



Effect of Tuition Fee, Promotion on Number of Students: Trust as Mediation Variable

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Abstract

This study examines the effect of tuition fees and promotions on the number of students at Dharmas Indonesia University (UNDHARI) through trust as an intervening variable. The research method used by researchers is a quantitative method using causality structural equations with the conception of the path analysis model research used to analyze patterns of relationships between variables to know the direct and indirect effects of independent (exogenous) variables on the dependent (endogenous) variable. Methods of data collection through surveys and distributing questionnaires, with a sample of 100 respondents. This study uses analytical tools Structural Equation Modeling (SEM) using the program Partial Least Square (PLS). The research results found that, Tuition Fee a significant effect on trust. Promotion has no significant effect on trust. Tuition Fee significant effect on the number of students. The promotion has no significant effect on the number of students. Trust has a significant effect on the number of students. Trust mediates influence tuition Fee to the number of students. Trust mediates the effect of promotion on student enrollment.

Keywords: Tuition Fee, Promotion, Number of Students, Trust

1. Introduction

National development is a series of sustainable development of all aspects covering the life of society, nation and state. The goal of national development is to realize a just and prosperous society that is evenly distributed based on Pancasila and the 1945 Constitution. One aspect of development is in the field of education. A good education will make a person have investment capital for the future, with good educational capital, the effect is not only for the short term but also for the long term (Bawono, 2021). The long-term impact that can be felt, among others, is the impact on a person's career if he has entered the world of professional work, besides that in the short term education can be used as an investment because with a good education, knowledge we gain can continue to be developed according to the field of knowledge.

Higher education is one of the levels in the world of education that has a role as an institution responsible for maintaining the nation's competitiveness (Pucciarelli & Kaplan, 2016). The nation's competitiveness can be well developed if it is supported by quality tertiary institutions (PT), so they

have strong global economic competitiveness (referensi). The development of a tertiary institution is influenced by the interest of prospective students in pursuing education at tertiary institutions, the amount of interest is followed by the development of human resources, facilities and infrastructure.

Dharmas Indonesia University is one of the private tertiary institutions in the province of West Sumatra. In its development, the number of new students who register has changed. Although it initially showed an increasing trend, a decreasing phenomenon happened the following year. Therefore, the campus continues to carry out promotional activities to attract new students. Promotional activities are not only carried out directly such as visiting schools and the community, but also promoting through social media such as Facebook, Tiktok, Instagram and WhatsApp.

Various efforts have also been made to increase the number of new students, one of the efforts is not to increase the Tuition Fee per semester (Dorn et al., 2020). Tuition fees are one of education administration's most important instrumental

components (Riinawati, 2021). It can be said that education cannot run without financial support. Dharmas Indonesia University (UNDHARI) also provides convenience in paying Tuition Fees and scholarship assistance to underprivileged students who also excel in academics or other fields. Trust also affects the number of new students.

Trust is a person's willingness to rely on other people where we have faith in him (Robbins, 2016). Trust is a relationship dimension that determines the degree to which all parties can trust the integrity of the promises offered by the other party (Jiang et al., 2016).

Educational costs can be defined as the total costs incurred by individual students, paid for by families, community groups, or issued by the government for the smooth running of the educational process (Saputra & Fauzi, 2022). The cost of education is one of the most important instrumental components in education administration. More precisely, there must be a review of the costs that students will incur as consumers of educational services to select the intended tertiary institution as a service provider institution.

Promotion refers to activities communicating the product's merits and persuading target customers to buy it (Al Badi, 2018). The definition states that promotion; refers to communicating two products and persuading target customers to purchase. Promotion is an exercise in information and persuasion; conversely, a convinced person is also being informed (Dimotakis et al., 2017). The definition states that promotion is an exercise in information, persuasion and vice versa, by persuading people to become informers.

Students are students who are registered and study at a tertiary institution. Dharmas Indonesia University is a relatively new private university with a relatively young age of 15 years. This illustrates that getting new students is a really tough struggle. UNDHARI must compete with other universities that are older and more established. This situation requires UNDHARI to continue doing business and marketing prospects. Especially promotions that are more intensive and planned in various ways, in order to be able to further increase the number of new students at Universitas Dharmas Indonesia. The conceptual framework is in figure 1 below

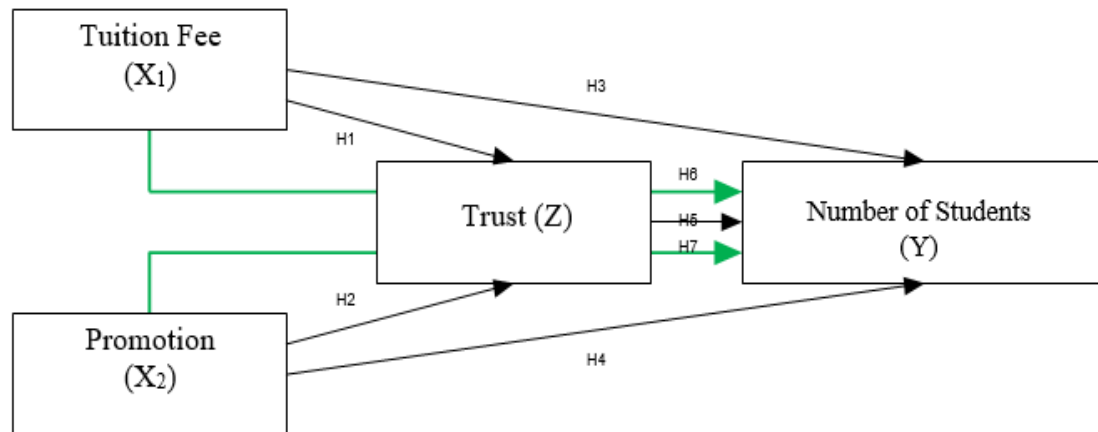


Figure 1. Conceptual Framework

2. Methods

The research method used by researchers is quantitative, with the sampling method using proportionate stratified random sampling. In this study, the variables are (1) the independent variables consisting of X₁ = Tuition Fee and X₂ = Promotion; (2) Mediation Variables namely Z = Trust; (3) Dependent Variable, namely Y = Number of Students.

The study's population was all new students for the 2022/2023 Academic Year, Dharmas Indonesia

University, totalling 574 people (Source BAAK Undhari Year 2022). The sampling method used proportionate stratified random sampling. Proportionate stratified random sampling is a technique used when the population has members/elements that are not homogeneous and are proportionally stratified (reference). Based on the calculations, the number of samples obtained was 100 people. The indicators used in this study are in table 1 below:

Table 1. Variable Indicators

No	Variables	Indicators	No. Item	Item
1.	Tuition Fee (X1)	1. Cheap development fees 2. Flexible payments 3. Cheap registration 4. Cheap semester tuition fees	1,2 3,4 5,6	2 2 2
2.	Promotions(X2)	1. Conformity of expectations 2. Interest to visit again 3. Availability recommend	1,2 3,4 5,6	2 2 2
3.	Trust (Z)	1. Sure can keep quality 2. Confident can maintain the image 3. Confident in providing good facilities. 4. Confident of having a quality program 5. Campus atmosphere that is easy to access, safe and comfortable	1,2 3,4 5,6 7,8 9,10	2 2 2 2
4.	Number of Students (Y)	1. Gender 2. Distance 3. Respondent's School Status	1,2 3,4 5,6	2 2 2

Data analysis techniques in this study used Smart PLS, assessing the outer model before elimination and the outer model after subsequent elimination by measuring the inner model (structural model). To test the significance of the research hypothesis, it is done through assessing the value of the path coefficient or inner model which is indicated by the T-Statistic or T-count value compared to the T-table value of 1.96 at an

error of rejecting data of alpha 5% (Kusumastuti et al., 2020).

3. Result and Discussion

Result

Based on the results of the outer model test, the correlation values obtained between the items of the research variable statements are as follows:

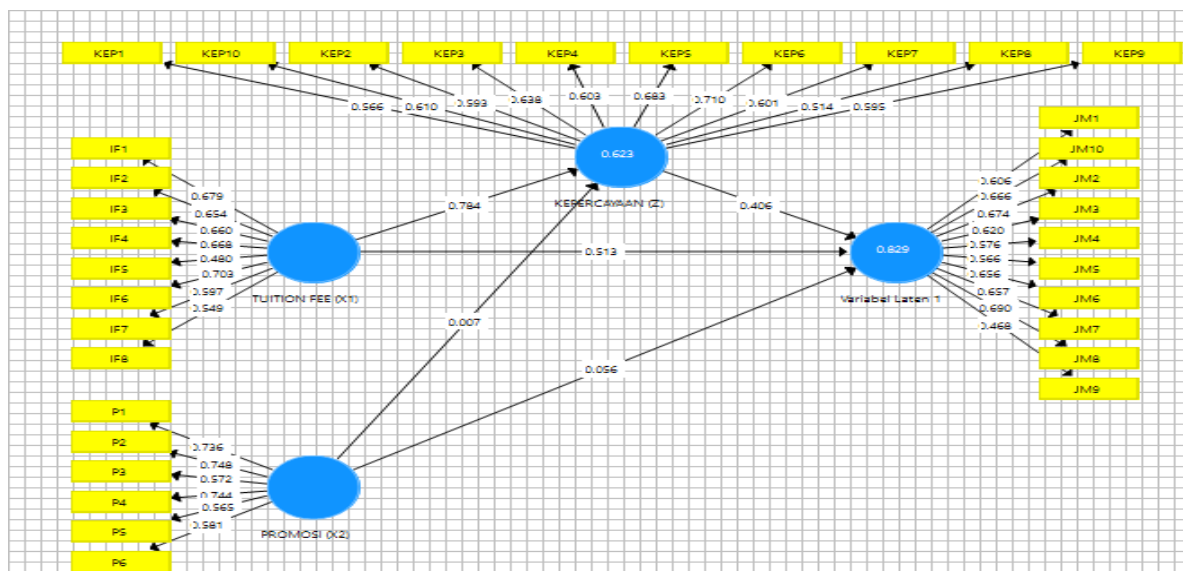


Figure 2. Outer Loadings Before Elimination

A correlation of 0.50 to 0.6 is considered adequate or acceptable in the development stage. In the research, the value limit for convergent validity is above 0.7.

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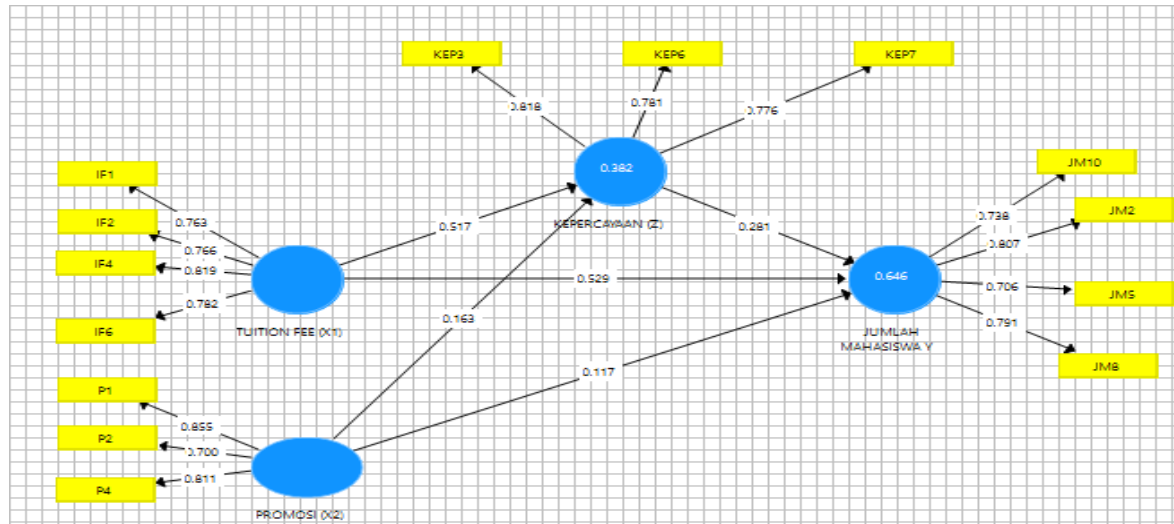


Figure 3. Outer Loadings After Elimination

In the research, the value limit for convergent validity is above 0.6. Several indicators are eliminated from the tuition fee and promotion variables on the number of students through trust. Criteria for the validity of a construct or variable can also be assessed through the

Average Variance Extracted (AVE) value of each construct or variable. The construct is said to have high validity if the value is above 0.50.

Table 1. AVE (Average Variance Extracted) Test Results

Variable	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted
Trust (Z)	0,704	0,709	0,835	0,627
Promosi (X ₂)	0,715	0,779	0,833	0,626
Tuition Fee (X ₁)	0,790	0,794	0,863	0,613
Jumlah Mahasiswa (Y)	0,761	0,771	0,846	0,580

Source: Data Processed by authors, 2023

Based on the table above, all the constructs or variables above meet the criteria of good validity. This is indicated by the Average Variance Extracted (AVE) value above 0.50 as the recommended criterion.

Once the level of data validity is known, the next step is to determine the level of data reliability or the level of reliability of each construct or variable. This assessment looks at the composite reliability value and the Cronbach alpha value. A construct's value is reliable if it gives a cronbach alpha value > 0.70.

Table 2. Composite Reliability Value

Variable	Cronbach's Alpha
Trust (Z)	0,704

Promotion (X ₂)	0,715
Tuition Fee (X ₁)	0,790
Number of Student (Y)	0,761

Source: Data Processed by authors, 2023

Based on the SmartPLS output in the table above, it has been found that the composite reliability value of each construct or variable is greater than 0.70. Thus it can be concluded that the level of data reliability is good or reliable.

The next testing process is testing the inner model or structural model which aims to determine the relationship between constructs as has been hypothesized. The structural model is evaluated by

considering the R-Square value for the endogenous construct from the influence it receives from the exogenous construct.

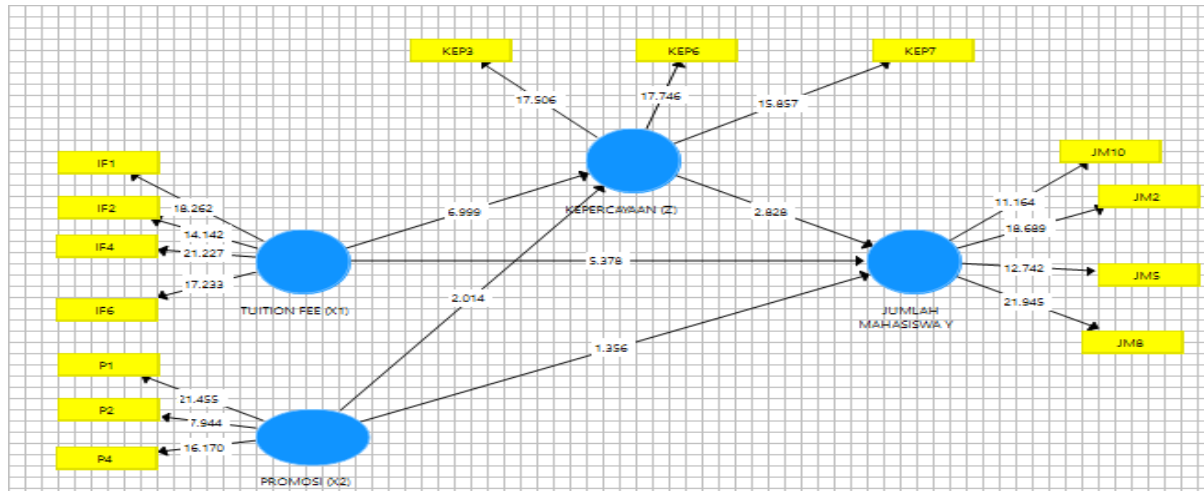


Figure 4. Structural Model Inner

Based on the picture above, the structural model can be formed as follows:

- The Equation Model I, illustrates the magnitude of the influence of the tuition fee and promotion constructs on trust with the existing coefficients plus the error rate which is an estimation error or which cannot be explained in the research model.

$$Z = 0.517 X_1 + 0.163 X_2 + e_1 \quad (1)$$

- Equation II model, illustrates the magnitude of the influence of the tuition fee, promotion and trust constructs on the number of students with each

coefficient that exists for each construct plus an error which is an estimation error.

$$Y = 0.529 X_1 + 0.117 X_2 + 0.281 Z + e_2 \quad (2)$$

Next, as explained earlier, the assessment of the inner model will be evaluated through the R-Squared value, to assess the effect of certain exogenous latent constructs on endogenous latent constructs whether they have a substantive effect, the following is the R-Square estimate:

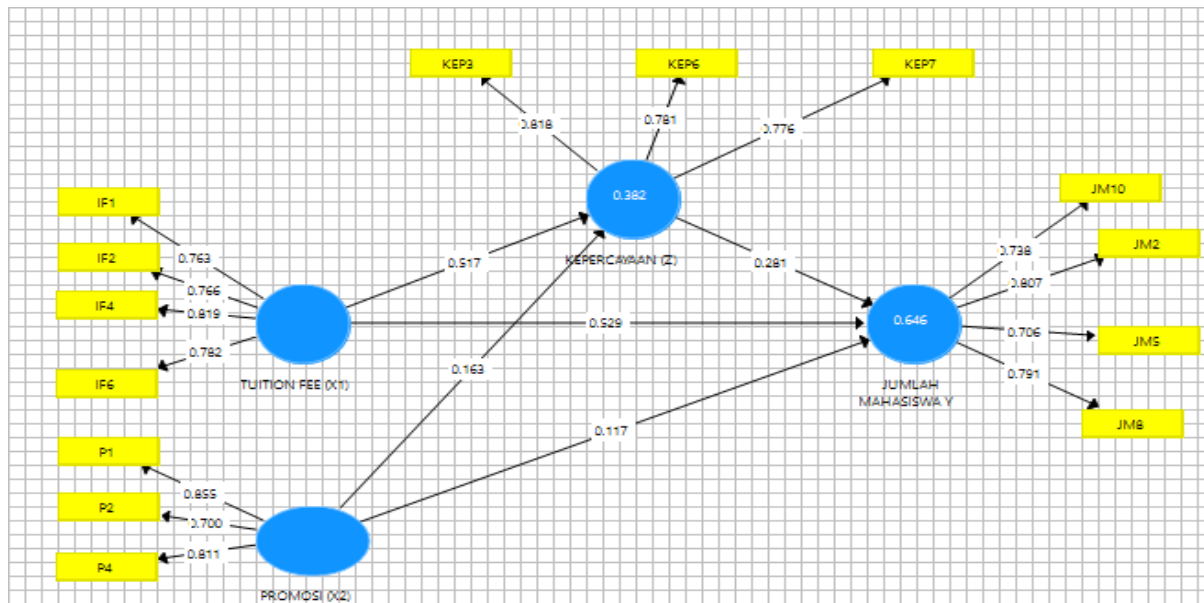


Figure 5. Determination Coefficient Test Results

For more details, it can be seen in the following R-Square table:

Table 3. R-Square Value

Variable	R Square	Adjusted R Square
Trust (Z)	0.382	0.369
Number of Student (Y)	0.646	0.635

Source: Data Processed by authors, 2023

The figure above shows the R-Square value of the number of students construct of 0.646 or 64.6%, which illustrates the magnitude of the influence received by the number of students construct from the tuition fee, promotion and trust constructs. Meanwhile, the R-Square value for the trust construct is 0.382 or 38.2%

indicating the magnitude of the influence exerted by the tuition fee and promotion constructs in explaining or influencing trust.

Hypothesis testing aims to answer the problems that exist in this study, namely the influence of certain exogenous latent constructs with certain endogenous latent constructs either directly or indirectly through mediating variables. Testing the hypothesis in this study, can be judged by the value of the t-statistic or t-statistic compared to the t-table of 1.96 at an alpha of 5%. If t-statistic/t-count < t-table 1.96 at alpha 5%, then Ho is rejected and if t-statistic/t-count > t-table 1.96 at alpha 5%, then Ha is accepted. The following is the output of SmartPLS, which describes the estimated output for testing the structural model:

Table 4. Hypothesis Results

Variable	Original Sample (O)	Sample Average (M)	Standard Deviation (STDEV)	T-Statistics	P-Values
Trust (Z) -> Number of Student (Y)	0,281	0,291	0,093	3,014	0,001
Promotion (X2) -> Number of Student (Y)	0,117	0,120	0,087	1,342	0,090
Promotion (X2) -> Trust (Z)	0,163	0,173	0,085	1,905	0,529
Tuition Fee (X1) -> Number of Student (Y)	0,529	0,520	0,091	5,824	0,000
Tuition Fee (X1) -> Trust (Z)	0,517	0,514	0,074	6,943	0,000

Source: Data Processed by authors, 2023

Based on the results of the SmartPLS test in the table above, it can be seen that the results of testing the research hypothesis start from the first hypothesis to the fifth hypothesis, which is a direct influence of the tuition fee construct and promotion on trust and the influence of the tuition fee construct, promotion and

trust on the number of students.

Based on testing the data using the SmartPLS program tool, the path analysis results were obtained, which can be seen in table 5.

Table 5. Result Path Analysis

Variable	Original Sample (O)	Sample Averagel (M)	Standard Deviasi (STDEV)	T-Statistik	P Values
Promotion (X2) -> Trust (Z) -> Number of Student (Y)	0,046	0,051	0,031	1,472	0,071
Tuition Fee (X1) -> Trust (Z) -> Number of Student (Y)	0,145	0,149	0,050	2,933	0,002

Source: Data Processed by authors, 2023

Based on the path diagram, the t-statistic or t-count value helps assess whether the hypothesis is accepted or rejected, by comparing the t-statistic or t-count value with t-table at 1.96 (on an error of dismissing the data of 5%). The value of t-statistics < t-table 1.96 or 1.471 < 1.96 P-Value 0.071 > 0.05 thus the hypothesis

is rejected or H0 is accepted and H6 is rejected, in other words there is an insignificant effect of promotion (X2) to the number of students through trust as an intervening variable. T-statistic value > t-table 1.96 or 2.933 > 1.96 P-Value 0.002 < 0.05 thus the hypothesis can be accepted or H0 is rejected and H7 is accepted, in other words there is a significant effect of

tuition fees on total students through trust as an intervening variable.

Table 6. Statistical t-test Results

Variable	Original Sample (O)	Standard Deviation (STDEV)	T-Statistik (O/ STDEV)	Explanation
Trust (Z) -> Number of Students (Y)	0,281	0,093	3,014	Hypothesis accepted
Promotion (X ₂) -> Number of Students (Y)	0,117	0,087	1,342	Hypothesis rejected
Promosi (X ₂) -> Trust (Z)	0,163	0,085	1,905	Hypothesis rejected
Tuition Fee (X ₁) -> Number of Students (Y)	0,529	0,091	5,824	Hypothesis accepted
Tuition Fee (X ₁) -> Trust (Z)	0,517	0,074	6,943	Hypothesis accepted
Promotion (X ₂) -> Trust (Z) -> Number of Student (Y)	0,046	0,031	1,472	Hypothesis rejected
Tuition Fee (X ₁) -> Trust (Z) -> Number of Student (Y)	0,145	0,050	2,933	Hypothesis accepted

Source: Data Processed by authors, 2023

Discussion

Effect of Tuition Fee on Trust

The results of testing the data using the SmartPLS program tool found a tuition fee coefficient of 6.943, which is the magnitude of this construct has influence on trust. Furthermore, to assess whether this hypothesis is accepted or rejected, the comparison between t-statistics or t-count with t-table is 1.96 at an alpha of 5%. Where the value of the t-statistic > t-table is 1.96 at alpha 5% or 6.943 > 1.96 the P-Value is 0.000 < 0.05 therefore, H₀ is rejected and H₁ is accepted, in other words there is a significant effect of tuition fees on trust. The results of this study are in line with research conducted by Arianto et al. (2021) where there is a significant effect of tuition fees on trust.

The Effect of Promotion on Trust

The results of testing the data with the SmartPLS program showed that the promotion coefficient value was 1.905, which is the magnitude of the influence exerted by this construct on trust. Furthermore, to assess whether this hypothesis is accepted or rejected, then the value of t-statistics or t-statistics or t-count is compared with t-table 1.96 at an alpha of 5%. Where if the t-statistic value > t-table 1.96 at alpha 5% or 1.905 < 1.96 the P-Value 0.029 < 0.05 then the hypothesis can be accepted or H₀ is rejected and H₂ is accepted, in other words there is an unfavorable effect significant promotion of trust. This study's results align with research conducted by Arianto et al. (2021); (Arianto et al., 2021) where promotion has an insignificant impact on trust.

Effect of Tuition Fee on Number of Students

Based on the results of testing the data using the SmartPLS program, it can be seen that the tuition fee coefficient is 5.824 which is the amount of influence given to the number of students. To find out whether this hypothesis is accepted or rejected, then the comparison between the value of t-statistics or t-count with t-table is 1.96 at an alpha of 5%. Where the value of the t-statistic > t-table is 1.96 at alpha 5% or 5.824 > 1.96 the P-Value is 0.000 < 0.05 therefore H₀ is rejected and H₃ is accepted, in other words there is a significant effect of tuition fees on number of students. The results of this study are in line with research conducted by (Sulistiyo & Soegoto, 2018) where there is a significant effect of tuition fees on the number of students.

The Effect of Promotion on the Number of Students

Based on the results of testing the data using the SmartPLS program tool, it can be seen that the promotion coefficient value is 1.342 which is the magnitude of the influence given by this construct on the formation of the number of students. To find out whether this hypothesis is accepted or rejected, then the comparison between the value of t-statistics or t-count with t-table is 1.96 at an alpha of 5%. Where the value of t-statistics > t-table 1.96 at alpha 5% or 1.342 < 1.96 P-Value 0.090 > 0.05 therefore H₀ is accepted and H₄ is rejected, in other words there is no significant effect of promotion on number of students. This study's results align with research conducted by (Kango et al., 2021) where promotion is having a non-significant impact on the number of students.

The Effect of Trust on the Number of Students

Based on the data processing results with the SmartPLS program, a confidence coefficient value of 3.014 is obtained, which is the magnitude of the influence given by this construct to the number of students. Furthermore, to assess the t-statistic or t-count value, it is useful to determine whether the hypothesis is accepted or rejected, by comparing the t-statistic or t-count value with t-table at 1.96 (on an error of dismissing the data of 5%). T-statistic value > t-table 1.96 or 3.014 > 1.96 P-value 0.01 < 0.05 thus the hypothesis can be accepted or H0 is rejected and H5 is accepted, in other words there is a significant influence on trust in number of students. The results of this study are in line with research conducted by (Kwan, 2016) where there is a significant effect of trust on the number of students.

Effect of Tuition Fee on Number of Students through Trust

T-statistic value > t-table 1.96 or 2.933 > 1.96 P-Value 0.000 < 0.05 thus the hypothesis can be accepted or H0 is rejected and H6 is accepted, in other words there is a significant effect of tuition fees on total students through trust. Then the number of students will increase through trust, the number of students will increase if it is directly affected by the tuition fee. The results of this study are in line with research conducted by (Arianto et al., 2021) beliefs mediate the effect of tuition fees on the number of students

The Effect of Promotion on the Number of Students through Trust

The Effect of Promotion on Number of Students through Trust t-statistical value < t-table 1.96 or 1.472 < 1.96 P-Value 0.071 > 0.05 thus the hypothesis can be accepted or H0 is accepted and H7 is rejected, in other words there is an influence which is not significant promotion of the number of students through trust. Then the number of students will decrease through trust, the number of students will increase if promotions directly influence it. The results of this study align with research conducted by (Nursyirwan, 2021) trust mediates the effect of promotion on the number student.

4. Conclusions

The conclusions from this study, as follows:

1. There is a significant influence of tuition fees on Trust.
2. Promotion has no significant effect on Trust.
3. There is a significant effect of tuition fees on the number of students.
4. There is no significant effect of promotion on the number of students.
5. There is a significant influence of Trust on the number of students.

6. Trust mediates the effect of Tuition Fee on the number of students.
7. Trust mediates the influence of Promotion on the number of students.

Suggestions for Dharmas Indonesia University to pay more attention to Promotion (Variable X2) because it has the dominant potential for the Trust Variable (Z) with indicator X2.1, namely the suitability of the quality and facilities provided by UNDHARI according to the expectations of prospective new students, which means to be able to To increase the number of new students, UNDHARI must be able to maintain and improve the quality and facilities for students so that they can become one of the attractive factors in promotion and foster student confidence in UNDAHARI. Future researchers are expected to be able to develop the results of this study by involving other independent variables related to the number of students such as brand image, service quality, student loyalty and student satisfaction. Or you can add moderating variables. With the hope that the sample and object of research will be larger and expanded.

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