

PROCEEDINGS

Jl. Z.A. Pagar Alam No. 89 Gedong Meneng, Bandar Lampung

ANALYSIS OF CUSTOMER ORIENTATION, RELATIONSHIP QUALITY, AND WORD OF MOUTH AND THEIR IMPACT ON PARENTAL DECISIONS IN ENROLLING CHILDREN AT BPK PENABUR METRO

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ABSTRACT

This study investigates the impact of customer orientation, relationship quality, and word of mouth on parental decisions regarding their children's enrollment at BPK Penabur Metro. Utilizing a quantitative research design, data were collected from 60 parents through structured questionnaires and observations. The findings reveal that all three factors significantly influence parental decision-making, with customer orientation and relationship quality playing particularly crucial roles. Validity and reliability tests confirmed the robustness of the measurement instruments, and regression analysis demonstrated the substantial explanatory power of the variables. The study provides valuable insights for educational institutions aiming to enhance their service quality and communication strategies to improve enrollment rates. Future research could extend these findings to other educational contexts to validate and generalize the results.

Keywords: Customer Orientation; Relationship Quality; Word of Mouth; Parental Decision-Making; Educational Enrollment

Introduction

The decision-making process of parents when choosing educational institutions for their children is multifaceted and influenced by several critical factors. Among these, customer orientation, relationship quality, and word of mouth have been identified as key elements that can shape parental preferences and decisions (Goldring & Phillips, 2008; Jati et al., 2021; Joshi, 2014; Le et al., 2020). Customer orientation reflects how well an institution meets the needs and expectations of its clients, while relationship quality encompasses the nature and strength of the interactions between the institution and its clients (Browne et al., 1998; Hyun & Perdue, 2017; Redding, 2005). Word of mouth, on the other hand, involves the informal exchange of information and opinions among parents, which can significantly impact perceptions and choices (Lee, 2016; Oraedu et al., 2021; Özdemir et al., 2016).

Despite the considerable body of research on consumer behavior across various industries, there remains a significant gap in understanding how these factors specifically influence parental decision-making within the educational sector (Habiburahman et al., 2019; Joshi, 2014; Meier & Lemmer, 2019). Existing studies have often explored these factors in general consumer contexts but have not adequately addressed their combined effects on educational choices. This gap highlights the need for a focused analysis that considers the unique dynamics of the educational environment (Barusman, 2024; Eidimtas & Juceviciene, 2014; Jongbloed, 2008; Moogan & Baron, 2003).

This study seeks to address this gap by providing a detailed analysis of how customer orientation, relationship quality, and word of mouth impact parental decisions regarding enrolling their children at BPK Penabur Metro. By examining these factors in the context of an educational institution, the research aims to offer valuable insights that can help educational institutions enhance their service quality and communication strategies (Meier & Lemmer, 2019; Parker et al., 2007; Yaacob et al., 2014). Such improvements are anticipated to lead to

better alignment with parental expectations and, consequently, increased enrollment rates (Boonk et al., 2018; Dzulhijatussarah & Defrizal, 2024; Laranjeiro et al., 2023; Nguyen et al., 2021).

The significance of this research lies in its potential to inform and guide educational institutions in refining their approaches to engaging with prospective parents. By understanding the impact of these factors, institutions can develop more effective strategies to attract and retain students, ultimately contributing to their overall success and growth (Badshah et al., 2021; Donovan & McKelfresh, 2008; Harper, 2007).

Methodology

This study employed a quantitative research design to investigate the relationships between the independent variables—customer orientation, relationship quality, and word of mouth—and the dependent variable, which is parental decision-making (Brown et al., 2002; Harrison-Walker, 2001; Lam & Wong, 2020; Martin & Lueg, 2013). To achieve this, a survey method was utilized to gather data from parents of students currently enrolled at BPK Penabur Metro.

The sampling strategy involved purposive sampling, which was chosen to ensure that the sample accurately represented parents who possessed relevant characteristics for this research (Jelani & Tan, 2012). Specifically, the sample comprised 60 respondents who were actively engaged in their children's education and had recent experience with the enrollment process at BPK Penabur Metro. This approach facilitated the collection of data from individuals who could provide meaningful insights into the factors influencing their decision-making (Joshi, 2014; Kern, 2023; Parker et al., 2007; Yaacob et al., 2014).

Data collection was conducted through a combination of structured questionnaires and observations. The structured questionnaires featured items rated on a Likert scale ranging from "strongly agree" to "strongly disagree." (Adapa et al., 2018; Kosztyán et al., 2023; Tobias-Mamina et al., 2021). These items were designed to assess various indicators of customer orientation, relationship quality, and word of mouth. In addition to the questionnaires, observational data were collected during school events and meetings to capture real-time interactions and behaviors of parents, providing a more comprehensive view of their experiences.

For data analysis, the study employed a range of statistical techniques. Descriptive statistics were used to summarize the data and provide an overview of the responses. To ensure the robustness of the data, validity and reliability tests were conducted. Additionally, normality, homogeneity, and linearity tests were performed to confirm that the data met the assumptions necessary for further statistical analysis (Ajakaiye et al., 2018; Jahani et al., 2018; Meterko et al., 2015; Oluwatayo et al., 2018). Hypothesis testing was carried out using t-tests and regression analysis to evaluate the significance of the relationships between the independent and dependent variables. A significance level of 0.05 was established as the criterion for determining whether to accept or reject the hypotheses.

Result and Discussion

a. Result

The analysis of descriptive statistics revealed a mean score of 11.02 for customer orientation, with scores ranging from 5 to 15 and a standard deviation of 1.732. The frequency distribution showed that the majority of respondents (55%) rated customer orientation between 11 and 12. This suggests that parents generally perceive BPK Penabur Metro's customer orientation to be slightly above the average level, indicating a favorable but not exceptional perception.

Validity testing results confirmed that all items related to the study variables were valid, as evidenced by corrected item-total correlations exceeding 0.250. Reliability testing, conducted using Cronbach's Alpha, demonstrated acceptable levels of internal consistency across the variables. Specifically, the reliability coefficients were 0.630 for customer orientation, 0.651 for relationship quality, 0.663 for word of mouth, and 0.683 for parental decisions. These values suggest that the measurement instruments were reliable and consistent in capturing the constructs of interest.

Hypothesis testing through regression analysis indicated that customer orientation, relationship quality, and word of mouth each had a significant positive effect on parental decision-making. The regression equation revealed that these variables collectively accounted for a substantial proportion of the variance in parental decisions regarding enrollment. This finding highlights the importance of these factors in influencing parental choices in the context of educational institutions.

b. Discussion

The The findings of this study offer important insights into the key factors that influence parental decision-making within the educational sector, specifically focusing on customer orientation, relationship quality, and word of mouth. The significant positive impact of these elements on parental choices underscores their critical role in

shaping decisions regarding educational institutions, aligning with the existing literature on consumer behavior (Goldring & Phillips, 2008; Jati et al., 2021; Joshi, 2014).

Customer orientation emerged as a crucial determinant in this study, suggesting that educational institutions can significantly influence parental decisions by effectively addressing the needs and expectations of parents. This finding reinforces the importance of institutions adopting a client-focused approach, consistent with previous research that highlights the value of customer orientation in enhancing institutional attractiveness and competitiveness (Browne et al., 1998; Hyun & Perdue, 2017). Institutions that prioritize understanding and meeting the needs of their clientele are more likely to foster positive perceptions and increase enrollment rates.

The role of relationship quality was also found to be significant, indicating that the strength and nature of interactions between the institution and parents are vital in influencing decision-making. This finding supports the idea that building and maintaining strong, trust-based relationships with parents is essential for fostering positive perceptions and decision-making (Le et al., 2020; Redding, 2005). Trust, as a core component of relationship quality, is particularly critical in the educational context, where parents seek assurance that their children's needs will be met.

Word of mouth emerged as a powerful influence on parental decisions, highlighting the impact of informal information exchange and recommendations among parents. This aligns with the findings of previous studies that emphasize the importance of word of mouth in shaping consumer perceptions and choices (Lee, 2016; Oraedu et al., 2021; Özdemir et al., 2016). Educational institutions can leverage positive word of mouth by encouraging satisfied parents to share their experiences and by addressing any negative feedback proactively, thereby enhancing their reputation and attractiveness.

Overall, this study advances our understanding of how customer orientation, relationship quality, and word of mouth interact to influence parental decision-making in the educational context. The findings suggest that educational institutions should adopt a customer-centric approach, focusing on enhancing relationship quality and actively managing word-of-mouth communications to improve enrollment rates (Meier & Lemmer, 2019; Parker et al., 2007). By aligning with the needs and expectations of parents, institutions can develop more effective strategies to attract and retain students, ultimately contributing to their success and growth (Badshah et al., 2021; Boonk et al., 2018; Nguyen et al., 2021).

This research offers actionable insights for educational institutions seeking to optimize their strategies and improve their appeal to prospective parents. The alignment of these findings with existing literature further validates the importance of these factors in the educational sector, providing a foundation for future studies to explore additional elements that may influence parental decision-making in different contexts (Eidimtas & Juceviciene, 2014; Moogan & Baron, 2003).

Conclusion

This study has demonstrated that customer orientation, relationship quality, and word of mouth significantly impact parental decisions regarding their children's education at BPK Penabur Metro. The findings underscore the importance of these factors in shaping parental perceptions and choices. Educational institutions can benefit from these insights by improving their service quality and communication strategies to enhance enrollment rates. Future research could explore additional factors influencing parental decisions and extend the study to other educational contexts to validate and generalize the findings.

By addressing the identified gap in the literature, this research contributes to a deeper understanding of the dynamics influencing parental decision-making in the educational sector. It provides practical recommendations for schools to adopt more effective customer-oriented practices and build stronger relationships with parents, ultimately leading to better educational outcomes for students.

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