The Influence of Marketing Communication Mix Elements of Perbanas Institute to Communication Effects

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Abstract

The increasing numbers of Private universities in Indonesia are not as well as the prospect numbers who want to continue their studies in universities. It is shown by the increasing number of new private universities every year. Therefore this study aims to give an alternative solution for private universities to determine which element of Marketing Communication Mix can be used and has a high influence to communication effect. This study was conducted in Perbanas Institute. The number of population is 1010 that comprises Diploma, Bachelor degree Majoring: Accounting and Management. Unit analyses of this study is individual, there are 150 students of 2011 batch students. This study is conducted using quantitative approach with survey method. Data collection was obtained by using questionnaires, the score range is from 1-5. In order to test the validity, the researcher used factor analysis. Cronbach’s Alpha is used to measure the Reliability. The result of validity and reliability test shows the reduction of instrument’s indicators from 59 to 54. F test shows that the calculated result is higher than t-table, 0.000 for level of significance. T-test shows there is a significant influence among advertising, Marketing Events, WOM to Cognitive response. Marketing Events had a great correlation to cognitive. However, those variables in promotional mix (advertising, Sales promotion, Marketing Events, and WOM) have great influence to Affective response. It is shown by the result of t-test (0.000 for level of significant). For the conative response, R square shows 0.259. It means that only 25.9% promotional mix variables influence the psychomotor response. Only WOM has highest level of significant among others. Based on the overall study’s result it can be stated that Perbanas Institute must create a new design of sales promotion to affect the communication effect: affective. In addition Perbanas Institute has to improve its facilities since WOM has a great influence to communication effect: psychomotor. Therefore, the marketing team of private universities is expected to determine which Marketing Communication mix element that must be enhanced and find the most suitable marketing strategy that can be implemented to promote its university.

Keywords: Marketing Communication Mix, Communication Effect.

1. Introduction

Expansion in the education sector has become an international trend, especially two or three decades, including in Indonesia. The triggers of this phenomenon are the advancement of science and technology, social demand and economic growth, as well as the importance of qualified human resources to support national development. In order to face the tight competitions, the private universities should do strategic marketing activity, as well as other business organizations. Without having modern marketing activities, it will be difficult to obtain the prospects students, community grants, and research funding (Sutarso, 2007). As an institution that offers product and services, private universities should make some policies

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which include: 1) Determining the product policy, in order to provide services that suit to the
needs and wants of consumers; 2) Determining the pricing policy, so that the consumers will
get satisfaction to what they pay; 3) Determining the policy of promotion, so that educational
services provided can be understood and addressed positively by consumers, and 4)
determining the distribution policy, in order to offer services that can be easily accessed by
consumers (Kotler: 2001). In other words, private universities need to design and implement
the marketing mix to maintain their sustainability.

Marketing activities that often conducted by most of private universities in Indonesia are
distributing brochures, joining educational fairs, advertising in printed and/or electronics
media, delivering presentation which can attract potential customers through open houses,
seminars, cooperation, and sponsorship with other parties.

Communication is the fundamental form of marketing activities, it is an effective way to
achieve a goal. Marketing communications and media help to build a brand by connecting
companies with customers (Duncan, 2005, p.8). Therefore, the planning of the
communication mix in the form of advertising, direct selling, public relations and publicity,
personal selling and sales promotion must be well-designed. According to Kotler (2000),
integrated marketing communications is a way to find out the entire marketing process from
the perspective of recipients who require a good product with interesting price and easily to
reach. Moreover, marketers must communicate intensely with customers to determine their
needs, and keep them satisfied and loyal. In Perbanas Institute, the number of enrollment
indicates the success of integrated marketing communication.

This study aims to determine whether the elements of the marketing communications mix
conducted by Perbanas Institute have an influence on the communication effects: cognitive,
affective, and conative of students. The study is expected to provide contributions and
recommendations for promotion and marketing team, particularly in the use of marketing
mix elements, and the evaluation of its marketing strategy. In addition, this study is also
expected to give significant contribution to the development of communication study that
related to marketing communications.

2. Theoretical Framework

Marketing communication is defined as the systematic relationship between a business and its
markets which the marketers collect a number of ideas, design, message, media, form, shape,
and color, to communicate ideas and stimulate certain perception of products and services to the customers that included in its market share (Smith, Berry, and Pulfrod, 1999, p. 42).

While Kotler (1997) defines “marketing communication is as a social and managerial process by which individuals or groups to achieve their needs and wants through creating and exchanging products and value to the others”. The marketers must consider some elements, they are: (1) prospective consumers, (2) the purpose of communication, (3) the message, (4) communication channels, (5) the total promotional budget, (6) the decision on marketing mix, (7) the results of promotion measurement, and (8) the management and coordination of integrated marketing communications (Shimp, 2004).

In the marketing mix theory, a number of marketing tools used to achieve marketing goals in its market share, consisting of 4 P: Product, Price, Place, Promotion. This fourth P, representing the perspective of the seller in order to influence its customers. Booms and Bitner in Kotler (2005, p.116), proposes the addition of 3P in the marketing services are the People (people), Physical evidence (physical evidence), and Process.

The element of promotion in marketing mix plays a vital role to communicate the positioning of services to its customers. According to Payne (1993,p.188) There are six types of promotional mix that is often used, namely 1) advertising, 2) direct sales, 3) sales promotion, 4) marketing public relations; 5) word of mouth; and 6) direct marketing.

The basic function of the marketing mix is product development, such as: pricing, channels of communication, control, advertising, direct marketing and direct sales. Promotion is a means to communicate with customers about products or services offered. The success of a business organization depends on effective communication with customers. By using 'the communication mix' effectively, companies can optimize the implications of such communication.

The implications of communication is important in the minds of consumers who connect them with a brand or a company in order to create a brand position to buy (Rossiter & Percy, 1997). Communication effects is developing through media which is from the selection of sound and flow of information from media to the individual (Lazarsfeld, 1948). Media has at least 18 types of media effects by forming a matrix that consisting of 3 (three) types of effects, namely Cognitive (knowledge), affective (attitude) and Conative (behavior) (Chafee in Gruning and Hunt (1984,p.126).
In communication effect, there are several models of communication responses (Hierarchy of Effects), which applies to the theory of marketing and advertising. One of them is the AIDA model, Hierarchy of Effects, communication model as illustrated in Figure 1:

![Figure 1. Response Hierarchy Models](image)

This study takes model b, the hierarchy of effects model from Robert J. Lavidge and Gary A. Steiner (1961) in "A Model for Predictive Measurements of Advertising Effectiveness," Journal of Marketing, which was adopted by Kotler (2001, p.253). There are three stages in several models of response levels, namely: the stage of Cognitive, Affective, and Behavior.

**Cognitive stages consist of:**
*Awareness:* If the target audience is not aware to the objects, the task of the communicator is to build awareness, name recognition, and symbol.

*Knowing:* The target audience may have the awareness about the company or product, but they do not know it in detail.

**The affective stage consists of:**
*Liking:* the target audience knows the product, feels happy or not, the communicator must find the reasons and then develop a communication campaign to improve or promote the feelings of the audience. Good community relations requires "good action followed by the goodwords."
Preferences: (favorite, in the sense of preferring a particular product rather than to the others) the target audience may like the product but do not choose it. Therefore, the communicators must build consumers’ preference. Communicators promote the quality, value, performance and other features of the product.

Believing: the target audience may prefer a particular product but they don’t have desire to buy it. Communicators must build the confidence of the audiences.

The last stage, Conative, namely:

Purchase: At the end the audience may have confidence but they do not intend to make a purchase, they may seek more information or act later. Communicators should direct the consumers to take the final step, for example by offering low-priced product or provide limited opportunity for customers to try.

Model of hierarchical effects described above is a process of advertisement works with the consumers assumption that take several stages to go through before making the purchase process. In addition, the hierarchical model of these effects is a basic model that describes the influence of advertising in a certain period. Advertising communications can not directly drive the consumer to purchase, but must go through a series of steps that must be taken, (Belch & Belch, 2004, p.148).

Besides the above models, there is a model called domino model in communication effects, as illustrated below:

This model explains that if the first domino (message) is able to drop the second domino (knowledge), then the message (first domino) is able to influence the knowledge (second domino) and if the knowledge (second domino) is able to drop the third domino (attitude), the knowledge will change one's attitude toward something. So do the third and the fourth
dominoes. However, if the second domino can not drop the third and fourth then it indicates that the communication has an impact on something else, such as consciousness (awareness) increases comprehension (understanding) compared to the change in attitude and behavior.

**Hypothesis**

The theoretical hypothesis of this study are as follows:

1. There is a significant influence of advertising, sales promotion, MPR, events, sponsorship, word of mouth to Cognitive variable.

2. There is a significant influence of advertising, sales promotion, MPR, events, sponsorship, word of mouth to Affective variable.

3. There is a significant influence of advertising, sales promotion, MPR, Events, sponsorship, Word Of Mouth to Conative variable

**3. Research Methodology**

This study uses a quantitative approach, the hypothetico-deductive method, because it classifies and quantifies social phenomenon through the use of statistics in the measurement. It begins with a deductive process, which started from the formation of a theoretical framework to produce the hypotheses as alternative answers to further research problems that will be tested (via supporting empirical evidence) through a specific methodology (N. Hidayat, 2006).

There are 6 (six) independent variables that have an influence to the communication effect which is as the dependent variable, in this study. They are: 1) advertising (X1), 2) sales promotions (X2), 3) Marketing Public Relations (X3); 4) Word of Mouth (X4). The communication effect consists of three effects: 1) cognitive, 2) affective and 3) conative. So that the regression equation model in this study becomes:

\[
C_g = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + X_3 + \beta_3 + \beta_4 x 4 \ldots \ldots \varepsilon (1)
\]

\[
A = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + X_3 + \beta_3 + \beta_4 x 4 \ldots \ldots \varepsilon (2)
\]

\[
C = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + X_3 + \beta_3 + \beta_4 x 4 \ldots \ldots \varepsilon (3)
\]

Where \(C_g\) is a cognitive response, \(A\) is an affective response, and \(C\) is a conative response.

Data collection was taken by using a questionnaire, which was given to 150 students Perbanas Institute class of 2010 with a score of 1 (strongly disagree) to 5 (strongly agree).
Sample selection was conducted by using Simple Random Sampling method, so the whole unit population have an equal chance to be sample.

This study has several limitations, they are:

1. Determination of variables; there are only four (4) items from the number of variables studied, they are: Advertising, Sales Promotion, Public relations and Word of Mouth, it is still possible that several significant variables have not been embodied. It affects the level of reliability.

2. The scope of the study is only on the measurement of the communication mix variables with Student Psychological responses in choosing a private university, it does not measure the correlation between consumer behavior and a student's decision in choosing a private university.

4. Analysis of results

4.1 Object Research

From 150 questionnaires that had been proceeded, the respondents in this study were dominated by male, 54% (81 people) and the rest were female for 46% (69 people). Based on the study program, we found that 37.3% (56 people) were management students (Bachelor), 34% (51 people) are Accounting students (Bachelor), 18% (28 people) are diploma students majoring in Accounting, 10.7% (16 people) are diploma students majoring in Management.

Meanwhile, based on the origin of respondents’ high school indicated that most respondents came from public high school, 62% (93 persons), followed by private high schools for 30% (45 people), and 2.7% (4 people) from private vocational schools and 1.3% of respondents (2 people) came from public vocational schools.

4.2 Data Analysis

From the data collection, we found that only 42.7 percent of respondents agreed and strongly agreed that they frequently heard radio advertising of Perbanas Institute, either ad lips, jingle, or talk show. While the 73 percentage of respondents agreed and strongly agreed that they had seen Perbanas Institute website before becoming Perbanas Institute students. It seemed that internet media was effective enough to provide information to potential applicants. Beside internet, printed media such as newspapers, leaflets, and brochures also considered
quite effective, since more than 36 percent of respondents strongly agreed and agreed that they got information through the media. Meanwhile, the variable of sales promotion did not get good response from the respondents, it only had small percentage that they agreed or strongly agreed on sales promotion.

For public relations, Perbanas Institute did below the line activities, such as visiting to high schools, participating in educational exhibition, giving sponsorship to high schools’events. From the result of the questionnaire, it showed that only 10 percent said that Perbanas Institute had visited their schools. Sponsorship at high school’s events also did not show good result. While the most effective variable is the exhibition, particularly was the education exhibition held in Istora and JHCC, advetorial and display in the printed media. In addition, Most respondents agreed that most trusted reference is their counselor at schools, their family and relatives.

From the regression result, it shows that the advertising, public relations, and word of mouth variables have a significant effect on cognitive response. While the sales promotion has no significant effect. However, these results did not have different impact on affective responses. While the response to conative, word of mouth is the only variable that is significantly influenced.

If we see the goodness of fit (F test), it shows that three of regression equation models used in this study is feasible (fit). Coefficient of determination (R2) shows low, especially in affective and conative responses. It indicates that there are other variables that affect students’s decision to choose Perbanas Institute. This is certainly a challenge for Perbanas Institute.

<table>
<thead>
<tr>
<th>Dependent Variable</th>
<th>Independent Variable</th>
<th>Coefficient</th>
<th>T Stat</th>
<th>Sig. T Stat</th>
<th>F Stat</th>
<th>Sig F Stat</th>
<th>R²</th>
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<tr>
<td>Cognitive</td>
<td>C</td>
<td>-4.218</td>
<td>-3.049</td>
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<td>79.245</td>
<td>.000</td>
<td>.689</td>
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<td></td>
<td>Promotion</td>
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<td>1.412</td>
<td>.160</td>
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<tr>
<td></td>
<td>PR</td>
<td>.137</td>
<td>4.724</td>
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<td></td>
<td>WOM</td>
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<tr>
<td>Affective</td>
<td>C</td>
<td>.553</td>
<td>1.386</td>
<td>.168</td>
<td>12.735</td>
<td>.000</td>
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<td>Promotion</td>
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<td>2.368</td>
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<td>.688</td>
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Theoretically, this study proves that the marketing communications mix have a significant effect on cognitive response. As noted by Shimp (2000, p. 184), "most consumers will respond to a message that serves their cognitive needs". Cognitive needs is a great chance to respond to the same stimuli with their informational goals.

From the results of this study found that WOM has the highest influence on student conative responses in choosing private universities. This is consistent with what is proposed by Shimp, (2003, p. 290) that the leadership in the opinion and the influence of verbal communication is an important element in the diffusion and adoption of the product. Since the respondents obtained information about Perbanas Institute from their counsellor at high school, their relatives and their parents who are assumed to be the leader (the person who is respected). Besides, this study reinforces what is stated by Smith, (1993, p. 12) for the products or services that are classified as high involvement decision, the application of the marketing mix that can be used are marketing PR, Advertising and Sales Promotion.

The results of the study showed that sales promotions have low significant levels on the effects of communication. This is due to a lack of coordination between sales promotion with advertising. As noted by Shimp (2003, p. 122), "an advertising campaign can be strengthened with sales promotion efforts that are well coordinated. In addition, the earlier findings cited by Shimp, (2003, p.124) that the promotional price will not increase the profitability of the category, but only for shifting short-term sales from one brand to another brand.

5. Discussion

Marketing communications mix has an important role in communicating the message both goods and services that will be delivered by the marketers. Marketing communication mix used by Perbanas Institute is advertising such as printed media: newspapers, magazines, Brochures, Leaflets, and electronics such as radio and Internet. Sales promotion provides incentives such as tuition discount, free registration fee, free admission tests, scholarships, and souvenirs (for applicants); Public Relations and publicity that includes many activities such as exhibitions, presentations, competition, training, seminars, open house, cooperation and publicity.

Direct marketing such as sending brochures, or letters of cooperation, are not included in this marketing communication mix variables. This is due to its quantity which is not high, it is addressed only to the alumni of Perbanas Institute and bank employees that are categorized as
PERBANAS (Indonesia Bank Association) members, who will continue their study to graduate program. On the other hand, word of mouth is also a powerful communication tool to convey a message.

The Influence of marketing communication mix that has been conducted by Perbanas Institute, is measured by the response of cognitive, affective, and conative of students. Based on the results of data analysis, there are interesting things that can be observed, that most of respondents, 40%, knew Perbanas Institute from advertising in the form of talk shows and radio spots, internet is also one interactive media which is often visited by them to obtain information about Perbanas Institute.

For 38% of respondents also gave a positive response to the printed media. Outdoor media also gets a great response from the respondents, 38%. However, the majority of respondents are not aware of any privilege given Perbanas Institute through sales promotion. This is in contrast to the results of promotional activities and publications conducted by PR. Based on questionnaire results showed that they know about Perbanas Institute through education exhibition organized by their schools, Perbanas Institute presentation delivered at their school, seminar / open house and CampusTouring. Besides, 40% of respondents knew about Perbanas Institute of publicity, published in the mass media, such as sports performance and thier achievement.

Word of Mouth / interpersonal communication is also a powerful device. It is proved by the survey results obtained from the respondents, that they knew about Perbanas Institute from their relatives, like brother / sister / friends, who studied in Perbanas Institute. The role of their counsellor in their high school is also great. It is proving Christopher and Mc. Donald that the "Word of Mouth is one of the Most Influential of all communication channels". Especially if it is associated with education services.

6. Conclusions and recommendations

6.1 Conclusion

Based on the description of the research that has been stated previously, the conclusion can be drawn as follows:

1. Marketing mix communication such as: Advertising, Sales Promotion, Public Relations and Word of Mouth has a significant effect on the cognitive responses of respondents in choosing a private college. This indicates that the promotional
activities undertaken by the Public Relations and Marketing Team Perbanas Institute obtain a positive response from respondents. However, Sales Promotion is not optimally used by Perbanas Institute.

2. Similarly to the affective response, Advertising, Sales Promotion, Public Relations and Word of Mouth has a significant effect on affective responses. Therefore Perbanas Institute should increase the use of the marketing communications mix and improve the existing pattern to influence the affective responses of respondents.

3. While the response to conative, word of mouth is the only variable that significantly influences.

6.2 Recommendation

Based on the findings of this study, there are things that can be recommended for promotion and marketing strategy development of private universities, namely:

1. Retaining the existing marketing communications, such as Advertising, Sales Promotion, Public Relations and Word of Mouth. Improving and developing the pattern of sales promotions to increase affective and conative of consumer communication effect.

2. Maintaining and developing the activities of sponsorship /marketing event. Since those activities play important role than advertising. As quoted from Hermawan Kertajaya (2002, p.502), Event / Sponsorship are able to build the consumers’ awareness and win the market and have a wider reach than advertising.

3. Developing other marketing communications tools such as direct selling, personal selling by preparing competent human capital.

4. Maintaining and developing the cooperation with High Schools, and various agencies. Expanding the target market by targeting a specific segment. Demographically speaking, marketing is not only focused on Java, Sumatra and Kalimantan but the whole islands in Indonesia, in order to be global player.

5. Designing marketing communications strategies that focus and become adaptive to the demands of the market (out-in).

6. Promotion and marketing activities must be conducted in a sustainable and long term without having to be limited to certain periods.

7. Preparing merchandise with attractive design and in accordance with the needs for Prospective Students.
References


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