

# Factors Affecting Ethiopian Undergraduate Students Private Higher Institution Choice Decisions

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**Abstract:-** Every year students choose between higher institutes to continue their higher education. Choosing one institute over the other is a decision that involves different factors. Understanding the various factors that affect buying decision and developing a marketing strategy accordingly is essential for the success of a higher education institute. In Ethiopia, little is known about how students make private higher institute choices and the different factors that influence their decisions. As a result, private higher institutes in Ethiopia are not developing their marketing strategies based on an understanding of the factors that influence students higher institute choice.

Therefore, the study's objective was to identify and rank the different factors that influence Ethiopia students' private higher-institute choice decisions. The study was conducted in two-stages. In the first stage, exploratory research was conducted to identify variables that influence consumer behavior by reviewing different literature related to the subject matter. Moreover, the research questions were clearly defined, and data collection instruments were also developed. In the second stage, a descriptive research design was used to investigate and explain the research questions.

The study utilized both primary and secondary data. Questionnaires and group discussions were used to collect primary data from eight private higher institute first-year students. A random sampling method was used to select participants of the study. The researcher distributed 200 questionnaires, and 186 questionnaires were collected. Eight of the questionnaires were incomplete. As a result, 178 responses were analysed. Besides, eight group discussions were made with eight private higher institute first-year students.

Seventeen factors were identified, including advertisement, parents, friends, cost of tuition fee, favourable payment mode, lower admission criteria, availability of department, staff profile, job opportunity, the image of the institute, age of the institute, accreditation of the institute, availability of scholarship, convenient location for transportation, sports facility of the institute, library of the institute and classrooms of the institute.

**Keywords:-** *Buying Decision, Higher Institute Choice, Consumer Behavior, Higher Institution Strategy.*

## I. INTRODUCTION

According to a document published on March 16, 2020, by the Ethiopian Ministry of Education (MOE), Higher Education Relevance and Quality Agency official Facebook page, Ethiopia has 227 accredited private higher institutes all over the country. Moreover, every year the number of the higher institute is increasing. As a result, enrolling students is becoming competitive from time to time.

Every year students choose between higher institutes in order to continue their higher education. Choosing one institute over the other is a decision that involves different factors. Understanding the different factors that affect buying decision is an important factor for success in the higher education industry.

Therefore, private higher institutes should understand the increasing competition and develop a winning marketing strategy based on an understanding of the different factors that influence the buying decision of students. Different studies were conducted regarding student's higher institute choice decisions. However, as of today, there is no published study regarding Ethiopia students' higher education buying behavior. Since consumers buying behavior is influenced by different factors such as cultural trend, social and societal environment, (Ramya & Ali, 2016) a higher educational buying behavior study conducted in other countries cannot be applied in the context of Ethiopia as it is. Although there will be some commonalities among the factors affecting buying behavior, a country will probably have unique behavior. As a result, the study of students' higher education buying behavior with the context of Ethiopia will be important.

## II. STATEMENT OF THE PROBLEM

As of today, there is no research published regarding Ethiopian student's higher education service buying decisions. Little is known how students make private higher institute choice and the different factors that influence their decisions. As a result, private higher institutes in Ethiopia are not developing their marketing strategies based on an understanding of the factors that influence students higher institute choice

Private higher institutes need to understand how prospective students choose higher institutes and the different factors that affect their decision. They should base their marketing strategies according to the educational service buying behavior of prospective

### III. IMPORTANCE OF THE STUDY

The study will help private higher institutes in Ethiopia to understand how students choose higher institutes and the different factors that affect their decision. As a result, higher institutes in Ethiopia can develop their marketing strategy with a good knowledge of the various factors that affect students' higher institute service buying decisions.

### IV. BASIC RESEARCH QUESTION

The study will be answering the following questions

- What are the different factors that influence student's decision making while selecting a private higher institute?
- Among the different factors that influence students higher institute choice, which factors are the most significant?

### V. OBJECTIVE OF THE STUDY

The objective of the study is to identify and rank the different factors that influence Ethiopia student's private higher institute Choice decisions.

### VI. LITERATURE REVIEW

Different marketing literature advises organizations to base their strategies with the understanding of consumer behavior. While developing their strategies, organizations should consider the consumer purchase intention, the factors affecting the consumer buying decision, and the change in consumer behavior (Rani, 2014).

Private higher institutes in Ethiopia should develop a marketing strategy with a full understanding of consumer behavior. (Hawkins & David, 2013) Explained that a marketing strategy developed without an understanding of factors that affect consumer behavior is most likely to fail. Therefore, private higher institutes pricing strategy, products and or services strategy, promotion strategy, and delivery strategy should be developed after identifying and understanding the different factors that affect the consumer buying decision (Rani, 2014)

Buying is not an easy decision for most consumers. It is a process that goes through different stages. Different scholars have tried to define the consumer-buying process. Kotler proposed one of the most popular buying processes, as presented below.

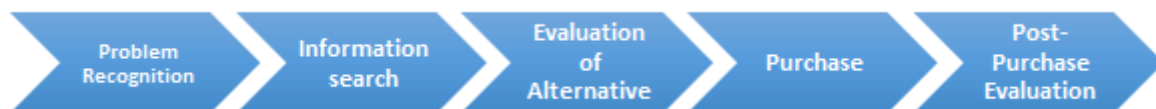


Fig 1:- Consumers buying decision process  
Source : (Kotler,1997)

Different scholars conducted studies regarding the factors that affect higher institute educational service buying decisions and identified various factors that influence student's higher institute selection. (Ming, 2010) has identified Location, Academic programs, College reputation, Educational facilities, Cost, availability of financial aid, employment opportunities, advertising, Higher Education institutes representatives, and campus visits as factors that influence students' decisions while joining a higher institute.

(Mehboob, Shah & Bhutto, 2012) has also identified twelve factors that influence student higher institute choice. Seven of the twelve factors were similar to the one identified by Ming. (Mehboob, et al. 2012 ) has added aspiration, aptitude, parents, friends, and teachers to the list of factors that were previously identified by Ming.

Since factors such as cultural trends, social, societal, and environmental influences consumer buying behavior, a higher education buying behavior study conducted in other countries cannot be applied in Ethiopia as it is. For example,

a factor considered as the most significant buying decision influencing factor in one country may not be relevant to Ethiopia.

As a result, it will be essential to study and identify the different factors that affect Ethiopian students higher education choice decision and rank them according to their significant

### VII. RESEARCH METHODOLOGY

The study was conducted in two-stages. In the first stage, exploratory research was conducted to identify variables that influence consumer behavior by reviewing different literature related to the subject matter. Moreover, the research questions were clearly defined, and data collection instruments were also developed.

In the second stage, a descriptive research design was used to investigate and explain the research questions.

Relative importance index(RII) was used to rank the different factors that influence students ' higher institute choice relative to other variables. As has been explained by

(Aibinu & Jagboro,2002), RII is a preferred method for ranking factors rated in a survey.

The following formula is used to calculate the RII:

$$RII = \frac{\sum w}{(A.N)}$$

Where:

RII = relative importance index

W = weight given to each factor by respondents (ranging from 1 to 14)

A = highest weight (i.e., 14 in this case);

N = total number of respondents.

The study utilized both primary and secondary data. Questionnaires and group discussions were used to collect primary data from eight private higher institute first-year students. A random sampling method was used to select participants of the study. The researcher distributed 200

questionnaires, and 186 questionnaires were collected. Eight of the questionnaires were incomplete. As a result, 178 responses were analyzed. In addition, eight group discussions were made with eight private higher institute first-year students.

### VIII. FINDING

#### A. DEMOGRAPHY

Variable	Frequency	Percent	
<b>Gender</b>	<b>Male</b>	<b>86</b>	<b>48.3%</b>
	<b>Female</b>	<b>92</b>	<b>51.7%</b>
<b>Age</b>	<b>15-20</b>	<b>65</b>	<b>36.5%</b>
	<b>21-25</b>	<b>99</b>	<b>55.6%</b>
	<b>26-30</b>	<b>8</b>	<b>4.5%</b>
	<b>31-35</b>	<b>6</b>	<b>3.4%</b>
<b>Mode of Study</b>	<b>Regular</b>	<b>162</b>	<b>91.0%</b>
	<b>Extension</b>	<b>16</b>	<b>9.0%</b>
<b>Program</b>	<b>TVET</b>	<b>20</b>	<b>11.2%</b>
	<b>Degree</b>	<b>158</b>	<b>88.8%</b>

Table 1:- Demography

Four demographic variables were included in the survey, gender, age, mode of study, and program. Of the total participants, 86% were male, and 92% were female. As presented in the table above, the majority of the age group ranges from 21-25 and 15-20. Among the study participants, 91% are regular students, and 9% are extension students.

The table above also shows that 80% of the participants are Degree program students, while the remaining 20% are TVET students. As a result, the study is limited to identifying and ranking the factors that affect higher institute choice decision of undergraduate students

#### B. SOURCE OF INFORMATION

Variables	Frequency	Percent	
Valid	TV	46	25.8
	Radio	14	7.9
	Family	66	37.1
	Friends	44	24.7
	Others	8	4.5
	Total	178	100.0

Table 2:- Source of information

Before choosing an institute, students will gather information about higher institutions and evaluate them based on the information collected. Although there are different sources of information, family and friends are the two major sources of information. While choosing their higher institutes, 37.1% and 24.7% of the respondents of the study source of information were family and friends, respectively. On the other hand, 25.8% of the respondents'

sources of information were TV and 7.9% radio advertisements.

Therefore, in Ethiopia, private higher institutes should understand the role of family and friends in disseminating information for their prospective students and develop a promotion strategy that will enable them to reach the family and friends of prospective students.

**C. NUMBER OF INSTITUTES VISITED**

Variables		Frequency	Percent
Valid	None	42	23.6
	One	50	28.1
	Two	39	21.9
	Three	44	24.7
	More than Four	3	1.7
	Total	178	100.0

Table 3:- Number institutes visited

The majority of the study participants visit at least one higher institutes before making their final decision. As has been presented in the table above, 28.1% of the students visited one institute, 21.9% visited two institutes, 24.7% visited three institutes, and 1.7% of the students visited more than four institutes.

Therefore, private higher institutes in Ethiopia should manage prospective students' campus visits to show their values and competitive advantages to win the hearts of their prospective students.

**D. DECISION MAKERS**

Variables		Frequency	Percent
Valid	Myself	79	44.4
	My Family	64	36.0
	My Office	7	3.9
	Others	28	15.7
	Total	178	100.0

Table 4:- Decision Makers

While 44.4 % of the respondents made higher institutes choice by themselves, 36% of higher institution choice was made by the families of the students. As a result, private higher institutes should understand the importance of reaching higher institute prospective students' families and familiarizing them with the values and competitive advantages of higher institute.

Seventeen factors were identified, These include advertisement, parents, friends, cost of tuition fee, favorable payment mode, lower admission criteria, availability of department, staff profile, job opportunity, the image of the institute, age of the institute, accreditation of the institute, availability of scholarship, convenient location for transportation, sports facility of the institute, library of the institute and classrooms of the institute.

**E. FACTORS AFFECTING STUDENTS HIGHER INSTITUTE CHOICE**

A comprehensive literature review and a group discussion were made to identify factors that affect Ethiopian students 'higher institute choice.

Based on their similarities, the factors were grouped into seven groups as advertisement, social factors, tuition fee, academic factors, institutional factors, convenience and facility of the institution.

➤ *Advertisement*

Factors	Strongly Disagree	Somehow Disagree	Neutral	Somehow Agree	Strongly Agree
Advertisement	28.1%	18.0%	0%	43.8%	10.1%

Table 5: Advertisement

Advertisement of the institution has a role in influencing student's higher institute choice decisions. From the table above, we can understand that the institution's advertisement influenced 53.9 % of students' higher institute choice decision

➤ *Social Factor*

Factors	Strongly Disagree	Somehow Disagree	Neutral	Somehow Agree	Strongly Agree
Parents	33.7%	24.7%	0%	27%	14.6%
Friends	46.1%	23.6%	0%	18%	12.3%

Table 6: Social Factors

Parents and friends were categorized under social factors. 41.6% and 30.3% of students were influenced by parents and friends, respectively, while choosing their higher institute. Although parents and friends did not influence the majority of the student's decision, it is important to consider the role of parents and friends in higher institute decision-making since a considerable number of respondent's' decisions were influenced by parents and friends

➤ *Tuition Fee factors*

Factors	Strongly Disagree	Somehow Disagree	Neutral	Somehow Agree	Strongly Agree
Cost of Tuition	34.8%	25.8%	0%	28.1%	11.3%
Favorable Payment Mode	32.6%	21.3%	2.2%	30.3%	13.6%

Table 7: Tuition fee factors

The cost of tuition and favorable payment mode was categorized under the tuition fee factors. Since 91% of the participants are students admitted in the regular mode of study, their tuition fee is paid by their parents. As a result, the cost of tuition fees did not matter for 60.6% of the respondents. Also, 43.9% of the participants were only influenced by favorable payment mode

➤ *Academic Factors*

Factors	Strongly Disagree	Somehow Disagree	Neutral	Somehow Agree	Strongly Agree
Lower admission criteria	40.4%	27%	0%	25.8%	6.8%
Availability of Department	11.2%	27%	0%	42.7%	19.1%

Table 8: Academic Factor

Lower admission criteria and availability of departments were categorized under academic factors. As has been presented in the table above, 67.4% of the respondents were not influenced by Lower admission criteria. Therefore, the influence of lower admission criteria on student's higher institutes choice is insignificant. However, the availability of the department students seeking to study was identified as a significant influencing factor. 61.8%, of the respondents higher institutes choice, was influenced by the availability of the department they intended to study

➤ *Institutional Factor*

Factors	Strongly Disagree	Somehow Disagree	Neutral	Somehow Agree	Strongly Agree
Staff Profile	21.9%	10.7%	6.2%	39.9%	21.3%
Job opportunity	15.7%	25.8%	0%	39.3%	19.2%
Image of the institute	13.5%	14.6%	0%	39.3%	32.6%
Age of the institute	15.2%	15.7%	14%	44.9%	10.2%
Accreditation of the institute	19.1%	14.6%	2.2%	40.4%	23.7%
Availability of scholarship	49.4%	18%	5.6%	21.3%	5.7%

Table 9: Institutional Factors

Staff profile, job opportunity, the institute's image, age of the institute, accreditation of the institute, and scholarship availability were categorized under institutional factors. Except for the availability of scholarship, the majority of the respondent's

decisions were influenced by institutional factors. 61.2% and 58.5% of the respondents' higher institution decisions were influenced by staff profile and job opportunity after graduation, respectively. The institute's image, age of the institute, and accreditation of the institute influenced 71.9%, 55.1%, 64.1% of the respondents higher institute choice decision, respectively.

➤ *Convenient location for transportation*

Factors	Strongly Disagree	Somehow Disagree	Neutral	Somehow Agree	Strongly Agree
Convenient location for transportation	15.7%	19.7%	3.3%	34.3%	27%

Table 10:- Convenient Location for Transportation

Convenient location for transportation has influenced 61.3% of the participant's higher institute choice decision. As a result, the private higher institution in Ethiopia should assess the transportation convenience of their campus to become the choice of prospective students

➤ *Facility of the institution factor*

Factors	Strongly Disagree	Somehow Disagree	Neutral	Somehow Agree	Strongly Agree
Sport facility of the institute	49.4%	23.6%	4.5%	20.2%	2.3%
Library of the institute	51.7%	15.7%	4.5%	24.7%	3.4%
Class rooms of the institute	57.3%	20.2%	0	15.7%	6.8%

Table 1:- Facility of the institution

Sports facilities, the library, and classrooms of the institute were categorized under the facility of the institution factor. The facility of the institution did not influence most of the respondent's higher institute choice decision. Only 22.5%, 29%, and 22% of the participant's decision was influenced by the institute's sports facility, the library of the institute, and classrooms of the institute respectively.

*F. Relative Importance of Factors*

Relative importance index(RII) was used to rank the different factors that influence students higher institute choice relative to other variables.

Factors affecting students higher institute service buying Decisions	Relative importance index(RII)
Job opportunity after graduation	0.762
Availability of Department	0.738
Age of the Institute	0.726
Image of the institute	0.714
Accreditation from MOE	0.643
Convenient Location to transportation	0.631
Profile of Academic staff	<b>0.595</b>
Family or Friends influence	0.488
Tuition Fee and payment mode	0.476
Advertisement	0.429
Facility of the institute (library, class room, sport facility)	0.393
Lower admission criteria	0.333
Availability of scholarship	0.179

Table 12 :- Relative importance of factors



Job opportunities after graduation, availability of the department, and age of the institute were the top three ranking factors that have affected students' higher institute choice decisions with RII of 0.762, 0.738, and 0.726, respectively. Therefore, higher institutes in Ethiopia should work in creating job opportunities for their graduates. Besides, based on market research, higher institutes should open programs that are in high demand. Increasing the number of programs will also help institutions chances of admitting a higher number of students.

Image of the institution, accreditation from MOE, and convenient location to transportation were also identified as important factors considered by students while choosing higher institutions.

The facility of the institution (library, classroom, sports facility), Lower admission criteria, and availability of scholarship were ranked as the three list significant factors.

## IX. CONCLUSION AND RECOMMENDATION

Private higher institutes in Ethiopia should formulate their marketing strategy based on an understanding of the factors that influence prospective students' higher institution choice decisions. Moreover, they should recognize the most significant factors and prepare their strategies accordingly.

To become the choice of prospective students, higher institutions in Ethiopia should create job opportunities for their graduates or support their graduates in job hunting. This can be achieved by providing up to dated quality education and by providing graduate employment support services. An employment support team should work to create a partnership with the industry to support graduates' employment. Higher institutes should also promote their graduate employment support to win the hearts and minds of prospective students and their families.

Based on market research, private higher institutes should identify and open academic programs of high demand. Moreover, they should obtain accreditation for each of their academic programs and recruiting a reliable academic staff.

Since the institution's image is one of the factors considered by prospective students and their families, Institutions should build their image by using publicity and other promotional tools.

Prospective students higher institution choice decision is also influenced by the location. As a result, before making their campus location decision, higher institutions should make sure that their campus location is convenient for transportation.

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