

The role of brand equity in making decisions to choose higher education for new middle-class students

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ABSTRACT: The aim of this research is to measure the influence of brand quality dimensions on the decision of new middle-class students in selecting their higher education. The research method that is used is the quantitative method. Data collection was conducted through a questionnaire aimed at 100 new students from 20 different departments. The result of this research, through simultaneous measurements, found that brand equity has a significant influence on students' decisions in selecting their higher education, and at the same time four dimensions were analyzed; quality awareness and quality perception dimension do not significantly influence the decision of middle-class students in selecting higher education.

1 INTRODUCTION

The selection of higher education by prospective students is determined by two factors; they are brand equity and firm equity (Muafi 2002). Brand equity has an important role to company Clow & Donald (2005) similarly to private owned higher education. For this reason, it is necessary to manage brand equity well. High brand equity is an advantage and benefit for a company (Futrell & Stanton 1989), moreover it is profitable in the future (Aaker 1997). Managing brand equity is not a matter of improving the higher education image. Brand management must be able to direct the decision of prospective students to determine the place where they want to study.

Brand equity is defined as the strength of a brand. It means that brand equity is a benefit from the brand to a product (Farjam & Hongyi 2015). Before Farjam & Hongyi, brand equity has been defined by previous experts. Leuthesser (1988) stated that brand equity is a group of association and consumer behavior, channel member, and corporation which make a brand get more volume and a higher margin compared to without the brand, and which makes the brand become strong, sustainable and competitive compared to the competitors (Aaker 1997). The value consumer given is based on the consumer's association to the brand, as it is reflected in a brand awareness, a brand association, quality perception, a brand loyalty and other brand assets (Winter 1991). Brand equity gives added value to a product with consumer's brand association and perception to the brand (Keller 1993). Brand equity represents the extent of the consumers' familiarity to the brand and the capability of recalling the brand based on a good, strong and unique brand association. Vazquez et al. (2002), define it as the total utility of the consumer's association to use and consume a brand, including a functional and symbolic association. Inline with

this conceptual framework, brand equity is formed through brand awareness, brand association, quality perception and brand loyalty.

Brand awareness plays an important role in most equity conceptual models and it can produce a high level of preference for higher education; it happens because the consumer tends to buy a familiar brand and it can enhance company sale and profitability (Baldauf et al. 2003). It means that brand equity can become the reason for a consumer to choose his product (Huang & Sarigollu 2012). Brand awareness is through top of mind, brand recall, brand recognition, and unaware brand dimension (Aaker 1997). The brand association is an information related to brand knot in the consumer's memory and it has meaning for the consumer (Keller 1993). The brand association reflects the bond between a consumer and a brand and it is a key of a product attribute, such as a logo, a slogan, or a famous personality (Grewal & Levy 2008). Quality perception is defined as consumer's assessment on the whole excellence of product or superiority of objective quality (Zeithaml 1988). Quality perception is an attitude which results from the comparison between consumer's expectation and actual performance (Parasuraman et al. 1988). The quality perception's dimension in this research is based on the dimensions offered by Parasuraman et al. (1988) known as SERVQUAL which consists of physic, empathy, guarantee, responsive and reliability. Brand loyalty has been defined in many ways by many experts. Brand loyalty is defined as the consumer bond to a brand (Aaker 1997), reselect higher education (Keller & Lehmann 2006), and consumer loyalty to a product (Rangkuti 2009).

Many researchers have conducted researches about brand equity, among them are Aydin, Gokhan and Ulegin (2015), Asif et al. (2015), Kim et al. (2009). The specific researches about brand equity in

higher education were conducted by Mourad et al. (2011), Mupemhi (2013) and Ardyan (2015), but the unit analyzed in those researches are in general characteristics of the consumer. In the next research, the research that will be conducted in Universitas Muhammadiyah Sukabumi, the researcher will focus on the new middle-class consumers, those who have an expenditure of around US\$2–US\$20 per day (World Bank 2007). The problem in this study is “How is the influence of brand equity dimensions on the decision of new students from the middle-class in choosing their higher education?”

2 METHOD

The research is conducted to measure brand equity dimension influence on the decision to choose higher education for new middle-class students by using a quantitative approach, meaning data collection through a set of questionnaires distributed to 100 new students in 20 different programs in Universitas Muhammadiyah Sukabumi; the respondents have an income of around US\$2–US\$ 20 per day.

3 RESULT AND DISCUSSION

3.1 Simultaneous test

Based on the result of double regression on F test with the extent of significance value 0.05 (5%) it is found that brand awareness, brand association, and quality perception variables have an influence on the decision to choose higher education. It is shown by the result of $F_{\text{statistics}} 27.962 > F_{\text{table}} 2.46$ and the value of probability significance $\alpha 0.00 < 0.05$. Similarly, based on determination coefficient (R^2) it resulted in the value of 0.541 (54.1%). It means that the brand equity influence contribution on the decision to choose is 54.1% and the rest (46.9 %) is influenced by other variables that are not analyzed in this research. This result is in line with the ones from Aydin et al. (2015), Asif et al. (2015) in which it is concluded that brand equity has a significant influence on the decision to choose higher education. The research that was conducted at the Universitas Muhammadiyah Sukabumi finds that brand equity strength is very influencing on new students to choose their higher education. This is also in accordance with the result of the research from Muafi (2002), that the prospective students will make brand equity a consideration to select higher education.

3.2 Partial test

3.2.1 The influence of brand awareness toward the decision to choose higher education

Based on the data analysis, the brand awareness (X1) and the decision to choose higher education

(Y) show that $t_{\text{statistics}}$ is 1.810 and $t_{\text{table}} (\alpha = 0.05)$ resulted in $t_{\text{table}} 1.983$. The significant value that resulted from it is $0.074 > 0.05$ and $t_{\text{statistics}} \text{ Value} < t_{\text{table}}$ is $1.810 < 1.983$, in which case brand awareness on the decision to choose higher education is not significant. Based on the analysis, it can be concluded that the brand awareness influence is not significant on the decision to choose higher education and it is not in line with the result of the research from Baldauf et al. (2003), which states that consumers tend to choose the brand they are familiar with.

3.2.2 The influence of brand association on the decision to choose higher education

The reasons of new middle-class students to choose the place to study are based on a unique value, strength and a distinction from others. They think that these three dimensions make higher education have a good competitive value. Based on the data analysis, the influence of the brand association on the decision to choose higher education shows $t_{\text{statistics}} 2.460$ and $t_{\text{table}} (\alpha = 0.05)$ resulting in $t_{\text{table}} 1.983$. The significance value is $0.016 < 0.05$ which means that brand association on the decision to choose higher education is significant. This research supports the result of the research from Aydin et al. (2015).

3.2.3 The influence of quality perception on the decision to choose higher education

Based on the data analysis, the influence of quality perception on the decision to choose higher education shows $t_{\text{statistics}} -0.105$ and $t_{\text{table}} (\alpha = 0.05)$ resulting in $t_{\text{table}} 1.98$ with the significance value $0.917 > 0.05$, from which it can be concluded that quality perception does not influence the decision to choose higher education significantly. New middle-class students of Universitas Muhammadiyah Sukabumi do not have quality perception as the reason to choose higher education. This is contrary to the result of the study from Mupemhi (2013) which states that quality perception has an important role in directing the student's choice for higher education.

3.2.4 The influence of brand loyalty on the decision to choose higher education

Based on the data analysis resulted from t test between the brand loyalty (X4) with the decision to choose higher education (Y) shows $t_{\text{statistics}} 5.500$, and $t_{\text{table}} (\alpha = 0.05)$ resulting in $t_{\text{table}} 1.983$. The significance value is $0.000 < 0.05$ and the value of $t_{\text{statistics}} > t_{\text{table}}$ is $5.500 > 1.983$ which means the brand loyalty on the decision to choose higher education is significant. The result shows that the decision to choose higher education for new middle-class students is influenced by their loyalty to the brand of higher education, the reluctance to move to other higher education, the willingness to recommend others to join the higher education to which they belong and the pride to be alumni. This proves brand loyalty. This result is in line with the theory

from Aaker (1997), that someone tends to make recommendations to others and will use the product continuously.

4 CONCLUSION

Based on the simultaneous test result, the decision of new middle-class students to choose higher education is mostly influenced by brand equity. It means that brand equity highly contributes to influence the decision of new middle-class students to choose higher education. Similarly, based on the partial test result, brand equity and quality perception do not contribute to form the decision of new middle-class students to choose Universitas Muhammadiyah Sukabumi.

Further research can develop a research involving more than one higher education institution which can represent a wider research scope with prospective student respondents to see the brand equity concept objectively.

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