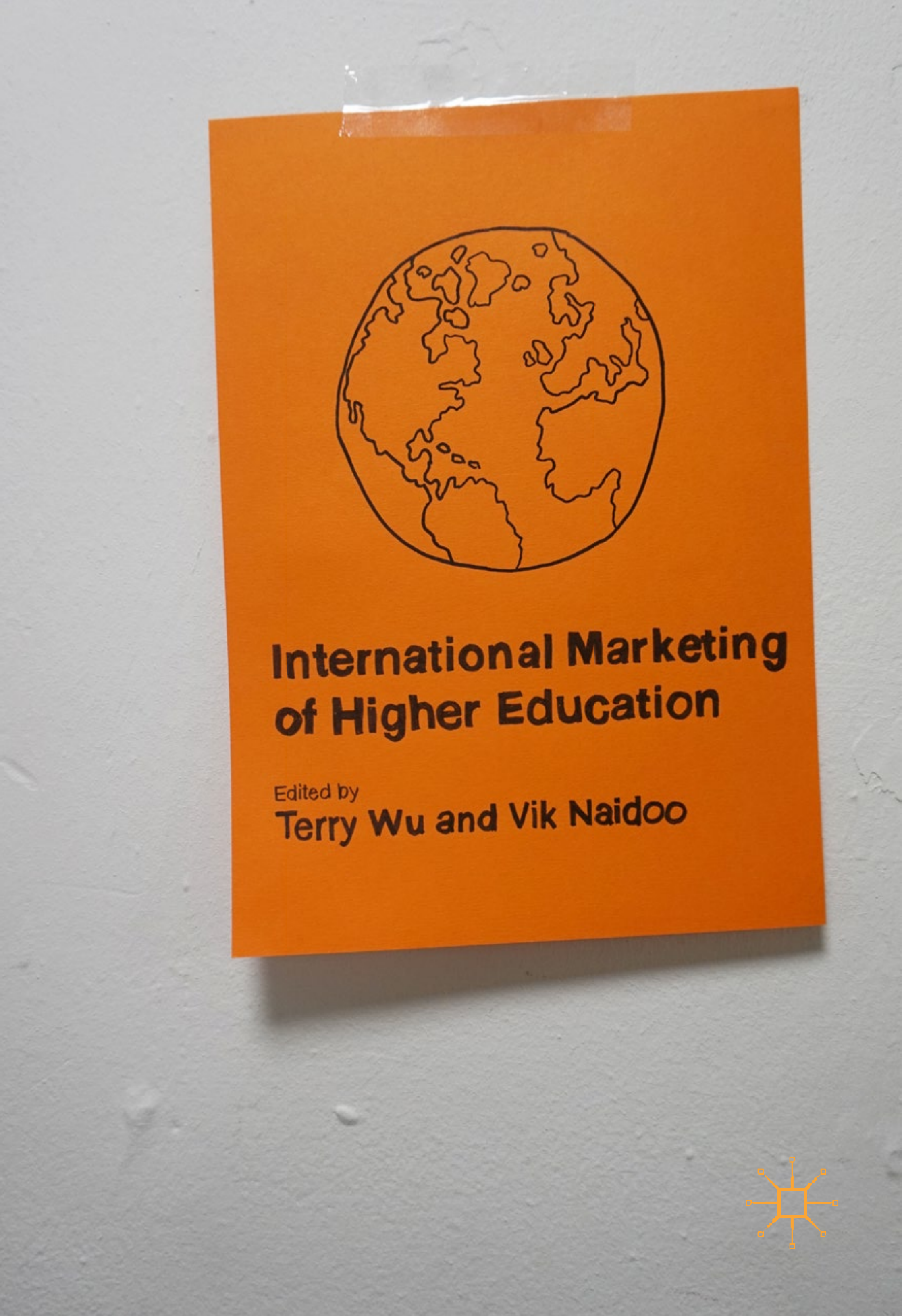
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Edited by
Terry Wu and Vik Naidoo

International Marketing of Higher Education

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PART I

Introduction

CHAPTER 1

The Role of International Marketing in Higher Education

Terry Wu and Vik Naidoo

Introduction

The higher education sector is facing increasing competition and escalating financial pressure in many developed countries. The continuing decline in the number of university-aged students in these countries adds to these pressures with many higher education institutions (HEIs) expected to experience enrollment decline over the next few years. The resulting decline in tuition revenues and continuing government funding cuts, has led many universities and colleges to explore new ways to accept more international students to offset the domestic enrollment downturn.

In turn, these enrollment pressures are pushing many HEIs into aggressive marketing and promotion to international students (Hemsley-Brown and Oplatka 2006; Naidoo 2006; Naidoo and Wu 2011), leading to the marketization of higher education developing into a big business. For some, this is reflected in the revenues generated from international tuition fees that contribute to the stability of their finances. For others,

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international student recruitment forms an integral part of an overall internationalization strategy (Naidoo and Wu 2014). It is now a common feature of the higher education landscape for international marketing to be of growing importance to universities and colleges.

As identified by Mazzarol and Soutar (2002), both demand and supply are instrumental to increasing flows of international students globally. On the demand side, international students consider an education from Western countries as a valuable investment to enhance employability in their future careers. On the supply side, university and colleges increasingly focus on highly popular academic programs such as business and engineering to attract full-fee paying international students to offset domestic enrollment decline (Hayes 2007). These demand and supply forces for education services have resulted in a global marketization of higher education (Allen and Shen 1999; Kwong 2000; Binsardi and Ekwulugo 2003; Chapleo 2011).

The ensuing intense global competition for students, has seen many HEIs develop marketing strategies and activities to recruit both domestic and international students (Mazzarol and Soutar 2001, 2008; Hemsley-Brown and Goonawardana 2007; Angulo et al. 2010). In recent years, there has been a growing interest among HEIs to intensify their international marketing efforts in order to recruit international students. This interest in international marketing has not been confined to individual academic institutions only. Realizing the export earning potentials of international education services, many national governments have developed a national policy to attract international students to study in their countries. Examples of these countries include Australia, New Zealand, and the UK which have adopted a national policy of marketing higher education to foreign students (Naidoo and Wu 2011).

This increasing marketization of higher education has however not been without its critics, particularly considering the many challenges academic institutions face while marketing their programs to overseas students. Marketing activities are also quite costly which involve the reallocation of priorities and scarce resources within an academic institution. Likewise, there is no guarantee that these marketing activities will result in a positive effect on student choice. Indeed, it has been well documented in the literature that although some HEIs are able to attract more international students to their campuses, others have not been so successful in increasing international enrollment despite their marketing efforts (Naude and Ivy 1999; Ross et al. 2007).

Given this growing importance of international students for the university system, there is a need for research on how HEIs can market themselves internationally. International marketers and university administrators need a better understanding of the major markets of higher education and how international marketing is changing the educational discourse in these markets. This book attempts to fill this research gap by focusing on international marketing of higher education in a cross-national setting.

Organization of the Book

This book is organized into 10 chapters. Chapter 2 compares the effectiveness of marketing activities on student choice of higher education across three developed countries: Canada, France, and Sweden. Specifically, this study analyzes the impact of traditional advertising, Internet advertising, and relational marketing on student choice. Data are collected from student samples in these three countries. The effectiveness of marketing activities are tested in three separate models (baseline, choice, and full choice) using ordinary least squares (OLS) regression analysis. The results reveal that student choice is significantly influenced by relational marketing such as open houses and face-to-face meetings. The perceived marketing effectiveness of university advertisements is significant only in Canada, but not in other developed countries such as France and Sweden. The results also suggest that the most consistent variables in student choice are the academic quality and institutional reputation. The surprising result is that the Internet does not have a significant impact on student choice, which contradicts a level of emphasis currently being placed by HEIs in investing and developing their web advertising tactics.

Chapter 3 examines the issue of entry modes as a component of international marketing strategy in higher education. With more and more HEIs establishing foreign campuses overseas as part of their international marketing strategies aim at raising overseas brand awareness and boosting international student recruitment, this study provides a new and interesting perspective on international higher education marketing. The study analyzes a data set of 308 instances of overseas investment by universities in six English-speaking countries—the USA, UK, Canada, Australia, New Zealand, and Ireland. A mixed method approach is used to develop a conceptual framework for empirical analysis. The sample is based on a survey completed by senior university management across the six aforementioned countries. In this study, the variables used include international experience, entrepreneurial orientation, financial capital, reputation, market potential, location familiarity, and tacit know-how. Grouping these countries into three distinct subgroups, the authors use Tobit regression techniques to test the proposed model. The empirical evidence demonstrates that the international operations of universities are quite different from those of other service sectors and that universities cannot be treated as private sector-oriented multinational companies.

Chapter 4 challenges the assumption that better ranked universities will always attract more international students. The evidence presented in this study is a strong departure from current educational discourse that focuses on how universities use academic rankings to promote their schools and programs to prospective students, particularly those from overseas. Grounded in consumer behaviour theory, this chapter shows that students' regulatory focus will have a great deal to play in terms of their evaluation and ultimately selection (i.e. enrollment) of research versus applied universities. For example, the authors postulate that if students are risk averse, then they are likely to be attracted to research-intensive universities to achieve security-related goals. In contrast, they argue that some students may prefer applied universities for practical and less theoretical approach to learning. This chapter therefore brings a more nuanced understanding to international marketing of higher education, something which to date has been overseen by the extant literature.

Chapter 5 proposes a new conceptual framework of university website design as a communication tool in marketing higher education to international students. It provides some perspectives as to why current web advertising may not be an effective marketing strategy and offers a few website design as an effective marketing tool to reach out to international students across the globe. The author proposes that in addition to the standard information on academic programs and tuition fees, university websites could be customized to provide specific information for different regions regarding country affiliations, cultural needs, and admission requirements. He argues that given the intense global competition for international students, universities are likely to capture a larger market share of the international student market by adopting a customization approach to website design.

The second part of this book is devoted to case studies on international marketing of higher education in different countries. The first case study is analyzed in Chapter 6 which examines the application of a branding process model to an academic institution's international marketing efforts.

The analysisis based on the experience of the Global Opportunities (GO) program adopted by a US university that was awarded the Institute of International Education Andrew Heiskell Award for Campus Internationalization in 2013. The GO program has been credited for enhancing the university's brand image and has become an effective tool in marketing the institution to international students. The authors attribute this marketing success to what they term as 'brand soul'—the positive ways in which key internal stakeholders perceive and live the organization's brand, reminding us that marketing is not just an externally oriented strategy but one that needs to be developed and implemented internally as well.

Chapter 7 investigates international marketing of higher education from the perspective of developing countries with a special reference to Thailand. It is argued that academic institutions in developing countries may face many challenges in competing for international students in comparison with universities from developed countries. This exploratory study is based on results from a survey of international students in Thailand. Most international students perceive an education from Western developed countries as more prestigious and valuable than that of a developing country. However, universities from developing countries can leverage their national strengths to find a niche market. To compete in the global market, Thai universities could use a positioning strategy to target a segment of international students who are unable to study in Western countries due to either financial constraints or inability to get admissions to universities in developed countries.

In Chapter 8, the authors analyze various factors influencing students' choice of HEIs in Germany. Private universities offer small classes and strong alumni networks to compete with state universities. Using a cross-sectional analysis, the selection and evaluation criteria of students in both state and private universities are compared in terms of ranked importance. The results reveal that perceived employability is rated as more important for private universities than for state universities. Similarly, academic reputation and company connections are rated as more important for private universities than for state universities. These results are not surprising because students at private universities normally expect a reasonable return on their investment by paying higher tuition fees. In terms of the decision-making process, students tend to put less emphasis on non-academic criteria such as campus facilities and friends' recommendations in Germany. The results provide some interesting factors that private HEIs can use to market themselves distinctively from their publicly funded counterparts.

Chapter 9 provides empirical evidence on the attitudes toward study abroad programs in Norway. Understanding key factors influencing students' decisions on study abroad programs is of critical importance to HEIs and international marketers. This study combines the Theory of Reasoned Action (TRA) and attitude toward object model (ATO). The data used in this study is based on a sample of 294 respondents in Norway. A conceptual model is developed to include 12 latent variables and 44 items (indicators) in a path diagram. The study employs partial least squares structural equation modeling to empirically test key factors influencing attitudes and intentions on study abroad programs. The results reveal that the host institution image, safety and convenience image of destination, and the extent of internationalization by home institution have a positive and significant impact on student awareness of study abroad opportunities. Moreover, attitude toward study abroad is positively related to support mechanisms as well as social and cultural image.

Chapter 10 discusses the driving forces of international students in pursuing higher education in Hungary, which is considered as a non-traditional destination in Eastern Europe. Like many other European countries, Hungary is facing a significant decline in domestic student enrollment across universities. To cope with funding pressures in higher education, Hungary has decided to increase its international student enrollment to offset the domestic decline. In order to ascertain key determinants of international student choice of Hungarian higher education, three separate surveys were conducted with respect to international student recruitment agencies, international students, and exchange students. For most international students, the determining factors for choosing a host country and university are university reputation and academic quality. Other variables include the costs of living, size of international students, and safety of the host country. The research also found that word of mouth is the most important channels for international student recruitment.

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PART II

Emerging Themes and Strategic Perspectives

CHAPTER 2

The Relevance of Marketing Activities for Higher Education Institutions

Fernando Angulo-Ruiz, Albena Pergelova, and Juraj Cheben

Introduction

The higher education(HE)sector is experiencing continuous growth (Durvasula et al. 2011) and projections point that potential demand for HE worldwide will expand from 97 million students in 2000 to over 262 million students by 20 25 (Bjarnason et al. 2009). One of the noticeable trends in the education sector throughout this growth has been what some have called global marketization (Marginson and van der Wende 2007; Naidoo and Wu 2011). The term "marketization" refers to the facts that as the HE market has become progressively more competitive, many HE institutions (HEI) have started to engage in strategic marketing and design marketing activities with the aim of increasing the number of applicants to their universities (Angulo et al. 2010; Hemsley-Brown and Oplatka 2006).

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The increasing emphasis on marketing in HE necessitates a stronger focus on accountability and measurement of the effect of marketing activities on the desired outcomes, such as students' preference for a particular university and ultimately student university choice. It is surprising therefore, that studies have not paid sufficient attention to the effect of the marketing activities on student choice (Chapleo 2011). University marketing activities involve significant costs and studies examining their effectiveness can provide valuable insights to university administrators. It is with this objective in mind that the current study focuses on the impact of traditional advertising, internet marketing, and relational marketing activities on student choice.

We compare the results across three different developed economies—Canada, France, and Sweden. Marketing activities can have different impact on HEI performance variables, such as student choice, depending on the context of the study, and the peculiarities of the HE market across countries. In the literature on HE marketing there is a general assumption that HEI in developed countries have a highly market-based approach when recruiting students and designing marketing activities. One of the reasons for this is that they compete not only domestically, but also on the global market for students. However, this literature is disproportionately based on studies conducted in UK, USA, Canada, and Australia, countries in which the use of marketing techniques and in some cases even aggressive promotional campaigns is becoming more common (Durvasula et al. 2011; Rogers 1998). It is unclear to what extent findings from those countries can be generalized to all developed economies. In particular, European countries with different university traditions and HE models (i.e., France and Sweden) might not be "marketized" in the same way as in UK, USA, Canada, and Australia. In addition as stated by Maringe and Foskett (2010), the global HE market is not homogeneous and is in fact diverse in many dimensions about what it means to be a university. Furthermore, to our knowledge, HE marketing literature in France and Sweden as well as in Canada has not studied the effectiveness of marketing activities on student choice. It is therefore, important to understand the extent to which marketing activities of HEI can have different impact depending on the context of study. This type of study will inform HE administrators as to which marketing activities are critical to invest in.

This chapter is structured as follows. First, we provide an overview of the HE marketing literature in Canada, France, and Sweden. Then, we develop the conceptual framework for the study based on the literature of marketing impact on the performance of organizations, placing emphasis on the HE context. Next, we present the methodology, including the countries' context, the sample and analytical methods. We then present the results and conclude with a discussion of major findings.

Overview of Higher Education Marketing Literature in Canada, France, and Sweden

Table 2.1 includes a review of some relevant literature related to HE marketing in Canada, France, and Sweden. Studies on Canadian HEI have focused on marketing strategy implementation and international student recruitment. For instance, Naidoo and Wu (2011) study marketing strategy implementation from a HE administrator perspective to attract international students. Bolan and Robinson (2013) focus on the role of the marketing concept, segmentation, and targeting in Ontario universities. Page (2000) studies the role of university ranking in attracting students to the university. Chen (2008) studies the integration of Canadian HEI in the international environment and which international marketing activities can increase awareness. Additionally, extant literature in the Canadian HE sector has also studied the role of branding and communications in HEI. Belanger et al. (2014), as an example, focus on the relevance of social media marketing for student recruitment. Lavigne (2005) study the most preferred communication tools by HE administrators.

In France, extant literature has concentrated in the role of socialization agents in motivating students to pursue HE studies. For example, Bonnard et al. (2014) study the role of parents in educational choices, and Brinbaum and Guegnard (2013) study how second-generation immigrants decide about pursuing HE. Additionally, others have focused on the process of entrepreneurial choice of prospective students in determining the choice of a university (Ilouga et al. 2014). Delmestri et al. (2015) study the role of branding in home and abroad France, and Pilkington (2012) centers on the internationalization, reforms, and present situation of the French HE system.

In Sweden, literature has followed a similar pattern compared to France. For instance, literature has focused on the role of entrepreneurial choices and university choice (Daghbashyan and Harsman 2014). Literature has also focused on building alumni networks (Ebert et al. 2015) or links and collaborations among university, industry, and government (Ozols et al. 2012a, b).

Table 2.1 Selected HE marketing literature in Canada, France, and Sweden

Country	*Selected relevant literature*	*Analysis*
Canada	Bélanger et al. (2014)	Effectiveness and efficiency of social media marketing strategies applied by Canadian universities in institutional branding and students` recruitment
	Bolan and Robinson (2013)	Development of marketing practices (marketing concept, branding, targeting, positioning) at five Ontario universities focused on student recruitment and strengthening university's identity
	Chen (2008)	Internationalization (integration into international environment) and international marketing (activities aimed to increase awareness) of HE that are determined by segmentation
	Lavigne (2005)	The description of past managerial decisions in the field of communication and the use of specific financial resources for different forms of marketing communication vis-à-vis external and internal environment resulting into highlighting of the most preferred communication strategies by university management
	Mun (2008)	The description of marketing communication campaign without any effectiveness comparison of different marketing communication activities. The focus is on the university preferences in marketing communication
	Naidoo and Wu (2011)	Analysis of significant strategy implementation factors and their use in the field of HE in order to recruit international students as well as the right level of use of business principles from strategy implementation
	Page (2000)	The level of importance of university ranking in student recruitment and the relative impact of university ranking on students' choice
	Trilokekar and Kizilbash (2013)	Improvement of internationalization of Canadian universities in order to recruit foreign students supported by valuable lessons from the Australian universities
France	Bonnard et al. (2014)	Parents as an important environmental factor influencing students' expectations about future earnings and consequently students' decisions about the educational choices in the context when parents consider education as a kind of investment

(*continued*)

Table 2.1 (continued)

Country	*Selected relevant literature*	*Analysis*
	Brinbaum and Guegnard (2013)	The activities of second-generation immigrants in France concerning postsecondary choices, access to tertiary programs, dropout, and transition to the labor market, compared to those of students of French origin
	Delmestri et al. (2015)	University branding with focus on visual brand presentation home and abroad
	Fernex et al. (2015)	The performance changes according to allocation of time to different university and extra-university activities in order to determine the best number of compulsory school learning hours during the semester
	Ilouga et al. (2014)	The process of an entrepreneurial career choice
	Pilkington (2012)	The evolution, internationalization, reforms, and present situation of French HE system in the context of overwhelming Europeanization trends
Sweden	Daghbashyan and Harsman (2014)	Impact of universities on graduates' entrepreneurial choice; Link between the choice of university and a further entrepreneurial choice of a prospect student
	Ebert et al. (2015)	Opportunities and challenges for building alumni networks; description of goals, strategies, barriers, and successes of building an alumni program in an environment without a previous tradition
	Eka et al. (2013)	The extent to which management of university and the contents of courses should be based on business principles
	Isaksson et al. (2015)	Role of universities in providing lifelong learning and distance education
	Isaksson et al. (2013)	Methods for measuring university sustainability
	Karlsson et al. (2014)	Quality management processes in contemporary universities in changing environment considering external societal demands and internal university norms
	O'Connor and Goransson (2015)	HRM and gender stereotypes in West European university management
	Ozols et al. (2012a, b)	Activities, responsibilities, links, and collaboration of three entities: university, industry, and government

Research has also focused on some key factors in university management such as quality processes (Karlsson et al. 2014), gender (O'Connor and Goransson 2015), and sustainability (Isaksson et al. 2013, 2015).

The current literature on marketing of HEI in Canada, France, and Sweden has paid attention to relevant aspects such as marketing strategy, branding and communications, network development, entrepreneurial aspects, and the role of external factors in university choice. To our knowledge, literature in these contexts as well as in other contexts in the world has not paid theoretical and/or empirical attention to the role of marketing activities in motivating students to choose a university. Also, although there are HE marketing studies in Canada, France, and Sweden, those studies are in general focused on the domestic context under study and do not attempt to provide cross-national comparisons. Our study builds on the current HE marketing literature to provide a framework of the impact of marketing activities in Canada, France, and Sweden and attempt to make cross-national comparisons of the effectiveness of marketing activities on student choice.

Conceptual Framework: The Impact of Marketing in Higher Education

As a starting point to explain the linkages between marketing activities and student choice (which we treat as a performance outcome of HEI) we take the study of Gupta and Zeithaml (2006). The framework developed by these researchers focuses on the impact of customer metrics on the financial performance of organizations. In essence, the framework links "what firms do (for example, their marketing actions), what customers think (for example, unobservable constructs), what customers do (for example, behavioral outcomes), and how customers' behavior affects firms' financial performance (for example, profits and firm value)" (Gupta and Zeithaml 2006, p. 718–719). We adapt Gupta and Zeithaml's (2006) framework to the HE context in order to understand how university marketing activities along with other relevant variables affect behavioral outcomes (student choice). Figure 2.1 shows a visual representation of our conceptual framework.

How Marketing Activities Affect Student Choice

Universities have a diverse range of marketing activities to choose from in order to attract new prospects. Those include advertising (e.g., TV, radio, outdoor, print); relational marketing such as open houses, information

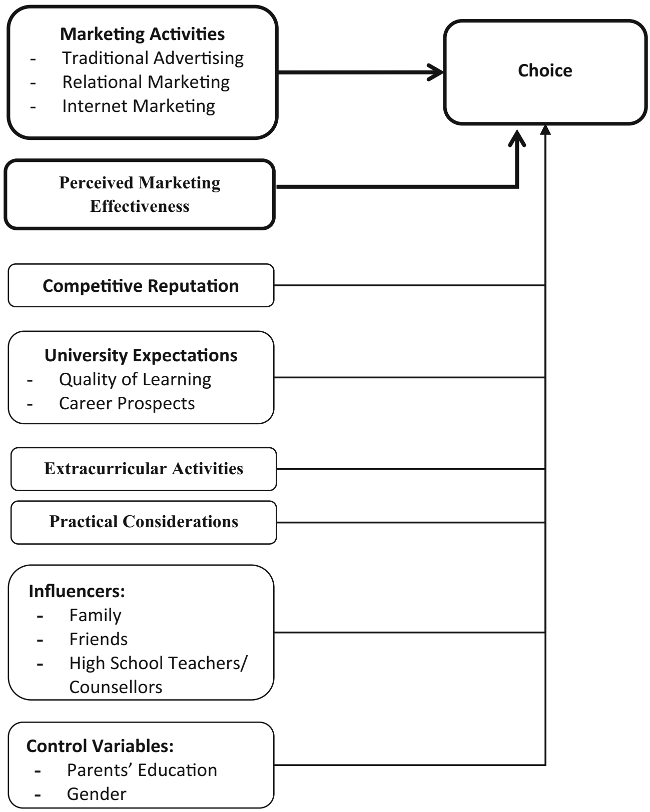

Fig. 2.1 The impact of marketing activities on student choice across developed economies

sessions, interaction with alumni, or visits to high schools; internet marketing through websites, blogs, or social media platforms; public relations, or other initiatives designed to have a marketing impact (Maringe 2006; Simoes and Soares 2010; Sojkin et al. 2012; Rust et al. 2004; Wilkins and Huisman 2011; Willis and Kennedy 2004). In what follows we elaborate on how traditional advertising, relational marketing, internet marketing, and perceived marketing effectiveness may impact student choice.

Traditional advertising is used by universities in order to build university brand awareness and brand associations (Chapleo 2011;

Keller 1993) and affect expectations about HEI through information (Anderson and Sullivan 1993: p. 322) therefore impacting students' choice. The competition on the HE market is becoming stronger every year, partly because of some demographic declines in many European countries and because of a trend toward globalization of the HE market. In recent years, many universities have engaged in activities intended to raise their brand awareness and differentiation. We observe this trend also in the HE marketing literature, where building a HE brand is a topic that is increasingly attracting attention (Chapleo 2011; Chauhan and Pillai 2013; Hemsley-Brown and Goonawardana 2007; Lowrie 2007). Advertising in mass media like radio, TV, newspapers, magazines, billboards, public transport, career expo fairs, and exhibitions have been adapted by HEI with the intention to increase the public's awareness about the institution, create a positive image, and consequently to influence student choice. All these arguments suggest that traditional advertising may be a key variable influencing student choice.

Relational marketing activities are expected to build closer ties with prospective students and may create emotional attachment. HE marketing scholars have called for more attention toward relationship marketing (Arnett et al. 2003; Hemsley-Brown and Oplatka 2006; Moogan 2011), since it can prevent some misunderstandings leading to satisfaction decline, such as addressing students' information needs, quality issues, and student expectations. Hennig-Thurau et al. (2001) call for an appropriate relationship with students to create loyalty. Arnett et al. (2003), Klassen (2002), and Moogan (2011) suggest that relationship marketing should start within the recruitment process, continue with retention of students (Angulo-Ruiz and Pergelova 2013), and finish with alumni relations in order to attract future potential students. Relational-based marketing activities will allow potential students to have a first-hand idea even before entering the university that they are about to choose; and relational marketing through face-to-face encounters may provide potential students with a higher sense of affiliation with the university, which at the same time may motivate them to choose it.

Internet marketing, embodied especially by websites, blogs, or social media platforms has the potential to create a positive impact when HEI communicate with their target audience. While the traditional marketing communications activities in HE are frequently standard mass media advertising and direct mail, e-documents, e-newsletters, and the use of digital technology are becoming increasingly important in HE marketing

(Moogan 2011; Opokuet al. 2006). Prospect students tend to use heavily websites, social media sites such as YouTube, Twitter, Facebook. Thus, internet marketing may have a positive impact on potential students' choice of university. According to a study by Sojkin et al. (2012), the most often used information source by prospect students was the internet, especially university web sites and forums, followed by university brochures and handbooks. Opoku et al. (2006) note that the increasing competition for students and the desire for program recognition have led universities to allocate more efforts and resources to communication on the internet.

Perceived marketing effectiveness. In addition to examining the direct impact of marketing activities on university choice, in this study we add the effect of perceived marketing effectiveness. Marketing effectiveness pertains to the effect of marketing efforts, such as pricing, promotion, and advertising, on consumer behavior. We introduce this variable to the HE marketing literature following research on consumer psychology. This approach is based on the contention that "perceived marketing efforts play a more direct role in consumer psychology than actual marketing efforts" (Yoo et al. 2000, p. 200). Therefore, consumer behavior in general, and student choice in particular, may be better explained when considering the perceived qualities of products/services as well as students' subjective perception of advertising and promotion activities by HEI.

Following the principle of cognitive consistency, people value harmony between thoughts, feelings, and actions (Hawkins et al.1995). Adapted to our study context, this means that to the extent that prospect students have more positive beliefs about the activities of HEIs, they will be motivated to adapt their behavioral tendencies accordingly, resulting in higher likelihood of choosing the HEI. Thus, positively evaluated marketing activities and positioning of HEIs may result in corresponding behavioral outcome such as choosing the HEI.

Other Factors Affecting Student Choice

Besides these marketing-related factors, students' choice can be determined by other factors such as competitive reputation and image, students' expectations from university, extracurricular activities that university offers, location of the university building and campus, and social influencers.

Competitive reputation reduces uncertainty by viewing the HE institution as more reliable. The reputation of a HE institution is the consequence of perceptions by the external stakeholders (Deephouse 2000; Fischer and Reuber 2007) in comparison to other institutions of similar type (Deutsch and Ross 2003; Fombrun and Shanley 1990). Following this logic, reputation requires that an institution be judged comparatively, and it represents external audience's beliefs formed not only in the present, but also in the past (Reuber and Fischer 2005). The reputation helps to reduce uncertainty of future service performance (Jha et al. 2013), something that is essential in credence services, where the quality of the outcome cannot be evaluated beforehand. In the HE marketing literature, reputation, and image of the institution have been argued to have a significant role in prospect students' decision to choose a university (Simões and Soares 2010; Briggs 2006; Willis and Kennedy 2004). According to Petruzzellis and Romanazzi (2010) and Hesketh (1999) students are no longer passive choosers, but are becoming increasingly involved in calculating anticipated rates of return on the investment they made. Therefore, program and price-related information are considered as being critical for decision-making and university value is perceived as a significant positive influencer of university choice (Petruzzellis and Romanazzi 2010). The education at HEI with worldwide recognition is one of the most reflected factors by future prospects and students are mostly looking for educational services of high quality and qualifications that are widely recognized and can help them to enhance their career (Mpinganjira 2011). Depending on cultural and social background, in some countries the university reputation plays the most important role when future university students choose their HEI. Kim (2011) says that Korean students consider the ranking of the university very critical when they choose a graduate school, but Sojkin et al. (2012) found out that university rankings are important only for 13 % of Polish university students and prospects. Veloutsou et al. (2004) state that the university and the department's reputation are two of the top three themes for which students collect information. All these arguments are indicative that competitive reputation may be a key factor affecting student choice.

Students' expectations from HEI such as career prospects (Gray et al. 2003; Mai 2005; Wiese et al. 2010), vision of a high-status occupation (Sianou-Kyrgiou and Tsiplakides 2010) and quality of teaching (Chapman and Pyvis 2006; Wiese et al. 2010) have been considered relevant influencers on the decision to select a university. According to Girasek et al. (2011) the first-year Hungarian students consider high income as one of the most important factors in the decision of studying at the university. The student's career is the most important motivating factor for Afro-Caribbean students (Ivy 2007). The working-class students are directly concerned with the employment value of their university education (Lehmann 2009). Baharun et al. (2011) found that the quality of education is the most important factor of HEI choice in Malaysia. The highest importance in university choice for the quality of teaching has been recorded in Pretoria, South Africa by Wiese et al. (2010) that was followed by career prospects. Overall, research suggests that students expect from HEIs a potential to increase their future work opportunities (Brinkworth et al. 2009; Jimenez and Salas-Velasco 2000; Rochat and Demeulemeester 2001; Montmarquette et al. 2002).

Extracurricular activities as, for example, clubs, sport activities, and social networking events are considered as strong impactful factors in some cultures, for example, Slovakia (Chebeň and Chebeň 2002). The situation can vary according to the cultural background of potential students. Tinto (1975) recognizes the critical role of student integration in the academic life; in effect, extracurricular activities will allow prospect student to have future integration. Ivy (2007) found out that Indian and "other" Asian students were most strongly associated with academic and social university motivators. A study in Poland found that clubs, sport activities, and social networking events are among the most important factors in university choice (Sojkin et al. 2012).

Practical considerations such as the location of HEI are in some countries and for some prospect students one of the most important factors in decision-making. Simões and Soares (2010) found out that geographical proximity is the most important choice factor for a HEI in Portugal. Jepsen and Montgomery (2009) say that the distance is a highly statistically significant factor in deciding of non-traditional students (older students, working students) whether to enroll in community college, and in which school to choose. To attract these students the community college sometimes deviates from the state university model and prefer many scattered small schools to one giant school. According to Sianou-Kyrgiou and Tsiplakides (2010), the choice of HEI and field of study is influenced by proximity of HEI to the place of students' residence. Other practical considerations that may affect student choice are speed of application process, tuition fees, and scholarship opportunities and financial aid. For some prospects these considerations may be relevant when choosing and selecting a university with a practical viewpoint in mind. However, we need to point out that these considerations may have no influence when students are choosing a university based on quality and reputation of the HEI.

Social influencers such as family, friends, high school teachers and counsellors may have a considerable impact on HEI choice (Maringe 2006). The opinions of parents are strong contributors to the instrumental and utilitarian perception of the university (Lehman 2009). In Poland and in China, parents help to decide the future of their children and family opinion is the most influential factor when Polish students decide about their HEI (Sojkin et al. 2012; Lee and Morrish 2012). Ivy (2007) found out that college students of differing ethnic origin have different motivations for going to university. He states that the influence of the family was most important among Pakistani and African students. Whites were least likely to be influenced by their families, unlike Asian Pakistani and African college students who were strongly influenced by family to apply.

We also include the role of demographic and socioeconomic factors in our conceptual framework. In particular, we control for gender and parents' education as those variables are oftentimes included in HE studies (e.g., Menon 1998, 2004).

Methodology

Context

In this study, we compare the impact of marketing in HEI across three developed economies: Canada, France, and Sweden. The universities in this study are comparable in terms of their international orientation and emphasis on learning quality.

Canada is one of the four English-speaking countries (along with the USA, UK, and Australia) where the HE market is well established as a global phenomenon, and for which the extant literature provides evidence of marketization of universities (Hemsley-Brown and Oplatka 2006). Canada, thus, represents well the English-speaking countries and the high competition in HE in those countries. In Canada, there is no federal ministry of education; the provinces and territories are responsible for all levels of education including universities. Canadian universities generally receive the authority to grant degrees from provincial legislation, and are autonomous in academic matters.

France is one of the eight countries that have captured more than 70 % of the world's international students (Maringe and Foskett 2010). The university system in France includes 83 major state-funded public universities. The HE system in France is divided into Universities and

Grandes Ecoles. Universities in France are generally public and provide free education (only entering fee around 300 EUR is required) and no entrance exams are needed to be a university student.

The university system in Sweden includes 35 major state-funded universities that receive significant government funding, as well as 18 private educational institutions, which have their own private foundations and approval from government to provide HE (Ebert et al. 2015). The universities in Sweden are not governed by state or by project, but mainly laissez-faire. In this model, the state does not control universities in Sweden, but Academia, industry and state are separated and interact together (Ozols et al. 2012a, b). Universities in Sweden are supposed to take a more active, self-governing role, which in turn is believed to lead to increased efficiency, higher transparency, better student focus, and higher quality.

Sample

The unit of analysis comprises first and second-year university students enrolled in a business related program. Therefore, we analyze the impact of marketing from the perspective of university students. Students in the first two years of university have fresher memories of the process they experienced when choosing a university, which is in line with current HE research that is also based on data from current freshmen and sophomores (e.g., Menon1998, 2004; Menon et al. 2007).

The analysis is based on data from three universities, one from each country under study. The programs students were enrolled in are comparable across the three HEI and are focused on management and commerce. For the purposes of this research, we use a data set comprising 548 responses and after accounting for incomplete entries, we have 451 complete responses from all universities (163 responses from the university in Canada, 212 from the university in France, and 76 responses from the university in Sweden).

In Canada, data come from a university in Alberta, founded in 1971 and granted the university status in 2009. The university under study evolved from community college to university (offering four-year baccalaureate programs). The data from France comes from a university that was founded in 1875 with the active support of the Catholic Church. Nowadays, the University is a major player of French HE system with 24,540 students, six faculties, 20 colleges and institutes. Data from Sweden comes from one of the largest business schools in terms of the number of students. Their learning programs are characterized by high quality, an international profile, and close ties to the industry.

Operationalization of Variables

Table 2.2 provides information about the operationalization and specific measurements for each of the variables used. Some of the variables under analysis are constructed using multi-item measurement scales; therefore, we used the mean of all items or the result of exploratory factor analysis as the variable in the subsequent regression analyses (Ramani and Kumar 2008). We also estimated Cronbach's alpha to verify the reliability of the constructed variables.

Choice
Since the students in the sample have already chosen a university, we measure this variable using two items related to the perceived quality of the university as a choice factor. Quality is one of the critical factors of university and post-university success (e.g., Chapleo 2011; Chapman and Pyvis 2006); therefore capturing student choice based on quality is a good proxy of what the actual choice may be for prospect students. In particular, we ask for the level of agreement with choosing the university "because of the quality of programs" and "reputation/ranking."

Perceived Marketing Effectiveness
We measured this variable by asking students whether marketing in general and advertising in particular influenced their decision to choose the university. We also asked about how appealing and informative the HEI advertisements were.

Marketing Activities
We measure three marketing efforts: traditional advertising, relational marketing, and internet marketing, which were rated in terms of their importance in the decision to attend a university. Traditional advertising was measured using four items: radio ads, billboards, TV ads, and print ads. For relational marketing we used the following items: open house, career expo day, information session on campus, face to face interaction with alumni, and university visit to high school. In the case of internet marketing, we employed a single item related to internet, which is in line with Bergkvist and Rossiter (2007), Drolet and Morrison (2001), and Rossiter (2002, 2005, 2008) who suggest that the predictive validity of

Table 2.2 Operationalization of variables

Variable	*Operationalization*	*Measurement*
Choice	Two items were used. I chose this university because of[a] – The quality of programs – This university reputation/ranking	Used the result of exploratory factor analysis. Kaiser-Meyer-Olkin = 0.5, explained variance = 0.72. Cronbach's alpha = 0.62
Perceived marketing effectiveness	Four items were used –This university's marketing efforts influenced my decision to apply[a] – This university's advertisements had an effect on me when choosing a university[a] – How appealing are this university's advertisements?[b] – How informative are this university's advertisements?[b]	Used the result of exploratory factor analysis. Kaiser-Meyer-Olkin = 0.67, explained variance = 0.50. Cronbach's alpha = 0.65
Traditional advertising	Four items were used[c]. How important were each of the following communication methods in your decision to attend a university? – Radio ads – Billboards ads – TV ads – Print ads	Mean value. Cronbach's alpha = 0.75
Relational marketing	Five items were used[c]. How important were each of the following communication methods in your decision to attend a university? – Open house – Career expo day – Information session on campus – Face to face interaction with alumni – University visit at your high school	Mean value. Cronbach's alpha = 0.65
Internet marketing	One item was used. How important were each of the following communication methods in your decision to attend a university? – Internet	Interval scale, from 1 not important to 5 very important.

(*continued*)

Table 2.2 (continued)

Variable	*Operationalization*	*Measurement*
Practical Considerations	Four items were used[c]. Rate how important the following factors were to you in evaluating a university/ college to attend? – Distance from home – Scholarship opportunities/financial aid – Tuition fees – Speed of application process	Mean value. Cronbach's alpha = 0.66
Career prospects	Three items were used[c]. Rate how important the following factors were to you in evaluating a university/ college to attend? – Desired program of study – Diversified choice of majors – Future career prospects	Mean value. Cronbach's alpha = 0.57
Quality of learning	Four items were used[c]. Rate how important the following factors were to you in evaluating a university/ college to attend? – Class size – Quality of teachers – Learning environment – Access to professors and advisors	Mean value. Cronbach's alpha = 0.69
Extracurricular activities	Three items were used[c]. Rate how important the following factors were to you in evaluating a university/ college to attend? – Extracurricular clubs and activities – Sports – Student social networking events	Mean value. Cronbach's alpha = 0.70
Competitive reputation	How would you rank the reputation of this university compared to each of the following? Five institutions were provided to students to make comparisons. Scale used was 1: much better to 5: much worse	We first reversed original variables to have 1: much worse to 5: much better. Then we summed scores given to each of the comparisons. The total score ranges from 5 to 25 points. We used the standardized value

(*continued*)

Table 2.2 (continued)

Variable	*Operationalization*	*Measurement*
Family	Three items were used[c]. How important were the following influencers in making your current university choice? – My parents/guardians recommendation – Family members other than parents – University attended by family member	Mean value. Cronbach's alpha = 0.60
Friends	Three items were used[c]. How important were the following influencers in making your current university choice? – Friends recommendation – University friends have graduated from and/or currently attending – Encouragement from work colleagues/boss	Mean value. Cronbach's alpha = 0.65
High school teachers/ counsellors	Two items were used[c]. How important were the following influencers in making your current university choice? – High school counsellors recommendation – High school teachers	Mean value. Cronbach's alpha = 0.73
Parent's education	What is the highest level of education of your mother/legal guardian?	Ordinal scale from 1 to 5: High school or less; diploma/ certificate; bachelor; master; doctorate
Gender	Gender	0: male, 1: female

[a]From 1 "strongly disagree" to 5 "strongly agree"
[b]From 1 "not appealing/informative" to 5 "very appealing/informative"
[c]From 1 "not important" to 5 "very important"

single-item measures is comparable to that of multiple-item measures and encourage the use of single-item measures where appropriate.

Competitive Reputation
Students were asked to rate the reputation of the university they are currently enrolled in compared to each of other five HEI in the geographical area. We used a 5-point scale from 1 (much better) to 5 (much worse). In order to compute the measure of reputation, we reversed the scale and summed scores given to each of the pair comparisons; the score used ranged from 5 to 25 points. We introduced in our regression model, the standardized value of competitive reputation.

University Expectations
We included two variables. For career prospects, we employed three items focused on program of study, choice of majors, and future career prospects. For quality of learning we used four items: quality of teachers, class size, learning environment, and access to professors and advisors.

Extracurricular Activities
Three items were used to reflect sports, social networking events, and extracurricular clubs and activities.

Practical Considerations
The items here cover practical issues such as location, tuition, speed of application process, and scholarship opportunities / financial aid.

Influencers
The role of family (three items), friends (three items) as well as high school teachers and counsellors (two items) were considered.

Control variables -Parents' education and gender (0, male and 1, female) were used.

Statistical Method

We employed ordinary least square regressions with robust standard errors for all observations in our data set and for specific university-country of analysis. In order to provide a parsimonious test of the marketing impact, we specified three models. In the baseline model, we included the effect of university expectations, practical considerations, extracurricular activities, competitive reputation, influencers, parents' education and gender on student choice. In the second model, in addition to the variables included in the baseline model, we included marketing activities. In the full model, we included perceived marketing effectiveness in addition to all the variables included previously.

Empirical Findings

Descriptive Statistics

Descriptive statistics and the correlation matrix are presented in Table 2.3. From a bivariate correlation perspective, perceived marketing effectiveness, relational marketing, quality of learning, extracurricular activities, career prospects, competitive reputation, and parents' education are positively and significantly correlated with choice.

The Effect of Marketing Activities on Student Choice Across Developed Economies: Testing the Conceptual Model

The empirical results of the models are presented in Table 2.4 and are organized in terms of findings that include the data set comprising responses from all universities under study and findings based on responses for each university/country.

For the baseline choice model, the findings indicate that practical considerations (–0.24, $p < 0.001$), quality of learning (0.289, $p < 0.001$), extracurricular activities (0.15, $p < 0.01$), competitive reputation (0.116, $p < 0.05$), family (0.072, $p < 0.10$, one-tailed test), gender (0.165, $p < 0.10$), and parents' education (0.077, $p < 0.10$) have significant effects on choice. In the second model, relational marketing (0.27, $p < 0.001$) has a significant and positive effect on choice. In the full model, perceived marketing effectiveness (0.135, $p < 0.01$) has also a significant effect on choice. Traditional advertising (–0.026, $p > 0.10$) and internet marketing (0.042, $p > 0.10$) do not have a significant effect on choice. Competitive reputation, quality of learning, and parents' education have consistent significant effects on choice across all models.

The R-square of the models improves with the inclusion of the marketing variables. R-square of baseline model is 0.126 and it increases to 0.176 when we include marketing activities in the model, which further increases to 0.19 when perceived marketing effectiveness is added into the model.

Table 2.3 Descriptive statistics and correlation matrix (n = 451)

	Mean	*s.d.*	*Min*	*Max*	*1*	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*	*10*	*11*	*12*	*13*	*14*	*15*
1. Choice	–0.039	1.012	–3.289	1.677	1														
2. Perceived marketing effectiveness	–0.014	0.991	–2.693	3.169	0.168***	1													
3. Traditional advertising	1.662	0.735	1	4.25	0.052	0.271***	1												
4. Relational marketing	2.418	0.885	1	4.8	0.25***	0.202***	0.441***	1											
5. Internet marketing	3.692	1.235	1	5	0.006	0.08†	0.112*	0.064	1										
6. Practical considerations	2.791	0.926	1	5	–0.075	0.106*	0.363***	0.191***	0.032	1									
7. Quality of learning	3.713	0.801	1	5	0.205***	0.057	0.12*	0.143**	–0.042	0.43***	1								
8. Extracurricular activities	2.689	0.977	1	5	0.127**	0.109*	0.234***	0.322***	0.055	0.28***	0.158***	1							
9. Career prospects	4.047	0.769	1	5	0.098*	0.129**	0.125**	0.118*	0.16***	0.295***	0.386***	0.133**	1						
10. Competitive reputation	–0.034	1.006	–3.235	1.746	0.162***	0.042	–0.045	–0.024	–0.072	0.098*	0.347***	–0.028	0.138**	1					
11. Family	2.405	0.984	1	5	0.077	0.027	0.186***	0.172***	-0.078†	0.175***	0.241***	0.043	0.041	0.052	1				
12. Friends	2.07	0.901	1	5	–0.054	0.131**	0.238***	0.029	0.099*	0.228***	0.096*	0.042	0.079†	0.036	0.356***	1			
13. High school teachers/counsellors	2.099	1.036	1	5	0.015	0.138**	0.273***	0.317***	0.002	0.234***	0.196***	0.201***	0.086†	0.072	0.274***	0.38***	1		
14. Gender	0.585	0.493	0	1	0.04	0.053	0.071	0.124**	0.143**	–0.049	–0.132**	–0.023	0.032	–0.128**	–0.079†	–0.046	0.04	1	
15. Parents' education	2.497	1.11	1	5	0.138**	0.047	0.021	0.074	–0.11*	–0.124**	–0.072	0.147**	–0.123**	0.062	0.055	–0.047	–0.02	0.05	1

***p < 0.001; **p < 0.01; *p<0.05; †p < 0.10

Table 2.4 Impact of marketing on student choice across developed economies

	All universities			*University in Canada*			*University in France*			*University in Sweden*		
Independent variables	*Baseline choice model (Beta)*	*Choice model (Beta)*	*Full choice model (Beta)*	*Baseline choice model (Beta)*	*Choice model (Beta)*	*Full choice model (Beta)*	*Baseline choice model (Beta)*	*Choice model (Beta)*	*Full choice model (Beta)*	*Baseline choice model (Beta)*	*Choice model (Beta)*	*Full choice model (Beta)*
Perceived marketing			0.135**			0.324**			0.011			0.188†[a]
effectiveness			(0.132)			(0.304)			(0.013)			(0.168)
Traditional advertising		–0.026	–0.046		0.049	–0.072		–0.07	0.118		–0.213	–0.254
		(–0.019)	(–.033)		(0.039)	(–0.057)		(–0.053)	(0.088)		(–0.145)	(–0.173)
Relational marketing		0.27***	0.261***		0.137	0.103		0.153†	0.159†		0.188	0.179
		(0.238)	(0.229)		(0.115)	(0.085)		(0.136)	(0.141)		(0.204)	(0.195)
Internet marketing		0.042	0.034		0.037	0.013		0.009	0.008		0.001	0.004
		(0.051)	(0.041)		(0.045)	(0.015)		(0.013)	(0.011)		(0.000)	(0.003)
Practical considerations	–0.24***	–0.25***	–0.25***	–0.039	–0.062	–0.076	–0.232**	–0.257***	–0.258***	–0.461**	–0.487**	–0.449**
	(–0.219)	(–0.228)	(–0.228)	(–0.033)	(–0.052)	(–0.065)	(–0.227)	(–0.251)	(–0.254)	(–0.45)	(–0.475)	(–0.438)
Quality of learning	0.289***	0.282***	0.287***	0.594***	0.553***	0.45**	0.258*	0.259*	0.277*	0.271†[a]	0.353†	0.357†
	(0.226)	(0.223)	(0.227)	(0.331)	(0.313)	(0.256)	(0.187)	(0.188)	(0.202)	(0.241)	(0.313)	(0.317)
Extracurricular activities	0.15**	0.08†	0.08†[a]	0.075	0.036	0.008	0.034	0.032	0.027	–0.053	–0.046	–0.077
	(0.144)	(0.085)	(0.077)	(0.061)	(0.03)	(0.007)	(0.038)	(0.036)	(0.031)	(–0.053)	(–0.046)	(–0.077)
Career prospects	0.061	0.048	0.028	0.011	0.02	0.01	0.116†[a]	0.10	0.091	0.024	–0.039	0.006
	(0.046)	(0.036)	(0.022)	(0.007)	(0.014)	(0.007)	(0.106)	(0.091)	(0.084)	(0.018)	(–0.029)	(0.004)
Competitive reputation	0.116*	0.12*	0.111*	0.133†[a]	0.135†[a]	0.126†[a]	0.173*	0.172*	0.163*	0.366***	0.333**	0.232†[a]
	(0.114)	(0.119)	(0.11)	(0.12)	(0.125)	(0.117)	(0.151)	(0.148)	(0.142)	(0.334)	(0.304)	(0.212)
Family	0.072†[a]	0.058	0.053	0.067	0.08	0.068	0.022	0.012	–0.01	0.166†[a]	0.105	0.144
	(0.071)	(0.057)	(0.052)	(0.063)	(0.075)	(0.063)	(0.024)	(0.013)	(–0.011)	(0.165)	(0.104)	(0.143)
Friends	–0.049	–0.028	–0.039	0.062	0.009	0.076	0.064	0.03	0.045	0.164†[a]	0.21†	0.185†
	(–0.044)	(–0.025)	(–0.035)	(0.051)	(0.008)	(0.064)	(0.043)	(0.021)	(0.03)	(0.191)	(0.243)	(0.214)
High school teachers/	–0.019	–0.075†[a]	–0.082†	0.016	–0.027	–0.038	–0.052	–0.079	–0.091	0.041	0.01	–0.019
counsellors	(–0.02)	(–0.077)	(–0.084)	(0.015)	(–0.027)	(–0.038)	(–0.06)	(–0.091)	(–0.106)	(0.044)	(0.011)	(–0.019)
Gender	0.165†	0.085	0.075	0.042	–0.018	0.000	–0.102	–0.123	–0.163†[a]	0.434†	0.425†	0.456†
	(0.08)	(0.041)	(0.036)	(0.019)	(–0.008)	(0.000)	(–0.058)	(–0.07)	(–0.092)	(0.19)	(0.186)	(0.199)

(*continued*)

Table 2.4 (continued)

	All universities			*University in Canada*			*University in France*			*University in Sweden*		
Independent variables	*Baseline choice model (Beta)*	*Choice model (Beta)*	*Full choice model (Beta)*	*Baseline choice model (Beta)*	*Choice model (Beta)*	*Full choice model (Beta)*	*Baseline choice model (Beta)*	*Choice model (Beta)*	*Full choice model (Beta)*	*Baseline choice model (Beta)*	*Choice model (Beta)*	*Full choice model (Beta)*
Parents' education	0.077† (0.084)	0.084† (0.092)	0.076† (0.084)	0.09 (0.083)	0.12 (0.112)	0.05 (0.047)	−0.01 (−0.013)	−0.000 (−0.000)	−0.013 (−0.017)	0.084 (0.093)	0.118 (0.13)	0.121 (0.134)
Constant	−1.403***	−1.763***	−1.522***	−3.52***	−3.579***	−2.608***	−.544	−.861†	−.842†	−.988	−1.038	−1.298
N	465	457	451	170	165	163	219	216	212	76	76	76
RMSE	0.963	0.931	0.925	1.058	1.041	1.005	0.824	0.821	0.818	0.727	0.734	0.729
R^2	0.126***	0.176***	0.19***	0.161**	0.186*	0.241***	0.123***	0.146***	0.155***	0.392***	0.409***	0.425***

Standardized coefficients are between parentheses. Robust standard errors employed. RMSE is the acronym for root mean square error; this index ranges from 0 to infinity, where 0 corresponds to the best model

***$p < 0.001$; **$p < 0.01$; *$p < 0.05$; †$p < 0.10$

[a]One-tailed test

Country-Specific Findings: Canada, France, and Sweden

In the Canadian sample, of all the marketing efforts studied, none of them has a significant effect on choice. Perceived marketing effectiveness (0.324, $p < 0.05$) however has a significant effect on choice. Quality of learning (0.45, $p < 0.05$) and competitive reputation (0.126, $p < 0.10$, one-tailed test) have also a significant effect on the decision to choose a university. We performed an additional analysis to find which variables affect perceived marketing effectiveness since this variable shows a significant effect on choice. Our results reveal that traditional advertising (0.437, $p < 0.001$), quality of learning (0.309, $p < 0.05$), and parents' education (0.245, $p < 0.01$) have a significant effect on perceived marketing effectiveness in the Canadian sample. Table 2.5 provides estimates for this additional analysis.

In the sample from France, relational marketing (0.159, $p < 0.10$) has a significant effect on choice. Neither traditional advertising nor internet marketing have significant effects on choice. Practical considerations (–0.258, $p < 0.001$) and quality of learning (0.277, $p < 0.001$) significantly affect choice. Competitive reputation (0.163, $p < 0.05$) also has an effect on choice. Career prospects (0.116, $p < 0.10$, one-tailed test) is significant only in the baseline model.

In the case of the university in Sweden, practical considerations (–0.449, $p < 0.01$) and quality of learning (0.357, $p < 0.10$) have a significant effect on choice. Competitive reputation (0.232, $p < 0.10$, one-tailed test) also has a significant effect on choice. Friends (0.185, $p < 0.10$) and gender (0.456, $p < 0.10$) have also significant effects on students' choice. Family (0.166, $p < 0.10$, one-tailed test) has a significant effect on choice only in the baseline model.

Discussion and Conclusion

In the current study, we set out to examine and compare influences on students' university choice across three developed markets with a special emphasis on the role of marketing activities. Our results present interesting implications for HE administrators. Despite a spike in competition and an increase in marketing activities for many universities, extant literature has been largely silent on what the effect of marketing activities is on students' university choice. The findings from our study point to relational marketing activities, such as face-to-face meetings and open

Table 2.5 Additional analysis for the university in Canada.

University in Canada	
Independent variables	*Perceived marketing effectiveness (Beta)*
Traditional advertising	0.437***
	(0.371)
Relational marketing	0.078
	(0.069)
Internet marketing	0.06
	(0.076)
Practical considerations	0.031
	(0.028)
Quality of learning	0.309*
	(0.187)
Extracurricular activities	0.021
	(0.018)
Career prospects	0.019
	(0.014)
Competitive reputation	0.018
	(0.018)
Family	–0.006
	(0.006)
Friends	–0.2*
	(–0.179)
High school teachers/counsellors	0.04
	(0.041)
Gender	0.012
	(0.006)
Parents' education	0.245**
	(0.246)
Constant	–2.718***
N	163
RMSE	0.899
R^2	0.308***

Standardized coefficients are between parentheses. Robust standard errors employed. RMSE is the acronym for root mean square error; this index ranges from 0 to infinity, where 0 corresponds to the best model

***$p < 0.001$; **$p<0.01$; *$p<0.05$; †$p < 0.10$

[a]One-tailed test

house events, as the only significant marketing variable affecting choice. Another important influence on choice is competitive reputation of the university. This is a variable that consistently remains significant for all countries under analysis, along with quality of learning. University administrators are therefore advised to direct more efforts into enhancing and communicating the image of the HE institution as a reputable university offering high-quality learning environment.

Our findings from the three countries under analysis present nuanced understanding about the relative importance of different variables in different contexts and suggest that we cannot generalize findings from one developed country to another. It is therefore important to take into consideration the specificities of the context. From the marketing variables, relational marketing was more important in France, while perceived marketing effectiveness had a highly significant impact on choice in Canada. Practical considerations such as location and speed of application process had a significant negative effect in France and Sweden, probably reflecting the relatively higher importance of university reputation in those countries.

As mentioned earlier, in this study perceived marketing effectiveness shows a significant effect only in the sample from Canada. Perceived marketing effectiveness indicates the subjective evaluation of the impact of marketing activities in the decision to choose a university. The fact that perceived marketing effectiveness was significant in Canada is a signal of the relevance of HE marketing in some developed economies, particularly in English-speaking countries, where marketing efforts to attract students have been in use for a long time. In other developed economies, such as France and Sweden, perceived marketing effectiveness was not found significant. A potential explanation for this lack of significance may be related to the level of participation in marketing efforts, and more specifically traditional marketing communications. In countries such as France and Sweden, HEIs may not be as engaged in marketing efforts as HEIs from English-speaking developed economies. Future studies need to look at differences within developed economies with a more nuanced approach given that studying HEIs from developed economies as one group can provide misleading results.

From the results of perceived marketing effectiveness in the sample from Canada, it seems that there is a group of students who chooses a HEI based partly on the subjective perception of the effectiveness of marketing, among other aspects. In our additional analysis, traditional advertising, quality of learning, and parents' education showed a significant impact on perceived marketing effectiveness. Interestingly, traditional advertising and parents' education do not have direct effect on student choice but only indirect effects through perceived marketing effectiveness. From these findings, HEI can focus on traditional marketing communications to deliver a message of quality of learning.

In our study, practical considerations show a negative impact on student choice. This is likely because our "choice" variable was measured with reference to quality and reputation, that is, implicit in the measurement is the assumption that prospect students will take into account the perceived reputation of the HEI. Therefore, the negative sign of practical considerations on university choice needs to be interpreted with caution. Other research has found that practical considerations variables, such as location of the HEI, are important when choosing a university (Simões and Soares 2010; Jepsen and Montgomery 2009). Different segments of the prospect students will have different criteria when choosing a university, and for some such considerations may have a positive impact.

Surprisingly, internet did not have a significant effect on student choice. This finding is interesting given that other research has found that internet is the most often used information source by prospect students (Sojkin et al. 2012). One explanation for our finding is that information on the internet and online communication with prospect students is expected and is becoming the norm, and thus does not contribute differentially to forming student choice.

The variables most strongly and consistently associated with university choice in our study are quality of learning and competitive reputation. It is well known from the services marketing literature that for credence services, where the quality of the outcome cannot be evaluated beforehand, the organization's reputation is essential as it helps in reducing the inherent uncertainty about future performance (Jha et al. 2013). In this sense, our findings join others (Natale and Doran 2012) who have critiqued the increasing emphasis on marketing communications at the expense of focus on the quality of the educational experience. Our study points to the need to maintain high-quality learning environment and reputation of the university and focus marketing efforts on communicating this image to prospect students.

Limitations and Future Research Lines

It is worth noting that our study is a cross-country comparison of influences on university choice within the respective national markets; as such the results cannot be applied directly to international marketing activities of those universities. Future research can assess the effect of international marketing activities/budgets designed to attract international students to the universities under study. Such a work would provide valuable insights to university administrators, as many developed countries have embarked on a global competition for international students and studies on success factors for international marketing strategies are scarce (e.g., Naidoo and Wu 2011).

In addition, in this study we use data from one university in each country. Future research can broaden the scope and compare multiple universities in each country to improve generalizability of results. This study also uses survey data to measure the effectiveness of marketing activities. Future research can use dollar amount of investment in marketing activities to assess the impact of marketing activities. The current research focuses on three developed countries—Canada, France and Sweden. An avenue for future studies is to include more developed countries in the analysis and provide more insights about the generalizability of the impact of marketing in HE in the developed world.

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CHAPTER 3

Entry Modes as a Component of International Marketing Strategy: A Mixed-Method Analysis of Higher Education Services

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Introduction

An important consideration for organizations involved in international marketing is a decision around which entry modes to choose when entering foreign markets (Wind and Perlmutter 1977). While numerous studies have sought to investigate this important aspect of an organization's internationalization process, the bulk of the literature to-date has focused on manufacturing

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firms (Ekeledo and Sivakumar 2004). Building on this research gap, this study seeks to consider entry modes as a crucial component of international marketing strategies in the context of education services. Estimated at $60 billion and representing roughly 3 % of global services export (Chadee and Naidoo 2009), trade in education services are a fast-growing global business following the trend of other service sectors (Czinkota 2006; Czinkota et al. 2009; Naidoo and Wu 2011, 2014). For example, education services are now included as part of the World Trade Organization's framework for services trade, signaling a more widespread acknowledgment that trade in education services, particularly higher education, is becoming an increasingly important economic sector for many countries (Byun and Kim 2011; Czinkota 2006; Naidoo 2009a). Similarly, internationalization within the higher education sector is shifting away from more traditional methods associated with student mobility to more commercially oriented foreign direct investment (FDI) activities through cross-border movements of education providers delivering their courses offshore. Naidoo (2009b) estimates that there are nearly 4000 such cases of FDI within the education services sector, each making use of a variety of market entries: Australian-based Monash University setting up a wholly owned branch campus in South Africa (http://www.monash.ac.za); US-based Cornell University delivering its medical program through a joint venture in Qatar (http://qatar-weill.cornell.edu); and UK-based Oxford Brookes University engaging in a contractual arrangement with an Indian partner, enabling students studying at the latter to earn a UK qualification without even having to leave India (www.iimtobu.ac.in). Such a range of FDI activities within education services have reoriented the sector away from a largely myopic and localized perspective of course delivery, to a highly dispersed multinational production-based model, aimed at satisfying an increasingly global consumer market (Healey 2008; Naidoo 2009b).

Fig. 3.1 Proposed conceptual framework for entry mode choice in education services

Yet, in spite of the changing internationalization dynamics within the education sector, extant research on the topic has largely focused on the educational aspect of increasing internationalization (e.g. Altbach and Knight 2007), with few studies devoting attention to education services as a tradable economic sector. The aversion of coming to terms with the economic realities of what is principally a public good and suspicion of trade creep have been postulated as possible reasons for an absence of the latter type of research (Czinkota 2006). And yet, internationalization on commercial terms is a mainstream phenomenon in the education services sector of many countries and any denial of such activities is holding back a greater understanding of the dynamics at play.

Given the scale and scope of the sector, combined with an increasing involvement of education providers within international business, this study aims to contribute to our current rudimentary knowledge on the internationalization process of education service providers, particularly universities, by borrowing from international marketing and business theories. Such a research objective is a response to previous scholars such as Blomstermo et al. (2006) who noted that the literature on the internationalization of service organizations remains limited. Contractor et al. (2003: 9) additionally added that "there is little research on the growth and internationalization of service firms" and that "there are substantial differences among different types of services". Given this heterogeneity among service sectors, Kundu and Merchant (2008: 376) further emphasized that the challenge for scholars is "to explain the intricacies of service firms". Thus, using a large sample of FDI activities by universities across six English-speaking countries (USA, UK, Canada, Australia, New Zealand, and Ireland), this study seeks to advance the scholarly literature by extending existing theories of internationalization, particularly those related to entry mode research, to service sectors such as education which have been the focus of limited earlier research. Through this study, we also extend our contributions to educational policy makers and planners who as Tilak (2011: 17) note "have only rudimentary knowledge of the mechanics of trade in higher education and its implications". In the next section, we briefly outline the relevant literature in which this study is grounded. We then introduce the methodology used for analytical purposes, followed by a discussion of the findings.

Literature Review

Most studies on foreign mode of entry selection can be categorized into at least ten broad theoretical underpinnings, although these are not necessarily mutually exclusive of each other: incremental involvement models (e.g. Johanson and Vahlne 1977), transaction cost models (e.g. Anderson and Gatignon 1986), competitive strategy models (e.g. McGahan and Porter 1997), resource-based view (e.g. Barney 1991), organizational capability models (e.g. Root 1994), eclectic frameworks (e.g. Dunning 1988), institutional theory (e.g. DiMaggio and Powell 1983), agency theory (e.g. Jensen and Meckling 1976), resource dependence theory (e.g. Pfeffer and Salancik 1978), and contingency theory (e.g. Galbraith 1973).

A growing debate from this literature is whether service-specific characteristics affect foreign entry mode selection in ways that might not hold true in the manufacturing sector. Two schools of thought have emerged in the literature. The first is of the view that the research output on the choice of entry mode by manufacturing firms is also applicable to service firms (e.g. Aharoni and Nachum 2000). The other viewpoint argues that the factors influencing entry mode choice are not generalizable across the manufacturing and service sectors, given peculiar characteristics of service firms (e.g. Blomstermo et al. 2006). Still others have hypothesized that the concepts and theories that can be transferred from manufacturing to service contexts is contingent on the category of service involved—for example, hard or soft services (Ekeledo and Sivakumar 1998). Blomstermo et al. (2006), for instance, suggest that soft service organizations are more likely to choose a high-control entry mode than hard service firms since their services are intangible, heterogeneous, perishable, and inseparable (Zeithaml et al. 1985). However, it has also been suggested that by the very nature of services being diverse, such generalizations about entry mode choices by service organizations may represent oversimplification. Accordingly, it is acknowledged that no single theory of international services is likely to emerge as universally correct (Erramilli 1990; Richardson 1987). Therefore, in any study of services, existing theories can only serve as a starting point in the development of context and service industry-specific analytical frameworks.

Education is a service sector which exhibits elements of both hard and soft services. Distance education, for example, is a hard service, since the production and consumption process are separate from each other [usually, the production process takes place at the home institution, while consumption takes place elsewhere, through an information communication technology (ICT) interface]. On the other hand, offshore education, the focus of this study, is a soft service as it generally requires more simultaneity of consumption and production. The services-specific mode of entry literature indicates that because of its soft service nature, investment in offshore education should technically benefit from high-control entry modes (e.g. Cloninger 2004; Erramilli and Rao 1993; Kogut and Singh 1988). In reality, however, it would appear that universities do not rely solely on high-control modes of entry in their offshore investment. A recent stock-take of investment in offshore education found that few universities have, so far, embarked on international expansion through traditional high-control modes of entry (Naidoo 2009b). Instead, the study found that most universities seem content to use minority-equity modes of entry such as franchising and licensing. Naidoo suggested that because internationalizing in the offshore education sense is a relatively new phenomenon whose success remains unproven, many universities are largely risk averse with their offshore investment and, therefore, prefer low-control entry modes over high-control ones. This propensity to be risk averse appears to stem from many universities being resource-poor (e.g. capital, people) and preferring to undertake less risky investments than establish 'subsidiaries' overseas. Thus, it would appear that universities are currently following an evolutionary approach to foreign market entry, where the internationalization process usually starts on a small scale before commitment is possibly deepened in the foreign market via joint ventures and offshore campus developments.

This evolutionary approach to the internationalization of education services suggests that the theories of entry mode selection largely developed out of the manufacturing sector might be applicable for understanding the education services context, a contention which follows previous scholars (e.g. Agarwal and Ramaswami 1992; Boddewyn et al. 1986; Dunning and McQueen 1982), including those from the educational literature (Healey 2008). Yet, very few studies have sought to empirically examine the internationalization process of education service providers utilizing international marketing and business theories. This is in spite of the aforementioned rapid proliferation of international activities by education service providers such as universities. Research examining the internationalization of the education services sector has largely focused to-date on providing descriptive overviews of internationalization activities (e.g. Altbach and Knight 2007), concepts and challenges of internationalization (e.g.

Tham and Kam 2008), the various rationales behind internationalizing (e.g. Fang 2012), and curriculum internationalization (e.g. Svensson and Wihlborg 2010). These studies often identify the importance of the international element in education services sector; however, they fail to unravel the reasons why education providers choose particular methods of internationalization (and their associated entry mode choices).

Two particular studies, Healey (2008) and Czinkota et al. (2009), extend beyond these perspectives and utilize business theories to explain the market entry choices of universities. Firstly, Healey (2008) examined the internationalization patterns of higher education utilizing the Uppsala model of incremental internationalization. Healey (2008) sought to explain the process through which higher education institutions are evolving from more basic forms of market entry (such as exporting, through international students attending domestic campuses) to higher-level entry modes such as joint ventures. While the study is particularly insightful in highlighting the importance of examining the internationalization strategies adopted by universities, it failed to rigorously evaluate the entry mode choices of these institutions, relying on secondary data to portray the general tendency of internationalizing.

The second study by Czinkota et al. (2009) is, to our knowledge, the most comprehensive study yet exploring the internationalization of education services. Czinkota et al. (2009) examined and tested a range of key variables associated with Dunning's (1988) eclectic framework influencing market entry strategies of 62 US business schools. They found that ownership (multinationality and ability to differentiate products), location (market potential), and internationalization (contractual risk) variables were significant in determining the type of entry mode selected. However, no support was found for size (ownership) and investment risk (location) variables when examining market entry choices. Czinkota et al. (2009) called for further research to extend the types of variables being explored when investigating the internationalization of education providers, particularly outside the US context, which their study focused solely on.

Model Development and Hypotheses

This study builds on this encouragement by Czinkota et al. (2009) for further research given the lack of clarity in the entry mode literature around the applicability of conventional frameworks such as the eclectic paradigm to services. This lack of clarity stems from two schools of thought: some argue that because these conventional theories and frameworks have largely surfaced from a manufacturing context, they are not applicable to services, while others debate this position. As a way forward, Merchant and Gaur (2008) argue that regardless of one's view of this ongoing debate, a more holistic understanding of services is a required step in furthering the literature on services internationalization. In particular, they suggest conceptual and theoretical research as an avenue for a broader contribution to this literature rather than a pure focus on deductively testing extant theories and frameworks on service organizations.

In this study, we therefore adopted a mixed-method methodology to exploring internationalization in the education services sector. First, we employed an inductive approach to model building which made use of minimalist a priori literature to allow theoretical constructs to emerge from the data. We derived our initial findings from interviewing 12 universities using a purposeful and maximum variation sampling approach (Eisenhardt 1989; Miles and Huberman 1994) to obtain access to a diverse set of opinions and perspectives about the internationalization of education service providers. The interviews were conducted with a wide range of managers, ranging from middle management to the most senior knowledgeable managers responsible for foreign operations. These in the university context are Pro Vice-Chancellors/Vice-Provosts (International)/Vice-Presidents or Directors of International Offices.

Each of these managers were interviewed twice, with the findings from the initial interviews presented to the interviewee to allow them to integrate, digest, and critically reflect on what they and their peers previously discussed. Such a staged interviewing process allowed for data to be iteratively collected and analyzed, thereby improving the richness of the research data obtained in this study. The interviewing process was stopped at the point of theoretical saturation when further data gathering and analysis ceased to produce new insights (Strauss and Corbin 1998). Table 3.1 outlines the 12 universities interviewed and provides some of their key demographic information.

The qualitative data gathered from each individual interview session were content analyzed using N6 (previously QSR*NUDIST), allowing for the exploration and explanation of the interrelationships among the generated constructs. The inter-judge test was also employed (Wagner et al. 2010) with two independent researchers conducting the data collection, analysis, and interpretation to allow for adequate triangulation and validation (Stöttinger 2001).

Table 3.1 Demographic information as of 2012 of universities interviewed

	Canada institution 1 (CA1)	*Canada institution 2 (CA2)*	*US institution 1 (US1)*	*US institution 2 (US2)*	*UK institution 1 (UK1)*	*UK institution 2 (UK2)*	*Ireland institution 1 (IR1)*	*Australia institution 1 (AU1)*	*Australia institution 2 (AU2)*	*Australia institution 3 (AU3)*	*New Zealand institution 1 (NZ1)*	*New Zealand institution 2 (NZ2)*
Type of offshore education activity	Non-equity	Joint venture	Wholly owned subsidiary	Non-equity	Non-equity	Non-equity	Non-equity	Non-equity	Joint venture	Wholly owned subsidiary	Non-equity	Non-equity
Age[a]	50–100 years	150–200 years	100–150 years	0–50 years	50–100 years	100–150 years	150–200 years	50–100 years	150–200 years	50–100 years	100–150 years	50–100 years
Domestic enrollment[a]	40,000–45,000	25,000–30,000	25,000–30,000	25,000–30,000	2000–5000	25,000–30,000	20,000–25,000	35,000–40,000	35,000–40,000	35,000–40,000	20,000–25,000	15,000–20,000
International enrollment[a]	5000–10,000	1000–5000	1000–5000	1000–5000	1000–5000	1000–5000	1000–5000	5000–10,000	0–5000	15,000–20,000	0–5000	0–5000
Research or applied university	Research	Research	Research	Research	Research	Research	Research	Applied	Applied	Research	Research	Research
Public/private university	Public	Public	Public	Public	Public	Public	Public	Public	Public	Public	Public	Public
Academic ranking[b]	Top 50	50–100	50–100	50–100	Not ranked	50–100	1–200[b]	Not ranked	150–200	Top 50	100[b]	100–200[b]
Endowment[a]	\$1–1.5 billion	\$500–600 million	\$ 500–600 million	\$500–600 million	\$45–50 million	\$45–50 million	\$500–600 million	\$500–600 million	\$600–700 million	\$1–1.5 billion	\$800–900 million	\$400–500 million

[a]Range values are reported for age, enrollments, and endowment, as opposed to the actual values, in order to preserve the confidentialities of the universities interviewed

[b]The 2011 Times Higher Education ranking is used in this table. Although there are a number of ranking methodologies, the information provided in this table is indicative only and is not meant to be a scientific examination of these individual ranking systems. A categorical ranking is given as opposed to the actual ranking in order to preserve the confidentialities of the universities interview

The findings derived from this inductive qualitative process indicated alignment with the use of Dunning's (1988) eclectic framework as a theoretical underpinning for examining internationalization within the education services sector. For example, firm-specific ownership (O) factors were found to be particularly applicable to the context of this study. The interviews highlighted that without adequate capital, universities were unlikely to contemplate offshore investment; unlike private firms, universities do not have ready access to alternate ways of raising capital (e.g. venture capital, initial public offerings). Furthermore, the interviews indicated that since universities largely cater to a certain age cohort (i.e. 18–35-year-olds), they would mostly restrict their international investment only to countries whose demographics fit that profile. In other words, there may be some location-specific (L) factors that influence offshore investment in the education services context such as market size and growth potential. Finally, as knowledge-intensive organizations, the interviews further outlined that the service delivered by universities is embedded in human resources (i.e. academics/faculty), without whom, offshore investment cannot take place. Such embeddedness presents universities with a possible internalization (I) necessity as it might not be that straightforward to duplicate the specialized knowledge of their academic staff in an offshore context.

Overall, six specific OLI factors were derived from the interviews as being particularly pertinent to internationalization in the education services context. These include four ownership factors (experience, organizational culture, financial capital, reputation), two location-specific factors (market potential, location familiarity), and one internationalization factor (tacit know-how). They are overviewed next.

Hypotheses Related to Firm-Specific (i.e. Ownership) Factors

International Experience

Broadly recognized within entry mode research, employees' international knowledge and experience is an invaluable source of competitive advantage and has been linked with an increased preference for sole ownership (Agarwal and Ramaswami 1992; Contractor 1990; Erramilli 1991; Gattigon and Anderson 1988; Johanson and Vahlne 1977). Contradictory findings are, however, evident within extant literature regarding the role of international experience in the service sector—including in knowledge-intensive or 'soft' services. For example, while Blomstermo et al. (2006) found support for the relationship between experience and higher-control entry modes, they also note a number of examples such as in the hotel and ICT industry, where firms have preferred to maintain contractual methods of entry. Conversely, Sanchez-Peinado et al. (2007) found that service firms with international experience are more inclined toward utilizing shared-control entry modes.

Another stream of research has suggested that the relationship between experience and control preferences is not always linear (Kogut and Singh 1988). Erramilli (1991), for instance, identified a U-shaped relationship between international experience and the resource intensity of entry modes. Similarly, Ekeledo and Sivakumar (1998) found the inclination of soft services to follow this U-shaped relationship. Subsequent research has also found similar results (e.g. Cho and Padmanabhan 2001; Delios and Henisz 2000). This U-Shaped relationship was similarly suggested during the interviews, leading to the following hypothesis:

Hypothesis 1: Other things being equal, there is a U-shaped relationship between international experience and the resource intensity of entry modes level, such that at low and high levels of international experience, high levels of ownership modes are used while at moderate levels of experience, less resource-intensive entry modes are favored.

Entrepreneurial Orientation

An entrepreneurial orientation has also been associated with a greater likelihood for internationalization, where it has been suggested that when combined with other resources and capabilities, an entrepreneurial orientation allows organizations to see and exploit international business opportunities (e.g Andersson and Wictor 2003; Knight and Cavusgill 2004; Oviatt and McDougall 1995). Similarly, in the entry mode context, a more entrepreneurially oriented organization has been linked to the use of more resource-intensive ownership forms, given the ability of such organizations to tolerate the risks associated with such entry modes (Jones and Coviello 2005).

The interviews suggested that in the university context, offshore education can often arise from an opportunity presenting itself, with no proactive initiative on the part of the university (Czinkota et al. 2009). This is not to deny the existence of institutions with a formal policy seeking out offshore investment opportunities as part of a larger internationalization strategy. However, the interviews suggested that offshore investment activities often develop through personal contacts, such as academic staff members who have colleagues overseas with whom the new opportunity arises, or when universities are approached randomly by an offshore provider, seeking a business relationship. Aligned with extant international marketing and business literature, the interviews further indicated that universities which are more entrepreneurial, are likely to be more innovative and accepting of risks (including higher level of ownership) in developing offshore education developments that arise out of such informal approaches. Similarly, it was discussed during the interviews that even for universities with a formalized process to internationalization, a certain level of entrepreneurial orientation is necessary to be accepting of high risks and a higher level of ownership in offshore investment. Thus,

Hypothesis 2: Other things being equal, the more entrepreneurial the organizational culture of a university is, the more likely it will favor a higher level of ownership in offshore investment.

Financial Capital

An organization with a large financial endowment usually has more resources at hand to pursue aggressive international expansion strategies (Kobrin 1991). A small, less financially endowed organization, on the other hand, may be restricted in its international expansion to low-control modes of entry if they cannot absorb the high costs or risks involved with high-control modes of entry (Madhok 1997). As a result, a positive relationship between finance and the likelihood of 100 % ownership of foreign affiliates has been empirically supported in the literature (Buckley and Cason 1976; Chung and Enderwick 2001).

A number of previous studies have similarly examined the role of financial resources in entry mode choices of the service sector. These studies have pointed to the empowering nature of financial resources in allowing greater resource commitment and associated control over foreign operations (Erramilli and Rao 1993). Firms with greater resource capacity have the ability to absorb greater potential risks associated with higher modes of entry (Sanchez-Peinado et al. 2007). In the educational services context, because capital represents a major obstacle for offshore expansion (Education New Zealand 2006), the interviews similarly indicated that:

Hypothesis 3: Other things being equal, the larger the financial resources of a university, the more likely it will favor a higher level of ownership in offshore investment.

Reputation

In an entry mode context, reputation can influence the ability of an organization to develop exchange relationships, such as alliances and/or joint ventures (Larson 1992), since the costs associated with assessing an organization as a potential exchange partner are reduced when that organization enjoys a good reputation. Through these exchange relationships, reputable organizations can gain access to resources that are crucial in their internationalization process, but which are beyond their individual reach (Fombrun and Van Riel 2004). However, not all organizations will seek to develop exchange relationships (Fombrun 1996). Rather, reputable organizations may prefer to protect their reputation than share it with others. For example, the interviews suggested that an Ivy League university may not want to collaborate with a local partner when going offshore, unless that partner is of equivalent status or, at least, has one of the best reputations in the target host country.

The need to protect the reputation of a service organization is thus likely to compel that organization to adopt a mode of operation that allows the greatest control and protection of its public image. This assertion has received initial empirical support within the extant literature. In a comparative study of manufacturing and service sectors, Ekeledo and Sivakumar (2004) found that firms with a good reputation are likely to seek protection of this through adopting a higher-control entry mode—such as sole ownership—when entering international markets. Alliances or partnerships, on the other hand, were postulated as having the potential to damage the reputation of the firm through the risk of adverse behavior by the partner. Thus, based on the above arguments, it is hypothesized that:

Hypothesis 4: Other things being equal, the better a university's reputation, the more likely it will favor a higher level of ownership in offshore investment.

Hypotheses Related to Location-Specific Factors

Market Potential

The interviews further suggested that market potential is directly related to the resource intensity of entry modes, a position which has also been substantiated by previous research (e.g. Brouthers 2002; Dunning 1993, Terpstra and Yu 1988). It has been reasoned that this greater inclination to commit more resources to enter foreign markets that are attractive, can be explained by the fact that market potential allows an organization to more quickly offset its high investment costs for going offshore (Czinkota et al. 2009). Ekeledo and Sivakumar (1998) extended this proposition, arguing that this inclination holds for both ‘hard’ and ‘soft’ services. They postulated that the smaller the market potential, the more likely firms were to look at lower forms of entry—with less dedication of resources—such as management contracts or exporting.

While there is a distinct paucity of empirical research examining the relationship between market potential and entry modes for service firms, some initial findings support this assertion. In particular, the recent study by Pla-Barber et al. (2010) found that the potential of high market growth was statistically significant in capital-intensive service firms choosing higher modes of entry (such as equity-based methods). Thus, based on extant literature and the interviews conducted, it is hypothesized that:

Hypothesis 5: Other things being equal, the greater the market potential, the more likely a university will favor a higher level of ownership in offshore investment.

Location Familiarity

Dunning (1993) highlighted the role of location familiarity in a mode of entry context, whereby the higher the familiarity, the more likely more resource-intensive entry modes are selected. Similarly, others have emphasized that with greater location familiarity, organizations are likely to be more comfortable managing the risks involved in those locations, thereby leading to a willingness to make more significant commitments when investing offshore (e.g. Johanson and Vahlne 1977; Kogut and Singh 1988, Hill et al. 1990).

The relationship between location familiarity and entry mode choice has also been considered within the service sector context. Ekeledo and Sivakumar (2004) suggested that service-based firms seeking out new markets—where they are unfamiliar with the potential customers—need assistance in learning about the new market. This, they argued, is particularly the case where there is a close affinity between the service provider and the customer. From the interviews conducted, it was highlighted that the service provision between universities and their students fits this particular relationship, with a close association between the education provision and students. The findings from Ekeledo and Sivakumar’s (2004) study indicate a greater familiarity with the location leads to greater ownership, with less knowledgeable service firms likely to utilize a joint venture. Although only receiving weak support in their empirical analysis, this finding sets a baseline which is qualitatively supported by the interviews conducted and which, thus lead us to hypothesize that:

Hypothesis 6: Other things being equal, the stronger the location familiarity of a university, the more likely it will favor a higher level of ownership in offshore investment.

Hypotheses Related to Transaction-Specific Factors

Tacit Know-How

In the entry mode literature, tacit know-how has received a considerable amount of attention (e.g. Kim and Hwang 1992; Luo 2001). In particular, the difficulty of transferring tacit know-how has been linked to an organization using a high-control mode of entry when investing offshore (Hill et al. 1990; Kogut and Zander 1993). The importance of tacit know-how in determining entry mode choices is particularly pertinent in knowledge-intensive industries within the service sector. These industries often face difficulties in transferring knowledge that require specialized personnel, structures, and processes (Hill et al. 1990; Sanchez-Peinado et al. 2007). This predisposes these firms to rely on transfer within the firm, as opposed to relying on local partners—with which difficulties arise on patenting with the increased risk of appropriation and dissemination.

Empirical research has largely supported the relationship between the degree of tacit know-how retained by service firms, and the inclination toward higher levels of ownership. Recent studies by Sanchez-Peinado et al. (2007) and Pla-Barber et al. (2010) both showed a positive relationship between full-control entry modes and the tacitness of firm know-how. This relationship was further strengthened when considering the degree of customization associated with services (Pla-Barber et al. 2010). Such preference for more resource-intensive entry modes is particularly salient in knowledge-intensive sectors, such as education, where, as indicated above, it was highlighted during the interviews that the service offering of universities is embedded in the tacit know-how of academic staff. Such embeddedness may result in ineffective transfer of know-how, reducing the potential of rent generation by universities. Thus, it is hypothesized that:

Hypothesis 7: Other things being equal, the less a university is able to articulate its know-how specific to offshore expansion, the more likely it will favor a higher level of ownership in offshore investment.

Empirical Analysis

The second stage of our mixed methodology was to empirically test the hypotheses derived from the content analysis of the interviews. A survey instrument based on a nine-point Likert-scale format was administered to a sampling frame of 258 universities from six English-speaking countries (USA, UK, Canada, Australia, New Zealand, and Ireland), all involved with offshore investments. The most senior knowledgeable manager responsible for foreign investments, that is, the Pro Vice-Chancellors/Vice-Presidents/Vice ProVosts (International) or Directors of the International Office, was invited to participate in the study. A total usable response rate of 59.7 % was obtained (154 institutions). With each institution responding to the questionnaire in respect to *two* recent offshore investments, a final data set of 308 instances of foreign market entry was collected. To examine the influence of non-response bias, the extrapolation method as suggested by Armstrong and Overton (1977) was applied. No significant differences were identified between early and late respondents.

Dependent Variable

Following previous studies (e.g. Brouthers 2002; Rajan and Pangarkar 2000; Rose and Ito 2004), the dependent variable in this study was the focal university's ownership stake in a single overseas investment. Levels of ownership was used as a proxy for entry mode types (i.e. wholly owned subsidiary equals 95 % or more ownership; majority joint ventures equals 50–94 % ownership; minority-equity arrangements equals 5–49 % ownership; independent modes such as licensing equals less than 5 % ownership). The timing of that entry and the host country target were also identified.

Independent Variables

Given this study's use of commonly examined variables in the international marketing and business literature, the survey was designed utilizing existing measures wherever possible (see Table 3.2). These measures, as appropriate, were modified to fit the context of this study, and the questionnaire was pretested on a random group of ten universities currently investing offshore. No major difficulties were identified with the survey design.

Wherever possible, multi-item measures were developed to help reduce measurement errors associated with single-item measures (Peter 1979). Furthermore, to obtain a true reflection of target market potential rather than a subjective measure, we computed a ratio of host country citizens who enroll for tertiary education overseas to those who enroll for tertiary education domestically, as a proxy for the demand of foreign-based qualifications in the target host country. The relevant data were sourced from the *World Bank Education Statistics database* and various issues of the Organization for Economic Cooperation and Development's *Education at a Glance* publication.

Control Variables

Institutional Distance

The distance between home and host countries has been shown to influence entry mode selection (Kogut and Singh 1988). Following previous studies (e.g. Delios and Beamish 1999; Gaur and Lu 2007), institutional distance was measured using data from the *World Competitiveness Yearbook*. A measure of normative and regulative distances was computed by means of a Euclidean distance calculation similar to that used in Kogut and Singh (1988). Available data made it possible to lag the institutional distance measure by up to three years, which is intuitively appealing, as the entry mode decision is likely to be made a few years prior to time of entry. A one-year lag was used as it provided the best fit to the data based on the adjusted R^2 statistic.

Age

Older organizations typically have more resources to rely on in their internationalization process and, therefore, are more likely to favor

Table 3.2 Independent variables

Variable	*Expected sign*	*Operational measure*	*Related references*
International experience (Categorical objective measure)	U-Shaped	(1) Number of years in offering offshore education programs at the undergraduate level, (2) Number of years in offering offshore education programs at the postgraduate level, (3) Number of years in recruiting undergraduate international students, (4) Number of years in recruiting postgraduate international students	Erramilli (1991), Ekeledo and Sivakumar (2004), and Rajan and Pangarkar (2000)
Entrepreneurial orientation (Likert scale)	+	(1) My institution encourages academics to develop offshore education programs through their international networks, (2) My institution is responsive to offshore education projects that arise out of academics' international networks, (3) My institution encourages experimentation and tolerates mistakes	Ekeledo and Sivakumar (2004) and Tallman and Shenkar (1994)
Financial capital (Categorical objective measure)	+	Size of financial endowment	Ekeledo and Sivakumar (2004), Park et al. (2002), and Rajan and Pangarkar (2000)
Reputation (Likert scale)	+	(1) Reputation for superior academic management, (2) Reputation for superior academic service delivery, (3) Reputation for superior academic and program innovativeness, (4) Reputation for student selectivity	Ekeledo and Sivakumar (2004), Kim and Hwang (1992), and Rajan and Pangarkar (2000)
Market Potential (Objective measure)	+	Use of proxy objective measure demonstrating the demand for foreign-based qualification in the target host country	Agarwal and Ramaswami (1992), Brouthers (2002), and Kim and Hwang (1992)

(*continued*)

Table 3.2 (continued)

Variable	*Expected sign*	*Operational measure*	*Related references*
Location familiarity (Likert scale)	+	(1) My institution had previously been recruiting international students from this foreign country, and had extensive knowledge of its education sector at the time of entry, (2) The region of the world in which this foreign market is located was one of my institution's key markets for recruiting international students	Agarwal and Ramaswami (1992), Ekeledo and Sivakumar (2004), Gattigon and Anderson (1988), Kim and Hwang (1992), and Rajan and Pangarkar (2000)
Tacit know-how (Likert scale)	+[a]	(1) We found it difficult to write a useful manual that perfectly captures the teaching methods used at our home institution in order to disseminate such knowledge with offshore partners, (2) We found it difficult to document how academics at our main campus deliver their lectures, in terms of their interactions with students, (3) We anticipated that it would be difficult for academics hired specifically to teach on the offshore education programs, and based offshore, to acquire the teaching ethos of our main campus by simply studying the curriculum content of specified courses	Ekeledo and Sivakumar (2004), Kim and Hwang (1992), and Kogut and Zander (1993)

[a]A positive relationship is expected based on the way tacit know-how is measured in the survey instrument. Measured on a scale of 1–9, a higher number represents more difficulty/less ability to articulate know-how. Since the dependent variable is also measured with higher values representing more equity, a positive relationship is, therefore, expected

higher-control modes of entry (Zahra et al. 2000). Age was measured as a categorical variable indicative of the difference between the year of the university's establishment and 2009, the year data for this study was collected.

Size

Larger organizations generally have more resources that might influence the ability to internationalize (Burgel and Murray 2000). Size was measured as a categorical variable highlighting the number of academic staff, which represents a key resource for universities.

Offshore Investment Policy

The extent of planning offshore education activities can vary considerably between universities; some might have a formal policy, while others have a more *ad hoc* approach to initiating offshore investment projects. Consequently, the selection of entry modes could differ in the presence of formal planning procedures. This variable was measured through a dummy variable with 1 indicating the presence of an internationalization policy and 0 otherwise.

Analysis

Due to the dependent variable of ownership stake employed in this study being censored—values between only 0 and 100—Tobit regression was used to test the proposed model, following previous studies such as Rose and Ito (2004). Furthermore, with variance not consistent across the six different home countries considered in this study (i.e. USA, UK, Canada, Australia, New Zealand, and Ireland), the analysis was conducted using three different geographical sub-groups. The three home country sub-groups, developed on the basis of Gupta and Govindarajan's (2002) cluster approach, were Australia/New Zealand (AU/NZ), UK/Ireland (UK/IR), and USA/Canada (US/CA). Rather than analyzing each country separately, the clustering approach allowed for the consideration of two countries with small sample sizes (i.e. ten for New Zealand and six for Ireland). It is to be noted that other conceptually logical groupings were also analyzed (e.g. AU/UK/USA and NZ/IR/CA on the basis of scale of offshore activity), but these did not substantially add to the reported models.

The measurement items were factor analyzed based on principal component extraction and varimax rotation. Factors were identified based on eigen values of 1 and the standard 0.6 Cronbach α value (see Appendix 3.1). Following standard conventions, we dropped from further analysis, the individual items that did not load onto the created factors. Furthermore, correlations were computed, in order to assess potential multicollinearity. Two variables of interest displayed strong correlations with each other: know-how and entrepreneurial orientation (see Appendix 3.2). To prevent any distortion of the estimated coefficients, two separate model specifications were employed:

Equation 1: Equity = *f* (International experience, *Entrepreneurial orientation*, Financial capital, Reputation, Market potential, Location familiarity, Control variables, Geographical grouping dummies, random error)

Equation 2: Equity = *f* (International experience, *Tacit know-how*, Financial capital, Reputation, Market potential, Location familiarity, Control variables, Geographical grouping dummies, random error)

Finally, following Erramilli (1991), a quadratic term was included for the 'International experience' variable in equations 1 and 2, in order to estimate the U-shaped relationship outlined in hypothesis 1. A negative coefficient was expected for 'international experience' and a positive coefficient was expected for 'international experience^2'.

Findings and Discussion

Overall, the models tested provided a reasonable fit to the data (see Tables 3.3 and 3.4). The observed R^2 values for equations 1 to 2, ranged between 0.521 and 0.691, indicating reasonable explanatory power. The variance inflation factor (VIF) scores ranged between 1.596 and 2.187, well below the cutoff of 10 (Dielman 1991), indicating that the observed parameter estimates were quite stable. Of the control variables tested, only the presence of an offshore investment policy proved significant across all the models tested. In terms of the direct hypotheses tested, the following results were observed.

H1, with respect to the U-shaped relationship between international experience and the resource intensiveness of entry mode was not supported. While weak support ($p < 0.10$) was obtained with respect to a

Table 3.3 Tobit regression estimates for equation 1

	Complete data set	*AU/NZ*	*US/CA*	*UK/IR*
Intercept	**23.626****	**22.524****	**18.028****	**21.117****
	(2.428)	**(4.431)**	**(5.109)**	**(3.423)**
International	–0.224†	–0.243†	–0.232†	–0.229†
experience *(H1)*	(0.149)	(0.146)	(0.172)	(0.151)
International	0.043	0.047	0.041	0.021
experience^2 *(H1)*	(0.146)	(0.103)	(0.144)	(0.107)
Entrepreneurial	**–0.623****	**–0.591***	**–0.458†**	**–0.418***
orientation *(H2)*	**(0.245)**	**(0.237)**	**(0.314)**	**(0.256)**
Financial capital *(H3)*	**–0.447†**	**–0.428***	**–0.397***	**–0.325†**
	(0.232)	**(0.244)**	**(0.211)**	**(0.143)**
Reputation *(H4)*	**–0.675****	**–0.402***	**–0.587****	**–0.316†**
	(0.249)	**(0.195)**	**(0.234)**	**(0.184)**
Market potential *(H5)*	0.149	0.241	0.302	0.042
	(0.043)	(0.128)	(0.187)	(0.134)
Location familiarity *(H6)*	**–0.243***	**–0.346****	**–0.241***	**–0.209†**
	(0.185)	**(0.217)**	**(0.189)**	**(0.174)**
Normative	–0.031	0.022	–0.054	–0.065
institutional distance	(0.164)	(0.249)	(0.225)	(0.235)
Regulative	0.245	0.122	0.302	0.212
institutional distance	(0.237)	(0.279)	(0.211)	(0.147)
Age	0.042	–0.248	0.243	0.018
	(0.116)	(0.164)	(0.129)	(0.173)
Size (Staff)	0.121E-3	0.246E-3	0.421E-4	0.153E-3
	(0.001)	(0.001)	(0.002)	(0.001)
Offshore investment	**4.746****	**5.892****	**3.744****	**2.586***
policy	**(1.273)**	**(1.318)**	**(1.341)**	**(1.377)**
AU/NZ dummy	0.452	–	–	–
	(0.549)			
UK/IR dummy	0.418	–	–	–
	(0.343)			
R^2	0.612	0.576	0.693	0.594
AdjR^2	0.537	0.519	0.592	0.527
Log likelihood	–738.40	–162.36	–372.94	–216.48
N	308	80	124	104
Max. VIF	1.953	2.043	2.187	1.596

Standard errors in parentheses, all *t* tests are two-tailed, †$p < 0.10$, *$p < 0.05$, **$p < 0.01$

negative relationship with 'international experience', similar statistical support was not obtained for the associated quadratic term, although it needs to be highlighted that the latter's coefficients were positive as

Table 3.4 Tobit regression estimates for equation 2

	Complete data set	*AU/NZ*	*US/CA*	*UK/IR*
Intercept	**19.141** **(2.287)**	**22.916** **(4.864)**	**21.653** **(4.763)**	**22.187** **(4.425)**
International experience *(H1)*	–0.281† (0.128)	–0.243† (0.189)	–0.147† (0.121)	–0.123† (0.095)
International experience^2 *(H1)*	0.126 (0.104)	0.210 (0.128)	0.195 (0.063)	0.146 (0.095)
Financial capital *(H3)*	**–0.545**** **(0.349)**	**–0.415*** **(0.259)**	**–0.401**** **(0.271)**	**–0.397†** **(0.249)**
Reputation *(H4)*	**–0.352**** **(0.247)**	**–0.304*** **(0.231)**	**–0.279†** **(0.221)**	**–0.382**** **(0.257)**
Market potential *(H5)*	0.185 (0.104)	0.236 (0.198)	0.193 (0.105)	0.216 (0.176)
Location familiarity *(H6)*	**–0.342**** **(0.211)**	**–0.248*** **(0.209)**	**–0.346**** **(0.224)**	**–0.377*** **(0.235)**
Tacit know-how *(H7)*	0.154 (0.097)	0.192 (0.113)	0.210 (0.126)	0.163 (0.104)
Normative institutional distance	-0.062 (0.143)	0.091 (0.272)	–0.053 (0.257)	–0.061 (0.213)
Regulative institutional distance	0.242 (0.128)	–0.273 (0.161)	0.216 (0.110)	0.225 (0.119)
Age	0.040 (0.196)	–0.108 (0.216)	0.055 (0.183)	0.116 (0.244)
Size (Staff)	–0.003E-3 (0.002)	0.006E-3 (0.001)	–0.071E-3 (0.001)	0.002E-3 (0.003)
Offshore investment policy	**4.491**** **(1.127)**	**5.527**** **(2.149)**	**2.021**** **(1.205)**	**2.963**** **(1.175)**
AU/NZ dummy	0.463 (0.627)	–	–	–
UK/IR dummy	0.219 (0.437)	–	–	–
R^2	0.521	0.610	0.674	0.593
AdjR^2	0.503	0.595	0.638	0.549
Log likelihood	–814.52	–175.93	–342.17	–226.42
N	308	80	124	104
Max. VIF	2.014	1.963	2.057	2.108

Standard errors in parentheses, all *t* tests are two-tailed, †$p < 0.10$, *$p < 0.05$, **$p < 0.01$

hypothesized. What these observed findings indicate is that there seems to be an inverse linear relationship between international experience and the resource intensiveness of entry modes, such that more internationally experienced universities tend to favor less resource-intensive entry modes. We postulate that these findings can be explained by the fact that in the education services context, less resource-intensive entry modes may be riskier than more resource-intensive entry modes, because of lack of academic control and the associated academic risks involved with the former. For example, although quality-assurance mechanisms can be incorporated through contractual arrangements (i.e. low resource-intensive modes of entry), an issue of enforcement arises if universities do not have control over the delivery of academic courses at their partners' campuses. In that respect, it can be suggested that experience is required for universities to adequately manage the academic investments associated with low resource-intensive entry modes. It may be that, if universities do not possess such experience, they may prefer to engage in offshore investments via more resource-intensive modes of entry, in order to maintain control over the academic delivery process.

H2 suggested that the more entrepreneurially oriented the organizational culture of a university is, the more that university would be likely to invest offshore through more resource-intensive modes of entry. The observed empirical findings did not support this hypothesis, with significant negative coefficients (at least $p < 0.10$) obtained across the different models tested. As previously discussed, in the education context, less resource-intensive ownership forms are not necessarily associated with less risk. In fact, because offshore investment for universities may not just represent a financial investment but also an academic investment, less resource-intensive ownership forms may be more risky, as they provide less control over the academic content of the offshore program. Therefore, less resource-intensive modes of entry can be perceived by universities to be risky in terms of their academic impact should the overseas investment fail. In that context, more risk-averse universities may opt for more resource-intensive engagement in offshore education. Conversely, the observed findings can be attributed to the fact that the more entrepreneurial universities are more likely to be at ease in managing the academic risks involved in less resource-intensive modes of entry. This finding points again to the unique context of how universities evaluate entry mode choices and provides a baseline for future research across other knowledge-intensive service sectors.

H3, dealing with financial resources, was also not supported, with significant findings (at least $p < 0.10$) obtained to suggest an inverse relationship between financial capital and the resource intensity of entry modes. We attribute these findings to the possibility that highly endowed universities (finance wise) might not have a need to invest offshore. As has been noted in the extant education literature, offshore investments are largely driven by a financial motive (Harman 2005; Marginson and Considine 2000), such that the better a university's balance sheet, the less aggressive they have to be in their offshore investment (if at all), thereby opting for less resource-intensive entry modes. Contrary to existing research in the service sector (Erramilli and Rao 1993; Sanchez-Peinado et al. 2007), which indicated more financial resources would enable greater resource commitment, the finding from this study reinforces the importance of understanding the rationale of why organizations within a particular sector explore international market opportunities.

While a positive relationship was hypothesized between reputation and ownership stake for H4, it is not supported in this study. Significant negative findings (at least $p < 0.10$) were observed across all the models tested. These contradictory findings can be potentially explained by the fact that reputable universities might not want to grow their operations through offshore investments as it might dilute their brand value. Being smaller and more exclusive is better from a reputational perspective. If, and when, they do seek to engage in offshore investments, reputable universities might, thus, opt for less resource-intensive entry modes in order to maintain their exclusiveness. Less prestigious universities, on the other hand, may need to go abroad as a matter of survival, partly because they are dominated by their more reputable domestic counterparts. As per our preceding discussion, this financial motive might push these less reputable universities to be more aggressive in their overseas investment opting for more resource-intensive entry modes.

Furthermore, H5 with respect to market potential was not supported. These findings might be attributable to universities not being purely revenue-driven as not-for-profit (NFP) organizations. As highlighted by Brouthers and Hennart (2007), the current literature on entry modes tends to assume a profit maximization philosophy, including the education services sector (Healey 2008). Yet, there might be a range of other factors that displace profit maximization drivers, such as different stakeholders exerting contradictory forms of influence on organizations, resulting in profit maximization not being a prime factor for motivating offshore investment (Brouthers and Hennart 2007). Such a need to accommodate a variety of stakeholders is particularly relevant to the higher education sector. For example, Ledger (2003) suggested that US-based Johns Hopkins University invested in Singapore to access the substantial pool of research monies made available by the Singaporean authorities for research and development in the field of biomedical sciences and not for student recruitment purposes (i.e. market potential). It is important to note that the observed findings for H5 contradict Czinkota et al. (2009) who in a recent study of offshore investments by Business Schools did find empirical evidence to suggest that market potential is positively linked to the resource intensiveness of entry modes. Given that the data used in this current study was not exclusive to offshore investments in business programs, the observed divergent findings from Czinkota et al. (2009) could indicate the existence of different investment dynamics across different faculties and programs. Thus, it would prove prudent for future studies examining offshore investment in an education services context to control for academic disciplines.

Additionally, contrary to the hypothesized positive relationship for H6 (location familiarity), negative significant coefficients (at least $p < 0.10$) were observed across all the models tested. These divergent findings can be attributed to the assertion that the more familiar a university is with a particular target host country, the more comfortable they might be in managing the academic risks associated with low resource-intensive modes of entry. This finding contradicts previous research within the service sector, which indicated the tendency toward familiarity and greater ownership (e.g. Ekeledo and Sivakumar 2004). This finding thus provides a platform from which further research can begin to shed light on the role of location familiarity and service entry modes.

Finally, H7, which pertains to tacit know-how, was not supported across any of the models tested. This was perhaps the most interesting finding from this study as extant research grounded in knowledge-intensive services has emphasized more resource-intensive modes of entry to facilitate the transfer of such tacit know-how. However, the observed findings may indicate that in the case of education services, the totality of what constitutes a university as an organizational organism is not always mobile, with the possibility that even more resource-intensive modes of entry may not be conducive to tacit know-how transfer.

Taken as a whole, the above results indicated two significant contributions. First, the observed findings suggested that entry decisions in the case of education services do not always conform to mainstream international marketing and business theories. Contrary to the suggestion by Healey (2008: 334) that universities were following 'the classic pattern of internationalization familiar to business', these findings indicated that although commercially oriented, the internationalization dynamics exhibited by universities cannot necessarily be explained by existing service-oriented knowledge within entry mode research. As such, it needs to be recognized that the international operations of universities are different from those of regular multinational firms, and even other knowledge-intensive service firms. For example, in contrast to business enterprises, there are a number of non-profit maximization drivers for universities to engage in off-shoring (e.g. civic duties, the internationalization of their curriculum, and professional development of academic staff). Therefore, it is important to further our knowledge of the internationalization process of education services in light of these different drivers. This is particularly the case given the significant orientation by education providers to continue exploring internationalization opportunities.

Second, how universities might view the notion of equity investment is also an interesting theoretical finding. As discussed above, universities might consider equity in a broader context than financial capital alone (i.e. a focus also on academic investments). This is in sharp contrast to the traditional emphasis of mainstream business literature on financial offshore investment. The broader understanding of offshore equity investment which may not be unique to the context of universities but also pertain to other types of knowledge-intensive services and not-for-profit (NFP) organizations is an avenue that deserves further research from the international business community. For example, Siméant (2005) highlighted how NFP organizations might be investing offshore not for revenue-seeking motives but because the issues they campaign about are increasingly becoming global issues. Thus, as the internationalization of NFP organizations becomes more established, there is a need to enrich our understanding of offshore investment in a NFP context.

Conclusion

This study was designed to extend the literature on the internationalization of service firms to the context of education services, a phenomenon which has dominated the higher education sector, and yet, remains heavily understudied by the scholarly community. Using a mixed-method methodology, a set of hypotheses investigating foreign market entry mode was empirically tested on 308 instances of offshore investment by universities. The obtained results, largely in contrast to existing research in the service sector, indicated that the international operations of universities were different from those of other service sectors previously examined by the scholarly community.

With the higher education sector increasingly internationalizing, and contributing an increasing proportion of services trade in many industrialized countries, it is hoped that this study will encourage the scholarly community to devote more attention to understanding the internationalization of education services. As a starting point, some of the limitations of this study could provide opportunities for future research in this area. For instance, in the current study, entry mode was treated as a static event rather than a process. As such, we did not address issues such as how prior relationships in the offshore market can provide the basis for trust, leading to a collaborative equity arrangement as opposed to doing it alone through a wholly owned subsidiary. Therefore, an examination of prior relationships in the context of entry modes would be a fruitful area for future research. Another limitation of this study is related to its generalizability. We conducted our study with universities from six English-speaking countries; however, there needs to be additional research investigating universities in other cultural contexts. This is particularly important as universities from non-English-speaking backgrounds become more active in investing offshore (Naidoo 2009b). Lastly, another line of inquiry worth further investigation relates to the entry mode–performance relationship. While performance was not a focus of this study, ownership form is an important determinant of performance (Root 1994; Li 1995). It would be useful for future research to link the two concepts. Contemporary offshore education developments are still in their infancy and objective performance data are difficult to obtain. However, as the sector matures and data become more readily available, future research should be able to address this gap.

Appendix 3.1: Factor Analysis with Varimax Rotation

Item	*Complete data set*		*AU/NZ*		*US/CA*		*UK/IR*	
	Loadings	*α*	*Loadings*	*α*	*Loadings*	*α*	*Loadings*	*α*
International experience (Factor)		0.632		0.673		0.651		0.626
– Number of years in recruiting undergraduate international students	0.824		0.825		0.893		0.874	
– Number of years in recruiting postgraduate international students	0.847		0.876		0.852		0.744	
Entrepreneurial orientation (Factor)		0.821		0.816		0.874		0.763
– My institution encourages academics to develop offshore education programs through their international networks	0.756		0.882		0.848		0.872	
– My institution is responsive to offshore education projects that arise out of academics' international networks	0.825		0.759		0.819		0.768	
– My institution encourages experimentation and tolerates mistakes	0.775		0.823		0.844		0.863	
Reputation (Factor)		0.847		0.844		0.859		0.839
– Reputation for superior academic management	0.852		0.878		0.838		0.851	
– Reputation for superior academic service delivery	0.833		0.818		0.858		0.858	
– Reputation for superior academic and program innovativeness	0.849		0.811		0.877		0.877	
– Reputation for student selectivity	0.783		0.807		0.783		0.783	
Location familiarity (Factor)		0.745		0.829		0.725		0.676

– My institution had previously been recruiting international students from this foreign country, and had extensive knowledge of its education sector at the time of entry	0.834		0.753		0.723		0.841	
– The region of the world in which this foreign market is located was one of my institution's key markets for recruiting international students	0.798		0.744		0.859		0.872	
Tacit Know-how (Factor)		0.819		0.928		0.957		0.821
– We found it difficult to write a useful manual that perfectly captures the teaching methods used at our home institution in order to disseminate such knowledge with offshore partners	0.842		0.825		0.846		0.824	
– We found it difficult to document how academics at our main campus deliver their lectures, in terms of their interactions with students	0.876		0.887		0.977		0.709	
– We anticipated that it would be difficult for academics hired specifically to teach on the offshore education programs, and based offshore, to acquire the teaching ethos of our main campus by simply studying the curriculum content of specified courses	0.729		0.809		0.914		0.784	

Standardized factor loadings shown only for items that loaded onto created factors

APPENDIX 3.2: CORRELATION MATRIX FOR COMPLETE DATA SET

	Mean	*Std Dev*	*1*	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*	*10*	*11*	*12*	*13*	*14*
1. International experience	5.21	2.46	1													
2. Entrepreneurial orientation	4.41	1.56		1												
3. Financial capital	6.47	2.42			1											
4. Reputation	6.63	1.07				1										
5. Market potential	0.09	0.09	0.342*				1									
6. Location familiarity	6.89	1.45	0.142**					1								
7. Tacit know-how	3.13	1.98		**0.843****					1							
8. Normative institutional distance	1.62	1.26	0.245*							1						
9. Regulative institutional distance	7.24	1.03						0.248*		0.146*	1					
10. Age	7.36	2.57			0.176**							1				
11. Size	6.32	3.19											1			
12. Offshore investment policy	0.93	0.26			0.184*					−0.173*		−0.234*		1		
13. AU/NZ dummy	0.71	0.45													1	
14. UK/IR dummy	0.63	0.39													0.457**	1

Only significant correlations highlighted
*$p < 0.05$, **$p < 0.01$)

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CHAPTER 4

Research or Applied Universities? An Exploratory Qualitative Study of Prospective Student's Selection of Universities with Different Brand Identities

Rajat Roy and Vik Naidoo

Introduction

Irrespective of the polarized debate around the benefits and consequences of the increasing commercialization of higher education, the reality across the higher education landscape in a number of countries is that educational institutions, particularly universities, operate in a market place where students are consumers of an educational service. This includes countries such as the UK, Canada, Australia, and New Zealand, where the export of education services is now big business (OECD 2004; Naidoo 2006; Naidoo and Wu 2011, 2014). A number of scholars have picked up on this increasing marketization of higher education, including how universities are becoming more and more promotionalized in their targeting of prospective students, particularly overseas students (e.g., Binsardi and Ekwulugo 2003; Hemsley-Brown and Oplatka 2006; Hayes 2007;

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Bennett 2007). Chief amongst those promotional tactics that universities use to brand themselves is the use of academic rankings (Bock et al. 2014; Bunzel 2007), with research versus applied universities often a common brand positioning differentiator used in the education marketing literature (de Haan 2015). An implicit assumption borne in that literature is that, *ceteris paribus*, the better the ranking of an institution, the more in demand that institution ought to be with prospective students (Nguyen and LeBlanc 2001; Hazelkorn 2007). But, is this assumption correct? While no one can doubt that academic rankings act as a pull factor to prospective students, we argue in this chapter that it is way too simplistic to assume that better ranked universities will always have the upper hand in the education marketplace. Were this to be the case, we would have to assume that all prospective students have the same attitudes and behavioural intentions towards highly ranked universities. And yet, from a rich literature on consumer behaviour, we know that this is not the case and that consumers (by extension, prospective students) make diverse purchase evaluations and ultimately, decisions. As such, the research question that we pose ourselves in this chapter is whether research-intensive universities, which often are better ranked institutions since academic ranking methodologies tend to assign a heavier weightage to research output, have a comparative advantage with prospective students over their more applied counterparts. Specifically, using consumer behaviour theory, we explore this question in the forthcoming sections by examining how the regulatory system of prospective students and word of mouth (WOM) communication can play an influential role in the selection process of universities.

Literature Review

The literature on regulatory focus, a key concept in consumer behaviour theory, postulates that a consumer's regulatory orientation will have a large influence on their product evaluation and choices (Roy and Ng 2012; Chatterjee et al. 2011; Lee and Aaker 2004; Chernev 2004; Pham and Avnet 2004), in turn impacting on purchase intention [see Motyka et al. (2014) for a recent meta-analysis on the effect of regulatory focus on product evaluation and behavioural intentions]. Two types of regulatory orientation have been advanced in the literature: "promotion focus" versus "prevention focus". The former refers to a state that involves self-regulation towards advancement, accomplishment, and aspirations in life (i.e., a concern with the presence or absence of a positive outcome), while the latter involves self-regulation towards protection, safety, and responsibility in life (i.e., a concern with the absence or presence of a negative outcome) (Higgins 1997; Lockwood et al. 2002). Put differently, a promotion-focused consumer typically focuses on approach-oriented strategies that rely on an eager form of exploration aimed at maximizing gains (Pham and Avnet 2009). In contrast, a prevention-focused consumer focuses on avoidance-oriented strategies that are characterized by vigilant forms of exploration aimed at loss prevention (Pham and Avnet 2009).

This focus on gains in promotion-focused individuals tends to encourage risk-seeking behaviour. This includes impulsive purchases as well as hedonic consumption (Sengupta and Zhou 2007; Chernev 2004), adoption of really new products (Herzenstein et al. 2007), and often relies on heuristics in decision making (Pham and Avnet 2004). On the other hand, prevention-focused individuals tend to exhibit more risk aversive behaviour such as the assessment of purchases in a careful, precise, and detailed fashion to avoid undesirable outcomes (Zhu and Meyers-Levy 2007; Friedman and Forster 2001). Prevention focus therefore, promotes a preference for functional products (Chernev 2004), avoidance of really new products (Herzenstein et al. 2007), and relies on substantive information in decision making (Pham and Avnet 2004).

Given how promotion- and prevention-focused individuals display reliance on different product features when undertaking product evaluations, purchase intentions can theoretically be maximized when products/services have features that sustain consumers' regulatory orientation; a situation referred to as regulatory fit in the literature (Chatterjee et al. 2011). The link between regulatory fit and purchase persuasion is well supported in the marketing literature. For example, product features that support hedonic claims (e.g., great taste in yoghurt), emphasizes desirable outcome (e.g., fruit juice that helps to get energized), and are performance related (e.g., speed of a car), have been shown to appeal more to promotion-focused individuals given the appeal of advancement to the promotion system (Roy and Ng 2012; Lee and Aaker 2004; Chernev 2004). Similarly, it has been advanced that product features that support utilitarian claims (e.g., useful bacteria in yoghurt), counteracts undesirable outcomes (e.g., fruit juice that prevents clogging of arteries) and are safety related (e.g., ABS brakes in car), are influential on prevention-focused individuals given their appeal for security and loss prevention (Roy and Ng 2012; Lee and Aaker 2004; Chernev 2004).

Thus, it is evident from the current literature that the promotion system weighs hedonic values of a decision, higher in comparison to the perceived risks associated with the decision and vice versa for the prevention system. Building on this premise, we advocate in the next sections that the regulatory focus of a prospective student will also play an influential role in their evaluation and selection of universities. It is to be acknowledged though that our perspective is largely theoretically grounded since no studies have yet established a connection between regulatory focus and higher education. Consequently, the next sections ought to be considered an exploratory discussion that will benefit from additional empirical evaluation.

Regulatory Focus and University Evaluations

Universities have different brand identities and attributes that they use to position themselves to prospective students (Mazzarol and Soutar 2002). One of these attributes, as indicated in our introductory section, is academic ranking which universities, in turn, frequently use to position themselves into two distinct brand identities that is a common feature of the higher education landscape across many countries: research intensive versus applied universities. As a generic classification, research-intensive universities are typically more elite, prestigious and well-established universities given their strategic focus on knowledge creation through research (Marginson 1997). In contrast, applied universities are usually "younger" institutions, and focus on the practical, industry-oriented aspects of education (Marginson 1997; Gray et al. 2003).

As advocated in the previous section, the features that appeal to promotion-focused individuals will differ to their prevention-focused counterparts. Specifically in the context of higher education, we advocate that risk-averse prevention-focused students may find more value with research-intensive universities given their more established nature and longer history. Research has shown that prevention-focused people tend to react more positively to well established relative to new products in consumption decisions (Herzenstein et al. 2007). Additionally, given that prevention-focused students tend to be deliberate, careful, and analytical information processors (Pham and Avnet 2004), we suggest that these students may be more attracted to the theory-based learning approach of research-intensive universities relative to the more practical curriculum at applied universities. Finally, because research-intensive universities are perceived to provide a more elite university education, we anticipate that prevention-focused students should prefer research-intensive universities because these are deemed to provide more stability in their career (Liberman et al. 1999), and may be a more effective means to achieve their security-related goals (Keller 2006).

On the flip side, since promotion-focused students are more open to the experiential side of consumption (Keller 2006; Jia et al. 2012), we believe that these students may be more receptive to the practical and less theoretical approach to learning that is common at applied universities. Finally, we put forward that promotion-focused students should also relatively prefer applied universities since a promotion system has been shown to react positively to new product consumption decisions (Herzenstein et al. 2007) and applied universities, by default of their newer history, are akin to new "products" in the educational marketplace. In sum, we, therefore, suggest that prospective students' preference towards either a research-intensive university or an applied one will be influenced by their regulatory focus. Specifically, we propose that:

Proposition 1 (P1): Promotion-focused prospective students will exhibit higher (a) attitudes (e.g., preference) and (b) behavioural intentions (e.g., enrolment) towards the applied university in comparison to the research-intensive university.

Proposition 2 (P2): Prevention-focused prospective students will exhibit higher (a) attitudes and (b) behavioural intentions towards the research-intensive university in comparison to the applied university.

Regulatory Focus and Word of Mouth Interaction

Extending the above propositions further, we also advocate that WOM communication will impact on the link between regulatory focus and both attitudinal as well as behavioural intensions. WOM has been identified in the marketing literature as having a significant influence on product choice and evaluations [see De Matos and Rossi (2008) for a recent meta-analysis]. In particular, it has been suggested that WOM assists consumers with decision making and risk reduction of purchase evaluations (De Matos and Rossi 2008; Bansal and Voyer 2000). The literature also identifies that the level of consumer satisfaction and commitment with a product/service, will result in both WOM activity (i.e., how often and the quantity of information passed), and WOM valence (i.e., whether the information passed is positive, negative, or neutral)

(De Matos and Rossi 2008; Sweeney et al. 2005; Harrison-Walker 2001). The latter has been suggested to influence the impact of regulatory focus on product evaluation. For example, Chung and Tsai (2009) show that prevention-focused individuals are more likely to share WOM with a strong social tie (a friend) than with a weak social tie (a stranger). Zhang et al. (2010), highlight that in an online consumer product review context (i.e., electronic WOM), consumers who associate products with promotion goals prefer positive over negative WOM. In contrast, consumers who evaluated products in alignment with prevention consumption goals shared a greater preference for negative over positive WOM (Zhang et al. 2010).

We postulate in the current study, that the relationship posited under P1 and P2 will hold under positive WOM since the latter reinforces existing attitudes and behavioural intentions of both promotion and prevention-focused individuals. This premise builds on previous studies which highlights that positive WOM may represent opportunities to promotion-focused individuals who are more geared towards achieving positive decision outcomes (Zhang et al. 2010). Positive WOM may also appeal to prevention-focused individuals as these informal communications may help to reduce the risks associated with negative decision outcomes (Zhang et al. 2010). It is, therefore, posited that:

Proposition 3 (P3): Under positive WOM, promotion (prevention) focus's preference for applied (research) universities as posited in P1 and P2 will be sustained.

However, we propose that a negative WOM will have a relatively more profound effect on prevention-focused individuals relative to their promotion-focused counterparts since the latter are known to be somewhat insensitive towards risk, especially when they are engaged in the pursuit of advancement goals. For example, Sengupta and Zhou (2007) have suggested that promotion-focused consumers have a preference for luxury-related attributes in a car over safety-related attributes. Similarly, they are more inclined towards newly launched products (Herzenstein et al. 2007). The risk-averse nature of a prevention-focused system on the other hand, points towards heightened sensitivity to negative outcomes in comparison to their promotion-focused counterparts (Herzenstein et al. 2007). Consequently, a negative WOM can be expected to magnify the negative consequences of a decision for prevention-focused individuals more so than promotion-focused subjects, since the former's natural inclination is to prevent loss. Put differently, we propose that an exposure to a negative WOM will, therefore, cause prevention-focused individuals to more greatly reduce their existing attitude and behavioural intentions relative to their promotion-focused counterparts.

Proposition 4 (P4): Under negative WOM, prevention-focused individuals will demonstrate a higher reduction in their attitudes and behavioural intentions towards both research-intensive and applied universities in comparison to their promotion-focused counterparts.

Methodology

To test the above propositions, we employ a mixed method technique called qualitative experimentation (Fine and Elsbach 2000; Robinson and Mendelson 2012) by randomly assigning prospective students to a 2 (regulatory focus: promotion versus prevention) × 2 (university type: research intensive versus applied) × 2 (WOM: positive versus negative) between subject experimental design and then qualitatively considering their reactions to the experimental manipulations through one-on-one in-depth interviews. To develop both a representative and accessible sampling frame, prospective university students were sourced from three highly reputed higher education fairs (e.g., www.topmba.com/events) held in the Asia Pacific region. A total of 48 students were randomly selected to participate in our study and further randomly assigned to one of the eight above outlined experimental conditions (i.e., an even split of six students per group). Data collection was discontinued at the point of theoretical saturation when further data gathering ceased to produce any new insights (Strauss and Corbin 1998).

Following a procedure developed and widely used in the regulatory focus literature (Pham and Avnet 2009), we manipulated the students' regulatory focus by asking the students to generally speak about their hopes and aspirations versus duties and obligations. As indicated by Higgins (1997), regulatory focus, as a motivational state, can be activated by priming a person's "ideals" (for promotion focus) or "oughts" (for prevention focus). The former conditions subjects to focus on working towards their aspirations in life (i.e., be promotion focused), while the latter drives subjects to concern themselves with the absence or presence of a negative outcome (i.e., be prevention focused). To cross check the reliability of our manipulation, we asked the interviewees to fill in a short survey instrument using a well-established measure of regulatory focus, with end points using 1 = something I ought to do and 7 = something I want to do (Pham and Avnet 2009). The results were overwhelmingly conclusive with all the promotion-conditioned subjects focusing on something they wanted to do as against prevention-focused subjects who overwhelmingly leaned towards something they ought to do, thus providing conclusive evidence that our manipulation for regulatory focus was successful.

Next, we exposed the students to fictitious marketing materials about two hypothetical universities, using the generic terminology of University A to describe a university with an applied brand identity and University B for a research-intensive institution. Post this exposure, we asked the students their impression about whether they thought the presented university was applied in nature or research intensive as a cross check of our experimental manipulation. In all 48 cases (i.e., 100 % success rate), the students correctly identified the brand identity of the universities.

We further asked the students to imagine that they met a close friend who said positive (negative) things about the university they were exposed too. We developed a number of hypothetical scenarios to describe the friend's WOM and included comments from the friend's personal experience with the said university, as well as hearsays the friend picked up from both alumni and prospective employers. We then exposed our interviewees to these hypothetical WOM reviews, which among others included statements such as "*I am (not) having a real good time at this university*", "*an alumni I spoke to said he enjoyed (hated) his time at this university*" and "*I attended a career fair by well known firm, and they said they regularly hire (don't hire) from this university*".

Following this exposure to our eight experimental conditions, we conducted one-on-one interviews with the students regarding their attitudes and intentions towards the hypothetical university they were introduced to. A semi-structured approach with open-ended questions was used during the interviews, each lasting 30–45 minutes. While the early stages of data collection was quite open-ended, subsequent stages were more structured as insights started to emerge from the data (Strauss and Corbin 1998). Next, the collected transcribed data was content analysed to test the aforementioned propositions. Using the inter-judge test (Wagner et al. 2010), two independent researchers conducted the data analysis and interpretation to allow for adequate triangulation and validation (Stöttinger 2001). In the next section, an overview of our key qualitative findings is presented. For confidentiality reasons, any reference to specific respondents is disguised.

Findings

The collected qualitative data from the 48 interviews were content analysed to evaluate the influence of the participants' regulatory foci on their attitudes and intentions towards the two different types of universities, and under different conditions of WOM reviews. The concept of attitudes as dependent variable was coded to reflect the following illustrative statements captured during the interviews: "*This university makes me interested*", "*I perceive this university's reputation to be favourable*", "*I feel this university to be trustworthy*", "*I trust this university to provide good quality education*". Similarly, the concept of intention as the other key dependent variable was coded to reflect the following qualitative data excerpts obtained from the interviews: "*I would like to find out more about this university*", "*I will probably consider this university for my studies*" and "*I would probably be influenced towards going to this university*".

Attitudes Towards the University

Overall, the evidence that resulted from the qualitative data suggests that subjects with a promotion focus tend to prefer applied universities more than their prevention-focused counterparts (i.e., P1a) while prevention-focused subjects showed a higher attitude towards the research-intensive university as compared to their promotion-focused counterparts (i.e., P2a). The following data excerpts are illustrative of this.

> *I feel good about this University A* [the applied University]. *It has a good vibe about it….it feels progressive, modern and current. I do find the other university quite traditional and focused on its heritage rather than forward looking.*—Respondent 1 (exposed to promotion focus manipulation).

> *I am not sure about University A. I prefer a better ranked institution as it is more likely to get me a better job….University B* [the research-intensive University] *has a better ranking. It has a strong history, and a strong alumni network.*—Respondent 17 (exposed to prevention focus manipulation).

Intention Towards the University

Similarly, the qualitative findings demonstrated a strong indication to suggest that promotion-focused subjects had higher behavioural intentions towards their prevention-focused counterparts (i.e., P1b), while the latter preferred the research-intensive over promotion-focused subjects (i.e., P2b). The below illustrative excerpts captured during the interviews demonstrate this.

> *If I had to choose between those two universities, I'd say that I would more likely enrol with University A* [the applied University]. *University B feels too traditional.*—Respondent 19 (exposed to promotion focus manipulation).

> *I am quite excited about University A* [the applied University]….*I want to find out more. What really excites me is the applied nature of its engagement with industry….I am more likely to enrol with University A.*—Respondent 25 (exposed to promotion focus manipulation).

> *It seems quite risky to enrol at University A* [the applied University] *as University B is better known. I want a good job when I graduate, so I think I will go for University B.*—Respondent 5 (exposed to prevention focus manipulation).

Impact of Word of Mouth on University Choice

From our qualitative data, we further find evidence to suggest that under positive WOM, promotion-focused individuals preferred the applied university over their prevention-focused counterparts. On the flip side, we also find indications that prevention-focused subjects prefer the research-intensive university over their promotion-focused counterparts. This is reflected in the below excerpts.

> *Now that you've told me about those good reviews from my friend, I am even more convinced that I should attend University A* [the applied University]. *I really feel that this university is the right choice for me.*—Respondent 25 (exposed to promotion focus manipulation).

> *My friend has just informed me that his employer speaks highly of University B* [the research-intensive University]. *They especially commented on the University's prestige and high rankings. This is why I would prefer to attend University B over A. I feel that the positive comments from employers make it less risky to go to University B.*—Respondent 5 (exposed to prevention focus manipulation).

Thus, the above commentaries and others captured across the collected qualitative data indicate broad support for P3 in terms of both attitudinal preferences and behavioural intentions. In contrast, however, interesting results emerged under the negative WOM stimuli. As per our preceding theoretical discussion, it was argued that prevention-focused individuals will experience higher reductions in their existing attitudes due to their higher sensitivity to negative outcomes in comparison to their promotion-focused counterparts. As a result, it is expected that under negative WOM, promotion subjects would end up showing a relatively higher attitude for both university types over their prevention-focused counterparts. In support of this, it was found that under a negative WOM condition, promotion-focused subjects showed less of a negative reaction to both the research-intensive and applied universities relative to their prevention-focused counterparts. Indeed, while both promotion- and prevention-focused subjects evaluated their attitude downwards under negative WOM, the impact appeared to be much higher in the latter as compared to the former. This is reflected below.

> *Well, I am not sure anymore. I thought University B* [the research intensive University] *would be a better choice for me. But this review is terrible. I am now concerned that neither options are best for me.*—Respondent 17 (exposed to prevention focus manipulation).

> *I am not too worried about this negative review. It does mean that I need to do some more research into University A* [the applied University], *but everybody is entitled to their views and mine may be different to theirs. So, I am not completely disinterested in University A now that I have read this review.* Respondent 1 (exposed to promotion focus manipulation).

As observed with attitudes, under negative WOM, promotion-focused subjects also showed higher intentions for both the applied and research-intensive universities over their prevention-focused counterparts.

> *I will probably still apply to University A* [the applied University] *and may consider University B now that I have read this negative review about A. However, this is just one view point. So, I'm happy to still consider both options.* Respondent 33 (exposed to promotion focus manipulation).

> *I don't think I'll be enrolling in either university. This review in University B* [the research-intensive University], *my preferred option, concerns me. If this is how bad University B is, then I wonder how much worse University A is as well. This makes me want to go study in another country as I don't think universities in* [Country A—name withheld for anonymity] *are any good, especially given this review.* Respondent 23 (exposed to prevention focus manipulation).

The above findings indicate that promotion (prevention) focus preference for applied (research intensive) universities is sustained under the positive WOM (i.e., support for P3). However, exposure to a negative WOM is making prevention focused as compared to promotion-focused subjects, more sensitive to negative outcomes (i.e., support for P4). As a result, these prevention-focused individuals are undertaking a relatively higher downward evaluation of both their attitudes and intentions in comparison to their promotion-focused counterparts, as a result of which their evaluation of both universities seem to be lower than promotion-focused subjects.

Discussion and Conclusion

The above findings allow for some important managerial considerations. Firstly, we suggest that prevention-focused students are more likely to enrol at research-intensive universities than a more applied institution. Therefore, from a marketing effectiveness perspective, it may be more effective for a research-intensive university to target prevention-focused students as prospective applicants and for an applied university to focus on promotion-focused subjects. This does not mean that research-intensive universities cannot target promotion-focused students, but we argue that to be successful, they will need to extend their messaging beyond their prestige and research heritage to also focus on factors that promote advancement goals such as career success and aspirations post-graduation. Similarly, for an applied university to target prevention-focused students, we suggest that they will need to reinforce their brand positioning around more conservative identities such as the academic rigour of its educational mission. Already, signs of this in practice are emerging with applied universities highlighting non-research-focused rankings (e.g., teaching quality rankings) in their promotional materials. However, regardless of the promotional manipulations used by universities, education marketers need to ensure that the brand identities they are marketing remain authentic to the educational missions of their institutions, especially when targeting prevention-focused subjects. This is to minimize any likelihood of post-enrolment dissatisfaction, which in turn can result in frustration, anxiety, and ultimately negative WOM, which as we advocate in P4, will have a greater impact on prevention-focused subjects relative to promotion-focused subjects.

Additionally, although exploratory in nature, the above findings also point to three theoretical contributions. First, given that higher education is a service that appeals to both promotion (e.g., it assists with advancement goals such as having a successful career) and prevention systems (e.g., it provides career security by minimizing joblessness), this chapter is an introductory step to address the calls by researchers to study a product/service that speaks to both promotion and prevention goals (Zhang et al. 2010). Second, the regulatory literature has been calling for an enhanced understanding of service sectors (Jia et al. 2012), which we hopefully provide in this chapter. Third, the study also contributes to a limited body of literature that connects regulatory focus with WOM (e.g., Zhang et al. 2010; Chung and Tsai 2009). These studies to date have unfortunately left important gaps in the sense that they either do not consider the impact of WOM valence, or use dependent variables that may be less relevant from a consumption point of view (e.g., review persuasiveness as against intention). The current study theorizes how regulatory focus influences evaluation and intention towards a particular university type, which can then be further moderated by the valence of WOM.

However, in spite of these contributions, the current work is not without its limitations, which we hope provide scope for future work. For instance, as acknowledged previously, our findings are only exploratory in nature. As such, testing our propositions on a larger sample set would be a fruitful research endeavour worth taking forward. Secondly, an area which we don't address in the current chapter is the distinction between situationally induced versus chronically salient regulatory focus (Higgins 1997, 1998). Getting a more nuanced understanding of these two regulatory systems while theorizing will be a worthwhile endeavour. Finally, we need to concede that our propositions is framed with our own Western culture biases such that a more in-depth understanding of whether/how cultural sensitivities influence our propositions would provide some very useful insights. Nevertheless, in spite of these limitations, we hope to have successfully made the case for why the assumption that better ranked universities tend to be more in demand with prospective students than their applied counterparts is too simplistic to be of any real value to education marketers. Rather, we propose that university selection is more closely linked with a prospective student's regulatory focus and WOM communication, an area which to our knowledge has not been made explicit before.

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CHAPTER 5

University Website Design in International Student Recruitment: Some Reflections

Emmanuel Mogaji

Introduction

The competition for higher education enrolment is no longer a secret—institutions compete with each other within and across national and continental borders to connect with prospective students. Coupled with increasing budgetary pressures, universities are upgrading their advertising strategies in this competitive situation and revitalising their marketing departments in order to maintain their share of the global international student market (Maslowsky 2013). Most educational institutions now realise the vital importance of marketing themselves in this competitive globalised world, and an extensive literature has emerged on the transfer of the concepts and practices of marketing from other industrial sectors to higher education (Gibbs 2002).

Rust and Kim (2012) acknowledge that globalisation has become the focal point of higher education, as universities compete in the closely connected, global, free-market economy that is currently reshaping higher education. To their advantage, students have the opportunity to shop around and choose where they want to study. Brown et al. (2009) note that, given this competitive environment, universities need to provide

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information to their prospective students in order to enable them to make informed choices and, as of now, the Internet is considered one of the principal sources of information for potential students, highlighting the importance of websites to universities.

Marginson (2004, 2006) explores the dynamics of competition in higher education, highlighting a national competition among universities within the same country, and a global competition among universities from different countries. This chapter focuses on the global competition among universities, identifying how universities can better use websites as a marketing communication tool, to break geographical boundaries and reach out to prospective, diversified, global students.

Naidoo and Wu (2011) laid the foundation for a better understanding of the implementation process of marketing strategies for recruiting international students, building on previous studies in this area such as students' search for information (Menon 2004; Menon et al. 2007), the segmentation of this information (Weinstein 2013; Brown et al. 2009; Soutar and Turner 2002), and the stimulation of information search through the creative and functional designs of university websites (Armstrong and Lumsden 1999; Hartley and Morphew 2008; Mogaji 2016).

This current chapter adds to this literature. It offers university administrators and managers an insight into the effective deployment of institutional websites in reaching out to a global student market. A conceptual framework is developed to analyse student information search. It is hoped that this study will lead to further research in this area. The following sections discuss strategies for marketing higher education, with particular attention given to websites. Glimpses into the challenges and projections for the future are also provided.

Information Search by Students

The decision to enrol at a higher education institution is an important one (Menon et al. 2007). This decision can involve consideration of the individual's needs, values, and interests (Zaichkowsky 1994). It can also be difficult to understand, risky or otherwise worthy of a student's attention (Choi et al. 2012).

Menon et al. (2007) noted the rationality assumption highlighted by the proponents of human capital theory, which suggests that prospective students act as rational decision makers in choosing where and what to study. However, this rationality is often absent in practice. For instance, while examining factors influencing the choices of prospective undergraduate students in Australia, James et al. (1999) find that many applicants were under-informed on important matters regarding their choice of a higher education institution. They noted that university applicants reported generally low levels of knowledge of the specific characteristics of universities and of the courses offered by them.

Menon et al. (2007) additionally note limited active information search on the part of the students with the vast majority of students sampled not having visited any university prior to their choice. Menon (2004) find this particularly surprising, indicating that some of the students did not consider it necessary to become personally involved in an information search, even as home students with easy access to university campuses. It was also found that a high percentage of students had not requested information on any university before deciding where to seek enrolment, representing yet again another contradiction to human capital theory which posits a systematic comparison between higher education institutions.

Furthermore, in terms of access to financial support, Mangan et al. (2010) find that many students appear to be just as ignorant of grants and loans as of bursaries, as they had not engaged in a substantial search for information on financial support. The authors note that many students only search for information about local universities, and may not search further if they feel their needs have been met.

Interestingly, Ball et al. (1999) find that students from higher socio-economic status families had clearer strategies for choosing their universities. Menon et al. (2007) also note that students who considered the choice of higher education important were found to be more likely to engage in an information search, while students who felt that the choice of higher education was not important did not seem to bother with collecting significant information.

By extension, given the high cost associated with an international education and the self-transformative investment that it represents, prospective international students can be considered as proactive in their search for information regarding which university to attend (Pyvis and Chapman 2007). For example, Menon (2004) suggests that higher education institutions can influence the decision-making of prospective students by providing relevant information through promotional campaigns, invitations to prospective students for visits to the university premises, and by maintaining informative websites.

Websites are particularly important in international markets as distance and the cost of overseas advertising can make these approaches ineffective with prospective international students. Indeed, while campus visits give potential students an opportunity to explore the university environment, to ask questions, and to get a feel of what they are about to experience if they join the university, they might not be a good way to enrol international students, as these students may not be able to visit the campuses on the open days, mostly because of distance.

For those who cannot attend the open days, universities also invest in promotional campaigns such as the publication of colourful prospectuses and associated marketing materials that offer visual information about the university. However, the production and distribution costs of this type of marketing material is a financial burden, especially given the logistical, cultural, and transactional costs of operating in another country. Additionally, it has been shown that these promotional materials have little influence on a student's final decision (Newell et al. 1996).

Brown et al. (2009) note that the information provided on university websites is often more effective in informing prospective students. Similarly, Moogan (2011) finds that university websites are increasingly becoming a useful source of information for prospective students ranking them as the second-most frequently consulted information source after the traditional prospectus. Given this increasing rise in the usage frequency of websites, Hartley and Morphew (2008) point out that it is important for universities to pay attention to how they communicate with prospective students through their websites, and to update them regularly. They note that the words, images, and symbols contained in these marketing materials constitute the basis on which the institutions begin forming relationships with their students.

Strategic Marketing and Segmentation

Segmentation is an important marketing theory that can be considered while developing a marketing strategy using websites. This has become a more common practice now, as it makes it easy to identify the requirements of the segments within specific markets, and to match them with the organisation's strategic objectives (Kotler 2003). Rindfleish (2003) sheds light on the marketing technique of segmentation, exploring the ways in which marketing could be efficiently used to assess the potential of different segments and examining the feasibility of strategic planning within the higher education sector.

Similarly, Weinstein (2013) describes segmentation-based marketing as the essence of a sound business strategy and value creation. With this in mind, it has also been suggested that it is important for universities to see how well they can target their three main customer (i.e. student) segments—international students, mature students, and domestic high-school leavers (Brown et al. 2009). This is particularly relevant as every segment has its own characteristics and requires a different strategy (Soutar and Turner 2002).

Additionally, Moogan (2011) highlights the need for university marketers to address potential students' concerns and to offer more 'tailor-made' communication strategies to suit them. She notes that every student is unique and should be treated accordingly. For example, the needs of an international student from Africa is different from those of an international student coming from China since international students from different countries have different requirements and, consequently, a differentiated targeted marketing approach is necessary to effectively reach out to them (Mortimer 1997). Segmentation also allows a university to create differential positioning strategies, whereby it can focus on its core differentiating points that may differ across specific segmented markets.

As suggested by Weinstein (2013), having a good ranking is not enough; a university must be ready to aggressively target the discriminating customers who can choose from a multitude of other universities offering quality education and student experience in a global market. Mass marketing is no longer applicable. As international students from different countries and backgrounds have different needs, university marketers must effectively target these markets and niches with their unique needs and wants (Weinstein 2013). For example, the Students Online: Global Trends report found that prospective students from Africa and Latin America were more than twice as likely to view social media as essential to their higher education research than those in the USA and Europe. This suggests that targeting students of these regions specifically through social media may well be easier than targeting students elsewhere (Top Universities 2014).

The Conceptual Framework

Figure 5.1 illustrates the conceptual framework of this study with three main constructs—the universities sending out the information, and home, and international, students engaging with the information to make a choice regarding which university they attend. The relationship between these three constructs is discussed below.

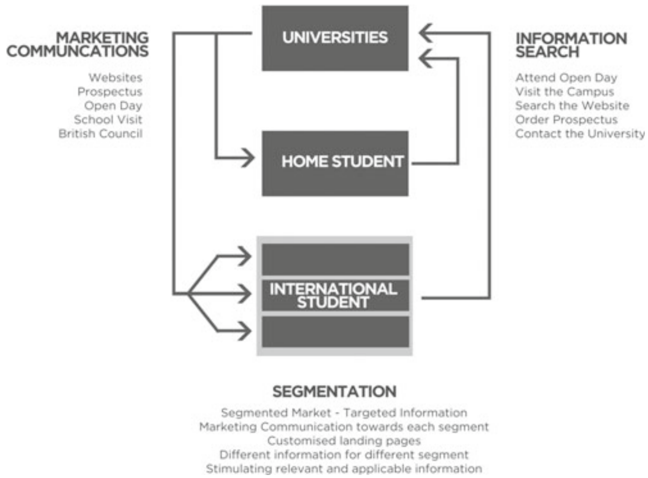

Fig. 5.1 Conceptual framework for universities' proactive marketing communication and student information search

The framework suggests that the provision of, and search for, information is a two-way process. Based on information search theories (Menon et al. 2007; Ball et al. 1999; James et al. 1999; Mangan et al. 2010), it is expected that universities will stimulate information search by prospective students by making the information readily available. In the same way, it is important for prospective students making the highly involved choice of selecting a higher education institution to be proactive in their search.

This can be achieved by providing relevant information such as financial aid in the form of grants, scholarships, and bursaries. It is the university's responsibility to help students find this information. Irrespective of the target market (i.e. home or international students), such information is still necessary.

Similarly, information on academic reputation and location of the university should also be made available to prospective students, as this will attract those seeking a high-quality education, especially if the institution is in a country with a prestigious higher education system (Bourke 2000; Cubillo et al. 2006; Naidoo and Wu 2014). In addition, Brown et al. (2009) suggest that details about courses, entrance requirements, and financial considerations should be made easily accessible online, as these are vital for students.

Information on university websites is typically more effective and up-to-date than that found in prospectuses (Brown et al. 2009). When using this medium to provide information, however, universities must ensure that it is appropriately targeted towards the right market. Universities can send out information to both home and international students, but, as Binsardi and Ekwulugo (2003) suggest, marketing activities should be geared towards particular customers, taking into consideration their location and demand for information. The conceptual framework, for example, specifically states that universities should provide some information relevant to the international student market.

The conceptual framework identifies three groups within the international student market (though this is for illustrative purposes as there could be more than three groups within the international student market of a university). For instance, these three groups could be international students from Asia, Africa, or Middle East who require different information before making a decision; here the university ought to make an effort to purposefully target these students with information regarding their cultural needs, the universities' affiliation with the region, tuition fees, or even the equivalents of their qualifications for admission purposes.

Naidoo and Wu (2011) highlighted the exponential growth in the interest of universities in reaching out to prospective students across their national boundaries, which further establishes the needs for relevant information. Segmentation of the market is considered as part of the framework to aid the university in providing students with relevant information, and this suggest the need to have different landing pages, ensuring that the right information can be provided to the right targeted market. As suggested by Weinstein (2013), this requires conscious effort by the universities to aggressively target the customers. Such a tactic highlights an important feature of websites. Unlike prospectuses, websites can be used to offer targeted messages to targeted markets.

The difference between the information search processes of home and international students is acknowledged within the conceptual framework. As argued by Soutar and Turner (2002), every segment of the targeted market has its own characteristics and needs a different strategy. Though both home and international students may be searching for information regarding their degree programme on a university website, the search process is different for an international student who requires student visa advice, and accommodation details, which home students may not find necessary. Brown et al. (2009) add that students' decision-making processes are complex, and universities should both recognise and respond to these needs in the context of their institutional and subject/discipline settings. Universities should be able to provide relevant information to the different segments of their market, suggesting that personalised web services are required. These are some of the conscious efforts that universities need to make to position their brands effectively. Mortimer (1997) concludes that for universities to achieve a competitive advantage, they need to become better aware of the needs of international students and to improve the level of customer service provided.

To achieve this effectiveness, in the subsequent sections of this chapter, some practical implications and creative techniques for using websites to appropriately target prospective students is offered.

Creative Strategies for University Websites and an Increasingly Global Community

Having identified the importance of websites as marketing communication tools in reaching out to prospective international students, and having highlighted the marketing theories surrounding this strategy, this section provides practical insights into using the proposed conceptual framework to more effectively reach out to students.

The form and function of a website is very important, including a creative user interface design and a strong back end, to increase the viewers' attention span. Other characteristics to increase students' attention towards a university page's content include a flawless fluidity of resolution, compatible browsing, quick response rate, easy readability and formatting, optimal use of multimedia with other viewing options, perfect image implementation, and, on top of everything, user-friendly content and navigation dynamics (Emmerling 2015).

These creative strategies can be considered along with the following areas of attention:

Individualistic Approach

As far as universities are concerned, a segmentation marketing strategy involves knowing the customers—in this case, international students—and giving them exactly what they want, or may want, building strong relationships, and communicating by using highly targeted promotional material (Weinstein 2013). Websites present considerable opportunities to make this possible.

A cue can be taken from the airlines here. Airlines offer an opportunity to book flights based on the country from which one is flying. The universities who target students from a diversified global student community can also adopt this idea of having a person-centred marketing approach, whereby students have the opportunity to choose their country of origin and are offered a personalised experience on the website.

As indicated within the conceptual framework, universities can provide information specifically created for students from their target countries, separately. For instance, universities can share alumni testimonies from a prospective student's country of origin, and also provide regional specific entry requirements. A prospective student from West Africa can, for example, be provided detailed information on whether their West African Senior School Certificate Examination (WASSCE) lead to direct entry at a university. This understanding of where they stand, in terms of their qualifications, will aid international students in making an informed choice.

Figure 5.2 illustrates a proposed global landing page for a university website, identifying from where the visitor is viewing the website, and thus personalising the information. The top right corner shows that it is a global landing page, which will not be seen by prospective students browsing the website from their home country. This page allows a prospective student to select his or her country manually and, if need be, to get a more personalised experience. Universities can also include facts relating to the visitor's country,

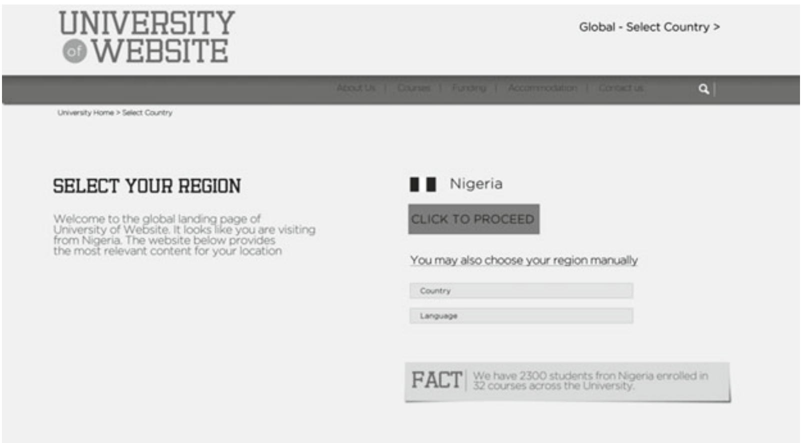

Fig. 5.2. Proposed global landing page for a university website

such as, in this illustration, the number of students studying at the university. Such targeted information can assist prospective students to determine how well they can fit into the system, should they decide to attend the university.

Information

According to Wedel and Kamakura (2000), segmenting a market aims at defining the different types of homogeneous groups present in a heterogeneous market, to help at the design stage of a targeted marketing strategy. Given these different groups, different kinds of messages need to be communicated, as the message that appeals to a domestic student may not appeal to an international student who is leaving his/her country for the first time.

It is very important to have information before making a decision on which university to attend, or which country to travel to, and it is important that university marketers understand this idea of providing relevant targeted information to customers from a heterogeneous market. To assist students in making their decision, universities often 'bombard' them with promotional material, employing a wide range of communication devices in an effort to reach out to, and influence, potential students (Veloutsou et al. 2005). As noted earlier, mass communication is no longer applicable. Therefore, it is of the utmost importance for universities to offer relevant information to students, while segmenting the market into groups of potential customers with similar needs and/or characteristics, who are likely to exhibit similar purchasing behaviours.

In the increasingly hyper-competitive higher education market, universities have to be strategic in reaching out to various segments of their market, and in responding to both information needs and curiosity. This can be well achieved with a personalised landing page on the university website, as the students can then easily get the information they specifically need, and not get lost in the vast, and often irrelevant, information available on the website.

Moving to another country for study could be a daunting decision, especially for those leaving their home country for the first time. Thus, relevant information regarding accommodation is important for those students who have to settle down in a new environment. For the same reason, the extracurricular spectrum, such as sports, social activities, and clubs, should also be made known. An example could be information on the Society of African Students being targeted to prospective African students.

Images

Websites are expected to present information creatively, relevant to different stakeholders, along with images reflecting their diverse student body and extracurricular environment. Even international students can visually explore the universities on the websites, in order to be aware of the experience in store, the culture, the facilities, and even the weather.

Indeed, studying in a different country can also mean studying in different weather conditions, which for some prospective students may be relevant information as part of the decision-making process. Often universities adopt a creative approach to their use of such weather-related imageries. For instance, Bradley (2013) observes, the images used on British prospectuses exclude pictures where it is raining, suggesting that it does not really rain in England, and that the country always has bright blue skies and sunshine. Such misconstrued advertising can lead to post-enrolment dissatisfaction for an international student and should therefore be avoided.

The attitudes towards advertisements featuring characters of the same ethnic groups have also been documented by previous researchers. Deshpande and Stayman (1994) find that an advertisement targeting an ethnic group, featuring a character of the same ethnic group, is viewed more favourably by that group when it is in a minority in the local population. Similarly, the anecdotal evidence cited by Aaker et al. (2000) suggests that individuals are likely to feel neglected, distracted, irritated, or even offended by an advertisement that has not been designed to appeal to them. Hence, the image of a staff member of their own nationality or ethnic group, in a position of authority in the university, can influence a student's attitude towards the university. A Nigerian staff member identified by their name, featured on a UK university website, targeting prospective students from Nigeria, is an example of the use of this strategic marketing and segmentation approach. Such individuals could also share their experience of life at the university, welcoming prospective students and encouraging them to choose the university.

Forehand and Deshpande (2001) suggest that an exposure to different ethnic groups in advertisements influences the response of people to the advertisements, and may cause them to respond favourably. For example, images of ethnic minorities on a university website can increase the level of attention to, and consideration of, the university by heterogeneous students. Aaker et al. (2000) conclude that persuasion may occur because the individual identifies a similarity with the spokesperson and there are desires to maintain positive self-esteem in light of their shared traits. Such favourable attitude, achieved through segmentation and provision of relevant information, can motivate prospective students to search for more information, order prospectus or even plan to visit the campus as they have been appropriately targeted.

However, images should not be overused, as the textual information is also important. Even while using the images and links, the text descriptions of all of them should be provided, as some visitors may not be able to see the images. Accessibility options should also be considered for those users who need assistance. Websites should allow visitors to increase the font size, and to use text description, voice reader, or special inputs. Emmerling (2015), for instance, provides useful insights into the usability of websites as visitors surf for information.

Integration

Charlotte Tangye, the Web Content Manager at University College, Falmouth, noticed a significant drop in requests for the college's printed prospectuses, and decided to create an interactive prospectus containing an abundance of visual content without the usual website navigation, in order to make it more fun for visitors to explore (Anyangwe 2012). Universities today are acknowledging the power of information technology, and it is important for them to see how they can integrate it with their marketing communication strategy.

For example, YouVisit's powerful platform allows businesses and institutions to easily create embeddable virtual tours, using virtual reality (www.youvisit.com). Similarly, the University of Birmingham in England offers website visitors an opportunity to take an interactive virtual tour of its campus, using photos, videos and 360° panoramas, prompting them to immerse themselves in the beautiful surroundings of the campus (www.virtualtour.bham.ac.uk, 2015). Likewise, CampusTours builds video tours, photorealistic interactive campus maps, mobile walking tours, and custom data-driven multimedia applications for universities (www.campustours.com). Recording a campus tour and open day for publication on a website is another way of disseminating information to potential students (Moogan 2011). Applications for Android, iPhone, and Blackberry devices can also be created to integrate the website's features with smartphone apps.

In addition, social media have become an important platform for social interaction, communication, and marketing. An increasing number of businesses in various industries have already integrated, or are planning to integrate, social media applications with their marketing strategies. Constantinides and Stagno (2011) acknowledge that universities are showing an increased interest in the potential of social media as a marketing tool. Particularly important is the potential of these tools to reach out to, and attract, future students, a group that is especially active on social media. Thus, social media platforms can be incorporated into the universities' advertising strategies in order to reach out to a diversified global student body.

Social media provide new channels for marketing communication strategies, whereby relationships with the customers can be tailored in a more one-to-one environment, and relevant information can be passed on (Moogan 2011). By linking their websites with these networks, universities can provide potential students with challenging activities that will register in, and persist in, their minds. Thus, universities can use the insights from Facebook, which gives a detailed account of the members' demographics, media consumption, and page views, as well as listing the active page users. Similarly, images of the university can be shared through Instagram, and engaging messages can be tweeted through Twitter.

A video conferencing option or an online chat service can also be integrated with the website, allowing the marketing team to direct eligible prospective students to the right person within the university, and to build their interest in the university curriculum. In this initial experience, students can also raise their queries with the university authorities, who have the opportunity to respond to them quickly, while interacting face to face. It is important to realise that websites can do more than just provide information; the possibilities of Internet technology are immense—it can break down geographical barriers to reach out to the student community across the globe.

Maslowsky (2013) concludes that sophisticated technology is required for proper integration of the systems, constant data analysis, and reporting as well as activity-based logic that automatically adjusts the shopping experience, as prospective students advance through the process of researching the institutions. One challenge for the universities in this regard could be lack of the appropriate resources to fully commit to these strategies. Other challenges are highlighted in the next section.

Challenges

In the light of the above discussion, there can be no doubt as to the importance of the university website as a marketing communication tool. However, this tool has its own challenges. For example, the number of extra web pages that would need to be created for each segment of the market is enormous. Furthermore, unlike prospectuses, which are published once a year, the websites would need to be updated regularly, as students demand valid and current information. As emphasised by Brown et al. (2009), since prospective students utilise the Internet for their information searches, it is imperative that the web pages are current and regularly updated.

Sourcing this information may also be considered as additional work for marketing communication teams. Reaching out to various segments of the market would require them to find students from various countries to feature on the websites, with different text for different pages. Moreover, university marketers must ensure that their websites are kept up to date with respect to content, achievements, improvements, course amendments, and other necessary university curricula.

A Content Management System is paramount in this regard, as it allows the content to be created and edited by appropriate people from all sections of the university. The overall appearance is controlled centrally, maintaining a theme and look-and-feel based on the reputation of the university. In this way, authorised persons would have the flexibility of styling their content within the framework of the website style guidelines.

In addition, there is the challenge of the creative design of the websites. This will involve different professionals—designers and developers—in creating an aesthetically appealing website. Although a website may have all the information available, it is important to present this information in as visually attractive a form as possible, as universities need to create websites that are creative and engaging.

Finally, the biggest challenge for university websites seems to be the competition and clutter, which is increasing day by day. Thus, designers and developers will have to continually think out of the box and be innovative in order to retain an engaging, creative, and interesting website that will enable the university to dwell in the minds of its customers. Unfortunately, innovative ideas come at a cost, which many universities are unwilling to pay at this time as they have other priorities at hand.

Most universities put a large amount of information on their websites and users' connection speeds vary considerably. Therefore, the functionality of a website should also be considered, as poor functionality may hinder prospective students from fully experiencing the website. It is expected that university marketers will take this into consideration when designing and developing their websites.

In addition, compatibility with different web browsers should be considered. Emmerling (2015) notes that a poorly formatted web page can be rendered ineffective by different web browsers, since different users may use different resolutions that would make some web pages display incorrectly. Thus, the developers should make efforts to design websites that are compatible with, and can display properly in, most common web browsers. Compatibility with mobile devices and tablets is also important, as improved usability and accessibility of the websites on different devices will enhance the user experience.

Conclusion

As the demand for quality higher education rises, universities are facing enormous challenges in attracting prospective students from outside their home countries. In today's competitive world of higher education, strategic marketing is vital, as universities endeavour to create brand names on the global platform, reaching out to a diversified global student community with different needs and expectations. The ever-growing expectations of students have also led to more pressure from the competition; the students feel that since they are paying for a service, they need to get the best offer.

This chapter makes three contributions to both theory and practice. Firstly, it contributes to a growing body of literature in the marketing of higher education, especially in strategically reaching out to the diversified student community. From a marketing communications point of view, the chapter expands on previous studies on effective design of websites (Flavian et al. 2009; Hasan and Abuelrub 2011; Al-Khalifa 2014); in addition, previous studies have focused on individual countries in highlighting websites as a marketing communication tool—North America (Kittle and Ciba 2001; Saichaie and Morphew 2014), Australia (Adams et al. 2002; Gomes and Murphy 2003), Britain (Mortimer 1997; Binsardi and Ekwulugo 2003), and Wales (Moogan 2011). This chapter offers a holistic approach towards adopting university websites in international student recruitment without focusing on a particular country or region, and the recommendations provided can be applicable around the world.

Secondly, the study provides creative insights from the marketing practitioner's perspective, bridging the gap between theory and practice as it explores how universities can stimulate information searches through their website design. Thirdly, this study focuses on websites as a marketing tool, highlighting future directions and some challenges that may apply to different stakeholders, providing strategies on how to effectively reach out to diversified global students.

In developing an effective website, there are practical aspects that need to be addressed. Students should be able to get the information they need in order to make informed decisions, and images on the websites should reflect life in the new country, as well as the facilities, resources, culture, and even the weather to be encountered. Although a huge task, the results would be rewarding for both the university and the students. While a university would be able to corner a larger share of the global higher education market, the student experience would also be enhanced with the feeling of being welcomed from the time they first access the website.

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PART III

Regional Case Studies

CHAPTER 6

Brand Soul in Higher Education: A Case Study of a U.S. University's GO program

Robert Williams, Scott Manning, Susannah Morris, and Jerrell Habegger

Introduction

We identified the Global Opportunities (GO) program at Susquehanna University as a focal point for discussion on *Brand Soul*. It was recently awarded the Andrew Heiskell Award from the Institute of International Education for its dedication and advancement in the Internationalization of Campus, a distinction that lends itself to identifying a unique international marketing opportunity as a component of the overall marketing activities for the university. Susquehanna is one of only a handful of universities in the USA to require a domestic or overseas study-away experience, and is unique in that it requires a post-travel course during which students reflect on their cross-cultural experience and how it changed them. In addition to incorporating intercultural interventions before, during, and after a study-away experience, the GO requirement grounds each program in Experiential Learning Theory. This focus on experientially based learning defines and differentiates the GO program from other

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more traditional study abroad programs that have a primary focus of a course-linked study-away program.

The GO program's success stems from the fact that it emerged from a combined strategic planning and decennial accreditation review process that engaged the entire campus in institutional planning. A key feature of the program is its overwhelming support by Susquehanna faculty, staff, administration, students, and alumni—the *Brand Soul* of the institution. Inclusion of staff and faculty broadens the base of stakeholders in the program across campus, and exemplifies to students the commitment of the institution to, and value of, intercultural competence development through experience for all members of the Susquehanna family. The GO program at Susquehanna University is an example of utilizing the *Brand Soul* of the university as a 'soft' international marketing tool, by helping to align the institution's brand identity activities with the consumer's brand image.

Branding in Higher Education

In the non-profit Higher Education Institution (HEI) sector, a competitive market for postsecondary education with multiple stakeholders has developed (Collis 2001; Dill 2003; Ruch 2001; Williams 2012). HEIs are moving toward a model of corporatization (Brookes 2003; Geiger 2004; Hemsley-Brown and Goonawardana 2007), and marketing themselves very aggressively (Naude and Lvy 1999; Pusser 2002; Ruch 2001). Additionally, a shift from private to public financing of Higher Education, and an ability to obtain non-government funding follows a market approach (Dill 2003; Kinser 2006). As a growing body of work focuses on increased 'managerialism' in HEI, (Constanti and Gibbs 2004; Meyer 2002), and HEIs have become more marketized, they have become increasingly promotionalized; brand-building gains in importance with names and reputation becoming increasingly important (Morphew et al. 2001; Toma et al. 2005; Vidaver-Cohen 2007). Motivation for HEI branding includes counteracting declining enrollments; reduced retention and overall competition; enhancing image and prestige; increasing financial resources; honoring a philanthropic donor; mission alignment; or signifying a merger between institutions (Cobb 2001; Koku 1997; Morphew et al. 2001; Toma et al. 2005; Williams 2012; Williams, Osei, and Omar 2012; Williams and Omar 2014).

In 2011, there were a total of 4495 non-profit institutions of Higher Education in the USA, plus 8986 degree-granting for-profit institutions. The majority of HEIs (63 %) are private colleges or universities, while

37 % are public; 62 % are four-year schools compared to two-year colleges or technical schools (38 %); 40 % have fewer than 1000 students. Additionally, the rise of Massive Open Online Courses and other online forms of education present a new and growing force that is likely to impact HEIs in ways that are not yet fully understood.

As a service industry, Higher Education is characterized as having a focus on people; involving largely intangible actions; a lengthy and formal relationship of continuous delivery with the customer; a high level of customization and judgment; relatively narrow fluctuations of demand relative to supply; and single or multiple sites of service delivery methods (Hemsley-Brown and Oplatka 2006; Mazzarol and Soutar 1999). Balmer and Liao (2007) suggest that HEI branding affords graduates a sense of identification and a way to define themselves, not merely as customers but as lifelong organization members of a corporate 'brand community', while Lerman and Garbarino (2002) posit that a brand name becomes the psychological property of consumers. Lowrie (2007) explains that HEI branding must pay attention to the intangibility and inseparability aspects of educational services. As a service brand, HEI brands require greater emphasis on internal marketing, in part since all employees become consumer touchpoints and service brands play a role in reducing the risk of intangibility (Berry 2000; De Chernatony and Segal-Horn 2003; Khanna et al. 2014).

The development of a clear HEI brand principle may not be easy because of the complexity of HEI brands due to numerous factors: diverse stakeholders; internal structures; institutional resistance to change; the wide range of majors and programs; sub-branding by schools/majors/facilities; information gap between choice factors identified by students and HEI publications; and the need for support by institutional leadership and formal communication mechanisms (Birnbaum 1983; Chapleo 2007; Edmiston 2008; Hankinson 2001; Hemsley-Brown and Oplatka 2006). Targeted at multiple stakeholders, the HEI brand is externally focused on positioning and marketing, and internally focused on the organization and promotion of values/culture/vision (Aaker 2004; Hatch and Schultz 2003). Brands are essential to consumers' social status (Hamann et al. 2007), and indeed, one aspect of a Higher Education degree is the bestowing of a certain level of social status. Students perceive the image of their HEI in relation to other HEIs (Ivy 2001) and vast sums are spent by HEIs in the USA to increase their rankings, such as in the annual US

News and World Report to enhance their image and positioning, and to impact retention (Bock et al. 2014; Bunzel 2007; Wernick 2006).

HEI brand equity is focused on (1) customer image positioning and marketing; (2) firm identity and the clarification and promotion of values/culture/vision; and (3) how employees perceive and live the brand, thus creating a particular brand 'soul' (Aaker 2004; Furey et al. 2014; Hatch and Schultz 2003; Jillapalli and Jillapalli 2014; Lowrie 2007; Williams et al. 2012). A brand audit is undertaken to assess the health of the brand and its brand equity, and is referred to by Keller (1998, p. 373) as a 'comprehensive examination of the health of a brand in terms of its sources of brand equity from the perspective of the firm and the consumer', while Ambler et al. (2002) discuss the need to determine the relevancy of the brand and its associations related to the positioning in the consumer's mind and resistance to attack from competition. Brand life-cycle literature describes a cycle from the birth of the brand, through growth, maturity, decline, and eventually death or retirement of the brand, with brand decay caused by loss of brand salience (Barwise and Meehan 2004; Jevons et al. 2007; Lehu 2006). Keller (1998) points out that a problem regarding a declining brand involves the 'breadth' of brand awareness, such that the brand is perceived in a very narrow way and a repositioning may be in order, while brand avoidance is defined by Lee et al. (2008, p. 10) as occurring 'when customers are motivated to reject a brand because of the negative meanings associated with that brand'. It can lead to negative brand equity and thus, brands have the potential to become market-based liabilities', and brands die because of neglect and consumer indifference (Wansink 1997; Wansink and Huffman 2001).

Regardless of the exact health of their brand, given the competitive pressures discussed above, an HEI brand audit often results in a decision to make adjustments. In some cases, a revitalization can be sufficient, in other situations, a rebranding or repositioning (refocusing) is necessary; each situation is followed by reinforcing actions and a return to equilibrium. Most organizations with unhealthy brands will be able to embark on a rebranding or repositioning strategy to realign their existing brand to meet their goals and customer base. If the brand remains unhealthy despite repositioning or rebranding attempts, literature points out that during this 'flux', the desire to rename often surfaces and the decision to rename is generally evaluated in more earnest. (Williams, 2012). The other extreme option is to retire the organization brand or close down the institution. Brands can be eliminated (or retired) for various reasons that take into account the aging process brought on by contamination created by the environment and consumer perception as the brand is compared with other points of reference (Jevons et al. 2007; Kapferer 2008; Lehu 2006). While relatively rare, this retire option does occur. Sometimes a college or university completely merges or is acquired by another institution and loses most or all of its own brand—with whatever brand equity that existed being transferred into the dominant institution. The Brand Flux Model™ (Fig. 6.1) combines the many identified processes often referred to as 'redefining', 'rebranding', 'realignment', 'recreating', 'revitalizing', 'restructuring', 'relaunching', 'redeployment', 'repositioning', 'renaming', and so on, into a simple coherent descriptive five-stage model. The term Brand Flux is derived from the definition of flux, meaning a state of uncertainty preceding the establishment of a new direction of action. It reflects the environmental uncertainty prompting a disruption in equilibrium, followed by any activity resulting from a brand audit process incorporating the option of either reinforcement or change, and then a return to equilibrium. Brand Flux is defined as: "A state where the identity, image or reputation of an organization is reinforced over long periods of time in equilibrium with its environment, yet with environmental challenges can adapt by altering the branding and/or positioning via revitalization, refocusing, and/or renaming"(Williams 2012, p. 246).

The branding process model (Fig. 6.2) incorporates the Brand Flux Model(tm), and hinges on the interplay of customer, firm, and employee perceptions and actions. The three boxes—Brand Image, Brand Identity, and *Brand Soul*—depict the essence of the process. *Brand image* is the consistent set of associations which form an impression and leads to

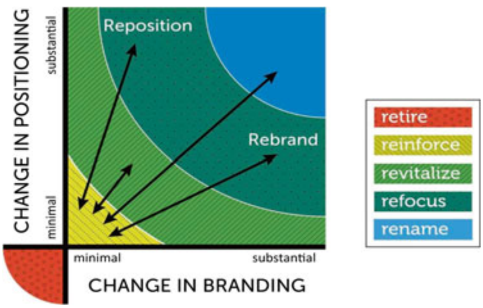

Fig. 6.1 Brand Flux Model(TM). *Source*: Williams (2012)

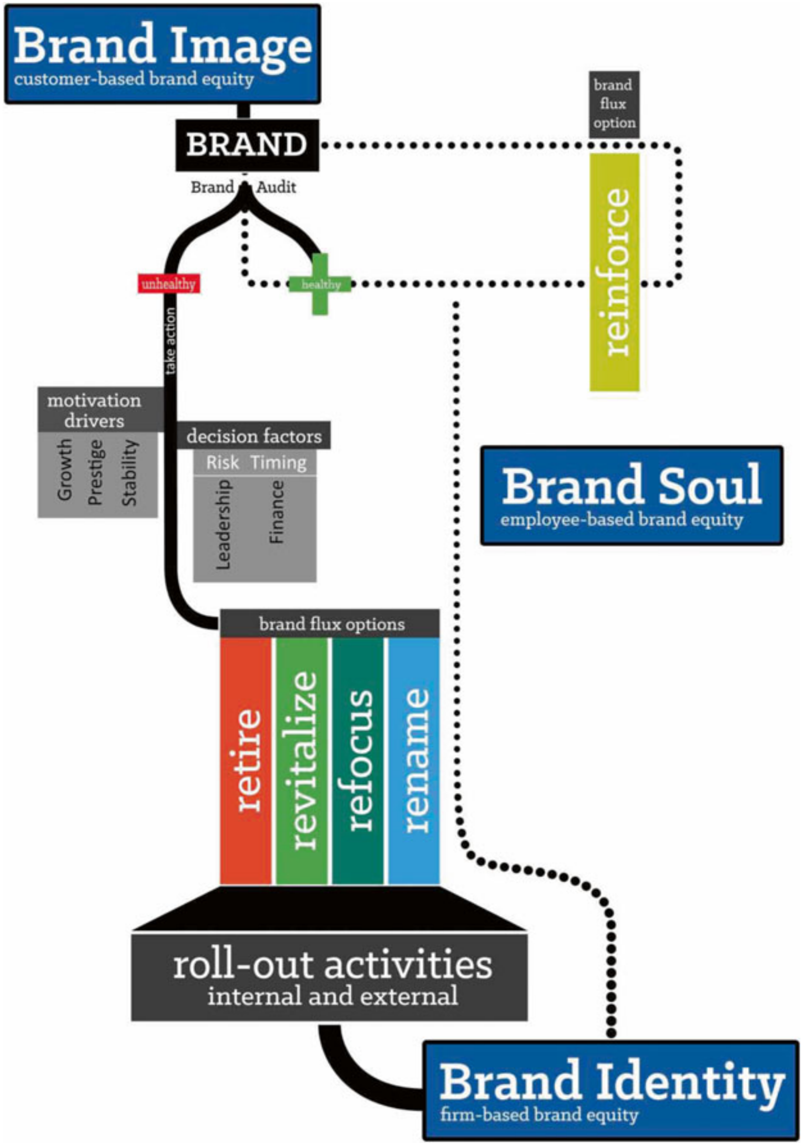

Fig. 6.2 Branding process model (Williams, 2012)

customer-based-brand-equity (CBBE). It is also about past and present customer perceptions, and in Higher Education, what current students and alumni believe and communicate about the institution. All elements of an organization's *brand identity*, such as brand name, slogan, and logo, developed and communicated to the market in order to form a favorable brand image, generate firm-based-brand-equity (FBBE). Everything that the institution encompasses (from infrastructure to core values) and the administration communicates serves to promote and explain its heritage and current brand identity practices. The *Brand Soul* concept is strongly linked to stakeholder involvement, resources, and internal marketing. *Brand Soul*, defined as '*the essence or fundamental nature—the authentic energy—of a brand*', refers to the positive way employees (and key internal stakeholders) perceive and live the organization's brand (Williams 2012), and leads to employee-based-brand-equity (EBBE).

Avoiding brand confusion and reinforcing consistency become key objectives of the branding process model, and in this way, the three forms of branding: FBBE, CBBE, and EBBE are aligned.

The Go Program and *Brand Soul* at Susquehanna University

An example of international marketing as a component of the overall marketing activities of an HEI is the GO program at Susquehanna University (GO 2015). Susquehanna University educates enterprising, independent thinkers—2100 students from 35 states and 22 countries—with a solid foundation in the liberal arts and science or pre-professional programs offered by the School of Arts and Sciences and the Sigmund Weis School of Business (SWSB). Students choose from more than 60 majors and minors, or they can pursue a self-designed major, that teach critical thinking, writing, teamwork, and communication skills. Susquehanna encourages students to engage in professional experiences such as internships and research opportunities; in fact, 78 % of graduates get professional experience before graduation, which helps prepare them for postgraduate success. Their international experiences are extraordinary opportunities for personal and professional growth; fully 94 % of Susquehanna graduates report being employed or in graduate/professional school within six months of graduation. Susquehanna is one of only a handful of universities in the USA to require a domestic or overseas study-away experience and is unique in that it requires a post-travel course during which students reflect on their cross-cultural experience and how it changed them.

The GO program is the centerpiece of Susquehanna University's recently revised Central (core) Curriculum, a comprehensive four-year program based on the University's learning goals. GO follows best practices for increasing students' intercultural competence by incorporating intercultural interventions throughout the study-away program, defined as 'intentional and deliberate pedagogical approaches, activated throughout the study abroad cycle (before, during and after) that are designed to enhance students' intercultural competence' (Vande Berg and Paige, p. 30). To maximize growth and learning, every student at Susquehanna must complete an approved, cross-cultural immersion experience of at least two weeks, imbedded in preparatory and reflective work on campus. The credit-bearing portion of the requirement is divided between a graded single semester-hour pre-departure course and single semester-hour reflection course focused on student progress on a single set of clearly defined cross-cultural learning goals, as adopted by the Susquehanna faculty. Thus GO is more involved than just a study abroad program. In addition to incorporating intercultural interventions before, during, and after a study-away experience, the GO requirement grounds each program in Experiential Learning Theory, which Kolb defines as 'the process whereby knowledge is created through the transformation of experience' (Kolb 1984, p. 41). The GO program facilitates this process through development of curricula that focuses on learning activities that promote spontaneous authentic cultural interactions while immersed in the host culture. These interactions can take shape through a variety of ways, such as community-based research, collaborative service-learning projects (working with and alongside local peers), and culturally investigative projects. Although learning can be accomplished through a traditional lecture-based overview of a topic that ties into a local cultural phenomenon, student learning can also be cultivated through meaningful interactions with peers when values, traditions, and experience can be shared in less contrived settings. This focus on experientially based learning defines and differentiates Susquehanna University's GO program from other more traditional study abroad programs that have a primary focus of a course-linked study-away program.

The GO program's success stems from the fact that it emerged from a combined strategic planning and decennial accreditation review process that engaged the entire campus in institutional planning. This multiyear planning process highlighted engagement around some specific questions: How can the university foster a culture of greater student engagement on our campus? How can it ensure that students will learn to work with and learn from people of backgrounds different from their own?

As stated, the GO program has three components: preparation on campus, experiential learning in a cross-cultural immersion off campus, and reflection in a class back on campus. The experience itself, however, can be achieved in a variety of different ways. GO Short programs are short-term programs led by Susquehanna faculty and staff. Ranging from two to six weeks in length, these programs generally have a topical focus that reflects the interests of the program directors, and most are open to students from all majors. GO Long students participate in traditional semester study abroad, and transfer credits earned in courses taken overseas back to Susquehanna, but it is the experiential learning that takes place in and out of the classroom that is the focus of the cross-cultural learning goals. The GO Your Own Way option allows students to propose a self-designed cross-cultural experience during winter or summer break. Students completing the immersion component of the requirement are not required to earn credit during the experience, which allows them to tailor the requirement to their own particular interests and needs, as long as it is cross-cultural. Volunteer experiences, paid and unpaid internships, even an extended homestay can count in this manner. In every case, students return to campus to reflect together in class on the many varied ways in which they have experienced cross-cultural learning.

Since the GO requirement was implemented in the fall of 2009, the class of 2013 was the first to complete the requirement. In three years, Susquehanna went from an average of just 30 % of its students studying abroad to 100 % of students completing a cross-cultural program—89 % of them internationally. Four full-time staff, three student employees, and 20 student peer advisers were hired to support GO. The development of new GO Short program courses to support the curriculum has been dramatic. From just four such programs in 2009, the office now manages 28 approved faculty-led programs; approximately 20 of them run each academic year. Several new programs are in development, and three to four new programs are anticipated annually for the foreseeable future. Forty-two faculty representing almost every department (including biology, chemistry, education, and music), and 22 staff (including athletics, the library, public safety, and civic engagement) serve as GO program directors. Faculty teaching senior-level courses now have classrooms of students who bring their personal international experiences to bear on the subject, evidence of the cultural shift taking place on campus. For example, a Political Science professor teaching an upper-level American Political Thought course now incorporates the perspectives on the topic that her students have encountered all over the world. The number of students whose senior research connects to their studies abroad has also increased. Students are actively seeking experiences abroad that can also serve as the groundwork for their senior capstone: whether it is work at a shark research lab in South Africa for Biology, or an internship at the James Joyce bookstore in Dublin for Creative Writing.

Susquehanna's financial commitment to the program will nearly triple by 2016–2017, up from the pre-GO study abroad budget. A task force composed of the Provost, Vice Presidents of Finance and Enrollment Management, the Chief Communications Officer and Directors of Financial Aid, Cross-Cultural Programs, Registrar, Residence Life, and Finance coordinate implementation of administrative issues. For example, the group developed a ten-year model of enrollment and cost projections, estimating how many students from each class were likely to choose each type of program, projecting associated costs, and predicting financial aid expenses for all of these alternatives. University policies and operating budgets were adapted as needed to support the requirement. The model is updated twice yearly in order to better refine its predictive value and assess the need for changes in policy or practice. The program has already shared much information on the planning process and models with other institutions considering similar curricular requirements. In fact, Susquehanna has in many ways led the charge in what has become a national movement. In 2013, the GO program was awarded the Institute for International Education's (IIE) Andrew Heiskell Award for Campus Internationalization. In 2014, IIE initiated the Generation Study Abroad effort to double the number of American students studying abroad by 2019. Susquehanna has pledged to contribute to this effort by sharing insights on the successes and challenges associated with such rapid large-scale change. To date, Susquehanna staff have presented and written on the program choices that Science, Technology, Engineering, and Mathematics (STEM) students make in study abroad, the impact of a universal cross-cultural requirement on recruiting students from diverse backgrounds, as well as faculty development and infrastructure development issues.

One hallmark of Susquehanna's GO program is its accessibility to every student—removing traditional barriers to study abroad related to ethnicity, disability, academic level, major or financial ability. Nationally, African-American and Hispanic students tend to study abroad at lower rates than others, as do male students and STEM students. At Susquehanna, it is our responsibility to remove the obstacles that could have prevented many of our students from having an experience that every college student should have. We ensure that every student can *and does* go. Grade point average requirements pose an obstacle for students at most institutions. Susquehanna believes that limiting study abroad to the students who are already the most engaged in their studies is the wrong approach. As long as students are in good academic standing—with at least a 2.0 GPA—they may apply to a Susquehanna faculty-led GO program.

The ongoing internationalization of the campus also helps to ensure that students from other countries will find a welcoming and supportive environment on campus. Campus recruiters have noted that the existence of the GO program serves as a strong differentiator in their work with prospective international students, and they are able to convincingly make the case that an international student coming to Susquehanna will find a welcoming and receptive environment on a campus where every student studies away. Moreover, international students can count their time at Susquehanna as their cross-cultural experience if they wish, or they can study off campus under the same policies as domestic students, including use of financial aid. Whichever route they choose, international students also complete the cross-cultural reflection course alongside other Susquehanna students. This adds significant value to the comparative dialogue in these courses, with international students sharing their experiences of American culture alongside American students reflecting on international experiences.

A key feature of the GO program is its overwhelming support by Susquehanna faculty, staff, administration, students, and alumni—the *Brand Soul* of the institution. Inclusion of staff and faculty in the GO program at Susquehanna University broadens the base of stakeholders in the program across campus and exemplifies to students the commitment of the institution to, and value of, intercultural competence development through experience for all members of the Susquehanna family. While administrative leaders have been deeply involved in planning and supporting the effort at every level, from its inception, this project has been a faculty-driven initiative. However, the sustainability and success of GO relies on the inclusion, collaboration, and participation of both staff and faculty. GO is first introduced to new staff and faculty during their campus orientation program to ensure that every staff and faculty member on campus is aware of and plugged into the GO program. Both faculty and staff are encouraged and able to participate in the development and implementation of GO programs. GO is also marketed internally by hosting workshops about GO program development, and providing internationally themed and culturally focused seminars for faculty and staff which are often contextualized with lessons learned from GO programs. GO Short programs, although known in the field of International Education as a *faculty-led programming model*, allow teams of faculty, faculty/staff, and staff/staff combinations to lead groups of students on short-term domestic and international programs. GO Short program leadership includes teams of faculty across academic disciplines: for example, History and Theater, Music and Political Science, International Studies and Religion; staff from campus offices typically underrepresented in study-away programs, for example, Registrar's Office, Campus Safety, Disability Services; and teams of administrators and academics, for example, Career Services staff and Environmental Science faculty, Athletics staff and Business faculty, library staff and Biology faculty.

GO Long London

One specific GO program initiated by faculty is the program in London. The Association to Advance Collegiate Schools of Business-accredited SWSB faculty recognized a need to prepare their students for the increasingly global business environment they would enter upon graduation. Generally, business students were the least likely to choose a traditional semester-long study abroad option. Few of them had advanced language studies and it was difficult to find programs with appropriate business courses. One SWSB faculty member serves as program director in London for one semester, and the program is available for any junior student in the business school. The business school contracts with a London property management company for student flats and classroom space. Instructors are hired from the London academic community to teach three business foundation classes and one elective. The director teaches a seminar class that is built around weekly field trips to businesses in the UK and occasionally on the European continent. Initially, the program was offered one semester per year, but as it became very popular, it was expanded to both semesters. The number of business students graduating with this global learning experience increased from less than 5 % to 35 %.

The learning goals and courses in the London program have changed over time. The program is now a GO Long program that places more emphasis on the cross-cultural experience. Students currently take only one required business class and it is a diversity intensive class. In addition, they take an international business ethics class, a British history and culture class, and a British theater class. The program involves Susquehanna Alumni who work overseas, and students gain the rich, broad experience of Susquehanna University *Brand Soul* internationally. The seminar currently includes an intense consulting project for Czech companies, with reports and presentations made at their Prague headquarters. In the consulting projects, students learn that business practices grounded in other nationalities and cultures must be understood if their proposals are going to be respected.

When students return from the GO London program, they also enroll in a reflective course. Students accumulate many cross-cultural experiences, they live in very diverse London communities, and they conduct an ethnographic exercise in a particular London neighborhood. They visit businesses and cultural sites in the UK and they take advantage of their location to travel throughout Europe. But it is the reflective component that develops an awareness of how much these experiences have impacted their attitude and ability to work in multicultural and cross-cultural settings. This is the exciting outcome that business faculty see when they have returning students in their classes. Additionally, graduates are increasingly seeking opportunities to work outside of the USA and many are successful. Not only do they accept initial job offers from companies outside the USA they are also ready to seek and accept international career transfers in the future.

The *Brand Soul* effect on the GO Long London program has been a major component of the SWSB marketing strategy; it is an attractive option when recruiting high school students, and in all open houses and one-on-one meetings, GO Long London is part of the conversation. Generally, first-year business students have listed the GO London program as one of the top three reasons they chose to come to Susquehanna, with several listing it as the deciding factor. It has helped both prospective students and current students understand the importance of cross-cultural immersion experiences as a component of preparation for professional careers in the global economy.

Conclusion

A key component in the alignment of an organization's Brand Identity with its Brand Image is the organization's *Brand Soul*, and through brand flux, correct brand alignment is a factor in the increase of an organization's FBBE, CBBE, and EBBE. The value of these brand equities becomes evident as a HEI increases its role in terms of international marketing activities. At Susquehanna University, one way that brand image is developed is by the student, their parents, and the people who come in contact with them around the world via the GO program. This image is developed both by Susquehanna students involved in the GO program who travel internationally and are in a sense 'brand ambassadors', as well as by international students from other countries who study outside their home country, at Susquehanna. However, potentially much more valuable than the brand identity efforts by the HEI, *Brand Soul*—as illustrated by the GO program—involves all functions within the organization, and even extends to the external alumni network:

- It is the centerpiece of the Central Curriculum; focused on experientially based learning.
- The Program was derived from the institution-wide processes of strategic planning, and decennial accreditation review.
- 100 % of students now complete a cross-cultural program, in part since traditional barriers to accessibility have been removed.
- Faculty from nearly every department are involved as GO program directors, and faculty teaching senior-level courses now have classrooms of students who bring their personal international experiences to bear on the subject.
- The University is financially committed; developing, using, and twice-yearly refining a ten-year model of enrollment and cost projections.
- The sustainability and success of the GO program relies on the inclusion, collaboration, and participation of not only staff and faculty, who are encouraged and able to participate in the development and implementation of GO programs, but also on the full university.

The GO program at Susquehanna University is an example of utilizing the *Brand Soul* of the university as a 'soft' international marketing tool as it helps align the institution's brand identity activities with the consumer's brand image. The components of GO are part of effective traditional '4P' tools in the international marketing of Susquehanna University—such as direct marketing, advertising, and open houses. As a form of marketing, this is less of a 'push format'; rather it is a co-created effort between the institution, the student, the student's contacts in an international setting, and all related stakeholders. It offers a significant opportunity not only to tie together with the brand identity and brand image of the Institution but also to do so in an experiential manner which has the potential to have a dramatic impact on all touchpoints involved with the organization. While it is always difficult to specifically link an increase in enrollment to the success of any program, such as the GO program at Susquehanna University, the incoming casing of 2015 was the largest in the school's history.

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CHAPTER 7

Developing Economy Universities Competing in a Global Market: Evidence from Thailand

Scott Hipsher and Joe Bulmer

Internationalization of Higher Education

The increased internationalization of higher education (HE) has given rise to an increased focus on the marketing of academic services internationally. HE has historically been one of the most international of all human endeavors, and there is a long tradition of scholars traveling across borders to seek knowledge (Bevis and Lucas 2007; Meek 2013). The total number of students attending university around the world continues to grow while the number of students studying outside of their home country has more than tripled since 1990 (UNESCO 2013).

While in the past, internationalization of HE mostly involved students and scholars traveling to the physical location of the university or institute of HE, in more recent times, the internationalization of HE has been rapidly expanding and evolving with universities now using a variety of techniques to provide education to foreign students, including universities traveling, sometimes physically, other times virtually, to the locations

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of the students (Altbach 2007; Bashir 2007; Knight 2007; Lanzendorf 2008; Levy 2007; Naidoo and Wu 2014). Therefore, the internationalization of HE and the ability of universities from developed economies to attract foreign students and expand internationally have important implications for universities from developing economies.

The literature on the internationalization of HE has been mostly focused on the strategies of universities originating from Western countries, especially countries where English is the native language (Dwivedi 2013; Marginson 2006; Maringe and Mourad 2012; Skinner and Blackey 2010). For example, when looking at the international competitiveness of UK Universities, Binsardi and Ekwulugo (2003) only used the HE systems in the USA, Australia, and Canada, all developed economies with English as the native language, for comparison.

Yet, the internationalization of HE in more recent times has also involved and impacted universities from developing economies (Bashir 2007; Jowi 2012; Mazzarol and Soutar 2012; Svenson 2009). It has been proposed the challenges faced by universities in developing economies, such as severe resource shortages, brain drain, and lack of opportunities for graduates, can be significantly different from the challenges faced by universities from more developed countries when creating and implementing policies designed to attract international students (Maringe and Mourad 2012).

Studies of marketing strategies of universities from developing economies focusing on the domestic market include looking at brand equity in business schools in India (Sharma et al. 2013), student satisfaction in universities in Syria (Al-Fattal and Ayoubi 2013), branding practices in HE institutions in Malaysia (Goi et al. 2014), student perceptions of quality of education in Bangladesh (Akareem and Hossain 2012), students' evaluation of teaching effectiveness in business schools in Egypt (Mahrous and Kortam 2012), and the impact of trust on student loyalty in Brazil (Sampaio et al. 2012). But there have been fewer studies focusing on strategic marketing practices to attract international students in developing economies, although there have been some studies measuring foreign student satisfaction with their education in these markets (e.g. Kruanak and Ruangkanjanases 2014; Ngamkamollert and Ruangkanjanases 2015; Zeeshan et al. 2013).

Therefore, as advocated by Naidoo and Wu (2014: 555), an exploratory study was conducted into the internationalization and marketing strategies of a university from a non-English-speaking country to help gain a broader understanding of the changing competitive environment within the international HE industry.

International Marketing, Competitive Advantages, and Positioning

International Marketing

In the marketing literature, there is a general agreement that international and domestic marketing have both some similarities and differences, although the extent of the similarities and differences depend on many contextual factors. Vrontis et al. (2009) acknowledged the ongoing debate in the international marketing literature about whether it is most effective for specific firms to globally standardize marketing efforts or to adapt practices for the specific conditions found in each different country. The authors found the most significant factors pulling toward localizing marketing efforts internationally are differences in market development and physical conditions as well as legal and political factors; while lowering costs is the primary factor pulling organizations to use more standardized marketing practices across borders. Both factors would appear to apply to the HE sector creating opposing pressures.

Perry (1990) found there were four primary views on international marketing: (1) as an extension of domestic marketing, (2) as servicing a collection of different national markets, (3) a manifestation of generic marketing, and (4) using an undifferentiated global approach. Yet, Perry also reported the academic literature on international marketing has been dominated by the US view which is based on the assumption of having access to a large and affluent domestic market as well as being attractive to various smaller foreign markets. These assumptions and categories may not automatically apply to organizations such as universities originating from other environments such as those found in developing economies.

Competitive Advantages

The centerpiece of a successful marketing strategy is the creation and communication of competitive advantages. Competitive advantages come from unique attributions of an organization which allow the organization to create customer value better, or differently, than competitors. Ma (1999) found there are three generic sources of competitive advantage, ownership of specific assets, access to distribution and supply, and competencies coming from specific knowledge and capabilities. However, Wong and Merrilees (2007) reported on the importance of branding in international marketing and as an additional source of competitive advantage. Moreover, Passemard and Kleiner (2000) pointed out there was no single universal strategy that can be used in creating competitive advantages in all industries and organizations, and an organization's positioning within an industry will have an important impact on its creation of competitive advantages and organizational success.

Brand Positioning

Brand positioning is also considered an important component of a successful marketing strategy and is concerned with how a brand is perceived by customers in relationship to competitors according to a variety of criteria including quality, value, or uniqueness (Sujan and Bettman, 1989). In the HE sector, a university's name, place, reputation, and marketing efforts by the university combine to create a brand which distinguishes one university from another.

Porter (1985) proposed success in business comes from gaining competitive advantage through the effective use of one of three generic positioning strategies, cost leadership, differentiation, or a focused/niche strategy. A cost leadership strategy is used to attract price-sensitive customers, a differentiation strategy is based on creating unique features which customers value and distinguish a product or service from those offered by competitors. While a focused, or niche, strategy is designed to appeal to a narrow segment of the market and to focus efforts on meeting the needs of this very specific and limited target market, it would appear these generic strategies could be used in creating marketing strategies in the HE industry to the same extent as in other industries.

Market Segmentation

The practice of market segmentation has been found to be a very effective strategic marketing tool. The idea of market segmentation is, instead of trying to market to the entire market using a single strategy, to split the market into various subgroups. Once the market has been split into multiple segments, an organization can choose which segments to concentrate on and can develop specific marketing approaches to the segment or segments selected. “The purpose of segmentation is the concentration of marketing energy and force on subdividing to gain a competitive advantage within the segment” (Goyat 2011: 45).

Marketing, Competitive Advantage, Positioning, and Segmentation in Developing Economies

While the principles of marketing, creating competitive advantages, positioning, and segmentation might be similar in both developing and developed economies, the practices will be greatly affected by the different environments. When looking at measures of the competitive environment of nations, developed economies almost always are listed at the top (Ju and Sohn 2014). Some of the disadvantages facing organizations from developing economics include working in environments characterized by lower levels of demand, less sophisticated local customers, lack of access to skilled workers, and the lack of ability to effectively use existing knowledge (Shenkar 2009). On the other hand, organizations originating from developing economies sometimes have some competitive advantages. These advantages include lower labor costs, flexible ownership structures, and experience operating in unstable environments (Cuervo-Cazurra and Genc 2008; Seshanna 2009; Shenkar 2009).

As environmental factors influence competitive advantages on which marketing strategies and practices are built upon, the international marketing strategy of a university from a developing economy is expected to be significantly different from strategies used by universities originating in more developed economies (Maringe and Mourad 2012).

Marketing, Competitive Advantage, Positioning, and Segmentation in Higher Education

Marketing in HE

Due to the increasingly competitive nature of the HE industry, universities are increasingly focusing on gaining competitive advantages, resulting in a trend where the distinction between academic management and business management is becoming blurred; resulting in more emphasis being placed on the marketing activities of universities and their programs (Calvo-Porral et al. 2013; Curtis et al. 2009; Lai et al. 2014). However, the merits and ethics of using a marketing approach have been questioned due to the perceived unique position the HE sector has in society (Nguyen and Rosetti 2013; Ramachandran 2010). De Hann (2015: 55) found while many educational professionals were comfortable with traditional academic competition, there were concerns over issues of maintaining the quality of education when universities turn too far toward a competitive marketing orientation. However, if current trends persist, most universities will most likely continue to put more emphasis on marketing to attract students due to the increasingly competitive nature of HE in the twenty-first century.

Competitive Advantages Within the HE Sector

One of the most obvious competitive advantages universities seek is associated with the intangible perceptions of prestige and reputation (Aghaz et al. 2015; Dholakia and Acciardo 2014). Prestige and reputation are mostly acquired from tradition and university rankings, which are published by a variety of sources. The top of the world rankings of universities is dominated by schools from the most developed economies, while the universities in Thailand and most other developing economies lack the resources, finances, and traditions to compete with the better funded universities and achieve high world rankings (Phusavat et al. 2012).

Positioning in HE

De Haan (2015) reported that while these rankings systems were an important component of the marketing strategies of research universities, they were of little concern to customers seeking to apply to what she called applied universities. Applied universities are more likely to create competitive advantage internationally through geographic location, the living environment of the university, attractiveness of the country the university is located in, and the availability of courses taught in a language the students can use. Therefore, it is likely the international marketing of a research university with a well-established reputation will be considerably different from marketing newer and less established applied universities. The findings of Asaad et al. (2015) suggest in international marketing, universities with higher rankings and stronger international reputations use more direct marketing efforts which leverage their reputations and high rankings while lesser known universities often use more indirect marketing efforts. With newer and less well-known institutes of HE, it appears that carefully planned and well-executed marketing efforts do have a positive impact on how an organization is perceived (Goi et al. 2014: Idris and Whitfield 2014).

Therefore, while universities in Thailand and other emerging economies are unlikely to create competitive advantages through positioning themselves as elite research universities, there are possibilities to position the universities internationally as attractive applied universities through the use of a well-designed and well-executed marketing plan.

Cheung et al. (2010) found in the developing country of India, developed Western countries were the preferred destination for students seeking an overseas education, and the primary drivers to study abroad were (1) failure to obtain a place in a local university, due to intense competition, (2) expecting to be able to obtain a better job with an overseas degree, and (3) lack of satisfaction with the local educational system. In general, many studies indicate students considering studying internationally show a preference for universities in English-speaking nations with developed economies (Hemsley-Brown and Oplatka 2006; Meek 2013; UNESCO 2013). This preference would appear to limit the availability of positioning strategies for universities from developing economies, especially when the native language is not widely spoken internationally.

Branding in Universities

While there has been limited research on the topic of branding in HE, the concept is expected to increasingly become a central feature in most universities' marketing strategies (Calvo-Porral et al. 2013; Casidy 2013; Durkin et al. 2012). Mazzarol and Soutar (2012: 727) reported that a positive brand image was associated with student satisfaction and retention, but most universities have not traditionally thought and planned in terms of branding, at least in the ways advocated in the marketing literature. It is expected branding strategies for many established universities will build upon their existing strategies to gain and retain academic reputations; yet there might be opportunities for newer and less-established universities to develop a different type of brand image which can be used as a competitive advantage. Furey et al. (2014) found more established universities tried to leverage their brand image by appealing to aspirations of the potential students while newer schools mostly emphasized their nurturing and specialized nature in their marketing efforts.

Sharma et al. (2013) found most educational branding worldwide focuses on differentiating one university or program from others, and while top-ranking universities can use their prestigious histories and legacies to create differentiated advantages, other schools often struggle to create a unique value proposition which sets the university apart from the competition, Furey et al. (2014) believed branding, due to the complex nature of HE and the variety of programs in most universities and colleges, was an even more difficult task than in more traditional commercial contexts. One of the challenges arise out of the desire for a consistent single brand image for an entire university, but trying to create this general image that works for the entire university makes it difficult to create differentiated brand images for different programs which appeal to individual students.

There is some evidence an active marketing program can have a positive impact on creating a more positive brand image. For example, Idris and Whitfield (2014) found choices over corporate visual identity, and (re)naming a university had an impact on how the university's brand was perceived, while Goi et al. (2014) reported private universities had more active marketing and branding programs which were correlated with better brand images than were found in public universities in Malaysia.

Market Segmentation in HE

The international HE sector consists of various types of institutions, from elite universities with worldwide reputations to local vocation schools. As different universities have different target markets, the use of market segmentation to identify and concentrate marketing efforts on the most attractive segments for an individual organization would likely be an important feature of most marketing programs within the HE sector. While the concept of market segmentation has not been widely explored in the international educational literature, Bock et al. (2014) suggested:

> The objective of market segmentation in higher education is to improve the competitive position of the college or university by dividing the diverse college/ university market into groups of student-consumers with distinct needs and wants and then identifying which market segment it can serve effectively (12).

The authors also discovered three general segments of HE students, one segment which considers all criteria as important; another which places a priority on the financial aspects of attending a specific university and yet another segment which places a moderate priority for all criteria.

In the minds of potential students, each institution of higher learning falls into a specific category, and many of these categories are hierarchal in nature. Finch et al. (2013), in a study of universities and colleges in Canada, found the category an institution belongs to has an anchoring effect on an institution's positioning strategy and the reputation of the institution. A similar effect is likely to apply to the international marketing of universities. The perception coming from belonging to a classification based on the level of economic development of the country a university is located in is likely to have a strong anchoring effect and would likely limit the positioning options available to universities from developing economies. Universities in developing economies are perceived as being in a different category, generally at a lower level, than are universities from more economically developed countries

National Brand Image

The national brand image of a product has a significant impact on consumer decisions and preferences. The perceived country of origin of a product has been shown to have an influence on the brand preferences and buying patterns of customers for both goods and services (e.g. Grimes 2005; Kalamova and Konrad 2010; Kan et al. 2014). Also consumers and customers, from both developed and developing economies, often express a preference in many product categories for brands associated with economically developed nations (e.g. Ar and Kara 2014; Contractor 2013; Herstein et al. 2014; Li et al. 2014; Murtiasih et al. 2014).

This preference for brands associated with developed economies appears to also apply to the HE sector. Cheung et al. (2010) found an overwhelming preference of Indian students considering overseas HE for studying in the English-speaking countries like Australia, UK, and USA. Worldwide, the most popular destinations for foreign students are Western countries, with the USA and UK attracting the most foreign students, and Asian countries sending the largest proportion of students abroad; however, there appears to be a shift in the trends as a higher percentage of international students in recent years are choosing to go to non-Western locations, including in developing economies, often closer to home (USIS 2014). This preference for Western education and the changing trends would appear to create both challenges and opportunities for universities in developing economies, including in Thailand.

With the exception of a few elite universities, due to the sheer volume of different institutions of HE worldwide, for international students, the brand image of an individual university may be less important than the national brand image of the country of origin of the university. The primary attraction for many international students might be to study abroad or to study in a specific country as opposed to studying at a specific university. Williams et al. (2012) reported on the challenges universities throughout Africa have in gaining international acceptance and recognition due to negative perceptions of a brand name originating from Africa or individual countries within Africa. Despite efforts of individual institutions of higher learning, it is likely the international reputation of the majority of non-elite universities will be closely tied to the country of origin. For example, Australian universities on average have a different reputation and are considered of higher status when compared to the universities from the countries, mostly in Asia, where the majority of the foreign students in Australia originate (Meeks 2013).

In addition to universities, countries, such as the UK, have also actively marketed themselves as centers of HE (Mazzarol and Soutar 2012: 729). De Haan (2015: 56) made the point that a competitive advantage for a university is created by external recognition and competitive advantages are not internally defined. Therefore, most individual universities can probably do little to separate their identity/brand in the minds of individual students from that of the brand image of the country where they are located. This would appear to result in international branding strategies for most universities to be most effective if individual universities work in collaboration with national governments. Supporting this idea, Cheung et al. (2011) reported the national educational policies and promotional activities of the government had a positive impact on the ability of individual Hong Kong universities to attract an increased number of international students.

While both organizational and national brand images impact consumer perceptions of quality and preferences, with universities, these two images are expected to be strongly linked when perceived by potential international students.

Language

While there are a significant number of languages used in international education, it is the worldwide growth of the use of English as both the language of business and academia that would appear to have driven the creation of a global market for HE (Altbach 2007). Brumfit (2004: 166) asserts, "globally, English is already the language of higher education," while Hemsley-Brown and Oplatka (2006) and UNESCO (2013) recognized the dominance of universities from major English-speaking countries in international education.

The domination of English as the global language of education and academia has been acknowledged, commented on, criticized, and analyzed by a variety of authors (e.g. Altbach et al. 2009; Coleman 2006; Crystal 2003; Held et al. 1999; Kumaravadivelu 2012; Lehikoinen 2004). In addition to gaining a degree and technical knowledge, one of the motivations of many students to study abroad is to become fluent in a foreign language, with English being the first choice for most students. Therefore, being located in a country where English is the native language would appear to give many advantages to universities in these countries, while increasing the challenges for universities in locations where English is not as widely spoken.

Internationalization and international marketing options would appear to be quite different for universities coming from countries where English is the native language as opposed to countries where English is not the native language (Bulajeva and Hogan-Brun 2014; Cots et al. 2014). In universities coming from English-speaking countries, internationalization does not normally require operating in foreign languages, nor are these universities required to create new programs taught in a foreign language to specifically target foreign students. However in other locations, the majority of the university programs are taught in the local language, and these programs taught in the local language do not attract international students, except in locations where the local language is also commonly spoken in multiple countries (e.g. Arabic, Spanish, or Russian).

Creating academic programs taught in English has been used as a strategy to internationalize and attract foreign students by universities in many countries where English is not the native language. For example, use of English as a medium of instruction has risen in continental European universities; and most of the programs taught in English in these universities are at the post-graduate level and are expected to attract a large number of foreign students (Wachter 2008).

International Higher Education in Asia and Thailand

Individuals from Asian countries have been very actively involved in the internationalization of HE, as the majority of the world's international students come from Asia (UNESCO 2013). China supplies more outbound students than any other country, but so far it has only attracted a small number of inbound students (Yue 2013). South Korea is another country known for supplying large number of foreign students, although in recent years because of the government working in cooperation with individual South Korean universities, some success has been seen in creating more international educational programs to attract more foreign students and professors (Kwon 2013).

Within Asia, due to the diversity of languages and cultures, as well as political rivalries and histories of hostilities, there has been very limited integration of international education (Hawkins 2012). However, the current trends toward greater political and economic integration found within the region would appear to present opportunities for universities in Thailand and other developing economies in Asia to attract an increasing number of foreign students and explore new internationalization options. Yet, success will likely require strong marketing efforts which are aligned with strategies supported by a university's top management and the nation's government officials.

For example, due to both national and individual universities' policies and marketing efforts, the number of foreign students studying in Malaysian universities tripled from 2002 to 2010 with the total in 2010 nearing 100,000 (Tham 2013). Previously, Malaysia had mostly been considered as a source of outbound students but strong marketing efforts by individual universities and active government policies have created more balance between inbound and outbound students. Malaysian universities have been especially successful in attracting students from the Middle East, Indonesia and China (Sirat et al. 2013) suggesting the universities in the country have positioned themselves as centers of learning in the Islamic world as well as a lower cost alternative to universities in developed economies for Asian students (Zeeshan et al. 2013). While Malaysian universities have had success in attracting foreign students, the research results from Lai et al. (2015) suggest Malaysian universities might want to consider more focus on quality of education, especially teaching quality, to increase student satisfaction.

In contrast to countries which have seen significant economic development in recent decades, universities from countries with relatively lower average incomes, such as the Philippines and Indonesia, have had less success in attracting foreign students (Hendarman 2013; Tayag 2013). There are few examples of universities in the least economically developed nations attracting significant numbers of foreign students, and there are no examples of universities from developing countries attracting large numbers of students from developed countries. It is speculated universities in developing and less-developed economies that lack the national brand image and internal resources to compete with universities from more economically developed nations in attracting students with the financial resources to study abroad.

Thailand would appear to fall somewhere in between the more economically developed nations of Asia and the less economically developed nations in attracting foreign students to its universities. In contrast to worldwide trends, Thailand has actually seen a decline in university enrolment, and the Asian Institute of Technology, while not officially a Thai university but was created to increase the internationalization of HE in Thailand, has in recent years seen a steady decline in the number of students studying in its international programs (Sinlarat 2013).

In comparison to Malaysia, Thailand has put less emphasis on attracting foreign students. In 2010, there were only slightly more than 20,000 foreign students in Thailand. Within the international university programs in the country, using English as the language of instruction, around 85 % of all students were Thai. The majority of international university programs in the country are in business and management fields and the government's focus in these programs has been on developing language and business skills of Thai students to increase the competitiveness of the Thai workforce (Lavankura 2013). The number of foreign students in these programs has been fairly steady over recent years with the overwhelming majority of foreign students coming from within the Asia-Pacific region, with China, Myanmar, and Laos being the top three countries sending students to study in Thailand (Kruanak and Ruangkanjanases 2014; Ngamkamollert and Ruangkanjanases 2015). Buchanan (2013: 12) opined, "While Thai students leave in droves for foreign education, interest is virtually nonexistent for inbound international students."

Case Study of NUIC

Naresuan University

Naresuan University (NU) is one of the leading Thai universities outside of Bangkok. The university is situated in the heart of Thailand in Phitsanulok, a major business center and logistical hub in the lower-northern region of Thailand. The university is named after King Naresuan the Great and is home to 22 faculties, colleges, and a demonstration school. NU plays host to almost 20,000 students who come from nearly all 77 provinces in Thailand and well over 20 foreign countries. NU also employs over 1400 teaching staff members.

Naresuan University International College

As an extension of NU, Naresuan University International College (NUIC) was launched on January 13, 2001, with a vision of enriching and enhancing the effectiveness and reputation of NU as a center of international education. At present, NUIC has four international programs for undergraduates, tourism, human resource management, English for business communication and international business management. These programs not only have over 450 students currently enrolled with Thai students being the majority but also have a group of international students from a variety of countries, although most of international students at NUIC come from Bhutan on scholarships provided by the Thai government.

Up until the present, NUIC has used a very limited marketing strategy in attempts to attract foreign students. The university has primarily relied on government-to-government programs and scholarships. However as acquiring government funding becomes more difficult and competitive (Sinlarat 2013), the college is exploring new options to attract an increasing number of paying foreign students.

The research presented is exploratory in nature and used a case study approach which included using in-depth interviews and a Likert-scale survey of 40 international students, which covered nearly all foreign students at NUIC. The participants include 22 women and 18 men, with 27 students coming from Bhutan, 8 from the People's Republic of China, 2 each from Cambodia and Myanmar, and 1 from Gambia.

Survey Results

We asked students if they chose to study in Thailand because of its educational reputation as well as asking if other students from their home country chose to study in Western countries because of educational reputation.

The results indicate the choice to study in Thailand was not primarily driven by a desire to study in a country with a strong educational reputation.

We also asked students to compare the reputation of educational programs in Thailand as well as reputation of educational programs in Western countries, in comparison with the home country of the respondents.

The results presented in Table 7.1 show students do not consider the reputation of education in Thailand to be higher than the reputation of the home study of the students, but the students do consider the educational reputation of Western countries to be significantly stronger than the educational reputation of both their countries of origin and Thailand.

In addition, we wanted to measure the students' perceptions of enhanced career prospects from studying abroad (Table 7.2).

Aligned with the results about educational reputation, students perceived the career prospects of students studying in the West as being superior to the prospects of students who study in Thailand.

Cost

Another factor we wanted to consider was the impact of cost on the decision to study in Thailand (Fig. 7.1).

Table 7.1 Perception of educational reputation

	Strongly Agree	*Agree*	*Neutral*	*Disagree*	*Strongly Disagree*
I chose to study in Thailand because of its educational reputation	1	8	21	7	3
Some individuals from my home country choose to study in a Western country (e.g. UK) because of its educational reputation.	24	13	3	0	0
The educational reputation of Thailand is stronger than the educational reputation of my home country	2	9	19	9	1
The educational reputation of Western countries (e.g. UK) is stronger than the educational reputation of my home country	23	11	6	0	0

Table 7.2 Perception of career prospects for international students

	Strongly Agree	*Agree*	*Neutral*	*Disagree*	*Strongly Disagree*
Studying in Thailand will enhance my career prospects	3	20	17	0	0
Studying in a Western country (e.g. UK) will enhance the career prospects of individuals from my country who study there	20	16	4	0	0

Fig. 7.1 The cost of studying in Thailand, is it important?

From the perspective of the students, costs were not considered as important as anticipated, although the results might have been influenced by the fact that the majority of the foreign students at the university are attending on scholarships.

Culture and Religion

Another factor examined was the influence of culture and the similarity of religious environments between Thailand and the home countries of the majority of foreign students at the university (Figs. 7.2 and 7.3).

Religious and cultural factors did not appear to be important drivers of the decision to study in Thailand for the majority of respondents.

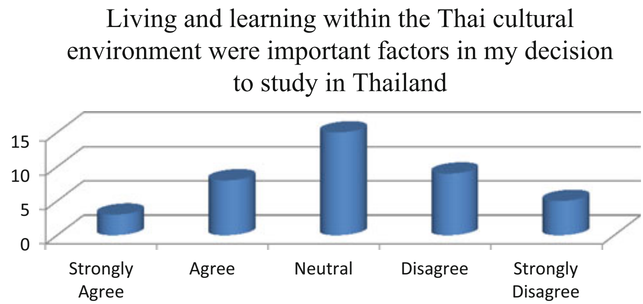

Fig. 7.2 How important is Thai Culture for choosing to study?

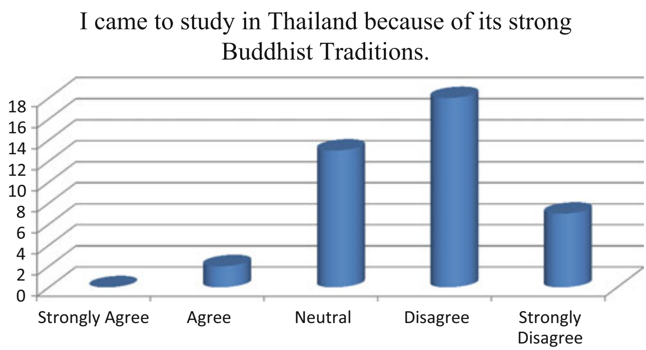

Fig. 7.3 Is the Thai Buddhist Tradition important for attracting foreign students?

International Experience

As can be seen in Fig. 7.4, the opportunity to live abroad and gain international experience was considered important by many of the students.

Satisfaction

Finally, we wanted to examine the level of satisfaction of the students with their choice and experience in studying in Thailand.

These results presented in Table 7.3 suggest the university has some room for improvement in satisfying the needs of foreign students.

Fig. 7.4 Is the opportunity to experience living "abroad" an important factor for potential students?

Table 7.3 Are International students surveyed happy with their choice of studying in Thailand?

	Strongly Agree	*Agree*	*Neutral*	*Disagree*	*Strongly Disagree*
I am happy with my decision to study in Thailand	2	12	18	5	3
I would recommend studying in Thailand to non-Thai students	2	9	15	8	6

Discussion

The results showing students perceived the quality of education in Thailand to be lower than the perception of the quality of education in Western countries are not surprising considering other studies have also shown a preference of Asian students, especially those from developing economies, for studying in Western universities (e.g. Cheung et al. 2010, 2011). It would appear universities from Thailand will have a difficult time competing on the general perception of quality, at least with students who are business majors, with universities from more economically developed countries, and it is likely this challenge will be shared by other universities located in other developing economies.

In a related result, it was seen students did not perceive earning a degree in Thailand as having as positive of an impact on career prospects as does earning a degree in a Western university. However, it needs to be kept in mind, the students surveyed in this study were all majoring in business-related fields. There might be a natural inclination to perceive business education in more economically successful locations to be of higher quality, which would increase career prospects in comparison to business education in less economically developed environments. However, students studying in other fields, for example, Buddhist Studies, might have different perceptions of both the quality and career prospects of education in Thailand.

The attraction of Thai culture and living in a country where the majority of people follow the Theravada Buddhist religion did not appear to be a significant factor in these students selecting to come to Thailand despite the fact that the majority of the students come from countries where Buddhism is also widely practiced. This result is consistent with the findings of Arar and Haj-Yehia (2013) who found cultural, religious, and linguistic similarities were not the most important factors in the decisions of Palestinian students to study in nearby Jordon. On the other hand, our findings are not consistent with the results of Zeeshan et al. (2013) who found religious and cultural factors were important drivers for students from the Middle East and Indonesia to choose to study in Malaysia. Further investigation of the influence of religious and cultural factors on decisions of foreign students in developing economies is encouraged

However, cost was considered moderately important in influencing students to study in Thailand. Costs have also been found to influence the decisions of students to study in other developing economies (Arar and Haj-Yehia 2013; Ngamkamollert and Ruangkanjanases 2015; Zeeshan et al. 2013). While some of the participants in the survey might have preferred to have studied in Western universities, the tuition and living costs, as well as the higher academic standards and language requirements, might have made this option out of reach. Students might have settled for what they could realistically obtain as opposed to what they ideally preferred.

Another factor which the students felt important was the opportunity to live abroad and gain international experience. This result suggests a focus in marketing campaigns on the intangible benefit of the international experience which students gain from living and studying in Thailand or other developing economy might be more effective than trying to compete solely on the perception of the quality of the education.

Finally, the results showed only moderate satisfaction with the educational experience in Thailand for the foreign students which was consistent with other measures of foreign student satisfaction in Thailand (Kruanak and Ruangkanjanases 2014; Ngamkamollert and Ruangkanjanases 2015). During interviews, many of the foreign students felt the international program was primarily designed and operated to meet the needs of the Thai students studying in the program while the needs of foreign students were of secondary importance. These comments were consistent with opinions expressed by others that international programs in Thailand have been mostly focused on increasing language and business skills of local students as opposed trying to attract a large number of foreign students (Buchanan 2013; Lavankura 2013). These results suggest successful marketing of international education to foreign students in Thailand will most likely require a more international focus at both the national and university levels.

Recommendations for Thai Universities

International Marketing

We provide two recommendations under the heading of international marketing. The first is to increase attention and efforts in attracting foreign students. Asaad et al. (2013) made the case that successfully responding to the complex nature of international education requires gathering, analyzing, and acting upon current information. Also there is some support for the concept, marketing efforts using similar principles to those found in business organizations can have a positive impact on brand image and achieving organizational marketing objectives (Goi et al. 2014; Idris and Whitfield 2014). Therefore, it is recommended universities in Thailand actively engage at the operational and tactical levels in international marketing research and other activities to better understand and respond to the needs and motivations of the international students the universities wish to recruit.

A second marketing recommendation would be for Thai universities to help facilitate access to education on a global scale. Thai HE institutions and the Thai government are encouraged to seek educational partners from around the world. Through educational associations with universities from around the world, Thai universities could provide opportunities for more international educational experiences through exchange and collaboration programs, thereby inviting cross-cultural learning and the sharing of knowledge and the inevitable promotion of Thailand as a global educational player. Many universities in Thailand currently have exchange programs and other collaborative partnerships; however, these programs and partnerships are often more symbolic than active. Increasing focus on making these programs and partnerships more effective would be expected to have a positive effect on increasing the international competitiveness of local universities and increasing the enrolment of foreign students.

Competitive Advantages

While compared to English-speaking countries with developed economies, Thailand would not at first glance appear to possess many substantial competitive advantages within the global HE market. Yet, the country's geographical location in the heart of mainland Southeast Asia and its relatively high economic development, in comparison to neighboring countries, and lower costs of living compared to more developed economies, seem to make it an attractive alternative for students from neighboring countries such as China, Laos, Myanmar, and Cambodia who are seeking international educational opportunities. Thai universities might be able to use some of their perceived disadvantages as advantages when appealing to specific segments of the international market.

Primarily due to educational conditions in many of the least and less-developed economies, there are few students from these regions who have the academic backgrounds or language skills at the start of their university studies to successfully study in world-class universities in developed economies. Yet to exclude these students from engaging in international education and having the opportunities associated with an international education due to their financial and educational backgrounds may be neither necessary nor desirable. Arar and Haj-Yehia (2013) pointed out Jordanian universities used lenient acceptance policies, relatively low costs, and offered a better chance to graduate than found in universities in more developed economies, and these strategies have worked to attract international students and provide new opportunities for these students from neighboring areas, especially students from Palestine where politics, poverty, and a weak primary educational system have reduced opportunities. Thai universities might be able to use a similar strategy to take advantage of their geographical location and level of economic development. While the use of lenient acceptance policies might initially seem unsustainable and counter-intuitive, many students from the least developed economies in Southeast Asia have not had the opportunity to develop the academic and

English language skills expected to begin a high-level academic program in a developed economy. The international programs at Thai universities might be able to use some of their competitive "advantages," which come from originating in a developing economy, to provide alternatives for students who may not have the financial resources, nor have the opportunity to study in the types of schools which could provide preparation for the higher levels of HE found in developed economies. Anecdotal evidence and experience suggest students from neighboring and less-developed countries are able to meet the standards found in the international programs in Thailand and more often than not outperform the Thai students in the programs.

Another competitive advantage Thai universities may have is being located in a country which attracts many tourists and visitors due to the warm weather, beaches, friendly people, and fascinating culture and history. Some students are likely to make a choice to attend university in Thailand due to being attracted to living in Thailand as opposed to be attracted to studying in Thailand. In these situations, the country's brand image might be a more powerful message to entice students than the images of the individual universities.

Positioning and Segmentation

Positioning and segmentation are of vital importance in marketing efforts. In international business educational programs, it seems unlikely for most universities in Thailand to compete directly for students in the best prepared and wealthiest segments of the international market against universities from more developed economies. Instead, our main positioning recommendation is for most Thai universities to use more of a low-cost leadership strategy and position their programs as practical and obtainable alternatives for students from developing or less-developed economies seeking international education and experience, but who don't have the financial resources or academic credentials to attend a university in a developed economy. This positioning strategy can benefit both Thai universities in their internationalization strategies and also provide international education and experience for categories of students who have previously been excluded from international education opportunities due to financial constraints and a previous lack of high-quality educational opportunities needed to prepare for studying in a university in a developed economy.

Mazzarol and Soutar (2012: 717) pointed out that alongside having a strong reputation and financial strength, competitive advantages for universities also can come from having, “A broad range of carefully differentiated programs.” Currently, the programs offered by NUIC, and most other international programs in Thailand, are pretty standard and do not stand out from the crowd. Differentiation, or focused differentiation, strategies have already proven successful in non-traditional education/training in Thailand as Thai boxing training centers and cooking schools teaching the preparation of traditional Thai food are extremely popular and attract many foreign students (Singsomboon 2014).Therefore, our second positioning recommendation is leverage the competitive advantage of the positive image of the country to create unique and focused programs, which rely on specific strengths and competitive advantages of the country. For example, instead of a generic degree in management, which is similar to a management degree in every country, maybe it would make sense to take advantage of Thailand’s geographic position in the center of mainland Southeast Asia and offer a degree in ASEAN management. Other possibilities to leverage some of the countries’ competitive advantages might be to offer programs in fields such as international development, Asian studies or Buddhist studies. It is highly unlikely for a university in a developing economy to become the first choice for international students in general subjects; however, Thailand has shown it can be a world leader in very specific areas. Therefore, it might be possible for Thai universities to become leaders in niches in which the country already has competitive advantages.

Branding

A regional university in Thailand, like NU, has very little independent brand image internationally, instead outside the borders of the country it is known primarily as a Thai university. From a review of the literature, it seems likely a similar situation would be found with the vast majority of universities located in developing economies which are attempting to attract international students. During interviews with the international students at NUIC, most students reported they had never heard of NU prior to be offered a scholarship to attend.

Therefore, our branding recommendation is for the government to put more effort into branding the nation as an attractive location for HE, while individual universities focus on creating specific programs which will be attractive to students who are already considering studying in Thailand.

Language

Despite making English a compulsory subject in primary school and possessing a strong tourism industry, the level of English language proficiency, and overall level of education, in Thailand is below the levels found in many neighboring countries (UNDP 2014). As the Thai language is not widely spoken internationally, and the slow economic growth in the country is limiting the demand for foreign speakers of Thai, it is likely Thai universities will have to continue to rely on programs taught in English to further internationalize their programs. But the shortage of students and faculty who are fluent English speakers presents some challenges. It is suggested the government increases its focus on teaching English in primary schools, and individual universities also focus on providing opportunities for faculty and students to improve their language skills.

Conclusion

While these recommendations are specifically targeted toward Thai universities, some of the principles might also be useful for universities from other developing economies. Due to language, level of economic development, national image and other factors, marketing of international HE in Thailand, or other developing economy, is expected to be significantly different from the strategies and tactics employed in universities coming from more economically developed countries where the native language is the international lingua franca, English. While there are challenges, through careful positioning and use of focused strategies which leverage existing national or regional strengths, while not trying to compete directly with universities from developed economies, Thai universities as well as other universities from other developing economies may be able to find niches in which to survive and even thrive in the increasingly hyper-competitive world of international education.

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CHAPTER 8

Student Expectations and Experiences in Higher Education: A Comparison of State and Private Universities in Germany

Stephen Platz and Dirk Holtbrügge

Introduction

This study explores which factors influence the decision of students for a higher education institution and which factors are relevant for their evaluation after enrollment at state and private universities in Germany. Changes in the higher education sector lead state and private universities in Germany to think more about how they can compete in the market, attract students, find their market niche, and how they can differentiate themselves from similar institutions. Particularly difficult is the recruitment of students at private universities. Based on an empirical study among 153 students at one state and one private university in Hamburg, we show similarities and differences both between the selection and evaluation phases and between the two types of higher education institutions. Generally, the perceived employability after graduation is regarded as the most important criterion at both

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types of institutions and in both phases. We derive implications for the marketing of higher education institutions in Germany and for future studies.

Problem and Objectives

The German higher education system is in a period of change. The Bologna process, the continuous rise of student numbers, the standardization of quality levels and the increasing number of private universities are among the most obvious developments (Münch 2013). Currently, only 6 % of approximately 2.4 million students in Germany study at private universities. However, in the field of economics and business administration, non-public institutions have already a market share of 20 % which is expected to increase further in the next years (Marquardt and Wiesmeth 2013). This is astonishing, given the fact that students at private business schools have to pay high tuition fees while studying at state universities is free of charge.

Private higher education institutions try to compensate this competitive disadvantage by attracting students through strong customer focus, small classes, modern learning environment, and dense alumni networks. Special attention is given to practice orientation and the employability of graduates. For these reasons, private business schools emphasize strong links to the corporate sector and help students find internships (Frank et al. 2010). Some private universities offer dual degree programs which combine lectures with practical elements. Dual degree students are paid a monthly traineeship salary between 600 and 1000 € and are regarded as employees of the company, thus receiving health and unemployment securance (DHBW 2014). Small classes and strong practice orientation also help than to reduce drop-off rates which may reach up to 30 % at state universities (Lower Saxon Ministry of Science and Culture 2014). At the same time, private universities have often lower entrance barriers and accept, for example, students with lower formal qualifications, since many struggle with financial problems or even went bankrupt shortly after their establishment. Moreover, professors find private universities often less attractive as they generally offer lower salaries and job security which leads to high fluctuation rates.

It is often expected that the increasing competition in the higher education sector forces both state and private universities to shift their focus from a product-orientated to a more customer- and service-orientated approach (Meffert and Müller-Böling 2007). In particular, they have to reflect about how they can compete in the market and implement marketing strategies that reflect their customers' needs and demands (Naidoo and Wu 2011). Moreover, branding strategies that help universities to differentiate themselves from their competitors are becoming more and more important (Chapleo 2011).

In order to develop marketing activities that are directed to meet the expectations of different target groups it is vital for any private and state university to explore which determinants influence the decision-making process of applicants and to learn about the experience that students make after they have registered at these institutions. Reliable information about students' preferences and behavior is also a major prerequisite of effective market segmentation (Grönroos and Ojasalo 2007).

Despite the growing relevance of this topic, however, there are only few empirical studies which analyze the selection criteria and the decision of students for a private or state university.

For example Bock (1991), identified two types of students. The first type demands intensive mentoring, small classes, and structured programs, while the second type puts more emphasis on a high degree of freedom and personal choice. Tutt (1997) reveals that the subject choice is the most important criterion, followed by the student capacity and the facilities of the institution.

Further selection criteria are the perceived student life and activities of student unions as well as the academic ranking of the institution. It reveals that the educational standard of the institution is the most important criterion, followed by the ease of university admission, employability after graduation and the costs of living for students which implicate tuition fees, accommodation, and safety. Finally, Hachmeister et al. (2007) analyzed the responses of 3600 pupils about their university decision process in their final school year. They found that the most important variables for choosing an institution are good facilities and infrastructure, followed by services for study beginners and current students, and thirdly the cost of tuition. Other important variables are university support (career service etc.), the reputation of the institution, the spectrum of courses, student unions, and leisure time facilities.

While these studies reveal interesting results, they are also characterized by several shortcomings. Most studies were not carried out in Germany and do not consider the student choice for a state or private higher education institutions. Instead, previous studies have mostly been conducted in the UK and the USA, and it is unclear whether their results are transferable to Germany, given the fact that both countries have a higher education system that is significantly different to that of Germany. Furthermore, the expectations and experiences of students at state and private higher education institutions have not yet been analyzed in depth. Thus, studies which compare the selection process for different types of higher education institutions in Germany do not exist (Hachmeister et al. 2007; Obermeit 2012).

The Higher Education Sector in Germany

The German university education system is currently undergoing significant changes which lead to a weakening of traditional state universities (Meffert and Müller-Böling 2007; Stifterverband 2010). These changes have been initiated by the Bologna process which implicates a common development of the European university education system in 1999 (Voss 2004; Obermeit 2012). The reorganization of the degree system should give students more flexibility and better perspectives to study in Europe. Another aim is to improve comparability and standardization of academic degrees in the European Union. In accordance with the Bologna declaration, Germany has introduced a new degree structure. The former Diploma system was replaced by a system that finishes with a three-year Bachelor's degree and a two-year Master's degree (Voss 2004; Stifterverband 2010). This new structure is a key component of a general higher education reform which has increased institutional autonomy, strengthened private higher education institutions' strategic capacity, and introduced performance-based funding (Gate Germany 2010). These changes are aimed to stimulate the international competiveness of German universities and to attract more students from both Germany and abroad (Frølich and Stensaker 2010). Moreover, the customer orientation of higher education institutions and the employability of graduates should be increased. As a consequence, it may be expected that higher education institutions will shift their focus from a product-orientated to a more customer- and service-orientated approach. For important career decisions like choosing the best-suited higher educational institution, the current service quality and customer orientation of the institutions play a significant role (Hachmeister et al. 2007; Sultan and Wong 2013). Universities that ignore the benefits of enhanced service quality and do not manage the service quality and service marketing effectively will have a competitive disadvantage and serious difficulties to recruit qualified students (Angell et al. 2008; Sultan and Wong 2013). Thus, it is vital for any private and state university to explore which determinants influence the decision-making process of students about their higher education institution, to identify the existing demand in the particular target market, and to develop marketing activities that are directed to meet the expectations of different target groups (Obermeit 2012).

Currently, 272 state universities and 110 private universities with different size, study focus, and financial background exist (Table 8.1). While many state universities have been founded in the seventeenth, eighteenth, and nineteenth centuries, most private universities have been founded in the last 20 years. On average, state universities have nearly 9000 students while at private universities, this number is only 1435. Also, the percentage of international students at state universities is significantly higher. One reason for this may be that state universities are financed by the government, while the majority of private universities rely on tuition fees. Only few of them, such as KLU Hamburg, the WHU Wiesbaden, or Jacobs University Bremen, have healthy donators and high endowment capital.

In the last years, the number of students at state and private universities in Germany has increased significantly (Table 8.2). Currently, more than 2.4 million students are enrolled at state universities and 157,899 at private universities (Table 8.2). While the number of students at state universities has increased by 33 % since 1995, it has nearly multiplied by ten at private universities. In 2013, 463,046 individuals matriculated at state universities, compared to 39,305 at private institutions. While in 1995, less than 1 % of all students in Germany were enrolled at a private university, this number has increased to more than 6 % in 2013.

Private higher education institutions try to attract students through unique customer focus, networks, attractive education conditions, and practice-oriented learning environment. They have recognized the desire

Table 8.1 Characteristics of state and private universities in Germany in 2014

Key characteristics	*State universities*	*Private universities*
Number of institutions	272	110
Average size (number of students)	8933	1435
Average age of the institution (in years)	93	19
Right to award doctorates	124	17
Percentage of international students	11.5	0.3–2.1

Source: Stifterverband (2010) and Statistisches Bundesamt (2015)

Table 8.2 Development of student numbers at state and private universities in Germany

	1995	*2000*	*2005*	*2009*	*2010*	*2011*	*2012*	*2013*
State universities	1,816,115	1,751,775	1,906,442	1,999,909	2,083,257	2,228,984	2,333,765	2,429,709
Private universities	15,948	24,574	54,000	97,284	108,728	125,083	137,814	157,899

Source: Destatis (2013)

of future students about getting a secure workplace and high future income. In order to achieve this, they try to establish links to companies, develop dual study programs and provide students with internships (Frank et al. 2010). Moreover, private institutions try to attract students purportedly with better student liaison and more interactive teaching due to small classes and intensive mentoring by lecturers and professors.

On the contrary, most state universities have been rather unprogressive in terms of marketing themselves to prospective students (Reckenfelderbäumer and Kim 2006). The main reason of this lack of marketing activities is their heritage as quasi-monopolist institutions. State universities in Germany are historically supported by the state government and had never to make any concerns about the recruitment of students (Osel 2012). With the exception of a very short period in the mid-2000s, students have never paid tuition fees. Professors are employed as civil servants under lifelong employment contracts. However, German federal state governments are depending their financial support increasingly on the universities' research and teaching performance. Moreover, the number of students is expected to decrease as a result of Germany's aging population. As a consequence, state universities have to consider future students more and more as customers with individual requirements about the university, the quality of teaching, and the work–life balance in their years as a student (Reckenfelderbäumer and Kim 2006). Therefore, many state universities significantly increase their efforts in recruiting students by shifting their focus from a product-orientated to a more customer- and service-orientated approach.

Building personal, long-term bonds with students helps to strengthen the reputation of the institution as well as the recruitment of students (Meffert and Müller-Böling 2007). Directional communication encourages former and current students to communicate about their institution (Soutar and Turner 2002; Ulrich and Voss 2010). Sending newsletters to alumni on a regular basis, invitations to formal functions, participating in sporting events, and serving on committees are some of the measures that should sharpen the institution as a brand, integrate students and alumni, and make them feel part of an extended family. The ultimate goal is to increase the likelihood that they will make future contributions to the university as they start to see the institutional community as an extension of their own lives (Meffert and Müller-Böling 2007; Ulrich and Voss 2010).

According to existing research, future students choose their higher education institution mostly by recommendations of their friends, parents, or siblings. For example, Elliot and Healy (2001) reveal that the recommendation process of students to friends and relatives heavily depends on the service quality of the university employees and the friendly interaction between students and university staff (Ulrich and Voss 2010). Higher education institutions recognized that a positive recommendation of their institution to friends and relatives particularly depends on the interactions with the university staff. Furthermore, they have understood that satisfied students and graduates are more effective as university ambassadors than attracting new students through expensive marketing programs (Elliot and Healy 2001; Ulrich and Voss 2010). In a comprehensive report of the enrollment of German students, 88 % of future students point out that they speak with friends and relatives about possible study programs and the choice of institution. Conversations with their friends, parents, and relatives who know the institution or the study program is the preferred approach to gather information (Heine et al. 2005). However, while the interviewed pupils in this report mentioned that the advice of friends and relatives is important, only 12 % said that the latter influenced their decision about the choice of study or institution. Thus, there are obviously other factors that are more important for future students when choosing a higher education institution.

Methodology

Based on these considerations this study seeks to explore which factors influence the decision of students for a higher education institution and which factors are relevant for their evaluation after enrollment. Moreover, we aim to analyze whether differences between students at state and private universities exist.

To answer these research questions, a random sample of 153 students at the state University of Hamburg and a private university in Hamburg was selected. While both universities are representative examples of state and private institutions of higher education in Germany, they are at the same time significantly different in term of age, size, study focus, and administrative heritage.

The University of Hamburg is by far the largest and most popular state university in Hamburg and one of the largest universities in Germany. It was founded in 1919 and currently has 41,760 students at eight faculties. The questionnaires were distributed in printed form to second year bachelor students at the School of Business in May 2014. After explaining the purpose of the study and the structure of the questionnaire, the students were given 20 minutes to answer all questions. Afterwards, the questionnaires were collected. Removing the questionnaires that have not been filled out correctly, the final sub-sample consists of 87 completed questionnaires.

For the private university, a business school in Hamburg was selected. It belongs to a large group of private universities worldwide and was chosen because it offers dual study programs (study and internship) which are an important element of private higher education in Germany. The business school was established in the year 2000 and is thus much younger than the University of Hamburg. Moreover, with 1271 students enrolled at three locations (Hamburg, Berlin, and Iserlohn), it is much smaller. Again, the questionnaires were distributed in an undergraduate lecture where the participants were given time to answer the questions. This resulted in 65 filled questionnaires. All participants studied at the private university for at least one year.

Based on an extensive literature review and three expert interviews with professors and staff members of private and state universities, a questionnaire was designed that consists of two parts. In the first part, the students were asked about their initial decision for their current higher education institution. They had to evaluate 11 criteria that were identified as potentially relevant on a 5-point Likert scale ranging from 1 = "not important at all" to 5 = "very important." Afterwards, they had to evaluate their institution from today's perspective on the same scale. Thus, the questionnaire differs between factors that are relevant to choose an institution (selection phase) and those that influence the actual satisfaction with that institution (evaluation phase). The second part of the questionnaire considers personal demographics such as age, sex, work experience, and nationality. All data were manually gathered and analyzed with the software package statistica (http://www.statsoft.com).

A descriptive analysis shows that both sub-samples are comparable with regard to age, sex, and work experience. However, the percentage of non-German students is significantly higher at the state university, reflecting the strong internationalization efforts of the German government.

Results

In the following, the results of a cross-sectional comparison of the selection and evaluation criteria of the students at the state and the private university are presented. This is followed by a longitudinal comparison between the selection phase and the evaluation phase for both types of higher education institutions.

Cross-Sectional Analysis

The cross-sectional comparison of students at the state University of Hamburg and at the private university reveals that the perceived employability after graduation is the most important selection criterion for both institutions (Table 8.3). The mean of this factor is 3.53 for the state and 4.14 for the private university. A t-test reveals that this difference is significant on a $p < 0.001$-level, for example, students at the private university regard employability as significantly more important than students at the state university. The second most important criterion is the academic reputation (mean for the state university = 3.36 and for the private university = 3.98), with students at private universities again putting significantly more emphasis on the criterion than those at the state university ($p < 0.001$). Students at the state university rank facilities third (mean = 3.35) while those at the private university regard links to companies as more relevant (mean = 3.86). For both types of institutions, recommendations by friends and the fluctuation of professors are ranked the lowest, however, in a different order.

It is interesting that students at the private universities assessed most criteria as more important than their counterparts at the state university. The only exception is recommendations by friends which are more important for state than for private university students.

Table 8.4 presents the cross-sectional comparison of students' evaluation criteria, for example, the criteria which are relevant for assessing the institution after enrollment. Again, the perceived employability after graduation is ranked first by students at both institutions (mean for the state university = 3.83 and for the private university = 4.19). The difference between the two groups is significant on a $p < 0.001$-level. For students at state universities, the academic reputation is ranked second (mean = 3.50). Students at private universities perceive links to companies as more important (mean = 4.05), followed by academic reputation (mean = 4.00). The lowest relevance is ascribed again to the fluctuation of staff (mean for the state university = 2.97 and for the private university = 3.07) and recommendations by friends (mean for the state university = 2.97 and for the private university = 2.61). Again, the latter is the only factor which is significantly more relevant for students at state universities than for those at private institutions.

Table 8.3 Cross-sectional analysis of students at the state University of Hamburg and the private university (selection phase)

Selection phase								
State university				*Private university*				*Δ t-test*
Rank	*Criteria*	*Mean*	*Standard deviation*	*Rank*	*Criteria*	*Mean*	*Standard deviation*	
1	Employability	3.53	1.185	1	Employability	4.14	1.060	0.61***
2	Academic reputation	3.36	0.993	2	Academic reputation	3.98	0.984	0.62***
3	University facilities	3.35	1.031	4	University facilities	3.81	0.948	0.46***
4	Links to companies	3.29	1.244	3	Links to companies	3.86	1.087	0.57***
4	Image of the university	3.29	0.999	5	Image of the university	3.69	0.865	0.40***
6	Appearance at university fairs	3.20	0.923	5	Appearance at university Fairs	3.69	0.900	0.49***
7	Research reputation	3.11	0.964	9	Research reputation	3.31	0.871	0.20**
8	Ranking of the university	2.90	1.044	8	Ranking of the university	3.43	1.089	0.53***
9	Reputation of professors	2.89	1.006	7	Reputation of professors	3.51	0.970	0.62***
10	Recommendations by friends	2.85	1.205	11	Recommendations by friends	2.73	1.107	–0.12*
11	Fluctuation of staff	2.72	1.047	10	Fluctuation of staff	3.03	0.968	0.31***

$^{*}p < 0.1$; $^{**}p < 0.01$; $^{***}p < 0.001$

Table 8.4 Cross-sectional analysis of students at the state University of Hamburg and the private university (evaluation phase)

Evaluation phase								
State university				*Private university*				*Δ t-test*
Rank	*Criteria*	*Mean*	*Standard deviation*	*Rank*	*Criteria*	*Mean*	*Standard deviation*	
1	Employability	3.83	0.998	1	Employability	4.19	0.920	0.36***
2	Academic reputation	3.52	0.937	3	Academic reputation	4.00	0.992	0.48***
3	University facilities	3.50	0.904	5	University facilities	3.79	0.943	0.29**
4	Appearance at university fairs	3.50	0.853	7	Appearance at university fairs	3.62	0.864	.012*
4	Reputation of professors	3.38	0.968	4	Reputation of professors	3.89	1.010	0.51***
6	Image of the university	3.35	0.980	6	Image of the university	3.77	0.904	0.42***
7	Links to companies	3.34	1.209	2	Links to companies	4.05	0.999	0.71***
8	Ranking of the university	3.27	1.016	9	Ranking of the university	3.54	1.112	0.27**
9	Research reputation	3.15	0.903	8	Research reputation	3.56	0.889	0.41***
10	Fluctuation of staff	2.97	0.957	10	Fluctuation of staff	3.07	0.929	0.30***
11	Recommendations by friends	2.97	1.189	11	Recommendations by friends	2.61	1.063	–0.36***

*$p < 0.1$; **$p < 0.01$; ***$p < 0.001$

Longitudinal Analysis

After analyzing the similarities and differences between state and private universities, a longitudinal comparison was conducted (Table 8.5). For the comparison of the selection and evaluation phase, students at the state university regard all criteria as more important from today's perspective than in the decision phase. By far the highest increase can be observed for the importance of the professors' reputation ($\Delta = 0.49$, $p < 0.001$). This is followed by ranking of the university ($\Delta = 0.37$, $p < 0.001$), the perceived employability, and the impression of the university at university fairs (for both criteria $\Delta = 0.30$, $p < 0.001$).

In a final step, the focus is shifted from the state university to the private university and differences between the selection and evaluation phase are analyzed (Table 8.6). Overall, the longitudinal comparison reveals interesting differences between state and private universities. While at the former, the relevance of all criteria increased from the selection to the evaluation phase, the analysis for the private university shows mixed results. Significant increases are observed for the reputation of professors ($\Delta = 0.38$, $p < 0.001$) and the research reputation of the institution ($\Delta = 0.25$, $p < 0.01$). On the contrary, the relevance of recommendations by friends ($\Delta = -0.12$, $p < 0.1$), appearance at university fairs ($\Delta = -0.07$), and university facilities ($\Delta = -0.02$) decreased from selection to the evaluation phase, albeit the latter two on a non-significant level.

Another interesting result can be observed for the three highest ranked criteria of employability, links to companies, and academic reputation. The relevance of all criteria increased between the selection and the evaluation phase ($0.02 < \Delta < 0.19$), however, only the increase for links to companies is significant on a $p < 0.1$-level. On the contrary, the relevance of the lowest ranked criteria fluctuation of staff and recommendations by friends remain low or even decrease further ($-0.07 < \Delta < 0.04$).

Discussion

The aim of this study was to explore the criteria that are relevant for students making their initial decision for a higher education institution and for their evaluation of this institution from their current perspective. Based on a survey conducted among 87 students at a state university and 65 students at a private university in Hamburg, we showed similarities and differences both between the selection and evaluation phases and between the two types of higher education institutions.

Table 8.5 Longitudinal comparison of selection and evaluation phase (state University of Hamburg)

State university						
Selection phase			*Evaluation phase*			*Δ t-test*
Rank	*Criteria*	*Mean*	*Rank*	*Criteria*	*Mean*	
1	Employability	3.53	1	Employability	3.83	0.30***
2	Academic reputation	3.36	2	Academic reputation	3.52	0.16**
3	University facilities	3.35	3	University facilities	3.50	0.15**
4	Links to companies	3.29	7	Links to companies	3.34	0.05
4	Image of the university	3.29	3	Image of the university	3.35	0.06
6	Appearance at university fairs	3.20	3	Appearance at university fairs	3.50	0.30***
7	Research reputation	3.11	9	Research reputation	3.15	0.04
8	Ranking of the university	2.90	8	Ranking of the university	3.27	0.37***
9	Reputation of professors	2.89	5	Reputation of professors	3.38	0.49***
10	Recommendations by friends	2.85	10	Recommendations by friends	2.97	0.12*
11	Fluctuation of staff	2.72	10	Fluctuation of staff	2.97	0.25**

*$p < 0.1$; **$p < 0.01$; ***$p < 0.001$

Table 8.6 Longitudinal comparison of selection and evaluation phase (private university)

Private university						
Selection phase			*Evaluation phase*			*Δ t-test*
Rank	*Criteria*	*Mean*	*Rank*	*Criteria*	*Mean*	
1	Employability	4.14	1	Employability	4.19	0.05
2	Academic reputation	3.98	3	Academic reputation	4.00	0.02
3	Links to companies	3.86	2	Links to companies	4.05	0.19*
4	University facilities	3.81	5	University facilities	3.79	−0.02
5	Image of the university	3.69	6	Image of the university	3.77	0.08
5	Appearance at university fairs	3.69	7	Appearance at university fairs	3.62	−0.07
7	Reputation of professors	3.51	4	Reputation of professors	3.89	0.38***
8	Ranking of the university	3.43	9	Ranking of the university	3.54	0.11
9	Research reputation	3.31	8	Research reputation	3.56	0.25**
10	Fluctuation of staff	3.03	10	Fluctuation of staff	3.07	0.04
11	Recommendations by friends	2.73	11	Recommendations by friends	2.61	−0.12*

*$p < 0.1$; **$p < 0.01$; ***$p < 0.001$

Generally, the perceived employability after graduation is regarded as the most important criterion at both types of institutions and in both phases. While this may have been expected for students at private universities who pay high tuition fees and expect a respective return on investment, students at state universities are often argued to be more intrinsically motivated. Particularly old and highly reputed state universities stress the freedom of teaching and emphasize that the contents of teaching should not be evaluated by its applicability in practice. The latter is regarded as the domain of universities of applied science and private universities. Our results contradict this view and show that also students at state universities perceive their study not as a goal in itself but a means to find a god job after graduation.

Another remarkable result is the relatively low relevance of research reputation and university rankings. While institutional rankings, such as the CHE University Ranking (http://www.che.de/cms/?getObject=302&getLang=en), and individual rankings, such as the Handelsblatt Ranking (http://www.handelsblatt.com/politik/konjunktur/bwl-ranking/), receive large public attention, they are obviously less relevant for students' decisions. This is remarkable since these rankings are based on quantitative and observable criteria, such as research output, amount of third-party funding and professors/students ratios, and large sample sizes. Instead, students seem to base their selection and evaluation of higher education institutions on more subjective criteria which are hardly observable and measurable, like the overall university image or the appearance at university fairs.

Surprising is the relative high importance that students ascribe to university facilities. Obviously, they value not only study-related, but also non-academic aspects and want to study in an attractive environment. Another explanation of this result is that students regard appealing facilities as an indicator of strong links to companies that often sponsor modern equipment in compensation of declining governmental support.

In contrast to previous studies (e.g. Heine et al. 2005), we could find no support for the relevance of recommendations by friends. For students at both types of institutions, it is either the least or second-least important criterion. Interestingly, it is the only criterion that is regarded as less relevant by students at private universities than by those at state institutions. One explanation for this finding may be the low number of students at private universities and the short duration of their existence in Germany, that is, not many students have made experiences here and may talk about these to others. Moreover, private universities have generally a worse image in Germany and individuals may therefore not recommend them to their friends.

Also, the longitudinal analysis of the selection and evaluation criteria reveals interesting results. While for students at the state university, the ranking of criteria remains stable and the relevance of all criteria increases between the two points in time, the results for students at the private university are less coherent. Both the relative importance of some criteria and the direction of changes (increasing versus decreasing) vary.

Finally, the analysis of variance shows that some criteria, such as research reputation or university image, are evaluated similarly within the two subgroups, for example, the standard deviation is low. On the contrary, this is much higher, for example, for recommendations by friends and the appearance of the institution at university fairs. Thus, the evaluation of these criteria is less homogeneous within the two subgroups of state and private university students.

Contributions, Limitations, and Implications for Future Studies

This study contributes to the existing literature on the marketing of higher education institutions by exploring criteria which are relevant for students' decisions for higher education institutions. More particularly, we demonstrate the relevance of different selection and evaluation criteria of students at state and private universities in Germany. While existing research is at least implicitly focused on state universities, we show that significant differences between various types of higher education institutions exist. Moreover, it becomes obvious that the criteria of evaluation before and after entering a university differ.

Our results have important implications for the marketing of higher education institutions in Germany. Generally, students' selection and evaluation criteria differ between students at state and private universities. For example, links to companies are more important and recommendations by friends less important for the latter compared to students at state universities. Managers of these institutions should therefore be aware of their individual perception and target their marketing strategy accordingly.

As employability after graduation revealed to be the most important selection and evaluation criterion, universities should include this in their curricula and communication policy. Options are dual study programs which combine university courses with practical experience in companies. Moreover, successful alumni may be invited to give guest lectures and provide career consulting. Since this study demonstrates that the selection and evaluation of a higher education institution is based strongly on subjective perceptions rather than on more objective and measurable criteria, it is also important to include the aspect of employability in brochures, homepage, and other elements of the communication policy. While this suggestion may be embraced by private universities, state universities may find this to collide with their self-image of providing education in a broad and holistic sense rather than professional training that is oriented toward the demands of private companies.

Another implication can be derived from the longitudinal analysis of selection and evaluation criteria. While the marketing activities of state universities may focus on the same criteria for recruitment and selection of students, private universities should consider that the relative importance of some criteria varies between the two phases. In particular, non-academic criteria, such as university facilities, the appearance at university fairs, and recommendations by friends, are less important for matriculated than for prospective students. Thus, marketing activities directed to matriculated students should focus more on academic criteria, such as the institution's research reputation and the reputation of professors that are less relevant in the selection phase.

Some limitations have to be considered when interpreting our results. First, the study is based on the perceptions of students at one point in time. While it allows to get reliable responses about the evaluation of higher education institutions from the current perspective, the criteria that have been relevant for their selection, that is, prior to matriculation, may be over- or underestimated. To avoid this respondent bias, future studies should collect data at two points in time, that is, before and after matriculation.

Another limitation is the regional scope of our study. The universities in our sample are both located in Hamburg and it is unclear whether similar results would be obtained in other regions as well. As the second largest city in Germany that hosts a large number of state and private universities, Hamburg is an ideal location for a comparative study of this kind. However, it has some unique characteristics which make it difficult to generalize our results. For example, Hamburg hosts a large number of wealthy people who can afford paying tuitions fees at private universities. This is not the case, for example, in many cities in East Germany. Moreover, Hamburg is regarded as one of the most attractive cities in Germany which may have affected the evaluation of higher education institutions as well. Therefore, future studies should collect data in various cities and regions and test whether the location of an institution influences the selection and evaluation process.

At the same time, cross-country studies are useful to compare the evaluation of higher education institutions in different countries.

This study is limited to the comparison of students of business administration at two types of higher education institutions. It would be interesting to include also demographic and psychographic characteristics of students and test whether they affect the selection and evaluation of universities. For example, it may be expected that this is influenced by their marks at school and their family background, that is, whether their parents and siblings have studied as well. The inclusion of these variables would allow more fine-grained market segmentation and a more comprehensive target group analysis.

Finally, the respondents in this study were asked to assess their university in general. For university managers, it would be particularly useful to learn more about students' evaluations of specific aspects such as their study programs, recruitment processes, or marketing activities. For example, future studies may explore how prospective students react on universities' communication activities by evaluating their mission statements, homepages, brochures, and face-to-face interactions. This would allow for a more customer-oriented marketing strategy and a more substantiated positioning of their institution in the higher education sector.

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CHAPTER 9

Going Global: Factors Influencing Norwegian Students' Intention to Study Abroad

Richard Glavee-Geo and Åse Mørkeset

Introduction

In the context of an increasingly global society, study abroad has taken on an especially important role for colleges and universities. The education, government, and business communities are united in the call for college graduates to be competent to function in a global economy (Twombly et al. 2012). Secondly, international skills and experience are in great demand by employers in today's very competitive global market. One of the important means by which students can acquire these international skills and experience is by availing themselves of opportunities presented by higher education institutions in foreign countries. Internationalization of higher education through study abroad is therefore one of the means by which students can acquire international skills and experience. Study abroad students accrue important knowledge and intercultural competency (Salisbury et al. 2009). For example, a survey conducted by Kedia and Daniel (2003) reported that 80 % of the CEOs and Human Resource

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Directors of Fortune 500 US companies stated that they would see a significant growth in their business if both line and staff managers had more international experience. While some of this experience can be acquired on the job, higher education can do much to prepare students by enhancing international coursework through offering study abroad programs to students and encouraging international students/faculty to study in foreign countries (Payan et al. 2012).

Some of the positive outcomes that accrue to students who have studied abroad include increased intercultural proficiency, increased openness to cultural diversity, and more global-mindedness compared to students remaining in a traditional campus setting. Students in higher education institutions in their country of origin do not experience the complexity, diversity, and cultural differences of living in another country as those that studied abroad (Clarke et al. 2009; Wright and Clarke 2010). To quote a study abroad participant: '*the beauty of studying abroad is gaining a broader understanding of other cultures. Having access to other people and building relationships with those people on their home turf enables one to think more creatively and [acquire] necessary skills in today's competitive work environment. If a student can bring that understanding and knowledge back to [the home country] the sky is the limit*' (IIE 2014a). More and more students from higher education institutions are undertaking study abroad programs in foreign countries. For example, in 1996/97, the total number of US students studying abroad was 99,448 (Kasravi 2009). This number has increased by almost 285 % to 283,332 students abroad in 2011/12 (IIE 2014b). The enrollment of students from China in higher education institutions in the USA increased by 21 % from the previous year (2011/12) to almost 235,000 students in 2012/13 (IIE 2014b), while approximately 15,700 Norwegian students were studying at tertiary institutions in autumn 2013 with the UK, Denmark, USA, and Poland as the most popular study abroad destinations (Statistics Norway 2014).

However, despite the increasing numbers of students going abroad, there is still the need to encourage more students to study abroad. Commenting on the fact that 90 % of American undergraduates still do not study abroad, Dr. Goodman said, '*we need to increase substantially the number of U.S. students who go abroad so that they too can gain the international experience which is vital to career success and deepening mutual understanding*' (IIE 2014b). In Norway, the 15,700 Norwegian students who studied abroad in the autumn of 2013 represented 5.8 % of the total number of students in tertiary education in Norway in 2013.

So what are some of the factors that impact on a student's decision to study abroad? This is one area of empirical research which is notably sparse (Salisbury et al. 2009). While there is a lot of folk wisdom as to what motivates students to go abroad, there is very little hard data. Student decision-making is a rich area for research. The literature has placed more emphasis on benefits of studying abroad rather than determinants of how students choose to study abroad (Payan et al. 2012, p.71).

The international marketing of higher education is often discussed in the context of student mobility for full degrees. By contrast, short-term study abroad type mobility is often an area not well addressed by the education marketing literature. This lack of research in this area constitutes a major gap in the context of an increasingly global society. This study attempts to integrate the theory of reasoned action (TRA) and attitude toward object model (ATO) to provide further insight into the attitude and intention of Norwegian college students toward short-term study abroad destinations. A plethora of conceptual and empirical studies has been conducted under the aegis of the internationalization of higher education and study abroad programs. This study departs from earlier investigations by integrating the TRA and ATO to predict Norwegian college students' attitude toward study abroad and their intention to study abroad using partial least square (PLS) structural equation modeling. The managerial and policy implications of the study provides useful guidelines for consideration by higher education institutions, marketers of study abroad destinations, study abroad coordinators, and policy makers in the formulation of effective study abroad programs and on how best to market study abroad experiences to Norwegian students. The study also highlights considerations for theory development and provides options for further research for study abroad researchers.

Theoretical Background

Understanding Attitude and Behavioral Intention

Attitude Toward Object Model

Attitude toward any object is determined by beliefs about that object. A person's belief about an object is defined as his or her subjective probability that the object has a given attribute. The terms 'object' and 'attribute' are generic in terms of usage and refers to any discriminable aspect of an individual's perception (Fishbein and Ajzen 1981). In the context of this study, the object of interest is 'study abroad'. The key component of Fishbein's (1963) theory is that beliefs and attitudes are distinct such that beliefs function as indicants of attitudes (Pyun and James 2011). Beliefs are immediate determinants of a person's attitude. In order to understand why a person holds a certain attitude toward an object, it is imperative to assess his salient beliefs about the object. Attitude is thus determined by a person's evaluation of the attributes associated with the object and the strength of these associations. The ATO is suitable for measuring attitudes toward a product (or service). Study abroad destinations can be marketed as a service with product-specific beliefs and/or attributes. In other words, students as consumers may have favorable or unfavorable attitudes toward 'study abroad' as a concept, a school policy or an issue. Secondly, since study abroad destinations vary, students as potential consumers of study abroad services may have unfavorable attitudes toward those destinations, feeling that they do not have an adequate level of 'desired attributes' or have too many negatives or undesired attributes. Attitude toward behavior model on the other hand, is the individual's attitude toward behaving or acting with respect to an object rather than the attitude toward the object itself (Schiffman et al. 2012). Students may have a positive attitude toward studying abroad but this may or may not translate in terms of actual behavior in doing so.

Theory of Reasoned Action

TRA (Fishbein and Ajzen 1975) is useful in predicting and providing insights and understanding of an individual's behavior. The theory views a person's intention to perform (or not to perform) a behavior as the immediate determinant of that action. Thus, barring unforeseen events, a person's intention should permit a highly accurate prediction of his/her behavior. However, intentions can change over time such that the longer the time interval, the greater the likelihood that some events may occur which may bring about changes in intentions. Attitudes are held with respect to some aspect of the individual's world, such as another person, a physical object, a behavior, or a policy (e.g. study abroad). Attempts to predict behavior from attitudes are largely based on a general notion of consistency. It is logical or consistent for a person who holds favorable attitudes toward some object to perform favorable behaviors, and not to perform unfavorable behaviors with respect to the object if he/she has an unfavorable disposition toward the object (Ajzen and Fishbein

1977). A person's intention is a function of two basic determinants, one personal in nature and the other reflecting social influence. The personal factor is the individual's positive or negative evaluation of performing the behavior (that is attitude toward the behavior) (Fishbein and Ajzen 1981; Montano and Kasprzyk 2008). The second determinant of intention is the person's perception of the social pressures put on him to perform or not to perform the behavior in question (that is subjective norm). Subjective norm is therefore defined by a person's 'normative beliefs, whether important referent individuals approve or disapprove of performing the behavior, weighted by his/her motivation to comply with those referents' (Montano and Kasprzyk 2008). Accordingly, subjective norm is related to 'social pressure' to comply. Thus, the obvious assumption of TRA is that people will intend to perform a behavior when they evaluate it positively and when they believe that important others think they should perform it (Fishbein and Ajzen 1975). Hence, for some intentions, attitudinal considerations may be more important than normative considerations while for other intentions normative considerations may predominate. Both factors are important determinants of intention (Fishbein and Ajzen 1981, p. 279).

Theory of Planned Behavior

TRA assumes that the most important direct determinant of behavior is behavioral intention. Success of the theory in explaining behavior depends on the degree to which the behavior is under volitional control. That is, individuals largely, can exercise control over the behavior. It is not clear that TRA components are sufficient to predict behaviors in which volitional control is limited. Thus, Ajzen et al. (Ajzen 1991; Ajzen and Driver 1991) added perceived behavioral control to TRA to account for factors outside individual control that may affect intentions and behaviors. Thus, with this addition, they developed the theory of planned behavior (TPB). Perceived control is determined by control beliefs concerning the presence or absence of facilitators and barriers to behavioral performance, weighted by their perceived power or the impact of each control factor to facilitate or inhibit the behavior (Montano and Kasprzyk 2008). An individual's perception of the ease or difficulty of behavioral performance will affect his behavioral intention. According to Goel et al. (2010, p. 252), factors such as economic status, the political situation of the country, scholarship opportunities, and so on would fit with control factors in the context of study abroad. TPB postulates that perceived control is an independent determinant of behavioral intention along with attitude toward the behavior and subjective norm. TRA and TPB assume a causal chain that links beliefs, normative beliefs, and control beliefs to behavioral intentions and behaviors via attitudes, subjective norms, and perceived control. Thus, hypothesized causal relationships among model components are clearly specified, while measurement and other computational considerations are delineated by the theory (Ajzen and Fishbein 1980; Ajzen 1991, 2006; Montano and Kasprzyk 2008).

Research Model and Hypotheses

The expectancy-value model (Fishbein and Ajzen 1975) is considered not methodologically sound by the simple summation of factors since this may obscure the relative importance of the different attitudinal outcomes and motives (Babrow 1989). Hence, the present investigation does not adopt the summation approach to predict attitude but rather proposes that attitudinal motivations and beliefs predict attitudes or the evaluation of an object, which in turn predict behavioral intentions. The theoretical model is developed based on a review of the literature and the incorporation of some new relationships especially in the context of study abroad. The complexity of the model necessitates this approach in the formulation of the various hypotheses. Figure 9.1 shows the proposed model.

Determinants of Attitude and Intention to Study Abroad

Information Sources and Awareness

Much of the literature cites lack of awareness of study abroad programs as a limitation to participation for all students (Brown 2002; Brux and Fry 2010; Stallman et al. 2010). Lack of awareness about study abroad opportunities may be attributed to an inability to find appropriate information. This may stem from ineffective marketing, few peer models, or simply not knowing where to look for information. Hence, the lack of information and lack of awareness of study abroad opportunities may discourage students from intending to study abroad, while myths about study abroad (e.g. graduation delays) further discourage potential participants. For example, Hamir (2011) found that students believed that studying abroad would delay graduation despite evidence to the contrary. An additional aspect of information in the decision-making process is where and from whom students get information or encouragement to study abroad

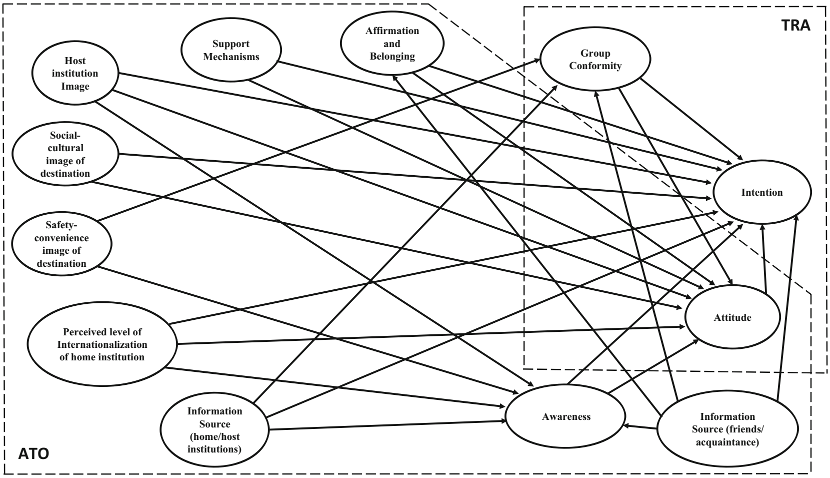

Fig. 9.1 Proposed model

(Twombly et al. 2012). Hamir found that friends and family were high on the positive end, whereas faculty members were disturbingly low. As part of the qualitative phase of this study, face-to-face interviews of two students who have been abroad had this to say about awareness of study abroad opportunities and information sources:

> Tobias: *Yeah. Of Course, friends, those who talked about and suggested that this is a good place to go. In my case when I got the tip from the people being there already, I started looking on the internet. I think both [information sources] are important…kind of the word of mouth and of course internet. Because you have to check prices, you have to check insurance issues, all course materials and all that so I think both the word of mouth and people who already experience that and of course available information on the internet is crucial.*

> Michelle: *…she [the study abroad coordinator] said to us… because the second semester is normally [for us final year students] to go out and study abroad. I had the internet yes, because you can find a study abroad [destination] where you can go. Yes, mostly the internet…Aalesund University College website, then you can look where to go. I [also] went to the internet for Bangkok University to look at their webpage and to see what courses I could take and everything [other information]. So it is important to look at other sources* (Glavee-Geo and Mørkeset 2015).

As an information source, the internet constitutes a communication channel that leverages many traditional information sources (Llodra-Riera et al. 2015). For example, many institutions and study abroad providers transmit information about study abroad opportunities and destinations using web platforms to publish content, including details about study abroad destinations, information on health and safety, study abroad policies and administration; travel registration and information for faculty, parents, families, and incoming exchange students among other information services. Information from friends and family; students who have been on study abroad; official websites of home and destination institutions differ in terms of their importance. These various information sources influence students' attitudes and intention. These information sources do not only impact on the extent to which students are aware of study abroad opportunities but more so on whether they will conform to the social pressure that is brought to bear with the decision to go or not to go on study abroad. In accordance with the discussion above, this study proposes the following hypotheses:

H1a: Awareness positively influences attitude
H1b: Awareness positively influences intention
H2a: Friends and acquaintance as information sources positively influence awareness
H2b: Friends and acquaintance as information sources positively influence group conformity
H2c: Friends and acquaintance as information sources positively influence affirmation and belonging
H2d: Friends and acquaintance as information sources positively influence intention
H3a: Home and host institutions as information sources positively influence awareness
H3b: Home and host institutions as information sources positively influence group conformity
H3c: Home and host institutions as information sources positively influence intention

Perceived Level of Internationalization of Home Institution
Study abroad occurs within a broader framework of globalization and the internationalized university. Knight defines globalization as 'the flow of technology, economy, knowledge, people, values, [and] ideas…across

borders' (Knight 2004, p. 8). Internationalization is defined as 'the process of integrating an international, intercultural or global dimension into the purpose, functions or delivery of post-secondary education' (Knight 2004, p. 11). Study abroad is one of the key mechanisms or activities that institutions use to internationalize their campuses. At the national and regional level, the internationalization of higher education is also a means of generating national competitiveness and advantage, for developing a sense of community, citizenship, regionalism, and global integration. Thus, within the European Union, staff and student mobility are facilitated through programs such as ERASMUS, SOCRATES, and LEONARDO (King 2004), later the lifelong learning program (LLP), and since 2014, ERASMUS+. Study abroad is a subset of international exchange. International exchange involves students, faculty teaching, and doing research abroad. One of the rationales of internationalization is to help students develop intercultural competence and become more knowledgeable about international issues in a more globalized world. Internationalization is further conceptualized as 'internationalization at home' and 'cross-border education' (Knight 2012). These two 'pillars' are separate but closely linked and interdependent. The 'at-home' concepts hinge on curriculum, teaching, learning; open access education; domestic students/faculty; international students/scholars; extracurricular activities and research. Abroad/cross-border internationalization involves mobility of people, programs, services, and policy.

Campus-based internationalization places more emphasis on campus and curriculum-based efforts to help students and faculty to experience living in a more interconnected and culturally diverse world even if they never leave their community or home country (Deardorff 2006). Rationales driving internationalization include more internationally oriented staff; increased international awareness of students; improved academic quality; enhanced profile/prestige of the institution and the strengthening of research and knowledge production (Knight 2012). University institutions that exhibit high levels of internationalization tend to contribute more strongly to local and regional economic development, have diversified employment profiles, and attract more foreign staff and students (Maringe and Gibbs 2009). It is logical to assume that higher levels of internationalization of home institutions should stimulate attitudinal changes, create awareness of opportunities for studying abroad, and influence intention to study abroad. A final year bachelor student who has been on study abroad for a full semester was asked: '*Do you think that the* *level of internationalization in your home school have some impact on you going abroad?'* To which she replied: *'Yeah definitely, I think so… you get motivated…for example there are many foreign students in our class and maybe you meet and develop friendship [with students] from other countries and wish to experience those types of cultures or countries and… or you feel that it might be fun to be foreign student in another country'* (Glavee-Geo and Mørkeset 2015). In accordance with the discussion above, this study proposes the following hypotheses:

H4a: Perceived level of internationalization of home institution positively influences awareness
H4b: Perceived level of internationalization of home institution positively influences attitude
H4c: Perceived level of internationalization of home institution positively influences intention

Safety-Convenience Image of Destination
Personality factors are important considerations in the study abroad decision-making process. Personality tendencies including tolerance for ambiguity and openness (Bakalis and Joiner 2004), conscientiousness and extraversion (Goel et al. 2010), and risk propensity (Relyea et al. 2008) influence study abroad intention. Safety is an important issue (Payan et al. 2012). The following is a statement culled from an institution's website to students and families concerning safety in study abroad destinations: '*while we can never guarantee our students' complete safety abroad—anymore than we can guarantee their safety here at home—we can make sure that students and families are well informed and know what resources are available. We will continue to provide students with certain safety guidelines as well as protocols to follow if they should run into problems while abroad*' (Rice University 2015). Safe and convenient study abroad destinations are expected to be highly ranked in study abroad destination choices. Such destinations are expected to receive favorable evaluations compared to unsafe destinations. Issues concerning safety and convenience stimulate awareness of study abroad destinations and hence intention. Recommendation from friends, family members, and lecturers concerning the safety-convenience image of destinations are expected to increase conformity. Evans et al.'s (2008) study on short study tours undertaken by business students to developed versus emerging market countries report that students perceived issues such as safety/dangerous, expensive/affordable, and exciting/boring as

important in assessing such tours. Hence, the safety-convenience image of study abroad destinations is expected to influence awareness of such study abroad destinations. The following hypotheses concerning safety-convenience are proposed:

H5a: Safety-convenience image of destination positively influences awareness

H5b: Safety-convenience image of destination positively influences group conformity

Social-Cultural Image of Destination

Study abroad destination attributes attract students to a study abroad destination. This is so because students are likely to compare the attributes of study abroad destinations when deciding on where to go on study abroad. Attributes of a destination significantly influence the formation of the image of the destination. Thus, image significantly affects behaviors (Kim 2014). Just as tourism experiences are co-created by involving people in experienced-based situations (Ryan 1998), study abroad involves social interaction with residents at the study abroad destinations, which increases students' understanding of the local people who are frequently culturally different. Previous research suggests that study abroad participants may differ from those who do not participate in terms of their attitude toward intercultural interaction, their interest in intercultural experiences, and the degree to which they value intercultural interaction as part of their college education. Students who express an interest in improving their understanding of other cultures and countries were more likely to intend to study abroad compared to those who did not (Stroud 2010). A range of motivations for students going abroad are well documented and a common rationale for participating in study abroad is career-related. Many students want to go overseas while in college in order to improve their future job prospects (Dessoff 2006; Relyea et al. 2008). McKeown (2003) finds support for the upsurge in study abroad post-9/11 in the fact that students now consider study abroad an important academic and professional experience.

Social and cultural capital affect predisposition to study abroad positively. Students who are interested in interacting with people of different ethnic and racial backgrounds and are interested in improving cross-cultural understanding are more likely to go abroad (Twombly et al. 2012). Outcomes of study abroad are well documented in the extant literature.

The predominant outcomes appear to be culture-related constructs such as intercultural proficiency, openness to cultural diversity, ethnocentrism, intercultural communication apprehension, international awareness, international activities, global-mindedness, and environmental attitudes (Clarke et al. 2009; Rexeisen and Al-Khatib 2009; Gullekson et al. 2011; Payan et al. 2012).

Kim and Goldstein (2005) and Goldstein and Kim (2006) looked at measures of intercultural attitude as predictive of favorable expectations toward study abroad. In both studies, intercultural attitude was defined by variables such as prejudice, ethnocentrism, intolerance of ambiguity, apprehension about intercultural communication, and language interest and competence (Twombly et al. 2012). Unsurprisingly, the authors found that low levels of ethnocentrism and high levels of language interest predicted favorable expectations of studying abroad. Students with higher levels of ethnocentrism and prejudice were less likely to study abroad; females demonstrated low levels of ethnocentrism and higher levels of interest in foreign language (Goldstein and Kim 2006). Interestingly, Goldstein and Kim (2006) found that 'expectations and intercultural variables played a far more critical role in determining who studied abroad than academic or career factors' (p. 517), a finding supported by Rust et al. (2007). Studying abroad for pleasure has also been documented. Students may see study abroad as a break from the rigors of undergraduate study, a kind of overseas tour for academic credit (He and Chen 2010; Zemach-Bersin 2009); adventure (Lucas 2009; Zemach-Bersin 2009); tourism and social contact (He and Chen 2010). The following hypotheses concerning social-cultural image are thus proposed:

H6a: Social-cultural image of image of destination positively influences attitude

H6b: Social-cultural image of image of destination positively influences intention

Host Institution Image

An image can be perceived and defined in various ways, for example, a '… set of beliefs, ideas and impressions held regarding an object' (Lovelock and Wirtz 2007, p. 628), or as a stakeholder group's '…summary of impressions or perceptions of a company' (Chun 2005, p. 95 in Helgesen and Nesset 2011). Various constituencies may form images about a variety of entities such as products, brands, organizations, or institutions

(Dobler et al. 2014). Consequently, potential study abroad students may form images about host institutions and the study programs offered, which may influence their attitudes and intentions to study in those institutions. Favorable institution image is likely to create awareness as a study abroad destination in the minds of potential study abroad students. This is because the decision-making process of students to going abroad is considered extensive and complex, which consists of personal reasons and motivations for studying in a foreign country. Reasons for going abroad include encouragement from significant others, country image effect, proximity of host institution, the institution's image, recommendations from friends and colleagues, and an evaluation of the program (Cubillo et al. 2006; Chen 2008; McCarthy et al. 2012). Perceived academic superiority of the institution in the host country plays a significant factor in influencing study abroad intentions. This is because international students move from less developed countries to more developed countries for their education (McCarthy et al. 2012). However, students from developed countries moving to other developed or less developed countries are likely to be motivated to go on study abroad in foreign countries by language proficiency and intercultural assimilation. Cubillo et al.'s (2006) theoretical framework analyzed the different dimensions of students' decision-making process and identified country image effect and institution image as significant factors affecting intention. The arguments above suggest the following hypotheses:

H7a: Host institution image positively influences awareness
H7b: Host institution image positively influences attitude
H7c: Host institution image positively influences intention

Support Mechanisms

Kasravi (2009) identified three main categories of factors that influence the decision to study abroad for students of color in the US context such as personal, social, and institutional factors. While the most significant personal factors were students' internal drive and motivations, perceived outcomes of personal growth through study abroad and personal identity were significant issues. Major social factors were the influence of peers or significant others, past participants, and family members. Goel et al. (2010) identified family support as a subjective/normative belief that is a precursor to the intention to study abroad. Institutional factors such as funding/sponsorship organizations are key influencing factors documented in the literature. Goel, de Jong, and Schnusenberg's study suggests students report two key program attributes such as cost and location as most important when deciding on study abroad program choice. The cost of study abroad is an important factor such that a key obstacle for not going abroad is lack of funding. Doyle et al. (2009) conclude that a key reason for a program's attractiveness is financial support in the form of scholarships. This study identifies funding/sponsorship agencies as key to study abroad. Lånekassen is the main Norwegian public organization that supports educational sponsorship/funding of Norwegian and other qualified non-Norwegian students both within and outside Norway. This organization is very crucial for funding study abroad destinations. Additionally, embassies/consulates, health authorities (e.g. for vaccination), study abroad coordinators, and lecturers are identified as constituting critical support mechanisms for study abroad intentions. The level of support from these actors has an impact on attitude toward study abroad and the intent to study abroad. This study proposes the following hypotheses:

H8a: Support mechanisms positively influence attitude
H8b: Support mechanisms positively influence intention

Group Conformity, Affirmation, and Belonging

A strong sense of belonging to a group is assumed to include feeling comfortable with one's affiliation to that group and having positive feelings about one's group membership (Phinney and Ong 2007). The sense of belonging is perhaps the most important component of group identity (Ashmore et al. 2004) which refers to a strong attachment and a personal investment in a group. This study places more emphasis on institutional group identity such that students' positive evaluation of belonging to the home institution (or to a peer group within the institution) would have influence on their attitude and intention to go on study abroad. For example, students signal their affiliation and belonging to their institutions by participating in the institution's programs and activities, use of the institution's insignia among other identifying marks, and conforming to norms and social codes operating within such institutions. Beliefs and attitudes are precursors to behavioral intentions, which in turn lead to behaviors. Subjective/normative beliefs are an individual's perception that the behavior is influenced by the judgment of significant others. A person's intention is not only determined by his/her personal characteristics but more so by social influence. The personal factor is the individual's positive or negative evaluation of performing the behavior. The subjective norm refers to the person's perception of the social pressures put on him to perform or not to perform the behavior in question. Thus, a person's 'normative belief', whether important referent individuals approve or disapprove of performing the behavior, weighted by his/her motivation to comply with those referents (Montano and Kasprzyk 2008) is a key influencing factor. Accordingly, subjective norm is related to 'social pressure' to comply. Based on the above arguments we propose the following:

H9a: Affirmation and belonging positively influence attitude
H9b: Affirmation and belonging positively influence intention
H9c: Group conformity positively influences intention

Attitude's Influence on Intention

Students' involvement scale developed by Rust et al. (2007) shows that student involvement in terms of social, political, community, and academic interests and voluntarism has an impact on students' decision to study abroad. Salisbury et al. (2009) also found that diverse experiences during the first year of college could improve the likelihood of intent to study abroad. Thus, attitudinal differences between students who intend and those students who do not intend to study abroad are not distinguishable prior to matriculation (Twombly et al. 2012). It has been documented that a large proportion of students in general view study abroad in a positive light though recent research also shows that business undergraduate students appear to be more likely to consider studying abroad than non-business students. Undergraduate business students recognize the value of short study tours and the impact on their career prospects and personal development (Relyea et al. 2008; Schnusenberg et al. 2012; Payan et al. 2012). Factors that affect a student's decision to study abroad categorized into two broad groups—motivators and deterrents (and sometimes both)—are common in the extant literature. Motivating factors such as personal development, broader career opportunities, intercultural assimilation, fun or enjoyable and deterrents such as missing family and friends, family and work commitments, language, safety, financial, and graduation concerns have been documented (Payan et al. 2012).

The object of interest of this study is 'study abroad'. Beliefs and attitudes are distinct such that beliefs function as indicants of attitudes (Fishbein 1963; Pyun and James 2011). Beliefs are immediate determinants of a person's attitude. Attitude is thus determined by a person's evaluation of the attributes associated with the object and the strength of these associations. Students as consumers may have favorable or unfavorable attitudes toward study abroad. It is logical to argue that students who have positive attitudes toward study abroad will exhibit higher intention to do so. It is important to note that the factors which influence intent to study abroad also influence attitude toward study abroad. Thus, while personal motivations expose a range of impetuses to study abroad, that is not to say they are mutually exclusive. Most likely it is a combination of all the factors that have been discussed above which impel any individual student or groups of students to participate in study abroad (Lucas 2009; Allen 2010). According to Twombly et al. (2012, p. 48), these factors '…interact in complex ways with students' human, economic, social, and cultural capital to produce an interest in study abroad. In view of the above discussion, we propose that:

H10 Attitude positively influences intention

Design and Methodology

Measures of the Constructs

The research model includes 12 latent variables, each of which was measured with multiple items on a scale from 1 (strongly disagree) to 7 (strongly agree). Host institution image, support mechanisms, and information sources were measured on a scale from 1 (not important) to 7 (very important). The analysis is based on 44 items (indicators). Most of the items were adapted from the extant literature to preserve content validity. Items measuring affirmation and belonging were adapted from Phinney and Ong (2007), while group conformity items were adapted from Chung and Pysarchik (2000). Information source items were adapted from Llodra-Riera et al. (2015). Host institution image was adapted from Dib and Alnazer (2013) while study abroad destination image was adapted from Kim (2014). Behavioral intention and attitude items were based on Ajzen and Fishbein (1980). New items for support mechanisms were developed based on Goel et al. (2010) and Kasravi (2009). Perceived levels of internationalization of home institution items were developed based on literature from Knight (2004), Maringe and Gibbs (2009), and Knight (2012). Awareness items were developed based on literature from Brown

(2002), Brux and Fry (2010), and Stallman et al. (2010). The exploratory nature of this study necessitated modifying previously validated question items to suit the 'study abroad' context, while items for some constructs (e.g. awareness, internationalization, support mechanisms) had to be newly developed. The questions items (indicators) are listed in Table 9.1.

Data Collection

The data source is a survey that was conducted during the month of March 2015. The study participants are students from Aalesund University College. The city of Aalesund is on the western coast of Norway. Aalesund is internationally known for its location in the fjord region in the county of Sunnmøre and is a popular attraction for tourists. The city is the hub of Norway's maritime industry and the center of Norway's fishing industry. At the time of this study Aalesund University College was in the process of merging with the Norwegian University of Science and Technology (NTNU), Sør-Trøndelag University College, and Gjøvik University College to form Norway's largest university with an eventual estimated student population of 38,000 (Berglund 2015). This is in response to higher education reforms undertaken by the Ministry of Education and Research. Aalesund thus becomes a satellite campus of NTNU. Aalesund University College currently has about 2250 students and 200 employees. The survey instrument was developed based on an initial qualitative phase, which involved face-to-face interviews with two groups of students: five students who have been abroad and five students who are yet to go on study abroad. The face-to-face interviews enabled a 'rich and deep' insight (Lincoln and Guba 1985; Eriksson and Kovalainen 2008) into students' motivations to study abroad. The face-to-face interviews were useful in developing the scales for the survey. The survey questions were first developed in English and later translated into Norwegian. A professor of International Business with knowledge and expertise in higher education research reviewed the questionnaire to ensure face validity of the question items. Two other lecturers with expertise and knowledge in business communication, English and Norwegian language checked the translation of the questions from English to Norwegian and Norwegian to English to ensure equivalence. The survey instrument was pretested in a pilot study with a sample of students who had been abroad and some who were yet to go on study abroad. Based on the feedback received, the survey instrument was modified to improve clarity and understanding of question items (Churchill 1979; Gerbing and Anderson 1988).

Table 9.1 Constructs/factors, indicators, mean, standard deviation, loadings, and *t*-values

Indicators/variables	*Mean*	*SD*	*Loadings*	*t-value#*
Attitude				
I think it is a very good idea to go on study abroad (ATT1)	5.86	1.28	0.898	49.82***
I think going on study abroad is beneficial(ATT2)	5.82	1.25	0.866	41.65***
I think going on study abroad will help in my personal development(ATT3)	5.98	1.26	0.870	46.78***
I think going on study abroad will improve my career aspirations(ATT4)	5.44	1.48	0.805	32.68***
I think going on study abroad is pleasant(ATT5)	6.05	1.19	0.722	16.22***
Perceived level of internationalization of home institution				
Aalesund University College (AAUC) has many foreign students (ZAT1)	4.70	1.27	0.693	7.04***
AAUC has many employees with foreign background (ZAT2)	4.41	1.21	0.723	5.75***
AAUC stimulate internationalization through teaching courses and programs in English (ZAT3)	4.53	1.29	0.837	9.69***
Overall, I perceive AAUC as an institution that makes conscious effort to internationalize (ZAT4)	4.44	1.39	0.793	8.90***
Intention				
I will consider going on study abroad (INT1)	3.95	2.22	0.921	97.53***
It is highly possible that I will go on study abroad (INT2)	3.41	2.12	0.960	108.57***
I will definitely go on a study abroad (INT3)	2.68	2.05	0.919	72.52***
There is a high chance that I will go on study abroad (INT4)	2.99	2.04	0.936	62.83***
Affirmation and belonging				
I am happy that I am a student of Aalesund University College (AFF1)	5.66	1.25	0.900	33.44***
I have a strong sense of 'belonging' to Aalesund university college (AFF2)	5.29	1.41	0.945	39.72***
I feel a strong attachment to this school (AFF3)	4.55	1.42	0.868	19.86***
Awareness				
I am aware of study abroad opportunities (AWA1)	4.27	1.74	0.889	36.35***
I have information on study abroad (AWA2)	3.51	1.73	0.890	38.09***

(*continued*)

Table 9.1 (continued)

Indicators/variables	*Mean*	*SD*	*Loadings*	*t-value#*
I know that I can go on an exchange program if I want to do so (AWA3)	5.35	1.65	0.706	11.93***
Social-cultural image of destination				
I want to experience the local culture (DES1)	6.06	1.27	0.768	17.58***
I look forward to special events and festivals (DES2)	5.46	1.54	0.872	53.09***
I want to get away from Aalesund and experience something different (DES3)	5.45	1.61	0.855	41.52***
I attach more importance to the fun-loving image of the place (DES4)	5.82	1.49	0.824	28.02***
Safety-convenience image of destination				
I will avoid destinations with chaotic traffic situations (RDES5)	4.02	1.67	0.857	4.55***
I will avoid destinations which are unsafe and risky (RDES6)	5.32	1.73	0.863	6.11***
I will avoid study abroad destinations that are expensive (RDES7)	5.03	1.58	0.604	2.54**
Host institution image				
My perception of the image of the destination institution (MAG1)	4.90	1.41	0.867	30.38***
Perception of the image of institution to friends and acquaintance (MAG2)	5.59	1.27	0.911	59.56***
Group conformity				
My decision to study abroad would be influenced by whether doing so would make me fit in with my friends (CON1)	3.50	1.95	0.650	6.76***
Some of my friends will be going on study abroad so I will also go on study abroad (CON2)	2.72	1.79	0.830	18.58***
It is good to go as a group (CON3)	5.07	1.64	0.685	8.48***
Support mechanisms				
Lecturers (SUP1)	4.01	1.78	0.674	11.17***
Study abroad coordinator(s) (SUP2)	4.57	1.64	0.835	30.98***
Health authorities (e.g. for vaccination) (SUP3)	4.89	1.73	0.790	18.54***
Embassies/consulates (e.g. visa applications) (SUP4)	4.82	1.67	0.874	37.57***
Funding/sponsorship (e.g. Lånekassen) (SUP5)	5.86	1.44	0.742	14.77***
Friends and acquaintances as information sources				
Friends and family members (INF1)	4.28	1.59	0.734	14.03***

(*continued*)

Table 9.1 (continued)

Indicators/variables	*Mean*	*SD*	*Loadings*	*t-value#*
Blogs of students who have been abroad (INF2)	4.38	1.75	0.805	17.79***
Recommendation from students who have been abroad (INF3)	5.41	1.49	0.809	19.66***
Home and host institutions as information sources				
Aalesund University College (AAUC) Website (INF4)	5.24	1.41	0.556	2.62**
AAUC International student exchange coordinator (INF5)	5.20	1.38	0.778	6.23***
AAUC lecturer(s) (INF6)	4.54	1.49	0.707	5.69***
Website of destination institution/university (INF7)	5.30	1.41	0.807	6.22***
Destination institution/university lecturer(s) (INF8)	4.69	1.47	0.836	6.22***

Based on 1000 bootstrapping samples ***Significant at $p < 0.001$ **$p < 0.01$ (two-tailed test)

Participants were informed about the purpose and objectives of the study at the beginning of each data collection session. In all, 350 respondents participated in the survey and completed the questionnaire. Completed questionnaires were examined for missing values or had the same answer to all questions leading to 294 (84 %) valid responses. To assess response bias, the responses of the first 25 % of respondents were compared to the responses of the last 25 % of respondents; no significant differences were found between the responses of the two groups at the $p > 0.05$ level. The sample consists of 58.5 % female (172) and 41.5 % males (122). 85.4 % of respondents are within the age bracket 18–26. The mean age is 23 years. The student respondents represent all the faculties and year groups. However, most of the respondents are from the first year, 72.1 %, followed by second year bachelor students, 22.1 % (Table 9.2). These year groups are usually the target group for study abroad promotional campaigns.

Partial Least Square Analyses

Structural equation modeling (SEM) is a methodological tool that helps in running multiple regressions between variables and latent variables of which LISREL, AMOS, and Mplus are the most popular of SEM software

Table 9.2 Demographic characteristics of respondents (N = 294)

Demographic characteristic	*Category*	*Frequency*	*Percent*
Gender	Male	122	41.5
	Female	172	58.5
Age	18–20	85	28.9
	21–23	132	44.9
	24–26	34	11.6
	27–29	18	6.1
	30–32	9	3.1
	33–35	6	2.0
	≥36	10	3.4
Faculty	Engineering and natural sciences	86	29.3
	Health sciences	58	19.7
	Life sciences	32	10.9
	Maritime technology and operations	4	1.4
	International business	114	38.8
Year of study	Bachelor year 1	212	72.1
	Bachelor year 2	65	22.1
	Bachelor year 3	17	5.8

Source: Survey

packages. PLS (Wold 1975) is a SEM technique that can simultaneously test the measurement model (relationship between indicators or manifest variables and their corresponding constructs or latent variables) and the structural model (relationships between constructs). Recently, the use of PLS has increased (Hair et al. 2014). This study used PLS to evaluate the proposed theoretical model. PLS has the capacity to deal with complex models with a high number of constructs, indicators, and relationships (Barclays et al. 1995; Hair et al. 2014), which makes it an ideal analytical technique for this study. The PLS algorithm generates loadings between reflective constructs and their indicators and weights between formative constructs and their indicators. It also produces standardized regression coefficients between constructs and coefficients of multiple determination (R^2) for all endogenous constructs in the model (Duarte and Rapaso 2010). In PLS, the relationship between a construct and its indicators can be modeled either as formative or reflective, which is an advantage compared to covariance-based methods. The PLS overall objective, unlike that of covariance-based SEM (CBSEM), is latent variable prediction. The method is not covariance-based but variance-based. Compared to

CBSEM, PLS offers many benefits with respect to distribution requirements, type of variables, sample size, and the complexity of the model to be tested (Chin and Newsted 1999). However, rather than being viewed as competitive models, variance-based PLS and CBSEM techniques should be viewed as complementary (Wold 1985).

Measurement Model

Psychometric properties of the measures were assessed by first performing an exploratory factor analysis with Varimax rotation. The Kaiser–Meyer–Olkin (KMO) measure of sampling adequacy was 0.815 and Bartlett's test of Sphericity was significant at the 0.0001 level, indicating that the data matrix sufficiently correlated to the factor analysis. Further analysis was performed by the use of PLS software application SmartPLS (Ringle et al. 2014).

All constructs in this study were operationalized as reflective measures. Thus, we assessed the measurement model with respect to individual item reliability, internal consistency, and discriminant validity. Using the rule of thumb of accepting items with loadings of 0.707 or more, though loadings of at least 0.5 are acceptable (Barclays et al. 1995), indicator items INF4, SUP2, CON1, CON3, RDES7, and ZAT1 present loadings between 0.5 and 0.707 as shown in Table 9.1. Internal consistency was examined using Fornell and Larcker's (1981) composite reliability index. In our model, the composite reliability index for all constructs exceeded the acceptable value of 0.7 (Hair et al. 1998), with group conformity presenting the lowest (0.77) and intention to study abroad the maximum (0.97).

Discriminant validity indicates the extent to which a given construct is different from other latent constructs. Fornell and Larcker (1981) suggest the use of average variance extracted (AVE) such that a score of 0.5 for the AVE indicates an acceptable level. Table 9.3 shows that the AVE by our measures range from 0.53 to 0.87, all above the acceptable value of 0.5. Fornell and Larcker's (1981) criterion requires that the square root of each latent variable's AVE be greater than the latent variable's correlation with any other construct in the model. Table 9.3 shows comparison of the square root of the AVE (diagonal values) with the correlations among the constructs. Each variable meets Fornell and Larcker's (1981) criterion in support of discriminant validity. Convergent and discriminant validity was achieved by examining the construct/factor loadings and cross loadings, which shows that all constructs were more strongly correlated with their

Table 9.3 Discriminant validity coefficients

	1	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*	*10*	*11*	*12*
Affirmation-belonging (1)	**0.90**											
Attitude toward study abroad (2)	0.15	**0.83**										
Awareness of study abroad opportunities (3)	0.07	0.19	**0.83**									
Safety-convenience image of destination (4)	–0.16	–0.04	0.16	**0.78**								
Social-cultural image of destination (5)	0.04	0.68	0.13	–0.08	**0.83**							
Group conformity (6)	0.13	0.13	–0.01	–0.10	0.17	**0.73**						
Friends & acquaintances as information sources (7)	0.13	0.21	0.09	–0.18	0.25	0.36	**0.78**					
Home & host institutions as information sources (8)	0.11	0.24	0.08	–0.13	0.22	0.14	0.55	**0.74**				
Host institution image (9)	0.09	0.40	0.28	–0.17	0.41	0.12	0.30	0.39	**0.89**			
Intention (10)	0.12	0.50	0.21	0.06	0.46	0.26	0.20	0.16	0.25	**0.93**		
Support mechanisms (11)	–0.23	0.32	0.07	–0.31	0.25	0.19	038	0.49	0.32	0.10	**0.78**	
Perceived level of internationalization of home institution (12)	0.17	0.08	0.20	–0.03	0.02	–0.04	0.03	0.18	0.09	–0.03	0.20	**0.76**
Mean	5.17	5.82	4.37	4.79	5.70	3.76	4.70	4.99	5.24	3.26	4.82	4.52
Standard deviation	1.23	1.08	1.42	1.31	1.23	1.31	1.26	1.08	1.20	1.97	1.30	0.99
Composite reliability	0.93	0.92	0.87	0.82	0.90	0.77	0.83	0.86	0.88	0.97	0.89	0.85
AVE	0.82	0.70	0.69	0.61	0.69	0.53	0.61	0.55	0.79	0.87	0.62	0.58

Bold numbers on the diagonals show the square root of the AVE; numbers below the diagonal represent construct correlations own measures than with any other constructs suggesting good convergent and discriminant validity.

Finally, because all the data collected are self-reported from single respondents in a one-time survey, common method variance might influence some of the postulated relations in the PLS path model. Common method variance refers to the amount of spurious covariance shared among variables because of the common method used in the data collection process (Malhotra et al. 2006). To minimize common method biases, we used both procedural (as suggested by Podsakoff et al. 2003) and statistical control tests such as Harman's single-factor test. The procedural methods were (1) careful construction of question items that have been pretested before used for the main survey; (2) avoidance of ambiguous question items; (3) use of students as respondents who may have the intention to study abroad and are knowledgeable in the issues under study; (4) assurance to respondents that their responses will be confidential and their anonymity guaranteed. Harman's (1976) single-factor test was used to test for the potential existence of common method bias. Common method variance is assumed present if a single factor emerges from the unrotated factor solution or one factor explains the majority of the variance in the variables. The rule of thumb is that if a single-factor accounts for more than 50 % of variance, then there is a higher chance that there exists common method variance (Podsakoff and Organ 1986). An exploratory factor analysis was conducted using unrotated principal component factor analysis. The first factor accounts for only 18.33 % of the overall variance, which indicates that common method variance is unlikely to have affected the results. However, this test has been suggested to suffer from some limitation (Kemery and Dunlap 1986), hence, we also adopted the marker variable approach (Lindell and Whitney 2001; Malhotra et al. 2006). A marker variable is a variable, which is theoretically unrelated to at least one other variable in the study. We used several marker variables to estimate the loadings on every item in the PLS path model and observed each item's loadings on its theoretical construct. We compared the estimated path model relationships with and without each of the additional marker, variables showed no notable differences. All theorized paths maintain their level of statistical significance. This approach to testing common method variance suggests that method variance biases are not likely to confound the interpretations of the results and findings from this study.

Structural Model

The structural model represents the relationships between constructs or latent variables that were hypothesized in the research model. Since the primary goal of PLS is prediction (Duarte and Rapaso 2010; Hair et al. 2014), the goodness of a theoretical model is established by the strength of each structural path and the combined predictiveness (R^2) of its exogenous constructs (Chin 1998). Falk and Miller (1992) suggest that the variance explained or R^2 for endogenous variables should be greater than 0.1. R^2 values of 0.67, 0.33, or 0.19 for endogenous latent variables are described as substantial, moderate, or weak (Chin 1998; Henseler et al. 2009; Hair et al. 2011). The results of the structural model are shown in Fig. 9.2 with variance explained for each dependent construct.

All four endogenous constructs (intention, group conformity, awareness, and attitude) meet Falk and Miller's (1992) rule of 0.1 except the affirmation and belonging construct with R^2 of 0.02. Intention, the main dependent construct we seek to predict and explain has a value of 0.34; group conformity (R^2 = 0.14); awareness (R^2 = 0.16), and attitude (R^2 = 0.51). Thus, in predicting intention, ten antecedent factors (group conformity, affirmation and belonging, support mechanisms, host institution image, social-cultural image of destination, safety-convenience image of destination, perceived level of internationalization of home institution,

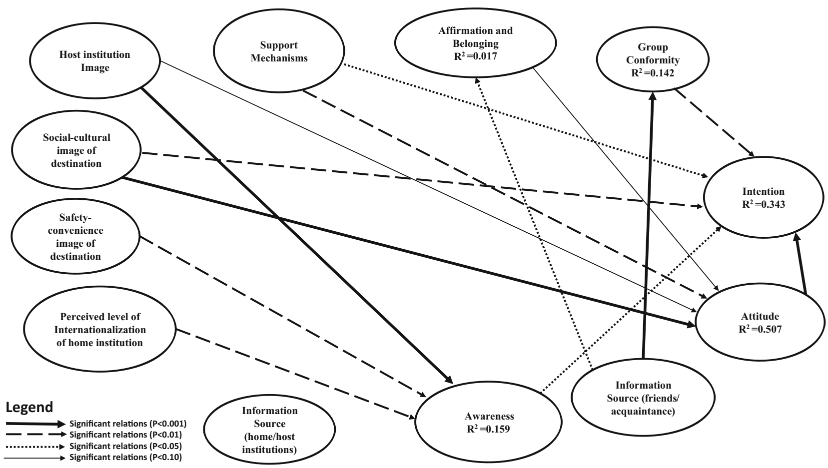

Fig. 9.2 Statistical significance of path coefficients

friends and acquaintances as information sources, home and host institutions as information sources, awareness and attitude) explain 34.3 % of variance, while eight antecedent factors (group conformity, affirmation and belonging, support mechanisms, host institution image, social-cultural image of destination, safety-convenience image of destination, perceived level of internationalization of home institution, and awareness) explain 50.1 % variance of the endogenous construct, attitude. The estimation and assessment of structural model path coefficients were performed using SmartPLS3. Assessment of the path coefficients was done by bootstrap analysis in SmartPLS3 to assess the significance of the path coefficients. Table 9.4 shows the results of the path analysis.

The effect of attitude on intention to study abroad; social-cultural image of destination effect on attitude; friends and acquaintance as information sources effect on group conformity; and host institution image effect on awareness of study abroad opportunities are significant at 0.001 (two-tailed). Safety-convenience image of destination effect on awareness of study abroad opportunities; social-cultural image of destination effect on intention to study abroad; group conformity effect on intention to study abroad; support mechanisms effect on attitude; and the influence of perceived level of internationalization of home institution on awareness of study abroad opportunities are significant at 0.01 (two-tailed). Other hypothesized relationships that are significant at $p < 0.05$ (two-tailed) are the effect of awareness of study abroad opportunities on intention; and friends and acquaintance as information sources effect on affirmation and belonging. The effect of support mechanisms on intention was significant but with a different negative sign contrary to our expectation. Affirmation and belonging has positive and significant effect on attitude, while host institution image significantly influences attitude toward study abroad ($p < 0.10$ two-tailed).

Discussions

The findings of this study have important implications for educational policy makers, higher education institutions, promoters, and marketers of study abroad destinations. Successful promotion and marketing of study abroad destinations cannot be in isolation. The underlying factors that influence the study abroad decision-making process need to be considered in the formulation of study abroad policies, campaigns, marketing strategies, and advocacy. Study abroad has long been associated with beneficial outcomes

Table 9.4 Path coefficients (Sample size=294)

Path			*Coeff.*	*t-value#*
Affirmation and belonging	→	Attitude toward study abroad	0.09	1.70[a]
Affirmation and belonging	→	Group conformity	0.08	1.43
Affirmation and belonging	→	Intention to study abroad	0.06	1.17
Attitude toward study abroad	→	Intention to study abroad	0.34	5.46***
Awareness of study abroad opportunities	→	Attitude toward study abroad	0.06	1.26
Awareness of study abroad opportunities	→	Intention to study abroad	0.13	2.51*
Safety-convenience image of destination	→	Attitude toward study abroad	0.07	1.16
Safety-convenience image of destination	→	Awareness of study abroad opportunities	0.23	2.83**
Safety-convenience image of destination	→	Group conformity	–0.03	0.51
Social-cultural image of destination	→	Attitude toward study abroad	0.60	9.23***
Social-cultural image of destination	→	Awareness of study abroad opportunities	0.02	0.30
Social-cultural image of destination	→	Intention to study abroad	0.19	2.92**
Group conformity	→	Attitude toward study abroad	–0.01	0.26
Group conformity	→	Intention to study abroad	0.18	3.26**
Friends and acquaintances as information sources	→	Affirmation and belonging	0.13	2.03*
Friends and acquaintances as information sources	→	Awareness of study abroad opportunities	0.07	0.91
Friends and acquaintances as information sources	→	Group conformity	0.39	6.42***
Friends and acquaintances as information sources	→	Intention to study abroad	0.01	0.18
Home and host institutions as information sources	→	Awareness of study abroad opportunities	–0.09	0.82
Home and host institutions as information sources	→	Group conformity	–0.09	1.12
Home and host institutions as information sources	→	Intention to study abroad	0.07	0.97

(*continued*)

Table 9.4 (continued)

Path			*Coeff.*	*t-value#*
Host institution image	→	Attitude toward study abroad	0.10	1.71[a]
Host institution image	→	Awareness of study abroad opportunities	0.30	4.36***
Host institution image	→	Intention to study abroad	−0.01	0.16
Support mechanisms	→	Attitude toward study abroad	0.13	2.83**
Support mechanisms	→	Awareness of study abroad opportunities	0.02	0.34
Support mechanisms	→	Intention to study abroad	−0.13	2.17*
Perceived level of internationalization of home institution	→	Attitude toward study abroad	0.01	0.11
Perceived level of internationalization of home institution	→	Awareness of study abroad opportunities	0.19	2.99**
Perceived level of internationalization of home institution	→	Intention to study abroad	−0.08	1.18

Based on 1000 bootstrapping samples, ***$p < 0.001$, **$p < 0.01$, *$p < 0.05$, [a]$p < 0.10$ (two-tailed)

such as intercultural skills and competence, global perspectives, personal growth and identity, and career success (Twombly et al. 2012). Much of the literature cites lack of awareness of study abroad opportunities as a major limitation to participation in study abroad programs. The lack of appropriate information may be attributed to ineffective marketing, few peer models, or not knowing which sources to look at for information. Information flow is thus a key to influencing attitude and intention. Face-to-face interviews conducted prior to survey for this study alluded to the importance of information flow in the study abroad decision-making process. The role that friends, acquaintances, and the internet plays is undisputable. However, these various sources have different levels of importance in reaching out to potential study abroad participants. Recommendations from students who have been abroad and websites of home and host institutions are the most highly ranked as information sources (see Table 9.1). Hamir's (2011) suggestion that friends and family are high on the positive end in study abroad recommendations is worth a mention. Friends and peer groups have a strong influencing role in the study abroad destination choice process. This study finds significant support for the effect of friends and acquaintance as information sources on group conformity ($\beta = 0.39$, $p < 0.001$) and on affirmation and belonging ($\beta = 0.13$, $p < 0.05$). Thus, the social pressure brought to bear on potential study abroad aspirants to comply with information from friends and acquaintances is stronger than information sources from home and host institutions. For example, students who have been on study abroad and experienced the different social and cultural settings of study abroad destinations are likely to be more convincing in the 'selling' of the study abroad idea. The implication is that past study abroad participants could be used in promoting study abroad destinations since study abroad destinations are experiential products/services which require those who have experienced staying abroad to tell potential participants about their experiences.

The perceived level of internationalization of home institution has a significant effect on awareness of study abroad opportunities ($\beta = 0.19$, $p < 0.01$). Thus, efforts by many higher education institutions to internationalize, characterized by the presence of foreign students in home institutions, employees with a foreign background, teaching of other languages (e.g. English, French, and Spanish as a second language), and curriculum development in other languages (notably in English) has significant impact in creating awareness. Face-to-face interviews prior to the main survey supports this assertion: '*…for example there are many foreign students in our class and maybe you meet and develop friendship [with students] from other countries and wish to experience those types of cultures or countries and…*' (Glavee-Geo and Mørkeset 2015). The cultural diversity at home institutions could be considered as a motivator for students wanting to go abroad to experience those cultures. The implication for policy makers is that efforts at internationalization should be active and not passive, especially if higher education institutions want to reap the benefits of internationalization (such as global citizenship, reputation, income, increased academic standards) (Knight 2012).

Risk, safety, and convenience are important issues that inform the decision to go on study abroad (Relyea et al. 2008; Goel et al. 2010; Payan et al. 2012). This study finds significant effect of safety-convenience image on awareness ($\beta = 0.23$, $p < 0.01$). Hence, destinations considered unsafe, risky, and inconvenient (e.g. expensive, chaotic traffic situations) will be low in the ranking of places to go. The image of the destinations in terms of safety and convenience creates awareness of study abroad destinations. This is more so due to the easy flow of information through the internet and the experience of previous participants who can easily share their experiences with others through word of mouth (e.g. internet-buzz, viral WOM). Higher education institutions promoting study abroad destinations should provide information concerning health and safety guidelines and protocols to follow prior to departure, during the sojourn in a foreign country and until students arrive back in their home institutions.

Previous studies show that students who express an interest in improving their understanding of other cultures and countries were more as likely to intend to study abroad compared to those who did not (Stroud 2010). Social and cultural capital has a positive effect on the predisposition to study abroad. Thus, the predominant outcome of study abroad appears to be intercultural proficiency and appreciation of cultural diversity. Hence, the image of study abroad destinations in terms of the social and cultural capital it provides for potential participants cannot be underemphasized. The social-cultural image of study abroad destination is one of the strongest influencing factors. Social-cultural image of destination has a positive and significant effect on attitude ($\beta = 0.60$, $p < 0.001$) and intention ($\beta = 0.19$, $p < 0.01$). Students generally have positive attitudes toward study abroad and this is because of the social and cultural benefits to be derived from such trips. Students seek to experience local culture, look forward to special events and festivals as well as to have fun. They consider study abroad as a good idea, enjoyable, useful for personal development and overall, a beneficial venture. Study abroad promoters and marketers can develop positioning strategies based on these criteria. Potential study abroad participants can be appropriately segmented for targeting and promotion with meaningful marketing communication.

The image of the host institution has a positive and significant effect on awareness ($\beta = 0.30$, $p < 0.001$) and attitude ($\beta = 0.10$, $p < 0.10$). Potential study abroad participants' evaluation of the host institution's image not only influences their attitudes toward participating in study abroad programs, but also influences the awareness of study abroad opportunities (possibly to such destinations). For example, a perceived academic superiority of the host institution may influence the choice of study abroad destination. Cubillo et al. (2006) found a significant effect of the institution image on the intention to study abroad. This study did not find support for the direct effect of the host institution image on intention. However, face-to-face interviews prior to the survey led support to this assertion.

A student who had been on study abroad prior to the start of his undergraduate education was asked, '*what about the image of the college? Did you consider the image of the college when deciding on study abroad destination?*' To which he replied, '*well in my case, the image is not very good. The education minister has already decided to cut off those studies abroad… because, especially to Bali because they believe there is only partying. I do not know if you have [read] the news. Actually, the people in the coming year are not going to go there and still get support from the Norwegian Lånekassen….the image might be quite appalling… especially because they are [perceived to be] not a serious school and not a real college. So not very good. I do not include that in my resume… no, actually, I do not do that*'. Another interviewee responded, '*…the image was good because it was through the school [home institution]… it had to be good to go there because they have agreement with the school…. image was good. Yeah, of course…*' (Glavee-Geo and Mørkeset 2015). Recent debate concerning image of study abroad destinations in the Norwegian media is worth mention. The Rector of the University of Oslo has this to say, '*For a study period abroad to be considered as 'internationalization', the education must take advantage of local institutions, culture or language so that there is a real synergy between place and education*', Ottersen argued (Myklebust 2012).

Support mechanisms have significant effect on attitude ($\beta = 0.13$, $p < 0.01$) but a negative significant effect on intention ($\beta = -0.13$, $p < 0.05$). In terms of importance, funding/sponsorship ranks highest (see Table 9.1) in mean value. This is followed by health authorities; embassies and consulates who offer health related services (e.g. vaccination), and visa services respectively to study abroad participants. Cost and location have been found to be the two most important factors that carry weight when deciding on study abroad destinations. The lack of funding is an obstacle to study abroad participation (Doyle et al. 2009; Goel et al. 2010). This study also finds support for the significant effect of affirmation and belonging on attitude ($\beta = 0.09$, $p < 10$), and the effect of attitude on intention ($\beta = 0.34$, $p < 0.001$). The sense of belonging is considered perhaps the most important component of group identity. The investment of time, money, and other dedicated assets in belonging to the group therefore has an effect on members' attitudes toward activities and programs of the group. Consequently, attitude predicts intention and behavior. The implication is that, in order to influence intention, factors influencing attitudinal change should be given higher priority.

Conclusion

The literature on study abroad suggests that investment in study abroad is a good investment with significant beneficial outcomes. Students who have studied abroad become globally aware in addition to benefitting from many other positive outcomes (Clarke et al. 2009; Dessoff 2006; Twombly et al. 2012). However, understanding some of the key factors that impact attitudes and study abroad intentions can provide further insights. In view of that, this study proposed and validated a theoretical model by using PLS structural equation modeling. New structural paths in our proposed model have provided structural paths that previous studies have not considered. For example, perceived level of internationalization of the home institution plays an important role in stimulating awareness of study abroad opportunities. Image is an important resource that needs to be managed. In order to be able to attract study abroad participants, host institutions need to create a pleasant and favorable image of their institutions as 'gateways' to study abroad destinations. Potential participants' evaluation of a host institution's image is critical to forming positive attitudes toward study abroad intention. Marketers of study abroad destinations can formulate promotional strategies based on some of the key issues that have been discussed in this paper. Study abroad destinations can be appropriately positioned to target those segments. Study abroad policy makers, advocates, and higher education institutions are better informed on key factors that affect study abroad intentions. Though these factors are usually complex and interrelated, the relative impact of each factor's influence could be used in setting priority areas when formulating study abroad policies, promoting or recruiting participants. For example, the direct influence of the social-cultural image of the destination, the host institution's image, support mechanisms and affirmation and belonging on attitude provide further insights and understanding of the key factors that influence attitudinal change. The use of previous participants as advocates or promoters of study abroad are worth considering. This is because of the significant influence that information from friends and acquaintances (previous participants) has on group conformity. Theoretical contributions from this study show support for previously researched structural paths and for new structural paths that have not been considered in previous studies. For example, the effect of the social and cultural image of the study abroad destination on attitude is consistent with previous research, some of which documents intercultural competence as one of the key outcomes of study abroad. However, the limitations of this study cannot be wished away. This study used a single institution, which is far from a nationally representative sample of all undergraduates and it is therefore difficult to generalize any of the findings to all college students. However, it provides insights that could be transferred to other settings and contexts. This study used a cross-sectional data, which capture perceptions at a point in time. Attitudes are dynamic and can change at any point in time. Thus, further studies using longitudinal designs may be able to capture the dynamics as they unfold.

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CHAPTER 10

Driving Forces of International Students When Choosing a Non-traditional Destination: Hungary

Beatrix Lányi and Gyöngyi Pozsgai

Introduction

Technological developments, economic, social and political changes contribute to the wide acceptance and increased popularity of student mobility. The Hungarian higher education (HE) system has a long tradition, and its unique character was shaped by historical forces such as the change of regime. The harmonization process was carried out after accession to the European Union (EU), and with this change, the mobility process was eased in several respects. Joining the Bologna Process opened new opportunities for the stakeholders of Hungarian HE and the process of internationalization began. The attractiveness of a nation depends not only on favorable financial conditions (the free movement of capital) but also on the development stage of education systems—that is, whether they are able to meet the labor force requirements of the global economy.

Hungarian HE goes back to the fourteenth century, since when global and domestic forces have reshaped the main characteristics of this HE market. The chapter introduces Hungary's HE market in its historical,

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economic and political context and analyzes how international student recruitment has become one of the main factors of sustainability.

In order to achieve success in recruitment, universities need to adopt a market-oriented approach. This includes a thorough examination of the motivation and needs of international students and the ability to satisfy them. In this context, a further objective of the paper is to improve the understanding of the various factors which determine students' decisions regarding their choice of a Hungarian host institution for their studies. The paper analyzes the results of several comprehensive research studies of this subject in Hungary.

A Concise View of the Theoretical Structure of International Higher Education Marketing

The roots of HE marketing go back to the 1980s—the point at which universities began to compete seriously for students and for financing opportunities (Drummond 2004). Participants in HE concluded that it was beneficial for universities in this growing competition to build market relationships and to react to actual market trends (Dirks 1998). On the global market there are no sectors where competition has not increased significantly—and HE is no exception. HE institutions had to rethink their strategies, governance, administration and the whole organizational culture. Most universities and colleges offer their portfolios internationally, and the market is characterized by the rapidly growing number of foreign students. Universities and colleges have begun to develop their international marketing strategies for foreign student recruitment. The majority of the literature on the internationalization of universities focuses on strategy formulation (Elkin et al. 2008; Poole 2001) and only a few deal with both planning and implementation (Rudzki 1995; Naidoo and Wu 2011).

As a consequence of the growing competition, universities have begun to use marketing methods adapted from business, and education branding is a crucial part of their marketing activity. The literature on HE branding focuses on specific fields—mainly on the emergence of brand identities (Lowrie 2007), on the image and reputation of traditional universities (Ivy 2001), on the analysis of the image based on students' perceptions (Binsardi and Ekwulugo 2003), or on the interconnection of university and place branding (Rekettye and Pozsgai 2015). The main aim of branding is to create a distinct, specific image in the minds of students, an image which can be communicated effectively to potential applicants. In the educational context, brand development is based on the 7Ps. Here, *product* is the learning experience and the knowledge itself; *place* incorporates the institution, the campus, the city and the county; *price* includes both monetary and non-monetary costs, such as tuition fees, change in lifestyle; *promotion* encompasses all online and offline marketing communication tools universities use to provide the market with information on their offering; *people* involve university staff and other students who interact with the applicants; *physical evidence* covers everything from equipment to buildings and *processes* incorporate procedures from enrollment to graduation, so including all the administrative and bureaucratic functions of the HE institution (Ivy 2008; Schofield et al. 2013).

Branding consists of three components: covenant, quiddity and representation. Covenant includes the core value, the essence which can be placed in the center of the communication; quiddity incorporates the specific and distinguishing feature of the institutional offer (e.g. location and special programs offered) while representation is the symbolism embodied in the HE institution (e.g. logo, brochures, websites). Bennett and Ali-Choudhury's (2009) research proved that quiddity is the most important branding factor and has the greatest influence on students' attitude.

According to the research results of Binsardi and Ekwulugo (2003) and Gray et al. (2003), the most effective branding position statements in the UK and in Asian markets are related to the learning environment, the institution's reputation and future career prospects.

Students are not only beneficiaries of a public good or key actors of a pedagogical process, they are perceived clients. They are conscious, they know their rights and they make choices via decision-making processes to fulfill a complex set of needs, motivations and expectations in the HE market (Cardoso et al. 2011; Newson 2004; Pitman 2000; Sharrock 2000). Wide-reaching research was carried out about the key factors in the choice of HE by international students (Gatfield and Chen 2006; Gomes and Murphy 2003; Pimpa 2003; Shanka et al. 2005). Universities and other HE institutions have to create their portfolios according to the specific needs and wants of individuals and organizations (Campbell-Hunt 2000; Felgueira and Rodrigues 2015; Maringe and Gibbs 2009). Organizations should stimulate recognition by increasing the awareness of unperceived needs (Fig. 10.1). If potential students recognize the need to study at a university or college, they begin to search for information from personal and non-personal sources. Gomes and Murphy (2003) argue that many

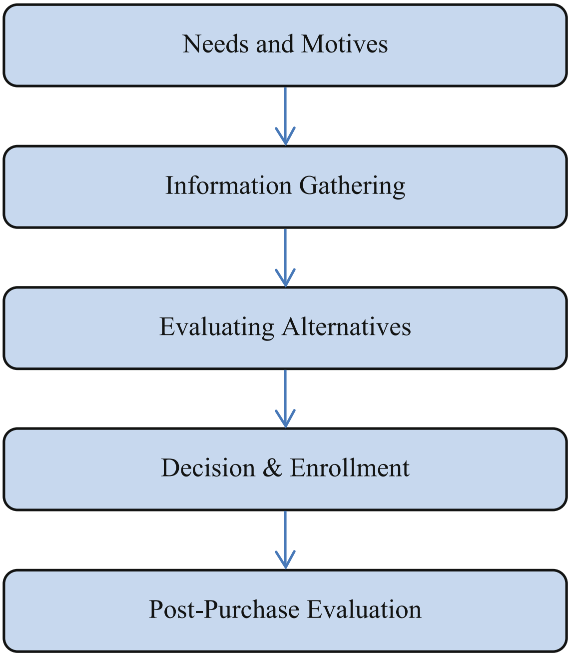

Fig. 10.1 Students choice model (Authors 2015, based on Soedijati & Pratminingsih 2011, p. 2127)

factors influence students' decisions, but the most crucial factor is information. As education lasts for a long period of time, reliable information from reputable sources is in many cases a decisive factor. HE institutions worldwide have made significant efforts to create websites as effective and reliable sources of information (Lányi et al. 2014). Ooi et al. (2010) concluded in their research that the source and accuracy of the website content strongly correlate to the trust and prestige of the HE institution.

After receiving all relevant information and evaluating the alternatives, students choose the institutions most suitable for them. Program, costs, facilities, processes, teachers and locations are the most significant evaluation criteria (Hoyt and Brown 2003). Post-purchase behavior is crucial for students as it contributes to the validation of their decision. It consists of four main components, namely post-purchase dissonance, the service/product use, the service/product disposition and purchase evaluation (Soedijati and Pratminingsih 2011).

In our study, we focus on the first step of the decision-making process, on the analysis of the driving forces of international students. Knowledge of the motivation of international students is crucial for effective recruitment. Mazzarol and Soutar (2002) defined foreign students' motivation as a combination of push and pull factors. Push factors exist in the sending country and pull factors in the host country. The main push factors are the economic development of the sending country, the availability of HE programs, the recognition of the awarded degree on the labor market and the image of the host country. To the most significant pull factors belong the institution's reputation for quality, the university's links to other institutions, the number of students enrolled and the university's willingness to recognize students' qualifications. Reputation is considered as a social identity that is an intangible resource as it contributes to the institution's performance or even survival (Fombrun and Shanley 1990; Nguyen and LeBlanc 2001). Reputation ensures legitimacy, helps to recruit talented employees and students as well as contributes to gain exchange relationships (Aldrich and Fiol 1994; Fombrun and Van Riel 2004; Mazzarol and Soutar 2002; Naidoo and Wu 2014; Wilkins and Huisman 2011). Besides these pull factors, Wilkins and Huisman (2011) and Naidoo and Wu (2014) emphasize the importance of location as well. Lam et al. (2011) define future labor market opportunities as the most relevant push factor and a high standard of education as well as research activity as the most the significant pull factors.

The decision-making process of international students comprises three steps: the decision to study abroad, the choice of the host country and the choice of the host institution (Mazzarol and Soutar 2002). The decision regarding the host country is influenced by six main factors:

- Knowledge and awareness of the host country in the student's home country
- Personal recommendations from parents, relatives, friends and so on
- Cost, including tuition fees, living and travel expenses
- The environment
- The geographic proximity of the host and home countries
- Social links (Mazzarol et al. 1997)

Choosing a HE institution is the third phase of the process, and this is determined by:

(1) Academic pull factors (e.g. quality, reputation/ranking, research opportunities, faculty)
(2) Administrative pull factors (e.g. financial aid, tuition fees, admissions, marketing and information)
(3) Factors associated with environment and location
(4) Significant others (e.g. recommendations from professors, friends, alumni) (Chen 2007).

Research results proved that students are very critical when choosing a foreign HE institution for their studies, and this study aims to focus on the analysis of the driving forces of international students when choosing a Central European HE destination—Hungary.

The Characteristics of Hungarian Higher Education

The history of Hungarian HE goes back 650 years and its development has been part of the national culture. The foundation of Hungary's first university dates back to 1367 when, based on King Louis the Great's initiative, the first university was established in Pécs—and a second, 100 years later (1467), in Buda. Their establishment was in line with the foundation of universities in Cracow, Bratislava and Vienna.

Before 1990, the system of HE was publicly financed and residual-based resource allocation was used. The essence of this form of financing is that, if the economy shows a declining tendency, a lower amount is given to HE and fewer people are taken into universities and colleges. This system allowed only 10–13 % of the students between the ages of 18–25 to continue their education in universities and colleges. Educational reform movements at the beginning of the 1990s aimed at discarding the Soviet model and adopting the Humboldt University model—which was typical before World War II—and, in addition, some Anglo-Saxon special features were also built into the system (Barakonyi 2009). After the change of regime in 1990, a typical emerging phenomenon was mass education. In 1990, 31.7 % of applicants aged 18–25 were admitted to universities and colleges, with 17,000 HE places available; in 2007, 65.7 % were admitted to 50,000 publicly financed places and to another 40,000 in other institutions. In 1990, 26,000 part-time students were registered but by 2007, this number had grown to 132,000 (Rechnitzer 2009).

New participants appeared in the HE competition. A growing number of private, non-profit and religious institutions came into the market as well as affiliates of foreign organizations. In 1990, 15 religious HE institutions were operating; today their number exceeds 25. An additional 14 foundations or private organizations were established after the change of regime.

As a result of the EU convergence program, the whole Hungarian educational system changed from September 2006. Hungary joined the EU in 2004, when the Union comprised 15 member states (now 28) and when every country had its own specific HE system. This generated the idea of integration, the aim being to develop a competitive European Higher Education Area, which is characterized by:

(1) An easily comparable, degree-earning system
(2) The introduction of the undergraduate and graduate education system
(3) The introduction of a credits system
(4) Equal rights in mobility
(5) Collaboration in the field of quality assurance
(6) Establishing the dimension of European HE (Barakonyi 2004).

Hungary was among the first to sign the Bologna Declaration in 1999. The essence of HE reform was the change to a multi-cycle education system. This system is suitable for managing an increased number of students in HE and it is adequate for meeting the continuously changing needs of the labor market. On the other hand, nowadays one of the main features of the Hungarian HE market is the dramatic demographic decline in student numbers. As a consequence of negative demographic trends, the number of 18-year-old people will be 20 % lower in 2020 than in 2010. In order to fill the vacant HE capacity, universities recruit students from abroad (Nagy and Berács 2013). During the past decades, HE institutions have been characterized by decreasing government support and increasing operating costs. The Hungarian government recently launched a new scholarship program - called Stipendium Hungaricum - with the aim of increasing the number of foreign students. Internationalization and, more precisely, the rising number of degree-seeking international students are the key to the future survival of most universities.

Hungarian Mobility Trends in a Global and Central-European Context

The number of students around the globe pursuing studies abroad is continuously increasing. While in 1980, 1.1 million students chose a university abroad for their studies, the number had grown to 4.3 million by 2011.

Estimates predict a further rise and international student numbers will probably reach 8 million by 2020 (Gomez-Ortueta and Dutschke 2012). The most significant sending countries are China, India and South Korea. The most popular fields of study among international students from the main receiving countries are social sciences, business and law (Education at a Glance 2014).

A global determining factor of student mobility is the tuition fee (Table 10.1). In many host countries, universities charge higher fees to international than to domestic students, and in some countries students are charged the same. There are, however, a few countries where education is free for both the international and domestic student population. The leading Central and East European (CEE) receiving countries (Poland, the Czech Republic and Hungary) are characterized by higher tuition fees for international than for domestic students.

In recent years, CEE HE institutions have also realized the importance of internationalization, and this has resulted in a growing number of international students.

The largest host country in Central and Eastern Europe is the Czech Republic with almost 40,000 students in 2012 (Fig. 10.2). Poland is the second largest host destination with 23,000 students. Hungary takes third place in the ranking with its 17,500 international students.

An analysis of the countries of origin of international students studying in Central and Eastern Europe demonstrates an interesting phenomenon. Table 10.2 clearly indicates that the main sending countries in the region are neighboring or geographically closely located countries. Students originating from the bordering countries speak the language of the host countries and are enrolled in programs offered not in English, but in the language of the host country. However, as part of their internationalization process, universities of the region are launching a growing number

Table 10.1 Rate of tuition fee for domestic and international students in 2011(OECD, Education at a Glance 2013, p. 310)

Tuition fee rate	*Country*
Higher for international students than for domestic ones	Australia, Austria, Belgium, Canada, Czech Republic, Denmark, Estonia, Ireland, the Netherlands, New-Zealand, Poland, Russia, Sweden, Turkey, UK, USA, Hungary
Same rate	France, Germany, Italy, Japan, Korea, Mexico, Spain, Switzerland
No tuition fee for anyone	Finland, Iceland, Norway

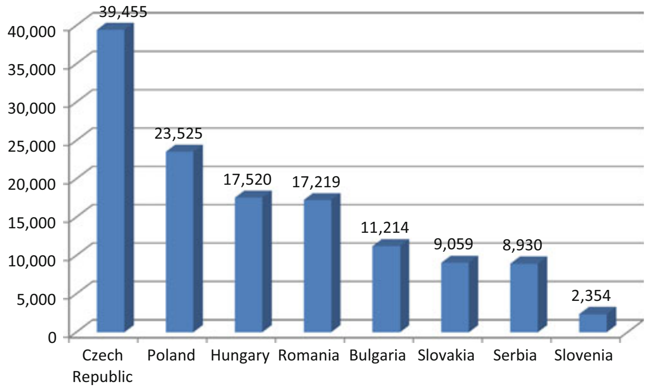

Fig. 10.2 International students in Central and Eastern Europe in 2012 (UNESCO, Institute for Statistics, online)

Table 10.2 Central and Eastern Europe—main sending countries in 2012 (UNESCO, Institute for Statistics, online)

Host country	*Main sending country*	*Student number*
	Slovakia	24300
	Russia	3455
Czech Republic	Ukraine	1876
	Kazakhstan	1174
	Ukraine	9485
	Belarus	3413
Poland	Norway	1369
	Sweden	1063
	Germany	2528
	Slovakia	2436
Hungary	Romania	2308
	Serbia	1465
	Rep. of Moldova	5502
	Tunisia	1233
Romania	Israel	939
	Greece	835
	Turkey	4778
	Greece	2395
Bulgaria	Macedonia	498
	Rep. of Moldova	429

of degree programs in English. The main sending countries of the world, China, India and South Korea are not listed among the first ten most significant sending countries in the CEE region. Although China and South Korea are represented by a growing number of students, it is still not significant. Indian students rarely choose CEE universities as their international study destinations.

The number of international students pursuing studies in Hungary has continuously increased in the past decade. In 2014, the total number of international students in Hungary was 24,598. Concerning the country of origin, there are four neighbors among the six main sending countries (Romania, Slovakia, Serbia, Ukraine) (Fig. 10.3).

The majority of foreign students from these bordering countries speak Hungarian, although they are regarded as international students. In 2014, they totaled 6.907–28 % of the total international student population. The main sending countries of international students who enrolled in programs taught in English and German are Germany, Brazil, Iran and Norway.

The most popular field of education among the degree-seeking international students in Hungary is general medicine and dentistry. English-language medical programs were launched 30 years ago in Hungary followed, 15 years later, by similar programs in German. During the past few years the variety of international programs offered by Hungarian universities has greatly increased.

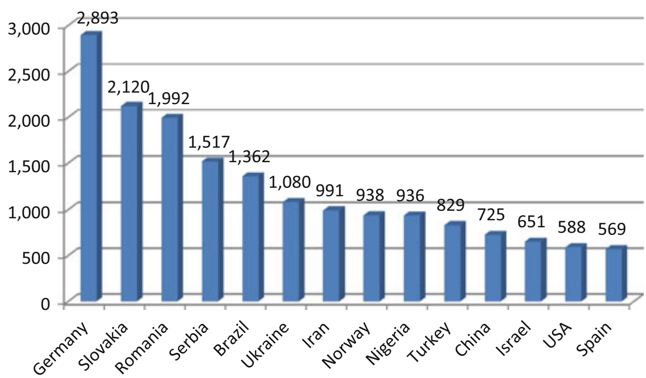

Fig. 10.3 Country of origin of international students pursuing studies in Hungary in 2014 (Csécsiné 2015, p. 1–3)

To conclude our thoughts on the market trends in Hungarian HE, we would argue that, while there are a significant number of international students originating from the bordering countries who are enrolled in programs offered in Hungarian, the majority of the degree-seeking international students pursue medical studies in Hungary. It is also an important phenomenon that both the number of international students and the English-language programs show a steady increase.

International Student Recruitment Benefits and Challenges in a Non-traditional Destination

The growth of international student numbers is a major asset not only for the universities, but also for the cities where these universities are located. The presence of these students has a significant impact on the economic survival or growth of cities as well.

Although Hungarian authorities do not register the exact financial benefit derived from the presence of international students in Hungary, some research has been made on this topic. According to Berács (2011), by 2020 the international student numbers are likely to reach 40,000. Based on their findings, these 40,000 students will create 8000 new jobs at the universities. This large number also has a significant impact on the economy, since the personal spending of these students will contribute to another 8000 new jobs in the community.

It is clear that the presence of international students has a multiplying effect and benefits all stakeholders—as illustrated in Fig. 10.4.

As the data clearly demonstrate, the benefits of studying abroad mean advantages for students, not only in terms of their studies and labor market position, but in terms of their personal development also. The increase of international student numbers serves the interest not only of the universities but also of cities, countries and of the EU. In the case of Hungarian towns or cities, it often occurs that the rise in international student numbers is the most important opportunity for economic growth. For this reason it is crucial that the city and its university cooperate in serving international student needs at the highest level possible.

It is a great challenge for both Hungarian universities and their international students studying in English and German that the language of international educational programs differs from the official language of the country. Therefore, most international students in Hungary have to adapt to a complex language environment which includes three languages:

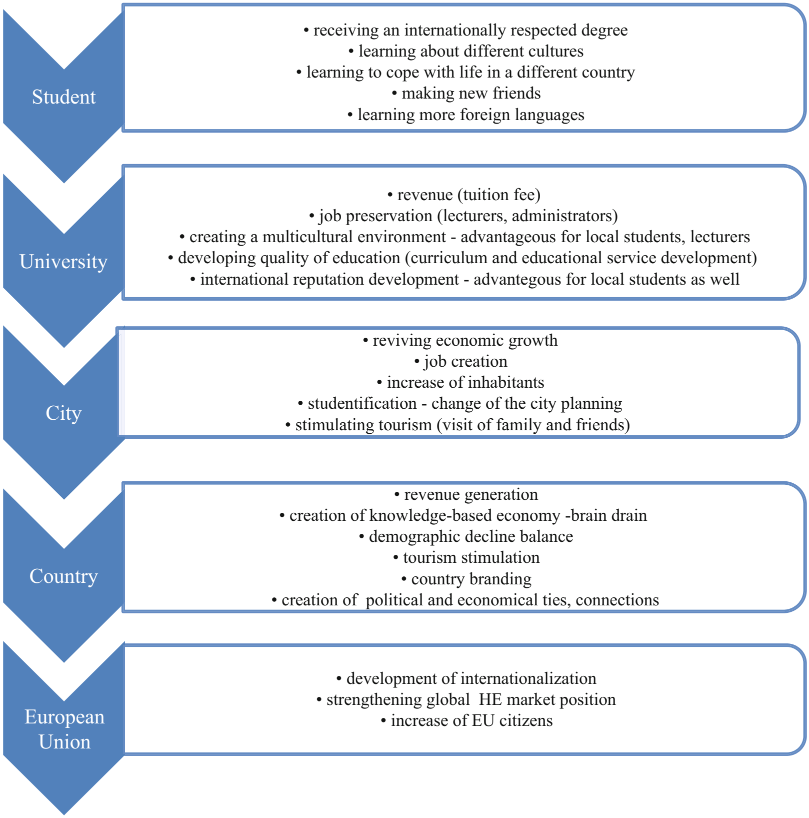

Fig. 10.4 Benefits of cross-border migration from demand and supply side (Komlódiné Pozsgai 2014, p. 77)

their own native language, that of their course and the official language of the country. In order to complete their studies, they have to meet the language requirements of the course, while the official language environment of the country is also a challenge for them. Universities play an important role in helping students to solve these problems. The HE institutions need to provide assistance in the integration of international students not only into the university, but into city life as well.

Research

An important part of effective international student recruitment activity is to have up-to-date information about the driving factors of students when choosing their places of study.

The rationale of this study is based on the partial results of three research studies on this subject:

(1) The first was made among student recruitment agencies in partnership with the University of Pécs which is one of the largest comprehensive research universities in Hungary. The aim of the study was to assess the attractiveness of Hungarian HE on those target markets which the agencies represented.
(2) The second study was carried out among the degree-seeking international students studying at the largest Hungarian universities. The objective of the research was to explore the information channels and driving forces of these international students when choosing their places of study.
(3) The third study included not only degree-seeking but also exchange students studying at various universities of Hungary. The aim was to obtain information about the opinion and experiences of international students regarding both the country and their studies.

Research Among the Student Recruitment Agencies

Most Hungarian universities employ private sector student recruitment agencies to promote the institutions and carry out sales activity on the represented markets. Universities sign commission-based agreements with these agencies.

In spring 2014, a survey was carried out among the agencies in partnership with the University of Pécs. An online questionnaire was used—completed by 35 agencies—whose aim was to explore the attractiveness of Hungary as well as the University of Pécs on their markets. Each respondent agency was involved in several markets, and they have a wide experience in their regions of the driving forces of the students. The number of agencies by market is illustrated in Table 10.3.

According to the international student recruitment agencies, the main pull forces of Hungarian HE are the high-quality education, the reasonable tuition fees that universities demand, the EU degree earned and also the reasonable living costs which characterize the country (Fig. 10.5).

The main decision-making factors for international students when choosing the University of Pécs are the quality of education, the reputation

Table 10.3 Number of recruitment agencies by represented markets (Komlódiné Pozsgai 2014, pp. 129–130)

Pakistan: 7	USA: 1	Jordan: 1
China: 6	Hungary: 1	Kazakhstan: 1
Nigeria: 5	Great-Britain: 1	Uzbekistan: 1
Azerbaijan: 2	Germany: 1	Sri Lanka: 1
Turkey: 2	Cameroon: 1	Indonesia: 1
India: 2	Egypt: 1	

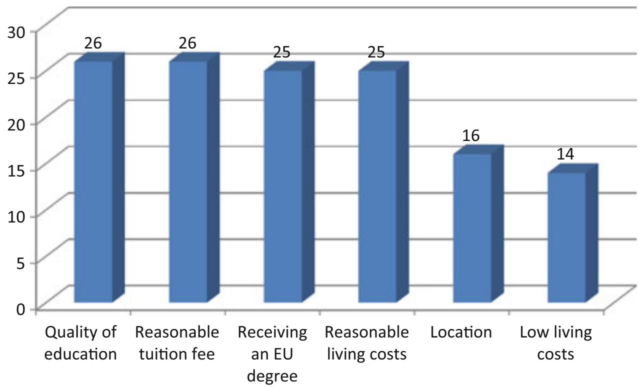

Fig. 10.5 Main driving forces of international students when choosing Hungarian universities—sorted in descending order by number of answers (Komlódiné Pozsgai 2014, p. 149)

of the university, the degree awarded by an EU member country and reasonable tuition fees.

Agents were also asked about the main information channels which students on the education markets they represent use during their selection process.

Figure 10.6 clearly indicates that the most important information sources for these international students are agencies, websites of the universities, printed material and advertisements which agencies place in various local papers. In addition to these, during their recruitment activities, agencies use television and radio advertisements, hold seminars in high schools and participate in various student fairs.

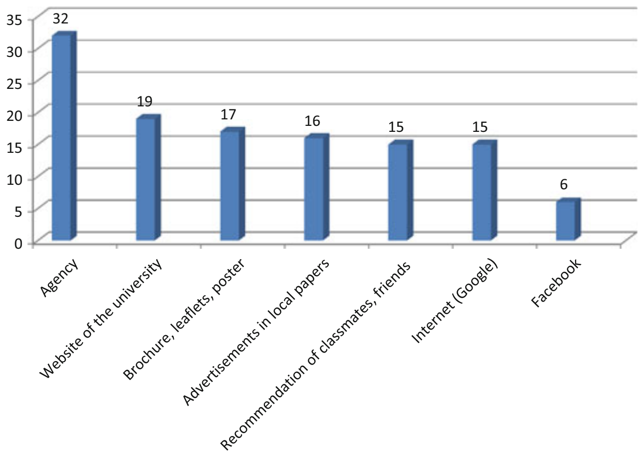

Fig. 10.6 Main information sources of students on markets agents represented—sorted in descending order by number of answers (Authors 2015)

Research Among Degree-Seeking International Students in Hungary

In 2014–2015, we carried out a survey among the degree-seeking international students of the largest host universities of Hungary. During the survey, an online questionnaire was used which was completed by 389 students.

The respondent students originated from 63 countries and were enrolled in the seven largest universities of Hungary. The respondents were all degree-seeking international students, and no exchange students were involved. Two hundred and eight of the respondents were enrolled at the University of Pécs and so the sample is not fully representative, although the results reflect well the tendencies underlying each factor. The proportion of male and female respondents was 45–55 %. The portions by field of study were: medical programs, 61.7 %; health sciences, 3.5 %; business, 14.3 %; engineering, 11.7 %; social sciences, 8.8 %. The proportions of responding students correspond to the trends mentioned above of the study fields chosen by international students in Hungary.

The responses were evaluated by mathematical and statistical methods using SPSS software. The aim of the survey was to explore the main information channels and the driving factors of the degree-seeking international students when choosing their host institutions.

During the survey, students were asked from where they received information about the host institution before application. The results clearly show that the main information channels used by students before their application are university websites, student recruitment agencies and education fairs. Word of mouth also plays an important role among the communication channels when they make a decision about where to apply (Fig. 10.7).

These results show that the first information students received about the chosen institutions before application was the EU-wide acceptance of the degree earned here, the high quality of education, the high number of international students already enrolled in and the low cost of living which characterize the country. When asked about the main benefits of studying abroad, the responding students underlined that they can:

- Earn an internationally accepted degree
- Learn about different cultures
- Cope with life in a different country
- Learn new foreign languages
- Make new friends.

The main decision-making factors (location, education, university life, costs) were also thoroughly examined in the survey. The research results demonstrate that the most important decision-making factor for international students is the education factor, which outweighs the relevance of costs, location and university life (Fig. 10.8). The examined

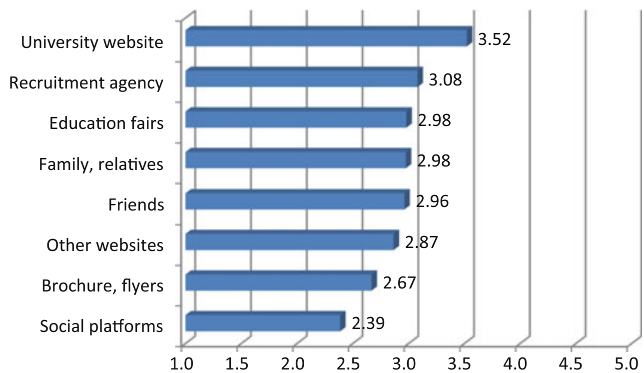

Fig. 10.7 Main information channels of degree-seeking international students (1–5 scale, sorted in descending order by average) (Authors 2015)

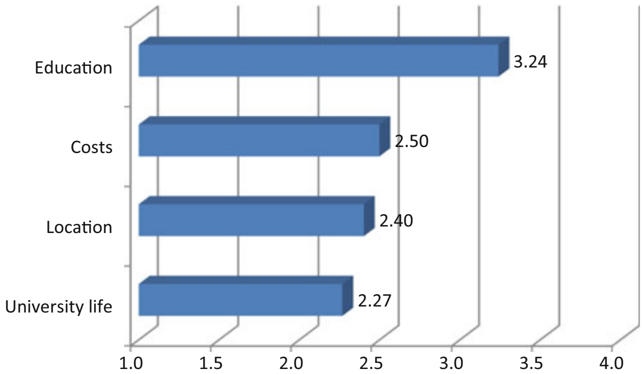

Fig. 10.8 Main decision-making factors of degree-seeking international students (1–4 scale, sorted in descending order by average) (Authors 2015)

education factor includes both reputation and research-related factors. The least important driving factor among the four concerns is the university life.

All four decision-making factors were also examined separately. According to the findings, the main education-related factors are the EU degree which can be obtained, the high quality of education, the international reputation of the university and the reputation of the study program. The least important factors are small classes and the ease of earning a degree (Fig. 10.9).

An interesting finding of the research was that students find the low cost of living more important than the level of tuition fees demanded by the university. The least important factor for the respondent students was low travel cost (Fig. 10.10).

Regarding location, the research results clearly demonstrate that the most crucial driving factor for international students is that the university is located in a beautiful city (Fig. 10.11). The location of the country is also highly important.

Concerning student life, the most important factor for international students is safety. The presence of significant number of international students is also crucial—as is the high quality of facilities (Fig. 10.12).

During the survey, students were also asked to make suggestion about how the effectiveness of international student recruitment can be increased. According to the respondents, universities should provide a higher quality of education and better student services in order to attract

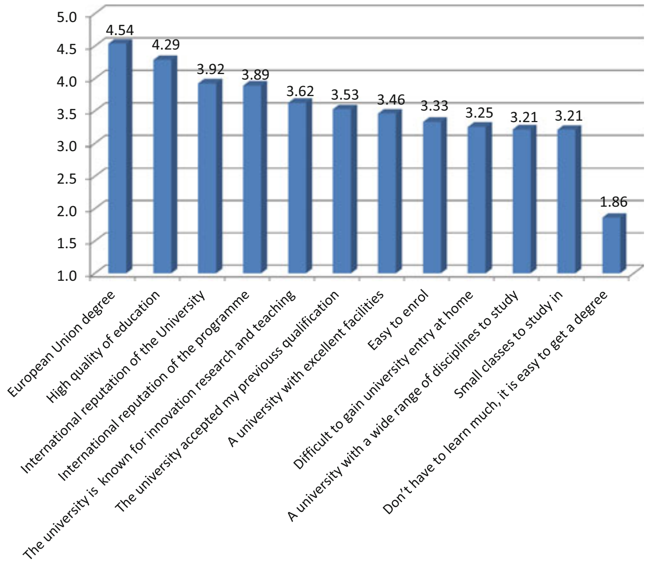

Fig. 10.9 Main driving factors of education (1–5 scale, sorted in descending order by average) (Authors 2015)

more international students. Concerning communication channels, students highlighted the importance of university websites, social media, recommendations by friends and family as well as the use of other education websites.

Research Among the Exchange and Degree-Seeking International Students

Another comprehensive quantitative research study was carried out in 2010 by Beracs et al. among international students in Hungary. The main aim of the research was to obtain information about the opinion and experiences of international students of Hungary. The number of respondents was 302 and represented 46 countries. International students who took part in the survey were both regular and exchange students. The method of data collection was an online questionnaire. The responses were evaluated by mathematical and statistical methods using SPSS software.

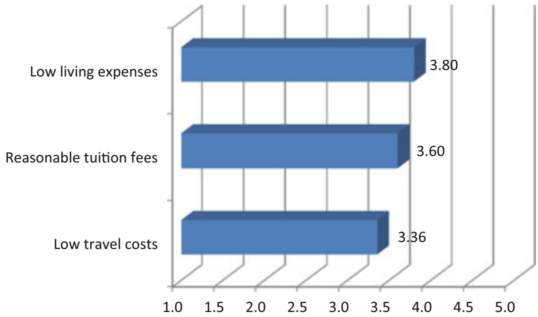

Fig. 10.10 Main driving factors related to costs (1–5 scale, sorted in descending order by average) (Authors 2015)

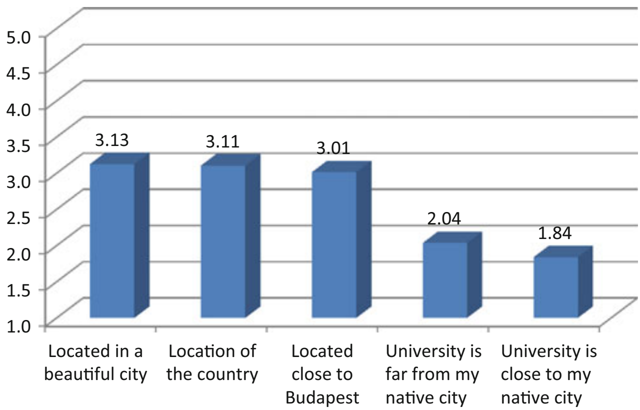

Fig. 10.11 Main driving factors concerning location (1–5 scale, sorted in descending order by average) (Authors 2015)

The study concluded that the main reasons for students choosing to study in Hungary were the high quality of education, good cooperation between the sending and receiving universities, the desire to learn about a new culture and the low cost of living that characterizes Hungary. The main information channels used by the regular students were the Internet, friends and university brochures. The exchange students received prior information about the host institution from the sending university faculty

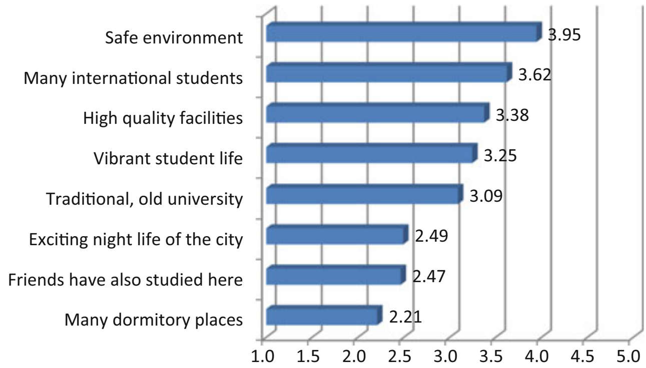

Fig. 10.12 Main decision-making factors related to student life (1–5 scale, sorted in descending order by average) (Authors 2015)

members, from the family and friends as well as from the host university brochures (Beracs et al. 2010).

Findings

Based on the findings of these three research studies, it seems fair to conclude that, even in case of a non-traditional 'study abroad' destination, the main driving factor for international students when choosing their host country and university concerns education factors. Our research confirms the importance of the academic pulling factors such as quality and reputation (Chen 2007; Mazzarol and Soutar 2002; Nguyen and LeBlanc 2001; Wilkins and Huisman 2011). International, degree-seeking and exchange students are looking for high-quality education at internationally respected universities. According to the opinion of the respondent students, the key component of successful future recruitment activity is to increase the quality of education. When choosing Hungary for their studies, international students also find it very important that the degree is issued by an EU member state.

Results also proved that the cost of living that characterizes a country is more important for the students than tuition fees. The large number of international students who are already enrolled is also a driving force for potential international students. Their presence is a good reference for the universities. The safety of the chosen destination is also a crucial factor for the applicants as well as the beauty of the city where the university is located.

The most important information channel international students use before their application is the website of the host university. Referring to the most effective communication channels for future recruitment, students also highlighted the importance of the university website. Therefore, special attention is required to be paid to the content and attractiveness of the website. Further research is needed to explore students' ideas concerning the composition of an effective university student recruitment website to meet the requirements of all the decision-makers and influencers. Recruitment agencies are also of high importance among the information channels used—which means that Hungarian universities need to pay special attention to their agency relationship management in order to maximize the benefits of the cooperation. Word of mouth is also among the most relevant information channels of the respondent international students. Positive word of mouth largely depends on the satisfaction of the current foreign students. Therefore, host institutions have to make special efforts—first, to survey the enrolled students' needs and then to satisfy them at the highest possible level. This was also clearly proved by the research results when respondent students underlined that providing better student services is crucial for the success of future recruitment.

The importance of high-quality education and the degree awarded which is accepted by EU member countries reflects students' concern about their future employability on the labor market. [Our research results proved the findings of Lam et al. (2011) and Wilkins and Huisman (2011)]. Studying abroad can be very expensive and it is a decision which can have a long-term impact—not only on the student but on his/her family also. The research results reflect students' special approach to education. They regard it as a long-term investment which has to produce a return on the labor market. The research demonstrates that, although a non-traditional CEE destination generally offers a relatively low cost of living and tuition fees, costs are not the main driving forces of the international students when they choose a host country. The main decisive factor is not the location, but finding high-quality education through programs at internationally respected universities.

Conclusion

Hungarian HE changed significantly after the transition. The Bologna Declaration opened the door to the easier movement of students. Hungary is located in the heart of Europe and has a long tradition in education. In the last decade, the number of international students has largely increased in Hungary, but a further rise is essential due to the changed global and domestic HE environment.

The growing number of international students searching for HE and the increasing number of global and domestic competitors have raised the need to analyze the behavior of potential applicants. By this study, we hope to contribute to improving the understanding of the various factors which determine students' decisions with regard to choosing a Central European study destination.

The most important driving factors for international students when choosing Hungary as a 'study abroad' destination are linked to education-related factors surpassing the significance of location, cost and university life factors. International students look for high-quality education and a degree awarded by an EU member state. This clearly proves that the knowledge acquired and the value of the degree on the labor market are the most crucial benefits for which they search. In addition, Hungary is also attractive from the perspective of the reasonable cost of living, safety and the beauty of the cities where its universities are located.

Up-to-date knowledge of the main driving factors is a key to planning and implementing effective communication and recruitment strategies for Hungarian HE institutions to increase the number of international students and to raise the global attractiveness of Hungary as a study destination.

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