STUDENTS AND THEIR UNIVERSITIES: ROLE OF PERCEIVED MARKET ORIENTATION ON UNIVERSITY REPUTATION

IRSHAD HUSSAIN SARKI1, SARWAR MEHMOOD AZHAR2, NIAZ AHMED BHUTTO3

ABSTRACT
The current study analyze the impact of perceived market orientation on university reputation via mediation of perceived quality of the university. Data for this study is collected from the students of business departments by using multi-time survey (sample n = 347). Structural equation modelling using AMOS was used to test the hypothesized relationships of the study. The results demonstrated that perceived market orientation (PMO) has significant influence on the reputation of the university. Furthermore, perceived quality mediated the relationship statistically significant between PMO and university reputation.

KEYWORDS: Perceived market orientation, Perceived quality, university reputation, structural equation modelling

1. INTRODUCTION
In today’s competitive marketplace, the role of brand management has been elevated to a new level of importance and branding has captured significant attention of academic scholars and administrators of various institutions during the last decade (Hawawini, 2005; Hazelkorn, 2011; Keller, 2020). A brand is considered as most beneficial for consumers while differentiating the products/services of various competitors (Aaker, 1996). Therefore, the branding process is not only limited to the products of the organization but many service industry is also utilizing the branding efforts to develop a stronger place in the mind of the consumers. Similarly, the universities are focusing on the branding to develop the competitive advantage in the education sector. In fact, branding has become sustainable strategy for universities to develop differentiated brands to enhance their strengths (Khoshtaria, Datuashvili, & Matin, 2020; Rashwan, 2018). Universities are usually going through an increasingly competitive environment during which they have to find different ways to get unique position in the mind of the students and marketplace (Pfeffer & Sutton, 2013; Pinar, Girard, & Basfirinci, 2020).

Past research shows that universities are successful in building their brand image and reputation in the market through low tuition fee, location of the university, unique subject program offering and brand image (Girard & Pinar, 2020; Kuh, Kinzie, Schuh, & Whitt, 2010; Pinar, Trapp, Girard, & Boyt, 2014). Therefore, universities officials always try to find out what outcomes and underlying structures that can be beneficial for the universities to attract the universities and also can have good reputation in the market with less financial budget. However, for attracting the students by communicating them the differentiated facilities of the universities and to develop and maintain brands requires budget for promotion and advertising, which a university cannot afford (Girard & Pinar, 2020; Rashwan, 2018). Instead of paying attention on advertising the physical attributes of the universities of students by advertising and promotional activities to the stakeholders, universities are focusing to find out what outcomes and underlying structures that can be beneficial for the universities to attract the universities and also can have good reputation in the market with less financial budget. Researchers and practitioners have suggested many out comes that are necessary to create position in the mind of the customers such as, commitment, active, engagement, purchase intentions, brand advocacy, brand loyalty and positive word of mouth (Carroll & Ahuvia, 2006; Day, 1976; Dubois & Czellar, 2002; Ismail & Spinelli, 2012; Liu, Li, Mizerski, & Soh, 2012; Oliver, 1999) that help the customers in making the final purchase decisions.

In response to the increasing demand, marketing practices especially promotional strategies have become part of educational sector. The sole purpose of this promotion is to market themselves as top quality education provider.

1 Department of Business Administration, Sukkur IBA University, Pakistan, irh_sarki@iba-suk.edu.pk
2 Professor, Department of Business Administration, Sukkur IBA University, Pakistan, sarwar.azhar@iba-suk.edu.pk
3 Professor, Department of Business Administration, Sukkur IBA University, Pakistan, niaz@iba-suk.edu.pk

References
According to Supornpraditchai, Miller, Lings, and Jonmundsson (2007) the education sector is vivacious and it requires various ways to differentiate themselves in national and international competitive environment as it has become difficult for the educational institutions to sustain their competitive advantage among the students (Cubillos-Pinilla, Zuniga, Losantos, & Sanchez, 2009; Effah, 2017; Shekarchizadeh, Rasli, & Hon-Tat, 2011). Considering the rivalry among competitors, educational institutions should determine the important factors for students and then make them realize that they will be served accordingly to satisfy their needs (Arboleda & Alonso, 2017; Elliott & Healy, 2001; Mahmoud & Grigoriou, 2017; Nadishan, 2020).

There are several factors that are considered while preferring a university over others but Bailly’s model of employer’s beliefs focuses on the initial signals while recruiting the fresh graduates (Bailly, 2008). He suggested the perceived quality of the institution and reputation as the major signals along with other beliefs that are perceived by the recruiters while recruiting the fresh graduates. Similarly, Spence’s model also has emphasized on the role of education system. According to Cai (2012) to avoid from the uncertainties, institution reputation plays an important role while recruiting the graduates.

For creating the perceived service quality and brand reputation in the education sector many antecedents have been discussed in different studies such as brand image, perceived quality, brand experience, brand awareness, brand association (Azham & Ahmad, 2020; Erisher, Obert, & Frank, 2014; Hemsley-Brown, Melewar, Nguyen, & Wilson, 2016; Khoshtaria et al., 2020; Suomi, 2015). But for the universities to capture the market, university perceived market orientation can have positive influence in creating the reputation of university brands among the students and other stake holders. In a simple way, the association among perceived market orientation remained ignored in Pakistan as this area of enhancing perceived quality and reputation of universities received very limited attention. Moreover, there is rare research that has analyzed the simultaneous role of market orientation and perceived service quality on the behavior of the students in this context.

Therefore, study tries to fill up the vacuum through studying the relevance of perceived market on university reputation with mediating effect of perceived quality. This research draws on literature on perceived market as a major component of competitive advantage and applies these in the context of universities in Pakistan.

II. CONCEPTUAL FRAMEWORK AND HYPOTHESIS DEVELOPMENT OF THE STUDY

II.1. OVERVIEW OF THE FRAMEWORK

The conceptual framework of this study is depicted in Figure 1. In order to attain the purpose of this study, perceived market orientation is hypothesized as positive influence on university reputation. Moreover, the mediating effect of perceived quality is hypothesized between the relationships of perceived market orientation and university reputation. In the following section, the rational of the hypothesized relations is discussed.

II.1.1. PERCEIVED MARKET ORIENTATION AND UNIVERSITY REPUTATION

Market orientation plays an integrated role in establishing a brand position in the market. As MO provides feedback on the critical factors that will create the proper position to improved brand equity (Takimova & Beverland, 2005). Through market oriented strategies, universities are focus on superior customer value creating a sustainable competitive advantages (Baker & Sinkula, 1999; Riza Casidy, 2014c). The market-oriented universities mainly focus on fulfilling the need of students that make them competitive in the market and this strategy help improve the university reputation in the student’s mind. A number of previous scholars claim that market orientation is vital component of strategy for marketers (Casidy, 2014b, 2014c; Kurtoğlu & Temiz, 2019; Mulyanegara, Tsarenko, & Mavondo, 2009; Mulyanegara, 2011). Market orientation leads toward superior customer value performance where it is known that providing a superior performance is integral for the brand equity and to attain competitive advantage in any market (Jaworski & Kohli, 1993; Kohli & Jaworski, 1990; Kohli, Jaworski, & Kumar, 1993; Kurtoğlu & Temiz, 2019; Mulyanegara et al., 2009). Even, the strategy of market orientation engage firms, customers, suppliers and employees to craft the firms brand equity and concentrated on the knowledge that is gleaned about customer behavior and other stakeholders perceptions (Kohli & Jaworski, 1990; Kohli et al., 1993) and is integral to gain the competitive advantages across all sectors in academics or in business industry. Anyhow there is still a gap in research that empirically establishes the impact of market orientation on brand equity or its various correlates such as perceived quality and reputation.

In terms of stakeholders, student is the primary stakeholder in HE and is being affected by different features due to the globalization of education and most universities initiating others (Sharma, Rao, & Popli, 2013a). This indicates that there is a strong need to study factors that can help perceptual differentiation in the customers mind. This leads us to propose that universities should consider the importance of student’s perception and the need to satisfy student’s desired factors while developing positioning strategy (Mourad, Meshrekci, & Sarofim, 2020). In this regard student’s role in branding process is important while MO helps in identifying the desired positions for universities reputation.
As the recent economic environment has had a noteworthy negative effect on the financial circumstance of most higher education organizations, schools, and universities have started to understand that the promotion process of the past no more work as they once did (Green, 2014). Thus, they are swinging to market orientation as they look to flourish, and now and again to get by, in the present market for higher education. The undeniably competitive environment being experienced by education sector has prompted receive a key asset to accomplish a competitive favorable position. For getting competitive in the business sector, literature concentrates on perceived market orientation university reputation. Market orientation as two option approaches that can be utilized together (Casidy, 2014b). In this way, this study concentrates on students' view of a university's market orientation in the higher education sector. Because of the increased rivalry inside of the sector, higher education organizations are turning out to be more customer situated and dependent on the usage of incorporated marketing ways to deal with pull in enrolments (Casidy, 2013b; Casidy, 2014b) Regardless of importance apportioned to customers MO, there is still dearth of studies on this topic (Baker & Sinkula, 1999; Casidy, 2013a; Casidy, 2014; Casidy, 2014c; Flavián & Lozano, 2007; Mulyanegara et al., 2009; Mulyanegara, 2011) where universities and students form the core context, and it can be said that generally literature is weak where students perspective is involved (Casidy, 2013a; Casidy, 2014; Casidy, 2014b, 2014c; Kurtoğlu & Temiz, 2019). This study therefore takes a student’s perspective on perceptions of universities MO efforts and reputation of the university as well. On the base of above theoretical considerations, this thesis proposes the following hypothesis

H1: Perceived market orientation has positive influence on perceived quality of the university

II.III. MEDIATING ROLE OF PERCEIVED QUALITY
The idea of brand equity dimension such as perceived quality is of specific significance to consumer decision. For the consumer, this additional worth emerges from the brand’s part as a symbol of attractive properties and as the premise for building a passionate bond (Sharma, Rao, & Popli, 2013b). Although perceived quality has been extensively researched in various products and service markets (Camarero, Garrido-Samaniego, & Vicente, 2012; Kladou & Kehagias, 2014), rather less consideration has been dedicated to comprehension the idea in connection to a service sector setting, for example, higher education.

In this way, this study concentrates on students' view of a university's market orientation in the higher education sector. Because of the increased rivalry inside of the sector, higher education organizations are turning out to be more customer situated and dependent on the usage of incorporated marketing ways to deal with pull in enrolments (Casidy, 2013b; Casidy, 2014b). Higher education establishments must concentrate on creating solid brand equity as a component of their coordinated marketing approaches (Ke, 2014; Suomi, Kuoppakangas, Hytti, Hampden-Turner, & Kangaslahti, 2014). Student is the primary stakeholder in HE which has decreased the differentiation in education globally (Sharma et al., 2013a). Hence student considering customer has main and critical role in satisfaction. Bearing competition in mind, students’ importance should be considered by universities and they should be proved that every possible effort is made to provide them necessary things and HE is trying to fulfil its promises to satisfy students (Elliott & Healy, 2001). By this, it can be said that students have a key role in MO and branding processes. Brand equity (BE) and MO are good enough for universities to fight with the changes and acquire a strong position in Higher Education. All above students’ perception are in favor of universities as they can develop fruitful strategies. Regardless of importance identified customers as main perspective in MO, still there is thin literature on this topic (Casidy, 2013a; Casidy, 2014a, 2014b; Mulyanegara, 2010).

It can also be helpful for understanding PMO, student satisfaction and BE as per students perception which can play part in making strategic decisions. MO is considered as the basis for strategic management and marketing (Greenley, 1995; Martinez, Serna, & Guzman, 2018) and criterion which direct the application of marketing concepts. Customer oriented aspect is seen by some academicians of MO. PMO reflects the attitude of customers towards market-oriented activities and behaviors of an organization. Those universities consider MO will gather detailed information of customers i.e. students, companies, society etc. and about the competitors. This will enhance the competitive power for universities (Casidy, 2014c; Flavián & Lozano, 2007).

Moreover, examining the mediating variable which plays a crucial role in social and behavioral sciences research, to explain the causal relationships among the variables of interest (Gelfand, MacKinnon, DeRubeis, & Baraldi, 2016; MacKinnon, Coxe, & Baraldi, 2012) and why and how this causality is determined and is important for obtaining plausible findings. Hence, students’ decision to enroll is pivotal to perceived quality of the educational institution. Conceptualizing the core concept of perceived quality particularly in services industry, Gronroos (1984) recognized two main service quality dimensions. Model of perceived service quality what service are provided known as technical quality dimension and how these services are provided known as functional quality dimension were identified. At universities, education transformation is dominated by creduce qualities and experience, students’ tangibles services they tackle by assessing quality attributes linked with the delivery procedure. As an example, Blanca et al. (2013), concluded that highly ranked educational institutions maintaining higher perception of research contributions and
excellent teaching quality have better repute amongst students. Kotler and Fox (1995) maintained the genuine quality of educational institutions is important for the reputation of the university, mainly due to the perceived excellence of the university that apprises university selection process of future students. Thus, retaining and attracting students relies on the overall impressions of institutional reputation (Leiber, Stensaker, & Harvey, 2015; Subraamanniam, 2017). The preceding thoughts presupposes that perceived quality can mediate the relationship. On the base of the above discussion, this study propose the following hypothesis.

H12: Perceived quality of university mediates the relationships between perceived market orientation and university reputation

Figure 1: Research Model of the study

III. METHODOLOGY
Using a random sampling technique, we distributed (N = 400) questionnaires in the public and private universities of Pakistan. The data for this study were collected from the students of the universities at three wave times. For assuring the confidentiality of the respondents, a cover letter was attached with each questionnaire distributed at time-1. Questionnaire of this study was in English language as per the previous studies conducted in Pakistan (Arshad et al., 2021; Haque, Bhutto, Sarki, & Channa, 2016; Naeem, Channa, Hameed, Akram, & Sarki, 2019). A unique ID was provided to the selected respondents to write on each questionnaire to match the data collected at three different time intervals. The business departments of the universities provided the sampling frame of the students. The questionnaires were distributed during the class hours with the permission of head departments and class teachers. At time-1, the respondents provided the data of independent variable such as perceived market orientation and demographic variables. At time-1, we received 357 questionnaires generating a response rate of 89% Two weeks later, the data for the mediating variable perceived quality was collected at time-2 from the same respondents and we received 355 questionnaires (response rate 88%) and finally for the collection of data for the dependent variable the respondents were connected at time-3, two weeks after the time -2 and we received 351 questionnaires (response rate 87%). After the elimination of the incomplete questionnaires and mismatched IDs, 347 questionnaires were used for further analysis. Thus the sample consist of 64% male and 36% female, the 77% of the respondents were age of less than 25 years and 23% of the respondents having age of above 25 years. 81% of the respondents were studying at bachelor level education and 19% were studying at master level classes.

III.1. MEASURES
For measuring the PMO a service-driven market orientation (SERVMO) scale developed by Voon’s (2006). It is an adapted questionnaire so some terms replace with other words just like other universities used instead of competitors. Some of the wording of the items was also modified, particularly changing the term ‘competitors’ to ‘other universities. For measuring perceived quality and university reputation, the scale were adopted from the study of Pinar et al. (2014). The demographic variables included in the survey form of this study were gender, age and students enrolled in the current semester.

IV. RESULTS
IV.1. EXPLORATORY FACTOR ANALYSIS
This research performed exploratory factor analysis to analyze the dimension reduction of the factors with principal component analysis ad method of extraction. Varimax rotation method was used to avoid the variables high loading on one factor (Malhotra, Hall, Shaw, & Oppenheim, 2002; Oikeh, Akinbode, Ogundipe, Ajayi, & Araba, 2019). The number of extracted were based on the eigenvalues that share the specific amount of variance with the certain factor. Therefore the factors whose values greater than 1 were retained in this research. The four items of PMO, one item of perceived quality and one item of university reputation were deleted due to low factor weights and cross loadings.

IV.11. CONFIRMATORY FACTOR ANALYSIS
This research also used the confirmatory factor analysis to further refine the composite reliability, discriminant and convergent validity of the study constructs. In this study four key and vital fit indexes are used such as TLI, CFI, df/CMIN, and RMSEA to describe and report the results of measurement and structural models. These all fit indexes were suggested by Schreiber et al in (2006). When we performed CFA for the first model including the all the items of perceived market orientation, university reputation, and perceived retained in EFA, then the fit indices of the model was not up to the mark such as (CMIN/df = 4.651; TLI = .839; CFI = .830, RMSEA = .057). Therefore the items with low loading i.e., a total of 3 items: 2 items of PMO and one of university reputation were removed. After the deletion of the items, second model of CFA was ran again to increase the fit indices of the scale using modification indices method by co-variation the error terms of the indicators. The results of second model of CFA showed that values of CFI, TLI, CMIN / df and RMSEA were in the range of acceptance (CMIN / df = 2.838; CFI = .915; TLI = .920; and RMSEA = .039).

### IV. III. RELIABILITY AND VALIDITY
This research used the values of composite reliability for explaining the scale reliability and values of average variance extracted (AVE) and maximum share squared (MSV) values for explaining the convergent and discriminant validity respectively. The results shown in tables indicate that the reliabilities of all the constructs are in the excellent range (above 0.70). Moreover, the AVE values of all the constructs of the study are in the given range (AVE > 0.50), showing the excellent convergent validity while the value of MSV of the all constructs are less than the values of AVE, showing the proof of the discriminant validity.

| Table 1: Reliability, Convergent and Discriminant Validity |
|-----------------|-------|--------|--------|--------|
|                | CR    | AVE    | MSV    | 1      | 2      | 3      |
| 1. University Reputation- time3 | 0.890 | 0.581 | 0.188 | 0.762 |
| 2. Perceived Quality- time 2       | 0.774 | 0.564 | 0.031 | 0.140 | 0.681 |
| 3. Perceived Market Orientation-time 1 | 0.785 | 0.515 | 0.176 | 0.406 | 0.024 | 0.682 |

CR = Composite reliability; AVE = Average Variance Extracted; MSV= Maximum shared squared variance

### IV. IV. TESTS OF HYPOTHESES
This research used structural regression (SR) model by using AMOS 24 to test the proposed hypothesis of the study. The fit indices of the SR model are in the given acceptance range (CMIN / df = 2.826; CFI = .902; TLI = .913; and RMSEA = .038). The results show that time-1 Perceived market orientation has positive impact on time-3 university reputation (H1: unstandardized $\beta = 0.128; S.E = 0.036; p = .001$), thus supporting hypothesis 1 of the study. For testing the indirect effect of perceived quality between perceived market orientation and university reputation, this research used bootstrapping approach that provides the separate indirect effect of the mediators with AMOS. This approach gives the results of specific indirect effect along with the ability to compare different effects of mediators (Macho & Ledermann, 2011).

The results of mediation analysis, given in table 02, supported hypotheses H2 by predicting significant mediating roles of time-2 perceived quality between time-1 perceived market orientation and time-3 university reputation (H12: unstandardized $\beta = 0.184; S.E = 0.020; p = .001$).

| Table 2: Perceived quality as an underlying mediating mechanism between PMO and University Reputation (SR model results for multiple mediation analysis with 5000 bootstrap sample) |
|-----------------|--------|---------|--------|---------|
|                | University Reputation-time3 | PerceivedMarketOrientation | P.E    | S.E     | BC 95% CI Upper | p     |
|                |                                  | Total Effects of PMO-time1 | 0.312  | 0.030  | 0.290 | 0.388 | 0.001 |
|                |                                  | Direct Effects of PMO-time1 | 0.128  | 0.036  | 0.148 | 0.265 | 0.001 |
|                |                                  | Indirect Effects of PQ-time2 | 0.184  | 0.020  | 0.103 | 0.168 | 0.001 |

C = Biased Corrected; CI = Confidence Intervals (for 5000 bootstrap samples); P.E = Point of Estimate; S.E = Standard Error ; PMO = Perceived market orientation; PQ = Perceived Quality
V. DISCUSSION

Essentially, this research was highly inspired by the practical gap in the context of the student’s university brand preferences in the context of education sector of the Pakistan which cover the theoretical gaps in the pertinent literature regarding the relationships among PMO, perceived quality, and university reputation and UBP. The purpose of this research was twofold: to analyze the influence of perceived market orientation on university reputation and to analyze the mediating role of perceived quality between PMO and university reputation. Based on the previous studies on higher education sector such as (Casidy, 2013a; Casidy, 2014a, 2014b; Effah, 2017; Ghobehei, Sadeghvaziri, Ebrahimi, & Bakeshloo, 2019; Mourad, Ennew, & Kortam, 2011; Pinar et al., 2014; Voon, 2008), a theoretical model was developed to demonstrate the relationships among the constructs of this research in the field of education.

The results of the analysis showed that there exist a significant and positive influence of perceived market orientation on reputation of the university. It means reputation of the university will be more in the education sector if the students have more perceived market orientations. The result of the study are in consistent with the finding of Casidy (2014). It may be supposed that this finding is very important because PMO will create a robust competitive advantage. When students PMO methods of universities, they consider that this will further support the elements of university brand equity which includes perception of university reputation of the university. These things also act as major challenges for Higher education sector and must be considered significant to gain competitive advantage (Hintea, 2013).

The second part of this study was to investigate the mediating effect of university perceived quality and university reputation between perceived market orientation and university reputation. Because of outcome of university brand perceived quality, consequently the students will have the insight and positive perception of university. Thus, this will play important part in positive influence on perceived quality and university reputation. The important task of academic and administrative representatives of universities is meeting the demands and requirements of students. There must be long term-oriented approaches and such approaches should be considered not only during the study at university, but also after the completion of qualification. Basically, all types of efforts that focused on healthier contribution today and even after the compilation of degree must be appreciated. Because these elements will support the students in their entire lives. This will strengthen the concept of their university perceived and will lead towards greater association of perceived market orientation and university reputation.

VI. THEORETICAL IMPLICATIONS

The conceptual framework of this study is based on the literature of the previous studies. The major theoretical contribution of this study is that perceived market orientation has association with university reputation. Moreover, perceived quality mediates the relationship between PMO and university reputation. This study plays an important role to understand the PMO in the sector of HE. Up until, from the consumer’s point of view very rare research has been conducted to observe the MO (Baker et al., 1999; Corbitt et al., 2003; Gounaris et al., 2003). Thus, this research tries to fill research gap by investigating MO from the student’s perspective. There are few studies where the concept of PMO has been in the service sectors particularly in the education sector. But these all researchers have studied it separately using different mediators and outcome variables. One of the foremost theoretical contributions of this research is that it incorporates two main variables such as perceived quality and university reputation in a single model. When we talk about the higher educational sector, surely, this is the only study which investigates the constructs of measurement invariance of perceived market orientation, perceived quality and university reputation. The study provides evidence that in the current study PMO is associated positively with all constructs of hypothesized relationships.

The mediating analysis of university perceived quality between the PMO and university reputation also enhanced the literature. This research initiates that university brand equity fully mediates the relationship between PMO and university reputation. Hereinafter, practical contributions of this study results are explained in the following section

V.II. PRACTICAL IMPLICATIONS

There exists intense environment of competition in the higher education and this competition has increased recently because of the growing internationalization of teaching providers. This study gives an additional knowledge to the role of MO in the higher education sector. Positive perception of students is important in every single aspect regarding PMO. This could assist the university in improving the student university preference. This could also boost and encourage positive image among other students. Therefore, Universities should devote substantial amount of effort and energy in every aspect of MO. They should also continually support and monitor students’ activities which helps to evaluate their performance in every aspect.

As the competition is getting intensified in the higher educational institutions in recent years, several universities prefer to use internal marketing to endorse added courses for their existing students

V.III. LIMITATION AND RECOMMENDATIONS FOR FUTURE RESEARCH
This research collected data from the students of the business department which may be more knowledgeable about the market orientation strategies and brand reputation process. So a replication of the research can be made by collecting data from students of other departments should be chosen for future research and also a comparison can be made between business and non-business students. This research focused on the mediating effects of perceived quality, in future research other university brand equity dimension as discussed by Pinar et al. (2014) must be incorporated. This research only analyzed the impact of perceived market orientation on university reputation but in the studies combined effect of PMO and perceived brand orientation should be analyzed simultaneously.

VI. CONCLUSION
In summary, the present study examine the relationship of PMO and university reputation. It further explored the mediating role of perceived quality between the PMO and university reputation. We hope the theoretical and empirical finding of this research will provide the basis in the marketing and brand of the higher education sector.

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