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THE INFLUENCE OF MOTIVATION, PERCEIVED VALUE, REFERENCE
GROUP AND BRAND IMAGE ON THE PARENTS' DECISIONS IN
SELECTING YAYASAN PUPUK KALTIM SENIOR HIGH SCHOOL
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ABSTRACT
**THE INFLUENCE OF MOTIVATION, PERCEIVED VALUE,
REFERENCE GROUP AND BRAND IMAGE ON THE PARENTS'
DECISIONS IN SELECTING YAYASAN PUPUK KALTIM SENIOR
HIGH SCHOOL BONTANG**

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This research aims to explore the influence of motivation, perceived value, reference group and brand image at non-profit organization, a senior high school in Bontang city. The school's name is Yayasan Pupuk Kaltim Senior High School (YPK SHS). There is a changing on system happen on the school that makes increasing on educational cost in every year. However, inreasing the new students soaring in last 2 years. As parent, school is important place to creates personalityon their kid. Quality and performance of the school are the criteria of parents for their kid. Quality and performance also have strong relation with those variable. Quantitative research method has used to explore its.

The data analysis on this study uses multiple linear regression methods with 100 parents of YPK SHS' student as respondent. The sampling technique uses simple random sampling from purposive sampling. Validity and reliability test is used in this study with classical assumption test which is normality test, heteroscedacity test, and multicollinearity test.

The result of this study shows that motivation (X_1), Perceived Value (X_2), Reference Group (X_3), Brand Image (X_4) have simultan and significant influences on parents' decisions in selecting YPK SHS partially. Motivation became the dominant variable in this study.

Keywords: *Motivation, Perceived Value, Reference Group, Brand Image, Non-profit organization, School, Decision*

1. INTRODUCTION

There is a trend when the development in science and technology runs well. It requires people to make better change. From that trend, knowledge and experience are important things to be achieved. The role of knowledge and experience is essential for society when the society wants to enhance their ability to stay competitive in tighter competition during the multidimensional crisis.

Education is perceived as a strategic tool to improve the standard of living. Through education, people become intelligent, have particular ability or better skill, have a good attitude, which then they can well get along in society. Education becomes an investment that provides a return on social benefits and personal dignity that makes the nation and the individual human being has better social strata.

The terms of effectiveness and efficiency become common terms that are used in current competition. The condition of tighter competition also applies in education. School as an institution of education service needs to learn and has an initiative to make better improvement on customer satisfaction since education is a continuous process of mutual and sustainable influence. School initiative starts from finding out (market research) educational market conditions, from various segments in the market. Furthermore, the school should set a marketing strategy to meet the target market.

Yayasan Pupuk Kaltim Senior High School (YPK SHS) is one of the institutions of private high schools of a foundation namely, Yayasan Pupuk Kaltim that achieve

"A" accreditation rank. YPK SHS is a school that has successfully gained the trust of the parents as a medium of education for their children. In fact, they are having internal problems, namely, the loss of major funding from their state holding company (PKT Inc., Ltd.) due to government regulation that requires a foundation no longer use state funds. Therefore, it must increase their academic fees for the parents.

For parents, increasing in academic fees was not a problem for them. Provided that their children are in the right place in carrying out education. From there, seen that the motivation, perceived value, the reference group, and the brand image influence the Parents' decision in selecting YPK SHS.

2. THEORETICAL FRAMEWORK

2.1 Motivation

A motive is a need that is sufficiently pressing to drive the person to act (Kotler & Keller, 2009: 178). While, motivation is the driving force within individuals that impels them to action. This driving force is produced by a state of tension, which exists as the result of an unfulfilled need (Sciffman & Kanuk, 2007: 83).

So from the definition above, motivation is an inner drive to behave or act in a certain manner. These inner conditions such as wishes, desires and goals, activate to move in a particular direction in behavior.

Some consumer behaviorists distinguish between so-called rational motives and emotional motives (Sciffman & Kanuk, 2007: 88). In a marketing context, the term rationally implies the consumers

select goals based on totally objective criteria, such as size, weight, price, or miles per gallon. Emotional motives imply the selection of goals according to personal or subjective criteria (e.g., pride, fear affection, or status).

2.2 Perceived Value

People will look a situation with different way because in looking the stimulus objects that consist of using the five senses: eye, nose, skin and tongue. So, it is depend on the person what senses that they will use to follow, organize and interpret. According to Kotler and Keller (2009: 179), perception is the process which an individual selects, organizes, and interprets information inputs to create a meaningful picture of the world.

Perception as perceived value:

The worth that a product or service has in the mind of the consumer. The consumer's perceived value of a good or service affects the price that he or she is willing to pay for it. According to Chen and Dubinsky (2003, p. 326) perceived value is a consumer's perception of the net benefits gained in exchange for the costs incurred in obtaining the desired benefits. While, Sheth et al (1991) described "five values" conceptual framework about the perceived value:

- **Functional Value:** The perceived utility acquired from an alternative capacity for functional, utilitarian or physical performance (Sheth et al, 1991, p.160).
- **Social value:** The perceived utility acquired from an alternatives association with one or more specific social groups (Sheth et al, 1991, p.161).
- **Emotional value:** the ability of service to arouse feelings or

affective state (Sheth et al, 1991, p.161).

- **Epistemic value:** the perceived utility acquired when the service arouses curiosity, provides novelty and/or satisfies a desire for knowledge (Sheth et al, 1991, p.162).
- **Conditional value:** occurs when there is a specific set of circumstances or specific situation facing the choice maker (Sheth et al, 1991, p.162).

Finally, According to Kotler and Keller (2009), customer perceived value is the differences between the prospective customer's evaluation of all the benefits and all the cost of an offering and the perceived alternatives.

2.3 Reference Group

A group may be defined as two or more people who interact to accomplish either individual or mutual goals. And according to Sciffman and Kanuk (2007: 302) a reference group is any person or group that serves as point of comparison (or reference) for an individual in forming either general or specific values, attitudes, or a specific guide for behavior.

From marketing perspective, reference groups are groups that serve as frames of reference for individuals in their purchase or consumption decisions. reference group consists of primary and secondary groups. The primary group consists upon the family, friends, or neighbors. While the secondary group is consist of membership.

2.4 Brand Image

Brand image represents the association that is activated in memory when people think about a particular brand. Brand image is the

overall impression in consumers' mind that is formed from all sources. Consumers develop various associations with the brand. Based on these associations, they form brand image. An image is formed about the brand on the basis of subjective perceptions of association bundle that the consumers have about the brand. Brand image has 3 support components as follow:

- **Corporate Image**
A mental picture that springs up at the mention of a firm's name. It is a composite psychological impression that continually changes with the firm's circumstances, media coverage, performance, pronouncements, etc.
- **User Imagery**
It describes who or what type of person, might use that product / brand. User imagery also communicates about the life style of the user.
- **Product Image**
A photograph or diagram that depicts a good being offered for sale. Several product image types taken from different angles and blow ups are often used extensively by businesses.

2.5 Purchase Decision

In the evaluation stage, consumers form a preference for brands in the choice set. Consumers also can form the intention to buy the most preferred brand. In carrying out the purpose of the purchase, consumers can take five sub-decisions, namely: brand, dealer, quantity, time, and method of payment.

3. RESEARCH

METHODOLOGY

3.1 Type of Research

Type approach that used to this research is quantitative approach with using explanatory study in explanation of research type. Explanation of research type is a research that using the same data which researcher describe the causal relation between variables through hypothesis testing.

3.2 Population and Sample

Population in this research is all parents of student in YPK SHS Bontang in 2011-2013 school years. The minimum number of sample that will be used in this study is 87 respondents. With that result, the Author used 100 respondents as sample in this study because it more represents the characteristics of the population.

3.3 Sampling Technique

This research is using *Probability sampling* design with *simple random sampling* to be collected. In probability sampling designs, the elements in the population have probabilities attached to their being chosen as sample subjects.

3.4 Data Analysis

1. Validity and Reliability
2. Classical Assumption Test
3. Multiple Linear Regression Analysis
4. Hypothesis Testing
 - 1) F test
 - 2) t test
 - 3) Dominant test
5. The Coefficient of Determination Test (R^2)

4. RESULT AND DISCUSSION

4.1 DISCUSSION

This study aims to determine the effect of Motivation (X1), Perceived Value (X2), Reference group (X3) and Brand Image (X4) on Customer Decisions to Select (Y) in YPK SHS Bontang. After conducting a field

study, the researcher runs the multiple regressions to analyze the collected data. The simultaneous test finds that the F count is 54.544 and the F table is 2.435, it means that F calculated is greater than F table ($54,544 > 2.435$), implying that H0 is rejected while H1 is accepted. It concludes that there is simultaneous and significant effect of the independent variables which consist of Motivation (X1), Perceived Value (X2), Reference groups (X3) and Brand Image (X4) on Customer Decisions to Select (Y).

In partial test, all of the independent variables including Motivation (X1), Perceived Value (X2), Reference group (X3) and Brand Image (X4) significantly affect the Customer Decisions to Select (Y). The results are: t calculated of Motivation (X1) is 6.394, which is greater than the value of t table 1,985 ($6.394 > 1.985$). Further, the value of significance (sig) is 0.000, lesser than 0.05 ($0.000 < 0.05$). Thus, the conclusion says that it rejects H0 and accepts H1. t calculated value of Perceived Value (X2) is 2.668, bigger than the value of t table 1.985 ($2.668 > 1.985$) while the value of significance (sig.) is 0.009 which is less than 0.005 ($0.009 < 0.05$) thus, the decision rejects H0 and accepts H1. The t calculated value of Reference group (X3) is 2.503, which is greater than the value of t table 1.985 ($2.503 > 1.985$) while the value of significance (sig.) is 0.014 which is less than 0.005 ($0.014 < 0.05$) thus, the decision rejects H0 and accepts H1. t calculated value of Brand Image (X4) is 3.703, bigger than the value of t table 1.985 ($3.703 > 1.985$), while the significance (sig,) value is 0.000 which is bigger than

0.05 ($0.000 < 0.005$). Thus the decision rejects H0 and accepts H1.

After conducting the simultaneous test and partial test, dominant effect is observed by using the Standardized Coefficient Beta. The dominant variable is motivation (X1) since this variable has the strongest effect on customer decisions in selecting YPK SHS Bontang.

Based on the results of this study, the proposed hypotheses are concluded as follow:

H1: Which mentions that “The predicted factors of motivation, perceived quality, reference group and brand image have simultaneous effect on the decision of parents in selecting YPK SHS” is confirmed.

H2: Which mentions that “Each of predicted factors of motivation, perceived quality, reference group and brand image has partial influence on the decision of parents in selecting YPK SHS” is proven.

H3: Which mentions that “Perceived quality as the predicted factor which has the dominant effect on parents’ decision-making in selecting YPK SHS as education service in Bontang” is not confirmed. However, motivation variable is found to be the dominant variable which influences parents’ decisions making in selecting YPK SHS Bontang.

These results support some theories and previous research as those theories and prior research conclude that there is a strong influence of motivation, perceived value, reference groups and brand image on consumer decisions to select. Purchasing products with the independent variable of motivation, perceived value, reference group and

brand image results in more possible decisions to select.

4.2 IMPLICATION

Motivation variable becomes the dominant variable in influencing school selection decisions on YPK SHS Bontang. Motivation can affect someone (consumers) in the purchase decision because it is based on consumer's perspective regarding the subjective and objective assessment of the expected criteria. YPK Institution has provided something that meets the parents' expectation based on their motivations. Still, the institution is necessary to maintain and even improve services and competitive advantage of all sectors as a whole. For example, the information regarding the students who graduated with a satisfactory score and accepted in reputable public universities should be spread over to the wider community through the media so that consumers will be motivated to send their children there. The product service and price are good enough to motivate people to select the school. The consumers only need to ensure that the quality will not get decreased and the cost does not increase greater than the perceived quality. Giving merchandise can also be one of the promotion efforts to attract parents and maintain customer loyalty. Because, from the finding it reveals that prestige as an item of motivation variable can influence decisions to select. Since there are a lot of parents who have already send their children once in YPK SHS, it is possible to create customer loyalty so that the parents will send the other kids again to get enrolled in the school. Loyalty is also able to increase the customer intention to make decisions to select. Further, as loyalty will influence and

increase sales, profits, and long-term sustainability of the institution. Physical evidence of the school needs an improvement. Decorate the wall with some unique picture, or choose the paint that can radiate comfort feeling there can be a choice to make better atmosphere. The process of learning in the class must be fun until the students feel the passion of study. No one is sleepy in class when they are engaged in teaching and learning process. Good relation should be improved and more intensive cooperation with other reputable public universities must be arranged so that the student will get easy access to get enrolled in particular public universities. For more deeply, YPK SHS as a school can improve an assesement or score system. It must be increased to gain more a education quality of the school which impact the student to study. With the ease of getting a score makes the student lazy to study more. YPK SHS also can actively held more event or competition in education or sports internally. It makes the student accustomed and more confidence to facing in high level competition. They also can maximizing academic time. From all of it will make the school will gain more the academic and student achievements which can motive parents to select the school.

Variable perceived value becomes significant variable influencing decisions to select partially. The role of perceived value to the consumer will influence the decisions to select since this is simply because each person has a different perception on the value of an object. Therefore, a quick purchase decision will be emerged if there is positive perception on the

items to be bought. In this study, the consumers have received positive result but low value of significant level on the services provided by YPK SHS. It could happen due to lack of the required values of the parents. As an institution that wants to be great, YPK SHS needs to improve things such as the convenience of learning services, quality education, a safe place to learn and reputation of the school itself. The provision of training to teachers also has to be improved in order to enhance the professionalism of the teachers. It is observable from the way the teachers teach. The other supporting resources like cleaning service, security etc. also can help in maintaining the cleanliness, comfort and safety on study facilities. The physical evidence of the teacher and supporting personal should be neater and cleaner. It is because they are the role figure for those students regarding to how to behave and to make their appearance up. Convenience and security of the cafeteria, where students take rest also needs to be improved because it is a main health support for students. Parents will have greater trust and feel that their needs are met which then consider that the service is equivalent with the expenses incurred. The school place needs to improve the security system. Close supervision in the field is needed. The school has failed once which caused a fire attack which burns many vehicles and a laboratory at that time. It should not happen again and the security must be improved so that parents feel safe.

Reference group is a variable that is significant but get lowest value in this study. Reference group consists of nearby people that can

affect the parents decisions to select. They can give either good or bad information about this school. Therefore, YPK SHS needs to establish a good relationship with the wider community as well. The main focus is that parents send their children there once; if the school is failed to attract the consumer, then the school will lose their potential customers. CSR or Corporate Social Responsibility is also necessary to support good relationship with the citizen. The school should be able to provide information that will positively affect the parents. The school also needs hold a meeting with the parents to share and discuss. The school needs to give education to the parents that the kids also need learning while they are not at school. Parents are one of the learning sources that can give positive impact to the student. The meeting is expected to be able to improve good relationship with the parents too. The parents can also give suggestion and aspirations for the school improvement.

Brand image becomes the second variable that has a significant effect on decisions to select partially. The image of the school and the holding company are very good as perceived by the society. The institute is expected to continuously improve and maintain the image of the company itself and also the image of the delivered services because both components are proven to be the benchmark for consumers in deciding to use a product. The institution is expected to be able to better understand the characteristics of customers and what they need and want so that YPK SHS can reflect the image of the consumers in a better way. Thus the company will

be easier to attract consumers who have the same characteristics regarding the image of YPK SHS. Image can be created from the several aspects of 7Ps. YPK SHS should be better by improving the image of those aspects. For example, YPK SHS add new major for language class. The new major is good for the product image since the school has more diverse choices regarding the available majors. It is rarely to find language class in the Bontang city; thus, it is good to attract people who demand the language class for their learning.

Based on the description above, YPK SHS brings good effect on the purchase decision making already by the parents. YPK must improve their target that does not rely on the parent's decision in there any longer. They must utilize customer loyalty as a target for the future sales, profit and development of the school. Based on the study, the customer has once sent their kid to this school. The school should get potential students from the other kids of the existing students before. In particular condition, they must improve the relationship with all of the customers. Good relationship can be maintain the loyalty effect and expand their market in provincial level. Good management especially in the quality and marketing is needed by the school to keep sustainable and independent without subsidy from the holding company.

5. CONCLUSION AND RECOMMENDATION

5.1 Conclusion

Based on the analysis and discussion, the conclusions are as follow:

1. The overall variables of motivation, perceived value,

reference groups and brand image simultaneously affect and support the customer purchasing decision.

2. All of the variables (motivation, perceived value, reference groups and brand image) are partially and significantly effect on customer purchasing decision.
3. Based on the result of the study, the variable of motivation is the most dominant variable that affects the customer's purchasing decision.

5.2 Recommendation

There are some advices that can be given by the researcher are as follows:

1. Motivation
 - a. Institute must be maintained and even improve services and competitive advantage of all the sectors as a whole. For example, in the height information of students who graduated with a satisfactory score, students receive high PTN to the wider community through the media.
 - b. Giving merchandise or discount can also be one to attract parents and maintain loyalty.
 - c. Decorating walls with unique picture or paint.
 - d. Added new relation or cooperation with other good PTN.
 - e. Improve the assesement or score system.
 - f. Held more event or competition of education and sports.
 - g. Maximizing academic time.
2. Perceived Value
 - a. The institute needs to be improved such as the convenience of learning services, quality education, a safe place to learn and reputation of the school itself.
 - b. The provision of training to teachers also has to be improved

in order to professionalism onset of a teacher to his students.

- c. The other supporting personal like cleaning service, security etc. also can help in maintain the cleanliness, comfort and safety on study facilities.
 - d. Convenience and security in the cafeteria where students rest also needs to be improved, because it is a major health for students.
3. Reference Groups
 - a. YPK SHS needs to establish a relationship with the wider community as well.
 - b. CSR or Corporate Social Responsibility is also necessary to ensure good relations with the citizen. That way they are able to provide information that will positively affect the parents.
 - c. Parents meeting. To give chance for the parents to give suggestion or aspiration to the school. YPK SHS also can give a training to parents to give an education while not in school.
 4. Brand Image
 - a. The school must improve and maintain the image of the company itself and also

the image of the given services, because both components are proven to be the benchmark for consumers in deciding to use a product.

- b. The school must be able to better understand the characteristics of customers and what they need and want so that future SHS YPK can better reflect the image of the consumers.
 - c. Added a language class, it can be the place to appreciate students who have capability in language and passion in there.
5. For further research is necessary to add more factors that influence the purchase decision. In addition to further enhance understanding of the factors that influence the purchase decision. This study has not entered variables on other aspects that may affect and further refine these results.
 6. Future studies can be conducted by using a wider research object. To obtain more general results of the factors that influence purchasing decisions are considered.

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