

## The Effect of Promotion, Reference Group, Brand Reputation and Motivation on the Decision to Choose a High School of Administrative Science in Southern Kalimantan with Electronic Word of Mouth (E-Wom) as an Intervening Variable

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### ABSTRACT

With Electronic Word of Mouth (Z) acting as an intervening variable, this study attempts to examine the impacts of promotion (X1), reference group (X2), brand reputation (X3), and motivation (X4) on the decision to pick (Y) the College of Administrative Sciences in South Kalimantan. Students from private universities in South Kalimantan, such as STIA Bina Banua Banjarmasin, Amuntai, and Tabalong, participate in the study. The sample size is 477, and the population is made up of 5,536 enrolled students from 2017 to 2021. Through the use of Structural Equation Modeling (SEM) and Path Analysis via Smart-PLS, the study comes to the conclusion that e-WoM is greatly impacted by motivation, brand reputation, and promotion, while e-WoM and reference groups have an impact on decision-making.

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## **INTRODUCTION**

The phrase "Mencerdaskan kehidupan bangsa" (to educate the life of the nation) in the preamble of the 1945 Constitution's fourth paragraph implies that education is a primary tool for creating an intelligent society capable of contributing to the nation's progress. Education must be accessible across all regions of Indonesia to achieve a just, prosperous, and equitable life. It is not only important for individual development but also crucial for nation-building. Education also plays a significant role in improving the quality of life and the economy of the country.

The National Education System Law (Law No. 20 of 2003) emphasizes the importance of an education system that is fair, democratic, and non-discriminatory, while respecting human rights, religious values, culture, and national identity. The education system should also promote pluralism and lifelong learning through inspiring creativity and empowerment.

Higher education, both at public and private institutions, plays an important role in developing competent human resources for the workforce. Private universities (PTS) must maintain professional management to compete with foreign universities. Accreditation becomes a key factor for prospective students when choosing a PTS, as it reflects the quality of the institution and affects future job opportunities (kemdikbud.go.id, 2022).

Promotion becomes a crucial strategy in attracting students to higher education institutions. Effective promotion through print, electronic, and internet media can increase the visibility of universities and influence students' decisions when choosing an educational institution (Dewi et al., 2018). However, research shows mixed results regarding the impact of promotion on students' decisions. Syafitri (2017) found that promotion influences the choice of study programs, while Maharani (2012) discovered that students were not significantly influenced by promotion when choosing a study program at MM UNS.

In addition to promotion, reference groups also influence students' decisions in selecting universities. Reference groups consist of individuals who have a significant impact on consumer decision-making, including in the context of choosing educational institutions (Schiffman & Kanuk, 2009). Another factor influencing student decisions is brand reputation. Brand reputation reflects the quality and credibility of an institution, which can attract more prospective students (Herbig et al., 1994).

Research by Charles et al. (2021) in Nigeria shows that a university's reputation can act as a catalyst for enhancing student satisfaction and creating strong emotional bonds with the institution. Meanwhile, Finch et al. (2013) highlighted the importance of university reputation in job searches for recent graduates, as universities with good reputations are more likely to attract top students and produce graduates sought after by employers.

Motivation is also a key factor in students' decisions. Motivation is the psychological drive that influences a person's actions to achieve a goal, including the decision to choose a study program at a university (Rabideau, 2005). Motivation can be influenced by environmental, psychological, and social

needs (Sardiman, 2004). Suriyani (2016) discovered that the choice of an accounting study program is highly influenced by peer interaction, motivation, socioeconomic background, and university reputation.

An advancement of conventional word-of-mouth communication, Electronic Word of Mouth (e-WoM) was brought about by the growth of the internet and social media. Through online platforms, e-WoM enables customers to exchange experiences and viewpoints regarding goods and services, including educational establishments. According to Saleh's (2018) study conducted in Saudi Arabia, e-WoM significantly impacted students' intentions to enroll in college. However, Hermansyah (2018) discovered that the choice of universities was not significantly influenced by e-WoM.

Based on these studies, e-WoM is considered an effective tool for promoting private universities in South Kalimantan. PTS can leverage e-WoM to increase their visibility at a lower cost. By considering the variables of promotion, reference groups, brand reputation, motivation, and e-WoM, private universities in South Kalimantan are expected to increase student interest in enrolling, thereby strengthening their position in the higher education market.

Table 1. New Student Admission Data College Administration Study Programme 2017 - 2021

College Name	Name of Study Programme	Period				
		2017	2018	2019	2020	2021
STIA Bina Banua	Business Administration	44	37	40	23	18
STIA Bina Banua	State Administration					
	Science	137	90	96	143	78
	State Administration					
STIA Amuntai	Science	568	665	638	572	562
STIA Amuntai	Commerce/Business Administration	29	35	44	47	52
	State Administration					
STIA Tabalong	Science	282	267	253	140	125
	Business Administration					
STIA Tabalong	Science	125	157	123	91	55
		1,185	1,251	1,194	1,016	890

Universities have experienced fluctuations in new student admissions, with a total of 5,536 students from 2017 to 2021. Several factors contribute to this, including increasing competition between universities, economic conditions affecting prospective students' ability to continue their studies, ineffective promotions, and biases against the administration major. Many Schools of Administration (STIA) lack an understanding of optimal promotion strategies, leading to traditional marketing methods. Reference groups, university reputation, and motivation also influence students' decisions to choose STIA. A good reputation is determined by the quality of graduates and the employability of alumni. This study employs Electronic Word of Mouth (e-

WoM) as an intervening variable to examine how promotion, reference groups, reputation, and motivation affect the decision to choose STIA in South Kalimantan. Students from STIA Bina Banua, STIA Amuntai, and STIA Tabalong in South Kalimantan participated in the study.

## **THEORETICAL REVIEW**

### ***Promotion***

Keller and Kotler (2012) Promotion is the process by which businesses educate, convince, and remind consumers about the goods and brands they sell.

### ***Reference Group***

Bearden and Etzel (1982) A reference group is an individual or group of people who actually influence a person's behaviour.

### ***Brand Reputation***

Fombrun et al., (2000) A brand's reputation is a reflection of how customers feel about the goods or services they receive; a positive reputation boosts credibility and gives them more assurance that they will receive what was promised.

### ***Motivation***

Kotler (2005) A person's motivation is a state that propels them to do actions in order to accomplish a goal.

### ***E-Word of Mouth***

Priansa (2016) Social media users communicating with one another to share information is known as electronic word-of-mouth, or E-WoM.

### ***Choosing Decision***

Kotler & Keller (2009) A process by the public from need recognition, information search, assessment of sources, selection of alternative purchases, purchase decisions and evaluation after purchase.

## **METHODOLOGY**

The research employs a quantitative approach, as defined by Sugiyono (2014), focusing on measuring variables through data collection and statistical analysis. With electronic word-of-mouth (e-WoM) acting as an intervening variable, the study looks at how motivation, brand reputation, reference groups, and promotions affect the decision to enroll in administrative colleges in South Kalimantan. Data was collected using online questionnaires distributed to students at three administrative schools in the region. The sample was determined using the Slovin formula, with 500 questionnaires distributed and 477 valid responses received. The study also employs SmartPLS software for structural equation modeling and IBM SPSS 25 for hypothesis testing.

**RESULTS**

*Path Coefficient*

The route coefficient (path coefficient) shows how important the influence between the constructs is. The t-test (critical ratio) derived from the bootstrapping (resampling method) procedure can be used to determine the significance of the route coefficient, which should be in line with the hypothesis.

*R-Square*

Table 2. Results of R Square

	R Square	Adjusted R Square
<i>Electronic Word Of Mouth</i>	0.681	0.678
<b>Choosing Decision</b>	0.807	0.805

R-Square Adjusted for the path model that employs the intervening variable (mediator/mediation), specifically Electronic Word Of Mouth (e-WoM), is 0,678, according to the results of evaluating the r-square value in table 2. This indicates that the factors of motivation, brand reputation, reference group, and promotion have a 67.8% capacity to explain choosing decisions. The model is therefore categorized as moderate. Additionally, intervening factors (mediators/mediation) account for the remaining 32.2%.

Additionally, testing shows that the R-Square Adjusted value in variable Choosing Decision in table 5.21 equals 0.805. This indicates that 80.5% of choosing decisions may be explained by the variables of motivation, brand reputation, reference group, and promotion. The model is therefore categorized as significant (strong). Other dependent factors account for the remaining 19.5%.

*F-Square*

Table 3. Result of F-Square

	Promotio n	Reference Group	Brand Reputatio n	Motivatio n	E-Word Of Mouth	Choosing Decision
Promotion					0.045	0.000
Reference Group					0.002	0.016
Brand Reputation					0.115	0.036
Motivation					0.049	0.266
Electronic Word Of Mouth						0.119
Choosing Decision						

The following is the F-Square test's conclusion in table 5.22: (1) F2=0.000 is the value of the variable of Choice Decision on Promotion. Exogenous variables then have a minor impact on endogenous variables; (2) The Choice

Decision Variable on Reference Groups has an F2 value of 0.016. Exogenous variables then have a minor impact on endogenous variables; (3) The Choice Decision Variable on Brand Reputation has an F2=0.036 value. Exogenous variables thus have a moderate to strong impact on endogenous variables; the value of F2 = 0.266 for (4) Choosing Decision Variables on Motivation. Exogenous variables then have a moderate to severe impact on endogenous variables; (5) The variable of Choosing Decision on Promotion has an F2= 0.119 value. Then, exogenous variables have a moderate to severe impact on endogenous.

*Direct Effect*

According to Juliandi (2018), the direct impact analysis serves the objective of testing the hypothesis that an exogenous variable directly influences an endogenous variable.

Table 4. Result of Direct Effect

	Original Sample	Sample Mean	Standard Deviation	T Statistics	P Values
Promotion ->Electronic Word Of Mouth	0.230	0.230	0.054	4.214	0.000
Reference Group-> Electronic Word Of Mouth	0.009	0.013	0.045	0.192	0.848
Brand Reputation -> Electronic Word Of Mouth	0.422	0.423	0.076	5.575	0.000
Motivation -> Electronic Word Of Mouth	0.235	0.230	0.080	2.940	0.003
Promotion -> Voting Decision	0.007	0.012	0.039	0.175	0.861
Reference Group -> Choosing Decision	0.080	0.083	0.029	2.740	0.006
Brand Reputation -> Choosing Decision	0.164	0.171	0.089	1.838	0.067
Motivation -> Choosing Decision	0.451	0.448	0.053	8.567	0.000
Electronic Word Of Mouth -> Choosing Decision	0.284	0.274	0.072	3.958	0.000

Table 4's value of direct effect leads to the following conclusion: (1) The direct effect of promotion on electronic word-of-mouth (e-WoM) is considerable, as indicated by the T statistic of = 4.214 > 1.96 (Z score) and P values of = 0.000 < 0.050; (2) The statistical T value of = 0.192 < 1.96 (Z score) indicates that the direct influence of Reference Group on Electronic Word of Mouth (e-WoM) is not significant, and the P values of = 0.848 > 0.050 indicate that the effect of Reference Group on e-WoM is not significant; (3) The impact of Brand Reputation on Electronic Word of Mouth (e-WoM) is considerable, as indicated by the T statistic of 5,575 > 1.96 (Z score) and the P Values = 0.000 < 0.050. (4) The direct relationship between motivation and electronic word-of-mouth (e-WoM) is significant, as indicated by the T statistic of 2.94 > 1.96 (Z score) and P values of 0.003 < 0.050; (5) The statistical T value sized = 0.175 < 1.96 (Z score) indicates that the direct effect of promotion on choosing is not

significant, and the P value  $> 0.050$  indicates that the effect of promotion on choosing is not significant; (6) The T statistic of  $= 2.740 > 1.96$  (Z score) indicates that the direct influence of Reference Group on the Choosing Decision is significant, and the value of P Values  $= 0.006 < 0.050$  indicates that the effect of Reference Group on the Choosing Decision is significant; (7) The statistical T value of  $= 1.838 < 1.96$  (Z score) indicates that the direct effect of Brand Reputation on Choosing Decision is not significant, and the P values of  $= 0.067 > 0.050$  indicate that likewise; (8) The direct effect of motivation on decision-making has a significant T statistic (large  $= 8.567 > 1.96$  (Z score)) and a significant P value ( $0.000 < 0.050$ ), indicating that motivation has a considerable influence on decision-making; (9) Direct Effect Electronic Word of Mouth (e-WoM) on the Choosing Decision has a substantial effect on the Choosing Decision with a T statistic of  $= 3.958 > 1.96$  (Z score) and P Values  $= 0.000 < 0.050$  to indicate this.

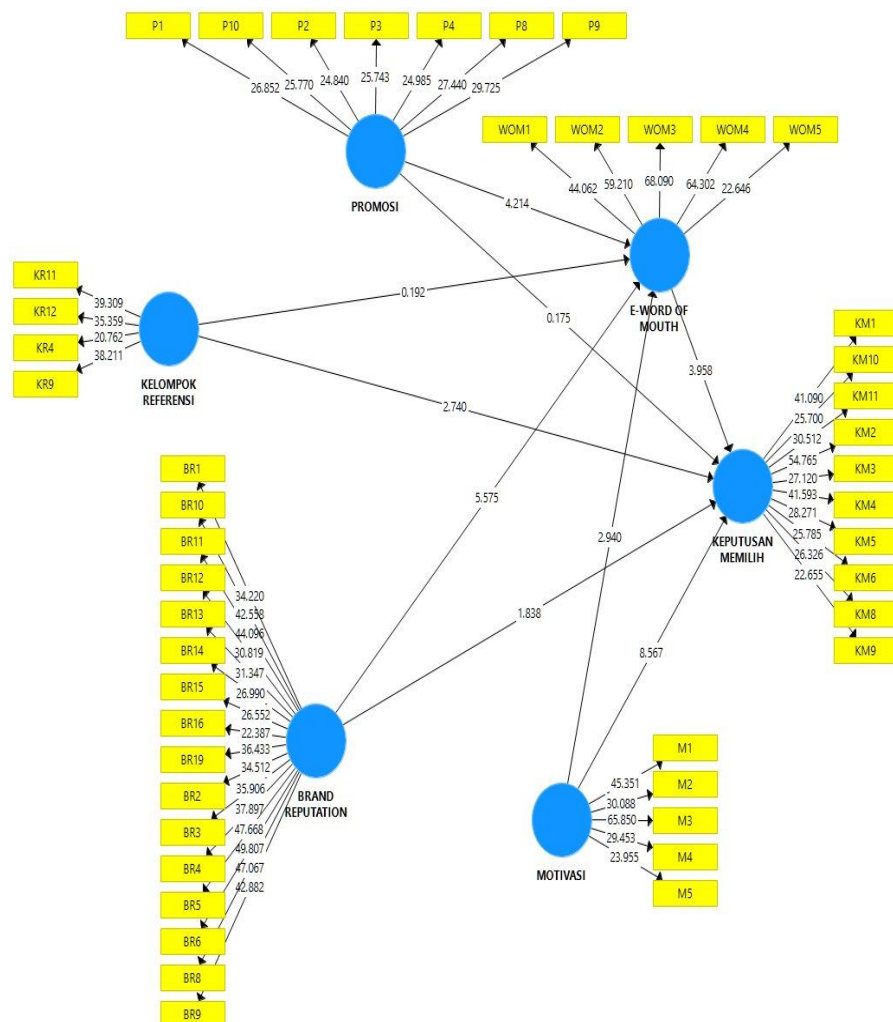


Figure 1. Direct Effect

*Specific Indirect Effects*

Testing the hypothesis of an indirect effect of an independent variable on the dependent variable, which is mediated by the variable mediator or intervening, does not directly benefit from analysis of the influence. The bootstrapping column specific indirect impact results indicate the indirect influence in this investigation. Examine the value of T-Statistics and the P-Values or significance level of the various indirect effects to test them using bootstrapping on the research model.

Table 5. Specific Indirect Effects

	Original Sample	Standard Mean Deviation	T Statistics	P Values	
Promotion -> E-Word Of Mouth -> Choosing Decision	0.065	0.062	0.021	3.155	0.002
Reference Group -> E-Word Of Mouth -> Choosing Decision	0.002	0.003	0.013	0.195	0.846
Brand Reputation -> E-Word Of Mouth -> Choosing Decision	0.120	0.114	0.030	4.032	0.000
Motivation -> E-Word Of Mouth -> Choosing Decision	0.067	0.066	0.035	1.906	0.057

The following is the conclusion drawn from the value of the particular indirect effects in Table 5: P values range from 0.002 to less than 0.050, indicating that the indirect influence campaign against the decision to vote by electronic word-of-mouth (e-WoM) is significant, with a T statistic of = 3,155 > 1,96 expressed as significant; (2) The Reference Group's indirect influence on the decision to choose via electronic word-of-mouth (e-WoM) has a T statistic of 0.195 < 1,96, otherwise not significant, and a P value of 0,846 > 0.050, indicating that the contribution of the Reference Group to the decision to choose via e-WoM is not significant; (3) the indirect effect of brand reputation on the decision to choose through electronic word-of-mouth (e-WoM) has a significant impact, as indicated by the T statistics value of = 4,032 > 1,96 expressed significant and the P values of = 0,000 < to 0.050; (4) The indirect effect of motivation on the decision to choose through electronic word-of-mouth (e-WoM) is not significant, as indicated by the T statistics value of 1,906 < 1,96, which is expressed as significant, and the P values of 0,057 < to 0.050.

**DISCUSSION**

With e-WoM acting as an intervening variable, this study attempts to investigate the impact of motivation, brand reputation, reference groups, and promotion on the choice of the School of Administrative Sciences in South Kalimantan. The findings suggest that e-WoM is not considerably influenced by reference groups, and that choosing a university is not significantly influenced favorably by promotion or brand reputation.

### ***Promotion on E-WoM***

Promotion through e-WoM is more convincing than traditional advertising. Experiences shared by close individuals have a greater impact, and e-WoM is more cost-effective compared to regular ads. However, in South Kalimantan, e-WoM has yet to effectively trigger decision-making for selecting the School of Administrative Sciences.

### ***Reference Groups on E-WoM***

Reference groups in South Kalimantan have not significantly influenced decision-making through e-WoM. Despite numerous comments on social media, the impact of reference groups remains limited.

### ***Brand Reputation on E-WoM***

A good brand reputation can enhance e-WoM, as consumers share experiences online. Positive e-WoM communication can potentially boost decision-making, although its strength is still lacking in the study area.

### ***Motivation on E-WoM***

Positive motivation from consumer experiences encourages favorable reviews through e-WoM, while dissatisfaction leads to negative feedback. This influence directly affects the decision-making of students in South Kalimantan.

### ***Promotion on Decision-Making***

Promotions that are unappealing or misaligned with the target audience have little impact on decision-making. In contrast, e-WoM, particularly from fellow students, has a more significant effect.

### ***Reference Groups on Decision-Making***

Although they are not necessarily the main determinants, recommendations from reference groups including families, social circles, and communities can have an impact on decision-making.

### ***Brand Reputation on Decision-Making***

Although brand reputation is significant, South Kalimantan decision-making does not heavily rely on it. Decision-making is more heavily influenced by other factors, like leader suggestions.

### ***Motivation on Decision-Making***

Students' personal motivation, such as achieving career goals and the desire for a decent job, significantly impacts their choice of study program. High motivation drives them to select programs that they perceive as most suitable for their needs.

## CONCLUSIONS AND RECOMMENDATIONS

The research concludes that promotion, reference groups, brand reputation, and motivation all influence the decision to choose an administrative college in South Kalimantan, with Electronic Word of Mouth (e-WoM) serving as an intervening factor. Promotion, brand reputation, and motivation positively impact e-WoM, while reference groups have no significant effect on e-WoM. For direct decisions, reference groups and motivation are significant, whereas promotion and brand reputation are not. e-WoM significantly influences the decision to choose a college. The research also highlights that collectively, these factors affect the decision-making process for both employed and unemployed students. The researcher recommends adding more independent variables in future studies and utilizing field observation and interviews, in addition to questionnaires, to improve the depth of analysis.

## FURTHER STUDY

This research was conducted in accordance with scientific processes, but there are several limitations. Some questionnaire responses were inconsistent, likely due to respondents not paying enough attention. This could be addressed by having researchers supervise respondents to ensure they stay focused. A limitation of using questionnaires is that the answers provided by the sample may not always reflect the true situation. Additionally, the data collection process sometimes yielded responses that did not fully capture the respondents' true opinions. This might be due to differences in thought processes, understanding, or factors like honesty when filling out the questionnaire.

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