

THE IMPACT OF BRAND EQUITY ON PARENTS' DECISIONS IN ELYON CHRISTIAN SCHOOL SUKOMANUNGGAL

Shintia Sumardi¹, Denny Bernardus²

Universitas Ciputra Surabaya
INDONESIA

Email: ¹ sumardishintia@gmail.com ² denny@ciputra.ac.id

ABSTRACT

This study focused on the impact of brand equity, which are brand awareness, brand quality perception, brand association, and brand loyalty on parents' decisions in choosing school for their children in Elyon Christian School Sukomanunggal. The study was conducted using quantitative analysis with proportionate stratified random sampling method which was sampling equal sampling collection in each units in Elyon Christian School West Surabaya campus based on the grade the children are currently studying in. The number of sample was decided using Slovin (1960) formula and was based on 10% error, therefore the sample obtained would have 90% Based on the results of the study it was known that brand awareness, brand association, and brand loyalty factors have partial significant effect on parents' decisions, whereas brand quality perception factor is not significant on parents' decisions in choosing school in Elyon Christian School Sukomanunggal.

Keywords : Brand equity, Brand awareness, Brand association, Brand loyalty, Parents' decisions

INTRODUCTION

School is a formal institution that provides education services to the society. As defined by education dictionary by Carter V. Good who defined education as an individual's skill development process in the form of attitude and behavior that applies in the society, a process where an individual is influenced by a guided environment especially in school environment to achieve social aptitude and to develop his/her personality. Therefore, school is still viewed as an important service sector in the society. According to Kotler in Neboja S.Davcik (2015) school strategy planning is needed to align school goal, resources a school have, as well as market condition that changes constantly. This applies especially for private school whereby funding is done independently and therefore the rise and fall in society's demand for the school's offering will really bring significant impact on the operational sustainability of the school. Plans created by the school will hopefully fulfill parents' hopes and expectations in choosing the best educational institution for their children. With a total population of 3.057.766 persons in year 2017, Surabaya is home to 1.950 early childhood education institutions that does not include other educational stages as shown in the table below:

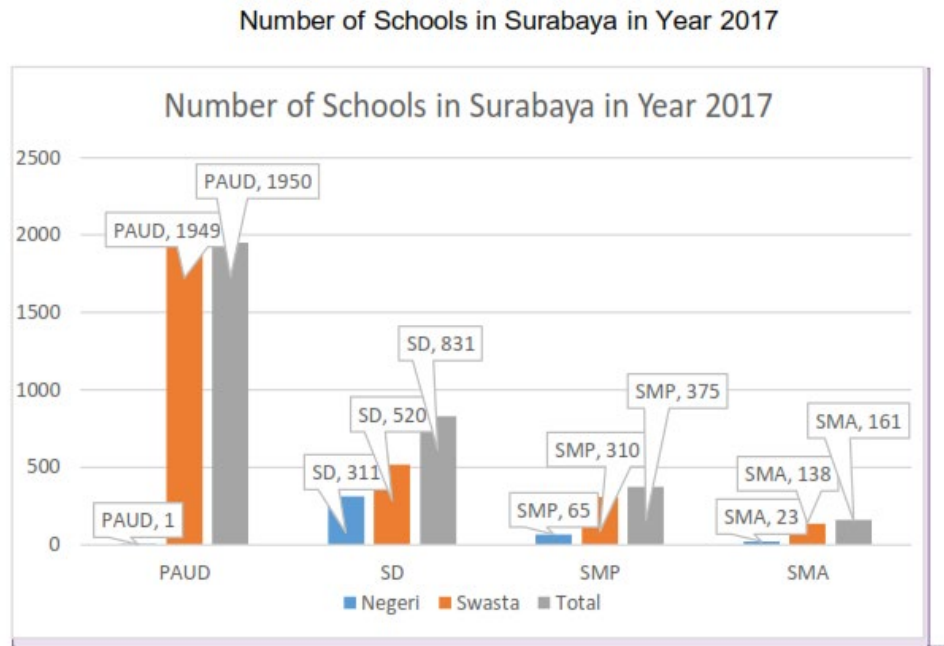


Figure 1.1 Graph of number of Schools in Surabaya City in Year 2017

Source: <http://referensi.data.kemdikbud.go.id>

With the increase of number of schools in Surabaya, brand is starting to become a crucial element that would impact the success of a business be it for products or services, including schools. In this situation, brand can play an important role to reduce risk, as it will give higher trust and reliability to customer when making their decision (Erdem and Swait, 1998). According to David A. Aaker (1997), brand equity was defined as a series of asset and liabilities of the brand in terms of brand, name and symbol, and can add or even reduce value given by a product or service by the company to its customers.

The problem that would be analyzed in this study is the increase in number of students of Elyon Christian School (ECS) during year 2013-2018 that has not reached the occupancy or study group standard that was targeted by the school based on the building capacity of Elyon Christian School Sukomanunggal and the ideal number of student per class, that total to around 1000 students. Table 1.1 below shows the number of students in Elyon Christian School during year 2013-2018:

Table 1.1: Processed primary data

Year	Suko manunggal	Kertajaya	Rungkut	Sutorejo	Total	Growth Percentage (%)
2013	537	61	110		708	
2014	589	72	136		797	12.57
2015	647	54	170		871	9.8
2016	667	47	169		883	1.38
2017	729	77		98	904	2.38
2018	739	56		89	884	-2.21

Another factor that could be one reason for the decrease in number of students, based on a report

by *Dinas Kependudukan dan Catatan Sipil (Dispendukcapil*, Population and Civil Registration Agency) in a number of districts in Surabaya city showed growth in birth rate in Surabaya city for the past five years starting from

2014- 2018 but the growth was not significant from year to year and was even decreasing from 2017 to 2018. Since there was a decrease in birth rate in year 2018, it could be predicted that there would be a decrease in the number of student in the early education stage age, which are the two year olds.

As can be seen in figure 1.3, the growth in birth rate on year 2016 to year 2017 rose but only by a little bit from 117,984 to 119,234 which meant there was an increase of 1,250 babies born or 1.06%. There was a decrease in birth rate in Surabaya from year 2017 to year 2018 and the number dropped to 77,712 or a decrease of 34.8%

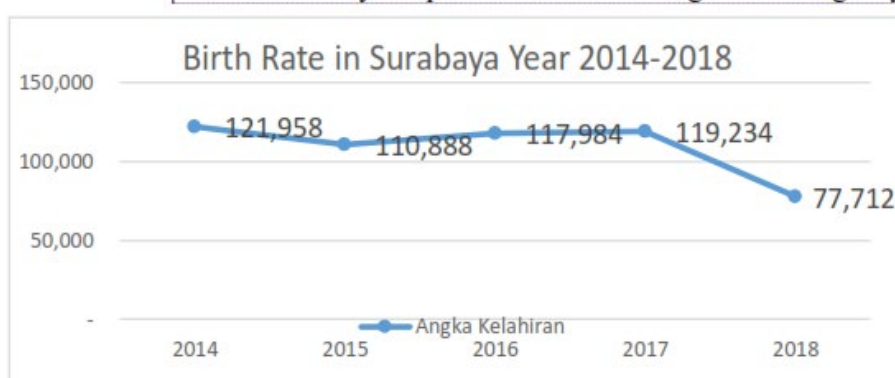


Figure 1.3: Graph of Birth Rate in Surabaya City 2014-2018
Source: Surabaya Population and Civil Registration Agency

Data Obtained became motivation for Elyon Christian School since the data obtained from Population and Civil Registration Agency showed an increase in the number of Catholic and Christianity believers for the past 5 years. As can be seen from figure 1.4, the growth in Christianity religion in Surabaya city in year 2016 to year 2017 rose from 275,696 people to 278,659, the number increased by 2,963 people in one year or 1.06%. The growth can also be seen from year 2017 to 2018, which rose from 278,659 people to 280,865 or an additional of 2.206 people or 0.8%.

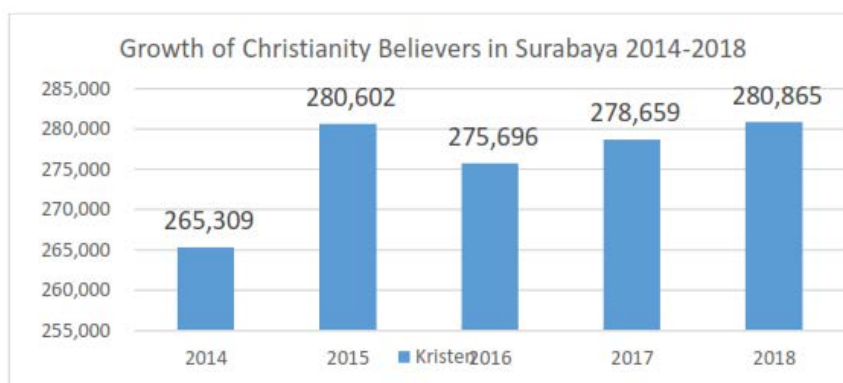


Figure 1.4: Graph of Growth of Christianity Believers in Surabaya 2014-2018
Source: Surabaya Population and Civil Registration Agency

The number of Catholic believers in Surabaya city also saw an increase for the past five years. Data by Surabaya Population and Civil Registration Agency showed that the number of Catholic believers from year 2016 to 2017 increased from 120,767 people to 122,104 people or an increase of 1,337 people or 1.1%. In figure

1.5 we could also see the increase happening in the subsequent year, which was from year 2017 to 2018 whereby the number of Catholic believers increase from 122,104 to 123,054 or increase of 0.78%.

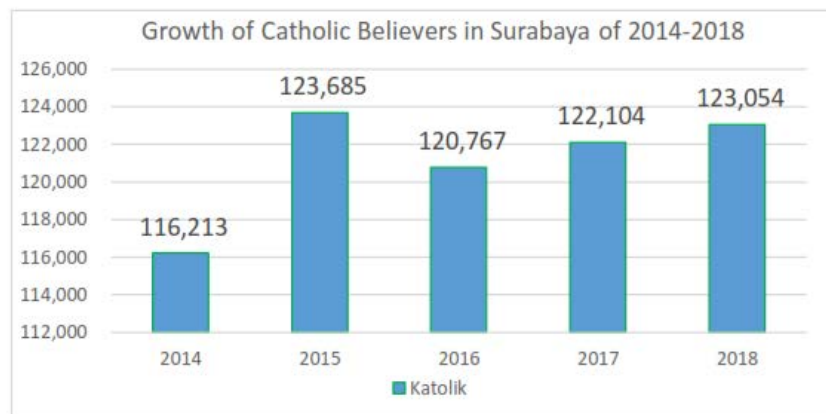


Figure 1.5: Graph of Growth of Catholic Believers in Surabaya of 2014-2018
Source: Surabaya Population and Civil Registration Agency

As one of the private schools, Elyon Christian School finances all school operational activities solely and independently and therefore income is one field that need to be paid attention to and can't be ignored. From the graph of growth in Christianity and Catholic believers, which are the target markets for Elyon Christian School, it is expected to help in increasing the number of parents that will send their children to Elyon Christian School. Based on the background mentioned above, therefore there is a need for a study on the perception of students' guardians on the brand equity of Elyon Christian School which would be titled "The Impact Of Brand Equity On Parents' Decisions In Elyon Christian School Sukomanunggal". Due to the broad range of factors that influences parents in making decision when selecting school for their children, therefore this study will focus on the impact of brand equity on parents' decision when choosing school for their children. The hypotheses used in this study are as follow:

1. H1 : Brand awareness variable has a significant impact on parents' decision to send their children to Elyon Christian School
2. H2 : Brand association variable has a significant impact on parents' decision to send their children to Elyon Christian School
3. H3 : Brand quality perception variable has a significant impact on parents' decision to send their children to Elyon Christian School
4. H4 : Brand loyalty variable has a significant impact on parents' decision to send their children to Elyon Christian School

LITERATURE REVIEW

1. Brand equity

Brand equity based on David A. Aaker (1997) is defined as a string of assets and liabilities related to a brand, name and symbol, which can add or decrease the value of a product or service for the company and the consumer. From the attitude side, brand equity is important to give differentiation that can create competitive advantage based on non-price competition (Aaker, 1997). According to David A. Aaker (1997:9), logo, stamp, or packaging of a product is used to differentiate that product from other products or services produced by competitors.

Researchers will use consumer based brand equity, according to David Aaker, which will

illustrate the condition of consumer towards the brand. The ability of brand equity in creating value for the company and the consumer based on 5 elements according to David A. Aaker (1997) the level of brand equity can be indicated by brand loyalty, brand awareness, perceived quality, brand association and other proprietary assets like trademark, and relationship with intermediaries. Brand equity management need to be done carefully as consumer will be highly bound by it while creating relationship with the company. Because of this, consumer understanding on brand equity will be an important factor for marketer. Durianto (2001;7) points out if brand loyalty, brand awareness, perceived quality and brand association of a product or service is strong, then other proprietary brand assets will be strong as well. Based on this, other proprietary brand asset variable will not be tested in this research. Brand equity that will be tested in this research consists of 4 variables, namely brand awareness, brand association, perceived brand quality, and brand loyalty.

1.1 Brand awareness

Brand awareness within targeted consumer is the first step in the equity building process. Brand awareness is important because it indicates that the consumer aware of the presence of that brand. Brand awareness has four levels, which are:

2. Top of mind
3. Brand recall
4. Brand recognition
5. Unaware of brand

Brand awareness involves effort to obtain product identity. In order to obtain and fix brand awareness of the school, David A. Aaker thinks some ways can be done, which involves: (1) the message delivered should be easy to remember and has different looks, (2) interesting slogan or jingle, (3) uses symbol, (4) expansion on school brand, (5) uses signs appropriate for school category, school brand, or both, (6) do repetition to increase recollection.

1.2 Brand association

Anything connects consumer memory towards a brand is called as association. Consumer shapes association based on quality perception, their interactions with workers and the organization, promotion advertisement from the brand, brand pricing, brand product category, product placement in shops, media publicity, offer from competitors, their connections with celebrities, and from stories they heard from acquaintances.

Consumer adds their association with a certain brand through every interaction they have with that brand. Many associations formed from news and stories about the product received by consumer from people around them. It is important for the company to plan every interaction with consumer and related media like newspaper, social media, long-term consumer, workers, and government to reduce or eliminate the probability of something negative associated to that product formed by all of those sources. Brand association gives contributions to brand equity which can affect consumer purchase decision and can create positive publicity through word-of-mouth. Some associations can help organizations strengthen their brand and create differentiation it to increase the barrier of entry for competitor.

1.3 Perceived quality

Setiadi (2003:159) points out that perception is a process formed by sensations, or can also be defined as the act of feeling or the cause of positive emotion. Sensations can also be defined as quick reaction from our senses towards basic stimuli such as light, color, and sound. Ferrinadewi (2008:42) describes perception as a process where some stimuli are sorted, organized, and interpreted into meaningful information. Aaker (1997:124) defines perceived quality as consumer perception towards the overall quality or competitiveness of a product or service related to their expectation, or can also be said that perceived quality is a perception formed in consumer's mind about overall quality from a brand. Building a strong perceived quality, according to David A. Aaker (1997), can be done by paying attention to: (1) commitment towards quality, (2) quality culture, (3) feedback

from consumer, (4) clear standard/target, (5) developing pro-active employees. Perceived quality that will be used in this research can be defined into 5 aspects, which are: (1) Tangible : physical appearance of school facilities, infrastructures, teachers and other employees, (2) Reliability : the ability to give service as promised, (3) Assurance : knowledge, manners and the ability of teachers and employees to plant assurance and school quality in the consumer, (4) Responsiveness : willingness to help and teacher and employees responsiveness on dealing with students and parents requests. Empathy : attention and sincerity in understanding students' needs.

1.4 Brand loyalty

David A. Aaker (2003) defined brand loyalty as a measure consumer associated onto a brand. This reflects the probability of a consumer switching to other brand, especially when there is a modification on that brand, be it on the price or the product characteristic. David A. Aaker illustrates levels within brand loyalty as a pyramid. Aaker divides the pyramid into 5 levels, from the most loyal until the most disloyal, which can be seen below:

1. Switcher
2. Habitual buyer
3. Satisfied buyer
4. Liking the brand
5. Committed buyer

2. Decision making process

A decision making process is the research stage on consumer behavior. Basu Swastha (1987) defines consumer behavior as "individual activities that are directly related in obtaining and using products and services, including the decision making process on preparation and decision on those activities". Consumer behavior can also be affected by family as family is inseparable from these individuals. The role of individuals in the family can also affect that decision. Some type of roles in consumer behavior according to Basu Swastha (1990) are divided into 5 roles, which are: (1) Initiator is individuals who have initiative on certain product purchase, have the need or want but don't have the authority to purchase it themselves, (2) Influencer is individuals who influence decision to purchase, knowingly or unknowingly, (3) decider is individuals who decide whether to purchase, what to purchase, how, when and where, (4) buyer is individuals who do the actual purchase transactions, and (5) user is individuals who use the products or services purchased. Each of these school consumer has their own role in influencing school decision making process. Students' opinion as user can be put into consideration, however the final decision still lays on their parents as the decider, especially on pre-school aged students and elementary school students who are perceived as someone who don't have enough ability to decide for themselves.

However this role starts to shift when students grow older, in which their user role can also be influence and decider. School consumer behavior according to Buchari Alma (2003) that will be used in this research is that before deciding to enroll a student into a certain school, parents will receive inputs from their environment and school marketing. The inputs may come from many factors and brands and holds important role that can affect their decision. These inputs received by parents are information that can help shapes brand equity on parents similar to the effect of physical building on perceived quality and promotion on parents' brand awareness towards the school. Parents brand equity can also be influenced by product quality, price offered, school location, promotions, people inside the school, and physical building of the school.

RESEARCH METHODS

The research approach used in this study is the quantitative method, which will reveal the influence of the four variables in brand equity, namely brand awareness variable (X1), brand

association variable (X2), perceived quality brand variable (X3), brand loyalty variable (X4) towards parents' decision making process in choosing schools for their children (Y). This research collects and processes all data obtained by the quantitative analysis methods. The population and the sample of this study were all the guardians of Elyon Christian School in West Surabaya campus with a total of 739 students. The reason for selecting this sample is population is that the majority of Elyon Christian School students are located on the western campus and the western campus has the most complete level of education, starting from PGKG to High School. Determination of the number of samples using the formula from Slovin (1960) is based on 10% error. So, the sample obtained has a confidence level of 90% and resulted in 88 parents as the sample of respondents. The sampling method of this study was using proportionate stratified random sampling, namely sampling evenly at each unit at Elyon Christian School in the Western Surabaya Campus based on the school level taken by the children when the respondent filling out the questionnaire shared.

RESULT AND DISCUSSION

The findings show that brand awareness, brand association, and brand loyalty partially have a significant effect on parents' decision. Meanwhile, perceptions of brand quality are partially insignificant to parents' decision in choosing school at Elyon Christian School. This might happen if most of the respondents were the members or congregations of Abdiel Elyon Christian Church, which is the founder of Elyon Christian School. Hence, parents lean their decision based on their loyalty and belonging to the church so that they are not too affected by the factors within perception of brand quality.

Managerial Implication

Factor	Before the Research	After the Research
1. Brand awareness	Schools does not do enough promotional activities where the school's social media has not been used optimally.	The school make slogans or jingles that are easy to remember, do promotions repeatedly to remind parents and prospective parents about the existence of the school. The school collaborates with GKA Elyon and GKI churches and other GKA in Surabaya to carry out activities that highlights the educational activities at Elyon Christian School. The school collaborates with a shopping center to display the artistic abilities of the students. In the future, the school can expand its brand by continuing to a higher education level, such as university level.

2. Brand association	Parents do not really understand the ability and the quality of teachers and students in terms of foreign languages.	The school can emphasize on character building education, which is the highest value in brand association. Involving parents in school activities, activities that educate students' characters.especially those
1. Perceived brand quality	The parents have a perception that the quality of the facilities, the quality of the teachers, and the results of students' education have not been maximized yet.	Make positive communication by creating interesting educational content to create a picture of the benefits or positive aspects of sending children to Elyon Christian School to parents. Maintaining the prices of Elyon Christian
2. Brand loyalty	The school's infrastructures and facilities are old enough and need to be repaired. A little collaboration was made between the school and GKA Elyon and other churches. The church congregations rarely get	Gradual improvement of school's infrastructure and facilities. The school collaborated with GKA Elyon to update the school activities through weekly church reports, both in print and TV media and shows activities that

CONCLUSION

Based on the result of the analysis and discussion in this study, the conclusions are as follows:

- Brand Awareness (X1) partially has a significant effect on parents' decisions at Elyon Christian School Sukomanunggal.
2. Brand Association (X2) partially has a significant effect on parents' decisions at Elyon Christian School Sukomanunggal.
3. Perceived Brand Quality (X3) is partially insignificant towards parents' decision at Elyon Christian School Sukomanunggal.
4. Brand Loyalty (X4) partially has a significant effect on parents' decisions at Elyon Christian School Sukomanunggal.

SUGGESTION

The suggestion given for the development of brand awareness, brand association, perceived brand quality and brand loyalty towards the decisions of parents/ guardians of students at Elyon Christian School Sukomanunggal are as follow:

1. It is hoped that Elyon Christian School will have more promotional activities using the available media, such as print media and social media, to increase parents' awareness about the existence of Elyon Christian School.
2. It is hoped that Elyon Christian School will collaborate with GKA Elyon and other GKA and GKI church networks to conduct activities that can demonstrate the students' ability in socializing, communicating, and developing their Christianity character.
3. It is hoped that Elyon Christian School will collaborate with shopping centers

- and event organizers to demonstrate students' abilities in foreign languages and arts.
4. It is hoped that Elyon Christian School will create interesting programs to develop students' talents and interest, such as innovative classes, technology classes, and recycling classes.
 5. It is hoped that Elyon Christian School will collaborate with other schools that do not have further education levels to introduce and increase the interest of prospective parents to Elyon Christian School
 6. It is hoped that Elyon Christian School will collaborate with schools and universities from overseas to provide international experience to teachers and students in the form of training, student exchanges, cultural exchanges, and scholarships to continue their studies.
 7. It is expected that Elyon Christian School will form a team of counselors to help direct the students' education path, especially closer to the time when the students are going to the university, where students starting from grade 9 will receive guidance to choose the social (IPS) or the science (IPA) major.

REFERENCE

- Aaker, D. A. (1991) 'Managing Brand Equity: Capital on the value of a brand name', The Free Press, New York, NY.
- Aaker, Jennifer L. (2003), "Dimensions of Brand Personality", *Journal of Marketing Research*, 34 (August), 347-356
- Akrani. G. (2011) What is Business. (<http://kalyan-city.blogspot.com/2011/03/what-is-businessmeaning-definitions.html>)
- Alan D. Smith, (2009) "Internet retail banking: A competitive analysis in an increasingly financially troubled environment", *Information Management & Computer Security*, Vol. 17 Issue: 2, pp.127-150
- A.Parasuraman, Valarie A.Zeithaml, Leonard L.Berry ,(1988) "Servqual : A multiple- item scale for measuring consumer perceptions of service quality."
- Arikunto, Suharsimi. 1998. *Prosedur Penelitian Suatu Pendekatan Praktik*. Jakarta: Rineka Cipta.
- Basu Swastha, DH dan Irawan. 1990. *Manajemen Pemasaran Modern*. Yogyakarta: Liberty.
- Buchari Alma. 2011. *Manajemen Pemasaran dan Pemasaran Jasa*. Bandung : Alfabeta
- Bikram Jit Singh Mann, Mandeep Kaur Ghuman. 2014. Scale development and validation for measuring corporate brand associations. *Journal of Brand Management* 21:1, 43-62
- David A. Aaker, (1992) "The Value of Brand Equity", *Journal of Business Strategy*, Vol. 13 Issue: 4, pp.27-32.
- Dicksee, L.R. (1980) *Business Organization*. Arno Press Reprint
- Dr. Hsin Kuang Chi, Dr. Huery Ren Yeh, Ya Ting Yang (2009) "The Impact of Brand Awareness on Consumer Purchase Intention: The Mediating Effect of Perceived Quality and Brand Loyalty"
- Elena Delgado-Ballester, José Luis Munuera-Alemán, (2005) "Does brand trust matter to brand equity?", *Journal of Product & Brand Management*, Vol. 14 Issue: 3, pp.187-196
- Keller, K.L, (2007) "Conceptualizing, measuring, and managing vustomer -based

brand equity” *Journal of Marketing*, vol 57 No. 1, pp 1-22

Keller, K.L and Lehmann, D.R (2003), “How do brands create value?”, *Marketing Management* Vol 12 No 3, pp. 26-31

Kenneth J. Knapp, Thomas E. Marshall, R. Kelly Rainer, F. Nelson Ford, (2006) "Information security: management's effect on culture and policy", *Information Management & Computer Security*, Vol. 14 Issue: 1, pp.24-36

Kotler, P., Jatusripitak, S. and Maesincee, S. (1997), *The Marketing of Nations: A Strategic Approach to Building National Wealth*, The Free Press, New York, NY.

Kotler, P. (1972), “A generic concept of marketing”, *Journal of Marketing*, Vol. 36 No. 2, pp. 46-54.

Kotler, P. (1973), “The major tasks of marketing management”, *Journal of Marketing*, Vol. 37 No. 4, pp. 42-9. Kotler, P. (1975)

Kotler, P. and Levy, S.J. (1969), “Broadening the concept of marketing”, *Journal of Marketing*, Vol. 33 No. 1, pp. 10-15.

Kotler, P. and Zaltman, G. (1971), “Social marketing: an approach to planned social change”, *Journal of Marketing*, Vol. 35 No. 3, pp. 3-12.

Maha Mourad, Christine Ennew, Wael Kortam, (2011) "Brand equity in higher education", *Marketing Intelligence & Planning*, Vol. 29 Issue: 4, pp.403-420

Maureen A. Bourassa, Peggy H. Cunningham, Jay M. Handelma n, (2007) "How Philip Kotler has helped to shape the field of marketing", *European Business Review*, Vol. 19 Issue: 2, pp.174-192

Nazrul Hazizi Noordin, Siti Nurah Haron, Salina Kassim, (2017) "Developing a comprehensive performance measurement system for waqf institutions", *International Journal of Social Economics*, Vol. 44 Issue: 7, pp.921-936

Nebojsa S. Davcik (2013), “Towards a Unified Theory of Brand Equity : Conceptualizations, Taxonomy and Avenues for Future Research”. ISCTE Business School, University Institute of Lisbon (ISCTE-IUL)

Robert Hinson, N. Owusu-Frimpong, Julius Dasah, (2011) "Brands and service-quality perception", *Marketing Intelligence & Planning*, Vol. 29 Issue: 3, pp.264-283

<http://referensi.data.kemdikbud.go.id/index11.php?kode=056000&level=2> (diakses tanggal 25 November 2018, Pk 18.30)

http://dispendukcapil.surabaya.go.id/stat_new/index.php (diakses tanggal 1 Desember 2018, Pk 19.00)

Rachmadi, F. 1994. *Public Relation Dalam Teori dan Praktek*. Gramedia Pustaka Utama. Jakarta.

Rocco Baldassarre “ 10 ways PR Pros Can Make Clients Happy” yang dilansir di situs <http://www.prdaily.com/>

Sally Baalbaki dan Francisco Guzman ,(2016) “Consumer based brand-equity.”

Setiadi, Nugroho J. 2003, *Perilaku Konsumen*. Kencana. Jakarta. Sugiyono, 2013. *Metodologi*

Penelktian Manajemen. Bandung,Alfabeta

Sugiyono. 2006. Metode Penelitian Kuantitatif Kualitatif dan R&D. Bandung: Alfabeta.

Tor Wallin Andreassen, Bodil Lindestad, (1998) "Customer loyalty and complex services: The impact of corporate image on quality, customer satisfaction and loyalty for customers with varying degrees of service expertise", *International Journal of Service Industry Management*, Vol. 9 Issue: 1, pp.7-23

Tor Wallin Andreassen. 1999. What Drives Customer Loyalty with Complaint Resolution?. *Journal of Service Research* 1:4, 324-332.

Tor Wallin Andreassen, Bodil Lindestad. 1998. The Effect of Corporate Image in the Formation of Customer Loyalty. *Journal of Service Research* 1:1, 82-92.