

# International Review of Management and Marketing

ISSN: 2146-4405

available at http: www.econjournals.com

International Review of Management and Marketing, 2018, 8(5), 1-8.



# The Role of Customer Value and Customer Pride as Variable Mediation on Customer Engagement Relationship with Corporate Image

### Hotman Panjaitan<sup>1\*</sup>, Ana Komari<sup>2</sup>

<sup>1</sup>Faculty of Economics University of 17 August 1945 Surabaya, Indonesia, <sup>2</sup>Faculty of Economics Kadiri University, Kediri, Indonesia. \*Email: hotman pp@yahoo.com

#### **ABSTRACT**

The purpose of this research is to find clarity about the role of customer value and customer pride as mediation variable on customer relationship engagement with corporate image, by designing and forming one research model. The research approach is quantitative, explanatory. The population of this research is the student at 5 best private universities in Surabaya. The sample of research was 250 respondents determined by using non-probability and purposive sampling method. Analytical technique using Structural Equation Model with Amos analysis tool. The results showed that the research model was accepted with the coefficient of determinant (R2) of 80.6%. The research also shows the clarity that: Customer engagement positively affect customer value, customer pride, and positively insignificant effect on corporate image. Customer value positively influences corporate image. Customer pride positively affect the corporate image. The results also explain that: customer value acts as a positive mediation on customer engagement relationship with corporate image, and Customer pride acts as a positive mediation on customer engagement relationship with corporate image.

Keywords: Customer Engagement, Customer Value, Customer Pride, Corporate Image

JEL Classifications: M1, M3

#### 1. INTRODUCTION

In line with the Law on National Education System No 20/2003 which explicitly states, the quality control and evaluation of education should be conducted both on study programs and on educational institutions on an ongoing basis. Private universities in Surabaya are now conducting quality assurance in their respective institutions. It shows the increasingly heavy tasks of private universities, and the increase of competitors for private higher education providers, because public universities open an independent pathway that admits the students are the same as the private universities. Where this is enough to affect the interest of the community to continue education to private universities, although it is known that the number of private college students is still larger than the public college students, because private universities are more numerous than the state universities.

In addition to competing for new prospective students, the task is no less important is to keep the existence of active and non active students from the college concerned, so they do not drop out half way because they feel dissatisfied with the service received compared to the desired expectations. Therefore, a proper pattern is needed to achieve the purpose and objectives. A study of "why consumers move" found the fact that most consumers shifted due to "indifference to the company" (Kotler, 2014). So also of course with private university rankings, which also became one of the good indicators of bad college management.

Today the focus of the company changes from product orientation to marketing orientation (Engel et al., 2014). This means that the company seeks to create good relationships with sustainable customers, by understanding what customers really want. Likewise with college, since accepted as a student then follow the learning process and finally graduated as a bachelor, good relationship between alumni with alma mater is expected to remain well established, so that the name of the alma mater will remain awake. The role of alumni to recruit prospective students is also very important, as the research results show that "they are

most effective with prospective parents" (Morris, 1977; Alma, 2014). Similarly, expressed by Kotler (2014) that universities that achieve strong alumni support are indeed lucky. They collect more money, recruit better students, and give many other benefits. Vie et al. (2016) also stated that student engagement is valuable to assist in the design, development and review of transnational college programs.

The city of Surabaya is known as the City of Heroes. There are many colleges that can be found in this Hero City. According to http://miner.com, the top 10 best university rankings in Surabaya are shown in Table 1.

There are five private universities, in the top ten rankings of universities in Surabaya, as follows. Petra Christian University is one of the most popular private campuses in Surabaya. Petra Christian University was ranked 3<sup>rd</sup> in Surabaya, ranked 15<sup>th</sup> in Indonesia and 2510th in the world. The University of Surabaya is ranked 4th in Surabaya, ranked 28th in Indonesia and 3164th in the world. Narotama University also became one of the most favorite private campus in Surabaya. Narotama University was ranked 5th in Surabaya, ranked 39th in Indonesia and 3596 in the world. STIKOM Surabaya is ranked 9th in Surabaya ranked 109th in Indonesia, and has a ranking of 6939 in the world. STIE Perbanas Surabaya is a campus run by National and General Banks Association in Surabaya City. STIE Perbanas is ranked 10<sup>th</sup> in Surabaya, ranked 132+ in Indonesia and 8779<sup>th</sup> in the world. Table 1 provides information that private universities in the city of Surabaya is a college that has been calculated both domestically and internationally. Along with the high ranking of this college will cause the rise of the image of college and the rising interest of prospective students to be a student in five private universities.

Some studies say, that the image was born and developed in the minds of the community is due to the good value obtained by customers, as well as what happens at colleges (Kwon and Chung, 2018). Realize and Panjaitan (2017) proves that the image of a college can raise the competitive advantage of the college. While the results of research Prasetya and Ibrahim (2017); Eva and Jose (2005), proving that the image of the company affect the value of customers. While Jaeyoon and Taerin (2018) show that corporate social responsibility and attitude have a positive effect on the company image.

Table 1: Best higher education rating in Surabaya city

Name of higher education Higher education rating Status Surabaya Indonesia World Airlangga university Public 1 8 1906 2 Institute of technology November 10th Public 12 2169 3 Petra Christian University Private 15 2510 4 28 University of Surabaya Private 3164 5 39 3596 Narotama University Private 6 Sunan Ampel Islamic University 44 Public 3833 Surabaya State University Public 7 53 4214 Surabaya Electronics Polytechnic Public 8 60 4642 STIKOM Surabaya 9 109 6339 Private STIE Perbanas Surabaya Private 10 132 8779

Source: http://miner.com/id/20049 accessed 05 05 2018

As a marketing strategy whose purpose is to create value for customers, the company must determine the criteria that are considered important by the customer accurately and in accordance with customer expectations. Thus, the level of customer satisfaction about the service and the criteria offered must continue to be measured. It is best to create benefits for customers, services and criteria to satisfy customers and be important to customers as well as add value and customer loyalty (Özlem, 2009). Heri (2017) proves that customer satisfaction will increase customer trust and customer value. Heri (2017) also proves that customer satisfaction mediates well on the corporate image relationship with customer trust; corporate image and customer value; and corporate image with customer trust. While Leslier and Francisco (2016), pointing out that customer value orientation, brand value is an important variable for developing long-term relationships with customers.

One way that can be done in building a good relationship to consumers is to enlarge consumer involvement based on the value obtained by consumers. The results of Eman's (2018) study show that customer engagement and customer loyalty can improve the ability to build more effective customer service. Eman (2018) also found that customer engagement and customer loyalty can improve the ability to build more effective customer service. Altje (2014) found that consumer involvement, trust, and value have a positive and significant impact on customer satisfaction.

Engagement has a sense in relationship with a person both emotionally and cognitively (Kusuma, 2015; Mingli et al., 2017). Cognitively, included in the engagement is knowledge of the important consequences caused by the use of the product. Includes evaluation of a product. If a product's involvement is high, a person will experience stronger influence responses such as strong emotions and feelings. Most marketers see consumer engagement only high or low, but actual engagement can range from low to moderate to high levels. Customer engagement has three variables: cognitive attachment, emotional attachment, and behavioral attachment. Naomi (2015) showed that cognitive attachment and emotional attachment variables significantly influence consumer engagement, while behavioral attachment variable has no significant effect. However, all three contributed simultaneously to consumer confidence. While Chrissy (2015) shows that customer engagement variables together have a significant positive effect on brand trust.

As a strategy to win the competition, the concept of customer pride needs to be done. Customer pride is important to the service provider, because the customer will spread his or her pleasure to the prospect, and will generate trust, which will further enhance the image of the service provider. Kusuma (2015) shows that customer pride positively affects the trust and buying interest. The buy-back interest is strongly influenced by trust and customer pride. The results of Kusuma's (2015) study confirm the findings of Walker et al., (2012) and Fazal et al. (2013) which show that customer confidence, and customer pride influence the buying interest. While Verbeke and Belschak (2004) show that salespeople are able to regulate these emotions' self-expression differently to colleagues and customers through anticipation of feelings of fear, shame, and regret.

From several previous studies that have been discussed there is still no research that explains about the role of customer value and customer pride as a mediation variable on customer relationship engagement with corporate image. Therefore, this research is conducted to get a better understanding of the role of customer value and customer pride as a variable of mediation, especially at private universities in Surabaya.

## 2. LITERATURE REVIEW AND HYPOTHESES

#### 2.1. Customer Engagement

Customer engagement is about building interaction and intimacy between a company and its consumers Greenberg (2010); Panjaitan (2017). Engagement has a sense in relationship with a person both emotionally and cognitively (Kusuma, 2015). Customer engagement has three concept variables:

#### 2.1.1. Cognitive attachment

Cognitive attachment refers to the cognitive stages of the consumer, such as sharing information and experiences with other consumers. This variable deals with how consumers receive, perceive, learn, reason, remember, and think about an information about a company or brand. This variable consists of 2 indicators, namely: (a) Contingency interactivity is to measure consumer interest in reading post-post in news media promotional company and measure consumer interest in interact in news media promotion company. Indicators that can be used are consumers interested in reading, downloading, viewing information on the news media promotional company, as well as consumer interest to provide reviews, ratings, and recommendations to other consumers about the content of digital content provided by the company through social media. (b) Self company connection is refers to the ability of the company to do the consumer well and refers to the treatment to the consumer in a respectful, proud feeling of being a corporate consumer. The indicator in this dimension refers to the consumer's feeling that the company is able to treat them appropriately, both in sharing information and using the company's products.

#### 2.1.2. Attitudinal attachment

Attitudinal attachment refers to the attitude of being one of the customer engagement measurement variables because it encompasses positive affective stages, opens with new experience experiences, and social and interpersonal involvement related to consumer attitude taking that can enhance personal growth. The indicators used to measure these variables are: (a). Extraversion is social assertiveness, strong activity, and positive effects. This extraversion can be obtained if consumers get various variations of the resulting sensation affecting their attitudes. (b). Openness the experience is related to creative, imaginative and open attitude to change and new idea.

#### 2.1.3. Behavioral attachment

Behavorial attachment refers to the behavior or customer participation in an enterprise engagement effort or brand is the highest expectation that is able to bring behavior change and motivate other customer behavior. This strategy is a form of effort to create strong relationship between customer and brand by drawing them into two way communication dialog and cooperative interaction (Cook, 2011). This involvement should be able to provide social support to the brand. The behavorial attachment indicator is: (a) Company behavior refers to the company's attitude that refers to the company's ability to provide digital content that is able to motivate consumers to participate in interacting with the news of corporate promotional media, such as giving comments, exchanging information, exchanging experiences and supporting news campaign media. Indicators that can be used are the company's ability to deliver the message reliably and consistently, the company's ability to create interactive content content, the company's ability to get responses and positive attitude of consumers. (b) Customer behavior is the last indicator of size that is a form of corporate participation or involvement when they voluntarily promote or recommend and say positive things to a product to family, friends, clerical consumers, or others who ask about their opinions on using a company's product.

Based on the theoretical and discussion studies above, what is meant by consumer involvement is consumer involvement about how to build interaction and intimacy between a company and its customers.

#### 2.2. Customer Value

Customer value is customer's perceived choice and evaluation of product and service attributes, attribute performance and consequences arising from the use of the product to achieve the purpose and intent of the consumer when using the product. Costumer value is the customer's perception of the desired consequences of using a product. The costumer value can be defined by the preferences that the customer feels toward the product characteristics, the performance and the extent to which it has fulfilled what it wants (Woodruff, 2006). Customer value is the difference between total customer value and total customer cost where, the total customer value is a set of benefits expected by the customer of a particular product or service and the total customer cost is the set of costs expected by the consumer to evaluate, obtain, use and dispose of the product or services. While Woodall (2003), the value for the customer reflects the customer value itself, which explains what the customer receives and what the company can provide (Kotler, 2014). Perceived product performance is equal to or greater than expected, which is considered to be valuable to satisfaction. The attribute value is the characteristics of the product that existed and explained by the customer. The value of the consequence is the subjective judgment of the customer as a consequence of the use and utilization of the service product. There are 4 sources of value that can be obtained and perceived by the customers are: (a) Process: optimizing business processes and viewing time as a valuable customer resource. (b) People: Employees are authorized and able to respond to customers. (c) Products/services/technologies: The features and benefits of competitive products and services, reducing productivity disruptions. (d). Support: Ready to help customers who need help (Barnes, 2003; Leslier and Francisco, 2016).

Based on the theoretical and discussion studies above, the customer value is the emotional bond that exists between the student as the customer and the college as a producer after the customer uses the products and services of the company and finds that the product or service is adding value.

#### 2.3. Customer Pride

Customer pride is a pleasure that customers feel when using a product that can provide an atmosphere of joy. Customers are people who receive the work of a person or organization, then those who can determine what quality and they can convey what and how their needs. Everyone in the company must work with internal and external customers to determine their needs and work with internal and external suppliers (Fazal, 2013).

Currently customer pride is the focus of attention by almost all parties, both government, business people, customers and so on. The better understanding of the concept of customer pride as a strategy to win the competition in the business world. Customer pride is an important thing for the service provider, because the customer will disseminate his or her sense of fun to the prospect, thereby increasing the reputation of the service provider. Customer pride oriented to people oriented, customer pride is formed when the consumer feels comfortable with the company and gets the surprised feeling. The provision of accurate information, and benefits commensurate with prices are offset by good service with the familiar atmosphere provided by consumers (Fazal, 2013).

Customer pride has five kinds of impacts in the consumption process as follows: (a) Positive word of mouth. Is a proud consumer of a product, organization, or brand is likely to tell positive things about the product, organization or brand to others. (b) Display of affiliation is a proud consumer of a product, organization, or brand, tending to show their affiliation with the product, organization, or brand through tangible objects or virtual media. (c) Customer Acquisition is a proud consumer of a product, organization, or brand is likely to recruit other consumers to buy and consume products from the same organization or brand. (d) Pro-organization self-actualization is a proud consumer of a product, organization, or brand, likely to actualize themselves as individuals in certain ways that consciously or unconsciously benefit the organization or brand. (e) Brand loyalty. Is a proud consumer of a product, organization, or brand, will tend to consume products other than the organization or brand in question.

Based on the theoretical and discussion studies above, the meaning of customer involvement is a pleasure that customers feel when using a product that can provide an atmosphere of excitement.

#### 2.4. Corporate Image

Corporate image is the public perception of the identity presented. Corporate image is how people in this case buyers, suppliers, consumers, or society as a whole perceive the company. Such perceptions can be made by the public from various information presented by the company and translated by the community. Such information may be in the form of information provided by the company's products, advertisements about the company, articles mated, tabloids and newspapers, sales or public relations teams representing the company, or anything that becomes the contact between the consumer and the company, and from that contact an image of the company is formed (Stephen et al., 2007).

Image company is not fixed, depending on the times, the development of technology and the development of information. Even also depends on the development of the company. Information and impressions that companies convey to the public sometimes not as expected by the company or even often not paid attention at all by the community.

Based on the theoretical and discussion studies above, the definition of corporate image in this paper is the impression, knowledge experienced by the students towards private universities in Surabaya.

#### 2.5. Research Framework and Hypotheses

Based on the literature review and discussion that has been described previously, then can be developed a research framework that explains the relationship between research variables. Figure 1 illustrates the relationship of customer engagement, customer value, and customer pride to corporate image of private universities in Surabaya.

In this research the proposed hypothesis is as follows:

- 1. There is a significant positive relationship between customer engagement with customer value.
- 2. There is a significant positive relationship between customer engagement with customer pride.
- 3. There is a significant positive relationship between customer engagement and corporate image.

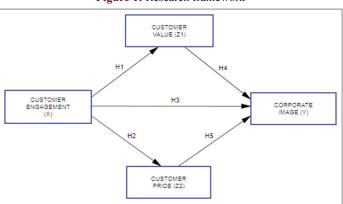


Figure 1: Research framework

- 4. There is a significant positive relationship between customer value and corporate image.
- 5. There is a significant positive relationship between customer pride and corporate image.
- 6. Customer value acts as a positive mediation on customer engagement relationship with corporate image.
- 7. Customer pride acts as a positive mediation on customer engagement relationship with corporate image.

#### 3. RESEARCH METHODES

This research is a causal research that will prove the causal relationship between independent variables (customer engagement, customer value, customer pride) and non-free variable (corporate image). The study population is a student at the top five private universities in 2017, located in Surabaya. The analysis technique used Structural Equation Model analysis with Amos analysis tool. The number of samples studied was 250 respondents, each of which received 50 respondents for each college, in accordance with the provisions of SEM (Hair et al., 2013). While the sampling method using purposive sampling. While the criteria of the respondent is a minimum of students in the fifth semester.

#### 4. DATA ANALYSIS

This study uses a questionnaire instrument with Likert scale. The customer engagement variable uses three indicators adopted from

Table 2: Characteristics of respondents (n=250)

Frequency (%)
142 (56.8)
108 (43.2)
27 (10.8)
181 (72.4)
42 (16.8)
14 (05.6)
154 (61.6)
82 (32.8)

Naomi (2015); Kusuma (2015), namely: Cognitive attachment, attitudinal attachment, and behavorial attachment. Customer value uses four indicators adopted from Sweeney and Soutar (2001); Eva and Jose (2007) are: Emotional value, social value, quality/performance value and price/value of money. Customer pride uses five indicators adopted from Fazal (2013): positive word of mouth, display of affiliation, customer acquisition, pro-organization self-actualization and brand loyalty. Corporate image uses four indicators adopted from Kotler (2014); Alma (2014) namely: Academic reputation, campus appearance, and future career (Table 2).

Descriptive data analysis of 250 respondents showed that: Characteristics of respondents by sex is predominantly male is 56.8% compared to women 43.2%. Characteristics of respondents by age, it can be seen that at the age of 15–20 years of 10.8% of respondents, and dominant in the age range 21–25 years of 72.4%. The semester level of majority of respondents are students in the 7–9 semester which reaches 61.6%, while the rest in semester >9 is 32.8% and the semester 4–6 is 5.6%.

#### 5. RESULT AND DISCUSSION

#### **5.1. Test of Research Instruments**

#### 5.1.1. Validity test

From the result of Pearson product moment correlation, it is known that all question items in the questionnaire have a significant correlation at the error rate of 5%, so it can be said all the question items are valid (Table 3).

#### 5.1.2. Reliability test

With cronbach alpha test  $(\alpha)$  in this research indicate that all research variables are reliable, because all of alpha coefficient value from each research variable is bigger than standardized (0.6), so that each question item in measurement instrument can Used. The value of corrected total correlation items of all question items is > 0.3 (Table 4).

## 5.2. Confirmatory Factor Analysis

Table 5 shows the overall confirmatory factor analysis/construct validity of the measurement model of the study. The validity and

Table 3: The validity test using pearson correlation

Research variables	Indicator	Question number	Pearson correlation
Customer engagement	Engage 1	01–03	0.609**
	Engage 2	04–06	0.711**
	Engage 3	07–09	0.840**
Customer value	Value 1	10-12	0.670**
	Value 2	13-15	0.806**
	Value 3	16-18	0.676**
	Value 4	19-21	0.793**
Customer pride			
-	Pride 1	22-24	0.742**
	Pride 2	25-27	0.704**
	Pride 3	28-30	0.711**
	Pride 4	31-33	0.657**
	Pride 5	34-36	0.877**
Corporate image	Image 1	37–39	0.776**
-	Image 2	40–42	0.846**
	Image 3	43–45	0.796**

<sup>\*\*</sup>Correlation is significant at the 0.01 level (2-tailed)

reliability of the constructs are two tests to evaluate the ability of the measured variables (manifest) in forming latent variables, in Table under all manifests having a loading factor with probabilities of <0.05, meaning significant in forming latent variables. Also, each latent variable has a construct critical ratio of more than 0.2, which means it comes from one dimension (unidimensional).

#### 5.3. Goodness of Fit Test

Results of data processing using a sample of 250 shows Chi-square is 177.462 with a probability of 0.064. Meanwhile, from GFI, AGFI, TLI, CFI, RMSEA and CMIN/DF 0.937, 0.921, 0.953, 0.967, 0.964 and 0.063 respectively are in an acceptable range range. The results are shown in Table 6 and Figure 2.

#### 5.4. Analisis Koefisien Determinasi (R<sup>2</sup>)

Analysis of the influence between latent variables is done to test how much contribution influence between latent variables formed or percentage of variance among variables in this research can be explained as seen in Table 7. That 80.6 variance on corporate image variable can be explained by customer engagement variable factor, customer value and customer pride. While the rest (19.4%) described other variables outside this study.

#### 5.5. Hypothesis Testing

Hypothesis testing is done based on the value of estimation significance of research model parameters shown in Table 8.

There is a CE effect on CV of 0.443, with CR value of 5.284 and P value = 0.000. This indicates that H1 is accepted. There is a CE effect to CP of 0.062, with CR value of 1.745 and P = 0.069. This indicates that H2 is rejected. There is a CE effect on CI of 0.564, with CR value of 6.742 and P = 0.000. This indicates that H3 is accepted. (Table 9)

There is a CV effect on CI of 0.264, with CR value of 2.566 and P = 0.000. There is a CV effect on CI of 0.483, with CR value of 5.668 and P = 0.000. This indicates that H4, and H5 are accepted.

Testing that has been done on H1, proved that CE has a significant influence on the CV, while testing against H4 proved that CV has a significant effect on CI. The significance of these two lines proves that there is a significant indirect correlation of CE to CI through CV with path coefficient of =  $(0.443 \times 0.264) = 0.117$ . This indicates that H6 is accepted.

Testing has been done on H2, proved that CE has a significant effect on CP, while testing against H5 proved that CP has significant effect on CI. With the significance of these two lines

Figure 2: Coefficient of research model path

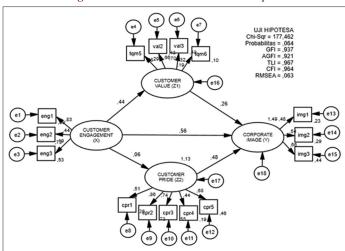


Table 4: The reliability test using Cronbach's alpha

The remaining took asing eronowen a supris				
Research variables	Number of questions	Coefficient alpha (a)		
Customer engagement	9	0.812		
Customer value	12	0.751		
Customer pride	15	0.792		
Corporate image	9	0.729		

**Table 5: Confirmatory factor analysis** 

Research variables	Relationship	CR	Loading factor (λ)	Probability
Customer engagement	CE→ENGAGE1	-	0.725	0.000
	CE→ENGAGE2	7.134	0.916	0.000
	CE→ENGAGE3	6.126	0.747	0.000
Customer value	CV→VALUE1	-	0.733	0.000
	CV→VALUE2	6.243	0.748	0.000
	CV→VALUE3	6.857	0.876	0.000
	CV→VALUE4	5.454	0.699	0.000
Customer pride	CP→PRIDE1	-	0.746	0.000
	CP→PRIDE2	5.815	0.699	0.000
	CP→PRIDE3	6.847	0.627	0.000
	CP→PRIDE4	6.910	0.884	0.000
	CP→PRIDE5	7.892	0.895	0.000
Corporate image	CI→IMAGE1	-	0.759	0.000
	CI→IMAGE2	7.892	0.763	0.000
	CI→IMAGE3	9.569	0.699	0.000

CE: Customer engagement, CV: Customer value, CP: Customer pride, CI: Corporate image

proves that there is a significant indirect correlation of CE to CI through CP with path coefficient of =  $(0.443 \times 0.483) = 0.214$ . This indicates that H7 is accepted.

# 6. CONCLUSIONS, LIMITATIONS AND RECOMMENDATIONS

From the results of testing on the model in this study, able to explain the role of customer value and customer pride as a mediation variable on the relationship between customer engagement with corporate image of private universities in Surabaya. The result of this research is a significant contribution especially in the management of marketing strategy, which is related to corporate image of private universities in Surabaya.

Research conclusions are: Customer engagement positively affect the customer value, this proves that with the involvement of consumers who participate in building interaction and familiarity with private universities in Surabaya will be able to raise the customer value of universities, where with the customer engagement then the consumer will are very interested in following the news about private universities, and will feel that the private hunters are able to prepare the consumer science needs for a better future. Customer engagement positively insignificant to customer pride, this proves that with good customer engagement, which has been done private college consumer, cannot raise customer pride

**Table 6: Evaluation the fit indices** 

Indices	Amounts
	reported
Chi-square	177.462
P value	0.064
GFI (goodness of fit index)	0.937
AGFI (adjusted goodness of fit index)	0.921
IFI (incremental fit index)	0.953
TLI (Tucker Lewis index)	0.967
CFI (comparative fit index)	0.964
RMSEA (root mean square error of approximation)	0.063

Table 7: Coefficient of determination (R<sup>2</sup>)

Research variables	Square multiple correlation (R <sup>2</sup> )	Information
Corporate image	0.806	Kontribusi pengaruh CE, CV, dan CP secara bersama terhadap CI sebesar 80.6%

CE: Customer engagement, CV: Customer value, CP: Customer pride, CI: Corporate image

to college. This can happen because consumers feel uncomfortable with college and the absence of feelings surprised. Consumers also feel not getting accurate information. This can be overcome by providing benefits that are commensurate with the price paid by consumers, and by providing good service with a familiar atmosphere. Also provide surprises to consumers by giving congratulations when consumers birthday and also in other forms. And no less important also always provide accurate information regularly to college consumers. Thus it is expected that customer pride will rise, in the case of display of affiliation that the consumer will show that he is a student at a private college, every time the consumer is wearing the college's attributes, and showing the good of the college. Customer engagement positively affects corporate image of private universities in Surabaya, it shows that the involvement of consumers who participate in building interaction and familiarity with universities will be able to raise the image of universities. This can happen because with the involvement of consumers then the consumer will feel the college has a presence so that the image of college will rise. The image of a college can also be increased by involving consumers in every activity run by universities. Customer value positively affects corporate Image private universities in Surabaya, this proves that the customer value that already exist in every college consumer will be able to raise the corporate image, where with the customer value then the emotional value of the consumer will like the program offered private universities, consumers will also advise their friends to enter private universities, and consumers also feel that private universities have courses that are not less than the state universities.

Acceptance of H6, can be interpreted that customer value also gives additional strengthening to the achievement of corporate image of private universities. This means that with good customer engagement, expressed in three relationships are: cognitive attachment, attitudinal attachment and behavorial attachment will encourage the rise of corporate image of private universities through customer value. This proves that customer value is a good mediation variable among customer engagement and corporate image variables. Acceptance of H7, can be interpreted that customer pride also provide additional strengthening to the achievement of corporate image of private universities. This means that with good customer engagement will encourage the rise of corporate image of private universities through customer pride. This proves that customer pride is a good mediation variable among customer engagement and corporate image variables.

It is recommended for private university management in Surabaya should pay attention and improve customer engagement which until now has not maximized its impact to customer pride. This can be done by building a good and intimate interaction with college

Table 8: Hypothesis testing (direct effects)

Tuble of Hypothesis testing (unfect effects)						
Н	Relationship	Standardized coefficient	SE	CR	P	Decision
H1	CE→CV	0.443	0.156	5.284	0.000	Accepted
H2	$CE \rightarrow CP$	0.062	0.482	1.745	0.069	Reject
H3	CE→CI	0.564	0.128	6.742	0.000	Accepted
H4	CV→CI	0.264	0.272	2.566	0.000	Accepted
H5	CP→CI	0.483	0.147	5.668	0.000	Accepted

CE: Customer engagement, CV: Customer value, CP: Customer pride, CI: Corporate image, SE: Standard error, CR: Critcal ratio, P: Probability

**Table 9: Hypothesis testing (mediating effects)** 

Н	Relationship	Coefficient	Decision
Н6	CE→CV→CI	0.443*0.264=0.117	Accepted
H7	$CE \rightarrow CP \rightarrow CI$	0.443*0.483=0.214	Accepted

CE: Customer engagement, CV: Customer value, CP: Customer pride, CI: Corporate image

consumers. Provide information about each activity performed, treat students well, open the insight of students' thinking more broadly, so that consumers will feel very attention.

The result of research has proved that customer value, and customer pride is good mediation variable on customer relationship relationship with corporate image. The result of the research also proves that customer engagement is the dominant variable of its influence on corporate image of private universities in Surabaya.

This research is only conducted on five private universities with the best private high-profile honors in 2017 in Surabaya, so the results cannot be generalized. Therefore further research is suggested that the model in this research is applied on a wider scale. The model in this study is only able to explain 80.6% corporate Image colleges, so testing the next research model needs to be done for a wider scope.

#### REFERNCES

- Altje, L.T. (2014), The Influence of Pride, Trustworthiness, Service Quality and Customer Value Against Consumer Satisfaction and Rewarding Behavior of Career Ladies at Manado Supermarkets. Dissertation. Available from: http://www.repository.unhas.ac.id.
- Alma, B.H. (2014), Marketing Management and Service Marketing, Seventh Print (Revised Edition). Bandung: Publisher CV Alfabeta.
- Barnes, J.G. (2003), Secrets of Customer Relationship Management. Yogyakarta: Publisher Andi.
- Chrissy, C. (2015), Influence of customer engagement through social media against brand trust (Case Study On Facebook Account Blueband Indonesia). Journal of Management Economics STIE MDP, 68, 47-62.
- Cook, T.D., Campbell D.T. (2011), Quasi Experimentation. Design and Analysis Issues for Field Setting. London: Houghton Mifflin Company.
- Eva, M., Jose, M.P. (2007), Influence of corporate image on brand extensions: A model applied to the service sector. Journal of Marketing Communications, 11(4), 263-281.
- Eman, A.H. (2018), A Mediating role of customer value between customer engagement and loyalty: An applied study in commercial banks in Egypt. International Journal of Marketing Studies, 10(1), 136-144.
- Engel, J.F., Roger, D.B., Paul W.M. (2014), Consumer Behavior. Bandung: Publisher Mina Aksara.
- Fazal, S.M.H. (2013), The role of customer gratitude in strengthening seller buyer relationship. Marketing and Public Relation, 56, 6-21.
- Greenberg, P. (2010), CRM at The Speed Of Light: Social CRM Strategies, Tools, and Techniques for Engaging Your Customers. 4th ed. New York: McGraw Hill.
- Hair, Jr.J.F., Hult, G.T.M., Ringle, C.M., Sarstedt, M. (2013), A Primer on Partial Leastsquares Structural Equation Modeling (PLS-SEM). Thousand Oaks, California: Sage Publications, Inc.
- Heri, H. (2017), Analysis the effect of service quality, customers value, customer satisfaction and customer trust on corporate image. IOSR Journal of Business and Management (IOSR-JBM), 19(6), 38-46.

- Kotler, P. (2014), Marketing Management Analysis, Planning, Implementation and Control, Millenium Edition. New Jersey: Prentice Hall International, Inc.
- Kusuma, D.I. (2015), The Influence of service quality to customer pride and customer trust in increasing interest of saving back case study at PT. Bank BRI (Persero) Branch Office of Pekalongan. Journal Sain Marketing Indonesia, 4(2), 21-62.
- Kwon, J., Chung, T. (2018), Relationships among attitude, corporate image, and purchase behavior in Korean running event. Jaeyoon Kwon and Taerin Chung, 10(1) 82-89.
- Leslier, M.V.F., Francisco, J.V.P. (2016), Influence of customer value orientation, brand value, and business ethics level on organizational performance. Review of Business Management, 18(59), 5-23.
- Mingli, Z., Lingyun, G., Mu, H., Wenhua, L. (2017), Influence of customer engagement with company social networks on stickiness: Mediating effect of customer value creation. International Journal of Information Management, 37(3), 229-240.
- Miner. (2017), Universitas terbaik di Kota Surabaya. Available from: https://www.google.com/miner8.com.
- Morris, D. (1977), A Fied Guide Human Behavior. New York: N. Abrams Inc.
- Naomi, D. (2015), The Influence of Online Consumer Engagement in HijUp.com Website on Consumer Confidence (Study on Consumer HijUp.com). Available from: http://www.jurnal ilmiah.universitas bakrie.
- Özlem, A. (2009), A study to determine the effects of customer value on customer loyalty in airline companies operating: Case of Turkish air travellers. International Journal of Business and Management, 4, 154-162.
- Panjaitan, H. (2017), Impact of satisfaction and customer engagement as intervening variable on customer loyalty: Study at XL resto and cafe. International Journal of Business and Management Invention. 6(9), 41-48.
- Prasetya, S., Ibrahim, M. (2017), The influence of customer value and corporate image to customer satisfaction stay at alpha hotel Pekanbaru. Journal JOM Fisip, 4(2), 1-9.
- Realize, B.I.A., Panjaitan, H. (2017), The influence of using academic information system on private university image and its impact to competitive advantage. Archives of Business Research, 5(8), 63-70.
- Stephen, L.S.Jr., Maznah, W.O., Nabsiah, A.W., Ishak, I., Amran, H. (2007), The effect of brand image on overall satisfaction and loyalty intention in the context of color cosmetic. Asian Academy of Management Journal, 12(1), 83-107.
- Sweeney, J., Soutar, G. (2001), Consumer perceived value: The development of a multiple item scale. Journal of Retailing, 77, 203-205.
- Walker, J.L., Emily, E., Ipsita, B., Elenna, RD. (2012), Correcting for Endogenity in Behavioral Choice Models with Social Influence Variables. University of California at Berkeley.
- Verbeke, W., Belschak, F. (2004), The adaptive consequences of pride in personal selling. Journal of the Academy of Marketing Science, 32(4), 386-402.
- Vie, M.T., Farzana, Q., Fauziah, S.A., Jihad, M. (2016), Effect of selfesteem on customer citizenship behaviors among international university branch campus students. International Review of Management and Marketing, 6(3), 467-475.
- Woodall, T. (2003), Conceptualising "value for the customer": An attributional, structural and dispositional analysis. Academy of Marketing Science Review, 2003, 12. Available from: http://www.amsreview.org/articles/.
- Woodruff, R.B., Sarah, F.G. (2006), Know Your Customer, New Approach to Understanding Customer Value and Satisfaction. 1st ed. Massachusetts: Blackwell Publishers Inc.