CHAPTER I
INTRODUCTION

1.1 Background of Study

Nowadays education has become a necessity for people. It is a right and obligation that must be carried out by every human being as it helps someone to develop himself and have a good character that contributes success both in career and social life. (downloaded from en.unesco.org on 09 April 2019). Generally students in Indonesia completed elementary, primary, and secondary education then continued to higher education. These days people who have bachelor degrees are more valued and sought after compared to those who have just graduated from senior high school especially in corporate level. Surveys from job vacancies offered to the public mostly require undergraduate degree or minimum Diploma 3 with more specific areas of expertise. Higher education expands one's opportunities to have a better quality of life in the future, at least in terms of career path. (downloaded from www.kompasiana.com on 09 April 2019).

The increase in the quality of education is related to the increase in the quality of a nation. If the quality of education is well, it will produce high-quality graduates. These people are who very much needed for the development of Indonesia, especially due to entering the Industrial Revolution 4.0 era. A country advancement is highly dependent on the quality of its education. According to *Undang-Undang No.20 Tahun 2003* education is a conscious and planned effort to create a learning atmosphere and learning process so that students actively develop their potential to have spiritual or religious strength, self-control, personality, intelligence, noble character, and skills needed by themselves, society, nation and country. (downloaded from silabus.org on 09 April 2019).

Therefore, the role of education in Indonesia is as the vital key in determining the ability of the Indonesian people to continue to progress, improve general welfare, educate the nation, and participate in the implementation of world order based on freedom, eternal peace, and social justice. (downloaded from student.cnnindonesia.com on 09 April 2019). Indonesia is going to get a bonus demographic in upcoming years of 2020-2030, which reached its peak in 2030.

Minister of Research, Technology and Higher Education Mohamad Nasir said that universities have a very strategic role to welcome demographic bonuses and prepare human resources (HR) in Indonesia to be able to compete in the global era. Demographic Bonuses must be utilized as much as possible to improve the Indonesian economy. If it is not managed properly it will become a burden and cause various social problems. Higher education must be able to prepare graduates with various knowledge and skills needed in the era of the Industrial Revolution 4.0. (downloaded from ristekdikti.go.id on 09 April 2019). Since 2018, the entire world has been influenced by the Industrial Revolution 4.0 era, which is characterized by the emergence of supercomputers, smart robots, vehicles without drivers, genetic editing and the development of neurotechnology that enables humans to further optimize brain function. Thus the progress of a country is now also measured by its technology advancement. (downloaded from id.beritasatu.com on 09 April 2019). To achieve this technological advancement is largely determined by the quality of higher education. Higher education with great quality enables to mold educated people who possess intelligence and skills that are able to assist advancement in all fields with professionalism and integrity. (downloaded from www.kemenkeu.go.id on 09 April 2019).

According to a Political and Economic Risk Consultant (PERC) survey, the quality of education in Indonesia ranks 12th out of 12 countries in Asia. Indonesia's position is below Vietnam. Data reported by The World Economic Forum Sweden (2000), Indonesia has low competitiveness, which only ranks 37th out of 57 countries surveyed in the world. (downloaded from student.cnnindonesia.com on 09 April 2019).

The causes of the low quality of education in Indonesia include the problem of effectiveness, efficiency and standardization of teaching. This is still a problem of education in Indonesia in general. In addition to the lack of creativity of educators in guiding students, a centralized curriculum makes the portrait of education increasingly opaque. The curriculum is based solely on government knowledge without regard to community needs. Education is not able to produce creative graduates. Most teachers do not have adequate professionalism to carry out their duties as referred to in Pasal 39 Undang-Undang No. 20 tahun 2003, namely

plan learning, carrying out learning, conducting research and dedicating to community. Indeed, the number of teachers in Indonesia is quite adequate, but the quality of teacher is still relatively low. In general, teachers in Indonesia are not able to perform their functions optimally because the government does not pay enough attention to them, especially effort in improving teacher's professionalism. (downloaded from www.suara.com on 09 April 2019).

The relevance of low education with needs can be seen from the many unemployed graduates. Data from BAPPENAS (1996) collected since 1990 showed that the open unemployment rate faced by senior high school graduates was 25.47%, diploma was 27.5% and from higher education was 36.6%, whereas in the same period, the growth of employment opportunities was quite high for each level of education, orderly 13.4%, 14.21%, and 15.07%. According to 1999 Ministry of National Education Balitbang data, each year around 3 million children drop out of school and do not have superior life skills either hard skill or soft skill, which creates another labor problem. (downloaded from www.suara.com on 09 April 2019). There are still many young people who do not continue their education to higher education even though it has very important functions. According to Undang-Undang No. 12 tahun 2012 higher education has three functions. First, to develop abilities and forming dignified national character and civilization in order to educate the life of the nation. Second, to develop academicians who are innovative, responsive, creative, skilled, competitive, and cooperative through the implementation of Tridharma. Third, to develop science and technology by paying attention and applying the value of humanities. (downloaded from edukasi.kompas.com and www.pendidikanekonomi.com on 09 April 2019)

Data from the Ministry of Research, Technology and Higher Education states that the higher education gross enrollment rate in 2018 was 34.58 percent. This means that from 100 senior high school graduates, no more than 34 people continue to higher education. That number has improved compared to the previous year, which was 33.37 percent. (downloaded from www.pikiran-rakyat.com on 09 April 2019). Rector of Telkom University, Mochamad Ashari, said the number of universities in Indonesia was indeed too many. The number is around 4,900 and even increases every year. Unfortunately not all universities have good quality.

Only 1.6 percent of universities have “A” accreditation. (downloaded from www.jawapos.com on 09 April 2019).

The measurement of higher education quality in the world is being done on institution or university level. The institutes which handle the world university ranking such as Times Higher Education (THE), QS World University Rankings, and Academic Ranking of World Universities (ARWU). All 100 best universities are still dominated by the west nations such as United States, Canada, England, Sweden, Belgium, Germany, Australia, Netherlands, Denmark, Finland, and Swiss. There are only few nations in Asia which are able to compete such as China, Singapore, South Korea, and Japan. In 2016, only the QS World University Rankings placed Indonesia’s University in the top 500 best universities in the world. Universitas Indonesia placed at 358th and Institut Teknologi Bandung placed at around 431st to 440$^{th.}$ (downloaded from www.kompasiana.com on 09 April 2019).

The higher education in Indonesia is divided into two groups which are Public Universities and Private Universities. The Public Universities are the ones that is run by the government themselves meaning that they are funded by the government. In Indonesia, the Public Universities are managed by the Research, Technology, and Higher Education Minister of Republic Indonesia. While the Private Universities are the ones that is managed by a foundation or non-governmental organization or funded by the university itself. All of the Private Universities in Indonesia are coordinated by a private universities coordinator or agency called as Koordinator Perguruan Tinggi Swasta (Kopertis). (downloaded from sevima.com on 09 April 2019).

Stereotypes in Indonesia say that public universities are considered better than private universities. Public universities, especially the Universitas Indonesia, Institutit Teknologi Bandung, and Universitas Gajah Mada are more in demand because of their popularity and prestige, which is considered capable of promising a bright future. Another reason is the cost of a public university which is relatively cheaper than a private university. One source of its popularity is its selection which is known to be strict, so if someone able to pass the admission test of public

university is considered as an initial recognition that the student is a smart person. (downloaded from www.vice.com on 09 April 2019).

If many public universities are chosen because of their popularity, private universities are famous for the "class" that they succeeded in creating. For instance, Universitas Gunadharma, Universitas Kristen Petra or Universitas Muhammadiyah Jogjakarta. Most of these universities have managed to build an elite image both in terms of buildings and the quality of education. Almost all private universities have modern buildings and super complete facilities. Attention from lecturers is also usually more pronounced because the number of students is not as many as public university students. Classes at private universities are usually more flexible. Some private universities are well-known for being one of the most established fields of study. One of them is Universitas Bina Nusantara (BINUS) which is popular its business studies program study. (downloaded from www.vistaeducation.com on 09 April 2019).

Then there is another excel private university namely Universitas Pelita Harapan, which was appointed by The Chartered Institute of Management Accountants (CIMA) as a tuition provider to provide face-to-face lectures in the field of accounting management of the CIMA program because Universitas Pelita Harapan is considered as one of the best universities in Indonesia. The Chief Representative of CIMA of Indonesia, Andrias Soesilo, said that Universitas Pelita Harapan has the best quality teaching staff and capabilities. In addition, the teaching staff at Universitas Pelita Harapan are used to providing teaching in English. (downloaded from www.beritasatu.com on 09 April 2019).

Founded in 1994 by Pelita Harapan Education Foundation (YPPH), Universitas Pelita Harapan is committed in the field of education. This commitment is reflected in professional management, high-quality faculty and curriculum, as well as scholarships for outstanding students and those in need for financial assistance. The main campus is located in the urban setting of the large city of Tangerang, Banten (Universitas Pelita Harapan Karawaci) This institution has also branch campuses Surabaya and Medan. Officially accredited and/or recognized by the Ministry of Research, Technology and Higher Education of the Republic of Indonesia, Universitas Pelita Harapan formally affiliated with the Christian-

Evangelical religion. Universitas Pelita Harapan offers courses and programs leading to officially recognized higher education degrees such as bachelor degrees, master degrees in several areas of study. (downloaded from www.uph.edu and www.4icu.org on 09 April 2019).

Universitas Pelita Harapan has provided holistic education and is committed to develop students spiritually, accompanied by character development and knowledge. Programs at Universitas Pelita Harapan have been designed in accordance with industry and professional needs, innovative curriculum with a balanced combination of theory and practice in the form of field studies, workshops, seminars, laboratory assignments, internship practices and practice placements. Students can receive benefits from collaboration between Universitas Pelita Harapan and national and international universities. This collaboration is in the form of curriculum development, dual degree programs, student exchange programs for students and lecturers to various partner countries such as America, Germany, the Netherlands, Singapore and Japan. Including internship practices and work placements with multinational companies. (downloaded from surabaya.uph.edu on 09 April 2019).

In this study, we will be focusing objectively on Universitas Pelita Harapan. In 2007, Universitas Pelita Harapan established branch campus in Surabaya, East Java with six undergraduate programs and two master degree programs. One of its best competitive advantage over its competitors is that they offer shorter duration of study both for undergraduate and graduate programs compare to other universities. Student can complete an undergraduate program in three and a half years whereas it generally takes to a minimum of four years in other universities. The university also offers same characteristic and model that they have been successfully implement in Karawaci, which makes it their added value.

However, Universitas Pelita Harapan Surabaya still struggles with the number of students enrollment as the university is relatively new and small in comparison to its competitors in Surabaya, as shown in Table below. This study is created, focusing Universitas Pelita Harapan Surabaya as the object, as the university will be able to use the study for their future social media management and also this study is created as the writer has the access to do research and the

university agreed to be the object of the research. Thus, this will be useful for the university as they can be helped through this study in order to improve the number of student enrollment on the upcoming years and from the writer, this study can be used for her to implement theoretical and methodological values that has been received throughout the time in the university, from lectures, experiences and textbooks.

Table 1.1 List of Private Universities Located in Surabaya

Higher Education Institution	Accreditation	Number of Students (2018/2019)
Universitas Surabaya	A	10,669
Universitas Wijaya Kusuma Surabaya	B	7,350
Universitas Kristen Petra	A	8,847
Universitas Hang Tuah	B	5,721
Universitas Katolik Widya Mandala Surabaya	A	6,127
Universitas Ciputra	B	4,183
Universitas Pelita Harapan Surabaya	C	783
Universitas Widya Kartika	C	704

Source: National Accreditation Board of Higher Education and PDDIKTI

One of the possible effort that can be used in order to increase the number or enrollment is through marketing efforts. “Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large”, by American Marketing Association, 2013. (downloaded from www.ama.org on 09 April 2019).

Social media is now one of the most interesting platforms to be explored in relation to how brands or publishers develop marketing channels through it. Social media refers to the means of interactions among people in which they create, share, and/or exchange information and ideas in virtual communities and networks. Nevertheless, there are many challenges that must be solved, both in terms of adjusting to the platform or audience. (downloaded from dailysocial.id on 09 April 2019).

The increasingly massive penetration of social media in almost all aspects of life including economic, political, social, cultural and defense security aspects is a consequence of changes in communication patterns, from conventional ways and media to digitizing communication using the various contemporary social media

channels. Social media is an increasingly valuable platform for marketers looking to connect with their customers. (downloaded from setkab.go.id on 09 April 2019).

Research has indicated that in recent years social media has penetrated almost all types of organizations. Higher education institutions have not been left behind too and have been adopters of this global phenomenon. Social media takes many forms such as social networking sites, blogs, vlogs, instant messaging and virtual communities. Having said that, the social networking site Facebook appears to clearly emerge as a winner predominantly because of its large number of members, followed by Instagram. Facebook allows its members to create and share content, build relationships and enable collaboration and connectivity irrespective of geographical location. The rapid rise of social media provides numerous possibilities for higher education institutions to adopt it to further their learning and teaching endeavors. The ubiquity and unusually high uptake of social media makes it suitable for administrators, managers, learners and teachers in higher education institutions too. (downloaded from www.thehighereducationreview.com on 09 April 2019).

Social media enables educational institutions to provide stakeholders with information about new research programs, changes to policies, events, job vacancies, alumni engagement and institutional news. Apart from the use of social media for learning and teaching, it is also being used for creating awareness and advertising. Some colleges and universities use social media as a tool for recruiting students. It provides a perfect platform to highlight new courses, research and teaching staff and campus facilities in an attempt to attract more students. (downloaded from www.thehighereducationreview.com on 09 April 2019). Facebook today has more than 2.2 billion monthly active users, while Instagram has over 1 billion monthly active accounts. This can turn out to be an advantageous situation for marketers in the education sector. When implemented correctly, higher education can utilize social media as an effective nowadays marketing tool. (downloaded from www.falcon.io on 09 April 2019).

Higher education facilities are starting to realize that they need to stand out amongst the crowd, both online and off. Recruiting students requires creative social media strategies implemented all year long to keep prospects engaged with the

school. Whether it is providing each department with leverage over their own social media channels or highlighting interesting courses on a regular basis online, universities and colleges can create meaningful connections with prospects with a well-curated social media presence. (downloaded from www.falcon.io on 09 April 2019).

When it comes to creating a social media presence that communicates professionalism but also actively engages with multiple audiences is no small feat. As a higher education facility, social media feed and content must speak to current students, prospects, parents, researchers, fellow institutions, and alumni. With so much to say, share, and manage, how to develop a social media strategy that checks all the necessary boxes for success will be the focus of this study. (downloaded from digitalmarketinginstitute.com on 09 April 2019).

Competitive pressure has forced the higher educational institutions to become entrepreneurs and implement competitive marketing strategies to recruits students in their respective markets. Therefore, to study the important attributes especially institutional factors that affect students' college choice decision in higher education institutions become pertinent on the part of marketing strategy planning for students' recruitment of higher educational institutions. Joseph & Joseph (2000) concluded that course and career information, and physical aspects and facilities are critical issues that must be kept in mind when educational institutions are trying to create sustainable competitive advantages in marketing strategies. LeBlance and Nguyen (1999) identified perceptions of price in the form of the price/quality relationship as most important factors, while Ford et al. (1999) recognized academic reputation, cost/time issues and program issues as the determinants of universities choice. (Ming, 2010). In addition, this study is also based on initial facet which group reference of parents' opinion and social environment are additional of important variables that influence student choice of university.

In brief the ten aspects are grouped into three categories, namely fixed university characteristics, university effort to communicate with students, and group references, which then lead to the dependent variable of purchase intention (college choice decision). Fixed university characteristics consist of six aspects; location, academic programs, university reputation, educational facilities, cost, and

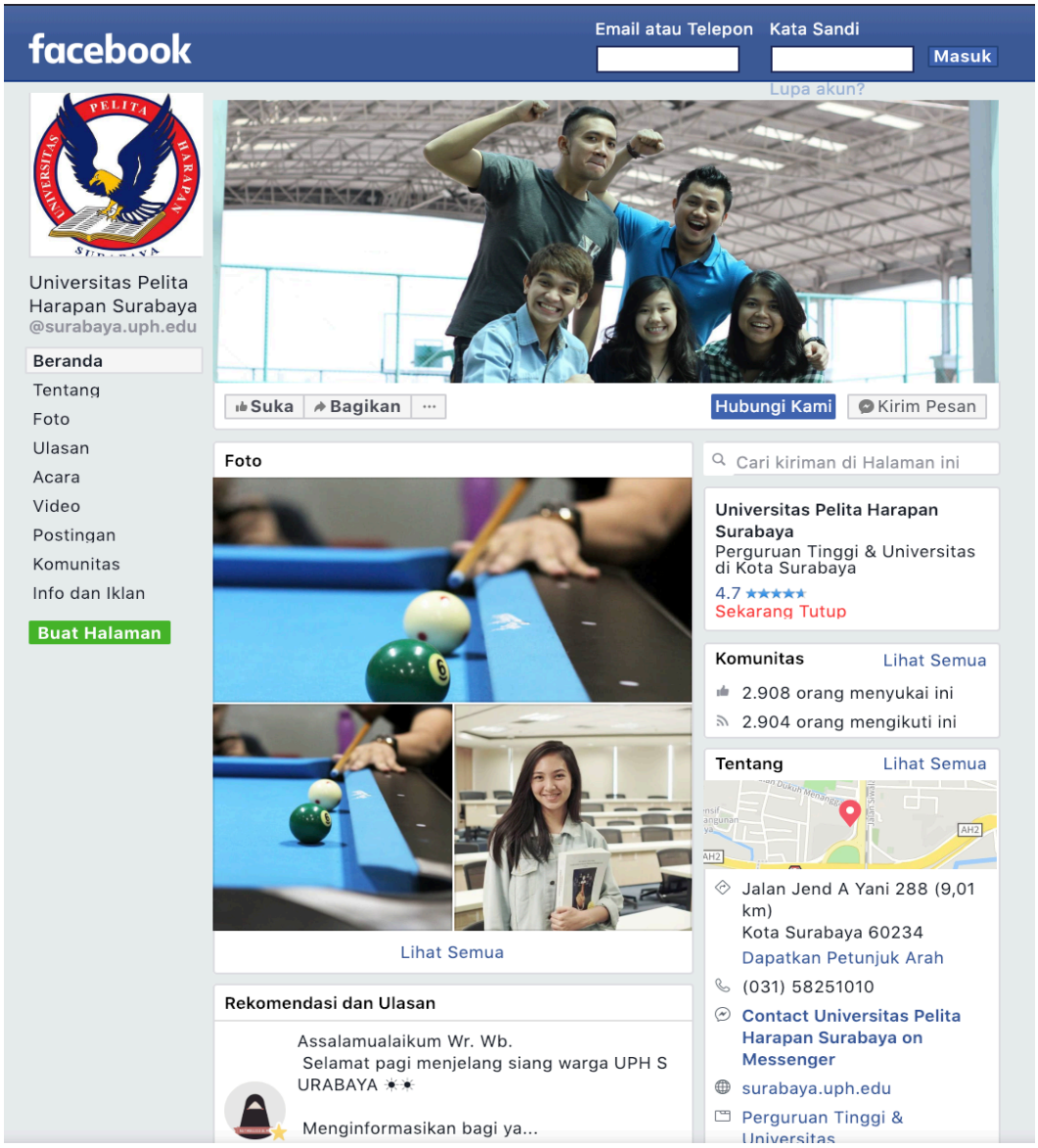
availability of financial aid or scholarship. College effort to communicate with students include advertising and campus visit. Group references refer to parents' opinion and social environment.

Universitas Pelita Harapan Surabaya as the main object in this study, has previously created a communication tool in a form of social media particularly Facebook, Instagram, and Twitter. The study conducted will dissect on how we can create and build greater impact to the prospects through communication tool that is going to be created.

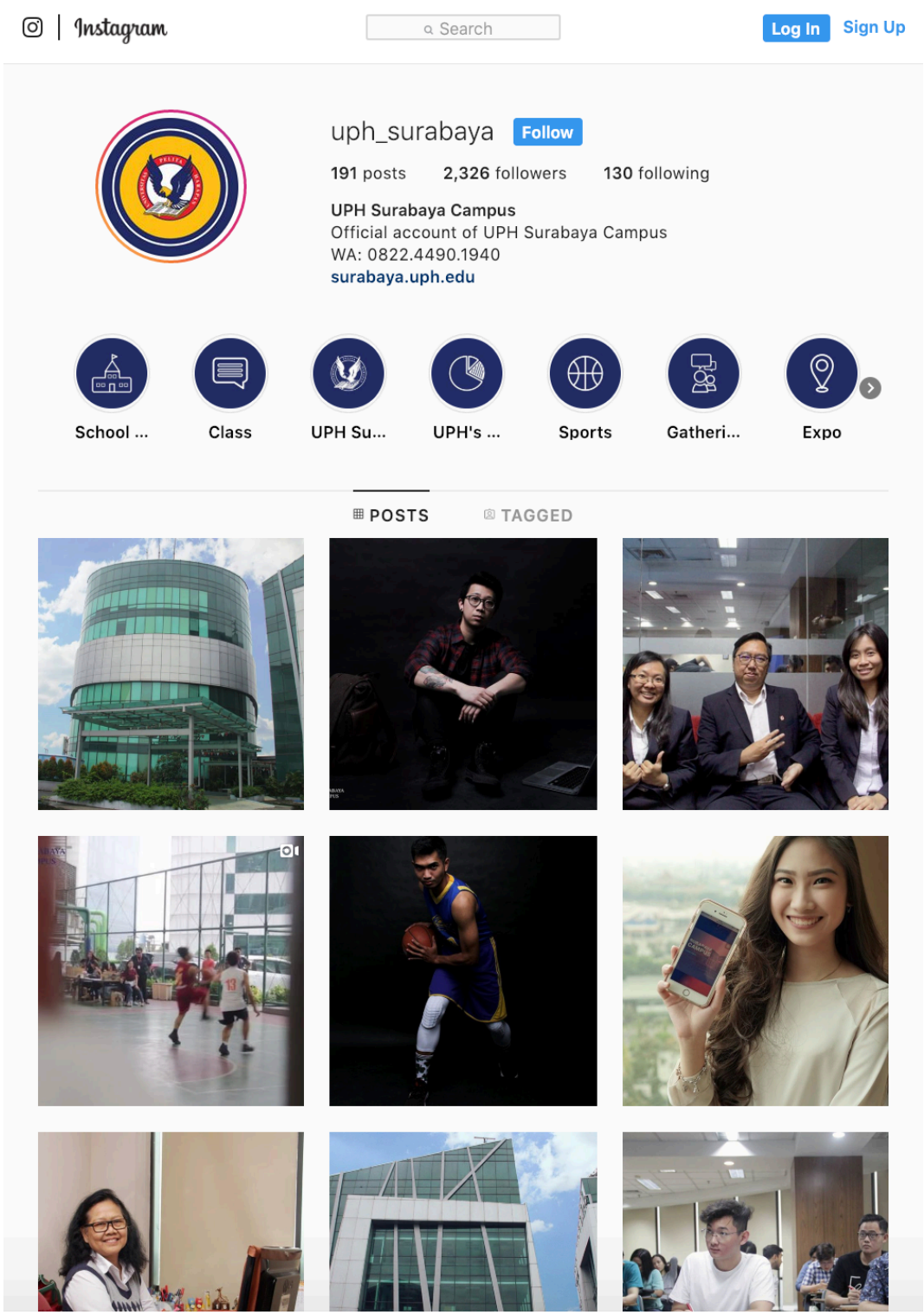
This study will review on what are the errors that is being implemented to Universitas Pelita Harapan Surabaya's previous communication tool on how it should look and how it will effectively affect prospects who interact with the social media. At the end of this study, there will be the end-product on what a good marketing tool should look like based on the survey that will be conducted.

Below are Universitas Pelita Harapan Surabaya current social media accounts:

Picture 1.1 A Preview of Universitas Pelita Harapan Surabaya Twitter Account
Source: https://twitter.com/uphsurabaya



Picture 1.2 A Preview of Universitas Pelita Harapan Surabaya Facebook Account
Source: https://www.facebook.com/surabaya.uph.edu



Picture 1.3 A Preview of Universitas Pelita Harapan Surabaya Instagram Account
Source: https://www.instagram.com/uph_surabaya

From Picture 1.1, 1.2 and 1.3, we can see a glimpse of Universitas Pelita Harapan Surabaya's social media account in which it shows a title on the communication tool. It also creates the generic stuff that most of higher education

institutions have had on their communication tool. In this study, we will be dissecting on how to upgrade and revamp this existing communication tool of Universitas Pelita Harapan Surabaya.

1.2 Research Problems

1. Does Location have a significant effect on College Choice Decision?
2. Does Academic Programmes have a significant effect on College Choice Decision?
3. Does College Reputation have a significant effect on College Choice Decision?
4. Does Educational Facilities have a significant effect on College Choice Decision?
5. Does Cost have a significant effect on College Choice Decision?
6. Does Availability of Financial Aid have a significant effect on College Choice Decision?
7. Does Advertising have a significant effect on College Choice Decision?
8. Does Campus Visit have a significant effect on College Choice Decision?
9. Does Parents Opinion have a significant effect on College Choice Decision?
10. Does Social Environment have a significant effect on College Choice Decision?

1.3 Research Objectives

1. To examine if Location have a significant effect on College Choice Decision.
2. To examine if Academic Programmes have a significant effect on College Choice Decision.
3. To examine if College Reputation have a significant effect on College Choice Decision.
4. To examine if Educational Facilities have a significant effect on College Choice Decision.
5. To examine if Cost have a significant effect on College Choice Decision.

6. To examine if Availability of Financial Aid have a significant effect on College Choice Decision
7. To examine if Advertising have a significant effect on College Choice Decision.
8. To examine if Campus Visit have a significant effect on College Choice Decision.
9. To examine if Parents Opinion have a significant effect on College Choice Decision.
10. To examine if Social Environment have a significant effect on College Choice Decision.

1.4 Research Contribution

1. For academic institution, especially higher education institutions, to broaden their knowledge in the retail industries
2. To provide wanted information for contents in higher education institutions' social media usage as communication tool.
3. For current and future research, to help get better understanding on effects can be made through social media account.
4. To be able to apply theoretical knowledge gained from lectures and textbooks into good use.

1.5 Research Limitations

The variables used in the study is few; they are location, academic programmes, college reputation, educational facilities, cost, and availability of financial aid which were grouped under fixed university characteristics, then advertising and campus visit as part of college effort to communicate with students, and category of group references refers to parents' opinion and social environment. These independent variables will then deter whether it lead significantly to the dependent variables which is college choice decision. The research is done between January – August 2019, in Surabaya, and targeting senior high school students.

1.6 Research Outline

Research Outline is written to explain the systematic writing of this study. The study will compose of five (5) chapters as follows:

Chapter I: Introduction

This chapter will give the background information about the problem that this study covers. This will include previous studies and defining important terms that will be used throughout the study. It will also specify the research objectives discussed in greater detail to be able to contribute for future research.

Chapter II: Literature Review

This chapter will describe the methods being used while performing the experiment. It will summarize all major findings that has been published to public and then will show on how this study can contribute for the future. Description of theories will be described on why it is applicable for the current research, an explanation why it is relevant, and how the modelling effort address the hypothesis to be tested.

Chapter III: Research Methods

This chapter will showcase and discuss the detailed scientific and technical activities done to accomplish the current study. This will include the research design, sampling plan, instruments being used, statistical tools and treatment of the data collected.

Chapter IV: Data Analysis and Discussion

This chapter provide organized logical presentation of all the findings that have been collected in the research questions and scrutinize more on how these key findings can be related back to the theory and prior researches that is presented in the beginning of the study.

Chapter V: Conclusion

This chapter provides the summary of the whole study, implications on how the study can be related back in real life, conclusion and recommendations that is

created to advance the study of the research topics theoretically, methodologically and substantive contributions that may be necessary to overcome the limitations of existing empirical facts.