

The Influence of Unique Selling Proposition, Tuition Fees and Service Quality on Parents' Decision to Choose a School

Case Study SD An Namiroh Pekanbaru

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Abstract

Introduction/Main Objectives: Parents' decisions in selecting a school are influenced by various factors, including the unique selling proposition (USP), tuition fees, and service quality. This study aims to examine the influence of these three factors on parents' decisions to choose SD An Namiroh Pekanbaru.

Background Problems: In an increasingly competitive education sector, schools must understand which factors most strongly affect parents' school choice decisions. This study focuses on determining whether USP, tuition fees, and service quality significantly influence parents' decisions.

Research Methods: A quantitative approach was employed with 70 respondents selected using the Slovin formula. Data were collected through a Likert-scale questionnaire and analyzed using multiple linear regression techniques.

Findings/Results: The results indicate that USP and service quality have a positive and significant effect on parents' decisions to choose the school, while tuition fees do not have a significant effect. The coefficient of determination (R Square) of 0.590 shows that 59% of the variation in parents' decisions is explained by the three independent variables.

Conclusion: The study concludes that USP and service quality are the dominant factors influencing parents' school choice decisions, whereas tuition fees are not a primary consideration.

Keywords: unique selling proposition (USP), tuition fees, service quality, school choice decision.



Introduction

Education serves as a fundamental pillar in developing competitive, independent, and high-quality human resources in an increasingly dynamic global environment. At the elementary school level, education plays a strategic role in forming academic capabilities, character, moral values, and social skills. At this stage, children begin to develop critical thinking, literacy competencies, learning independence, and ethical awareness, all of which shape their future learning foundation.

The Indonesian government, through Law No. 20 of 2003 on the National Education System, mandates that every citizen has the right to access quality education. However, disparities in educational quality remain evident, particularly between public and private schools and across various regions.

Private schools, including Islamic integrated schools—emerge as alternative institutions offering superior programs, innovative learning approaches, and a more organized learning environment. The growth of private schools reflects the increasing demand for quality education that provides added value for children's development. Consequently, competition among these institutions has intensified, requiring each school to present distinctive characteristics. This is where the concept of the unique selling proposition (USP) becomes essential. USP represents the special attributes that distinguish a school, such as tahfiz programs, Cambridge-based curricula, technology integration, and interactive multimedia learning.

In addition to program excellence, tuition fees remain an important consideration for parents. Fees are perceived not merely as expenses, but as long-term educational investments. Parents often evaluate whether the cost aligns with the quality and benefits provided. For some, higher tuition fees are acceptable if accompanied by superior programs and reliable service quality. Another significant determinant is service quality, which includes teacher professionalism, classroom comfort, safety, administrative responsiveness, and effective communication between the school and parents. Service quality strongly influences satisfaction and trust, both of which contribute to school loyalty.

SD An Namiroh Pekanbaru is recognized as a rapidly developing Islamic elementary school known for its tahfiz program, Cambridge-based instruction, and technology-enhanced learning. Despite its strong reputation, increased competition from other Islamic schools raises the question of which factors most influence parents' decisions to choose this school.

Therefore, this study aims to analyze the influence of USP, tuition fees, and service quality on parents' decisions to select SD An Namiroh Pekanbaru. The findings are expected to provide empirical insights for strengthening school strategies, improving service quality, and enhancing program excellence.

Research Methods

This study was designed to empirically analyze the influence of unique selling proposition (USP), tuition fees, and service quality on parents' decisions to choose SD An Namiroh Pekanbaru. The research was conducted systematically, considering the school's characteristics as a private Islamic educational institution with distinctive programs and management patterns. The research activities began in September 2025, covering instrument preparation, coordination with the school, questionnaire distribution, data collection, and data analysis using multiple linear regression with SPSS 26.

A quantitative explanatory approach was employed to examine causal relationships between variables based on statistical hypothesis testing. According to Sugiyono (2016), explanatory research aims to test direct effects among variables objectively, making it suitable for identifying the contribution of USP, tuition fees, and service quality to school choice decisions.

The population consisted of 233 parents of first-grade students. Since these parents had recently made school selection decisions, they were deemed relevant respondents. Using the Slovin formula with a 10% margin of error, a sample of 70 respondents was obtained.

SD An Namiroh Pekanbaru was selected due to its alignment with the study's focus, including its strong USP elements—tahfiz program, Cambridge curriculum, technology-based learning, and character development programs. Preliminary observations showed diverse parental perceptions regarding tuition fees and service quality. Additionally, the school provided comprehensive support for data access.

Data were collected through a Likert-scale questionnaire using Google Forms. Primary data were complemented by secondary data from school documents, institutional profiles, administrative records, and supporting literature.

The instruments were validated and tested for reliability before further analysis. Data analysis consisted of:

1. Instrument Test – Assessing item validity and reliability.
2. Classical Assumption Tests – Normality, multicollinearity, and heteroscedasticity.
3. Multiple Linear Regression Analysis – Measuring the effects of X_1 , X_2 , and X_3 on Y .
4. Coefficient of Determination (R^2) – Evaluating overall model contribution.

Research variables included:

- X_1 = USP (program excellence, differentiation, value-added learning)
- X_2 = Tuition Fees (affordability, value-for-cost, investment perception)
- X_3 = Service Quality (teacher professionalism, facilities, administration, comfort, safety)
- Y = School Choice Decision (parental confidence, preference, rational selection)

Result

This section presents the results of statistical analyses conducted to examine the influence of the unique selling proposition (X_1), tuition fees (X_2), and service quality (X_3) on parents' decisions to choose SD An Namiroh Pekanbaru. The analyses were carried out systematically, beginning with instrument testing and followed by model estimation.

1. Validity Test

The validity test aimed to ensure that each item in the questionnaire accurately measured the intended construct. Pearson Product Moment correlation was used, and items were considered valid when the calculated r-value exceeded the r-table value ($\alpha = 0.05$).

The results showed that all items for variables X_1 , X_2 , X_3 , and Y were valid. Thus, the questionnaire items were deemed appropriate for further analysis.

2. Reliability Test

The reliability test assessed the internal consistency of the measurement instruments using Cronbach's Alpha, with a minimum acceptable value of 0.60.

Table 1. Reliability Test Results

Variable	Cronbach's Alpha	Standard	Conclusion
Unique Selling Proposition (X_1)	0.972	> 0.60	Reliable
Tuition Fees (X_2)	0.949	> 0.60	Reliable
Service Quality (X_3)	0.956	> 0.60	Reliable
School Choice Decision (Y)	0.847	> 0.60	Reliable

Source: processed by the researcher (2025)

Based on the reliability test results for the four research variables, all instruments obtained Cronbach's Alpha values greater than 0.60. This indicates that all statement items within each variable are considered reliable and therefore suitable for use in subsequent data collection. The high reliability values also suggest that the instruments are capable of producing consistent measurements when administered under similar conditions. Moreover, the strong internal consistency reflected in the Cronbach's Alpha scores demonstrates that each item effectively measures the same underlying construct. Thus, the quality of these instruments supports more accurate data analysis and enhances confidence in the validity of the research findings.

3. Multiple Linear Regression Analysis

Before examining the contribution of each predictor, it is essential to conduct an analysis that can simultaneously evaluate the effects of all independent variables on the dependent variable. In this study, multiple linear regression was selected as the appropriate analytical technique because it allows the researcher to assess both the individual (partial) and combined (simultaneous) influences of the independent variables within one coherent model. This method also enables the identification of the direction and strength of each relationship, providing a comprehensive understanding of the factors that shape parents' decisions.

Given the nature of the research variables and the objective of determining which factors most strongly influence parents' school choice decisions, the use of multiple linear regression offers a systematic and statistically robust approach. Multiple linear regression was therefore used to determine the effect of each independent variable on parents' school choice decisions. The results of this analysis are presented in Table 2.

Table 2. Regression Analysis Results

Variable	B	Std. Error	Beta	t
Constant	13.622	2.257	–	6.035
USP (X_1)	0.243	0.074	0.469	3.268
Tuition Fees (X_2)	–0.028	0.070	–0.052	–0.394
Service Quality (X_3)	0.162	0.075	0.373	2.168

Source: processed by the researcher (2025)

Based on the results of the multiple linear regression analysis presented in Table 2, each independent variable was examined to determine its contribution to parents' school choice decisions. The interpretation of the findings is explained as follows:

a) Unique Selling Proposition (X_1)

The analysis indicates that the Unique Selling Proposition exerts a positive and statistically significant effect on parents' decisions, as reflected by the t-value of 3.268. The standardized Beta coefficient of 0.469 shows that this variable is the most influential among the three predictors. This finding suggests that the clearer and stronger the school's distinguishing features—such as innovative learning programs, competitive advantages, or unique educational offerings—the greater the likelihood that parents will select SD An Namiroh as their preferred school.

b) Tuition Fees (X_2)

The regression results reveal that tuition fees do not have a significant impact on parents' school choice, as indicated by the t-value of -0.394 . The negative coefficient implies that cost-related factors are not a primary basis for decision-making. This suggests that parents tend to value educational quality, school reputation, and program excellence more than financial considerations when choosing a school for their children.

c) Service Quality (X_3)

Service quality demonstrates a positive and significant influence on parents' school choices, supported by a t-value of 2.168. This indicates that aspects such as teacher professionalism, responsive administration, campus safety, and effective communication play an important role in reinforcing parental confidence. Schools that maintain high service standards are therefore more likely to be chosen by parents.

4. Regression Equation

To further understand the combined influence of all independent variables on parents' school choice decisions, a multiple linear regression model was developed. This model summarizes how changes in the Unique Selling Proposition (X_1), Tuition Fees (X_2), and Service Quality (X_3) collectively predict variations in the dependent variable. The regression equation provides a clear representation of the direction and magnitude of each variable's contribution within the model. Based on the output of the regression analysis, the resulting multiple linear regression equation is:

$$Y = 13.622 + 0.243X_1 - 0.028X_2 + 0.162X_3$$

Interpretation:

- 13.622 = baseline decision level before considering other factors
- Each 1-unit increase in USP raises the decision score by 0.243
- Tuition fees contribute minimally and negatively
- Service quality increases the decision score by 0.162

USP is the most dominant predictor, followed by service quality.

5. Coefficient of Determination (R^2)

To evaluate how well the independent variables collectively explain the variation in the dependent variable, the coefficient of determination (R^2) was examined. This measure provides an indication of the proportion of variability in parents' school choice decisions that can be accounted for by the predictors included in the regression model. By assessing the R^2 value, the researcher can determine the overall strength of the model and understand the extent to which the variables—Unique Selling Proposition, tuition fees, and service quality—contribute to explaining parental decision-making. The results of this analysis are summarized in Table 3.

Table 3. Coefficient of Determination

R	R Square	Adjusted R Square	Std. Error
0.768	0.590	0.572	2.29410

Source: processed by the researcher (2025)

The R Square value of **0.590** indicates that **59% of the variation in parents' school choice decisions is explained by USP, tuition fees, and service quality**, while the remaining **41%** is influenced by other factors such as school location, reputation, recommendations, and past experiences.

Discussion

The findings indicate that parents' decisions to choose SD An Namiroh Pekanbaru are significantly shaped by the school's program excellence and the quality of services provided, while tuition fees exert only a minimal influence. These results provide a comprehensive understanding of the key factors that drive parental preferences and highlight the aspects that contribute most strongly to the school's attractiveness.

Influence of Unique Selling Proposition (USP)

The Unique Selling Proposition emerges as the most dominant determinant in parents' school choice decisions, as reflected by the t-value of 3.268. This demonstrates that parents place substantial value on the distinctive attributes offered by SD An Namiroh. Central elements such as the tahfiz program, the adoption of the Cambridge curriculum, technology-based learning integration, and a strong emphasis on character development contribute significantly to strengthening the school's competitive advantage. These findings are consistent with Rahmawati (2023), who argues that program differentiation enhances a school's ability to compete by offering unique value that sets it apart from other educational institutions. In the context of SD An Namiroh, these distinguishing features evidently play a crucial role in shaping parental perceptions and fostering trust in the school's capability to support children's academic and personal development.

Influence of Service Quality

Service quality also shows a considerable and statistically significant effect on parents' decisions, as indicated by the t-value of 2.168. This suggests that parents evaluate not only the academic components but also the overall service environment when choosing a school. High service standards—such as teacher professionalism, responsive administrative systems, guaranteed student safety, and clear and consistent communication between the school and parents—contribute to a positive educational experience. These results support the assertion of Kotler and Keller (2016), who emphasize that service quality plays a crucial role in building customer satisfaction and loyalty. For SD An Namiroh, maintaining efficient service delivery

appears to reinforce parental confidence, making the school a more attractive choice for families seeking reliability, professionalism, and a supportive school atmosphere.

Influence of Tuition Fees

In contrast, tuition fees do not significantly affect parents' decisions, as shown by the t-value of -0.394 . The negative and insignificant influence suggests that cost-related considerations are not central to parents' decision-making. Instead, parents view educational expenses as a long-term investment in their children's development rather than a financial burden. This aligns with the findings of Wahyuni (2022), who reports that in schools perceived to offer high-quality programs and strong academic outcomes, parents tend to prioritize the value and benefits received over the actual cost. Thus, for SD An Namiroh, competitive pricing remains relevant but is not a decisive factor when weighed against the perceived quality of education provided.

Combined Effect of Variables

Together, the three variables—USP, tuition fees, and service quality—account for 59% of the variance in parents' school choice decisions. This indicates that a majority of parental preferences can be explained by the school's internal strengths and offerings. The remaining 41% is influenced by external factors such as location, reputation, parental recommendations, family values, and prior experiences with the school. The dominance of internal factors demonstrates that parents tend to prioritize the direct educational benefits their children receive over external considerations. This highlights the importance for schools to continuously develop strong academic programs, maintain high service standards, and communicate their unique strengths effectively in order to remain competitive and appealing to parents..

Conclusion

The study concludes that unique selling proposition (USP) and service quality are the primary determinants influencing parents' decisions to choose SD An Namiroh Pekanbaru. USP demonstrates a strong effect ($t = 3.268$), indicating that unique programs and school differentiation serve as key considerations. Service quality also significantly influences decisions ($t = 2.168$), highlighting the importance of teacher professionalism, learning environments, and effective communication.

In contrast, tuition fees do not have a significant impact ($t = -0.394$), suggesting that parents view costs as reasonable relative to the benefits provided. Simultaneously, all variables contribute 59% to school choice decisions. The findings emphasize that strengthening program excellence and enhancing service quality should be the school's main strategic focus.

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