EFFECT OF BRAND POSITIONING AND INTEGRATED MARKETING COMMUNICATION TOWARD CHOICE DECISIONS ON STUDENTS OF PALEMBANG-INDONESIA

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Abstract
        This empirical study aimed to find out the brand positioning and integrated marketing communication through the brand equity to the choice decision making of the students of Tourism Polytechnic of Palembang-Indonesia. The study was conducted in the Tourism Polytechnic of Palembang. The primary data were collected through the questionnaire that was composed of 34 statements, randomly distributed to respondents via Google form. The data analysis techniques used the SPSS software and the Amos program and SEM was used to determine the variables and suitability of the proposed model. The result of this study showed that there was a significant and positive influence of the brand positioning and integrated marketing communication on the choice making of the students of Tourism Polytechnic of Palembang (Indonesia). The result also showed that there was a significantly positive influence of the brand positioning and integrated marketing communication on the brand equity.

Keywords: brand equity, brand positioning, integrated marketing communication, Choice Decision
JEL Classification: I2, M3

Introduction

        Higher education environment in most developing countries has become so competitive for potential students (Brown, Varley, & Pal, 2009). The benefits and differentiating factors are the leading indicators when higher education institutions position themselves against competitors (Frølich & Stensaker, 2010). Chapleo (2010) states that a university's brand positioning is to build, manage, and develop a branding impression on someone that evokes "associations, emotions, and images of the university's branding".

        Ancheh (2006) states that the institutional factors for brand positioning of higher education institutions include reputation and job prospects for future graduates which affect students to study at a private higher education institution in Malaysia. Reputations show that the main motivation for students to choose certain higher education institutions is their desire to have quality higher education services (Mazzarol & Soutar, 2002;

Binsardi & Ekwulugo, 1999; Maringe, 2006; Ancheh, 2006; Joseph, Mullen, & Spake, 2012; Herrero-Crespo, Gutiérrez, & Garcia-Salmones, 2016; Dennis, Papagiannidis, Alamanos, & Bourlakis, 2016).

Some results of studies (David & Martina, 2011; Fard & Farahani, 2015; Keller, 2016; Foroudi, Dinnie, Kitchen, Melewar, & Foroudi, 2017; Šerić, 2017) show that integrated marketing communication has an essential role in brand management for long-term brand strategies. Fard & Farahani (2015) found out that integrated marketing communication variables have a direct effect on purchasing decisions.

Aaker (1991) explains that measuring the concepts of university brand equity as a whole is explained by several constructs among others, i.e. perceptions of quality, brand trust, brand loyalty, brand awareness, and brand association. A strong brand maintains a strong and profitable customer relationship (Kotler & Amstrong, 2012).

Decision making is widely viewed as a problem-solving process carried out by applicants in the process of making a choice decision (Ho & Hung, 2008; Brown, Varley, & Pal, 2009; Chapleo, 2010). One useful way to gain an understanding of higher education marketing is to have an understanding of the factors affecting the student's choice and the decision making process of prospective students at a higher education institution.

Polytechnics are tertiary education institutions that provide vocational education in the science and/or technology clusters. In the case these institutions meet the requirements, they can organize professional education also. Tourism Polytechnic of Palembang-Indonesia as a higher education institution that provides professional education in the tourism and hospitality sector has contributed to human resources developments from the tourism sector. It has four (4) education study programs, i.e Convention and Event Management, Culinary Arts, Service and Room Divisions.

Data of student number in the Tourism Polytechnic of Palembang from 2016 to 2018 can be seen in Table 1 below:

Table 1. Students' Data in Tourism Polytechnic of Palembang

Year	Registered Students	Quota of Accepted Students	Potentially Active Students	Difference (%)
2016-2017	250	200	196	2
2017-2018	550	400	367	8.25
2018-2019	733	250	249	0.4

Source: secondary (Students' Data in 2016-2018)

Table 1 shows a decrease in the number of potential students in the Tourism polytechnic of Palembang. In the 2016-2017 academic year, there were 196 potential students from the 200 quota target. In 2017-2018 there was a decrease of 8.25% as compared to the previous year. The decline extends in 2018-2019 of 0.4%. These were caused by some students cancelling their registration. They were accepted into favorite public universities in Indonesia.

Literature Review
Brand Positioning

Blankson, Kalafatis, Coffie, & Tsogas (2014), state that brand positioning in an iterative set of strategies moves driven and focused on activities requiring a planned

managerial. These engagements include: defending competitive bids and identifying their relative position against competitors; effective marketing communication; and monitoring whether or not marketing plans and actions have been successfully communicated to the target audience.

Ancheh (2006) explains the brand positioning of higher education institutions represents an effort from these institutions to show the students their advantages and superiority over competitors. In this study, the approach is focused on Ancheh (2006) and it is adapted to the conditions at the Tourism Polytechnic of Palembang. The dimensions of the brand positioning variable in this study are the reputation and job prospect of the future graduates.

Reputation shows that the main motivation for the students to choice higher education is desire to have a good quality education (Herrero-Crespo, Gutiérrez, & Garcia-Salmones, 2016; Dennis, Papagiannidis, Alamanos, & Bourlakis, 2016). The indicators of reputation are institutions that have an international standard educational program, the academic reputation of the institution, and the quality of lectures who are professional in their field. Job prospect for the future graduates is that institutions have graduate success. The indicators are that graduates of higher education institutions immediately get jobs after completing their education, graduates have a great chance of being employed in companies, and institutions have a good cooperation with industry.

Integrated Marketing Communication

Result of several studies (David & Martina, 2011; Keller, 2016; Foroudi, Dinnie, Kitchen, Melewar, & Foroudi, 2017; Šerić, 2017) reveals that integrated marketing communication plays an important role in long-term brand management. Recently, the consumer-oriented integrated marketing communication process is enhanced by technological advances that seek to create and maintain substantial brand equity through coordination and synergy of various marketing communication tools and channels (Šerić, 2017). This study focuses on the approach of Foroudi, Dinnie, Kitchen, Melewar, & Foroudi (2017), i.e. websites, social media, advertising, public relations, and direct marketing.

Brand Equity

Keller & Lehmann (2006) asserts that brand equity is the value that consumers associate with a brand. Thus, the strength of a brand lies in what customers have learned, felt, heard, and responded to in relation to their experience with the brand. Aaker (1991) defines brand equity as the benefit value attached to a service or product. The value of this benefit is in the way of thinking, acting and the value that consumers feel about the brand. This study measures Aaker (1991) concept of brand equity in higher education, i.e brand awareness, perceived quality, brand association and brand loyalty.

Choice Decisions

In meeting the needs of a place to continue their higher education, prospective students make considerations that underlie the decision-making process of choosing their place of study. The decision-making process model referred to as consumer purchase behavior. Related to this research, the researcher applies four stages of purchase decisions (Kotler & Amstrong, 2008): problem recognition, information search, alternative evaluation, and the choice decision. These stages are as shown in Figure 1 below:

**Figure 1. Consumer Buying Decision Process**

| Problem Recognition | Information Search | Evaluation Alternative | Purchase Decision | Post-purchase Evaluation |
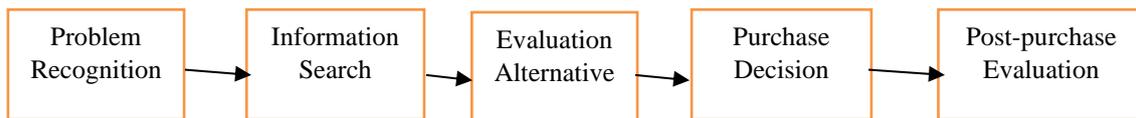
Source: Principles of Marketing, Kotler & Amstrong, Vol 1 (2008, p.179)

Conceptual Framework

Based on the literature review, the framework is shown in figure 2 below:

Figure 2. Conceptual Framework
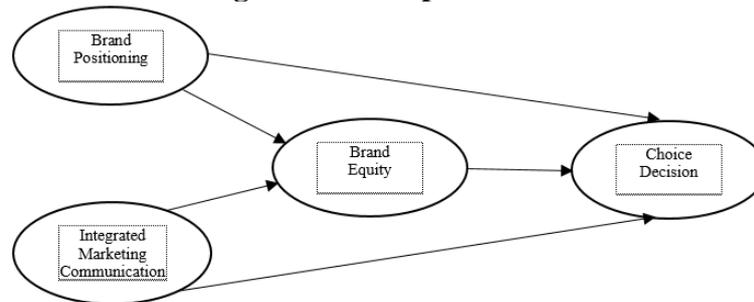
Hypothesis

The hypothesis to measure the effect of brand positioning and integrated marketing communication on brand equity and choice decisions are as follows:

H1 : Brand Positioning affects Brand Equity
H2 : Integrated Marketing Communication affects Brand Equity
H3 : Brand Positioning affects Choice Decision
H4 : Integrated Marketing Communication affects Choice Decision
H5 : Brand Equity affects Choice Decision

Methods

Population and Sample

The population of the study consists of all the students of Tourism Polytechnic of Palembang (Indonesia) classes of 2016-2017, 2017-2018 and 2018-2019 that were still registered as students at Tourism Polytechnic of Palembang. The samples were chosen randomly using probability sampling techniques, i.e. simple random sampling. The total number of students in April 2020 are 858.

Data collection technique

The data for the study were collected using a questionnaire with a Likert scale with 34 statements. The questionnaire was designed in google form format that allowed it to be distributed online by the Public Relation department of Tourism Polytechnic of Palembang to the sample.

Data Analysis Method

This research employs a descriptive and quantitative analysis. The descriptive analysis serves to describe the frequency distribution of the respondents' answers of the variables. Meanwhile, quantitative analysis utilizes Structural Equation Modeling (SEM) from the Amos statistical package (SPSS, Amos Version 24). The Amos 24 program provides facilities to find the best model in a confirmatory and exploratory manner. It is also search for the best model simultaneously.

Results
Descriptive Statistic
        In this study, there were 205 respondents whose characteristic are described in Table 2 below:

Table 2. Descriptive Statistic (N=205)

| Category	Description	Number	Percentage (%)
Gender	Male	78	38
	Female	127	62
Age	17-20 years old	148	72.2
	21-23 years old	55	26.8
	>23 years old	5	1
Study Program	Convention and Event Management	82	40
	Culinary Arts	65	31.7
	Service	30	14.6
	Room Divisions	28	13.7
Semester	1-2	121	59
	3-4	42	21
	5-6	41	20

Source: Processed Data, 2020

        The results showed that 127 (62%) respondents were female. This is according to the information and secondary data from Tourism Polytechnic of Palembang that the majority students are female. This means that females are more interested in tourism polytechnics than males, given that on average women like culinary and hospitality.

Quantitative Analysis
        SEM analysis is a tool used to get a good model testing data, including normality test, and residual test. This study tested five hypotheses with four variables, i.e. brand positioning, integrated marketing communication, brand equity and choice decision; and employed 34 indicators. An analysis of the dimensions and indicators of latent variables or exogenous and endogenous construct was done using confirmatory factor analysis
        After analyzing the undimensionality level of the dimensions and latent variables forming indicators or exogenous and endogenous constructs tested by CFA, the model of CFA from the firmed exogenous and endogenous constructs was combined into an overall model for analysis. The full SEM model analysis is shown in Figure 3 below:
Figure 3. Initial Full Model
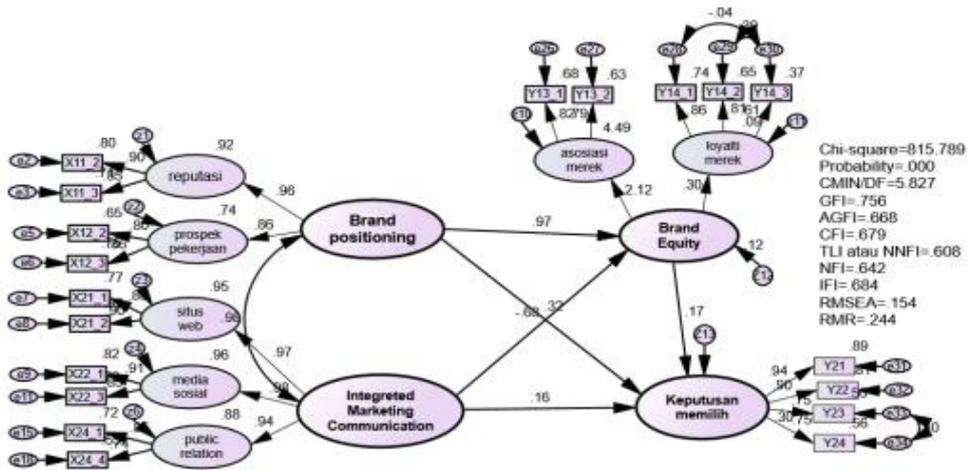
Source: Processed Data, 2020

After fulfilling the sample assumptions, data normality and evaluation of outliers, the model is modified to improve the Goodness of Fit. The revisions made to achieve the Goodness of Fit in the initial model, as in Figure 3. The final results of the model modification can be seen in Figure 4:

Figure 4. Final Full Model
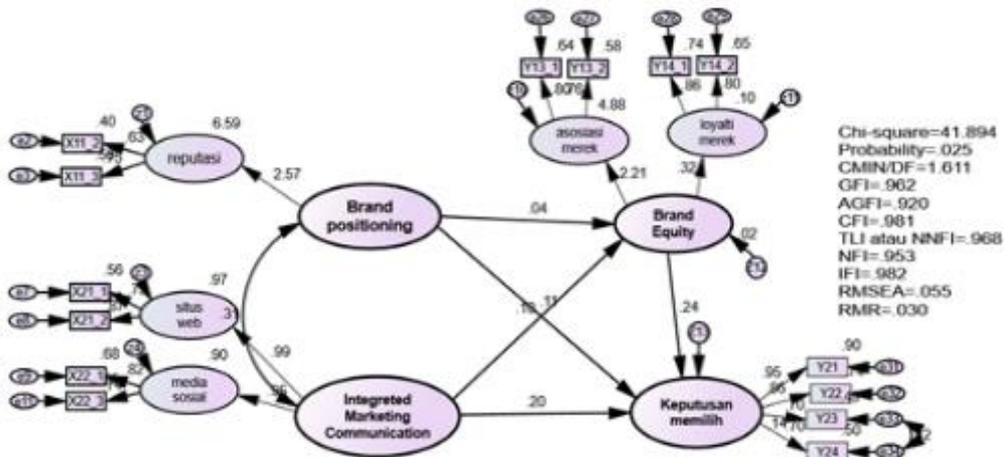
Source: Processed Data, 2020

Figure 4 describes that the results have met the requirements of the Goodness of Fit model. Indice modification is no longer needed because all the conditions have been met (Ghozali, 2016). The result of the goodness of fit Figure 4 are shown in Table 3 below:

Tabel 3. Goodness of fit (After Final Revisions)

Fit Measure	Results	Model Requirement	Test Result
X^2 – Chi Square or CMIN	41.894	Expected lower	Good fit
Significace Probability of CMIN (p- value)	0.025	Good fit if p-value ≥ ⟨=0,05 or 5%	Good fit
CMIN/DF	1.611	Good fit if CMIN/DF<2.00	Good fit
GFI	0.962	GFI ≥ 0.90 Good fit 0.80 ≤ GFI ≤ 0.90 is marginal fit	Good fit

AGFI	0.920	AGFI ≥ 0.90 Good fit 0.80 ≤ AGFI≤0.90 is marginal fit	Good fit
NFI	0,953	NFI ≥ 0.90 Good fit 0.80 ≤ NFI≤0.90 is marginal fit	Good fit
IFI	0,982	IFI ≥ 0.90 Good fit 0.80 ≤ IFI≤0.90 is marginal fit	Good fit
TLI	0,968	TLI ≥ 0.90 Good fit 0.80 ≤ TLI≤ 0.90 is marginal fit	Good fit
CFI	0,981	CFI ≥ 0.90 Good fit 0.80 ≤ CFI≤0.90 is marginal fit	Good fit
RMSEA	0.055	RMSEA < 0.08 Good fit	Good fit
RMR	0.030	Good fit if RMR< 0.05	Good fit

Source: Processed Data, 2020

After running the model, it was shown the standard regression output value weight for each variable. Table 4, shows the result of the Standard regression value weight of the Amos output.

Table 4. Standard Regression Weight

			Estimate
Brand_Equity	<---	Brand_positioning	.043
Brand_Equity	<---	Integreted_Marketing_Communication	.105
Choice_Decision	<---	Brand_positioning	.113
Choice_Decision	<---	Integreted_Marketing_Communication	.205
Choice_Decision	<---	Brand_Equity	.243

Source: Processed Data, 2020

Hypothesis Testing Result

The results of the analysis obtained the following structural equation:

1. The structural equation of the effect of brand positioning (X1), Integrated Marketing Communication (X2) on brand equity (Y1), then the equation is:

$$Y1 = P1X1 + P2X2 + e1$$
$$Y1 = 0.043 \ X1 + 0.105 \ X2 + e1$$

The explanation of the equation:

Obtained an effect of 0.043 brand positioning (X1) on brand equity (Y1). If there is an increase or decrease in brand positioning (X1), then brand equity (Y1) will be affected by brand positioning variables (X1) has a very weak effect on brand equity (Y1).). For the Integrated Marketing Communication (X2) variable on brand equity (Y1), an effect of 0.105 was obtained, meaning that if there was a decrease in Integrated Marketing Communication (X2), then brand equity (Y1). will experience a decline, the Integrated Marketing Communication (X2) variable has a weak influence on brand equity (Y1).

2. The structural equation is the influence of brand positioning (X1), Integrated Marketing Communication (X2) and brand equity (Y1) on the decision to choose (Y2)

$$Y2 = P1\ X1 + P2\ X2 + P3\ Y1 + e2$$
$$Y2 = 0.113\ X1 + 0.205\ X2 + 0.243\ Y1 + e2$$

This equation means that brand positioning (X1) affects the decision to choose (Y2) by 0.113. Whereas if there is an increase or decrease in brand positioning (X1), the decision to choose (Y2) will also decrease and increase. Brand positioning variable (X1) has a weak influence on the decision to choose (Y2). The equation above also shows that Integrated Marketing Communication (X2) affects the decision to choose (Y2) by 0.205. This means that the decline in Integrated Marketing Communication (X2) has an effect on the decision to choose (Y2). And for brand equity (Y1) it affects the decision to choose (Y2) of 0.243 which means that brand equity (Y1) has increased or decreased, so making the decision to choose (Y2) has also increased and decreased as well.

The test was carried out on the five hypotheses proposed. The t-Value was used to test the hypothesis with a significance level of 0.005. In the Amos program, the t-value is the Critical Ratio value on the fit full model regression weight. If the CR value is greater than 1.967 or P value is less than 0.05, then H0 is rejected (the research hypothesis is accepted). The best results are shown in the Table 5:

Table 5. Regression Weight Structural Equation Modelling

			Estimate	S.E.	C.R.	P
Brand_Equity	<--	Brand_positioning	.043	.018	2.380	.017
Brand_Equity	<--	Integreted_Marketing Communication	.183	.066	2.779	.005
Choice_Decision	<---	Brand_positioning	.123	.054	2.281	.023
Choice_Decision	<---	Integreted_Marketing Communication	.384	.146	2.629	.009
Choice_Decision	<---	Brand_Equity	.260	.055	4.723	***

Source: Processed Data, 2020

Table 5 indicates that H0 rejected if t-value or critical ratio ≥ 1.967 or P ≤ 0.05 and H1 is accepted. The following is the results summary of all hypothesis tests carried out in this study. The results are shown in Table 6, below:

Table 6. Hypothesis tests Results

	Hypothesis	Statistik -t	Probability	Results
H1	Brand positioning affects Brand Equity	2,380	0,017	**Accepted**
H2	Integrated Marketing Communication affects Brand Equity	2,779	0,005	**Accepted**
H3	Brand Positioning affects Choice Decision	2,281	0,023	**Accepted**
H4	Integrated Marketing Communication affects Choice Decision	2,629	0,009	**Accepted**
H5	Brand Equity affects Choice Decision	4,723	***	**Accepted**

Source: Processed Data, 2020

Direct and Indirect Effect

The results of direct and indirect calculations in this study are shown in the Table 7:

Table 7. Direct and Indirect Effect

No	Type of effect	Integrated Marketing Communication	Brand Positioning	Brand Equity	Choice Decision
1	**Direct Effect**				
	Brand Equity	.618	.004	.000	.000
	Choice Decision	.092	-.020	.339	.000
2	**Indirect Effect**				
	Brand Equity	.000	.000	.000	.000
	Choice Decision	.209	.001	.000	.000

Source: Processed Data, 2020

Based on the result of the calculation in Table 7, integrated marketing communication has a direct effect on brand equity by 0,618. Integrated marketing communication has a direct impact on the decision to choose by 0,092. Brand positioning has a direct impact on brand equity by 0,004. -t this greater than the direct effect of brand positioning on the choice decision of -0,020. Brand equity has a direct effect on the decision choice by 0,339. From the table of direct effect, it can also be explained that the variable is 0,618 and the brand positioning variable by 0,004. The variable for the choice is directly affected by three variables, i.e integrated marketing communication, brand positioning and brand equity, each with a value of 0,092; -0.020; 0,339 respectively.

Furthermore, Integrated Marketing Communication *has an indirect on the decision to choose by* 0,209. B*rand positioning* has an indirect effect on the decision to choose by 0,001.

Discussions

The result showed that integrated marketing communication was a positive dominant factor affecting brand equity compared to brand positioning. This finding explains that integrated marketing communication encourages the increase of brand equity of Tourism Polytechnic of Palembang. The management can continue to maintain the existing website and social media because it has been proven to be effective in influencing the increase in their brand equity. Reputation, which is an indicator in the dimension of brand positioning is also a long-term strategy that must be carried out them.

From the direct and indirect effects, it is known the indirect effect of brand positioning and integrated marketing communication on the choice decision is positive. This shows that the brand positioning strategy, integrated marketing communication and increased brand equity can affect students' decisions to choose the higher education of their choice. The results of the indirect effect of brand positioning on the choice decision are higher and have a positive direct effect. It shows that the brand positioning strategy is not effective in driving the choice decision of students. However, brand positioning is very effective in encouraging the choice decision if it is intended to increase brand equity first. It is also known that the direct and indirect effect of integrated marketing communication on the choice decision is positive. These findings indicate that integrated marketing communication affects the students' choice decision.

Conclusion

Brand positioning has a positive influence on brand equity. This shows that brand positioning indicators can help build good equity of a brand. Brand positioning also influences the decision process to choose students. This shows that the main motivation for students to select a particular higher education institution is their desire to have a quality education.

Social media and websites have a strong influence on the Integrated Marketing Communication variable on the decision to choose students. The website and social media of Tourism Polytechnic of Palembang provide information that is relevant to the current conditions for prospective students which contribute to improving identity, brand awareness and communication to students.

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