THE EFFECT OF BRAND IMAGE AND SERVICE QUALITY ON PERCEIVED VALUE AND BEHAVIORAL INTENTION (EMPIRICAL STUDY IN CULINARY BUSINESS UNIVERSITAS CIPUTRA)

Azaria Anindita Pandu’u

INDONESIA

E-mail: shapanduu@gmail.com

ABSTRACT

This study aims to determine the relation of brand image, service quality, perceived value, and behavioral intention in the concentration of Culinary Business of Ciputra University, Surabaya. The object of this research is the Culinary Business 150 students of Ciputra University who have taken the lectures for at least one year and have filled out the questionnaire. This research uses quantitative approach with data collection technique of Structural Equation Model (SEM) based on variant that is statistical technique of Partial Least Square (PLS). The results of this study indicate that the variables of brand image and service quality give effect on perceived value variable; And perceived value variable influences behavioral intention variable. In contrast, brand image and service quality variables do not directly affect behavioral intention variable, but indirectly affect behavioral intention variable which is mediated by perceived value variable. The implications of this research are: (1) planning and curriculum development in Culinary Business of Ciputra University; (2) planning and marketing strategy in accordance with perceived value received by students; (3) the performance of employees in order to provide quality services; and (4) for educational institutions as well as companies engaged in services in taking strategic policy.

Keywords: Brand image, service quality, perceived value, behavioral intention

INTRODUCTION

The high demand of Human Resources by companies in Indonesia makes people compete to pursue the highest level of formal education. A view of 'the higher formal education can guarantee success is inherent in the mind of society mostly. This makes private and non-private education institutions thrive, especially in big cities. Along with the high development of formal education, especially universities, it makes competition among universities become more competitive.

According to the Rector of Gadjah Mada University, Sofian Effendi, in an article entitled 'The Management of Higher Education in Facing Global Challenges' (2003), universities have two main tasks: to educate the nation's children to master the knowledge and the sophisticated technology, as well as to educate them to become high-moral and democratic-culture leader candidates. Each university is required to produce graduates who not only master the academic field, but also have qualified skills. Therefore, University of Ciputra, as a university that teaches entrepreneurship values in each department, also contributes to prepare the next generation of
the nation who also has a good skill so as to compete with graduates from other universities in Indonesia.

Ciputra University has four faculties, including Faculty of Economics, Faculty of Engineering & Design, Faculty of Psychology, and Faculty of Tourism. As the proof of Ciputra University's awareness of culinary business progress, Ciputra University provides a major in Culinary Business (CB). The department has been in existence since 2011, along with the establishment of International Hospitality & Tourism Management majors. Both majors were under the Faculty of Economics, and then in 2014, Faculty of Tourism was established, which now covers these two majors. In the department of Culinary Business, the students not only master the academic field, but also are equipped with qualified skill in the culinary industry. The mission of entrepreneurship which was initiated by Ir. Ciputra also increasingly equips the ammunition of students who study Culinary Business at Ciputra University. From its establishment until the batch of 2015, Culinary Business has successfully taught 392 students. The successive increase of the 2012, 2013, and 2014 indicating the interest of prospective students to the lectures that raised the culinary industry is more growing. The department of Culinary Business also contributes in generating public trust in this department. It is shown by the synergy between lecturers and students which are very strong. Students who become the members of the Students Association (HIMA) actively make interesting events to public, so that people can feel the lectures in the department of Culinary Business.

According to the World Trade Organization, it is mentioned that one of 12 major categories of services, schools, universities, training, and development is included in the education services. Culinary Business, as an educational service provider, is obliged to pay attention to the quality of service that has been given, whether it has fulfilled customers satisfaction or not, (Tjiptono & Chandra, 2011). The intended customers are the students who have been or are currently studying at Culinary Business.

In recent years, many culinary schools have sprung up in Surabaya. In fact, among the new culinary schools, some are in the area of West Surabaya, which is the area of Culinary Business of Ciputra University. One of the ways taken in order that a company's sales is better than to its competitors is by providing quality and prime services that meet the level of consumers interest.

Culinary Business is required to meet the needs of the students as well as the students to-be. The emergence of several new culinary schools makes Culinary Business, as one of the institutions teaching the culinary business, should create a different service strategy. According to marketing.co.id, good customer service is a competitive advantage and can increase sales, improve customer loyalty, and provide a good image to potential customers. By providing quality services; Culinary Business students feel satisfied that they have been educated in Culinary Business, and student candidates can choose Culinary Business as their preferred culinary institution.

In addition to quality of service, the researcher is interested in figuring out the brand of Culinary Business. Brand is a name, term, sign or symbol, design, color, motion, or combination of other attributes that are expected to give identity and differentiation to foreign products. (Tjiptono, 2011) Culinary Business builds its name under Ciputra University within six years since its establishment. Culinary Business (CB), in Indonesian, means business of culinary. Culinary Business offers an undergraduate program that teaches about the intricacies in the culinary field coupled with business education.
Consumers who have a positive image of a brand will be more likely to make a purchase. According to Kotler and Keller (2016), creating a positive brand image requires a strong, profitable and unique marketing program in brand memories. Consumers know the characteristics of the product or service they buy by looking at the image of the product. When consumers capture a positive image, then consumers will not hesitate to buy it. Therefore, brand image becomes very important for educational institutions because if the institution is able to provide a positive image for consumers, the institution will be more easily selected for the to-be students. Through a brand image, Culinary Business of Ciputra University is able to communicate its trademark to the community.

From several statements aforementioned, the research problems can be taken which include: 1) does the brand image of Culinary Business influence perceived value?; 2) does the service quality of Culinary Business Ciputra University affect perceived value?; 3) does Culinary Business brand image affect the behavioral intention?; 4) does service quality of Culinary Business Ciputra University influence behavioral intention?; 5) does perceived value influence behavioral intention?

The purposes of this research are 1) to examine the influence of Ciputra University Culinary Business brand image towards perceived value, 2) to examine the influence of service quality of Ciputra University Culinary Business towards perceived value, 3) to examine the influence of Ciputra University Culinary Business brand image towards behavioral intention, 4) to examine the influence of Ciputra University Culinary Business service quality towards behavioral intention, 5) to examine the influence of perceived value on behavioral intention.

**RESEARCH METHODS**

This research applies quantitative approach; that is a research method based on the nature of positivism, usually used to examine the population or sample first. Data collection uses research instruments; data analysis is quantitative/statistical, with the aim to examine the predefined hypothesis (Sugiyono, 2016). The type of research used is explanatory research which will be used to explain the causal relationship between the variables through hypothesis testing. In this research, there are two kinds of variables used, namely independent variables that include brand image and service quality; and dependent variables that include perceived quality and behavioral intention. Furthermore, in the present study, the researcher analyzes the data that have been collected by using Structural Equation Modeling (SEM) Partial Least Square program with Smart PLS software. SEM-PLS is a multivariate statistical technique that performs the comparison between multiple dependent variables and multiple independent variables. PLS is one of the SEM statistical methods designed to solve multiple regression when specific data problems occur, such as small sample size, missing values and multicolinearity (Abdillah, 2015). The researcher uses this model because of the structure of tiered relationships between variables, so Smart PLS software is the most appropriate for this research.

SEM-PLS analysis usually consists of two sub models: measurement models or often called outer models and structural model (structural models) or often called inner model (Ghozali, 2015). In the outer part of the model, the researcher analyzes the indicators that represent the latent variables that will be measured; while in the inner model, the researcher analyzes the influence between latent variables or constructs. SEM has two kinds of relationships between indicators and latent variables reflective models and formative models. The reflective model reflects that each indicator is a measurement of the error imposed on the latent variable. The causal direction is from the latent variable to the indicator; thus, the indicators are a reflection of the variation of the latent variables. Besides, the model of formative relationship is a causal
relationship coming from the indicator to the latent variables (Sarwono, 2015). The steps of using the PLS method can be seen in Figure 1.

![Figure 1. Steps of the PLS method](image)

RESULT AND DISCUSSION

Result

Hypothesis Testing Result

The structural model of research can be seen in Figure 2.

![Figure 2. Structural model](image)

To see the effect of independent variables to dependent variable based on t-statistic, it can be seen in Table 1 that shows the Path Coefficient.
Table 1. Path coefficient on structural model testing

|                                | Original Sample (O) | Sample Mean (M) | Standard Deviation (STDEV) | T Statistics (|O/STDEV|) | P Values |
|--------------------------------|---------------------|-----------------|-----------------------------|---------------------------|----------|
| Brand Image -> Behavioral Intention | 0.045               | 0.038           | 0.075                       | 0.600                     | 0.275    |
| Brand Image -> Perceived Value   | 0.124               | 0.128           | 0.056                       | 2.205                     | 0.014    |
| Perceived Value -> Behavioral Intention | 0.689               | 0.675           | 0.089                       | 7.742                     | 0.000    |
| Service Quality -> Behavioral Intention | 0.112               | 0.131           | 0.098                       | 1.143                     | 0.127    |
| Service Quality -> Perceived Value | 0.749               | 0.749           | 0.050                       | 14.911                    | 0.000    |

Based on the value of Beta Coefficient and T-statistic values above, then the test results for each hypothesis are as follows:

Hypothesis 1: Stating that Ciputra University Culinary Business brand image significantly influences perceived value. The calculation results show that Ciputra University Culinary Business brand image has a significant positive effect on perceived value with beta coefficient value of 0.124 and t-value of 2.205. The better the brand image of Ciputra University Culinary Business, the better the perceived value those consumers receive. This means that the first hypothesis is supported.

Hypothesis 2: Stating that service quality of Ciputra University Culinary Business significantly influences perceived value. The calculation results show that service quality variable of Ciputra University Culinary Business has a positive significant effect to perceived value with beta coefficient value of 0.749 and t-value of 14.911. The better service quality of Ciputra University Culinary Business, the better the perceived value the consumers receive. Therefore, the second hypothesis is supported.

Hypothesis 3: Stating that brand image of Ciputra University Culinary Business has no significant effect on behavioral intention. The calculation result of brand image variable of Ciputra University Culinary Business reveals that behavioral intention has coefficient value of 0.045, but the shown t-value does not reach the required number which is 1.96, so brand image variable of Ciputra University Culinary Business has no significant effect toward behavioral intention. Meaning that, the third hypothesis is not supported.

Hypothesis 4: Stating that service quality of Ciputra University Culinary Business has no significant effect on behavioral intention. The calculation result of service quality variable of Ciputra University Culinary Business shows that behavioral intention has coefficient value of 0.112 and t-value of 1.143. The indicated value does not reach the desired number of 1.96, so service quality variable of Ciputra University Culinary Business does not significantly influence behavioral intention. It means that the fourth hypothesis is not supported.

Hypothesis 5: Stating that the perceived value of Ciputra University Culinary Business significantly influences behavioral intention. The calculation result shows that perceived value variable of Ciputra University Culinary Business has positive significant effect toward behavioral intention with beta coefficient value of
0.689 and t-value of 7,742/ The better the perceived value of Ciputra University Culinary Business, the better the behavioral intention of the consumers. It indicates that the fifth hypothesis is supported.

**Indirect Effect Testing**

In this research, there is one variable that functions as a mediation variable, namely perceived value. With mediation variable, the value of mediation will be obtained. The mediation relation is obtained from the multiplication of direct relationship coefficient between the first variable and the second variable. Here is the pattern of indirect relation, in this study, and its comparison to direct effect:

Table 2. Indirect relation and its comparison to direct effect

<table>
<thead>
<tr>
<th>Indirect Relation</th>
<th>The Origin of Coefficients Value</th>
<th>Indirect Coefficients</th>
<th>Direct Coefficients</th>
<th>Total of Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand Image -&gt; Behavioral Intention</td>
<td>Brand Image -&gt; Perceived Value -&gt; Behavioral Intention</td>
<td>0.124 x 0.689 = 0.0854</td>
<td>0.045</td>
<td>0.1304</td>
</tr>
<tr>
<td>Service Quality -&gt; Behavioral Intention</td>
<td>Service Quality -&gt; Perceived Value -&gt; Behavioral Intention</td>
<td>0.749 x 0.689 = 0.5161</td>
<td>0.112</td>
<td>0.6281</td>
</tr>
</tbody>
</table>

Based on the comparison table between the direct and indirect relation above, the comparison between direct and indirect coefficients is shown. The indirect relation is the total effect of the sum of indirect coefficients with the direct coefficients. Indirect coefficient of brand image and behavioral intention variables compared to direct coefficients is in fact higher than indirect coefficients. Similarly, in the comparison between service quality and behavioral intention variables, indirect coefficients have larger numbers than indirect coefficients.

**Discussion**

**The Effect of Brand Image Variable towards Perceived Value**

Based on the description of data, after conducting some methods in SEM-PLS, it is found that there is a significant effect between brand image variable to perceived value variable. This can be seen based on the result of t-statistic value in the table of path coefficient (in Table 1), indicating that there is a significant positive effect between the two variables. Based on the image of path analysis, its effects can also be seen by obtaining the coefficient values the effect of brand image to perceived value which is 0.124. It is also in accordance with some of the previous studies conducted by Ryu et al. (2012) Lai and friends stated that the brand image of a company strongly affects the perceived value received by consumers, as well as to customer satisfaction so that it becomes a key of customer loyalty. Another study conducted by Yu et al. (2013) found the same thing that the brand image of the company has a direct effect and greatly affect perceived value received by consumers.

Based on the three indicators studied (in Table 1) in the brand image variable, it is found that brand characteristic has the highest value of effect, that is with the coefficient value of 0.880. The indicator of brand association also has a fairly high coefficient value which is 0.835. It can be interpreted that the construct of brand image can be reflected through indicator of brand
characteristic and brand association. While, in this research, the indicator of brand value is not valid, so the researcher must put away the indicator.

Brand image is a dimension that strongly affects the perceived value received by consumers, yet it must be supported by the things that have been taught by Ciputra University-Culinary Business to the students. According to Yu et al. (2013), a company must have a positive brand image and focus on building long-term and mutually beneficial relationships with its consumers, as well as make consumers’ loyalty as a competitive advantage value for the company. So far, the constraints related to brand image of Ciputra University-Culinary Business is the absence of a strong-enough image. It is seen from how Ciputra University-Culinary Business communicates regarding the characteristics and associations of Ciputra University-Culinary Business brand itself to the public. One of the things that are quite striking related to the brand association is the color similarity between Culinary Business and Psychology Department of Ciputra University. It does look trivial, but by having specificity, then the department of Ciputra University-Culinary Business can be more easily remembered by its customers.

Another constraint is the existence of a large gap since Ciputra University-Culinary Business stands; in which it happened between Ciputra University-Culinary Business team and the marketing team. Actually, there have been many efforts done in the form of breakthroughs that have been given by Ciputra University-Culinary Business team and marketing team in order to strengthen the brand image and bridge the gap, such as by making a powtoon video containing about learning in Ciputra University-Culinary Business, Instagram social media use controlled directly by the department, and many other things. However, the perception of respondents who have been studying for about one year (class of 2012, 2013, and 2014) in Ciputra University-Culinary Business still feel that what the respondents have heard before entering Ciputra University-Culinary Business is different from what they received in Ciputra University-Culinary Business.

In this case, Ciputra University-Culinary Business is expected to communicate brand characteristic and brand association best to avoid any gap between consumer perception before entering Ciputra University-Culinary Business and perceived value that will be accepted by consumers later. The name of Ciputra University-Culinary Business which is easy to remember, the education which is known having good quality, brand color and learning system prioritizing creativity becomes the components that reflect the indicators.

The Effect of Service Quality Variable towards Perceived Value

Based on this research, it is found that service quality significantly influences perceived value. It can be seen from the t-statistic result (on Table 1) revealing that service quality has significant effect on perceived value. The same thing can be seen from the image of path analysis, in which its coefficient value from the effect of service quality to perceived value is 0.749. The value is the highest value of effect compared to the influence among other variables in this research model.

In the variable of service quality itself, the researcher uses five SERVQUAL indicators found in 1988, (Zeithaml & Parasuraman, 2014). Numerous studies have used these indicators to assess service quality in many industry sectors; so that the indicator of the service quality variable is a formative variable, in which in order to reflect a quality service, then the five indicators should be achieved well. In this research, in fact, it is found that there is one invalid indicator that is indicator X2.2 empathy; but the researcher keeps these five formative indicators, and concludes that the empathy does not significantly affect the service quality construct and still tests the
indicators in the structural model. The research conducted by Xu et al (2009) revealing that SERVQUAL indicators were used as well as formative indicators. When looking at the validity test results of these indicators, it was found that the weight and t-statistical significance of some indicators, such as assurance, empathy, and tangible, were also invalid. Abdillah (2015: 225) states that in the formative indicators, the invalid indicators are better not to be used. However, if those can cause construct become meaningless and the research lose its research aim base, then theoretically the construct still can be tested in structural model.

Although there are negative indicators, it does not affect the coefficient value of service quality effect on perceived value. The findings in this study also support previous studies. Based on two previous studies that examine and find the same result, it stated that there is a very significant influence of service quality variables on perceived value received by consumers. The first study was found in a journal written by Raza et al. (2012), who found that a good quality of service extremely affected perceived value. The same thing is also found in other studies, that a company should be able to manage the quality of service very well because it will affect the perceived value received by consumers. (Yu et al., 2014) If the consumers already have a certain expectation and the company has not been able to provide it, then perceived value received by consumers will be negative. The problem of service quality from Ciputra University-Culinary Business is related to kitchen facilities. Actually, Ciputra University-Culinary Business has a complete kitchen facilities, but in order that the students can practice hands-on freely, culinary studio is usually used (especially for batch which being researched). Culinary studio itself has 12 stalls, where each stall is equipped with very-adequate kitchen equipment.

The number of students in one batch is 60-100 students, so the lecturer usually has to divide the culinary studio usage schedule into two to four in each batch; it all depends on the number of students in the batch. One stall consists of 4-6 people, in which number is not ideal. The ideal number for students in one stall is 2-3 people, so each student can share the assignment in mise en place until the stall returns as clean as before. In one practice, the students need approximately 4 - 5 hours; so that in 4 days of effective lecture (excluding Wednesday), kitchen is used by 4 semesters with varying number of students. The addition of kitchen facilities is very important because it directly affects the perceived value of students. Moreover, the use of kitchen now must be divided by the specialization of International Hospitality & Tourism Business of Ciputra University, so that Ciputra University-Culinary Business students’ needs for kitchen facilities are in an urgent state.

**The Effect of Brand Image Variable towards Behavioral Intention**

The result of t-statistic shows that brand image does not give direct effect on behavioral intention. In addition, the result of the path analysis diagram is the same, that it obtained the coefficient value from the effect of brand image on behavioral intention is only 0.045. It is contrasting with previous studies which stated that there is a significant effect of brand image on behavioral intention. The previous relevant research related to the effect of brand image on behavioral intention conducted by Ryu et al. (2011) found that brand image indirectly affects the behavioral intention in the culinary industry. However, he did not conduct a research about the relationship between the effects of brand image towards behavioral intention directly. There are several factors that make a difference in the results of research with previous studies. The main factor is that previous research concerned on different industries with this research. Previous research examines commercial firms, which are the hospitality industry and the wireless communications industry. It is extremely different from the object of this study which focuses on the effect of brand image on behavioral intention in education. The second factor that
leads to the difference of research is that in this study, the behavioral intention theory studied focuses on the post purchase, so that it is different from previous studies that discuss about behavioral intention in general. Thirdly, the thing that influences the difference of research is that the sample of this research comes from a very heterogeneous background, so that the possibility of perception of brand image in each student can be different as well. In the present research, taking Culinary Business students as the research objects, who have different backgrounds, would have an impact on many differences of perceptions had by each student in perceiving Ciputra University-Culinary Business image. It is indicated by this research data that brand image indirectly affects the variable of behavioral intention mediated by the variable of perceived value.

For Ciputra University-Culinary Business students themselves who have attended Culinary Business, they feel that the effect of brand image on behavioral intention is also less significant. Different things happen if perceived value is there as a mediation variable, then the brand image itself will have more effects on behavioral intention indirectly; because the students themselves have obtained values from Ciputra University-Culinary Business directly, so it affects students’ behavioral intention.

**The Effect of Service Quality Variable towards Behavioral Intention**

The findings of this study reveal that service quality variable does not directly affect behavioral intention. It is shown by the quantity of the existing non-qualified t-statistic results and the path analysis diagram also shows the same thing. The coefficient value is 0.112. However, the other finding is that service quality indirectly affects behavioral intention. It can be seen that service quality needs to be mediated with perceived value variable, so that it can have higher effect on behavioral intention.

The results of research on Ciputra University-Culinary Business students show that it will affect student behavioral intention indirectly. The students obtain the values of service quality first in perceived value, only then it can affect students’ behavioral intention; because service quality itself is an evaluation of the service quality that students get during this time, while students are able to determine their attitude in behavioral intention after perceiving values received by students (perceived value). If compared to brand image, service quality is slightly more influential on behavioral intention.

**The Effect of Perceived Value Variable towards Behavioral Intention**

The findings got from t-statistic show that the perceived value variable significantly affects the behavioral intention. Based on the path analysis diagram, coefficient value obtained from the effect of perceived value on behavioral intention is 0.689. The perceived value variable in this study is also a mediator variable that mediates the brand image and service quality variables towards the behavioral intention variable. There are two indicators in the behavioral intention
that are not examined: firm switching and native word of mouth. It comes to the confusion of the students, so that the results obtained are invalid. The students feel unable to do these negative things because it is not easy for those who have entered Ciputra University-Culinary Business to move to other universities or other educational institutions and also give negative testimony about Ciputra University-Culinary Business, while the students themselves still study there.

The effects of these two variables support previous research which is the research conducted by Chaohui et al. (2012). The research found that perceived value, received by the tourists who come to Shanghai World Expo, affects significantly on behavioral intention of tourists in the future. Ciputra University-Culinary Business should provide things that meet the needs of consumers, and then it will affect the behavioral intention of consumers themselves. Another study was conducted by Zhuang et al. (2010). In that research, the researchers divided perceived value into two variables, namely acquisition utility and transaction utility. In the study, only acquisition utility significantly affects behavioral intention. The acquisition utility is an evaluation of what consumers receive and what consumers pay.

Based on the description of the perceived value variable itself, the lowest mean value is in the Y1.4 indicator regarding functional value (price). Ciputra University-Culinary Business students found that what they have received so far during their learning process in Ciputra University greatly affects their behavioral intention. For students who are satisfied with what they get at Ciputra University-Culinary Business, the students will do a positive behavioral intention, which is by talking positive things about Ciputra University-Culinary Business to others, to be loyal to CB-UC by recommending such partnership around him, and also invites his siblings to study at CB-UC.

CONCLUSION
From the results of research conducted, the conclusions of this study include: 1) Variable of brand image significantly affects the variable of perceived value received by students at Ciputra University Culinary Business, 2) Variable of service quality significantly affects the perceived value variable received by students in Ciputra University Culinary Business, 3) Variable of brand image has no significant effect on behavioral intention variable; but it indirectly affects the behavioral intention variable mediated by perceived value variable in Culinary Business of Ciputra University, 4) Service quality variable has no significant effect on behavioral intention variable; but it indirectly affects behavioral intention mediated by variable of perceived value at Culinary Business of Ciputra University, 5) Variable of perceived value significantly affects behavioral intention variable at Culinary Business of Ciputra University.

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