ANALYZING THE IMPACT OF WORD OF MOUTH AND EXPERIENCE QUALITY ON SCHOOL CHOICE DECISION THROUGH PERCEIVED VALUE AND BRAND IMAGE

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Abstract: The objective of this research is to analyze the effect of word of mouth and experience quality on the decision of choosing a school with the mediation of perceived value and brand image. The population of this study is 102 parents who had sent their children to Surya Buana Kindergarten and Playgroup and sent their children to Surya Buana Islamic Elementary School following their graduation, all of which were selected as the sample. This study uses a quantitative approach which is based on research problems and research objective and is categorized as explanatory research. The samples were selected using nonprobability sampling, which means that information retrieval carried out in the population does not have any inherent probability of being chosen as the sample subject. Sampling is limited to certain types of people who can provide the desired information or commonly referred to as Purposive Sampling. The instrument used in this study is questionnaires that were analyzed in SmartPLS 3.0. This study finds that word of mouth and experience quality is insignificant for decision making. However, they are significant for decision making if mediated by perceived value and brand image. Next researches can incorporate variables that influence decision making such as satisfaction, price, demographic variable and other variables to be able to improve strategies in improving decision making in school selection.

Keywords: Word of Mouth, Experience Quality, Perceived Value, Brand Image, Decision Making


Knowledge is important for society to improve ability so that one can compete and achieve his or her goal. Lots of media are created to fulfill people’s thirst for knowledge in a particular field. This development of knowledge and technology is then pursued by society in various ways, including education. It is also important to urge economic growth by providing skilled human resources that understand technology, possessed adequate skills, and able to improve...
quality of life. Many local governments in Indonesia try to have more contribution to education by providing various schools, such as vocational schools that are intended for those who want to seek for a job right after graduating or general upper-secondary high schools that are intended for those who plan to continue the study to university.

Malang is one of the cities that has an adequate amount of schools, both public and private. The development of schools in Malang is pretty fast which is in line with Schiffman and Kanuk (2012) statement about consumer behavior. Schiffman and Kanuk state that consumers tend to choose and to use products or service that has already been known in advanced. It means that the number of both public and private schools in Malang indicates that parents have certain reasoning in deciding which school is the best for the children.

Yayasan Bahana Cita Persada Malang is one of the integrated Islamic schools in Malang that can be chosen by parents for the children. Improvement and innovation are continuously undertaken to give parent’s satisfaction in dealing with school services. It is expected that by giving the best service, the parents will be able to decide whether they have already had the desired service (perceived value) or vice versa. The school also creates various online and offline (word of mouth) promotions as well as trying to brand the school to be the desired institution (brand image). Giving the best experience for both students and parents becomes a way for the institution to convince that Surya Buana Malang is the best bargain for the children (experience quality).

The importance of word of mouth on decision making is affirmed by Saleem and Yaseen (2017), describing that his research showed that word of mouth can strongly increase decision making. Kinard and Capella (2006) add that word of mouth is important for service-based providers as one of the influential marketing strategy. Ahmad, et al. (2014), Gremler (2001), also state that word of mouth is essential in decision making. However, Supriyadi et al. (2016) disagree by stating that word of mouth does not have an influential effect in deciding to purchase Converse shoes since the customers rely on trends rather than products’ comfort. Rachman and Abadi (2017), has similar thinking stating that word of mouth does not influence decision making since the promotion content does not encourage potential customers to buy the products or the services.

They decide to continue enrolling the children at Surya Buana Malang elementary school hoping that they will obtain similar or better school facilities and services in return. As they have experienced the quality, the will spread the words to other people. Lenke et al. (2011), affirms that experience will influence the result of the decision. This is in line with Rita Kusumadewi (2012), stating that experience quality is an important factor when dealing with customers directly.

Influence in decision making can be done both directly and indirectly. When talking about indirect influence, there have to be variables that can bridge the gap between the value of certain products or services and the decision to pursue them. The aforementioned variables are in line with Haemoon Oh (2000) research that examines the importance of customer appraisal in a service-based company. Sun and Qu (2011) state that perceived value has a great impact on word of mouth and decision making. Wunhua Shi Lingshu (2016), Maklan and Kalus (2011), Steven F. Illum (2005) states similar ideas stating that word of mouth along with perceived value can be an essential factor in decision making.

Experience quality in decision making is influenced by a brand image which is supported by research from Erma Sulistyo Rini (2016), Wang and Tsai (2014), Andrea Gabriela et al (2017), Arianis Chan (2010). All of the afore-mentioned researchers state that brand image can affect decision making as interaction is social media can affect customer emotion.

Brand image indeed affects word of mouth. The studies by Andrea Gabriela et al (2017), Abhigyan Sarkar et al. (2018), Sri Murtiasih et al. (2013), Hasan (2013) and Supriyadi et al (2016) also shows that the products that have good brand image will be chosen by society over and over.

The relationship between experience qualities toward decision making through perceived value is
discussed in the studies by Ching-Fu Chen and Chen (2009), Rini (2016), Maklan and Kalus (2011), Fred Lemke et al. (2011). The result of the studies shows that there is a close relationship between both factors and significantly proved to be able to increase one decision making.

It is expected that the research could answer whether or not perceived value and brand image can bridge the relationship of the word of mouth and experience quality toward parents’ decision in enrolling the children to SDI Surya Buana who has the most graduate students in Yayasan Bahana Cita Persada Malang.

LITERATURE REVIEW

Islamic School

Islamic education in Indonesia change in terms of teaching and learning system. Another educational institution is Islamic boarding schools that mainly teach students Islamic knowledge (Abdalla, 2006). Unfortunately, the change brings negative effect as some people think that teenagers possessed the so-called moral degradation as the effect of lacking religious knowledge lesson at school. This condition worsens as globalization enables teenagers to access both negative and positive information easily. Furthermore, such conditions can be prevented by giving an adequate amount of religious knowledge to children or teenagers so that they will not easily be drawn to negative influence.

Word of Mouth

Word of mouth is part of marketing communication that becomes well-known for its ability to affect customers to decide whether to use or not to use certain products or services. It can be said that word of mouth is part of the promotion that uses user direct testimony on the good and bad sides of products or services (Lupiyoadi, 2006). Babin et al. (2005) and Yayla (2007), states that there are three indicators of word of mouth, namely giving testimony on the good sides, recommending the products or services, and encouraging potential customers to use the product to prove that his/her review is true.

Experience Quality

Experience quality is things that happen individually as a reaction of the stimulus (one is given a promotion or is exposed to marketing activity before or after purchasing). Gilmore II (1998) argues that experience quality is an idea that changing the functional concept to experience concept.

Research studying about the relationship between business and customers using experience quality by Lemke, et al. (2011), affirms that several indicators should be fulfilled by the service-based company, namely Helpfulness, Value for Time, Customer Recognition, Promise Fulfillment, Interest in Problem Solving, Personalization, Competence, Accessibility of Person or Facility.

Perceived Value

Perceived value is a difference between customers as the user and cost to obtain the product (Kotler and Keller, 2017). In addition, the company also has to be able to estimate the customers’ risks after using the products as well as to be able to determine whether or not customers’ goals are achieved after experiencing the products (Woodruff, 2005).

Relating to the previous statement, the value, in this case, is an abstract concept from consumer’s evaluation of the products and services. Based on the research by Chen and Chen (2009), four indicators have to be fulfilled to shape a good customers’ review, namely Instrumental Value, Expressive Value, Hedonistic Value, Sacrifice Value.

Brand Image

The distinction can be seen from several aspects, from the product’s physical appearance to the product’s function. Moreover, the differences include symbol, mental and emotional representation, as well as a concept related to what the brand wants to represent (Kotler and Keller, 2017).

The brand image reflects an overall impression of customers on the product’s physical appearance, performance, brand name, meaning, and the company that is associated with it. The aspects that should be covered to build a good brand image ac-
cording to Aaker and Biel (2009) are Corporate Image, Product Image, and User Image.

Decision Making

Decision making is a step where a customer decides several alternatives to potential-chosen products. Kotler and Keller (2017) define decision making as follows, “in the evaluation stage the consumer forms preferences among the brands in the choice and may also form an intention to buy the most preferred brand”.

The decision in purchasing, according to Kotler and Keller (2017), falls into six steps, product choice, brand choice, dealer choice, purchase choice, the purchase amount, purchase timing, payment method. The indicators that have to be fulfilled to ensure customer’s decision on using service from particular companies according to Airianis Chan (2010) trust in the given-service, behavior on choosing certain service, and decision making.

RESEARCH CONCEPT FRAMEWORK

H2. Experience Quality Affects Decision Making Significantly

Previous researches which were conducted on the relationship between experience quality and decision making by Ahmad, et al. (2014), Lemke, et al. (2011), Rita Kusumadewi (2012) dan Sundbo (2015), resulted positively. The research is then strengthened by Sundbo (2015), a statement in his limitation of the research that it is important to add experience quality in the future study, especially in researching the service-based company.

H3. Word of Mouth Significantly Affect Decision Making when Assisted with Perceived Value

Previous researches on the impact of word of mouth on decision making by being assisted with perceived value were conducted by Sun and Qu (2011), Zhu (2016), Maklan and Kalus (2011), Wang and Tsai (2014). All the researches showed a positive result.

H4. Experience Quality Significantly Affect Decision Making when Assisted with Brand Image

The preceding researches on the significant effect of experience quality on decision making if assisted with the brand image were conducted by Rini (2016), Wang and Tsai (2014), Elena and Pinzaru (2017), Saleem and Yaseen (2017), Arianis Chan (2010), Sandbacka et al. (2018), Parengkuan, et al. (2014), Gumilar (2016). All of the researches claimed that there is a positive relationship between the two components.

H5. Word of Mouth Significantly Affect Decision Making when Assisted with Brand Image

Earlier researches on the significant effect of word of mouth on decision making if assisted with the brand image were conducted by Elena and Pinzaru (2017), Rachman and Abadi (2017), Sarkar et al. (2018), Murtiasih, et al. (2013), Simon Hudson, Martin S. Roth, Thomas J. Madden, Rupert Hudson (2014), Supriyadi et al. (2016), Hedman and
Orrensalo (2018). All of the researches showed that the relationship between those components gives positive results.

**H6. Experience Quality Significantly Affect Decision Making when Assisted with Perceived Value**

Previous researches on the effect of experience quality on decision making if assisted with perceived value were conducted by Chen and Chen (2009), Rini (2016), Stan Maklan, and Kalus (2011), Lemke, et al. (2011), Sundbo (2015). Indeed, the result of those researches showed a positive effect.

**METHOD**

This study belongs to explanatory research using positivism (empirical studies). The population, also the sample in this research, is parents or student’s guardians whose children went to TK/KB Surya Buana Malang, then continuing the study at SDI Surya Buana Malang at the moment. Furthermore, there are 102 respondents in this research. The researchers use nonprobability sampling in taking the sample in this research. The researchers use a questionnaire and in-depth interviews to gather the data.

**RESULTS**

**Table 1 Summary of Characteristics of Respondents**

<table>
<thead>
<tr>
<th>Characteristics of Respondents</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Domicile</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sukun</td>
<td>5</td>
<td>5 %</td>
</tr>
<tr>
<td>Lowokwaru</td>
<td>52</td>
<td>51 %</td>
</tr>
<tr>
<td>Klojen</td>
<td>5</td>
<td>5 %</td>
</tr>
<tr>
<td>Kedungkandang</td>
<td>5</td>
<td>5 %</td>
</tr>
<tr>
<td>Belimbing</td>
<td>5</td>
<td>5 %</td>
</tr>
<tr>
<td>Luar Malang</td>
<td>30</td>
<td>29 %</td>
</tr>
<tr>
<td>Total</td>
<td>102</td>
<td>100 %</td>
</tr>
<tr>
<td><strong>Gender</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>52</td>
<td>51 %</td>
</tr>
<tr>
<td>Female</td>
<td>50</td>
<td>49 %</td>
</tr>
<tr>
<td>Total</td>
<td>102</td>
<td>100 %</td>
</tr>
</tbody>
</table>

Hypotheses analysis for each component use SmartPLS 3.0 as follows:

The result of direct effect testing in Table 2 shows that among six hypotheses that have been examined, only four variables have a significant result on the t-value score >1.96 and p-value score <0.02. It means that four hypotheses are approved. It then can be concluded that Word of Mouth and Experience Quality have a positive impact on decision making when assisted by Perceived Value and Brand Image. The other two hypotheses showed an insignificant result as a t-value score <1.96 and a p-value score >0.05. It means that the two hypotheses are rejected. In conclusion, Word of Mouth and Experience Quality have an insignificant impact on decision making.

The indirect testing result among the latent variable showed that four afore-mentioned hypotheses
have a significant relationship. If compared to the four hypotheses, the Experience Quality (X2) variable has a dominant impact on Decision Making (Z) when assisted with Perceived Value (Y1). Furthermore, the coefficients path on a structural model as well as a manifest variable in the measurement model can be portrayed using a diagram and structural model as follows:

**Table 2 Estimated Result and Hypotheses Testing (Direct Effects)**

<table>
<thead>
<tr>
<th>Cause Variable</th>
<th>Effect Variable</th>
<th>Path Coefficient</th>
<th>t-value</th>
<th>p-value</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Word of Mouth (X1)</td>
<td>Perceived Value (Y1)</td>
<td>0.266</td>
<td>2.414</td>
<td>0.018</td>
<td>Significant</td>
</tr>
<tr>
<td>Experience Quality (X2)</td>
<td>Perceived Value (Y1)</td>
<td>0.512</td>
<td>5.278</td>
<td>0.000</td>
<td>Significant</td>
</tr>
<tr>
<td>Word of Mouth (X1)</td>
<td>Brand Image (Y2)</td>
<td>0.352</td>
<td>3.682</td>
<td>0.000</td>
<td>Significant</td>
</tr>
<tr>
<td>Experience Quality (X2)</td>
<td>Brand Image (Y2)</td>
<td>0.458</td>
<td>4.728</td>
<td>0.000</td>
<td>Significant</td>
</tr>
<tr>
<td>Word of Mouth (X1)</td>
<td>Decision Making (Z)</td>
<td>0.085</td>
<td>1.352</td>
<td>0.179</td>
<td>Not Significant</td>
</tr>
<tr>
<td>Experience Quality (X2)</td>
<td>Decision Making (Z)</td>
<td>0.085</td>
<td>1.350</td>
<td>0.180</td>
<td>Not Significant</td>
</tr>
<tr>
<td>Perceived Value (Y1)</td>
<td>Decision Making (Z)</td>
<td>0.582</td>
<td>7.705</td>
<td>0.000</td>
<td>Significant</td>
</tr>
<tr>
<td>Brand Image (Y2)</td>
<td>Decision Making (Z)</td>
<td>0.222</td>
<td>2.698</td>
<td>0.008</td>
<td>Significant</td>
</tr>
</tbody>
</table>

Data are processed using SmartPLS 3.0 (2019)

**Figure 2 Direct Effect**

**Figure 3 Indirect Effect**

Data are processed using SmartPLS 3.0 (2019)
Data are processed using SmartPLS 3.0 (2019)

**Figure 4  Indirect Effect**

Data are processed using SmartPLS 3.0 (2019)

**Figure 5  Indirect Effect**
The results obtained from the VAF test worth 85%, can be categorized that the mediating variable perceived value and brand image are full mediation or fully mediate because the VAF Value > 80% (Hair et al, 2013).

DISCUSSION
The Impact of Word of Mouth on Decision Making
The result of the study showed that Word of Mouth had an insignificant impact on decision making. It means that Word of Mouth, without being assisted by any other components, could not improve the chance of making a decision. This result is in line with the previous study which was conducted by Saleem and Yaseen (2017) which concluded that customer’s trust in a particular institution or company is important to affect one intention to purchase something. Gender, age, and distance from home become factors that could affect decision making. The influence of Word of Mouth on decision making cannot be determined only by recommendation as there are many other factors to consider when choosing a school for children. As the respondents are dominated by men who are mature enough, the respondents are considered wise in choosing the school.

The Impact of Experience Quality on Decision Making
The result of the study showed that Experience Quality has an insignificant effect on decision making. This can be concluded as the experience cannot be used as the main consideration in decision making. Maklan and Kalus (2011), states that the quality of experience is not able to stand independently to determine one’s decision. Respondents in this research are parents or guardians that had chosen TK/KB Surya Buana Malang. It means that they have already had experience being served by the same institution. Although TK/KB Surya Buana Malang and SDI Surya Buana Malang are two different schools, yet both have the same purpose in developing better comprehension of religious knowledge and general knowledge. However, the experience alone could not be the only factor for parents and student’s guardians to choose SDI Surya Buana as they still scrutinize the programs and compare the vision as well as mission.
The Impact of Word of Mouth on Decision Making when Assisted with Perceived Value

The result of the study showed that the Word of Mouth had a significant impact on decision making if assisted with Perceived Value. It is strengthened by Lucia Bongran (2011) research stating that Perceived Value has an essential effect on the Word of Mouth and Decision Making. Also, Lamb, Hair, Mc. Daniel (2001) state that a way to make a customer decide on purchasing the product is by making promotion which contains complete benefits that will be received by them. Islamic schools are available as society demanded on an institution that could teach more religious value that general value. To attract potential parents or guardians, SDI Surya Buana Malang promises to fulfill the wish of giving more religious knowledge as well as apply the knowledge on teaching and learning processes.

The Effect of Experience Quality on Decision Making when Assisted with Brand Image

This study found out that Experience Quality has a significant effect when assisted with Brand Image. This result is indeed in line with Wang and Tsai (2014), a study that states there are positive effects that can be obtained from several variables, namely Brand Image, Perceived Value, and Experience Quality, to higher the chance of deciding to purchase something. The effect of Experience Quality on Decision Making as assisted with Perceived Value whose result is significant. And provide dominant results for decision making based on loading factors. This can be affirmed that parents, whose children had entered TK/KB Surya Buana Malang, are satisfied with the service when compared with the cost.

CONCLUSIONS AND RECOMMENDATION

Conclusion

This study shows that Word of Mouth and Experience Quality have an insignificant impact on the decision to choose a school. This can happen as there are still several things that make parents hesitate to choose school. Thus, additional factors to ensure parent’s decisions are needed before deciding to enroll SDI Surya Buana Malang. Also, the study shows that Perceived Value and Brand Image could bridge the gap between Word of Mouth and Decision Making as well as Experience Quality and Decision Making. A variable that has the highest significant result is the relationship between Experience Quality as assisted with Perceived Value.
on Decision Making. Furthermore, the result can be obtained as direct experience is the best way to be sure before deciding on several things.

**Recommendation**

Further researches can be conducted with special concern on Experience Quality and Perceived Value in deciding to choose academic institutions. The practical implication in this research is needed for schools that are trying to develop even better. By giving evaluations on services and the school’s brand, it is expected that parents or guardians will obtain the best service. Thus, satisfaction can indirectly be a promotion for the school. In addition, future researchers can also focus on collaborating variables that can enhance the value of the school so that parents are not reluctant to choose. In addition, schools and their management can use this research to develop better promotion so that schools can be better and develop well.

**LIMITATIONS OF THE RESEARCH**

Several limitations That Were Obtained In this Research are as Follows

First, the result can not be generalized because the research was only conducted at SDI Surya Buana Malang. Second, collaboration on other variables is needed to enhance the chance of decision making in an academic institution, such as satisfaction, price, demographic variable, etc.

**REFERENCES**


