

# Evaluative Criteria for Selection of Private Universities and Colleges in Malaysia

Keling Stevenson Boniface Ancheh, Anbalagan Krishnan, Oktavia Nurtjahja  
Curtin University of Technology, Sarawak Campus, Malaysia

## ABSTRACT

The restructuring of Malaysian higher education in the mid 1990s has resulted in the Malaysian private higher education sector to evolve into a binary system which is characterized by two categories of institutions namely: private universities and private colleges. The distinctions between these two types of institutions are obvious in terms of research engagement, staff qualification and fees charged for education delivered. As competition for students intensifies, private universities and private colleges of higher education have been very aggressive and creative in the use of the marketing approach and techniques to recruit and attract students. The objective of this study is to identify the evaluative criteria that students studying in both of these Malaysian private higher education institutions use to select their institution of choice. These evaluative criteria play an important role in the selection of alternative products or services to purchase. Based on the existing literature, the evaluative criteria are “financial attractiveness”, “program and course suitability and availability”, “ease and flexibility of enrolment procedure”, “future ease of employment after graduating”, “attractiveness of institutions”, and “quality reputation” which became the basis of the hypothesis of this research. This study employed a large-scale quantitative survey of Malaysian private higher education institutions and also factor analysis to test the hypothesis on the evaluative criteria used by private university and private college students. The findings reject the hypothesis. Consistent to previous studies in Malaysia on public higher education institutions, the evaluative criteria used by students in their selection of higher education are largely influenced by “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”, for private universities. For the private colleges the evaluative criteria are “recognition and reputation of the institutions”, “future job prospect for graduates”, “campus environment, atmosphere and facilities”, “lower costs” and “ease of application procedures and nature of the institutions”.

**Keywords:** Marketing of Higher Education, Consumer Behavior, Evaluative Criteria

## INTRODUCTION

The changing macro-economic environment has rendered the international trade in higher education services in traditional host countries of international students such as the US, UK, France, Holland, Australia, Canada and New Zealand to be transformed into a global export industry. Contrary to providing subsidized education to international students as during the post Second World War, the higher education sector in these countries has become a major foreign exchange earner. The mid-1980s saw the imposition of full fees for international students studying in these traditional host countries of international students. As the demand for education increases in the countries that have traditionally been the source of international students, is parallel to the cost of studying internationally, the benefits of transforming the higher education sector as a global export industry in countries that have been the traditional sources of international students also increase. As a result, in the mid-1980s there were growing numbers of twinning arrangements between universities from countries that have been

traditional hosts of international students and the local higher education institutions in the countries that have been traditional sources of international students to provide international education locally in the source country of international students (Tan, 2002). Malaysia was one of the traditional suppliers of international students studying overseas. Nevertheless, the rising cost of education overseas, the rising demand for higher education in the region, and the proliferation of private colleges provided Malaysia the opportunity to transform its higher education sector to be a regional center of education excellence. This transformation allowed the country to develop its higher education sector to be a global export industry. Hence, this prompted the Malaysian government in the mid-1990s to further restructure its higher education sector to allow the establishment of private universities as well as the establishment of foreign university branch campus in Malaysia (Tan, 2002). The 1998 Asian Financial Crisis further magnified the attractiveness of restructuring and transforming the higher education sector in the affected countries into a major foreign exchange earning sector. Hence, competitions for international students are no longer restricted to countries that have been the traditional providers of international education but also countries that were originally sources of international students. Many studies on the marketing of higher education were undertaken in countries that were the traditional providers of international education. However, with the emergence of the new providers of international education particularly in Asia, the competitive landscape has changed, and thus, the current understanding and theories of marketing of international higher education would need to be reviewed.

Following the restructuring of the Malaysian higher education, Malaysian private higher education sector has evolved into a binary system which is characterized by two categories of institutions namely: private universities and private colleges (Tan, 2002). By the year 2000, there were already 690 private colleges, 14 private universities and university-college and 4 foreign university branch campuses (*The Malaysian Education System: Overview of Public and Private Education, 2004*).

In terms of the programs that these institutions offer, there is hardly any difference except that private universities can confer their own degrees while colleges cannot (Tan, 2002). However, based on the quality criteria of the National Accreditation Board, there are clear distinctions between private universities and private colleges. These distinctions are obvious in the three areas of research engagement, staff qualification and fees charged for education delivered (Tan, 2002). First of all, research engagement factor is closely tied to staff qualification. Colleges, for one, are not required by the accreditation body to undertake research whereas universities must have their research portfolio. As such, for colleges, there is no need to have staff with doctoral qualification as opposed to universities. Ayob and Yaakub (1999) offered an explanation for this issue by stating that the quality of higher education is generally seen as being tied to the quality of the teaching staff. Therefore, it is the requirements of the National Accreditation Board that the teaching staff at private universities must have the minimum a master's degree. This is because they are also required to undertake research as their exposure to research enhances their credibility as university lecturers. In private colleges, on the other hand, there is no need for staff to undertake research, and consequently, very frequently, their possession of the first degree is accepted as adequate. Hence, one can argue that universities have better credibility in terms of the teaching and learning as compared to colleges. In terms of fees, universities charge their fees much higher than colleges (Tan, 2002). According to GETIS (2000, cited in Middlehurst and Woodfield, 2003) this aspect reflects the credentials of the universities better. Apart from the three factors mentioned above, another major difference between college and universities is their facilities. This is because universities are backed by big corporation and have bigger capital. Thus, most universities have bigger and better facilities and campus environment than colleges, many of which are located in shop lots or shopping malls. Furthermore, GETIS (2000, cited in Middlehurst and Woodfield, 2003) states that in Malaysia, the local population links the quality of the institutions to the academic success of their students as well as the academic affiliation with renowned universities. This perception clearly favors universities especially foreign university branch campuses. In addition, the perception on colleges is less favorable than that of universities because government is reluctant to recognize degrees from some of these colleges even though they have good track records of twinning arrangements with reputable institutions overseas (GETIS, 2000 cited in Middlehurst and Woodfield 2003).

## **Research objective and hypothesis**

As the competition for international students intensifies, it can be expected that universities and institutions of higher education especially in countries that have been the traditional hosts of international students such as the US, UK and Australia be very aggressive and creative in the use of the marketing approach and techniques to recruit and attract international students. As a result, most studies on the marketing of higher education were undertaken in countries that were the traditional providers of international education. However, with the emergence of the new providers of international education particularly in Asia, the competitive landscape has changed, and thus, the current understanding and theories of marketing of international higher education needs to be reviewed. Ever since Malaysia started its role as an international education provider in the region, a few studies were conducted on its marketing of higher education. Baharun (2004), for example, conducted a study on Malaysian students studying in public universities in Malaysia, while Sidin et al. (2003) broadened the scope to both public and private higher education institutions. Nevertheless, the unique nature of the Malaysian private higher education sector, characterized by private universities and private colleges might have some significant differences in its outlook. Thus, the objective of this study is to identify the choice criteria or evaluative criteria that students, specifically those who study in Malaysian private higher education institutions, use to select their institution of choice.

Hawkins et al. (2004, p. 562) defined choice criteria or evaluative criteria as 'the various dimensions, features, or benefits a consumer looks for in response to a specific problem'. These criteria play an important role in the selection of alternative products or services to purchase. According to Blackwell et al. (2001) in deciding between alternatives, consumers will construct new evaluation criteria based on information acquired through internal or external search and these will be used to evaluate the alternatives. Blackwell et al. (2001) states further that the consumers need to evaluate the strengths and weaknesses of each considered alternative against the evaluative criteria established earlier. Therefore, the hypotheses of this study are as follows:

- H<sub>1</sub>: The evaluative criteria used by the private university students to evaluate and select their institution of choice are (1) financial attractiveness, (2) program and course suitability and availability, (3) ease and flexibility of enrolment procedure, (4) future ease of employment after graduating, (5) attractiveness of institutions, and (6) quality reputation.
- H<sub>2</sub>: The evaluative criteria used by the private college students to evaluate and select their institution of choice are (1) financial attractiveness, (2) program and course suitability and availability, (3) ease and flexibility of enrolment procedure, (4) future ease of employment after graduating, (5) attractiveness of institutions, and (6) quality reputation.

## **LITERATURE REVIEW**

Studies related to the marketing of higher education institutions are relatively few. However, there has been quite a significant amount of studies on factors related to the students' decision-making process in the selection of their institution of choice. Decision on the choice of institution to pursue post secondary education has been viewed as a complex decision making process (Kotler 1975; Chapman 1981; Hossler and Gallagher 1987; Duan 1997). The choice of college, then, is dependent on students' search effort and their ability to process the data in a meaningful way (Kotler, 1975). The marketing efforts by institutions can have direct influence on prospective students' choice (Chapman, 1981). A number of studies have been conducted by many researchers on the institutional characteristics influencing the choice of institutions in various host countries, including Malaysia. From the existing literature at least 26 variables can be identified. These 26 variables can be clustered into 6 themes namely 1) financial attractiveness, (2) program and course suitability and availability, (3) ease and flexibility of enrolment procedure, (4)

future ease of employment after graduating, (5) attractiveness of institutions, and (6) quality reputation which became the basis of the hypothesis of this research.

Most of the studies have the purpose of identifying the factors that have influence on students' choice of institutions. Studies such as Joseph and Joseph (1998); Joseph and Joseph (2000); AEI-International Education Network (2003); Sidin, Hussien and Tan (2003); Lin (1997) and Gray, Fam and Llanes (2003), analyze further the underlying factors of the many variables. For that purpose, factor analysis was used. Factor analysis can also be used to statistically reduce a large number of items to a smaller set of composite items that are not correlated to one another as the underlying factor (Neuman 2003; Sekaran 2000). However, the risk of using factors analysis is that the underlying factor may not be interpretable because items in the set are too diverse to be meaningful (Hair et al. 1998). The purposes of reducing the large numbers of variables into smaller set are many. Chen and Zimitat (2006), for example, used factor analysis to determine the underlying factors that motivates Taiwan students to study in Western institutions.

### **Research Methodology and Design**

This research is focused on measuring the evaluative criteria used by students to select their institution of choice. Therefore, the research will be quantitative or positivist in nature (Hussey and Hussey, 1997). They further argued that a survey is a positivistic methodology whereby a sample of subjects is drawn from a population and studied to make inferences about the population. Sekaran (2000) adds on that if the research question is aimed at measuring the attitude of a population towards a particular thing, a descriptive survey can be used. The large population of this research and the relatively big size of and the nature of the sample make the use of a large-scale survey as the methodology of this research seem appropriate. According to Remenyi et al. (1998) a large scale survey allows quick, relatively cheap and convenient collection of large quantities of data. For this research, to have a highly representative sample, given the challenges faced in the sampling, it is important to have a large sample.

Furthermore, survey is most suitable to ask questions of the 'how much', 'how long', 'what' and 'when' nature rather than 'how' and 'why' (Remenyi et al. 1998; Sekaran 2000). Besides, according to Neuman (2003, p. 264) survey is most appropriate to ask respondents of their 'self-reported belief or behavior' as well as when the response allows measurement of variables. This is another reason that makes survey the suitable methodology for this research as the questions asked in this research is of the 'what' and 'how much' types, that is to what extent certain factors influence students' choice.

### **Development of Data Collection Instrument**

From the existing literatures, which are mainly based on studies undertaken in countries that have been the traditional providers of international education such as the US, UK, Australian and other European countries, 26 institutional characteristics were identified. However, this research looks specifically into factors influencing students' choice of Malaysian private higher education institution. Although, students studying in these institutions are a mix of international students as well as local Malaysian students, there is the need to ensure that factors identified in the literature should be contextualized to the Malaysian environment and at the same time accommodating factors relevant to the international students. To do this a series of four focus group interviews were conducted. Each focus group was made up of six participants. Two of the focus groups were made up of first year international students and the other two of the focus groups were made up of Malaysian students. The researcher moderated the focus group interviews. The objectives of the focus group interview were two. First was to identify the relevance of the 26 institutional characteristics identified earlier from the literature, to the Malaysian private higher education context. Second, was to identify other institutional factors that attract them to their institution of choice that may not have been identified in the literature, as these may be unique to Malaysia. The outcomes of the focus group revealed that 32 variables should be used instead. These variables are listed as in appendix 1.

These 32 variables were then developed to become the scales of the self-answered questionnaire, which was designed to become the data collection instrument. To be as objective as possible, in the questionnaire, the respondents were asked to rate how much influence each of the factors subsequently listed in the questionnaire had in their choice of institutions. The question was phrased as follows 'How much do the following factors influence your choice of institutions to study in Malaysia?' Following that the factors were listed using the simplest possible of the words so that every respondent has common understanding of the factors. To record the response choice, the Likert's 5 points rating scales (no influence, little influence, average influence, some influence and strong influence) was chosen for use. It was chosen because it would be easy for the respondents to use (Neuman, 2003). Responses were scored from 1 ('no influence') to 5 ('strong influence').

Experts consisting of the Director of a School of Business, the Registrar of a University and a staff member of the Student Recruitment Department of a University were asked to evaluate the questionnaires. Various constructive comments and feedbacks were given and they were used in shaping the questionnaire into the final version. As a result of this process, the questionnaire has the content validity. A group of 42 students from a university were invited to participate in the testing of the questionnaire. The gender make up of the group were 15 male and 27 female. 17 of the students were students enrolled in the commerce foundation program and 25 were enrolled as the first year Bachelor of Commerce degree students. 38 of the students were Malaysian students while 4 were international students. The result of the test shows that the scales have a Cronbach Alpha of 0.9325 indicating that the questionnaire has internal consistency reliability because the inter-item consistency of all the items in the measure of the three constructs showed their respective Cronbach's alpha are above 0.70. According to Sekaran (2000) as long as the Cronbach's alpha measure is above 0.70, it can be said that the instrument has the internal consistency reliability. The questionnaire was also test for its reliability using the test and retest method. The correlations of the two results were tested using Pearson's correlation coefficient to see whether there is a relation between the two administrations of the instrument. The results showed that the Pearson's correlation coefficient ( $r$ ) is 0.838 ( $r=0.838$ ,  $n=42$ ,  $p<0.01$ ). This indicates that there is a high association of scores of the two administrations of the instrument. Therefore, this means that the data collection instrument has stability reliability because after the interval period of two weeks, the instrument produces similar results.

### **Data Collection Procedures**

In the context of this research, the populations were the post-secondary school students who enrolled in foundation studies programs, diploma programs and undergraduate studies in Malaysian private higher education institutions that are allowed by the Malaysian government to enroll both foreign students as well as Malaysian students. The final list is made up of 81 institutions. 17 of these institutions are universities and 64 of these institutions are colleges. As the students were dispersed across many institutions of varying types, the most appropriate sampling method to use is the stratified sampling. However, for practicality purposes, the most appropriate sampling methods to use was the quota sampling method. In quota sampling, instead of using simple random to choose the subjects in each stratum, convenience method can be used (Neuman, 2003). A large-scale survey method was used as the data collection method because of the size of the survey and the relatively short period of time for data collection, the most appropriate method to obtain them was through the use of questionnaires. Thus, fifty copies of the research questionnaires and a letter addressed to the Dean or Head of School were sent by postal mail to all of the 81 institutions in the list of institutions approved by the Malaysian government to recruit foreign and local students. The letter was to invite and to explain to the institutions about the study, its purposes, and to seek permission for their students to participate in this study as well as to seek their assistance to administer the questionnaire.

## Data Analysis

According to Hair et al. (1998), factor analysis can be used to test hypothesis. Rogers et al. (2001) used factor analysis to test their hypothesized segments of the learners' need. Similarly, in this study, there are hypothesized evaluative criteria that are used by students in their selection of the institutions of choice. Therefore given the list of variables that possibly can be used by students to select their institution of choice, this study will use factor analysis to test the hypothesis. For this purpose, SPSS version 10 was used to undertake the data analysis for this study.

Of the total number of 81 institutions that the questionnaires were sent to, the respondents came from 20 institutions. This gives the number of institutions' participation rate as 24.69%. Six of these institutions were universities (30%) while 14 were colleges (70%). A total of 888 questionnaires were returned out of the 5000 that were sent out. Of the total number of 888 questionnaires received, 63 were considered as invalid because they were incomplete and contained too many missing information as well as not indicating the types of institutions the students were enrolled in at that time. Thus, the response rate for this study is 17.75%. Out of this percentage 92.9% was the percentage of usable questionnaire and 7.1% was useable. 354 (42.91%) of the respondents were university students while 471 (57.09%) were college students.

## Findings for Hypothesis 1- Private Universities Students

Prior to testing the hypothesis, the mean scores of the thirty-two variables were first analyzed. Two items, namely 'the number of students already enrolled at the institutions' and the 'availability of international students enrolled in the institutions' have the mean scores of less than 3. Therefore, these two items were excluded from the factor analysis. As a result, factor analysis was conducted on thirty of the criteria. The extraction method used was principle component method. According to Hair et al. (1998, p.102), the principal component analysis is appropriate to use if the objectives of the analysis are to identify the "...minimum number of factors needed to accounts for the maximum portion of the variance..." and when it is known that specific and error variance is contribute little to the total variance. To determine the number of factors to extract, the latent root criterion was used. Hair et al. 1998 further argue that this is the most appropriate technique to use because the number of variables is greater than twenty and less than fifty. According to this technique, the appropriate number of factors to be extracted is based on the number of factors that has the eigenvalues that are greater than 1. In interpreting the data, the orthogonal rotation was used, as this is the simplest method. To obtain the orthogonal rotation factors, varimax method is the best analytical approach. The Kaiser-Meyer-Olkin measure of sampling adequacy of this analysis shows the score of 0.9312 indicating that the degree of intercorrelation and the appropriateness of using factor analysis as meritorious.

**Table 1 Internal consistency of the items in the factors**

<b>Factor label</b>	<b>Cronbach's alpha score</b>	<b>Mean average</b>
Institutions' campus environment and atmosphere	0.8700	3.3040
Reputation and Quality of the Institution	0.8912	3.7252
Future Graduate Job Prospects	0.8627	3.5104
Nature of the Institutions	0.6834	3.6229
Lower Costs	0.7918	3.3997
Affiliation of the institutions	0.6474	3.3658

The result shows that the factor analysis of thirty items found six factors with eigenvalues greater than 1. Table 1 shows the internal consistency of the items in the factor. These six factors accounted for 62.603% of the total variance. All items show the factor loading ranging from 0.42 to 0.84. The first factor is labelled as

'Institutions' campus environment and atmosphere' of which nine item were loaded on it. This factor accounts for 38.480% of the variance. The test on internal consistency of the items in this factor shows the Cronbach's alpha score of 0.8700. The second factor is labelled as 'Reputation and Quality of the Institution". Loaded on to it were eight items with common themes. This factor accounts for another 7.205% of the variance. The test on internal consistency of the items in this factor shows the Cronbach's alpha score of 0.8912. The third factor is labelled 'Future Graduate Job Prospects' which accounts for 5.785% of the variance and has six items loaded onto it. The test on internal consistency of the items in this factor shows the Cronbach's alpha score of 0.8627. The fourth factor, which accounts for 4.037% of the variance is 'Nature of the Institutions' and it has two items loaded on it. The test on internal consistency of the items in this factor shows the Cronbach's alpha score of 0.6834. The fifth factor is 'Lower Costs' on which \ two items loaded. This factor accounts for 3.758% of the variance. The test on internal consistency of the items in this factor shows the Cronbach's alpha score of 0.7918. Finally, the sixth factor is 'Affiliation of the Institutions' which has two items loaded onto it. This factor accounts for 3.338% of the variance. The test on internal consistency of the items in this factor shows the Cronbach's alpha score of 0.6474. Based on Cronbach's alpha score, all factors have internal consistency reliability except the fourth and fifth factors, which have the Cronbach's alpha score of less than 0.70. In summary, the findings reject Hypothesis 1.

### Findings for Hypothesis 2- Private Colleges Students

Similar to the previous analysis, prior to this analysis, the mean scores of the thirty-two variables were first analyzed. Three items, namely 'physical size of the institution', 'availability of international students enrolled in the institution', and 'the flexibility of the minimum entry requirements' were excluded from the factor analysis because each of these items has the mean score of less than 3. Thus, each is deemed as having little influence on the students. Finally, twenty-nine of the criteria were used for the analysis. The Kaiser-Meyer-Olkin measure of sampling adequacy of this analysis shows the score of 0.9419, indicating that the degree of inter-correlation among the criteria and the appropriateness of using factor analysis as meritorious (Hair et al. 1998).

The result shows that the factor analysis of twenty-nine items found five factors with eigenvalues greater than 1. These five factors accounted for 53.72% of the total variance. All items show their factor loading ranging from 0.38 to 0.77. Table 2 shows the internal consistency of the items in the factors. The first factor accounts for 36.074% of the variance. This factor is labelled as 'recognition and reputation of institutions'. Eight items were loaded on to it. The Cronbach's alpha score is 0.8691 indicating that there is internal consistency of the items in this factor. The second factor, which accounts for 5.093% of the variances, is labelled as 'future job prospect of graduates'. It is loaded with five items. The Cronbach's alpha score is 0.8382 indicating that there is internal consistency of the items in this factor. The third factor, which accounts for 4.855% of the variance, is labelled as 'campus environment, atmosphere and facilities'. Six items were load on to this factor. The Cronbach's alpha score is 0.7930 indicating that there is internal consistency of the items in this factor. The fourth factor, which accounts for 4.037% of the variance, is 'ease of application procedures and nature of the institution'. It is loaded with seven items. The Cronbach's alpha score is 0.7823 indicating that there is on internal consistency of the items in this factor. Finally, the last factor, which accounts for 3.670% of the variance, is 'lower costs'. It has only two items loaded onto it. This factor has the internal consistency, as the Cronbach's alpha score is 0.7028. Again, the findings reject Hypothesis 2.

**Table 2 Internal consistency of the items in the factors**

<b>Factor label</b>	<b>Cronbach's alpha score</b>	<b>Mean average</b>
Recognition and reputation of the institutions	0.8691	3.4803
Future job prospect for graduates	0.8382	3.4072
Campus environment, atmosphere and facilities	0.7930	3.2565

Ease of application procedures and nature of the institutions	0.7823	3.1960
Lower costs	0.7028	3.2325

## **DISCUSSION AND CONCLUSION RECOMMENDATIONS**

Evaluative criteria are the various dimensions, features or benefits of the institutions that the potential students will evaluate in selecting their choice of institution. The choice of evaluative criteria that students will use is driven by some underlying factors. The analysis of the factors that influence the university students' choice of institution shows that there are six factors. The most influential factor is 'reputation and quality of the institution' with the average mean score of 3.730. The leading most influential criterion that made up this factor is 'the institution reputation for quality' as it has the highest mean score of 3.927. This indicates that the key motivation that drives them to choose a particular private university is their desire to have quality education. Quality education here means that students can excel in their studies and obtain good results because of the availability of reputable academics to provide good teaching. The importance of this factor is to allow these students to be able to obtain good employment prospect after completion of the studies. This is proven from the second most influential factor, 'future graduate job prospects', which has the average mean score of 3.510. Among the criteria that make up this factor, the most influential criterion is 'good job prospect after graduating from the institutions' as it has the mean score of 3.836. This provides the evidence that the next major motivation that drives them to choose a particular institution is the opinion that a graduate from a particular private university has a greater chance of getting employed maybe because of the quality education received from the institution. The third key factor is the 'lower cost' of which has the average mean score of 3.399 and followed by 'entry flexibility and institutions' campus environment' with the average mean score of 3.253. The criteria that are influential in each of these factors are 'lower costs of fees' with mean score of 3.399 and 'institutions' campus environment and atmosphere' with the mean score 3.715 respectively. Based on the average mean score, these factors are important but not as influential. The factors 'nature of the institution' and 'affiliation of the institutions', however, are not taken into consideration because of their unreliability as shown by the Cronbach's alpha of these factors that are less than 0.70.

The findings in this analysis have some similarities to the previous studies that have been done in Malaysia recently. In Baharun (2004), five factors were identified which are (1) value and reputation of education, (2) program structure, (3) conducive facilities and resources, (4) choice influencers, and (5) customer orientation. Although the study was made only on Malaysia students studying in public universities, similar to students studying in Malaysian private universities, one of the key factors is the desire to have quality education. In another research by Sidin et al. (2003), five factors were identified as: (1) personal, (2) academic quality and facilities, (3) campus, (4) socialization, and (5) financial aids. There are more similarities in the findings of this paper and the findings of Sidin et al. (2003) as compared to the findings in Baharun (2004). The two most important factors in this paper are the desire to acquired quality education as well as the desire to secure good employment after graduating. The former is consistent with the Sidin et al. (2003) finding. These similarities could be because in Sidin et al. (2003), the respondents were students from public and private higher education students while in Baharun (2004) the respondents were all students from the public universities only. Therefore, it can be concluded that key factors influencing the university students' choice of Malaysian private higher education institutions are their desire to get quality education and, thereafter, to secure a good job.

The analysis of the factors that influence college students' choice of institution shows big similarity with that of the university students. Both groups of students are driven by the need to have good qualifications that are widely recognized by future employers, with the 'recognition and the reputation of the institutions' as the most influential factor. The average mean score of this factor is 3.4802. 'Teaching quality in the institution' is the criterion in this factor that has the highest mean score i.e. 3.5833. Similar to the analysis of the university students,

the second most influential factor is the 'future job prospect for graduates'. The average mean score of this factor is 3.407. The leading criterion in this factor with a mean score of 3.5202 is the 'high employment rates of the graduates from the institutions'. This suggests that the college students' choice is also driven by the future potential of obtaining employment because of the reputable and quality qualification obtained from the institutions. The remaining three factors have narrow differences in their respective average mean score. These are 'institutions' affiliation, nature, student number and ease of application', 'campus environment, facilities and recognition of prior qualification', and followed by 'lower costs'. Their average mean scores are 3.196, 3.256 and 3.232 respectively. Interestingly, these findings show that students' choice of studying in college is not strongly influenced by the cost factor even though the college fees maybe lower than university because the latter have bigger and better facilities. On the other hand, fees may not be the key factor because of the wide availability of financial assistance such as loans and scholarships from other independent bodies and loan from government agencies such as PTPTN.

Therefore, this paper provides valuable information for private and public institutions on the criteria they are required to focus to attract students to study in their institutions. The hypothesis on criteria established in previous studies such as (1) financial attractiveness, (2) program and course suitability and availability, (3) ease and flexibility of enrolment procedures, (4) future ease of employment after graduating, (5) attractiveness of institutions, (6) quality reputation is relevant, however, are not significance criteria that influence students choice selecting private higher education. Based on analysis, the institutions should focus on developing criteria such as "Reputation and Quality of the institution" for private university students, which recorded the highest, mean score of 3.7252 whereas similar criteria factor, "Recognition and reputation of the institutions" scored the highest mean of 3.4803 for private college. Thus, this paper provides recommendation to both types of higher learning institutions to focus on developing the institutions reputation and quality in addition to other criteria variables to sustain their business in education market.

### **Appendix 1 List of Variables as Outcomes of the Focus Group Interview**

1. Institutions' reputation for quality
2. Recognition of the institution's program worldwide
3. Institution's academic reputation
4. Teaching quality in the institution
5. Friendliness of the campus atmosphere
6. Availability of international students enrolled in the institution
7. Orientation of the institutions
8. Availability of good courses/programs in the institution's major
9. Number of students already enrolled at the institutions
10. Resources and facilities of the campus
11. Institution's twinning arrangement, links or strategic alliance with well known overseas institutions
12. Number of courses in the major given advance standing because of prior qualification
13. Types of institution students are studying in
14. The flexibility of the minimum entry requirements
15. Institution's close link with the industries in Malaysia
16. Course availability in the institution
17. The institution's recognition of the students' prior qualification
18. The institution or the alumni association helps the graduates with job placement
19. Institution's affiliation with national and international professional bodies
20. Student activities on campus
21. Physical attraction of the campus
22. The ease of application and admission procedures
23. Suitability of institution's course specifics (content, structure, method of assessment)
24. Institution's graduates have the reputation of being recruited by major corporations upon completion of their studies

25. High employment rates of the graduates from the institutions
26. Good job prospect after graduating from the institution
27. Availability of financial aid from the institutions
28. Institution's lower cost of fees
29. The location of the institution (i.e. in the urban, sub-urban or rural location)
30. Accreditation provided to the institution's courses or programs by the Malaysian government, international and professional bodies
31. The success of the alumni of the institution
32. Physical size of the institution

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