

Understanding Parents' Choices Behind Rising Enrollment Demand: The Roles of Service Quality, Trust, and Word of Mouth

Evidence from an Islamic Elementary School in Indonesia

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Abstract

Introduction/Main Objectives: This study examines how service quality and word of mouth affect parents' school choice at SDIT Amal Mulia in Depok, with trust as an intervening variable.

Background Problems: The intense competition in elementary school selection is highlighted by the case of SDIT Amal Mulia, where its Grade 1 quota filled in just 10 minutes, demonstrating the critical need to understand the key factors driving parental decision-making.

Research Methods: The research used a census method, surveying all 76 Grade 1 parents. Data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS 4 software.

Finding/Results: Service quality strongly influences school choice, both directly and indirectly through trust. Trust significantly affects parents' decisions. Word of mouth has no significant direct or indirect effect on the school choice decision.

Conclusion: Service quality and trust play a more decisive role than word-of-mouth recommendations in influencing parents' choice of elementary school.

Keywords: service quality, word of mouth, trust, school choice decision, PLS-SEM, census.



Introduction

Education plays an essential role in shaping future generations, and parents increasingly view school selection as a strategic investment for their children's development. Schools are expected to deliver strong academic programs supported by reliable services, a safe environment, and institutional credibility. These expectations appear clearly in the competitive landscape of the Tapos District in Depok, where schools implement a variety of marketing efforts like social media campaigns, trial classes, partnerships with kindergarten teachers, and promotional activities, to attract new students.

Within this environment, SDIT Amal Mulia presents a distinctive phenomenon. The school consistently reaches its enrollment quota in an exceptionally short time. For the 2025–2026 academic year, the quota was filled within ten minutes, and for 2026–2027, 107 seats were taken within only two minutes after registration opened. This high demand emerges without promotional discounts and despite tuition fees that are relatively higher than those of surrounding schools. The school's achievements support this strong reputation, including recognition as Best Child-Friendly School in Depok (2021), the highest accreditation score in Depok (2023), Best Principal Award (2024), and a national OSN bronze medal (2025). These accomplishments are strengthened by programs such as MULIA Integrated Learning, Coding for Kids, character development, public speaking, and Cambridge-aligned English assessments.

Parents describe several reasons for choosing the school. Many emphasize high service quality reflected in teacher competence, disciplined classroom management, a safe and clean environment, and structured learning programs. Information about these strengths circulates widely through word of mouth (WOM), especially among families, neighbors, colleagues, and friends. These personal recommendations contribute to the formation of strong trust in the school and influence the decision-making process.

Theoretical perspectives offer a basis for understanding these influences. According to Kotler and Keller, WOM is interpersonal communication about products or services that feels personal, credible, and persuasive. The present study observes WOM through three elements of Sernovitz's model, talkers, topics, and taking part, which highlight who shares information, what aspects are discussed, and how parents participate in conversations across their social networks. Trust, based on the framework of McKnight and colleagues, consists of competence, benevolence, integrity, and predictability, along with trusting intentions. Predictability strengthens trust by shaping expectations that the school will consistently deliver reliable, safe, and high-quality services. Decision-making, also described by Kotler and Keller, involves stages of need recognition, information search, evaluation of alternatives, the choice itself, and post-decision responses. Parents move through these stages when identifying educational needs, gathering information from various sources, comparing school options, and deciding which institution aligns most closely with their expectations. Service quality, WOM, and trust shape judgments at each stage and guide the final school-choice decision.

Findings from earlier studies show varied results. Several studies report that WOM has a significant influence on parents' school-choice decisions. Other studies indicate that WOM affects only purchase intention rather than the final decision. Evidence regarding the role of trust also varies. Some research identifies trust as a mediating factor in consumer decision-making, while other studies find that trust does not mediate the influence of service quality or social media marketing. Additional studies show that trust directly and significantly affects parents' choices.

Research on school-choice decisions generally examines declining enrollment, dissatisfaction, or factors that encourage parents to reconsider educational options. Situations marked by

exceptionally high demand receive limited attention, and the phenomenon of parents competing for limited seats in a highly sought-after school—such as SDIT Amal Mulia—remains rarely elaborated in existing literature. This context presents an important opportunity to explore the factors that drive strong parental interest.

This study analyzes the influence of service quality and word of mouth on parents' decisions to choose a school, with trust as an intervening variable, using SDIT Amal Mulia as the research setting. The analysis responds to inconsistencies in earlier findings and employs a context marked by uniquely high enrollment demand. The findings are expected to deepen the understanding of parental decision-making in education and provide practical insights for school management.

Research Methods

This study applies a quantitative design grounded in the positivist view that social phenomena can be examined through objective measurement and statistical analysis (Comte, 2014 in Hasyim et al., 2024). As an explanatory study, it seeks to test hypotheses and clarify causal links between service quality, word of mouth, trust, and parents' school-choice decisions (Creswell, 2014). Data were collected using a structured questionnaire with a 5-point Likert scale.

The research was carried out at SDIT Amal Mulia in Tapos, Depok, involving all parents of first-grade students. A total of 76 respondents participated, and the study was conducted from August to November 2025. A census approach was used to ensure complete coverage since first-grade parents had recently made school-choice decisions and could provide accurate reflections on influencing factors.

The questionnaire was administered online via Google Forms and measured perceptions of service quality, word of mouth, trust, and school choice.

Data analysis employed Partial Least Squares Structural Equation Modeling (PLS-SEM), selected for its suitability for small samples, non-normal data, and simultaneous testing of measurement and structural models. The analysis followed three main steps: assessing indicator reliability and validity (Hair et al., 2021), evaluating structural relationships through R^2 , path coefficients, bootstrapping values, and effect sizes, and interpreting both direct and mediated effects using SmartPLS 4.

This methodological approach provides systematic and reliable evidence on how service quality, word of mouth, and trust shape parental decisions in choosing SDIT Amal Mulia.

Result

This study was conducted at SDIT Amal Mulia, an established Islamic elementary school in Tapos, Depok with a strong reputation and various academic and institutional achievements. Public interest in the school is consistently high, with Grade 1 registration for 2025–2026 filling within minutes.

From 76 surveyed first-grade parents, mothers dominated decision-making (87.01%), mostly Millennials aged 31–40 who value service quality and school reputation. Parent–teacher communication generally happened only when necessary, and participation in school activities was moderate.

All measured variables received positive evaluations from parents. Service Quality, Trust, Word of Mouth, and Parents' School Choice were all rated highly, indicating that parents generally perceive the school's services, reputation, and decision-making experience in a favorable light.

Measurement Model Evaluation

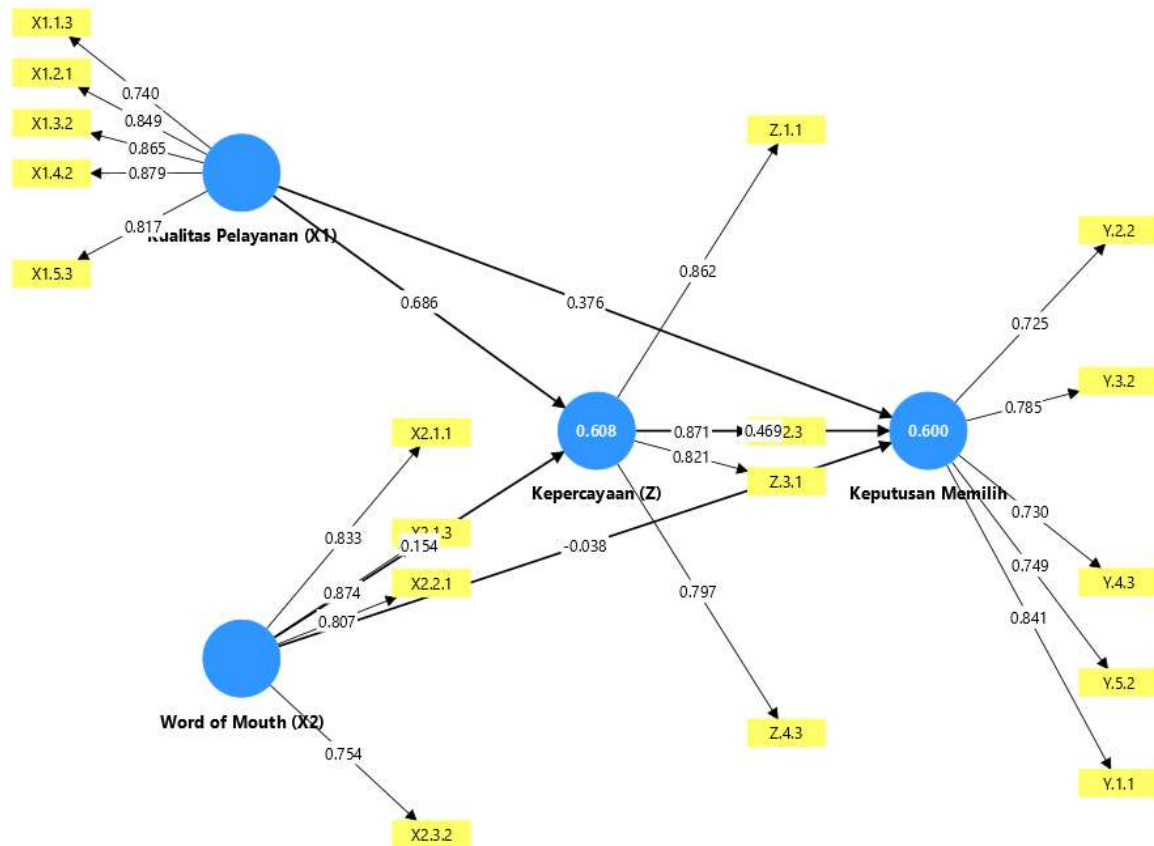


Figure 1 Model PLS Algorithm

Source: Processed Data, 2025

The analysis began with evaluating the measurement model to ensure that all indicators used in this research were valid and reliable before proceeding to structural testing. Convergent validity assessment using outer loadings shows that all 18 items exceeded the recommended threshold of 0.708, indicating that each indicator successfully captures the construct it is intended to measure. This confirms that the measurement items for Service Quality, Word of Mouth, Trust, and Parents' School Choice Decision meet the minimum validity standards and are appropriate for further analysis.

Table 1 Outer Loadings of Research Indicators

Item	Decision	Trust	Service Quality	Word of Mouth	Note
Y.1.1	0.841	0.547	0.508	0.256	Acceptable
Y.2.2	0.725	0.480	0.380	0.250	Acceptable

Item	Decision	Trust	Service Quality	Word of Mouth	Note
Y.3.2	0.782	0.418	0.380	0.280	Acceptable
Y.4.3	0.730	0.591	0.662	0.328	Acceptable
Y.5.2	0.749	0.703	0.637	0.375	Acceptable
Z.1.1	0.635	0.862	0.726	0.380	Acceptable
Z.2.3	0.607	0.871	0.640	0.569	Acceptable
Z.3.1	0.614	0.821	0.606	0.429	Acceptable
Z.3.2	0.581	0.815	0.598	0.496	Acceptable
Z.4.3	0.619	0.788	0.598	0.496	Acceptable
X1.1.3	0.580	0.492	0.740	0.320	Acceptable
X1.2.1	0.607	0.577	0.849	0.420	Acceptable
X1.3.2	0.624	0.725	0.865	0.492	Acceptable
X1.4.2	0.678	0.732	0.879	0.456	Acceptable
X1.5.3	0.467	0.637	0.817	0.477	Acceptable
X2.1.1	0.266	0.395	0.419	0.833	Acceptable
X2.1.3	0.367	0.442	0.465	0.807	Acceptable
X2.2.1	0.381	0.522	0.516	0.807	Acceptable
X2.3.2	0.303	0.307	0.316	0.754	Acceptable

Source: Processed Data, 2025

Reliability and validity were then evaluated through Cronbach's Alpha, Composite Reliability, and Average Variance Extracted (AVE). All constructs demonstrated strong internal consistency, with Cronbach's Alpha and Composite Reliability values exceeding 0.7. The AVE values, ranging from 0.589 to 0.703, surpassed the recommended threshold of 0.5, signifying robust convergent validity. These results indicate that the measurement instruments used in this study are both reliable and valid in representing the constructs.

Table 2 Results of Construct Reliability and Validity

Variable	Cronbach's Alpha	Composite Reliability (rho_a)	Average Variance Extracted (AVE)	Conclusion
Parents' School Choice Decision (Y)	0.829	0.835	0.589	Reliable and Valid
Trust (Z)	0.858	0.861	0.703	Reliable and Valid
Service Quality (X1)	0.888	0.898	0.636	Reliable and Valid
Word of Mouth (X2)	0.836	0.853	0.609	Reliable and Valid

Source: processed by the researcher, 2025

Discriminant validity was confirmed through several approaches. The cross-loading analysis showed that each indicator loaded more strongly on its respective construct compared to others, demonstrating that each measurement item is unique and does not overlap with other constructs. Further verification using the HTMT criterion (Henseler et al., 2015) showed that all HTMT values were below 0.90, indicating adequate discriminant validity. The Fornell–Larcker criterion also confirmed that the square root of AVE for each construct exceeded the correlations with other constructs. Altogether, these results affirm that the constructs in the model are empirically distinct.

Table 3 Heterotrait-Monotrait Ratio of Correlations (HTMT)

	Trust	Parents' School Choice	Service Quality	Word of Mouth
Trust	-			
Parents' School Choice	0.843	-		
Service Quality	0.871	0.796	-	
Word of Mouth	0.503	0.466	0.607	-

Source: *Processed Data, 2025*

The multicollinearity assessment using VIF values shows that all indicators fall within acceptable thresholds. Most items had VIF values below 3, indicating no multicollinearity issues, while a few items in the range of 3–4 remained within acceptable limits. This confirms that the indicators do not exhibit harmful correlations that could distort the structural estimates and that all items can be retained for model estimation.

Table 4 R Square Test Results

R Square	
Trust	0.608 (Moderate)
Parents' School Choice	0.600 (Moderate)

Source: Processed Data, 2025

Following the validation of the measurement model, the structural model was evaluated to test the relationships proposed in the research objectives. The R^2 values obtained indicate moderate explanatory power. Trust recorded an R^2 of 0.608, meaning that Service Quality and Word of Mouth together explained 60.8% of its variance. Meanwhile, Parents' School Choice Decision showed an R^2 of 0.600, suggesting that Service Quality, Word of Mouth, and Trust jointly explained 60% of the variance in school choice decisions. According to Hair et al. (2021), these values fall within the moderate-to-substantial category, demonstrating that the model has strong explanatory power.

Table 5 F Square Test Results

Path	f^2	Description
Service Quality → Trust	0.833	Large effect, highly important
Trust → School Choice	0.213	Medium effect, significant
Service Quality → School Choice	0.135	Small effect, still relevant
Word of Mouth → Trust	0.043	Small effect
Word of Mouth → School Choice	0.020	Small effect

Source: Processed Data, 2025

Effect size (f^2) analysis shows that Service Quality has a large effect on Trust ($f^2 = 0.833$), making it the strongest predictor in the model. Trust then shows a moderate effect on Parents' School Choice ($f^2 = 0.213$), confirming its central role. The direct effect of Service Quality on School Choice is small ($f^2 = 0.135$), indicating that its influence is stronger when mediated by trust. Meanwhile, Word of Mouth shows only small effects on both Trust and School Choice ($f^2 = 0.043$; 0.020), suggesting that WOM plays a minimal role compared to the other variables. These effect-size patterns provide a clear empirical basis for the interpretation of the bootstrapping results presented next.

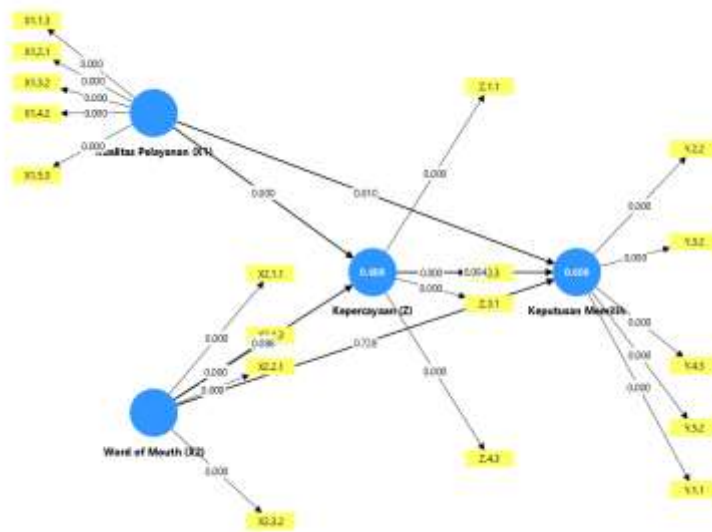


Figure 2 Model PLS Bootstrapping

Source: Processed Data, 2025

Hypothesis testing was carried out using bootstrapping in SmartPLS, which provides estimates of path coefficients together with t-statistics and p-values. The results show clear variation in the strength and significance of each relationship. Service quality demonstrates the strongest influence in the model, both in building trust and in shaping parents' school-choice decisions. Word of mouth shows limited influence across the tested paths. The complete results are presented in Table X.

Table 6 Hypothesis Testing Results

Path	T-Statistic	P-Value	Significance
Direct Effect			
Trust → Parents' School Choice	2.894	0.004	Accepted
Service Quality → Trust	8.585	0.000	Accepted
Service Quality → Parents' School Choice	2.585	0.010	Accepted
WOM → Trust	1.715	0.086	Not Accepted
WOM → Parents' School Choice	0.348	0.728	Not Accepted
Indirect Effect			
Service Quality → Trust → Parents' School Choice	2.579	0.010	Accepted
WOM → Trust → Parents' School Choice	1.409	0.159	Not Accepted

Source: Processed Data, 2025

The analysis confirms that high service quality significantly increases parental trust and directly contributes to the decision to choose the school. Parents appear to rely more on their personal evaluation of the school's service performance than on external recommendations. Trust itself also plays a central role: higher trust substantially raises the likelihood that parents will decide to enroll their children, and trust acts as a significant mediator in the relationship between service quality and school choice. The mediating effect does not occur for the path from word of mouth to school choice, which reinforces the minimal impact of interpersonal recommendations in this context.

Model fit indices support the adequacy of the structural model. The SRMR value is within the acceptable threshold for PLS-SEM, and the NFI value indicates a satisfactory level of fit. These indicators show that the proposed model aligns well with the data and is appropriate for interpreting both direct and indirect effects in parents' decision-making processes.

Discussion

The study clarifies how parents form decisions when selecting SDIT Amal Mulia by examining the roles of service quality, word of mouth (WOM), and trust. Overall, the findings highlight that parental evaluation is guided more by direct experience than by external narratives, offering a meaningful contribution to the literature on school choice in Islamic primary education.

Service Quality and Trust

The strong effect of service quality on trust shows that parents rely heavily on the school's consistency and professionalism. This supports Parasuraman et al. (1990) and Kotler & Keller (2009), who argue that trust develops when perceived performance aligns with expectations. Parents in this context valued teacher behavior, responsiveness, and sincerity—an interpretation consistent with McKnight & Chervany's (2000) emphasis on benevolence as a core component of institutional trust. Prior studies (Tatinggulu et al., 2024; Muadz & Rahayu, 2023) reported similar relationships, and the present findings reinforce the view that in education, human interaction shapes trust more strongly than facilities. This contributes to refining service-quality theory by underscoring the dominance of professional conduct in Islamic elementary schools.

WOM and Trust

The insignificant effect of WOM on trust suggests that informal communication plays a limited role once parents can directly observe the school. Although theory identifies WOM as a credible social signal, this study shows that credibility is overridden by firsthand experience. This pattern aligns with Putri & Alexander (2025) and challenges earlier studies where WOM significantly strengthened trust. The result contributes to the growing argument that digital transparency and easy access to school information reduce dependence on social recommendations.

Service Quality and School Choice

Service quality moderately influenced school choice, indicating that while parents appreciate good service, their decisions are shaped by broader impressions of professionalism and character-building support. This aligns with classic consumer-behavior theory (Parasuraman et al., 1990; Kotler & Keller, 2009) and recent educational studies (Fedriani et al., 2025; Puti et al., 2024). The findings contribute to school-choice literature by reinforcing that quality signals become decisive when aligned with parents' long-term expectations for their children's development.

WOM and School Choice

WOM did not significantly affect school choice, which supports research stating that WOM influences initial attention but not final decisions (Putri et al., 2025). Parents in the digital era prefer information they can verify directly, indicating a shift from traditional interpersonal influence toward independent evaluation. This contributes to the discourse on consumer rationality in schooling decisions.

Trust and School Choice

The strong effect of trust on school choice confirms the role of confidence in teacher integrity, competence, and commitment. This finding is consistent with the trust frameworks of Kotler & Keller (2009) and McKnight (2000), as well as recent empirical evidence (Adestyani et al., 2024; Hudaya et al., 2023). The study strengthens the theoretical claim that trust is not merely an outcome of quality but a central mechanism guiding parental decision-making.

Mediation Insights

Trust successfully mediated the effect of service quality on school choice, indicating that parents translate positive service experiences into confidence before deciding. This aligns with McKnight et al.'s (2000) sequence of trust formation and previous mediation findings. Conversely, WOM failed to generate a similar mediated effect, reinforcing the argument that trust in education relies more on direct evaluation than on social endorsement.

This study offers several scientific contributions by presenting a context-specific model for Islamic elementary schools, showing that parental trust is shaped primarily through human interaction, such as teacher professionalism and genuine care, rather than facilities or word of mouth. The findings also highlight a shift in millennial parental behavior, where digital transparency and firsthand observation reduce the influence of traditional WOM. By illustrating how service quality and trust interact in a faith-based educational environment, this research strengthens theoretical understanding of both constructs and refines mediation theory by demonstrating that only information grounded in direct experience can generate trust strong enough to shape school-choice decisions. Collectively, these insights enrich the growing body of literature in educational marketing and consumer behavior, adding empirical evidence on how modern parents evaluate and choose schools.

Conclusion

Based on the census survey conducted on 76 parents of Grade 1 students at SDIT Amal Mulia and hypothesis testing using Smart PLS, this study concludes that service quality has a significant and positive effect on parental trust and on their decision to choose the school, both directly and indirectly through trust as an intervening variable. In contrast, word of mouth (WOM) does not have a significant impact on parental trust or the school selection decision, either directly or indirectly. Parental trust is confirmed as a key determinant in the decision-making process, highlighting that consistent, professional, and empathetic service experiences are more influential than external recommendations or social reputation in shaping high-involvement decisions such as school selection.

These findings imply that schools should prioritize enhancing the quality of human-centered service, including teacher competence, communication, and professional behavior, while maintaining transparent policies and consistent program implementation. Although WOM may raise initial awareness, the actual trust and decision-making of parents depend primarily on direct experience with the school. For future research, further examination of electronic word

of mouth (e-WOM) and a more detailed analysis of service quality dimensions are recommended to better understand which aspects most strongly influence parental trust and school selection decisions.

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