

CHAPTER I

INTRODUCTION

1.1 Background of the Study

Education is the action or process of educating or of being taught (www.merriam-webster.com, taken on 13 May 2018). In Indonesia, the education will start at the *pendidikan anak usia dini* (early stage education) - under 5 years old, *sekolah dasar* (elementary school) - for 6 years, age 6-11 years old, *sekolah menengah pertama* (junior high school) - for 3 years, age 12-14 years old, *sekolah menengah atas* (high school) - for 3 years, age 15-18 years old, and university level, age 18 and above . Education is a continuing process.

Education in Indonesia is progressing into the better version. In Undang Undang Dasar 1945 (UUD 1945) article 31 verse 1 states that every citizen must receive an education, then verse 2 states that the government to work on and held a one national education system.

In 2016/2017, there are 25.618.078 students in elementary school, 10.145.416 students in junior high school, and 4.659.542 students in high school in Indonesia (Kemdikbud, 2017). Moreover, in 2014/2015, there are 121 government universities and 3104 private universities across Indonesia with total students 5.896.419. Those thousands of universities are competing with each other get new students across Indonesia or even from another country (<http://kelembagaan.ristekdikti.go.id/index.php/2018/01/19/perguruan-tinggi-di-indonesia-mampu-bersaing-dengan-perguruan-tinggi-asing-selama-memahami-tuntutan-costumer/>, taken on 31 May 2018).

Table 1. 1 Top Number of University in Indonesia

Location	2013/2014		2014/2015	
	Government University	Private University	Government University	Private University
Jawa Barat	7	393	12	381
Jawa Timur	15	363	17	329
DKI Jakarta	5	329	5	315
Jawa Tengah	7	265	9	248
Sumatera Barat	3	259	3	266

Source: BPS

Based on table 1.1, Jawa Timur is the second province with the highest number of university available (BPS, 2014). The capital province of Jawa Timur is Surabaya. Surabaya is the second biggest city in Indonesia after Jakarta. It is also the city with the most number of university in Jawa Timur (BPS, 2016). In 2016, there are 73 private high education in Surabaya consist of 23 universities, 5 institution, 28 high education, 12 academy, and 5 polytechnic (BPS, 2016).

Table 1. 2 Top Private Universities in Surabaya

Rank	University	Location	Number of Students
42	Petra Christian University	Surabaya	8.458
49	University of Surabaya	Surabaya	11.494
54	Narotama University	Surabaya	3.367
60	Pelita Harapan University	Tangerang, Medan, Surabaya	16.916
106	Universitas Ciputra	Surabaya	4.183
143	Widya Mandala University	Surabaya	5.858

Source: <https://www.4icu.org/id/>

Competition among universities is increasing (Agrey 2014). Many private universities in Indonesia closed their university or their study program because cannot compete with other universities (Tobari, 2011). The reason why the university cannot survive is that lack of demand from the potential students to enrol in their university (Tobari, 2011). So, the university does not have sufficient financial support to operate the university (Tobari, 2011). According to Ronald, Vice President of Pelita Harapan University, the competitors of Pelita Harapan University in Surabaya are Petra Christian University, University of Surabaya, Ciputra University, and Widya Mandala University.

Based on table 1.2, top private universities in Surabaya are sorted by its national ranking. It shows that Petra Christian University is the most top private university in Surabaya. However, Pelita Harapan University has the most number of student compare to the other competitor. Based on the ranking and number of students, researcher chooses Petra Christian University, University of Surabaya, Ciputra University, Widya Mandala University, and Pelita Harapan University as the research object in this research.

When the students choose a university, they choose the university based on many reasons, including a brand image (Wulandari, 2013). Brand image is perceptions about a brand as reflected by the brand associations held in the consumer's memory (Keller, 2003). The brand image reflects consumers' perceptions of a brand's characteristics and can be gauged by the associations they hold in their memory (Chernatony, 2003). Brand image is important because it creates impression to the customer and builds credibility and equity.

Based on Peraturan Badan Akreditasi Nasional Perguruan Tinggi Nomor 2 Tahun 2017 about High Education National Accreditation System, universities in Indonesia must be accredited by the Badan Akreditasi Nasional Perguruan Tinggi (BAN-PT). The purposes of accreditation of university in Indonesia are to ensure the implementation of underwriting system of high education quality which is

useful, efficient, and accountable. From the data obtained from the BAN-PT, the accreditation of top universities in Surabaya can be seen from table 1.3.

Table 1. 3 Top Private Universities Accreditation in Surabaya

University	University Accreditation	Management Majors Accreditation	Number of Majors
Petra Christian University Surabaya	A	A	27
University of Surabaya	A	A	27
Universitas Ciputra	A	A	12
Widya Mandala University	A	A	16
<i>Pelita Harapan University</i>	B	B	5

Source: BAN-PT, 2018

Most of top universities in Surabaya already got A for their accreditation for the university and in their management majors' accreditation, except Pelita Harapan University in Surabaya which the university is accredited B and the management majors is accredited with B.

Petra Christian University is located in Jalan Siwalankerto No.121-131, Wonocolo, Siwalankerto, Surabaya. The location may not be as more comfortable as another competitor in Surabaya because the building is located in a narrow alley. It is established in 1961 and known for their Christian value. Their slogan is a caring and global university. Petra Christian University is also helped with the Petra School that is founded on the same foundation, PPPK Petra. Students that are graduated from Petra High School have a more significant chance to enter Petra Christian University. Currently, Petra Christian University has 27 majors.

University of Surabaya (UBAYA) is located in Surabaya, and currently, they have 3 campuses in a different location. The first campus is located in South Surabaya in Jalan Raya Kalirungkut, Surabaya. The second campus is located in Central Surabaya, in Jalan Ngagel Jaya Selatan 169, Surabaya. The third campus is located in Trawas, Jl. Jolotundo, Desa Tamiajeng, Trawas, this campus is called

Ubaya Training Center (UTC). It was established in 1968. Currently, UBAYA has 27 majors. Their slogan is to be the first university in heart and mind.

Universitas Ciputra (UC) is located in the West Surabaya, inside the Citraland Residence. It is the newest university compare to the other top private university in Surabaya. However, UC has a quite high rank compared to the competitor. They positioned themselves as the campus of an entrepreneur. Their slogan is to create world-class entrepreneur. Currently, UC has 12 majors.

Widya Mandala University (WM) is located in East Surabaya and Central Surabaya. It is established in 1960 by the Catholic community in Surabaya. Currently, WM has 16 majors, and their slogan is the campus of life. The slogan means that the university is trying to improve their students live by giving the soft and hard skill that will be needed in the working life.

On the other hand, Pelita Harapan University Surabaya is located in South Surabaya. And currently has five majors. UPHS is located on the top of City of Tomorrow Mall (CITO) which makes it convenient for their student. UPHS is the university that originated from Pelita Harapan University in Karawaci, Tangerang. It is expected to fulfil the demand from East Indonesia, especially in Surabaya, the second biggest city in Indonesia. The slogan for UPHS is true knowledge, faith in Christ, and Godly character. However, since it ris established, the number of students is not meet the number expected. Therefore, the researcher wants to find out the reasons why PCU, UC, WM, and UBAYA are the top private university in Surabaya and suggesting the qualitative strategy to improve UPHS marketing in the future.

1.2 Research Problems

Based on the background above, the problems that will be discussed in this paper are.

1. What indicators of brand image that best describes the brand image of top private university in Surabaya?
2. How in qualitative the strategy to improve Pelita Harapan University quality in the future?

1.3 Research Objectives

Based on the research problem, the purpose of this paper is:

1. To understand the most important indicator of brand image of top private university in Surabaya.
2. To give a suggestion for UPH Surabaya based on fact to improve the marketing of UPH Surabaya.

1.4 Research Contribution

The benefit that the researcher wants to achieve:

1. For the education institution, to become a suggestion to determine the marketing strategy and understand how the effect and the most dominant indicators in brand value.
2. As a reference of management theory, primarily related to the brand value.
3. As a reference for the next researchers to understand the most significant indicators of brand value.

1.5 Research Limitations

In this research, the limitation is on the variable brand value with the research object Petra Christian University, University of Surabaya, Ciputra University, Widya Mandala University, and Pelita Harapan University Surabaya.

1.6 Research Outline

Research outline explains the systematic writing of this study. The outline is divided into three chapters as follows:

Chapter I

This chapter sets up the research problem for the reader. It also provides the background information defining the issue and essential terms. It specifies the research objectives explored in greater detail to contribute to understanding the research problem.

Chapter II

This chapter summarises the significant studies and findings that have been published on the research topic and how this study contributes or adds to what has already been studied. This chapter also states a clear description of theories that apply to the research problem, an explanation of why it is relevant, and how the modelling efforts address the hypothesis to be tested.

Chapter III

This chapter explains the detailed technical and scientific activities which include the research design, sampling plan, instrumentation, statistical tools, and treatment of data.