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The Effect of Product, Word of Mouth, Location, and Price on the Decision to Choose the School of Economics and Business (STIEB) 'Perdana Mandiri' and Its Implications for Student Satisfaction

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Abstract

The decision to purchase or choose is a process in which consumers make a choice from various alternatives available, selecting the product that best fits their needs. Product quality, including performance, durability, and suitability, plays a significant role in this decision. In the context of higher education, product quality encompasses the study programs offered, innovations, and the added value provided to consumers, in this case, the students. STIEB "Perdana Mandiri" in Purwakarta is one of the most sought-after universities, and this study aims to understand how students make decisions when selecting a campus. This research uses a survey method with Likert scale questionnaires, with a sample of 150 individuals selected through purposive sampling. The method used is descriptive quantitative. The results of the study indicate that the factors of product, word of mouth, location, and price have a positive and significant effect on the decision to choose a campus and also influence student satisfaction. These findings highlight the importance of product quality and external factors in influencing students' decisions when selecting a higher education institution.

Keywords:
Product; Word of Mouth (WoM); Location; Price; Student Satisfaction.

1. INTRODUCTION

The higher education sector in Indonesia is currently undergoing significant changes, particularly in response to the increasingly intense competition among universities. Higher education institutions must address the challenges of globalization and domestic competition with more innovative strategies, with marketing being one of the key factors in strengthening their position in the education market. In this context, effective marketing strategies can serve as a critical determinant of a university's success, both in attracting new students and in enhancing its competitiveness in an increasingly competitive educational market.

One of the marketing approaches that has a significant influence in the education sector is Word of Mouth (WOM). WOM refers to communication between individuals that spreads information through word-of-mouth, and it is often considered more credible compared to advertisements or promotions made by the educational institution itself (Kotler et al., 2016). In line with this, research conducted by Harahap et al (2017) indicates that WOM is an important element in building the image of a university in the eyes of prospective students. Positive WOM can strengthen the university's reputation, influence prospective students' perceptions, and, in turn, increase their interest in applying.

A previous study by Hidayat & Kawiana (2021) stated that the quality of educational services significantly influences prospective students' decisions in choosing a higher education institution. This research emphasizes that factors such as the quality of teaching, facilities, and a satisfactory learning experience play a crucial role in generating positive WOM. The findings show that a satisfying student experience not only enhances their loyalty but also encourages them to voluntarily recommend the university

to others. Good service quality becomes a key factor in creating reliable WOM that can attract prospective students.

A study by Hidayatullah (2020) also confirmed that the quality of services, both academic and non-academic, significantly affects students' and prospective students' perceptions of higher education institutions. One crucial aspect is the university's ability to manage its image and reputation through WOM. Additionally, Hidayatullah stated that WOM-based marketing has a far greater influence compared to advertisements or formal social media, particularly due to the trust derived from personal experiences. In this context, WOM not only creates awareness but also reinforces a deep, positive image of a higher education institution.

In addition to internal factors such as service quality, there are also external factors that influence the attractiveness of higher education institutions, such as tuition fees and location. For example, a study by Baruno et al (2024) showed that competitive tuition fees and a strategic location have a significant impact on prospective students' decisions to choose a university. STIEB "Perdana Mandiri," for instance, with its affordable tuition fees and strategic location, has successfully attracted the interest of prospective students in the Purwakarta area and its surroundings.

As part of implementing a marketing strategy based on WOM, higher education institutions need to manage and leverage positive testimonials from students and alumni to strengthen their position in the education market. Research by Armstrong (2022) revealed that testimonials and personal recommendations are often more effective tools than other forms of advertising or promotion. This is also consistent with the findings of Baruno et al (2024), which stated that word-of-mouth recommendations derived from positive experiences of students and alumni can enhance a university's reputation, ultimately playing a role in increasing prospective students' interest.

In the context of STIEB "Perdana Mandiri," this study will explore how a WOM-based marketing strategy, supported by adequate service quality and competitive tuition fees, can be applied to enhance their competitiveness. This is highly relevant to previous findings that indicate WOM, service quality, and external factors such as tuition fees and location play a significant role in determining prospective students' decisions to choose a higher education institution.

Table 1. STIEB Perdana Mandiri Student Data for the Year 2021-2022

Study Program	2021	2022
Business Management (S-1)	204	250
Accounting (S-1)	145	200
Accounting (D-3)	90	140

Source: BAA Data STIEB Perdana Mandiri 2022

Given this background, this study aims to identify the marketing strategies implemented by STIEB "Perdana Mandiri" in facing the increasingly intense competition and how these strategies can enhance the university's competitiveness in the Purwakarta education market.

2. RESEARCH METHOD

This study aims to analyze the impact of university product selection and student satisfaction on the behavior of students at STIEB 'Perdana Mandiri' using a quantitative research approach. The sample for this study consists of 150 respondents, selected through a non-probability sampling method using saturated sampling. This technique was chosen due to the limited number of students, and the researcher intends to ensure that all students who meet the selection criteria are adequately represented, thereby enhancing the validity and representativeness of the data. The non-probability sampling approach is also appropriate for this exploratory study, which focuses on students with relevant experiences concerning the research topic.

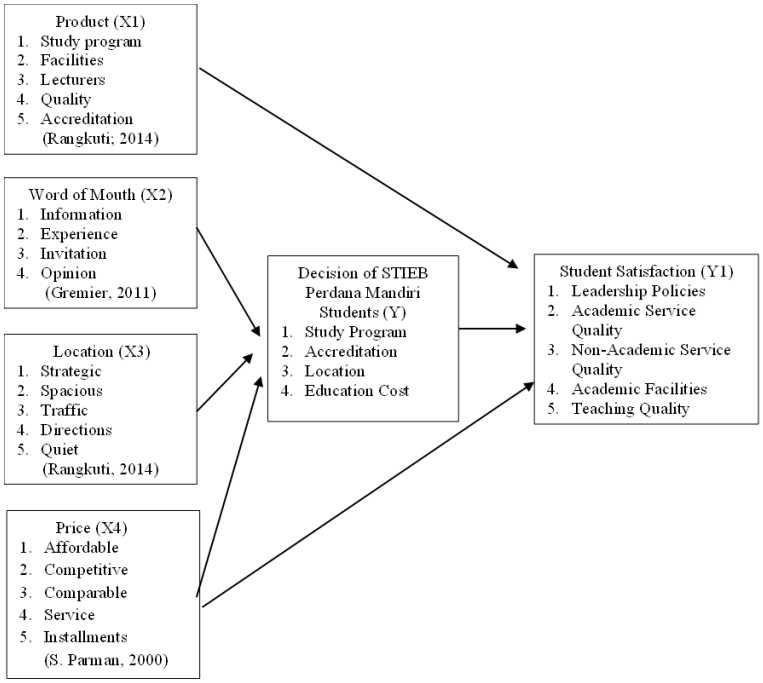

Figure 1. Data Collection

The independent variables in this study include product, word of mouth (WOM), location, and price. The product variable is included as the quality of education and the reputation of a university significantly influence students' decision-making processes. WOM is considered a critical factor, as information from peers, family, and alumni has a substantial impact on the decision to select a higher education institution (Santoso & Madiistriyatno, 2021). Location is considered due to its influence on student convenience, as geographical proximity plays a crucial role in their overall comfort, while price is a primary consideration in the decision-making process regarding university selection. The dependent variables in this study are students' decision-making processes and their satisfaction with the university they chose (Sugiyono, 2019, 2021, 2008).

Data collection was performed through questionnaires using a five-point Likert scale. The data analysis techniques employed include descriptive statistics and regression analysis to examine The Effect of the independent variables on students' decisions and satisfaction. Through this approach, the study aims to provide valuable insights into the factors that affect the decision-making and satisfaction levels of students at STIEB 'Perdana Mandiri.

3. RESULTS AND DISCUSSION

The results of the validity and reliability tests conducted in this study indicate that all indicators for the variables being tested meet the criteria for good validity and reliability.

Table 2. Cronbach's Alpha Values for Variables and Corrected Item-Total Correlation Values for Indicators

No.	Variable	Cronbach's Alpha	Indicators	r-count	r-table	Keterangan
1	Product (X1)	0,791	X11	0,584	0,1603	Valid and reliable
			X12	0,642		Valid and reliable
			X13	0,640		Valid and reliable
			X14	0,647		Valid and reliable
			X15	0,358		Valid and reliable
2	*Word of mouth* (X2)	0,794	X21	0,550	0,1603	Valid and reliable
			X22	0,551		Valid and reliable
			X23	0,611		Valid and reliable
			X24	0,593		Valid and reliable
			X25	0,565		Valid and reliable

3	Location (X3)	0,751	X31	0,445	0,1603	Valid and reliable
			X32	0,434		Valid and reliable
			X33	0,551		Valid and reliable
			X34	0,543		Valid and reliable
			X35	0,627		Valid and reliable
4	Price (X4)	0,842	X41	0,567	0,1603	Valid and reliable
			X42	0,679		Valid and reliable
			X43	0,817		Valid and reliable
			X44	0,725		Valid and reliable
			X45	0,462		Valid and reliable
5	Decision	0,837	Y11	0,687	0,1603	Valid and reliable

Based on Table 2, which shows the Cronbach's Alpha values for each variable and the Corrected Item-Total Correlation values, it can be observed that all questionnaire items in the research instrument exhibit sufficiently high reliability. The Cronbach's Alpha values, which exceed the accepted threshold of 0.7, indicate good internal consistency, while the Corrected Item-Total Correlation values, which are greater than 0.1603 at a 5% significance level, further support the validity of each statement item used in the measurement. This suggests that all statement items can be considered valid and reliable, making them suitable for further exploration of The Effect of the tested variables on college selection decisions and student satisfaction.

3.1. Model Feasibility Testing (Goodness of Fit Test)

Table 3. Results of Model Feasibility Test (Goodness of Fit Test)

Goodness – of – fit index	Result	Cut off Value (Nilai Batas)	Keterangan
$\chi 2$ – Chi Square	0,00	$\leq \chi 2$ table (sig 0,05, df 390) = 437,046	Good Fit
Significaned Probability	1,000	> 0,05	Good Fit
Relative Chi-Square (CMIN/df)	2.239	≤ 2,00	Poor Fit
Goodness of Fit Index (GFI)	0,748	> 0,90	Poor Fit
Root Mean Square Residual (RMR)	0,062	< 0,4	Good Fit
Root Mean Square Error of Approximation (RMSEA)	0,000	≤ 0,08	Good Fit
Normed Fit Index (NFI)	0,956	> 0,90	Good Fit
Comparative Fit Index (CFI)	0,975	> 0,90	Good Fit
Incremental Fit Index (IFI)	0,975	> 0,90	Good Fit
Relative Fit Index (RFI)	0,951	> 0,90	Good Fit
Tucker-Lewis Index/Non- Normed Fit Index (TLI/NNFI)	0,972	> 0,90	Good Fit

Source: Results of Goodness of Fit Statistics from the LISREL program

Based on the results of the goodness of fit test presented in Table 3, it can be concluded that the research model, overall, can be categorized as fit or acceptable, although some indicators show less than optimal fit. Several parameters, such as the Significance Probability (with a value of 1.000) being greater than 0.05 and the Root Mean Square Error of Approximation (RMSEA) showing a value of 0.000, reflect an excellent model fit. These two measures indicate that the model does not show significant misfit with the obtained data, and therefore can be considered to meet the basic assumptions required for structural models.

Additionally, several other goodness of fit indices, such as the Normed Fit Index (NFI), Comparative Fit Index (CFI), and Incremental Fit Index (IFI), all of which have values greater than 0.90, indicate that the model adequately explains the variability in the data and accurately represents the relationships among the variables. These values align with the standards accepted in structural model literature, further supporting the validity of the model as a representation of the relationships in this study.

However, there are a few indicators that suggest some imperfections in the model, such as the Relative Chi-Square (CMIN/df) value of 2.239 and the Goodness of Fit Index (GFI) of 0.748. The CMIN/df value, which is greater than the recommended threshold (≤ 2.00), and the GFI value being lower than 0.90, suggest that, although the model is acceptable, there are certain elements that can be improved. These imperfections may stem from factors not included in the analysis, such as variables not incorporated into the model or nonlinear relationships between variables that are not fully represented.

Although some indicators show less than ideal results, the majority of the goodness of fit measures in this test meet the criteria for a good model fit, supporting the claim that this model can be accepted as a valid representation of the research data. As explained in the literature, no single goodness of fit measure can exclusively represent the overall model fit, and therefore, these results should be considered within the broader context of the overall model evaluation (Djaali, 2021; Prajitno, 2013).

3.2. Analysis of the Measurement Model

The Effect of the indicators on the variables in this study is represented by the measurement equations, expressed as:

$$\text{Indicator} = f\ (\text{Variable})$$

The relationship between the indicators and the variables is reflected by the coefficient of determination values for each of these measurement equations.

3.3. Analysis of the Measurement Model for the Product Variable

From the factor loadings and t-values presented in the following table

Table 3. The Effect of the Relationship Between Indicators and the Product Variable

Variable	Indicators	FMS	t-value
Product	X11	0,25	79,85
	X12	0,30	86,14
	X13	0,28	78,47
	X14	0,25	76,20
	X15	0,27	95,14

Note: Significant at α = 0.05
Source: Processed from LISREL

Based on the data presented in Table 3, the analysis results indicate that the indicators used to measure the product variable have factor loadings ranging from 0.25 to 0.30. Although these factor loadings do not reach a very high level (above 0.50), the indicators still show a significant positive contribution to the product variable. Lower factor loadings can still be acceptable in this context, as long as the indicators are relevant and related to the variable being measured. Therefore, these indicators can still be considered to make a meaningful contribution in the measurement model of the product variable.

Additionally, the significance test using t-values shows that all indicators have t-values far greater than the critical t-table value at a significance level of α = 0.05 (t-table = 1.98), ranging from 76.20 to 95.14. This indicates that the relationships between each indicator and the product variable are statistically significant and substantial.

Thus, it can be concluded that the measurement model for the product variable used in this study is valid and reliable, as each tested indicator makes a significant contribution in explaining the product variable at the 95% confidence level.

3.3.1. Analysis of the Measurement Model for the Word of Mouth (WoM) Variable

From the factor loadings and t-values presented in the following table:

Table 4. The Effect of Indicators on the WoM Variable

Variable	Indicators	FMS	t-value
WoM	X21	0,25	66,97
	X22	0,25	67,09
	X23	0,30	75,64
	X24	0,28	71,80
	X25	0,27	71,52

Note: Significant at α = 0.05. Source: Processed from LISREL

Based on the results of the measurement model analysis for the product variable presented in Table 3, it can be concluded that all indicators used to measure the product variable show a significant and positive

influence. This is evident from the factor loading (FMS) values greater than 0.05 for each indicator, indicating a substantial positive contribution to the product variable construct. Additionally, the t-values obtained for each indicator are also greater than the t-table value (1.98) at a significance level of α = 0.05. The t-values exceeding the t-table value demonstrate that the relationships between each indicator and the product variable are statistically significant. Therefore, it can be concluded that all indicators tested in this study have a significant and substantial impact on the product variable, indicating the validity of the measurement model used in this research.

3.3.2. Analysis of the Measurement Model for the Location Variable

From the factor loadings and t-values presented in the following table:

Table 5. The Effect of Indicators on the Location Variable

Variable	Indicators	FMS	t-value
Location	X31	0,28	80,51
	X32	0,30	80,31
	X33	0,26	67,73
	X34	0,30	69,23
	X35	0,28	64,03

Note: Significant at α = 0.05. Source: Processed from LISREL

Based on the results of the measurement model analysis for the Location variable presented in Table 5, it can be concluded that all indicators used to measure the location variable have a significant and positive influence. The factor loading (FMS) values for each indicator are greater than 0.05, indicating that each indicator contributes significantly to the latent construct of the location variable. Additionally, the t-values obtained for each indicator are also greater than the critical t-table value (1.98) at a significance level of α = 0.05, indicating that the relationships between each indicator and the location variable are statistically significant. Therefore, it can be concluded that all the indicators tested in this study have a significant influence on the location variable, confirming the validity of the measurement model used in this study.

3.3.3. Analysis of the Measurement Model for the Location Variable

From the factor loadings and t-values presented in the following table:

Table 6. The Effect of Indicators on the Price Variable

Variable	Indicators	FMS	t-value
Price	X41	0,21	57,58
	X42	0,26	56,63
	X43	0,29	50,16
	X44	0,27	57,17
	X45	0,23	66,80

Note: Significant at α = 0.05. Source: Processed from LISREL

Based on the results of the measurement model analysis for the Price variable presented in Table 6, it can be concluded that all indicators used to measure the price variable have a significant and positive influence. Each indicator has a factor loading (FMS) greater than 0.05, which indicates that each indicator makes a significant contribution to the construct of the price variable. Additionally, the t-values obtained for each indicator are also greater than the t-table value (1.98) at a significance level of α = 0.05. This suggests that the relationship between each indicator and the price variable is statistically significant. Therefore, it can be concluded that all the indicators tested in this study have a significant effect on the price variable, confirming the validity of the measurement model used in this research.

3.3.4. Analysis of the Measurement Model for the Location Variable

From the factor loadings and t-values presented in the following table:

Table 7. The Effect of Indicators on the Decision Variable

Variable	Indicators	FMS	t-value
Decision	Y11	0,26	58,35
	Y12	0,25	60,48
	Y13	0,24	58,83
	Y14	0,26	62,92
	Y15	0,27	72,40

Note: Significant at α = 0.05. Source: Processed from LISREL

Based on the results of the measurement model analysis for the decision variable presented in Table 7, it can be concluded that all the indicators used to measure the decision variable show a significant and positive effect. Each indicator has a loading factor (FMS) greater than 0.05, indicating that each indicator makes a significant contribution to the construct of the decision variable. Furthermore, the t-value obtained for each indicator is also greater than the t-table value (1.98) at a significance level of $\alpha = 0.05$. This suggests that the relationship between each indicator and the decision variable is statistically significant. Therefore, it can be concluded that all the indicators tested in this study have a significant effect on the decision variable, confirming the validity of the measurement model applied in this research.

3.3.5. Analysis of the Measurement Model for the Satisfaction Variable

Based on the loading factor values and t-values presented in the table below;

Table 8. The Effect of Indicators on the Satisfaction Variable

Variable	Indicators	FMS	t-value
Satisfaction	Y21	0,26	53,65
	Y22	0,26	53,86
	Y23	0,25	53,01
	Y24	0,24	57,23
	Y25	0,25	61,92

Note: Significant at $\alpha = 0.05$. Source: Processed from LISREL

Based on the results of the measurement model analysis for the satisfaction variable presented in Table 8, it can be concluded that all the indicators used to measure the satisfaction variable show a significant and positive effect. Each indicator has a loading factor (FMS) greater than 0.05, indicating a significant contribution from each indicator to the construct of the satisfaction variable. Moreover, the t-value obtained for each indicator is also greater than the t-table value (1.98) at a significance level of $\alpha = 0.05$. This indicates that the relationship between each indicator and the satisfaction variable is statistically significant. Therefore, it can be concluded that all the indicators tested in this study have a significant effect on the satisfaction variable, confirming the validity of the measurement model applied in this research.

3.3.6. Analysis of the Structural Equation Model

The influence and relationships between the exogenous and endogenous latent variables represent the structural equation for the decision to choose STIEB Perdana Mandiri, elucidating the causal relationships that describe how changes in the independent variables—Product, Word of Mouth (WoM), Location, and Price—affect the decision-making process. Specifically, the decision-making model can be expressed as: Decision to Choose = f (Product, Word of Mouth, Location, Price).

The structural equation for the decision to choose STIEB Perdana Mandiri, based on the SEM analysis with LISREL, is as follows:

$$Y1 = 0,35X1 + 0,37X2 - 0,091X3 + 0,30X4$$
$$SE = 0,091\ 0,095\ 0,089\ 0,059$$
$$t = 3,87\ 3,89\ -1,02\ 5,08$$
$$R^2 = 0,60$$

Based on the structural equation, the following conclusions can be drawn:

a. The structural model indicates that the product (X1) has a positive and statistically significant effect on the decision to choose STIEB Perdana Mandiri, with a p-value below 0.05. Hence, the hypothesis is supported. The regression coefficient of 0.35 implies that for each unit increase in the perception of the product, the perception of the decision to choose STIEB Perdana Mandiri increases by 0.35 units. This highlights the importance of the perceived quality of the product (study program) as a key factor in shaping the decision-making process. Notably, accreditation emerges as the most influential factor in shaping respondents' perceptions when selecting a program.
b. The structural equation model further reveals that Word of Mouth (WoM) (X2) has a positive and significant effect on the decision to choose STIEB Perdana Mandiri, with a significance level below 0.05 (t-value > 1.98). Consequently, the hypothesis is supported. The regression coefficient of 0.37 suggests that an increase in the perception of WoM leads to a 0.37 unit increase in the likelihood of choosing STIEB Perdana Mandiri. This underscores the critical role of social influence and peer recommendations in the decision-making process. The most significant WoM source identified by respondents was receiving information about STIEB Perdana Mandiri from friends, family, or acquaintances.
c. The model demonstrates that the location (X3) has a significant effect on the decision to choose STIEB Perdana Mandiri, although the relationship is negative. With a regression coefficient of -0.091, the results

indicate that an increase in the perception of the location results in a 0.091 unit decrease in the likelihood of selecting STIEB Perdana Mandiri. This finding suggests that location perception might act as a limiting factor in decision-making, despite the institution's strategic positioning. The factor most influencing respondents' perceptions of location was the institution's accessibility by public transportation.

d. The analysis further indicates that price (X4) has a positive and statistically significant effect on the decision to choose STIEB Perdana Mandiri, with a significance level below 0.05 (t-value > 1.98). Therefore, the hypothesis is confirmed. The regression coefficient of 0.30 indicates that an increase in the perception of price is associated with a 0.30 unit increase in the likelihood of choosing STIEB Perdana Mandiri. This suggests that perceived affordability plays a significant role in shaping students' decisions. Respondents highlighted the importance of having installment payment policies as a major factor influencing their price perception.
e. Coefficient of Determination (R^2) value of 0.60 implies that the independent variables—Product, WoM, Location, and Price—explain 60% of the variance in the decision to choose STIEB Perdana Mandiri. The remaining 40% is attributable to other factors not included in the model, suggesting the presence of additional influences not captured by the current study.
f. Among the variables tested, Word of Mouth (WoM) exhibits the strongest influence on the decision to choose, with the highest positive coefficient of 0.37 and the highest t-value of 3.89. This indicates that WoM is the most statistically significant predictor of students' decision to enroll at STIEB Perdana Mandiri, surpassing the effects of Product, Location, and Price.

3.3.7. Structural Equation Model for Student Satisfaction at STIEB Perdana Mandiri

The structural equation for student satisfaction based on the SEM analysis with LISREL is as follows:

$$Y2 = 0{,}15Y1 + 0{,}15X1 + 0{,}24X2 + 0{,}017X3 + 0{,}45X4$$
$$SE = 0{,}089\ 0{,}10\ 0{,}11\ 0{,}096\ 0{,}068$$
$$t = 1{,}67\ 1{,}43\ 2{,}28\ 0{,}18\ 6{,}66$$
$$R^2 = 0{,}64$$

Based on the structural equation model for student satisfaction, the following conclusions can be drawn:

a. The structural model indicates that the product (X1) has a positive and statistically significant effect on student satisfaction, with a p-value below 0.05 (t-value > 1.98). Therefore, the hypothesis is supported. The regression coefficient for product is 0.15, suggesting that every unit increase in the perception of the product is followed by a 0.15 unit increase in the perception of student satisfaction. This highlights the importance of the perception of the product (study program) as a determinant of student satisfaction. The perception variable related to the product that most increased the respondents' scores was accreditation, which was considered very important in choosing a study program.
b. The structural equation model shows that Word of Mouth (WoM) (X2) has a positive and significant effect on student satisfaction, with a p-value below 0.05 (t-value > 1.98). Thus, the hypothesis is accepted. The regression coefficient for WoM is 0.24, implying that each increase in the perception of WoM results in a 0.24 unit increase in student satisfaction. This indicates that the perception of WoM plays a significant role in shaping student satisfaction.
c. The model reveals that location (X3) has a positive and significant effect on student satisfaction, with a significance level below 0.05 (t-value > 1.98). Thus, the hypothesis is supported. The regression coefficient for location is 0.017, indicating that every increase in the perception of the location leads to a 0.017 unit increase in student satisfaction. This demonstrates that perceptions of location can be leveraged to enhance student satisfaction. The most influential perception variable regarding location was that STIEB Perdana Mandiri is strategic and easily accessible by public transportation.
d. According to the structural model, price (X4) has a positive and significant effect on student satisfaction, with a significance level below 0.05 (t-value > 1.98). Therefore, the hypothesis is accepted. The regression coefficient for price is 0.45, suggesting that every unit increase in the perception of price is followed by a 0.45 unit increase in student satisfaction. This indicates that perceptions of price have a substantial influence on student satisfaction. The perception variable most influencing students' satisfaction regarding price was having installment payment policies.
e. The decision to choose STIEB Perdana Mandiri (Y1) has a positive and significant effect on student satisfaction with a significance level below 0.05 (t-value > 1.98). Therefore, the hypothesis is supported. The regression coefficient for the decision to choose STIEB Perdana Mandiri is 0.15, implying that every increase in the perception of the decision to choose STIEB Perdana Mandiri is followed by a 0.15 unit increase in student satisfaction. This indicates that the perception of the decision to choose STIEB Perdana Mandiri contributes to shaping student satisfaction. The most significant perception variable regarding the decision to choose STIEB Perdana Mandiri was the availability of information.
f. Coefficient of Determination (R^2) value of 0.64 indicates that the independent variables—Product, WoM, Location, Price, and the Decision to Choose—explain 64% of the variance in student satisfaction. The

remaining 36% is attributed to other factors not included in the model, suggesting that additional variables may influence student satisfaction.

g. Most Influential Variable: Among the variables tested, Price (X4) had the greatest positive influence on student satisfaction, with the highest regression coefficient of 0.45 and a t-value of 6.66, indicating that price is the most statistically significant predictor of student satisfaction. This suggests that perceptions of affordability play a dominant role in shaping students' satisfaction, surpassing the effects of Product, WoM, Location, and the Decision to Choose.

3.3.8. Structural Equation Model for Student Satisfaction through the Decision to Choose STIEB Perdana Mandiri

The indirect effects of the variables Product, Word of Mouth, Location, and Price on Student Satisfaction, through Student Decision, can be observed in the table below:

Table 8. Model Equation of Direct and Indirect Effects of Variables

No.	Independent	Dependent	Mediation	Effect		
				Direct	Indirect	Total
1	Product	Decision		0,35	0.00	0,35
2	*Word of mouth*	Decision		0,37	0.00	0,37
3	Location	Decision		-0,091	0.00	-0,091
4	Price	Decision		0,30	0.00	0,30
5	Product	Satisfaction	Decision	0,150	0,150	0,300
6	*Word of mouth*	Satisfaction	Decision	0,240	0,150	0,390
7	Location	Satisfaction	Decision	0,017	0,150	0,167
8	Price	Satisfaction	Decision	0,450	0,150	0,600
9	Decision	Satisfaction		0,150	0.000	0,150

Based on the analysis results, The Effect of the Product, Word of Mouth, Location, and Price variables on Student Satisfaction indirectly (through Student Decision) is as follows:

a. Direct Effect of Product on Satisfaction: The direct effect of the Product variable on Satisfaction is 0.15. The indirect effect of Product on Satisfaction through the Decision is 0.15. The total effect of Product on both Decision and Satisfaction is 0.30.
b. Direct Effect of Word of Mouth on Satisfaction: The direct effect of Word of Mouth (WoM) on Satisfaction is 0.24. The indirect effect of Word of Mouth on Satisfaction through the Decision is 0.15 (positive, hence hypothesis H6 is accepted). The total effect of Word of Mouth on both Decision and Satisfaction is 0.39.
c. Direct Effect of Location on Satisfaction: The direct effect of Location on Satisfaction is 0.017. The indirect effect of Location on Satisfaction through the Decision is 0.150 (positive, hence hypothesis H7 is accepted). The total effect of Location on both Decision and Satisfaction is 0.167.
d. Direct Effect of Price on Satisfaction: The direct effect of Price on Satisfaction is 0.45. The indirect effect of Price on Satisfaction through the Decision is 0.15 (positive, hence hypothesis H8 is accepted). The total effect of Price on both Decision and Satisfaction is 0.60.

3.4. Discussion

The findings of this study regarding The Effect of the variables Product, Word of Mouth (WoM), Location, and Price on Student Satisfaction and Student Decision are consistent with previous research.

First, regarding Word of Mouth (WoM), this study found that the direct effect of WoM on satisfaction was 0.240, with an indirect effect through decision-making of 0.15, resulting in a total effect of 0.390. These findings align with the research of Harahap et al (2017), which emphasized that WoM significantly influences students' decisions when selecting higher education institutions. The study showed that students tend to rely on information from recommendations when choosing their place of study. Additionally, the research by Hidayat & Kawiana (2021) also supports these findings, where WoM serves as a mediator linking the impact of the marketing mix factors on parental decisions in choosing schools. This study further reinforces the argument that WoM plays a significant role in enhancing satisfaction and influencing decisions made by students.

Second, concerning Product (referring to the quality of education), this study found a direct effect of 0.15 on satisfaction, with an indirect effect through decision-making of 0.15, resulting in a total effect of 0.30. These results are in line with Hidayatullah (2020) research, which indicated that the quality of education and student satisfaction significantly impact their decisions and Word of Mouth behavior. Furthermore, Al-Fattal (2010) also noted that the development of quality educational products plays a crucial role in attracting student interest and influencing their decision to choose an educational institution, which

aligns with the finding that high-quality education plays a role in shaping both student decisions and satisfaction.

Next, this study found that Location has a relatively small direct effect on satisfaction (0.017), but with an indirect effect through decision-making of 0.15, the total effect is 0.167. This finding is consistent with Sulaksono et al (2021), who revealed that location is a critical factor that students consider when choosing a university. They found that the campus location significantly impacts student decisions, particularly in terms of cost and proximity to home. Sidin et al (2003) also align with this finding, identifying location as a key criterion influencing students' choice of university, particularly in the context of available facilities and accessibility.

Lastly, regarding Price (tuition fees), this study found that the direct effect of price on satisfaction is 0.45, with an indirect effect through decision-making of 0.15, resulting in a total effect of 0.60. These findings align with the research by Baruno et al (2024), which stated that tuition fees are a dominant factor in university selection decisions. They found that price affects students' perceptions of the value of an educational institution. Al-Fattal (2010) also confirmed that financial aspects, including tuition fees, play a significant role in students' decisions when choosing universities. This further strengthens the argument that affordable tuition plays a critical role in attracting prospective students and contributing to their satisfaction.

Overall, the results of this study support previous literature that indicates that variables such as product quality, word of mouth, location, and price significantly impact student decisions and satisfaction. These findings further emphasize the importance of marketing strategies that consider these factors to enhance the attractiveness of educational institutions in the eyes of prospective students.

4. CONCLUSION

Based on the analysis of the measurement and structural models, this study concludes that the factors influencing the decision to choose STIEB Perdana Mandiri and student satisfaction involve variables such as product quality, Word of Mouth (WoM), location, price, and the decision-making process itself. Overall, these factors explain 60% of the variation in the decision to choose STIEB Perdana Mandiri and 64% of the variation in student satisfaction. Among these variables, WoM shows the most significant influence on the decision-making process, while price has the largest impact on student satisfaction. These findings highlight the importance of improving the quality of educational products, leveraging external recommendations through WoM, and adopting appropriate pricing policies to attract more prospective students and enhance the satisfaction of enrolled students. Therefore, strategies focused on improving service quality, promoting positive WoM, and implementing competitive pricing policies are strongly recommended to increase the appeal and satisfaction of students at STIEB Perdana Mandiri.

Based on the research findings, several strategic recommendations can be implemented by STIEB Perdana Mandiri to increase its attractiveness to prospective students and improve the satisfaction of current students. First, improving the quality of study programs through curriculum updates, enhancing the quality of faculty members, and strengthening learning facilities is crucial. Second, given the significant influence of Word of Mouth (WoM), the campus is advised to strengthen its relationships with alumni and current students while leveraging social media to extend the reach of positive information. Third, improving the accessibility of the campus location, through partnerships with transportation providers, can facilitate easier access for students, especially those living far from the campus. Fourth, more flexible pricing policies, such as installment payments or scholarships, should be introduced to enhance attractiveness and student satisfaction. Lastly, developing more targeted marketing programs, such as seminars or open houses, can increase visibility and awareness of the campus's strengths.

The implementation of these recommendations is expected to strengthen the attractiveness and satisfaction of students, as well as support the reputation and growth of STIEB Perdana Mandiri. By addressing these strategic areas, the institution can continue to enhance its position and maintain a high level of satisfaction among its students, ultimately contributing to its long-term success.

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