

The Marketing Factors Affecting Student's Decision of Choosing Higher Education Institution in South-Northeastern Region

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ABSTRACT

This research is to examine the marketing factors that affect student's behavior in decision making of choosing higher education institution under the Higher Education Commission in the south-northeastern region totally 7 provinces which consists of Sri Saket, Burirum, Chaiyaphum, Nakhon Ratchasima, Surin, Nongbau Lamphu and Ubon Ratchathani. The results of this study based on its objectives are as followed. 1) To study the marketing factors that affecting student's decision of choosing higher education institution in the South-northeastern region, after testing the relationship between marketing factors and the institution type of selection tested with the chi - square (χ^2), found that product, price, distribution channels, people and physical evidence have relationship with institution type of selection at 0.05 significance level and promotion is associated with institution type of selection at 0.10 significance level. But process of service providing has none relationship with any institution types selection. 2) To study the personal factors; income of the parent, domicile of the family, occupation of the parents, and education level of parents of students that affect student's decision in choosing higher education institution in the South-northeastern region, the result of testing the relationship between personal factors to institution type tested with the chi - square (χ^2) at 0.05 significance level, found that personal factors, which are parent income, family domicile, father's and mother's occupation, and level of education, affect the selection of institution type. Thus, in order to set institution's marketing policies and strategies, different types of institution should consider the differences between personal factors and focus on improving to differentiate marketing strategies. So that the institution will fulfill perspective student needs effectively which will enables organizations to insistent operate under highly competitive circumstance in the future.

Keywords: marketing mix, student's decision making, higher education institution, marketing factors.

1. INTRODUCTION

Since Thai's Higher Education Admission System has been changed over time, this may be either opportunities or threat to any university which does not use or associate with the system. Therefore, universities have to compete by creating their distinctive point clearly to the public. Moreover, crucially aware that under the competitive situation is the main competitive tool. Many other type of service business was successively by executing marketing mix as its main competitive strategic marketing which can effectively achieve the organization goals. Nowadays, most education institutions especially, private university, have recognized the important of those tools and have widely implemented marketing strategies on

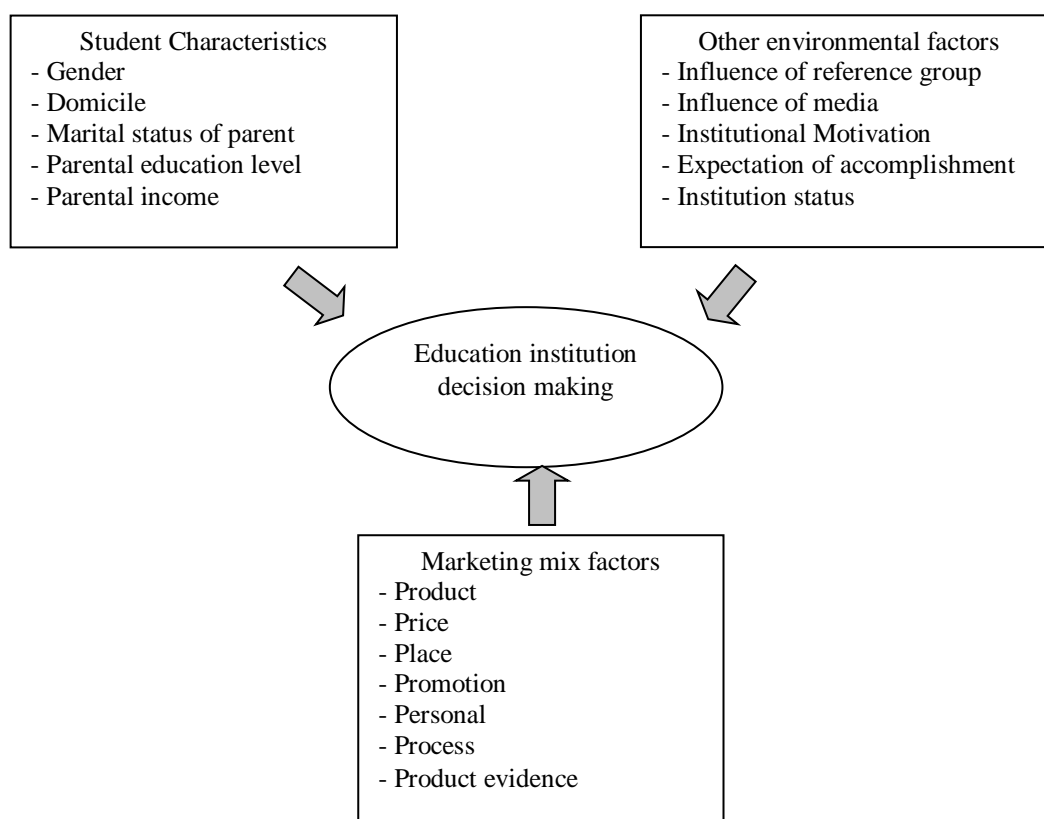
their operation in order to increase their student enrollment. However, the main issue of strategic marketing implementation is to adapt the marketing tools has to be consistent related to the customer or student desire. Understanding the students' decision making is very important for institution administrator in the competition situation. Previous studies found that marketing factors influencing student decision (Ming, 2010; Dao and Thorpe, 2015; Lau, 2016; Sakkamonvaree, 2011; Promwong, 2012). This confirmed that marketing factors should be recognized.

Nakhon Ratchasima Rajabhat University is one of 15 higher education institutions under the Higher Education Commission in the south-northeastern region, totally 7 provinces which consists of Sri Saket, Buriram, Chaiyaphum, Nakhon Ratchasima, Surin, Nongbau Lamphu and Ubon Ratchathani, which are various in curriculums, location, status, reputation, etc. Therefore, these institutions have faced the competition inevitably. Thus understanding the factors influencing the students' decision to admission, especially marketing mix factors should be concerned by these institutions.

Therefore the purpose of this study were to examine the marketing mix factors which consist of product, price, place, promotion, personnel, process of services, and physical evidence, and personal factors, which are the income of their parents, domicile, parents' career, and educational level of the parents of the students, that affect student's decision in choosing higher education institution in the South-northeastern region. The findings shall be used as a guide to determine the appropriate marketing tool for further plan to increase student enrollment.

2. CONCEPTUAL FRAMEWORK

Implementing the marketing strategies has been concerned in currently intense competition situation. Therefore, this research has emphasized the marketing mix strategies in order to increase a number of students. The conceptual framework of this research is based on the stimulus-response model, which Kotler et al (2008, p.239) have demonstrated that and stimulus could be separated into two groups such as marketing, which consist of four marketing mix and other such as economic, technological, political, and cultural. However, the educational institutions are service, thus this study will extend 4P's to 7P's marketing mix. The 7P's was proposed by Booms and Bitner (Lovelock and Wirtz, 2007, p.31) which consist of price, promotion, physical evidence, people, product, process, place. This study developed conceptual framework by applying these concept, which specified that institution decision making is influenced by 1) student characteristics such as gender, domicile, marital status of parents, parents' education level, parents' income, 2) other environmental factors, such as reference group, media, motivation, accomplishment, institution status and 3) marketing mix factors, which consist of product, price, place, promotion, personal, process, and product evidence as illustrated in Picture I.



Picture I Conceptual Framework

3. LITERATURE REVIEWS

Since higher education sector in Thailand has an increasing competition. Therefore, the universities need to understand the student choice decision in order to develop marketing strategies or management tool to increase their student enrollment. This leads to numerous research have attend to study different factors that influence student choice decision, which could be specified into several groups of factors such as student characteristics, university characteristics, related marketing factors, other significant factors such as friends, parents and family characteristics.

Yamchuti (2002) have emphasized the student characteristics such as socioeconomic status, aptitude, level of educational aspiration and determined these factors that led students to enroll at a newly opened private college in Thailand. This study found that student's educational aspirations had influenced on the student decisions.

There are numerous studies that have focus on the university characteristics such as cost, location, learning environment, teachers, course design, etc., and found that these factors have influenced on student's choice decision (Ming, 2010; Shammot, 2011; Shah et al., 2013; Maniu and Maniu, 2014; MacEachern and Yun, 2017).

There are several studies that focused on the other significant factors such as parents' influence, parents' desire, parents' educational level, and family social backgrounds (Yamchuti, 2002; Shammot, 2011; Maniu and Maniu, 2014). Yamchuti (2002) found that friends and parents were the second and third ranked item that influenced student decision.

Moreover, Maniu and Maniu (2014) have reviewed the literature review and concluded that parents were key in encouraging their children to pursue higher education.

Recently, several studies have played attention on various items that related marketing factors such as advertising, ways of communication and found that these factors have influenced on student decision (Ming, 2010; Dao and Thorpe, 2015). Especially, Lau (2016) have focused on 8Ps of services marketing which consist of product elements, price and other user outlays, place and time, promotion and education, people, process, physical environment, and productivity and quality. This study found that productivity and quality is the most important factor that influenced on the student selection of self-financing sub-degree programs in Hong Kong.

In Thailand, there are studies focused on various factors affecting students' decision in choosing in higher education institution such as university factors and found relationship between these factors and decision (Kandanand et al., 2011). Whereas, Rakjun (2011) played attention to the other significant factors such as sex, faculty studied, year of study, type of admission, monthly income of parents, and native homeland, however this study concluded that these factors did not have effect on student's decision pursue undergraduate study in private university in Pathum Thani Province. Moreover, numerous study that emphasize on related marketing mix factors (Sakkamonvaree, 2011; Promwong, 2012; Kasdee, 2011)

Sakkamonvaree (2011) have showed that price is the most important marketing mix factor which influenced on studying decision at Master of Arts in Cooperative Economics (Special Program), Faculty of Economics, Kasetsart University, and followed by place, product and promotion.

Kasdee (2011) studied service marketing mix factors affecting high school students' choice decision in Phetchbun Rajabhat University and found that the factors have highly effected on students' decision were price, product, physical evidence, promotion and place. Whereas the factors which have medium effected on decision were people and process.

However, Promwong (2012) studied the relationship between the marketing communication factors and the decision making in university selection of high school students and found that every type of marketing communication has no direct influence effect on decision making in media exposure of high school students.

From above mentioned, it could be concluded that previous paper have not studied on marketing mix model consisting of seven factors, which Ivy (2008) mentioned that "the classic four-factor model is not sufficiently efficient at universities encouraging for research in this area. Furthermore, the previous papers have not studied on higher education institution in South-Northeastern region and have not focused on the association between marketing mix factors and type of institution. Thus, this paper have try to fill this gap by examining the marketing factors that affect student's behavior in decision making of choosing higher education institution under the Higher Education Commission in the south-northeastern region.

4. RESEARCH METHODOLOGY

This research is based on quantitative analysis, in order to find out the factors affecting the Thai student's behavior in decision making of choosing higher education institution under the Higher Education Commission in the south-northeastern region totally 7 provinces which consists of Sri Saket, Burirum, Chaiyaphum, Nakhon Ratchasima, Surin, Nongbau Lamphu and Ubon Ratchathani. The primary data has been collected from 1st year students studying in higher education institutions in the first semester of academic year 2010,

South-northeastern region totally 7 provinces. Samples of 454 students were interviewed from totally 15 institutions by using the stratified random sampling method. The instruments used in this research were questionnaires. It is divided into 3 parts: Part 1: Status Questionnaire of the respondents. Part 2: Environmental Factors and Factors Affecting the Decision. Part 3: Additional Comments and Suggestions. Descriptive statistics are used, i.e. mean and standard deviation, to analyze the opinions about the environmental factors and marketing mixes that influence the decision making in choosing education institution. Inferential analysis, chi-square test (χ^2), is used to test the relationship between individual factors and the marketing mix factor to the type of institution chosen by the student.

5. FINDINGS

This study divides the analysis into 3 major parts: 1) the opinions about the environmental factors and the marketing mix that affect the decision to choose the institution; 2) marketing mix that affect the decision to select the type of institution; and 3) personal factors affecting the selection of the type of institution. The details are as follows.

- 1) The opinions about the environmental factors and the marketing mix that affect the decision to choose the institution.

Considering the opinions about the environmental factors affecting school decision making, the study found that the environmental factors affecting students' choice of school. The students focus on the overall level at a moderate level ($\bar{X} = 3.32$; S.D. = 0.878). When considering each aspect, it was found that the factors that students are most concerned about are: State or private school status ($\bar{X} = 3.58$; S.D. = 0.761). Followed by Expectations on graduation from here will be easy to find jobs ($\bar{X} = 3.53$; S.D. = 0.782), parents requirement ($\bar{X} = 3.48$; S.D. = 0.816), information from public relation ($\bar{X} = 3.38$; S.D. = 0.855), and And have been persuaded by friends ($\bar{X} = 3.24$; S.D. = 0.785), respectively, as shown in Table 1.

Table 1 Average score of opinions on overall and individual factors on school choice.

Environmental Factors	\bar{X}	S.D.	Decision level
1. Parents' requirement	3.48	0.816	moderate
2. Been persuaded by a friend	3.24	0.785	moderate
3. Family or relatives have studied here before.	3.02	1.070	moderate
4. Recommended by acquaintance.	3.19	0.924	moderate
5. Information from public relations	3.38	0.855	moderate
6. Special privileges as a Quota for admission.	3.21	1.038	moderate
7. Expected that after graduation from here, there will be easy job opportunities.	3.53	0.782	considerable
8. State or private school status	3.58	0.761	considerable
Overall	3.32	0.878	moderate

The next opinion about the marketing mix factors affecting school choice, the study found that the process is the most important marketing factors with $\bar{X} = 3.66$ and S.D. = 0.801. This followed by product ($\bar{X} = 3.61$; S.D. = 0.806), people ($\bar{X} = 3.59$; S.D. = 0.795), physical evidence ($\bar{X} = 3.57$; S.D. = 0.808), and price ($\bar{X} = 3.56$; S.D. = 0.835), respectively, as illustrated in table 2

Table 2 Average score of opinions on marketing mix factors on school choice.

Marketing Mix Factors	\bar{X}	S.D.	Decision level
1. Product	3.61	0.806	considerable
2. Price	3.56	0.835	considerable
3. Place	3.48	0.897	moderate
4. Promotion	3.44	0.784	moderate
5. People	3.59	0.795	considerable
6. Process	3.66	0.801	considerable
7. Physical Evidence	3.57	0.808	considerable

2) Personal factors affecting the selection of the type of institution

In addition, this research analyzed the relationship between personal factors, which consist of parent's income, domicile, father's occupation, mother's occupation, and parent's education and type of institution. The results demonstrate that various personal factor have a significant effect on type of institution at 0.05 level, as shown in table 3. Therefore the institution administrator should concern about these factors in strategy development.

Table 3 the association between personal factors and type of institution

Type of institution	Chi-square				
	parent's income	domicile	father's occupation	mother's occupation	parent's education level
Public universities	45.587*	32.475*	55.945*	54.059*	31.132*
Rajabhat Universities and Rajamangala universities of technology					
Private universities					
college					

Note: * significant $p \leq 0.05$

3) Marketing mix factors affecting the selection of the type of institution.

Type of institution have been classified into 4 groups, such as public universities, Rajabhat Universities and Rajamangala universities of technology, private universities, and college. The Chi-square test has been used to analyze the relationship between marketing mix factors, such as product, price, place, promotion, people, physical evidence, and process and type of institution. The results demonstrate that there was a significant association between marketing mix factors and type of institution, especially the promotion which has a significant association at 0.05 levels. Therefore, the institution administrator should develop marketing strategies which relate these factors. However, there was not a significant association between process and type of institution at $p < 0.05$ level, as illustrated in table 4

Table 4 the association between marketing mix factors and type of institution

Type of institution	Chi-square						
	product	price	place	promotion	people	Physical evidence	process
Public universities	53.869*	35.349*	1.0692*	19.662**	25.901*	35.525*	No relationship
Rajabhat Universities and Rajamangala universities of technology Private universities college							

Note: *,** significant at $p \leq 0.05, 0.10$, respectively.

6. CONCLUSION AND DISCUSSION

This article emphasized the marketing mix factors affecting student's decision in choosing in higher education institution in the South-northeastern region of Thailand. The findings shall be used as a guide to determine the appropriate marketing tool for further plan. This article examined the marketing mix factors which consist of product, price, place, promotion, personnel, process of services, and physical evidence, and personal factors, which are the income of their parents, domicile, parents' career, and educational level of the parents of the students, that affect student's decision. The results demonstrated that various personal factor have a significant effect on type of institution. This finding is in accordance with the findings of Yamchuti (2002) which student's educational aspirations had influenced on the student decisions. Moreover, there was a significant association between marketing mix factors and type of institution. This finding supported the study carried out by Lau (2016) which 8Ps of services marketing influenced on the student selection of self-financing sub-degree programs in Hong Kong. And accordance with the findings of Sakkamonvaree (2011) and Kasdee (2011) that marketing mix factors are important influenced on studying decision at Kasetsart University and Phetchbun Rajabhat University, respectively.

However, this paper found that the process have not influenced on student's decision about type of institution, this aligned with the study carried out by Kasdee (2011) which process have medium effected on high school students' choice decision in Phetchbun Rajabhat University.

7. FUTURE RESEARCH

Further studies should focus only on Rajabhat Universities, especially Nakhon Raschasima Rajabhat University, to entirely understand the students' decision making and lead to develop appropriate marketing strategies for this university. Furthermore, researcher should choose the econometric model or the other model to examine the effect of various factors on students' choice decision such as probit model, logit model, or structural equation model which are more appropriate than used method in this study.

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