University Choice: Implications for Marketing and Positioning

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Abstract The research upon which this paper was based was aimed at finding out the factors students consider important in their college choice decision and to provide marketing implications for educational administrators. Sijil Tinggi Persekolahan Malaysia (STPM), General Certificate of Education Advanced Level (GCE A-Level), United Examination Certificate (UEC), diploma holder and university foundation year participated in the study. Four hundred sixty three questionnaires were used for analysis of which the survey was based on five-point Likert scale. Results suggested that prospective students consider programme, cost (financial aid), location, high school personnel, peers and friends and campus visit as important criteria in their college choice decision. The findings have implications for private higher education institutions (PHEIs) positioning in a recruitment market, and for a reconsideration of marketing and recruitment strategy at institutional levels. Future research suggested to be carried out is on other aspects that influence student college choice decision such as university ranking, academic achievement, educational consultant, and accreditation. Also, future studies can explore a mediating variable such as parents’ expectation and encouragement on college choice decision. Lastly, exploring the college choice decision research in a qualitative manner would also be a direction of future research.

Keywords Prospective Students, College Choice Decision, Marketing in Higher Education

1. Introduction

In the Malaysian higher education environment, researchers have studied the college choice decision from a variety of perspectives and have identified a number of variables associated with the students’ college choice decision process. Reference[4] conducted a study on management students studying at Public Higher Education Institutions (PUHEs) and it was found out that students’ selection of a university was mainly determined by types of academic programmes available, quality of education, administration standards, faculty qualification and convenient and accessible location. A year later,[55] conducted a study on first-year undergraduate students from Klang Valley and the result indicated that academic quality, facilities, campus surroundings and personal characteristics are important factors for students on college choice decision. Reference[3] conducted a similar study as per study conducted by[4] and[55]. However, their populations of study were students who had enrolled in foundation studies programmes, diploma programmes and undergraduates studies in PHEIs. It was reported that reputation and quality of the institution, nature of the institutions, future graduate job prospects, lower costs, affiliation of the institutions and institutions’ campus environment and atmosphere largely influenced students’ decision to select higher education institution. Reference[49] studied on first-year students who have enrolled in one United Kingdom programme and two Australian programme of a private higher institution of learning in Kuala Lumpur. It was concluded that programme evaluation (programme suitability, cost), college effort to communicate with students (campus visit) and academic expectation influences students on college choice decision. Reference[21] conducted a study on students’ college choice decision of higher education in Kuala Lumpur and were limited to the students in Teikyo’s language Institute (IBT) and the International Islamic University (UIA). In their study, it was found out that course information, financial consideration and the institution’s facilities were the most influential factors when students were making a decision to study in a higher institution of learning.

The empirical findings above have revealed numerous factors that influence students in college choice decision. However, they were not consistent and varied from one research to another research. As noted by ([45], p.11), “…the determinant factors that cause students to choose to attend a particular higher learning institution are underdetermined.”

In addition, the research conducted focused mainly on post-purchase behaviour rather than pre-decision behaviour. The result may be different if the research were to be
conducted among prospective students. This concurs with the literature review which reported that evaluative criteria might change as the consumption process proceeds, since consumers may have more knowledge regarding some products attributes that were not anticipated before the buying process began[33]. Therefore, the set of evaluative criteria after making the purchase would not remain the same as those used before the purchase. To further elaborate, consumers’ satisfaction appraisal in the pre-purchase stage should differ from that in the post-purchase stage. This occurs because the issues that consumers care about in the pre-purchase stage differ from those in the post-purchase stage. A study conducted by[65] supported the statement made by[33]. Reference[65] reported that there are differences in criteria between prospective students (pre-purchase stage) and existing students (post-purchase stage) in choosing higher learning institution. In their findings, first year students have six important variables when choosing higher learning institution namely i) availability of required programme at the university (10.25%); ii) academic reputation of the university (9.84%); iii) financial assistance offered by the university (9.75%); iv) quality of the faculty/lecturers (8.53%); v) opportunity of work part time while studying (7.98%) and vi) cost of tuition (7.04%). However, the prospective students only have four variables namely i) availability of required programme at the university (8.57%); ii) academic reputation of the university (8.20%); iii) quality of faculty/lecturers (8.03%) and iv) financial assistance offered by the university (7.96%). As revealed by[16], the standard of comparison consumers utilize in the pre-and post-purchase stage are also dissimilar.

In conclusion, a body of literature has examined the factors perceived to be important for students in college choice decision. The education literature has focused on researching existing students who are currently studying in higher education institutions. In short, previous studies mostly focus on the outcomes of the college choice decision at the post-purchase stage. There is a lack of attention to early stages of the college choice decision[49]. Concurring the statement made by ([49],[21], p.64) noted “An empirical research addressing the pre-purchase stage, particularly need recognition for private higher education in Malaysia is much needed.” Therefore, this study is conducted to fill the gap, that is, to shed more light on evaluative criteria by prospective students when selecting a tertiary institution and to provide implications for educational administrators.

2. Literature Review

Studies of college choice decision have typically focused on the issue of factors influencing students’ decision about which institution to attend. Reference[8] model of college choice provides a comprehensive model to explore the factors that exist in the college choice decision. He introduced the model that incorporated multiple strands of thought on the subject at that point. Moreover, he developed the model from two trends in higher education in the early 1980s, an expected decline in college applications and enrolments and an increase in funding to “develop more sophisticated marketing strategies, more appealing programmes and better recruitment literature” ([8], p.490).

By analysing these trends, Chapman had a threefold purpose: (a) to review and add to the current research on student college choice decision; (b) to assist those responsible for setting recruitment policy to better identify the factors that influence the applicants’ college choice decision and (c) to assess the importance of printed recruitment materials and admission recruitment on college choice decision[13]. The variables which were studied are still demonstrated to be salient in the college choice of individual[56]. Hence, Chapman’s model of college choice provides an organized system to analyze the factors that influence an individual’s college choice.

The following is the discussion of various studies regarding some of the main determinants of college choice decision. It is noted that the selection of variables for this study was influenced by[8].

Friends

To some extent, peers do influence students’ college choice decision. Several studies ([13],[43],[62]) examined the relationship between student interaction with other college-bound students and their college participation. These studies suggested that the more a student interacts with other students with college plans, the more likely he or she will be to consider going to college. On the other hand,[31] suggested a correction between non-college bound students and their non college bound peers. These researchers stated that students with peers with no college plans influence the predisposition phase of students’ college choice decision. Their research also found that students who were not planning to attend a HEI were more likely to consult their peers. While parental encouragement is still considered the greatest influence on college attainment, the effect of student’s peers does add an additional dynamic to the overall college choice process for high school students.

According to[23], opinions of friends and former students weigh heavily on the minds of college applicants when deciding between colleges. These studies and others expound upon the knowledge that the more a high school student interacts with other students with college plans, the more likely they are to consider going to college.

Reference[53] and[24] found that approximately 27% of the students turned to their friends and neighbours for their HEI choice. This is because formal sources of interpersonal information such as agents, experts, university staff and counselors are less easily accessed than informal sources such as friends, family, neighbours and relatives. However, formal sources may be more believable if the product is perceived to be highly technical and high involvement[9]. Consequently, this study hypothesises that friends is a significant factor that influences college choice decision.
**H1** There is a significant relationship between friends and college choice decision.

**High school personnel**

There have been numerous studies on the impact of guidance counselors in the college selection process. Research indicates that students will discuss the college selection process with their counselors, but that the influence of these counselors varies greatly ([22],[29],[30],[31]).

Teachers have everyday access to the students and a number of students see these adults as additional, or sometimes primary, sources of information on higher learning institutions. Numerous research studies have confirmed that students look at teachers as part of their information gathering process ([2],[10],[48]). However, other studies have shown that teachers are not as important as guidance counselors in the college selection process[56].

However, surprisingly, other research contrasts the role of teachers and counselors in influencing student on college choice decision[61]. Indeed, ([28], p.259) suggested that “counselors and teachers have very little influence upon the stimuli stage of most high school students.”

Based on the findings mentioned above, it is hypothesised that high school personnel has a significant influence on college choice decision.

**H2** There is a significant relationship between high school personnel and college choice decision.

**Cost (financial aid)**

According to[6], research consistently shows a significant negative relationship between tuition increases and enrolment. Reference[12] found out that flexibility of fee payment, availability of financial aid, and reasonable accommodation costs exert a significance influence on college choice decision.

Reference[44] reviewed that cost-related issues seem to have more importance as years go by. For example,[32] found they were at the bottom of the scale, while in [43] they are one of the most important elements. Reference[41] concluded that price is a negative influence on college choice while financial aid to reduce costs is a positive influence.

A study conducted by[65] found that financial assistance offered by universities as one of the four very important attributes expected from a particular higher education institution of choice. Thus, students who receive financial aid awards are more likely to enter college ([42],[50],[52]).

According to research done by[28], 70% of students and 87% of parents indicated that they were either “well informed” or “informed” about financial aid programmes and their eligibility for financial aid. Some theorists cited that receiving aid is more important than the amount of aid received, because that aid becomes the substantive way the institutions communicate that “we want to be part of our community” ([40],[1],[15]). As a result, this study hypothesises that cost has a significant influence on college choice decision.

**H3** There is a significant relationship between cost and college choice decision.

**Location**

The geographic location of an institution, or its proximity to home, is another factor that has bearing on students’ college choice. A study by[37] revealed that an important factor in student predisposition to attend college is the close proximity of a higher education to home. It was found that a low-cost, nearby college was an important stimulator of a student’s decision to further his or her education. Reference[62] also found that the location of an institution has a significant influence on the college choice decision. Thus, this study hypothesises that there is a significant relationship between location and college choice decision.

**H4** There is a significant relationship between location and college choice decision.

**Programmes**

Students’ selection of an institution of higher education is also related to another institution characteristic, the type of programmes offered by the institution. Reference[26] suggested that the suitability of programmes is the most important consideration in students’ college choice. Reference[35] found that prospective students compared programmes offered by various institutions to assess their suitability. Students evaluate programmes based on the following criteria: selection of courses[58]; availability of courses and entry requirements[5]; quality and variety of education[62]; and quality and flexibility of degree/course com binations[25]. As a result, this study hypothesises that there is a significant relationship between programmes and college choice decision.

**H5** There is a significant relationship between programmes and college choice decision.

**Campus visit**

The campus visit is often a college or university’s best recruiting tools. It is a major factor in the decision-making process[61]. Reference[27] found that the campus visit was the most important factor influencing student’s enrollment decision.

A campus visit provides value to both the student and the institution. A campus visit ensures a good match between the student and the college. Students come to campus with certain expectations such as meeting current students who are like them or instructors who show an interest in them. The campus visit is often a college or university’s best recruiting tools. It is a major factor in the decision-making process[61]. Reference[27] found that the campus visit was the most important factor influencing a student’s enrollment decision. The personal attention received by the student during a campus visit was a major motivator for college choice decision. In their study, the campus visit was rated by a large number of students as the most important source of information in their college search and choice process. The influence of the campus visit was similar in a study by[46]. Consequently, this study hypothesises that campus visit has a significant influence on college choice decision.

**H6** There is a significant relationship between campus visit and college choice decision.
3. Methodology

The primary methodology applied will be a quantitative approach. Traditionally, educational research has emphasized the quantitative approach, especially in the field of college choice research[54]. Quantitative descriptive research describes what is, describing, recording, analyzing and interpreting conditions that exist. It involves some type of comparison or contrast and attempts to discover relationship between non-manipulated variables. Some type of statistical analysis is used to describe the results of the study.

The population of the survey consisted of those prospective students who have yet to be admitted into the PHEIs enrolling in undergraduate programmes. In other words, these students will be able to obtain a degree automatically if they complete all academic requirements upon graduation. Students who will be completing their secondary education and who were at the crossroads in choosing the place to further their studies were used in this study in an effort to capture their thoughts regarding college choice decisions because they are experiencing the process of choosing and enrolling in a college. As such, a concern over fading memories will not be an issue. Targeted sample of this study was students who were currently attending or have completed STPM, GCE A-level, UEC, diploma holder and university foundation year. The targeted sample was defined as such, as these groups of people have the highest possibility of continuing their study at PHEIs[45].

A total of 463 questionnaires were collected from the students for analysis. According to[59], the sample size larger than 30 and less than 500 are appropriate for most research. The numbers are considered effective based on the research question investigated[7].

The instrument was a structured self-administered questionnaire that was distributed to the respondents in the form of survey and then collected back for use as the primary data.

Basically, the questionnaires contained two sections:
Section A: Factors that affect college choice decision
Section B: Respondents demographic information

The survey questionnaire used in collecting the data was adapted from the questionnaires developed by[45],[64],[44],[51],[63],[4],[14],[17],[55],[35]. The 34 items included to measure 6 variables are as follows:

1) Friends
   - Advice from friends to continue their studies in university
   - Advice from peers
   - Advice from friends who have been studying in university
   - Advice from classmates
   - Most friends are attending university
   - Most friends are attending university
2) High school personnel
   - Advice from high school teachers
   - Advice from high school counselors
   - High school counselors encourage me to attend higher education
   - High school counselors or teachers discuss the importance of university with me
   - High school teachers encourage me to attend university
3) Cost (Financial Aid)
   - University makes financial aid (scholarship or loan) available to its students
   - University offers an education at reasonable cost
   - University makes flexible payment of fees to its students
   - University makes accommodation available at reasonable costs
   - University offers scholarships
4) Location
   - University has an ideal location
   - University is strategically located
   - Location of university is convenient and accessible
   - University has excellent campus layout
   - University has excellent campus size
   - Campus of university is attractive
5) Programmes
   - University has flexibility in allowing switching of majors
   - University has degree programmes with flexible structure and content
   - University has specialised programmes of study available
   - University has flexible entry requirements
   - University has practical components in degree programme
   - University has a range of degree
   - University has the availability of required degree programme
6) Campus visit
   - Impression of campus visit before enrolment
   - Impression of campus during the open day
   - The attractiveness of the campus during the campus visit
   - The size of the campus during the campus visit
   - Number of students during the campus visit

The five-point Likert scale, in increasing order, ranging from 1 as “strongly disagree”, 2 as “disagree”, 3 as “somewhat agree”, 4 as “agree” and 5 as “strongly agree” are used in the questionnaire. These formats can be found in section A of the questionnaire. Reference[19] recommended that Likert scales are the best designs when using self-administered surveys, personal interviews, or most online methods to collect the data. By definition, the Likert scale is an ordinal scale format asking respondents to indicate whether they agree or disagree about a given object by rating a series of mental belief or behavioural belief statements[19]. Reference[11] noted that there were few advantages of using Likert Scales, that is, it contains items that are easily understood and quantified, accommodates neutral or undecided responses, provides a meaningful way to group a series of items, and enables computation of overall scores.

The Statistical Package for Social Science (SPSS version
16) was used to analyze the collected data. Data was screened and cleaned in order to identify any significant outlier and missing value. Descriptive statistics were employed to calculate the mean of the response to each of the indicators or the variables in the questionnaire. The frequency was also calculated to understand the breakdown of the respondents. As the research question was to analyze the underlying dimensions of the variables, factor analysis was used.

From the sample, 39.6 percent are male and 60.4 percent are female. Therefore, it could be said that the female respondents were one third of the total respondents.

From the complete answered questionnaire collected, it was found that the majority of the respondents were Chinese. The percentage of Chinese respondents was 80.7 percent, 84.4 percent were Iban respondents, 4.7 percent were Malay respondents, and 6.2 percent were categorised as others.

From the data on educational level of the respondents, 38.4 percent of the respondents were STPM holders, 19 percent of the respondents were GCE A-level holders, 8.9 percent of the respondents were UEC holders, 14.9 percent of the respondents were diploma holder and 18.8 percent of the respondents were university foundation holder. This result indicates that most of the respondents are STPM holders.

4. Findings and Discussions

The objectives of this research are to explore factors influencing college choice decision and to provide marketing implications to educational administrators. The means score of the 34 items were first analysed. All the 34 items have the mean score of more than 3. Therefore all the items are included for reliability test.

The study started with one run for each construct. All items were maintained as Cronbach’s Alpha value for the six constructs were greater than 0.7 as shown in table 1 which is consistent with[57] and[11].

<table>
<thead>
<tr>
<th>Factors</th>
<th>Cronbach’s Alpha</th>
<th>Average Mean score of the factor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Programme</td>
<td>0.898</td>
<td>3.79</td>
</tr>
<tr>
<td>Cost (financial aid)</td>
<td>0.917</td>
<td>3.75</td>
</tr>
<tr>
<td>Location</td>
<td>0.912</td>
<td>3.68</td>
</tr>
<tr>
<td>High school personnel</td>
<td>0.935</td>
<td>3.52</td>
</tr>
<tr>
<td>Peers and friends</td>
<td>0.838</td>
<td>3.43</td>
</tr>
<tr>
<td>Campus visit</td>
<td>0.889</td>
<td>3.42</td>
</tr>
</tbody>
</table>

Table 1. Reliability test and average mean score

<table>
<thead>
<tr>
<th>Kaiser-Meyer-Olkin Measure of Sampling Adequacy, Approx. Chi-Square</th>
<th>Bartlett’s Test of Sphericity</th>
</tr>
</thead>
<tbody>
<tr>
<td>.916</td>
<td>Df 561.000</td>
</tr>
<tr>
<td>12810.222</td>
<td>Sig. .000</td>
</tr>
</tbody>
</table>

Table 2. KMO and Bartlett’s Test

Subsequently, factor analysis was conducted. To begin with the data reduction process the six construct, principle component analysis with varimax rotation was carried out on 34 items; suppressed at 0.5. To obtain the orthogonal rotation factors, varimax method is the best analytical approach[18]. The Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy of this analysis shows the score of 0.916 as shown in table 2 indicating that the degree of intercorrelation and the appropriateness of using factor analysis as meritorious[18]. As a result, all the variables survived; 6 items for peer and friends, 5 items for high school personnel, 5 items for cost (financial aid), 6 items for location, 7 items for programme and 5 items for campus visit.

The analysis of the factors that attract prospective students to study in PHEIs shows there are six factors. The most influential factor is “programme” with average mean score of 3.79. The leading most influential criteria that made up this factor is “University has the availability of required degree programme” as it has the highest mean score of 3.96. This indicates that the key motivation that drives the prospective students to study in PHEIs is the availability of degree programme. The availability of the degree programme means students are able to study at a specific course that suit their interest and ambition. Thus, it is essential that PHEIs offer a wide range of degree programmes to suit different needs of students.

While acknowledging that availability of degree programme is most important, the students are very mindful of the cost (financial aid) as they don’t want to be burdened by the fees though the degree programme meets their expectation. This is evident from the second most influential that is “cost (financial aid).” This factor has the average mean score of 3.75. Among the criteria that make up this factor, the most influential criteria is “university offers scholarships” as it has the mean score 3.95. This provides the evidence that the next major motivation that drive the prospective students to choose a particular institution is because the PHEIs offer scholarship with suitability of degree programme. Prospective students are assumed to be cost conscious. They are willing to enrol in PHEIs that provides education at a reasonable cost. Furthermore, these students are likely to prefer PHEIs that provides them with financial aid.

The third factor is the “location.” It is noted that most influential criteria in this factor is “university has an ideal location” and “university is strategically located” with both the mean score of 3.75

The fourth key factor is the “high school personnel” which has the average mean scores of 3.52. The criterion that is most influential that make up this factor is “high school counselors or teachers discuss the importance of university with me” with the mean score of 3.64. Thus, prospective students on college choice decision are influenced by a group of significant people such as high school teachers and counselors.

The fifth key factor is “peers and friends” with the average mean score 3.43. The leading criterion in this factor with mean score 3.64 is “advice from friends who have been studying in university.”
Finally, the last factor is the “campus visit” with average mean score of 3.42. The most attractive characteristic in the mean score of 3.57 is “impression of campus visit before enrollment.”

5. Strategic Implications

It is established that, in order of importance, students consider programme, cost (financial aid), location, high school personnel, peers and friends and campus visit to be the most important in making decisions before they actually select a higher learning institution. The marketing implications for each of the variables mentioned shall be discussed below.

Programmes

As programmes are considered the most important attribute when students pursuing their studies, PHEIs should offer various programmes to match the needs of the potential students. Thus, in the event of promoting the programmes to the prospective students during the education fairs or any other educational promotional events, it is imperative to focus on the above attribute so that students would be able to make a better decision on which programme to study and enrol in the marketed PHEIs.

Cost

Preparing to give what students want is the first step in applying marketing concepts to higher education. As students view cost as an important factor in their decision to enrol in PHEIs, the institutions of higher education should strategise their marketing efforts to meet the expectation of the students. For instance, PHEIs can offer full or partial scholarships to students depending on their results at entry requirement level. For students who are not getting the scholarships, the PHEIs can render their service by assisting the students to apply for bank loan or Perbadanan Tabung Pendidikan Tinggi National (PTPTN) loan.

Location

From marketing positioning standpoint, marketing efforts should be channelled to promote the convenience and attractiveness of the campus location. For instance, when marketing undergraduate programmes to prospective students, effort should be made to explain explicitly to the students places near the campus. Students are more inclined to study in an environment that is convenient and accessible to certain place such as supermarket. When explaining the campus location to the students, attempt should be made to describe the campus layout, size and appearance.

High School Personnel, Peers and friends

In order to strengthening the position in the market, PHEIs should provide information about their programmes not only to potential students but also high school personnel, peers and friends. Information should also be made available to the social media such as facebook, twitter and blog. This is because the social media have become popular sources of information for the students, high school personnel, peers and friends. When visiting the high schools to promote the programmes, marketers of PHEIs should also make every effort to communicate and update the high school personnel of their latest programmes and scholarships available. This is imperative so that the high school personnel are able to influence the students which may lead to the decision to enrol in the institution.

Campus visit

PHEIs should hold “open day” on an annual basis whereby potential students can visit the institution to experience the campus and communicate with the current students and staff. This gives the opportunity for the potential students to obtain further information on programmes offered by the institution. To the institution, this event may be deemed as an excellent opportunity to identify potential students for a relationship marketing student recruitment programme. It should also be considered that “open day” provide a suitable means to reach home college students – a market that may easily be forgotten in the recruitment drive.

6. Conclusions

From the marketing perspective, higher learning institutions authorities must be aware of the requested students’ needs and students’ selection criteria. Higher learning institutions should strive to ensure that students are given a holistic educational experience and not just paper qualification. In doing all these, higher learning institutions must deliver quality services that will serve the needs and expectations of prospective students[34].

Using the criteria and marketing implications mentioned above, institutions of higher learning could revise their strategy in marketing services. Higher institution administrators and policy makers can now check how far they are providing their services in terms of customer orientation. What area should they improve in order to provide better education for future generations? Findings from the study can help policy makers and administrators develop a better marketing strategy in attracting and retaining students[30].

Future research could be carried out on other aspects that influence student college choice decision such as university ranking, academic achievement, educational consultant, and accreditation. Another direction for future studies is exploration of mediating variable such as parents’ expectation and encouragement on college choice decision.

Exploring the college choice decision research in a qualitative manner would also be a direction for future research. It allows for a deeper exploration of the college choice decision. A qualitative research methodology would allow the researcher to tease out potential variables and influences in the college choice decision of prospective students. By probing deeper in interview variables, the researcher would be able to gather more information about how prospective students prioritised their college rankings and were able to select institution of higher learning in which to enrol.
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