

The Influence of Advertising and Servicescape on Interest in Continuing Studies with Brand Image as a Mediation Variable in Master of Management Mahasaraswati Denpasar University

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ABSTRACT

Education has a primary role in the national development agenda during the development period to achieve progress in the social, cultural, political, and economic fields. Globalization has encouraged the emergence of very competitive competition in education, both among State Universities and Private Universities, one of which is Mahasaraswati Denpasar University, especially the Master of Management study program. It was recorded that from 2015 to 2019, there was a significant inequality, as many factors influenced one's interest in continuing their studies or not their studies. One of the factors is buying interest in educational services. In this study, the number of samples was 272 respondents using the Slovin formula. The sampling method was the stratified random sampling technique. Methods of collecting data were interviews and questionnaires. The data analysis technique was performed using Path Analysis (Structural Equation Modeling-Partial Least Square (SEM PLS)). The findings reveal that out of seven hypotheses, six hypotheses are accepted.

Keywords: Advertising, Brand Image, Servicescape, Student Interest

INTRODUCTION

Globalization has encouraged the emergence of very competitive competition in the world of education. Master Program (S2) is an academic education that directs its graduates to have the ability to dominate and apply theories to specific fields of knowledge and to solve cases according to the field of expertise and scientific principles through research and development. The phenomenon is the high graduation rate of undergraduate students, which is not proportional to the number of new master's students, especially for the province of Bali.

Many factors affect one's interest in continuing their studies. They are related to factors that influence buying interest in educational services (Margaretha, 2011). At Mahasaraswati Denpasar University, especially the Master of Management study program, the number of new students increased was not as much as universities in one market segment, namely the National Education University and Warmadewa University. Seeing this condition, universities began to compete to provide the best service quality,

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apart from service quality however, advertising and attractive servicescape were also attractions in influencing the interest of prospective students in choosing a university (Mahmud, Saerang, Soegoto, & Wenas, 2018; Muhyidin, 2015).

Morissan (2014) states that advertising is one of the most well-known and most discussed forms of promotion by people. This is probably due to its broad reach. Advertising is also an essential promotional instrument, especially for companies that produce goods or services aimed at the public.

According to Lovelock and Wirtz (2011), a servicescape is an impression created by the senses caused by the physical environment arrangement. Based on the definitions, a servicescape is a physical environment that exists when services are provided to consumers and has certain elements that are still related to the concept of services provided. A servicescape can give a positive or negative impression, with which business people can provide good service quality so that consumers feel comfortable. It can also be applied to universities by providing an excellent servicescape to undergraduate students, making them feel comfortable and increasing their interest in continuing to a higher education level at the same university. The purpose of having good advertising and a servicescape will form a good brand image as well. Brand Image is critical to attracting consumer interest because it represents the brand's overall perception.

This study aims to find out 1) the effect of Advertising and Servicescape on the formation of Brand Image on prospective students, 2) the effect of Brand Image, Advertising, and Servicescape on the interest of prospective students in continuing their, 3) the effect of Brand Image mediating the Advertising and Servicescape on interest in continuing studies at the Master of Management, Mahasaraswati Denpasar University

This paper serves as a reference and consideration in increasing knowledge in the field of marketing, especially those related to customer loyalty. It is also a consideration in making decisions, especially on facilities and advertisements, to make marketing strategies to attract prospective students to continue their studies and get new students from outside Mahasaraswati Denpasar University. It becomes a reading reference and adds insight for people who will research the same topic. For the world of education, it could be used as a source of information related to education or references and knowledge for researchers who carry out further research development in marketing. Additionally, it is expected to provide insight and consideration in determining marketing strategies and making decisions on student interests.

According to Kotler and Armstrong (2012), advertising is any form of non-personal presentation and promotion of ideas, goods, or services by a particular sponsor that requires payment. Moriarty, Mitchell, and Wells (2011) defined advertising as all types of communication that refers to all forms of communication techniques used by marketers, which are carried out to convey the message to consumers.

According to Lupiyoadi (2013), a servicescape (service environment) is the environment where the service delivery is located. It is the style and physical appearance of other experience elements encountered by customers at the service delivery place (Lovelock & Wirtz, 2011).

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According to Tjiptono (2015, p. 49), "Brand image is a description of consumer associations and beliefs about specific brands". Brand image is consumers' observations and beliefs, as reflected in consumers' associations or memories.

Repurchase intention is an activity to buy goods or services by consumers to buy back goods or services they have been previously purchased. It is basically positive customer behavior towards the quality and satisfaction that consumers get from the company where it will make consumers make return visits, consume, or repurchase products or services that have been used previously.

On these bases, we hypothesize:

- H1 : Advertising has a positive influence on the formation of a brand image for prospective students of the Master of Management, Mahasaraswati Denpasar University
- H2 : Servicescape has a positive effect on the formation of Brand Image in prospective students of Master of Management, Mahasaraswati Denpasar University
- H3 : Brand Image has a Positive Effect on the formation of prospective students' interest in continuing their studies at the Master of Management, Mahasaraswati Denpasar University
- H4 : Advertising has a positive effect on the interest of prospective students in continuing their studies at the Master of Management, Mahasaraswati Denpasar University
- H5 : Servicescape has a positive effect on the interest of prospective students in continuing their studies at the Master of Management, Mahasaraswati Denpasar University
- H6 : Brand Image mediates the influence of Advertising on the interest of prospective students in continuing their studies at the Master of Management, Mahasaraswati Denpasar University
- H7 : Brand Image mediates the influence of Servicescape on the interest of prospective students in continuing their studies at the Master of Management, Mahasaraswati Denpasar University

RESEARCH METHOD

This research was conducted at Mahasaraswati Denpasar University, a private university in Bali, since the number of master's students is lower than other private universities in the same market segment in Denpasar City.

The study population was undergraduate students of Management at Mahasaraswati Denpasar University, Class of 2017, as they have completed their undergraduate studies. The number of samples was 272 people. The variables used are:

X1: Advertising

X2: Servicescape

Y1: Brand Image

Y2: Interest in Continuing Study

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The data collection method was a questionnaire, by giving a set of questions or written statements to respondents to answer. The data analysis technique was performed using Path Analysis (Structural Equation Modeling-Partial Least Square (SEM PLS)).

RESULTS AND DISCUSSION

Testing the Structural Model (Inner Model)

Evaluation of the structural model can also be done by paying attention to the Q^2 predictive relevance model that measures how well the observed values are generated by the model. Q^2 is based on the coefficient of determination of all dependent variables. The magnitude of Q^2 has a value with a range of $0 < Q^2 < 1$, the closer the value to 1 means the better the model. In this structural model, there are two endogenous (dependent) variables, namely: Brand Image (Y_1) and Student Interest in Studying (Y_2). According to Table 1, two coefficients of determination (R^2) can be determined as the basis for calculating the Q^2 predictive relevance model.

Table 1. Calculation of Evaluation results Predictive relevance Q^2

| Structural Model | Dependent Variable | R-square |
|---|--|----------|
| 1 | Brand Image (Y_1) | 0,375 |
| 2 | Students' interest in continuing their studies (Y_2) | 0,191 |
| Calculation: $Q^2 = 1 - [(1-R_1^2) (1-R_2^2)]$ $Q^2 = 1 - [(1-0,375) (1-0,191)]$ $Q^2 = \mathbf{0,494}$ | | |

Table 1 proves that the value of Q^2 of 0.49 is close to the value of 1 ($0 < Q^2 < 1$), thus the structural model has good conformity (goodness-fit model). These results can be interpreted that the information contained in the data, 49%, can be explained by the model while the remaining 51% is explained by errors or other variables not included in the model.

Hypothesis Testing Results

To see the significance of the effect of education and training on motivation, work ability, and its impact on performance can be seen from the value of the original sample, the value of T statistics and P - Values on the output path coefficient. The limit for rejecting or accepting the hypothesis is $P - \text{Values} < 0.05$ or T statistic > 1.96 . Table 2 presents the results of the path coefficient.

Table 2. Hypothesis Testing of Direct Influence

| Relationship Between Variables | Original Sample (O) | T-Statistics | P-Value | Information |
|--------------------------------------|---------------------|--------------|---------|-------------|
| Advertising (X1) -> Brand Image (Y1) | 0,180 | 3,114 | 0,002 | Significant |

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| | | | | |
|---|--------|--------|-------|-----------------|
| Advertising (X1) -> Student Interest to Continue Study (Y2) | 0,269 | 4,455 | 0,000 | Significant |
| Brand Image (Y1) -> Student Interest to Continue Study i (Y2) | 0,327 | 4,139 | 0,000 | Significant |
| Servicecape (X2) -> Brand Image (Y1) | 0,619 | 20,775 | 0,000 | Significant |
| Servicecape (X2) -> Student Interest to Continue Study (Y2) | -0,001 | 0,008 | 0,994 | Non-Significant |

The coefficient value of $X1 - Y1$ is 0.180 with a t-statistics value of 3.114. The t-statistics value is greater than 1.96, and the value of sig <0.05. Based on this, hypothesis 1 is accepted. The analysis results mean that the better the advertising, the higher the formation of brand image is.

The coefficient value of $X2 Y1$ is 0.619 with a t-statistics value of 20.775. The t-statistics value is greater than 1.96 and the value of sig <0.05. Based on this, hypothesis 2 is accepted. The analysis results indicate that the better servicescape, the higher the formation of Brand Image is.

The coefficient value of $Y1 - Y2$ is 0.327 with a t-statistics value of 4.139. The t-statistics value is greater than 1.96 and the value of sig <0.05. Based on this, hypothesis 3 is accepted. The results of the analysis mean that the better the brand image, the higher the interest of prospective students in continuing their studies is.

This result can be seen in the coefficient value of $X1 - Y2$ is 0.269 with a t-statistics value of 4.455. The t-statistics value is greater than 1.96 and the value of sig <0.05. Based on this, hypothesis 4 is accepted. The results of the analysis mean that the better the advertising, the higher the interest of prospective students in continuing their studies is.

These results can be seen in the coefficient value of $X2 - Y2$ is 0.001 with a t-statistics value of 0.008. The t-statistics value is greater than 1.96 and the value of sig <0.05. Based on this, hypothesis 5 is rejected. The analysis results indicate that an increase or decrease in advertising cannot increase the interest of prospective students in continuing their studies.

Hypothesis Testing of Indirect Influence

Table 3 presents the path coefficient validation test results for each path for the indirect effect. It provides information for hypothesis testing.

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Table 3. Hypothesis Testing of Indirect Effect

| Variable | Original (O) | T Statistics | P-Value | Information |
|--|--------------|--------------|---------|-------------|
| <i>Advertising (X₁) -> Brand Image (Y₁) -> Student Interest to Continue Study (Y₂)</i> | 0,059 | 2,635 | 0,009 | Significant |
| <i>Servicescape (X₂) -> Brand Image (Y₁) -> Student Interest to Continue Study (Y₂)</i> | 0,202 | 4,014 | 0,000 | Significant |

The coefficient value of X₁ – Y₁ is 0.059 with a t-statistics value of 2.635. The t-statistics value is greater than 1.96 and the value of sig <0.05. Based on this, hypothesis 6 is accepted. The results of the analysis indicate that brand image can have a mediating effect on the influence of advertising on the interest of prospective students in continuing their studies at the Master of Management, Mahasaraswati Denpasar University.

The coefficient value of X₂ – Y₁ is 0.202 with a t-statistics value of 4.014. It is greater than 1.96 and the value of sig <0.05. Based on this, hypothesis 7 is accepted. The results of the analysis mean that brand image can have a mediating effect on the influence of servicescape on the interest of prospective students.

The Effect of Advertising on Brand Image Formation

The results of statistical data analysis show that Advertising has a positive and significant effect on Brand Image (path coefficient of 0.180 with t-statistics value of 3.114). This implies that high advertising will have a strong influence on brand image. This means that the quality of advertising in convincing students to choose and distinguish an educational service has succeeded in increasing its influence on the formation of Brand Image encouraging prospective students to dig information to continue to study.

The Effect of Servicescape on the formation of Brand Image

The results of statistical data analysis show that Advertising has a positive and significant effect on Brand Image (path coefficient of 0.619 with t-statistics value of 20,775). This shows that a high servicescape will have an effect on a high brand image. The higher the quality of the library environment perceived by students will increase the influence on the responses given to the image of the Master of Management Mahasaraswati Denpasar University, and vice versa. The lower the quality of the library environment perceived by students will decrease the influence on the image of the Master of Management Mahasaraswati Denpasar University.

The Effect of Brand Image on the Interests of Prospective Students in Continuing their Study

The results of statistical data analysis show that Brand Image has a positive and significant effect on student interest in continuing studies (path coefficient of 0.327 with a t-statistics value of 4.139). This shows that a high brand image will affect the student interest in continuing their studies. This means that prospective students' belief affects the interest of undergraduate students to continue their studies to Master of Management

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at Mahasaraswati Denpasar University. The higher the confidence of prospective students highly will affect their interest and vice versa. The lower the confidence of prospective students in an image of Master of Management. The lower the influence on the interest of undergraduate students to continue their studies.

The Effect of Advertising on the Interest of Prospective Students in Continuing Their Studies

The results of statistical data analysis show that Advertising has a positive and significant effect on Student Interest in Continuing Study (path coefficient of 0.269 with t-statistics value of 4.455). It shows that high advertising will have an influence on student interest in continuing their study. This means that the quality of advertisements in convincing students to choose and differentiate a master of management education service at Mahasaraswati Denpasar University has increased its influence on student interest in continuing their studies. The higher the quality of advertisements, the higher their interest, and vice versa. The lower the quality of advertisements, the weaker the students' interest.

The Effect of Servicescape on the Interest of Prospective Students in Continuing Their Studies

The results of statistical data analysis show that Servicescape has a positive and significant effect on Student Interest in continuing their studies (path coefficient of -0.001 with t-statistics value of 0.008). This shows that a high servicescape highly influencing student interest in studying is not proven. This means that the quality of the library environment felt by students cannot have a real influence on the interest of prospective students. The high and low interest of prospective students to continue their studies at the Master of Management, Mahasaraswati Denpasar University is not influenced by the quality of the library environment.

Brand Image's mediation to Advertising on the interest in Continuing Studies

The results of statistical data analysis show that Brand Image can mediate the positive and significant influence of Advertising on Student Interest in continuing their studies (indirect path coefficient of 0.059 with t-statistics value of 2.635). This research model shows that brand image can mediate the positive influence and significant advertising on student interest to continue their studies. This means that the increasing image of the Master of Management will influence the quality of advertisements in convincing students to choose and differentiate an educational service so that the interest of prospective students to continue their studies is increased. On the other hand, the declining image will have a weak influence on the quality of the advertisements.

Brand Image's Mediation to Servicescape on the interest in Continuing Studies

The results of statistical data analysis show that Brand Image can mediate the positive and significant influence of Servicescape on Student Interest in continuing their studies (indirect path coefficient of 0.202 with t-statistics value of 4.014). This research model shows that brand image can mediate positive influence and significant servicescape on student interest to continue their studies. This means that the increasing image of the Master of Management will have an increasing effect on the quality of the library environment, so that in the end the prospective students have an increased interest in continuing their studies to a higher level, and vice versa. The declining image of the

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Master of Management will have a decreasing effect on the quality of the library environment felt.

Descriptive research on advertising on the aspect of interest needs to get better attention, because there are as many as 1.5 percent of prospective students who strongly disagree with "Social Media used as advertising media for Master of Management Mahasaraswati Denpasar University ", and as many as 3.3 percent who stated "After seeing the advertisement for Master of Management at Mahasaraswati Denpasar University, I am interested in continuing my studies at Masters in Management at Mahasaraswati Denpasar University". Descriptive research on servicecape that needs more serious attention is accessibility/convenience, signage, facility design, and social factor, since there are 1.0 - 22.1 percent of prospective students who give their opinion less agree.

CONCLUSIONS

Our analysis concludes that Advertising has a positive and significant effect on the formation of Brand Image. This indicates that an increase in advertising will affect the increase in brand image of prospective Master of Management students at Mahasaraswati Denpasar University, and vice versa. Servicescape has a positive and significant effect on the formation of Brand Image. This indicates that the better the servicescape, the formation of brand image for prospective Master of Management students at Mahasaraswati Denpasar University will increase, and vice versa. Brand Image has a positive and significant effect on the interest of prospective students in continuing their studies. This indicates that the better the Brand Image, the interest of prospective students in continuing their studies at the Master of Management at Mahasaraswati Denpasar University will increase, and vice versa. Advertising has a positive and significant effect on the interest of prospective students in continuing their studies at the Master of Management, Mahasaraswati Denpasar University. This indicates that the better the advertising, the higher the interest of prospective students, and vice versa.

Servicescape does not affect the interest of prospective students in continuing their studies at the Master of Management, Mahasaraswati Denpasar University. This indicates that the level of servicescape cannot affect the interest of prospective students in continuing their studies, and vice versa. Brand Image can mediate the influence of Advertising on the interest of prospective students to continue their studies. This indicates that a better brand image will be able to have an increasing influence on advertising. Improvements in brand image and advertising can influence the interest of prospective students in continuing their studies at the Master of Management at Mahasaraswati Denpasar University. Brand Image can mediate the influence of Servicescape on interest in continuing studies at the Master of Management, Mahasaraswati Denpasar University. This indicates that a better brand image will be able to create an increasing servicecape. Improvements in the brand image and better servicecape can increase the interest of prospective students in continuing their studies.

The findings suggest the university management further improve the servicescape to form its brand image in increasing the interest of prospective students to continuing studies. Future research should conduct research in various sectors, so that the research

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results can later represent the efforts to develop the higher education sector through advertising, servicescape, and a better brand image that can be generalized to the general public. More in-depth research is needed on the servicescape by involving more variables and indicators so that the research results become more comprehensive.

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