The Role of Institutional Image in Mediating the Relationship Between Digital Marketing and Perceived Value on the Decision to Private Higher Education

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Article Info	Abstract
	The aim of this research is to analyze the role of institutional image as a mediator in the relationship between digital marketing and perceived value in university selection decisions. This research uses a quantitative approach to investigate causal relationships between different variables and draw general conclusions. In this research, an online survey was used as a data collection method to collect information from students at private universities in Semarang City. A total of 250 questionnaires were distributed to the target group. However, only 200 were properly equipped and met the specified sampling requirements. The data analysis method used in this research is structural equation modeling (SEM). The research results show that digital marketing has a significant influence on college choice decisions in the city of Semarang. Apart from digital marketing, the institutional image variable also has a significant influence on college choice decisions. Meanwhile, the perceived value variable has an insignificant influence on college choice decisions. Hypothesis test results show that institutional image is significantly able to mediate the relationship between digital marketing and choice decisions. Meanwhile, the role of institutional image in mediating the relationship between perceived value and choice decisions has no significant effect..

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INTRODUCTION

Private universities in big cities such as Jakarta, Bandung, Surabaya, Yogyakarta, Makassar and Semarang continue to participate in competing in a perfectly competitive market with market characteristics and structure, namely many service providers entering the market, very high competition, and consumers or potential Students have many options to decide which university to choose. On the one hand, developments in the educational services sector have a positive impact on potential student clients, but on the other hand they can also have a negative impact. This negative impact is triggered by the many choices that can confuse people when making decisions, because choosing a university is not an easy thing. This is closely related to a person's personal life, future, social life, finances and work. or even family life and the lives of other parties. As explained by Rutter et al., (2017) that "the process of choosing higher education is not an easy thing, especially because it is an important and difficult decision for students. Not only from a financial perspective, but also because it is a long-term decision that affects his life in the future. " Additionally Iglesias et al., (2021) added that "This can influence students' future careers, friendships, future residence and personal satisfaction." These choices can influence careers, future, networks and satisfaction someone's personality.

Higher education is part of the Indonesian education system just like secondary education. Higher education programs are not only undergraduate (S-1) programs, but also diplomas, professions, masters (S-2) and even doctorates (S-3). Academic units that provide higher education are state universities and private universities. These institutions consist of universities, institutes, colleges, polytechnics, academies and regional gymnasiums. Education marketing is very important. Factors that influence new students' interest in choosing a university are internal and external factors. Internal factors include motivation, ideas and talent. External factors include teachers, family, friends, environment and facilities, as well as promotional and marketing techniques.

To understand consumer needs, it is necessary to carry out a more in-depth analysis of the factors that influence consumer decisions in choosing products/services - in this case educational services - because buyers or consumers are rational people. Consumers may have different considerations that can lead to maximizing the benefits they receive, comparing the goods or services received with the sacrifices (costs) made for those goods or services. Mishra et al., (2020) emphasized that "it is very important for higher education administrators to know the factors that influence prospective students' intentions and understand the nature of the relationship between these factors." Therefore, it is very important for higher education administrators to know the factors that influence the tendencies of prospective students and recognize the natural relationship between these factors, because only by understanding these factors, service providers can choose strategies that best suit customer needs. and needs. The description above can be used as a basis for conducting this research.

Internal and external factors influence the interest of new students. Internal factors include motivation, ideas and talent (Saputro, 2017). External factors include teachers, family, friends, environment and facilities, as well as marketing techniques. Along with the development and progress of digital technology, university managers must be able to think innovatively to market higher education through digital media. Advertising via digital media is better than physical advertising because it can reach more and wider potential consumers. However, digital marketing has a weakness, namely the costs associated with managing it are very high, because it is a large media (Muhyidin, 2015). Digital media marketing can be done using the internet, social media and social networks. This method is most widely used because almost everyone can view products or services using a cellphone or laptop. The advantage of these resources is that their reach is wider, while the associated costs are relatively low. The weakness of digital marketing is the large number of competitors in digital media (Fakhri et al., 2017).

Considering the problems mentioned above, a private university must have a series of strategies to remain competitive in the market and continue to operate so that its business can survive. One of

these strategies can be implemented by identifying several factors that can influence a prospective student's decision to continue their studies. The aim of this research is to analyze the role of institutional image as a mediator in the relationship between digital marketing and perceived value in university selection decisions.

RESEARCH METHODS

This research uses a quantitative approach to investigate the causal relationships between different variables and draw general conclusions. The hypothesis put forward in this research is a causal hypothesis, namely a hypothesis that states that there is a causal relationship between variables. The methodology used follows the principles of scientific discovery using a quantitative approach. In this approach, hypotheses are developed and then tested quantitatively, resulting in new insights and conclusions.

Variables and measurements

Variable measurements in this study refer to references from previous studies. To ensure the reliability of the model, indicators with loading values below 0.7 were excluded from the analysis. Therefore, digital marketing management practices, perceived value, institutional image and choice decisions are evaluated respectively with 3, 4 and 4 indicators with loading values above 0.7. In this study, a questionnaire was also used to collect data, and all items were measured on a 5-point Likert scale ranging from strongly disagree to strongly agree.

Sample and data collection

In this research, an online survey was used as a data collection method to collect information from students at private universities in Semarang City. A total of 250 questionnaires were distributed to the target group. However, only 200 were properly equipped and met the specified sampling requirements. The sampling technique used in this research was purposive sampling, namely selecting respondents who met certain criteria. In this case, the criteria for entering the sample are student respondents studying at private **universities semester 1-3.**

Data analysis

The data analysis method used in this research is variant or component-based structural equation modeling (SEM) and Amos 22.0 software. SEM consists of several steps which include creating a path diagram, assessing model suitability, and evaluating the structural model.

The SEM Equity Model is a set of statistical techniques that allow testing a series of simultaneous relative correlations (Ferdinand, 2006). The benefit of using SEM applications in managerial research lies in its ability to confirm the dimensions of a factor concept. The two SEM technique models applied in this research are:

a. Confirmatory Factor Analysis This analysis is used to confirm the most dominant factor in a group of variables. In this research, confirmatory factor analysis is used to test indicators that form the factors of each variable.

b. Regression Weights In SEM, Regression Weights are used to observe the level of influence as follows:

1) Digital marketing variables on choice decisions
2) Perceived value variable on choice decisions
3) Digital marketing variables on choice decisions through institutional image
4) Perceived value variable on choice decisions through institutional image

A complete SEM Model Decision basically consists of a Measurement Model and a Structural Model. The Measurement Model or Assessment Model aims to confirm the dimensions developed into variables. Meanwhile, the Structural Model is a model that shows the structure of relationships that form or explain cause and effect relationships between variables. The model in this research is as follows:
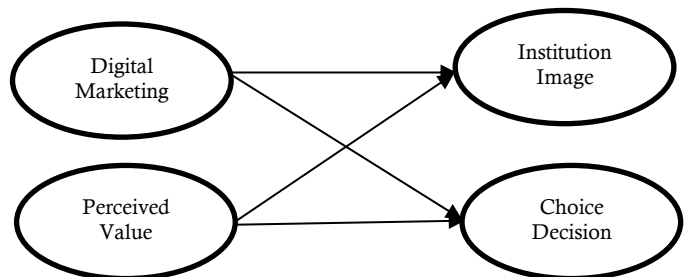

Figure 1. Research Model

RESULTS AND DISCUSSION

Validity and Reliability Test

The validity test measured using First Order Confirmatory Factor Analysis ensures that all indicators are constructs of the research variables. All indicators in digital marketing, perceived value, institutional image and choice decision are suitable constructs for these variables, with a loading factor value of more than 0.4 and a reliability value of more than 0.5. Only the Perceived Value variable is equipped with 1 indicator, namely low cost which is not included in the Perceived Value construct, with a loading value of 0.3 and reliability below 0.2 and this indicator was not included in the research. And there are only 20 indicators that will be analyzed. After carrying out validity and reliability tests, a normality check will be carried out so that all indicators have a normal distribution. The Critical Ratio for skewness must be higher than 2.58 (α=0.01) according to the Rules of Thumb from Hair (2010) and Curran (2007). In accordance with the Mahalonobis Distance value, only 4 respondents had outlier answers but were included in this study because all data had to be normally distributed.

Respondent Profile

Questionnaires were distributed to 250 potential respondents, filled in completely by 200 respondents. The respondents of this research are each generation who are directly involved in selecting private universities in the city of Semarang. As many as 70% of respondents were individuals who selected Bachelor and Diploma levels, and the remaining 30% of respondents were selected at postgraduate level.

Descriptive Analysis

The results of the descriptive analysis reflect the average of respondents' answers to each indicator for each variable. In the institutional image section, 80% of respondents agreed that the image of the university was the most prominent factor in this variable. Regarding Perceived value, the most appropriate considerations for respondents who choose PTS are ease of access to work and the image of "simple and satisfying" administrative services, these two factors were agreed upon by around 65% of respondents.

Judging from the digital marketing variable, according to respondents there are still many things that need attention, namely digital marketing which must be more innovative and spread to all digital platforms. This indicator was agreed by more than 85% of respondents. Lastly, choice decision, 70% of respondents agreed that the PTS they were currently choosing was the most appropriate choice.

Model and Hypothesis Testing Results

Testing In the initial model, the FIT Model measurements showed the CFI value (= 0.974>0.9) and the RMSEA value (=0.052 < 0.1), the resulting values were quite good but the Chi Square p-value was too small, namely 0.035. To improve this model the x7 indicator must be removed. In the next test, the RMSEA value decreased to the level of 0.029 and the CFI value increased to 0.87, and the p value increased to the level of 0.074. Thus, we can say that the model is fit. Once this model is confirmed to be FIT, the following results can be displayed from the standardized regression line:

Table 1. Estimation of standardized Regression Line Coefficient

Numb	Relation	Coeffiicient
1	Digital Marketing → Choice Decision	0.524
2	Perceived Value → Choice Decision	0.331
3	Institution Image → Choice Decision	0.231
4	Digital Marketing → Institution Image → Choice Decision	0.223
5	Perceived Value → Institution Image → Choice Decision	0.132

Source: Processed Data, 2023

Based on table 1.1. It can be explained that the variable that has the most dominant influence on the decision to choose a university in Semarang City is the digital marketing variable with a coefficient value of 0.524.

Table 2. Result of Parameter Model Hypothesis Test

Numb	Relation	P-Value	Conclusion
1	Digital Marketing → Choice Decision	0.002	Significant

2	Perceived Value → Choice Decision	0.053		Not Significant
3	Institution Image → Choice Decision	0.015		Significant
4	Digital Marketing → Institution Image → Choice Decision	0.042		Significant
5	Perceived Value → Institution Image → Choice Decision	0.051		Not Significant

Source: Processed Data, 2023

Table 2 shows that digital marketing has a P-value of 0.002 < 0.05, which means that digital marketing has a significant influence on college choice decisions in Semarang City. Apart from digital marketing, the institutional image variable also has a significant influence on university choice decisions with a p-value of 0.015 < 0.05. Meanwhile, the perceived value variable has an insignificant influence on college choice decisions with a p-value of 0.053 > 0.05. The results of the hypothesis test show that institutional image is significantly able to mediate the relationship between digital marketing and choice decisions with a p-value of 0.042 < 0.05. Meanwhile, the role of institutional image in mediating the relationship between perceived value and choice decisions has no significant effect.

Discussion

The decision to choose is a long process that customers must go through before purchasing a product; To understand how customers make decisions, it is necessary to understand the sequence of processes, as stated by Suriyani, 2016 and Wiliana, 2019 that the decision-making process regarding choices has been studied for a long time, and much conceptual and empirical research has been carried out in consumer decision making. However, most focus on how consumers learn, form preferences, and choose standard products, or services designed to meet their specific needs. According to the choice decision variable, Petruzellis and Romanazzi (2010) suggest that universities that want to win the competition and strengthen their position should focus on their strengths, one of which is brand or image. From these universities, "universities must focus on their strengths or position themselves on aspects that are their strengths or can be better. It is further stated that: positioning thus includes three elements, namely the brand or reputation of the educational institution, the market segment served and the communication strategy, which describes the ability of the institution to reach the market, helping to better determine the positioning strategy of the educational institution by clearly identifying "purchasing behavior" customers (Lubis and Hidayat, 2017).

According to Dobni and Zinkhan (1990), image is a perceptual phenomenon formed by a combination of beliefs, attitudes and impressions that a person or group has of an object. Gronross (2001) believes that image is created from service quality and customer satisfaction. Kassim and Souiden's (2010) latest research shows that a good institutional image can develop and maintain good relationships with customers, and even increase target markets and sales. Kurniawan & Lim (2022) say the problem is not just the image of the institution. But reputation is related to the relationship between customers and service providers. Nelissa et al., (2018) emphasized that the image of a university can be understood as the sum of all the beliefs a person has towards that university. University image can be interpreted as an individual's overall trust in the university, while Harahap et al., (2017) emphasize the need for institutions to have a visual identity, as a means of expressing their image.

Harahap et al., (2017) emphasize the importance of real identity for an organization because real identity is how a company displays its image, such as name, logo, slogan, color palette, facilities, alumni, degree programs, academic and public reputation. University behavior matters. Several factors contribute to a university's image. For this reason, Hayurika & Arief (2015) stated that in the latest research conducted by the Social Sciences and Humanities Research Council, they found that the reputation of the institution and/or research program was the most important

evaluation criterion when a researcher chose a research location. states that institutional image is an important resource because it gives an organization a competitive advantage by stimulating its public potential. As quoted by Garaika & Feriyan (2019), institutional image plays an important role in attracting potential customers, increasing purchase intentions and satisfaction, developing loyalty and increasing sales, or in other words, institutional image is an important factor in attracting potential customers and achieving goals. buyer satisfaction. target. demands, create satisfaction, develop loyalty and increase sales (Ningratri, 2018).

CONCLUSION

Based on the results and discussion, it can be concluded that digital marketing has a significant influence on college choice decisions in the city of Semarang. Apart from digital marketing, the institutional image variable also has a significant influence on college choice decisions. Meanwhile, the perceived value variable has an insignificant influence on college choice decisions. Hypothesis test results show that institutional image is significantly able to mediate the relationship between digital marketing and choice decisions. Meanwhile, the role of institutional image in mediating the relationship between perceived value and choice decisions has no significant effect. Universities must always innovate in marketing through digital media in line with the development and progress of digital technology. Apart from that, efforts to attract students to be interested in universities in Semarang City are by increasing the excellence value and image of these universities. The limitation of this research is that it is still limited to one city, namely Semarang City. It is hoped that further research will expand the research area to more than one city.

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