

# The Factors Influencing Decision-Making Process of Students in Selecting Private Universities in India

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**Abstract:** Universities and colleges play a very big role in the Indian community as it is one of the fastest growing economies in the world with the world's youngest population as well. Education has an overwhelming impact on an individual's life, and so the selection of universities and colleges in the further pursuit of educating oneself in various different fields of study. Therefore, it is important to gain knowledge about the factors that incorporate the decision making process and the sources of information from which the prospective students make their decisions with regards to opting for certain university. In this fast moving world of easily accessible data over the internet, this study learns to understand how and what affects the choice of consumers and students' selection and buying behaviour towards the educational institutions of India.

**Keywords:** colleges play, fastest growing economies, world's youngest population, Education, students'.

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## 1. INTRODUCTION

Students pursuing or planning to pursue higher level of educational programmes need various types of information to base their purchasing behaviours. This involves the prospective students to use different channels of sources to gain insights about the different aspects of the services provided by the educational institutions. The selection process made by the prospective students may vary from segment to segment depending upon their needs, which they look forward to experiencing in the university atmosphere.

With the growing competition among universities and other educational institutions, colleges, there has been a vital need to learn and understand the nature of the student recruitment, eventually to impact the decision making behaviour of the prospective students and customers. (Paulsen, 1990)

This impact allows the educational institutions to develop and effectively modify the process of the university selection channels (Hossler, Braxton & Coopersmith, 1989).

When faced with any kind of buying decision, consumers take various steps in order to gather the right type of information, therefore universities need to market the proper channels of communication for the prospective consumer to learn more about the certain university and its programmes and services provided.

The different factors that affect the decision making of the consumers and to what degree these factors impact the selection of educational institutions will be studied coming forth.

### Objectives:

1. To understand the quality standard of the educational level provided by the institutions.
2. To compare the fee structure based on the individual capacity.
3. Studying the nature of information and how individuals gain this information from various sources.

### Problem statement:

The present study proposes to understand the customers' decision-making behavior for selecting an educational service and various external factors influencing the selection of private educational institutes and programs in India.

## 2. LITERATURE REVIEW

**Noor Ismawati Mohd Jaafar (2013)** The following research conducted in the universities of Malaysia shows us that one of the most significant factors for pursuing higher education is the job or career options available as well as the prospect of self-development, whereas the significant reasons suggesting the choice of educational institutions are the level of employability as well as the goodwill and the brand image of the institution and courses or products by them. There was quite a lot of data suggesting the encouragement by significant others and reasonable fee plan were considerable variables in the student's choice of an educational institution. The findings of this research have provided crucial evidence for the long term marketing to the shareholders of the Higher educational institutions. In such a globalized market that has heavy competition, Higher education institutions need to build an impressive brand among their prospects to retain and maintain an edge in the market. This research conveys to the Higher educational institutions for the need to build socially acceptable institutions in the community, extending the market network to gain future prosperity. The importance of higher education institutions cannot be undermined in a developing country, because the service they offer is crucial for the development of the overall society as a whole.

**Marwan M. Shammot, (2011)** This research paper shows us that the advertisement through the word of mouth is one of the best ways of marketing for universities as compared to print media marketing techniques. The most influential factor was the financial cost factor, and the least was the parental pressure factor in this research conducted. Another way of increasing the intake of students in Jordan is to provide more opportunities such as swimming, basketball and other sports etc. Discounts for siblings may also help in the application for specific private university.

**Boyd Bradshaw, (2005)** The main aim of this research was to understand the college choice of freshmen who were admitted into the Southern Illinois University, Edwardsville. The study seeks to learn about the difference between college choice for a different population of segments. It is concluded that the availability and the brand image of the academic courses provided as well as the faculty teaching had a huge impact on the student's decision to join the university. Campus location was one of the main factors for students joining the university, student scholarships were the second main factor.

**Andy B. (2004)** Findings show that there are distinctive differences between the choice-based and search-based students for the communication channel preferability for specific categories of information. However, there are many more studies to be conducted in order to learn and understand the student purchase behavior and their buying patterns, including how they would like to be conveyed about the type of information with regard to the university choices. Grasping student communication selection process is highly crucial in order to market a mix of nonpersonal and personal communication channels that can send the most effective feed that the students require.

**Jody Sue Sheppard (2013)** Says that the brand image and goodwill of the educational institutes take the top positions in most studies, however, in this research, it shows that the top priority while making a selection decision towards the university was the availability of the required program or course by the student. The ease of changing the time frame of studying or flexibility of class was another major factor studies showed. Students attend the university for their own personal growth and development, as well as the career opportunities provided by that particular course chosen by the student.

**Mahsa Abdolalizadeh (2014)** The main objective of the study was to find the factors that most international exchange students took in regard while making the decision to apply to a rural, regional university. It was found that the competency and the attitudes of the faculty personnel was a major highlighted factor that could either make or break the students' want to attend the university. This finding encourages the importance of interpersonal communication channels between prospective students and the university itself. International students are typically unfamiliar with the admission processes of the universities in the USA. (Zikopoulos and Barber (1986). Therefore, personal contact with expert and dedicated school personnel who would guide them through the process is of utmost importance.

**Sandra J. Stack, (2009)** Studies the various factors that affect the graduate students to apply for an MBA programme in a private institution. The admissions and marketing departments are unaware of the processes that serve the different needs of the students. The capacity to balance work and academics played a strong influence in the application decision in this study. Another major factor influencing their decision was the admissions meetings. The universities must understand the key factors that influence their particular student segment.

According **Katherine Culliver, (2016)** motivation factors that affect the nontraditional students for the application in higher educational institutions are comparatively different from the traditional-age students. In this era, marketers must make use of electronic marketing methods, in order to reach the student market. While the nontraditional students who were older indicated that they did look to traditional marketing methods (such as billboards, flyers, and mailers), there was a disparity among the overall sample population that suggested that such methods are utilized much less than more progressive methods (such as electronic media, e-mail, and social media).

**Jennifer Scott, (2014)** Says universities must provide proper information to prospective students over the internet as most potential international postgraduate students use the online channels to obtain most of their informational about oversea institutions during their purchase process. Therefore maintaining full and complete data available for the international who would require all the information that would be key for their understanding about the university.

**Jawad Iqbal, (2012)** Had conducted this research to find out the degree of influence the brand image of a university affected the decision making in the selection of universities. The result of the study conveys that the image of the university has four major variables which are, the prestige of the university, quality of education and the faculty, scholarships and the acceptance rate of the university. Quality of education and of the faculty teaching in the university was found to be the bigger factor.

**Claire Brown, (2008)** Universities need to identify and reply to the needs of the student's decision-making process, such as the number of seats available in the university, brings out the necessity for universities to adopt marketing principles to present their programmes and services. Students engaged in various different programmes have vastly different careers plans and thus have unique priorities. Therein, it is almost clear that the main factor for selection for a particular university is the programmes provided by the educational institution, and that information search behavior differs subject area to area. Where universities go with adopting the 'one for all' marketing approach to achieve prospective students, while actually, a more segmented approach would be more effective. Therefore, the study suggests that the educational institutions must narrow their communication channels at specific segments of students and adoption of a sensitive marketing strategy is more likely to become crucial in the market where the number of competition is constantly increasing.

**Gonca Telli Yamamoto, (2006)** Due to the result of the increasing competition in the growing market, there is an urgent need for the conduction of marketing activities by educational institutions. Universities can present its brand image in an effective fashion including the understanding of their student's point of view. In a country like Turkey, factors like a centralized system of testing, student selection, and placement opportunities play a major role in the selection criteria of a university. The study indicated that families also play an important role in the application of a student for a certain university. The study further shows that the most important tool for creating awareness and learning about the university comes from the channel of TV in Turkey. The growing need for online website marketing also is gaining the attention of prospective students.

**Ronald M. Schumacher, (2015)** In the USA, the private educational institutions have a very strong historic heritage dating back several decades. In today's world, the role of the marketing department is to create and sustain a university atmosphere where the efforts of the faculty and staff are more student-focused and make the students feel involved through their time in the university. Educational institutions must understand that current students enrolled in the university could provide a map for increasing the flow of student at any given institution

**Mary C. Carlson, (1999)** Shows that the processes used by educational institutions when selecting prospective students into their campuses need the help of network strategies and target markets and various other marketing functions to help them more efficiently. When involved with student application goals for the educational institutions, the information provided by the university are used most often in order for the selection of studios and faculties of the music department.

**Lorena Estefania Gutiérrez Flórez (2017)** States the powerful effect of the word of mouth marketing channel for the flow of information with regards to a specific good or service. The institutions can find methods to advertise their services in social bound networks, and these methods could be based on the resulted fact of surveyed segment of the population are open to the views of their friends, acquaintances and other customers to make a purchase decision.

Institutions need to put in more effort in order to understand the consumer purchase behaviour and learn the importance between the consumers and the certain brand image. It is suggested by the study to institutions must have transparency in their information provided and fully utilise the power of the word of mouth communication channel among the prospective students to achieve a greater pull on the buying behaviour of the target customers.

**Matthews & Mabel Jones, (1991)** Stated that as more percentage of students showed that they had not much information about the quality indicators of the college they've selected, it is very important for the faculties to be aware of these students that are applying for their colleges without much awareness of the quality. Every university needs to keep check on the indicators on which the students were most knowledgeable. Indicator that shows a higher percentage of unawareness than it needs to be improved through effective means of communication strategies. For example, "extensive use of computers in curriculum and excellent computer resources" could readily be objectively be measured at a university and communicated to high school seniors through traditional means, such as the university's catalogue, brochures, and recruitment personnel.

Similarly **Michael James Conard, (1997)** highlights on the three main factors obtained and found very likely to be associated with a good academic reputation are: Curricular activities, uniqueness and career building options. The elements with the most factor loadings were notable faculty (curricular activities), high tuition fee cost (uniqueness), and the most important is the graduates being placed at a good company (career building). This shows that variables found to define the perception of academic reputation are apparent when compared to a very good academic reputation.

A study by **Monks, James, and Ehrenberg, (1999)** concluded Students who had come from high-income families and who had either or both parents having university level education. These students had gained a high grade averaging in their respective high schools and did have future plans to continue studying in professional courses. These students were more likely to apply in several universities and colleges. The ranking of universities mostly influenced the students from American and Asian countries. Over 40% of the participant's shows that ranking influenced their decisions in selecting universities and played a very important role in the enrollment percentage of new prospective students.

According to **Hossler, (1999)** In today's competitive market with the use of Internet has become highly challenging for the educational institutions to influence the students to enroll into their universities. The Internet is highly interactive platform and being more prominent among the youths these days, they can literally search for any information they need. And with the help of these information the students are able decide which university to select for their education. But this process poses as threat sometimes for many institutions because they cannot really influence the students. However, the traditional way of print and direct mail relied by the prospective students has given a way to influence these students to attract with the content of information they present to these students.

A study by **Paulsen and St. John, (2002)** stated that the most influencing factor that determines the choice of the student in selecting a university is the cost of education. With the significant rise in the tuition fees of private institutions and economy for the middle class getting worse or at least for many, the educations cost in private institutions are almost as if unaffordable for many. This has force many private institutions to heavily discount on their tuition fees, so that they can recruit the type of students they the institutions wants for their university. And the students of the private universities were more likely to consider financial aid a factor than those looking for public institution where cost factor is an important factor as they want to pay less for the enrollment fees, which is much lesser than that of the private institutions.

**Matt Melvin, (2003)** state In this modern era of highly competitive recruitment environment, researching about the choice factor in selecting a university for pursuing a career is very important for both private and public institutions. And with the understanding by this study of choice factor for selecting a university, both institutions and the students can benefit from this, such as the institutions can use their funds to market their services effectively, which aligns with the requirements of the students. Also for the students it becomes easier to make decisions in selecting a good university that rightly fits their needs.

**W. Michael Hendricks, (2006)** suggest that the college selection process includes extensive information search by the potential students looking and acquiring information about individual colleges and universities. During their information search process they look out for various characteristics of colleges such as national ranking, degree programs, size of the campus, location, and other necessities of the college. This process involves extensive information search with the help of the Internet considering their interest and needs from the college.

According to **Erik Nolen Allen, (2007)** When it comes to selecting a college, the students were mostly influenced by these factors (1) **Interest in a Particular Major or Degree Program**, (2) **Location**, (3) **Cost**, (4) **Institutional Prestige/Reputation**, and (5) **Job Placement**. The participants seemed very knowledgeable about their college selection process as to what degree programs they wanted to pursue and what the colleges are providing. They also had enough information that if their interest at any point of time changes they could shift their programs easily within the same college so it may be a good idea to attend a college with a wider variations of degree programs in case they decide to change in the future.

### **3. DISCUSSIONS**

Consumers tend to examine only a few sources of information before purchasing of educational services, based on the previously built perception of these sources are more or less appropriate for consultation. When a consumer understands clearly his needs, he starts an information search. He continues the same, so that he can take the correct decisions. A consumer basically collects the information regarding following –

- Brands – a brand conveys the quality and trust of the market they represent, it plays a heavy role in influencing the target consumer market, and brand also helps consumers to understand the product or service better. Reliability and assurance is built through the value of the brand so that consumers chose them over other competitors in the market.
- Products Variations – in the education sector of India, it's a booming platform where countless colleges and universities are present and competing against each other to bite the market for themselves, they can only capture the market if they their services are cutting edge and up to global standards, however even the pricing plays a vital role in choosing the educational services at times.
- Quality of the product – in today's world, quality is everything, the quality of education provided by institutions is the key element behind consumers selection of a particular institute.
- Evaluation of Alternatives – the field of education like all other sectors has become very competitive and every thing has an alternative. With the advancement in the field of marketing and research, educational services are evolving and adjusting to the needs of consumers and as a result of which the customers experience a large number of alternatives.
- Post-Purchase Evaluation – post-purchase evaluation is becoming a common trend in today's market. With an advent in the field of technology, consumers have a large variety of tools to evaluate two different services and products. Similarly, for educational institutions, now a days we see a number of sites for evaluation like Quora, reviews on educational sites by current students or students from past batches, which shapes a customer buying decision by evaluating the results.
- ROI – a common term to measure performance “Return of Investment “. Purchasing behavior of customers is hugely shaped by ROI. If a customer invests money on a service, he looks to gain a full profit of the money invested. Investing money on an educational service is these days seen like an investment and it widely shapes the customer's choices.
- Features of the product – the quality of education provided by an educational service is not the only criteria for shaping a customer's buying or selection behavior. Now the educational institutions have to focus on various different features like quality and size of campus, location, and many other features to attract customers. Gone are the days when educational services were limited to only quality of education.
- Marketing Campaign – Advertising plays a big role in influencing the decisions of a customer. If marketing campaign is carried out on a frequent basis, it may influence the customers buying decision to such an extent that they may deviate from one brand to another and rely on the advertised brand without making any further queries.
- Personal Preferences – Buying behavior of a consumer is mostly dominated by his/her likes and dislikes and it usually influences his end buying behavior, also through the influence of outsiders and their own passions and goals in life.
- Group Influence – Group (family members, classmates, neighbors) also plays a big role while making a decision because they play a big role in the Indian family system in case of education sector, because Indians place a lot of importance on the value and return on investment from their degrees.
- Purchasing power – Purchasing power plays a key role and the end purchases are mostly influenced and shaped based on their purchasing power. Also students usually go for university that have a higher return on investment and where placements are plenty. Also the experiences and exposure influence the buying behavior of the consumers because it plays an important role in developing individual apart academics.

#### **The factors that are influencing the most in decision-making:**

With the rapid globalization taking place in our world today, educational systems play a big role in the development of our communities and societies. From the above literature reviews that we have studied, we can link and identify major factors that affect the consumer decision-making behavior among prospective students and other such consumers of the educational institutions. Indian students particular gain insights about the university socio-culture environment from the

passed out graduates of certain universities, these graduates advocate the utility in the goods and services provided by the specific university, through their academic achievements and also their positions in MNCs in which they have been placed, through the communication channel of word of mouth.

This channel is not to be underestimated as it has the power to influence the young mind's of Indian students, hence making cities such as Mumbai, Manipal, Pune, Bangalore, Delhi, and Chennai, major attractive hubs for students to gather from all across the nation as well as attracting students from abroad.

Indian parents have been shown to play a crucial role in the decision making of their children's choices over certain universities. and they also look at a major factor that is concerning with the scholarships and fee structure of the programmes provided by the educational institution, another major factor linked with Indian parents are the ROI factor which indicates the placement opportunities, and in how much time will their children or themselves recover the cost of the academic education.

The brand image and reputation of the educational institute also brings out the awareness of the services and faculty members teaching at the institute, gathering more prospective consumers who value the quality of education as a major priority while selecting a private university.

Also with the changing patterns of technology and economies in the global market, new age students are also concerned about the upgradation of courses and programmes provided by an educational institute to be up to date with the growing diversity of career options in the world market.

#### **4. CONCLUSION**

In many of the researches done in this particular topic about the factors influencing the decision making in selecting a good university for admission, The common factors were cost of the education program, academic ranking of the university in national level, followed by other important factors such as variations of programs offered by the university, also size of the campus, location, etc. This study suggest that before one selects an educational institution, one goes through immense information search regarding the individual universities and after extracting information on this institutions, the students highly rely on these information for selecting their preferred universities. The information search process considers various parameters, which varies from person to person as to what they expect from their selected universities. This study help will us understand the complex decision making process of these students better. Also enabling the institutions to formulate newer marketing strategies for the dynamic educational programs and rapid change in trends career options.

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