by the private high school to become an important determinant of the competitive advantage private high school in Makassar.

E. CONCLUSIONS AND RECOMMENDATIONS

1. CONCLUSION

1. Quality good service will have a positive impact on competitive advantage Schools Private. This suggests consumers view the quality of service is one of the asset management owned Private Schools is one important factor in achieving competitive advantage.
2. Differentiation owned by private high schools a direct and positive impact on competitive advantage of these findings illustrate that differentiation in terms of content , context , and infrastructure has value, rarely , there are no substitutes and are not easily imitated by competitors that have the ability to excel among competitors.

2. SUGGESTIONS

1. The need for special attention for the agencies, especially educational institutions in the improvement of service quality , because quality of service is one of the asset management is important for built a competitive advantage. Thus the instant will have the strength and ability to win competition .
2. The private high education is thinking about differentiation has considerable opportunities to win competition, differentiation should also receive special attention for agencies engaged in educational services because without differentiation agency will have no

value and hard to achieve competitive advantage.

F. LIMITATIONS OF THE STUDY

1. This study examines only private high school in the city of Makassar , it would be better if extended to national coverage and also to the State so that it can be assessed how service quality and differentiation to , customer satisfaction and competitive advantage .
2. Design of research in the form of a cross - section also provides limitations to this study because of its inability to observe in depth the various aspects of the relationship and influence that is created during a certain period.

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