Impact of Brand Meaning on Brand Equity
Of Higher Educational Institutions in Malaysia

Goi Mei Teh* and Aliah Hanim Mohd Salleh**

This study examines the impact of brand meaning on brand equity of higher education institutions (“HEI’s”) and compares the influence of brand meaning on brand equity between public and private HEI’s. This study used a questionnaire survey sampled from 371 students of public and private HEI’s in Malaysia who went through a re-branding exercise. T-test, multiple regression and structural equation modelling are conducted to test the hypotheses and model. The results provide empirical evidence to verify the findings of past qualitative studies, thus proving that the stronger the degree of brand meaning of HEI’s, the higher their brand equity. It is concluded that the inherent results of the impact of brand meaning on brand equity in HEIs, do provide strong signals for recognising the differences between public HEI and private HEI service branding in Malaysia.

Field of Research: Service Branding

1. Brand Meaning and Brand Equity for Higher Education Institutions

Regarded as a lifetime’s unique experience for most people, higher education has the most complex, highly intangible service attributes and higher credence qualities. Students ‘experience’ the brand. In doing so, they perceive whether or not there is value added to the learning experience (Lepak, Smith & Taylor 2007). Thus, a strong service brand should be a moral obligation for the HEI to establish (Noor Hasni & Aliah 2009). For educational services, a strong brand reflects a promise of future satisfaction (Berry 2000). Brand equity, the concept portraying the ability of a brand to deliver profits at the end of the day (Kapferer 2004), is an interesting construct, because scholars believe that value creation would emanate from building brand equity (Heding, Knudtzen & Bjerre 2009). Despite the importance of brand equity, marketing researchers have not introduced clear brand management decisions (Kay 2006). The service industry needs to develop competitive advantage based on a set of unique characteristics.

In short, education managers need to understand effective brand management to avoid claims of unethical practices, such as commoditizing education programs and certificates for mere profits (Noor Hasni & Aliah 2009). Berry (2000)’s service branding model is the only available model that associates branding concepts to brand equity, and it is from the perspective of the firm. Many researchers acknowledged that brand equity is determined by customers. However, many studies have neglected customers’ involvement in service branding model development.

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Although there are studies on service brand equity in the context of restaurants, hotels, conferences (such as studies by Kim & Kim 2004; Lee & Back 2008) and on consultancy services (de Chernatony & Segal-Horn 2003), it cannot be assumed that the findings are equally applicable to HEI’s. This study aims to fill this gap by contributing to education marketing theory (Mazzarol & Soutar 1999) by investigating the impact of brand meaning toward brand equity in public and private HEI’s. The ability to watch student behaviours and to listen effectively becomes critical for academics, administrative and front-line staff in HEI’s. In fact, being listened to during service encounters is meaningful and valuable for customers (Kapferrer 2004 and cited by Noor Hasni & Aliah 2009). This in essence, is when brand meaning significantly influences brand equity.

Chapleo (2006) explained that brand management in higher education is similar to the case of non-profit brands, but it may not necessarily be suited to the specific needs of the university sector, due to greater competition in the market. In Malaysia, public HEI’s act as non-profit organizations with more than 90 per cent of its operational expenses being subsidised by Malaysian tax payers, while private HEI’s have to be resilient in generating and constructing their own resources and operate as business organisations to remain sustainable. Therefore, service marketers believe that different branding strategies ought to be applied by private HEI’s vis-à-vis public HEI’s, since perceptions from students of these two sub-sectors differ (Yussof 2003). Besides, the world-view of academics is undoubtedly different from that of business practitioners (Cobb 2001).

In 2007, only 18 out of 525 private HEI’s in Malaysia have transformed/up-graded their processes in gaining university status, that is re-branded themselves, while 15 are college universities. A majority then (488 HEI’s), have not reached university status (Ministry of Higher Education- ‘MOHE’). However, MOHE’s records show that private HEI’s have higher foreign student enrollment than in public HEI’s, with about 72.4 per cent of about 70,000 total foreign students in the country in 2008 (Noor Hasni & Aliah 2009). In gearing for Malaysia to become an educational hub in the region, RM12 billion has been allocated for the implementation of higher education projects (TheStar, 2008). While the number of higher educational institutions has grown rapidly within the last decade, the convention on higher education branding lags behind in in-depth research, relative to higher education literature per se. Besides Goi (2010)’s Ph.D. study at the institution-level as the unit of analysis, and a recent study commissioned by the Ministry of Higher Education (Marketing Division) to develop a brand index for Malaysian higher education as a country brand, comprehensive branding research on the university setting has been very limited in the Malaysian setting.

Most private HEI’s in Malaysia put more effort to boost their brand equity in order to attract students’ enrolment and retention. Furthermore, negative perception towards private HEIs in Malaysia provides greater reasons for these HEI’s to be more intensively engaged in brand-building strategies. The high tuition fees charged by the private HEI’s are one factor that has increased students’ expectations of the promised performance (that is ‘the brand’). The convention on higher education branding lags behind in in-depth research, relative to higher education literature per se. intensive and aggressive promotion in building their service brand.
2. Literature Review

This section synthesises relevant literature on brand meaning and brand equity from service theory and describes how this study (Goi 2010) developed the measures for these two constructs.

2.1 Brand Meaning

A review of past studies shows no consensus among scholars about what a holistic and complete definition of brand meaning should be, and what dimensions that it must comprise in the context of higher education (Bosch et al., 2006; Clark, 2005; Nha and LeBalanc, 2001; Palacio et al., 2002). Nha and LeBlanc (2001, p.303) described brand meaning as “the overall impression made on the minds of public about an organization.” The definition emphasises the emotional (intangible) and functional (tangible) aspects.

However, Palacio et al. (2002) identified that brand meaning in the higher educational institution is shaped through the cognitive and affective components. In the study, the positive or negative scale measures the overall image of the university. Coop (as cited in Bosch et al., 2006) described brand meaning as a holistic impression of the relative position of a brand by its user, compared with that of its perceived competitors. Clark (2005) agreed with Coop and investigated the brand meaning of colleges by comparing the colleges and universities based on eight attributes: accessibility by public transportation, extent of campus facilities, cost, academic reputation, number of courses, specialization of educational offerings, size of student body, and extracurricular activities. Bosch (2006) defined brand meaning as ‘who the university is’ and ‘what it stands for’ from the stakeholders’ perspective. Nha and LeBlanc (2001) for instance, presented students’ impression, opinion and belief on the goodness of a brand as the dimension of brand meaning. Palacio et al (2002) introduced the cognitive and affective aspects of a brand based on the strength and preference.

In sum, past conceptualisation of brand meaning highlighted two key elements: (a) brand meaning is closely-related to the beholder or customer who experienced the brand; and (b) the existence of elements of comparison, that is the characteristics of a brand or other things that make a brand what it is and different from others (or its uniqueness). Based on this premise, this study defines brand meaning of a HEI as “what a student perceives and interprets about the characteristic of the HEI’s brand” (Goi 2010).

To better differentiate it from ‘brand identity’ and ‘brand experience’, brand meaning is operationalised as a multi-dimensional construct (Martinez & de Chernatony 2004) comprising three dimensions (Keller 2001). These three dimensions are, namely (a) brand ‘strength’ – meaning how strong is the HEI’s brand (nine items adapted from Palacio et. al 2002), (b) brand ‘favourability’ – describing how important or valuable is the HEI’s brand (three items adapted from Palacio et al 2002 and Lampo 2001), and (c) brand ‘uniqueness’ – capturing how distinctive is the HEI’s brand (five items adapted from Martinez & de Chernatony 2004; Keller 2001 and Palacio et al 2002).
This resulted in 17 items developed to measure brand meaning. For example, the questionnaire’s section C requests the respondent thus: ‘Please tick or circle the number that corresponds most closely with your impression of the educational institution’s image compared to the competitors: Compared to the competitors, I think that this university-college / university “has good reputation” {item no. 9 capturing the ‘brand strength’ dimension}, ....”is worthy to be recommended to a friend {item no. 12 measuring the ‘brand favourability’ dimension} and ....”is an innovative institution”....’ {item no. 17 reflecting the ‘brand uniqueness’ dimension}. During the questionnaire pre-test (n=33), the reliability coefficient of the 17 items used to capture ‘brand meaning’ yielded a Cronbach’s alpha of 0.88, and 0.93 during the pilot test (with n=70).

2.2 Brand Equity

Brand equity is significant in assisting consumers to process information especially when the information is overloaded (Krishan and Hartline, 2001). Brand equity is also important in building a strong brand for an organization, as it provides marketers with an essential strategic bridge from their past to their future (Keller, 2003). So, how is a strong brand built?

Krishnan (1996) indicated that the development focus of brand equity can be divided into three areas: the standpoint of brand valuation, how mature brands can leverage their equity through brand extensions, and measuring the equity of established brands from a consumer perspective. From the three areas, consumer-based brand equity has attracted greater attention from researchers (Netemeyer et al., 2004). Keller (1993) defined consumer-based brand equity as “the differential effect of brand knowledge on consumer response to the marketing of the brand” (p.2). In other words, the measurement of brand equity depends upon different considerations where the different nature of considerations requires different brand knowledge dimensions.

Many scholars had worked hard to investigate this (Aaker, 1991; Keller, 2003). Most have conceptualized brand equity differently to suit varying research objectives with various considerations in differing research settings. Aaker (1991)’s conceptualisation and definition is deemed as the most comprehensive measurement applicable for the higher education context. This is so, since Aaker (1991) approached brand equity from the perspective of managerial and corporate strategy (Keller (2002), besides incorporating both consumer perception and behaviour. In line with this, we take ‘brand equity’ to mean “.....a set of brand assets and liabilities linked to a brand, its name and symbol that add or subtract from the value provided by a product or service to a firm and/or to that firm’s customers” (p. 15).

This study adapted Yoo and Donthu (2001)’s 14 measures examining consumer-based brand equity, which were deemed by Washburn and Plank (2002) as reliable, valid, parsimonious and as a universally-accepted measure of consumer-based brand equity (Goi 2010). Reconciling Keller (1993)’s with Aaker (1991)’s conceptualization of brand equity produced validated measures in three dimensions, namely (a) ‘brand loyalty’ (referring to the tendency to be loyal to a brand), (b) ‘brand awareness/association’ (referring to the ability of a buyer to recognise or recall a
brand) and (c) ‘perceived quality’ (referring to consumers’ subjective evaluations of product quality). The questionnaire pre-testing showed a Cronbach’s alpha reliability coefficient of 0.68 based on 14 items measuring ‘brand equity’, and 0.89 on ten ‘brand equity’ items after the pilot test.

3. Hypotheses and Methodology

In identifying the determinants of brand equity, Berry (2000) explained that for experienced service customers, both brand awareness and brand meaning influence brand equity. However, brand equity is influenced strongly and directly by the brand meaning. Lampo (2001) also agreed that the influence of brand meaning towards brand equity is stronger compared to brand awareness. However, this (positive) relationship has not been empirically tested in the context of educational services. The following hypotheses are thus developed to further verify and refine the relationship between these two constructs (and in this case that will be applicable for the context of HEI’s specifically):-

\[ H1: \text{Brand meaning and brand equity are positively related. The stronger the degree of brand meaning, the higher the brand equity.} \]

\[ H2: \text{The more positive the strength of a brand, the higher the brand equity.} \]

\[ H3: \text{The more positive the favourability of a brand, the higher the brand equity.} \]

\[ H4: \text{The more positive the uniqueness of a brand, the higher the brand equity.} \]

Three marketing researchers and an English-language professor checked the face validity of the questionnaire that carried both the English and Malay language versions. The instrument was pilot tested twice with respondents who closely matched with the desired study sample. The results of the pilot test showed Conbach’s alpha above 0.70. After final data collection, confirmatory factor analysis was also used to assess data validity.

Five hundred students with at least one year experience with the HEI’s were selected as respondents, to assure validity of responses. Within a year’s duration of studying would make these respondents sufficiently knowledgeable about the HEI’s processes, to form credible perceptions about the HEI’s branding efforts. Twenty two (22) out of the 33 HEI’s in Malaysia that have gone through the re-branding exercise before 2008 were selected form the targeted samples. Since the data was collected in 2008, the HEI’s that were upgraded after 2008 will not be selected because students with at least one year experience after the upgrade is not qualify. In order that comparisons are feasible between the two situations, this sample comprises HEI’s that have actually undergone a similar process of transformation into university-college status and university status in 2007. Out of 500 questionnaires distributed, 371 were useable and valid for analyses (190/284 from public HEI’s and 181/216 from private HEI’s), yielding a useable response rate of 74.2%. No sample response bias is also detected between the two sub-samples. Table 1 shows the sample profile in terms of number of respondents by gender, their year of study during the time of survey, and age group.
Table 1: HEI student respondent sample profile (by gender, study year and age)

<table>
<thead>
<tr>
<th>Profile</th>
<th>Public (n=190)</th>
<th>Private (n=181)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>83</td>
<td>125</td>
<td>208</td>
</tr>
<tr>
<td>Female</td>
<td>107</td>
<td>56</td>
<td>163</td>
</tr>
<tr>
<td>Study year</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>First Year</td>
<td>5</td>
<td>4</td>
<td>9</td>
</tr>
<tr>
<td>Second Year</td>
<td>124</td>
<td>153</td>
<td>277</td>
</tr>
<tr>
<td>Third Year</td>
<td>54</td>
<td>17</td>
<td>71</td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>19 years old or younger</td>
<td>13</td>
<td>110</td>
<td>123</td>
</tr>
<tr>
<td>20 to 23</td>
<td>130</td>
<td>61</td>
<td>191</td>
</tr>
<tr>
<td>24 to 29</td>
<td>39</td>
<td>10</td>
<td>49</td>
</tr>
<tr>
<td>40 to 55</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
</tbody>
</table>

4 The Findings

The T-test was conducted to evaluate the differences between the public HEI’s and private HEI’s based on mean change in brand meaning and Brand Equity. The test is significant, $t(293.62)=-2.57$, $p<0.01$ for brand meaning and $t(310.69)=-3.02$, $p<0.01$ for brand equity. The mean of the public HEI’s is 3.66 whereas the private HEI’s is 3.84. There is significant difference in the brand meaning and brand equity between private and public HEIs. The results suggest that private HEI’s appear to be accepted more positively by its students, which allows the HEI’s to charge higher tuition fees for local and international students.

The hypotheses were further tested using multiple regression based on the following model, $Y=b_0+b_1X_1+b_2X_2+b_3X_3+e$, where, $Y$, brand equity; $X_1$, the strength of brand; $X_2$, the favourability of brand; $X_3$, the uniqueness of brand; and $e$, the error term. Table 2 shows the results of the hypotheses were supported. Overall, the strength ($b_1=0.39$) of a brand influences brand equity more than the uniqueness ($b_2=0.36$) and favourability ($b_3=0.14$) of a brand. Overall, the research model explained 69% of the variance in brand equity. The brand equity of private HEI’s differs in two ways. First, uniqueness of a brand has less influence towards brand equity (public HEIs, $b_1=0.30$, private HEIs $b_1=0.43$). Second, strength (public HEIs, $b_2=0.12$, private HEIs $b_2=0.16$) and favourability (public HEI’s, $b_3=0.43$, private HEIs $b_3=0.31$) have larger influence toward brand equity.

Table 2: Result of regression models

<table>
<thead>
<tr>
<th>Outcome: BM</th>
<th>F(3, 367)</th>
<th>R2</th>
<th>B</th>
<th>p-value</th>
<th>F(3, 186)</th>
<th>R2</th>
<th>B</th>
<th>p-value</th>
<th>F(3, 177)</th>
<th>R2</th>
<th>B</th>
<th>t</th>
</tr>
</thead>
<tbody>
<tr>
<td>Predictor:</td>
<td></td>
<td></td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strength $X_1$</td>
<td>0.39</td>
<td>0.0001</td>
<td>0.30</td>
<td>0.001</td>
<td>0.43</td>
<td>0.0001</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Favourability</td>
<td>$X_2$</td>
<td>0.14</td>
<td>0.0001</td>
<td>0.12</td>
<td>0.026</td>
<td>0.16</td>
<td>0.003</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Uniqueness</td>
<td>$X_3$</td>
<td>0.36</td>
<td>0.0001</td>
<td>0.43</td>
<td>0.001</td>
<td>0.31</td>
<td>0.0001</td>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

**p <0.0001

SEM test was performed to confirm the public HEIs and the private HEIs sample model (Table 3). The result indicated a good model fit for the total sample (Figure 1),
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a moderate fit model for the public HEIs sample (Figure 2) and the private HEI’s sample (Figure 3). The strength and favourability of a brand have influence toward brand equity but to a higher degree in private than public HEI’s. The uniqueness of a brand has influence toward brand equity but to a higher degree in private than public HEI’s as well.

Table 3: Result of SEM

<table>
<thead>
<tr>
<th>HEIs</th>
<th>Full Sample (n=371)</th>
<th>Public HEIs (n=190)</th>
<th>Private HEIs (n=181)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$\chi^2$</td>
<td>20.05**</td>
<td>21.81**</td>
<td>17.86**</td>
</tr>
<tr>
<td>df</td>
<td>6</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>GFI</td>
<td>0.98</td>
<td>0.96</td>
<td>0.97</td>
</tr>
<tr>
<td>NFI</td>
<td>0.99</td>
<td>0.96</td>
<td>0.98</td>
</tr>
<tr>
<td>RMSEA</td>
<td>0.08</td>
<td>0.11</td>
<td>0.10</td>
</tr>
<tr>
<td>Strengths $\leftrightarrow$ Brand Equity</td>
<td>0.44**</td>
<td>0.31**</td>
<td>0.51**</td>
</tr>
<tr>
<td>Favourability $\leftrightarrow$ Brand Equity</td>
<td>0.15**</td>
<td>0.13*</td>
<td>0.15**</td>
</tr>
<tr>
<td>Uniqueness $\leftrightarrow$ Brand Equity</td>
<td>0.39**</td>
<td>0.44**</td>
<td>0.34**</td>
</tr>
</tbody>
</table>

*p<0.05, **p<0.01

Figure 1: SEM Model for HEIs

Figure 2: SEM Model for public HEIs
5. Discussion and Conclusion

When the relationship between brand meaning and brand equity is tested further in the HEI context, it is found that the strength of a brand is a strong predictor of brand equity in the case of Malaysian HEI’s sampled. This study also found that the uniqueness of a brand is a strong predictor of brand equity for public HEI’s. This lends support to the view that different branding strategies should be applied to different services (Dibb and Simkin, 1993; Lampo, 2001; McDonald et al., 2001). Service branding in private institutions is different from that in public institutions, with public educational institutions as almost similar with the case of branding of non-profit brands (Chapleo, 2006). This study findings also support Yussof (2003)’s contention that student perceptions of private HEI’s versus public HEI’s are dissimilar.

From a theoretical perspective, the results indicate that the generalization of a service branding model in the higher educational field is hardly developed, because public and private institutions are governed by different operational objectives. The unique nature of service contexts indicates that researchers should focus on the specific attributes and processes of the service. It is suggested therefore, that future research be focused on infusing richer higher education-specific variables in the research framework, to extend this study that was largely drawn from marketing and service theory, on the assumption that the ‘generic’ service captured is universally applicable for specific service contexts.

From a practical perspective, the results of this study imply that managers (including deans and programme heads) in public and private HEI’s should enhance their brand equity in different priorities. Brand strength and favourability have been proven to be more influential in building brand equity in private HEI’s, while brand uniqueness has higher impact on brand equity in public HEI’s. Currently, private HEI’s are intensively striving to rebrand their image. Private HEI’s students’ enrolment increased dramatically in the last three and is attracting a larger number of foreign students, vis-à-vis the number of foreign student enrolment in public HEI’s.
Overall, the degree to which brand meaning influenced brand equity is found to be relatively lower for public HEI’s, indicating that more effort needs to be done. One way is to highlight the uniqueness of their HEI’s vis-à-vis other HEI’s, through participation in community projects and public education by leveraging the mass media and social network. A recent study commissioned by the Malaysian Ministry of Higher Education’s Marketing Division found (from the alumni and existing students sampled) that foreign students’ perception of Malaysian higher education, as a country brand, is actually far more favourable towards public HEI’s than the private HEI’s, based on the Malaysian higher education brand index dimensions of ‘educational system’, ‘country image’, ‘institution’, and ‘personal aspects’.

Nevertheless, this study contributes to the conceptualisation of what are the drivers of brand equity from the students’ perspective, particularly the role of brand meaning. This study finding is significant, for HEI’s make value propositions but students are the primary customer market who determines the brand value. Furthermore, transitioning into the service-dominant logic that brings HEI brand managers to focus on service and value, rather than treating education as mere commodities, will break obstacles in advancements to research, education and practice (Gummesson, Lusch & Vargo 2010, p. 8; Vargo & Lusch 2004a, 2004b).

This study is subject to several limitations. First, the student respondents were not randomly selected as originally planned. This was partly due to HEI rebranding issues which this Ph.D. study also encompass, which made it problematic to obtain co-operation from certain top executives of HEI’s, to fully implement the random sampling method of selecting student respondents. However, since theoretical generalizability and not population generalizability is the priority here, convenience sampling, given the data collection limitations, is deemed acceptable to derive the analysis. Second, the HEI’s service branding model is often questionable in terms of model generalization. The finding shows that the full sample of research model is a good fit model, but the private and public HEI’s research models are a ‘moderately-fit’ model.

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