Research Article

Impact of Reputation and Brand Image on the Intention to Purchase Educational Services in Private Universities in Perú

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Abstract

In Peru, higher education has experienced significant growth due to the fact that public universities are unable to meet the demand of many young people who wish to pursue a university degree. In this context, the reputation and brand image of private universities are key factors in students' choice of where to pursue their academic education. The objective of this study is to evaluate the influence of brand image and reputation on the purchase intention. This study has a quantitative approach, a non-experimental cross-sectional design, and an explanatory level through a structural equation model. The study sample is made up of 381 students from 3 private universities in the capital of Peru. The results of the theoretical model were accepted because the RMSEA and SRMR values are very close to zero, the CFI =1, Chi-square $(X^2)= 0.000116$, and the (df)=1. Also, a high correlation was found between reputation and brand image ($\beta=0.793$). It is concluded that a strong brand image together with a favorable reputation contribute considerably to explain the variability in the purchase intention and the successful performance of Peruvian private universities.

Introduction

University education is fundamental to the economic and social progress of any nation (Salata, 2018). A study conducted by Weber Shandwick reveals that reputation represents 63% of the market value of a company (Puro Marketing, 2020). In the field of business management as in the field of university higher education, it is essential to have a solid brand, referring in some cases to the image as a visual representation and others as a mental abstraction (Del-Castillo-Feito, Blanco-González and González-Vázquez, 2019).

In the European context higher education according to the Joint Declaration of European Ministers of Education (1999) and the most recent declaration held in Rome in a virtual way as mentioned by Skiadas (2022), universities have gained preponderance and have established themselves as centers of research, development, innovation and learning, created and financed by society with the aim of achieving the prosperity of countries through the generation of knowledge. As in other economic sectors,

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increasing competition requires interaction with society to differentiate and attract students. To achieve this, it is essential to rethink the image of the university. In the Peruvian context, private higher education institutions have experienced significant growth in number in recent years (IPE, 2023), competing directly with public universities to attract students. In this sense, the reputation and brand image of these institutions play a crucial role in the decision of students and their families when choosing where to continue their academic training (Xia, 2023).

The present research is inserted in a field of study that combines elements of marketing, education and consumer behavior. Despite the abundance of studies on brand reputation in sectors such as commerce and services, there is a notable lack of research focused specifically on the educational sector, particularly in the Latin American and, more specifically, Peruvian context. This study seeks to fill this gap, providing a detailed analysis of how reputation and brand image influence the purchase intention of the educational service.
The objective is to evaluate how much brand image and reputation influence the purchase intention of the educational service in Private Higher Education Institutions in Lima-Peru.

Literature Review
Brand Image and Purchase Intention

The relationship between brand image and purchase intention has been a central topic in marketing research. For Doménech González (2022), brand image is the perception of a brand and its visual identity. According to Santoso, Oktafien and Saudi (2019), purchase intention is the impulse that someone has towards a product that results in a behavior of consuming that product to satisfy their desire or need. They influence purchase intention, brand value, trust in the brand, awareness of values, among others. And for online purchases, usefulness, ease of use, security, e-WOM among others (Fatema, Islam and Bakar, 2018). Also 지 수 and Han (2017) found in their research that emotional image had an effect on purchase intention. In the creative sector and smart phones, respectively Jessica & Hermeindito (2024) and Zaharia Seinfeld & Talledo Flores (2022) mention that brand image is an important variable that greatly influences the purchase intention of products. A strong brand image can guide consumer behavior positively, while a weak one can hinder it (Malik et al., 2023).

Keller (2016) introduced the concept of customer-based brand equity, highlighting that a strong brand image, characterized by strong positive associations in the consumer's mind, can significantly increase purchase intention. Likewise, Aaker (2012) noted that quality perception and customer loyalty are essential components of brand image that influence purchasing decisions. Also, Gupta and Savita (2024) emphasize the importance of eWOM attributes and brand image for purchase intentions in the context of the Indian online travel market. Similarly, Ela and Rana (2024) mention how important it is to cultivate a strong brand image and take advantage of positive E-WOM to improve smartphone purchase intention. Bahmani and Bhatnagar (2023) mention that behavioral intention does not necessarily translate into actual purchasing behavior, highlighting the concept of "intention-behavior gap."

In the educational context, Hemsley-Brown and Oplatka (2010) argue that the brand image of the higher education sector is formed by the perceived quality of its academic programs, the reputation of its faculty, and the experiences of students and alumni. These factors, in turn, affect the potential students' intention to enroll in such institutions. Mullen and Spake (2012) found that brand image in the educational sector is also influenced by the perception of value and differentiation of the institution, as well as the trust it inspires. Consequently, a positive brand image in the education sector not only attracts new students, but also strengthens the loyalty of current students, thereby improving retention and consolidating the competitive position of the institution. Alcaide-Pulido, Gutiérrez-Villar and Carbonero-Ruz (2022) in their publication mention that university students appreciate the high academic quality of the private university, along with its facilities and research activities, considering them as functional attributes. Emotionally, it is perceived that the private university generates sympathy, projects a strong personality and does not disappoint its clients. In terms of reputation, respondents affirm that the private university is committed to society and occupies prominent positions in university rankings.

H1: Brand Image influences the purchase intention of the educational service in Private Higher Education Institutions in Lima-Peru.

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Brand Reputation and Purchase Intention

Brand reputation and its influence on purchase intention have been widely investigated. Brand reputation is defined as the accumulated public perception about an organization based on its past behavior and future expectations (Fombrun and Rindova, 1998). Reputation is an important factor that directly influences consumers' purchase intention. A positive reputation can significantly increase consumer trust, reduce risk perception and strengthen brand loyalty (Herbig and Milewicz, 1993). Hamid et al (2023) also point out that repurchase intention is only positively affected by brand reputation. Wu and Guan (2021) add that purchase intention changes when it is moderated by brand reputation. According to Putra et al. (2021), the reputation of the

company will affect consumer trust and purchasing decisions in the fashion sector.

In the educational context, a study by Sung and Yang (2008) found that the reputation of universities influences the decision of potential students, highlighting that a good reputation can be a key differentiator in a competitive market. Furthermore, research by Wilkins and Huisman (2011) in the university education sector suggests that brand reputation not only attracts new students, but also improves the retention of current students, as students associate a high reputation with higher educational quality and better future professional opportunities.

H2: Brand Reputation influences the purchase intention of the educational service in Private Higher Education Institutions in Lima-Peru.
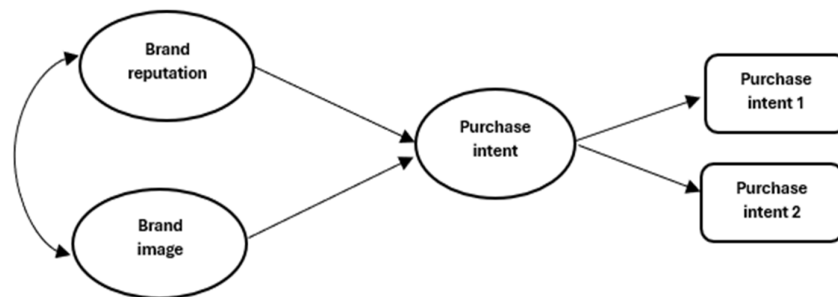

Fig 1. Theoretical model

Materials and Methods

The study has a quantitative approach, with a non-experimental design because no variable has been manipulated; cross-sectional because the data were collected at a single moment and because they study the cause and effect of a phenomenon at an explanatory level and with the use of structural equations (Ato, López and Benavente, 2013). The inclusion criteria were being a university student and

belonging to a private university, excluding administrative staff, teachers, parents and students from public universities.

Non-probabilistic convenience sampling was applied since it did not imply a random selection of the sample, choosing students who were easily available (Carhuancho et al., 2019). The study sample is made up of 381 students from 3 private universities in the capital of Peru.

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To measure the variable Brand image, Martínez Salinas and Pina Pérez (2009), Brand reputation, Bianchi, Bruno and Sarabia-Sanchez (2019) and Purchase intention, Farzin and Fattahi (2018), were used (Jalilvand and Samiei, 2012), with a five-point liker scale, which ranged from "totally disagree" (1) to "totally agree" (5). The instruments were translated from the original language, English to Spanish; they were shared with 4 students who had the profile of the population to be studied, completely understanding the questionnaires; there was no need to change items, then the pilot test was carried out, resulting that reliability was adequate,

greater than 0.7 for both instruments. Subsequently, the final survey was carried out. Jamovi software version 2.3.28 was used for data processing.

Results

381 questionnaires were considered, the descriptive analysis of the sociodemographic information (Table 1), where women were (57.2%) and men (42.8%); university A with (26.77%), university B with (35.17%), university C with (38.06%); the highest percentage of ages was over 24 years old (38.1%); and the highest percentage of degree of study was from fifth grade or higher (36.48%).

Table 1: Sociodemographic characteristics (n=381)

Characteristics	Categories	Frequencies	Percentages
Sex			
	Male	163	42.80%
	Female	218	57.20%
Universities			
	University A	102	26.77%
	University B	134	35.17%
	University C	145	38.06%
Ages			
	Up to 19	94	24.70%
	20 -21	57	15%
	22 - 23	85	22.30%
	More than 24	145	38.10%
Year of study			
	First	27	7.08%
	Second	96	25.20%
	Third	59	15.49%
	Fourth	60	15.75%
	Fifth or more	139	36.48%

There are different methods to measure the internal consistency of an instrument and one of the most used in research is Crombach's alpha. Likewise, there is McDonald's omega, both with the same

functions. These methods serve to measure the correlation of the questions contained in the instrument, whose coefficient must be greater than 0.7 for the instrument to be considered reliable. In this sense, Table 2

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details the reliability of the applied
instruments.

Table 2: Instrument reliability

Variables	alfa de Cronbach	omega de McDonald	N° de items
Brand image (IM)	0.967	0.967	6
Purchase intent (IC)	0.920	0.922	6
Brand reputation (RM)	0.931	0.933	3

Note: Reliability results prepared with Jamovi

For construct validation, Exploratory Factor
Analysis (EFA) was used because it allows
measuring the Kaiser-Meyer-Olkin (KMO),
which must be greater than 0.6. Likewise, it
allows us to obtain Bartlett's test of
sphericity, which must be less than 0.05 to
be significant. In addition, it allows
measuring the explained variance, which
must be greater than 50%, as shown in Table
3.

Table 3: AFE of the variables

Variables	KMO	χ^2	gl	p	Cumulative variance
IM	0.933	2779	15	< .001	83%
IC	0.868	1909	15	< .001	79.4%
RM	0.748	971	3	< .001	82.3%

Note: Reliability results prepared with Jamovi

On the other hand, to analyze the results, the
maximum likelihood method and varimax
rotation were used to extract the factors. In
this sense, Table 4 shows the factor loading
of the variables under study.

Table 4: AFE of the variables

Variables	factor loadings			
IM1	0.925			
IM2	0.895			
IM2	0.928			
IM3	0.894			
IM4	0.915			
IM5	0.908			
IM6	0.925			
IC11		0.714		
IC12		0.720		
IC13		0.740		
IC21			0.827	
IC22			0.896	
IC23			0.909	

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RM1				0.915
RM2				0.955
RM3				0.848

Note: Factor loadings extracted from Jamovi

The AFE allowed us to identify the factor loadings and the number of factors. Likewise, in this study, the Structural Equation Model (SEM) was used to test the hypothesis and validate the model. Furthermore, the SEM allows measuring the degree of relationship between dependent and independent variables. That is, the fit indices considered are: (1) the RMSEA when it is less than 0.05 indicates a good fit and when it is less than 0.08 the fit is adequate; and (2) the SRMR must be less than 0.08 for the fit to be good. On the other hand, the CFI must be greater than 0.95 for the fit to be good. In this sense, the estimation method used was the Robust Maximum Likelihood (MLR) and the results were the following: RMSEA= 0.032, SRMR=0.022, CFI=0.991, which are optimal settings to accept the model. It should be noted that the results of

the RMSEA and the SRMR are values very close to zero. Likewise, the CFI value is very close to 1. These results are supported by the Chi-square value $(X^2)= 118$ and the degree of freedom (df)=85.

On the other hand, purchase intention (CI) worked as a latent dependent variable and this variable has two observed variables: (IC1) and (IC2). Likewise, brand reputation (RM) and brand image (IM) worked as independent latent variables. In this sense, Figure 2 shows that between RM and IM there is a correlation with coefficient β=0.82. Likewise, MR influences with a β=0.51 and IM influences with a β=0.41, in HF. These results prove the hypotheses and theories raised.
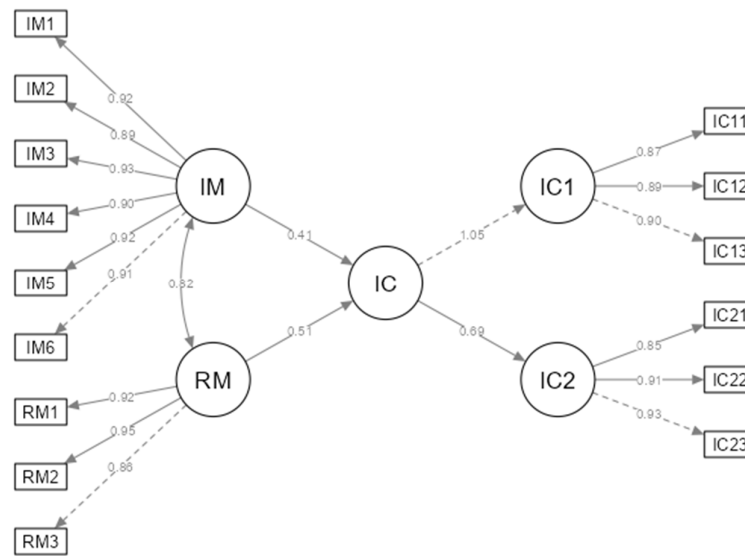

Fig 2. Results of the theoretical model developed with Jamovi

Discussion

According to the hypotheses proposed, the significant influence of brand image and reputation on purchase intention within the educational sector has been demonstrated, particularly in private universities in Lima, Peru. Our findings align with previous studies that

highlight the importance of these factors in decision making (Alcaide-Pulido et al., 2022; Keller, 2016) (Fombrun & Rindova, 1998). Our results demonstrate that a positive brand image, built through favorable associations and satisfying experiences, plays a crucial role in purchase intention. Aaker (2012) and Keller (2016) argue that a strong brand image generates trust and loyalty, which we have also

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observed in the educational context. Malik et al. (2023) also agree, indicating that a strong brand image can guide consumer behavior in a positive way, while a weak one can hinder it. Potential students perceive an institution with a strong brand image as a place that offers quality and security in their educational investment. The reputation of the institution was revealed as an equally determining factor. A positive reputation, based on academic quality, faculty prestige, and student and alumni experiences, directly influences the intention to enroll in a university (Herbig & Milewicz, 1993) (Wilkins & Huisman, 2011). Research by Hemsley-Brown and Oplatka (2010) supports this statement, indicating that a good reputation can differentiate an institution in a competitive market, attracting new students and improving the retention of current students. Likewise, Hamid et al. (2023) point out that repurchase intention is only positively affected by brand reputation.

Conclusions

The present research has provided an understanding of how brand image and reputation influence purchase intention in the context of private Peruvian universities in Lima. Through the analysis, we have identified several key findings that are consistent with existing literature and bring new perspectives to the field of educational marketing. Our results demonstrate that a positive brand image has a significant impact on potential students' purchase intention.

Brand image, built through satisfactory experiences and favorable associations, generates trust and loyalty in consumers, which translates into a greater willingness to choose the institution.

A strong reputation, based on academic quality, faculty prestige, and positive student and alumni experiences, directly influences enrollment intention.

The analysis carried out in our study shows that the combination of a strong brand image and a positive reputation explains a significant part of the variability in purchase intention. This result suggests that both variables, when managed effectively, can enhance each other to maximize the probability of choice by students and the success of universities in Peru.

The theoretical implication of the research lies in its contribution to the understanding of client behavior, providing a theoretical framework that explains the influence between the constructs. We also identify practical implications, such as improving the design of more effective marketing and communication strategies. In addition, branding strategies can be designed that strengthen positive aspects of brand reputation and image.

This study has certain limitations that must be taken into account when interpreting the results. First, the sample size was limited, which may affect the generalizability of the findings to a broader population. Furthermore, the sample was restricted to students from certain universities, which cannot represent students from other regions and public universities. Also, the data collection occurred in a certain period; it may bring a temporal bias; the perceptions of reputation and image may vary over time due to changes in university management, marketing campaign, among others.

Future lines of research would be comparative studies of national and international public and private universities that allow us to understand if there are significant differences in diverse cultural contexts. Conduct longitudinal studies to observe the change in reputation and brand image over time and how variations affect purchase intention. Include other variables that can influence purchase intention, such as eWOM, social network management, employability, etc.

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