International students’ decision-making process

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Abstract

Purpose  The purpose of this paper is to propose a theoretical model that integrates the different groups of factors which influence the decision making process of international students, analysing different dimensions of this process and explaining those factors which determine students’ choice.

Design/methodology/approach  A hypothetical model is presented which shows the purchase intention as an independent variable dependent on five factors: personal reasons; the effect of country image, influenced by city image; institution image; and the evaluation of the programme of study. The consideration, whether conscious or unconscious on the part of the prospective student, of the different elements making up the factors included in this study will determine the final choice made by that student.

Findings  The limitations of this study stem from the nature of the study itself. As a theoretical model, it aims to integrate the factors identified in the existing literature. Thus, future research must try to examine the existing relationships among the aforementioned factors. In particular, it must analyse the weight of each factor on the purchase intention, and the relative importance of each element for the factor it belongs to. Therefore, determining the relative importance of each element and factor would constitute an important source of information for future work in international marketing.

Originality/value  There are few studies which try to tackle the decision making process of the prospective international student from an integrated point of view. This paper contributes to bridging that gap.

Keywords  Decision making, Higher education, International business, Overseas students

Paper type  Conceptual paper

Introduction

In order to be successful in the present global environment, students must develop some key global cultural skills (Cant, 2004). This need has increased international students’ search for higher education around the world (Enders, 2004; Teichler, 2004).

The growing number of international students in search of higher education and the inclusion of new countries as destinations for this purpose have increased the need for understanding the behaviour of consumers from a cross-national perspective.

Global trends within the field of higher education have brought new competitors (Ivy, 2001), involved in an increasing and intense struggle to attract new students (Nicholls et al., 1995; Soutar and Turner, 2002). In this context, educational institutions must maintain their competitive advantage by developing a distinctive image (Ivy, 2001; Valimaa, 2004) and positioning.
Competence for attracting international students has expanded to regional and national Governments. The UK Government has sponsored several initiatives to attract more international students with the purpose of becoming the world’s leading nation in international education (Binsardi and Ekwulugo, 2003).

Likewise, the USA and Australia have been applying aggressive international marketing strategies for education (Michael, 1990; Mazzarol and Hosie, 1996). Recently, due to the increasing number of Latin American students, the Regional Government of the Community of Madrid (Spain) has studied the possibility of opening a specific office for the management of this international demand from Latin countries and to increase the capacity of existing facilities.

This reality makes international students’ preferences a very interesting subject to study, focusing not only on higher education institutions involved in internationalization strategies, but also on national, regional and local governments interested in promoting their territories as education destinations.

Thus, it is very important for marketers to know the factors influencing the purchase intention of prospective students and to understand the nature of the relationship among those factors. Due to the increasing demand for educational services, marketers need to be more aware of the underlying factors considered by consumers when evaluating services (Ahmed et al., 2002) if they want to survive in this competitive environment (Vaira, 2004).

The purpose of this paper is to propose a theoretical model integrating the different factors that influence the purchase decision process of international students. Thus, this work analyses the different dimensions of the decision-making process and tries to explain those factors determining the students’ choice and the relationships underlying the process at the moment of selecting their destination country. With this objective in mind, the present work reviews available literature regarding the students’ selection process of higher education services published over the last 25 years, and proposes an integrated purchasing or selection model.

**Conceptual framework**

Relatively little has been written on the marketing of education within international markets (Mazzarol, 1998). There is scarce literature analysing the decision-making process of prospective international students in general.

Existing literature tends to focus on the study of those factors related to the institution in itself, disregarding the influence of the country choice. Thus, from an international perspective, dimensions in the decision process are not considered. Nevertheless, there are some interesting theoretical (Srikatanyoo and Gnoth, 2002) and empirical (Mazzarol and Hosie, 1996; Peng et al., 2000; Binsardi and Ekwulugo, 2003) studies on this subject.

The decision to study overseas is one of the most significant and expensive initiatives that students may ever undertake (Mazzarol, 1998). Therefore, the high costs of studying abroad make it a complex decision. Most complex and expensive decisions are more likely to involve deeper buyer deliberation (Assael, 1981, cited in Nicholls et al., 1995).

In this way, the decision to study abroad increases the complexity of the selection process. Thus, when the prospective student chooses a country in which to study, he is
not only buying the education service but he is also acquiring an important pack of services jointly provided with the core service.

The nature of educational services
Services show special characteristics that require a particular marketing strategy application (Stanton, 1974; Andressen et al., 1983; Kotler et al., 1995). By their nature, services cannot be touched, tasted, or possessed (Edgett and Parkinson, 1993). In general, services are intangible, heterogeneous, perishable, and require simultaneous production and consumption (Zeithaml et al., 1985; Ahmed et al., 2002).

Consumers usually associate intangibility with high level of risk. Thus, intangibility hinders the communication of services to the customer (Rathmell, 1966) and the setting of prices for international education (Mazzarol, 1998). Consequently, the decision process of consumers is influenced by indirect mechanisms of service evaluation. Consumers analyse aspects such as the image of the brand, the institution, and the country of destination.

On the other hand, a number of services are provided as part of a pack of services (Zeithaml et al., 1985). A group of services is made up of core and auxiliary services (Grönroos, 1978; Eiglier and Langeard, 1981; Norman, 1984). In general, auxiliary services are those offered to satisfy consumers’ expectations. Thus, these services could be a highly significant way to differentiate among competitors (Maister and Lovelock, 1982).

Education services. Higher education is a pure service and is characterised by a greater amount of interpersonal contact, complexity, divergence, and customization than other service businesses (Patterson et al., 1998). Most of the quality attributes in higher education cannot be perceived, felt, or tested in advance. This nature brings difficulties to the evaluation of a programme, especially for an international student (Patterson et al., 1998; Harvey and Busher, 1996; Srikatanyoo and Gnoth, 2002).

For higher education, quality may vary markedly according to different circumstances: from year to year, class to class, student to student, lecturer to lecturer (Patterson et al., 1998; Owlia and Spinwall, 1996); and even within different countries (Srikatanyoo and Gnoth, 2002). Furthermore, service quality has different meanings for different consumers (Ahmed et al., 2002).

One of the peculiarities of education services is that, during the first step of the internationalization process, the service must be provided at the host country. In this way, future students will receive a pack of services comprising a core service, the main education service; some auxiliary services, related to education activities at the host institution; and a pack of secondary services, in this case, related to their stay at the host country and the host city (Grönroos, 1994).

In international education, there are several groups of secondary services. The prospective student will consider various aspects related to living in the host country such as safety, security, cultural activities, international background, university environment, quality of life, and visa and entry requirements, among others. Some of them are related to the host city, and others are related to the host country. In this way, the country image will influence the final decision of the prospective student.

As Grönroos (1997) points out, it is usually impossible to determine when the service begins. For instance, in the case of higher education, the service will probably begin when the student contacts the institution by mail, e-mail, or phone, requesting
information about the institution, the programmes, and the entry requirements. This is the first service image impact on the prospective student. This may be the crucial moment.

In the case of the country selection, service will probably begin when the student requests the residence visa at the host country’s consulate. In this sense, the work of Binsardi and Ekwulugo (2003) shows the ease for university entrance and immigration procedures as the second reason for the selection of the destination country (see Table I).

The theoretical model
The international education is not a frequent purchase and demands a high level of involvement from customers (Nicholls et al., 1995). In order to determine their preferences, prospective students consider what is important for them, and then make a conscious/unconscious trade-off among the attributes (Soutar and Turner, 2002).

The model presented in this work aims to explain the factors influencing the purchase intention of international students. The purchase intention is used as a predictor for the preferential choices of consumers, and is defined as the intention of the student regarding the destination country as provider of the education service (Peng et al., 2000; Srikatanyoo and Gnoth, 2002).

The theoretical model comprises the purchase intention, as a dependent and not observable variable, and four factors with a total of 19 independent variables identified in existing literature. The factors identified are personal reasons (Krampf and Heinlein, 1981; Dawidow and Uttal, 1989; Oosterbeck et al., 1992; Grönroos, 1994; Kotler and Fox, 1995; Qureshi, 1995; Mazzarol and Hosie, 1996; Lin, 1997; Turner, 1998; Bourke, 2000; Binsardi and Ekwulugo, 2003), country image (Hooley and Lynch, 1981; Lawley, 1998; Bourke, 2000; Peng et al., 2000; MORI, 2001; Srikatanyoo and Gnoth, 2002; Binsardi and Ekwulugo, 2003), institution image (Krampf and Heinlein, 1981; Peters, 1992; Hall, 1993; Sullivan, 1993; Qureshi, 1995; Mazzarol and Hosie, 1996; Lin, 1997; Mazzarol, 1998; Turner, 1998; Ford et al., 1999; Ivy, 2001; Soutar and Turner, 2002; Srikatanyoo and Gnoth, 2002; Gutman and Miaoulis, 2003; Binsardi and Ekwulugo, 2003; Price et al., 2003), and programme evaluation (Hooley and Lynch, 1981; Krampf and Heinlein, 1981; Qureshi, 1995; Bourke, 2000; Peng et al., 2000; Srikatanyoo and Gnoth, 2002; Binsardi and Ekwulugo, 2003). The model is presented in Figure 1.

Personal reasons
Personal improvement. Binsardi and Ekwulugo (2003) point out that when considering core benefits, students are not buying degrees; they are buying the benefits that a degree can provide in terms of employment, status and lifestyle, among others. In this way, employment prospects play an important role in personal motivation.

Thus, among the main personal factors influencing the choice, Bourke (2000) found enhanced career prospects and higher status implied in studying abroad. Other works with similar findings are those from Qureshi (1995) and Lin (1997). However, Oosterbeck et al. (1992) found that for school leavers this is not an important factor in the choice of university.

Future employers are true customers (Kotler and Fox, 1995) because they will “buy” the product (trained students). They are the ones who judge the validity of the studies according to their perception about the programme quality, the institution’s prestige,
<table>
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<th>Reference</th>
<th>Type</th>
<th>Number of surveys</th>
<th>Number of items</th>
<th>Analysis applied</th>
<th>Kind of study</th>
<th>Population Surveyed</th>
<th>Choice</th>
<th>Top five factors identified/main findings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Krampf and Heinlein (1981)</td>
<td>Empirical</td>
<td>196</td>
<td>102</td>
<td>Multiple discriminant analysis</td>
<td>QT</td>
<td>School leavers</td>
<td>UN</td>
<td>Identifies the steps a prospective user would follow</td>
</tr>
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<td>Qureshi (1995)</td>
<td>Empirical</td>
<td>550</td>
<td>30</td>
<td>Correlation analysis ANOVA Model of Consumer Behaviour</td>
<td>QT</td>
<td>Undergraduates</td>
<td>UN</td>
<td>University reputation Wide selection of courses Total cost of attendance Availability of financial aid Reputation of the Programme Quality of education offered Degree opportunities Reputation of institution Internship opportunities Faculty qualifications Image and resources Coalition and forward integration</td>
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<td>Lin (1997)</td>
<td>Empirical</td>
<td>nd</td>
<td>nd</td>
<td>Descriptive analysis Factorial analysis</td>
<td>QT</td>
<td>University students University managers</td>
<td>UN</td>
<td>–</td>
</tr>
<tr>
<td>Ivy (2001)</td>
<td>Empirical</td>
<td>174</td>
<td>27</td>
<td>Correspondence analysis</td>
<td>QT</td>
<td>University managers</td>
<td>UN</td>
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<th>Population Surveyed</th>
<th>Choice</th>
<th>Top five factors identified/main findings</th>
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<tr>
<td>Soutar and Turner (2002)</td>
<td>Empirical</td>
<td>259</td>
<td>10</td>
<td>Combined analysis</td>
<td>QT</td>
<td>School leavers</td>
<td>UN</td>
<td>Academia reputation, Job prospects, Teaching quality, Campus atmosphere, Country related: Education standard/recognition, qualifications - worldwide, Ease of university admissions, Ease of immigration procedures, Cost of living, accommodation, safety and culture, Institution related: Lowering tuition fee, Providing more scholarship, Providing better quality care and services, Supplying more facilities, Alumni networks, international students, Course suitability, Availability of computers, Quality of library facilities, Good teaching reputation, Availability of “quiet” areas</td>
</tr>
<tr>
<td>Price et al. (2003)</td>
<td>Empirical</td>
<td>8,742</td>
<td>87</td>
<td>Descriptive analysis</td>
<td>QT/QL</td>
<td>Undergraduates</td>
<td>UN</td>
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</tr>
</tbody>
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Notes: QT = Quantitative; QL = Qualitative; HS = High School; CO = College; UN = University; TE = Tertiary education
and the country image. Thus, recognition of the institution and programmes by future employers are two very interesting variables to be introduced into the model (Mazzarol and Hosie, 1996).

Grönroos (1994) states that the creation of service expectations is made up of personal needs, previous experience, and institution image. Thus, the advice represents an important factor included in personal reasons. Recommendation from family, friends, or acquaintances who have already selected the services is one of the most important factors included in the choice (Krampf and Heinlein, 1981; Turner, 1998; Bourke, 2000).

Results published by Binsardi and Ekwulugo (2003) show that 52 per cent of the students sampled think that the best promotion strategies are those based on students networks. This indicates that the advice among students is a good channel for communicating a positive institutional and programme image. Education involves a lengthy relationship with the client and a continuous delivery of the service. This offers the service provider an opportunity to develop strong client loyalty (Mazzarol, 1998).

Other reasons included in this factor are the attraction of the experience of living in a different culture, meeting new people, making international contacts, and improving language skills (Bourke, 2000) for those non-English speaking students who choose an English speaking country to study (or English speaking students who choose a non-English speaking country) (see Table II).

Country image effect
The decision of acquiring a product or a service can be positively influenced by the country image (Bilkey and Nes, 1982; Javalgi et al., 2001). This is a potentially powerful variable for differentiating a product or a service (Srikatanyoo and Gnoth, 2002). This
<table>
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<th>Factor</th>
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<tr>
<td>Personal reasons</td>
<td>Personal improvement</td>
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<td>Advice</td>
<td>Family recommendation</td>
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<td>Country image effect</td>
<td>Country image</td>
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<tr>
<td>City image</td>
<td>City dimension</td>
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<tr>
<td>Institution image</td>
<td>Corporate image</td>
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<tr>
<td>Faculty</td>
<td>Expertise of teaching staff</td>
</tr>
<tr>
<td>Facilities</td>
<td>Campus atmosphere</td>
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<td>Programme evaluation</td>
<td>International recognition</td>
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<td>Programme suitability</td>
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<td>Programmes specialization</td>
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<td>Quality programmes</td>
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<td>Recognition by future employers</td>
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<td>Total cost and finance</td>
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**Table II.**
Main factors and variables identified in the choice process
factor has great influence on the purchase intention and the quality perception (Peterson and Jolibert, 1995), and even more so when the consumer must evaluate an unfamiliar brand (Ofir and Lehman, 1986, cited in Javalgi et al., 2001; Lin and Kao, 2004).

In fact, the country image is assumed to be the first source that consumers consider in product evaluation since the attitude of consumers towards the products or services are related to their stereotypes about the country of origin (Peng et al., 2000). Some studies show that the country image influences the evaluation of a product or service much more than other variables (Wall et al., 1991).

Country image effect (country-of-origin) refers to the picture, the reputation, the stereotype that consumers attach to products or services of a specific country (Nagashima, 1970), and it is directly linked to the brand image (Nebenzahl and Lampert, 1997).

Up to now, most publications related to country image focus on products (Phau and Prendergast, 1999). There are few studies analysing the effects of the country image on services (Javalgi et al., 2001).

Associations comprising the core of image may have special importance for services (Woodward, 1996 (cited in Peng et al., 2000)). Available literature shows that the relationship between country image and services seems to be similar to the one between country image and goods. In this way, Harrison-Walker (1995) found that the country image plays an important role in the choice of a service provider. Consumers prefer service providers from developed countries to those from developing countries, except when lower prices are considered (Lascu and Giese, 1995).

Country image effects on education services. Some good first attempts to introduce the country image effect on the international students choice model were made by Lawley (1998), Peng et al. (2000), and Srikatanyoo and Gnoth (2002).

Results show that the country image seems to play an important role in the selection of students for international education (Lawley, 1998, cited in Peng et al., 2000; Srikatanyoo and Gnoth, 2002). Thus, prospective students tend to choose first the country and then the institution (Bourke, 2000; Srikatanyoo and Gnoth, 2002). Nevertheless, Peng et al. (2000) conclude that there is no relationship among country, corporate, and brand image in their model, since brand image is stronger than the others.

Due to the prestige image of certain countries in higher education, students tend to believe that higher education offered in these countries is high quality (Bourke, 2000). Thus, one of the factors considered by prospective students is the status implied in studying in these countries (Bourke, 2000).

city image effect
The city represents the environment in which the service will be produced and consumed. Since the education service is a complex service jointly produced with a wide group of services, the physical environment will be made up of the institution facilities and the city as a whole. In this way, the students’ perception about the destination city will influence the decision process as well as the country image.

For instance, the city of Salamanca, in Spain, has developed a cultural image closely linked with the learning of the Spanish language and culture. In particular, the image shows Salamanca as the city where people speak the perfect Spanish. For this reason, a
lot of international students go to Salamanca every summer with the purpose of learning Spanish. In a complementary way, the dimension of the city, its beauty, the historic background, and the monuments contribute to an excellent environment for interacting with other students, and consequently learning Spanish.

The work of Mori (2001 cited in Price et al., 2003) identifies location and social facilities in a town/city as the most important factor related to environmental conditions which influence the students’ choice. In the same way, Hooley and Lynch (1981) include in their work items related to the dimension of the city.

**Institution image**

A positive image can strongly influence the decision to attend an educational institution (Krampf and Heinlein, 1981; Qureshi, 1995; Mazzarol, 1998; Bourke, 2000; Gutman and Miaoulis, 2003).

The particular characteristics of services make the consumer analyse indirect elements when evaluating the service. The institution selection is determined by several factors such as the academic reputation of the institution, the quality and expertise of its teaching faculty, attractiveness and campus atmosphere (Krampf and Heinlein, 1981; Lin, 1997; Mazzarol, 1998; Soutar and Turner, 2002).

The institution image is the sum of opinions, ideas, and impressions that prospective students have of the institution (Kotler and Fox, 1995). Their opinion about the image of the institution is formed from word of mouth, past experience, and marketing activities of the institution (Ivy, 2001). Thus, very often the perception of the institution’s excellence goes beyond its actual quality (Kotler and Fox, 1995).

Increasingly, Students are becoming extremely critical and analytical when choosing their educational institutions (Binsardi and Ekwulugo, 2003). Due to the growing competence in international education, institutions need to maintain and develop a distinctive image in order to reach a competitive advantage (Paramewaran and Glowacka, 1995). In this way, the quality of reputation and branding are two important sources for this purpose (Hall, 1993; Qureshi, 1995; Mazzarol, 1998; Bourke, 2000).

According to Anderson and Sullivan (1993), the satisfaction of the customer is affected by expectations and perceived quality. For higher education, quality perception is a core and strategic element (Peters, 1992). Thus, some higher education institutions have changed their quality management systems to convey a stronger quality image (Ford et al., 1999).

For instance, the European Foundation for Management Development (EFMD), through the European Quality Association (EQUAL), analyses the quality level of education institutions in the area of Management and Business by means of the EQUIS quality system, and proves their quality excellence. The tools provided by service quality assessment systems can help education institutions improve their image, generating a positive perception of their services (Ford et al., 1999).

**Facilities.** The physical environment of the service production constitutes an important element in the decision-making process. Price et al. (2003) have found that, when provided with a high standard, facilities are considered as a relevant factor in influencing the students’ selection of the institution where they will pursue their studies.
The work of Price et al. (2003) analyses the degree to which facilities and location factors influence the decision of a group of customers. The most important factor related to facilities is social life at the university and its surroundings. Results show that factors such as safety, security, and sports facilities are considered less significant.

Other factors influencing the institution image through auxiliary services are: library facilities (Qureshi, 1995), availability of computers, quality of library facilities, availability of quiet areas (i.e. study rooms), availability of areas for self-study (Price et al., 2003).

Programme evaluation
Programme evaluation is conceptualised as the attitude of consumers toward targeted programmes (Peng et al., 2000).

Hooley and Lynch (1981) observe that the suitability of the programme is the most important factor, since students will accept any level of the other factors. In this sense, Binsardi and Ekwulugo (2003) show that product and promotion variables have increasing importance in the choice.

Prospective students will compare programmes offered with those being promoted by competing institutions in order to check their suitability (Krampf and Heinlein, 1981). The elements that influence the programme evaluation are a wide selection of courses (Qureshi, 1995), their quality (Turner, 1998), international recognition of the degree (Turner, 1998), availability of courses, entry requirements (Bourke, 2000), costs and availability of financial support (Qureshi, 1995).

Research propositions
The above theoretical framework allows us to set forth the following research propositions:

H1. Personal reasons, advice from family members, friends and teacher positively influence the decision to study abroad.

H2. Ethnocentrism negatively influences the decision to study abroad.

H3. Country image has a direct and positive relationship with the purchase intention.


H5. Country image positively affects institution image.


H7. City of destination plays an important role in the configuration of the purchase intention.

H9. The institution's image positively influences the evaluation of the programme to be studied.

Conclusions
Until now, research on the choice of higher education has centred on partial aspects of the process. Existing literature has concentrated on identifying those elements which play a part in the decision of the prospective student and establishing priorities within.
These studies analyse the influence of the elements related to either the image of the institution, the evaluation of the programmes, personal reasons or, to a lesser degree, the image of the country. Thus, there are few studies which try to tackle the decision making process of the prospective international student from an integrated point of view.

This paper aims to contribute to bridging that gap. In order to do this, a theoretical model is presented which tries to integrate different groups of factors, identified by existing literature, which influence in the decision of the international student.

The model presented here shows the purchase intention as an independent variable dependent on five factors: personal reasons; the effect of country image, influenced by city image; institution image; and the evaluation of the programme of study. The consideration, whether conscious or unconscious on the part of the prospective student, of the different elements making up the factors included in this study will determine the final choice made by that student.

The limitations of this study stem from the nature of the study itself. As a theoretical model, it aims to integrate the factors identified in the existing literature. Thus, future research must try to examine the existing relationships among the aforementioned factors. In particular, it must analyse the weight of each factor on the purchase intention, and the relative importance of each element for the factor it belongs to. Therefore, determining the relative importance of each element and factor would constitute an important source of information for future work in international marketing.

On the other hand, there should be more in-depth study on the effect that country image has on the decision making process of the prospective student. In particular, studies should analyse in which situations country image can contribute to choosing the country as an educational destination. In the same line, future work should analyse to what degree cultural distances and ethnocentrism influence the choice of country as a destination (Hofstede, 1983).

Another interesting area would be a comparative analysis between prospective students (purchase intention) and international students (purchase decision). This would establish whether there are significant differences between purchase intention and actual purchase.

Further analysis of consumer behaviour and determining factors in the decision making process of the international student would allow educational institutions, as well as national, regional and local governments interested in attracting international students, to strengthen their image, try to eliminate weaknesses and thus increase their possibilities of being chosen as a destination for consumption of higher education services.

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Further reading

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