Indonesia’s scope of private education has grown significantly over the past decade. Additionally, this number is rapidly increasing. Subsequently, competition for students among Indonesian private schools is growing fierce. Therefore, facing this high competition, schools have to build competitive strategies. The purpose of this research aims to analyze factors influencing parental satisfaction, to analyze the effect of school service quality on parental satisfaction, parental satisfaction on school’s reputation, on parental trust and on parental loyalty, also to analyze the effect of school’s reputation and parental trust on parental loyalty. A questionnaire was distributed to parents of students ranging from Grade 1 to Grade 12 in XYZ School on March 2017, which resulted in 127 valid questionnaires. The model was tested using Partial Least Squares Structural Equation Modeling (PLS-SEM) version 2.0.M3.

The result of this research shows significant relationship and indicates a positive effect between service quality with parental satisfaction. Professional teacher is the dominant indicator in reliability that influenced parental satisfaction. Followed by teachers and school awareness of students’ problems in responsiveness.

The results of this research also show significant relationship and indicates a positive effect between parental satisfaction with school reputation, parental trust, and parental loyalty. Shows a significant relationship and indicates a positive effect between parental reputation with parental loyalty. Shows a not significant influence and a low positive level between parental trust with parental loyalty.

Based on the research, it is necessary to build a strategy to increase parental loyalty and also need further research related to these variables and need further research about word of mouth (WOM) as the result of loyalty.

Keywords: trust, satisfaction, service quality, loyalty, parents, reputation, school