

# Factors Influencing the Choice of Overseas Study by Undergraduate and Postgraduate Chinese Students

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## **Abstract**

The objective of this paper is to investigate the major factors that influence Chinese students' decision-making of an overseas study destination. The major education markets are USA, UK, Australia, Canada, Germany France and Japan. Chinese students constitute the largest proportion of international students in the world education market accounting for about 14% of the total market (UNESCO 2006). The research addresses questions such which factors have the greatest influence on Chinese students' decision-making process; what is the order of preference as destination study country and why, what information sources do students and parents access to inform their decisions. Data was collected from institutions in Beijing, Shanghai and Guangzhou in China from both high schools and universities. The data collection approach used self completed questionnaires. The findings are useful for academic institutions especially their various marketing functions.

**Key words:** International education, Chinese students, marketing, decision making

# **Factors Influencing the Choice of Overseas Study by Undergraduate and Postgraduate Chinese Students**

## **Abstract**

This paper investigates the major factors that influence Chinese students' decision-making process when choosing an international study destination. The major competing education markets are USA, UK, Australia, Canada, Germany France and Japan. Chinese students constitute the largest proportion of international students in the world education market accounting for about 14% of the total market (UNESCO 2006). The research addresses questions such as which factors have the greatest influence on Chinese students' decision-making process; are there significant differences in these factors for students intending to pursue undergraduate studies and those seeking postgraduate studies. Data was collected from institutions in Beijing, Shanghai and Guangzhou in China from both high schools and universities. The data collection approach used self completed questionnaires. The findings suggest that the undergraduate and postgraduate markets are very different and require different marketing approaches. The findings have implications for academics and university marketing personnel.

## **Research Background**

Australia is one of the most attractive markets for international students. It is the fifth leading education destination for international students and accounts for 7% of the world market share (UIS 2006). International education contributed to the Australian economy over AU\$10 billion in 2007, making this industry Australia's fourth largest export industry, behind coal, iron ore, and tourism (Bishop 2007). China is the largest source for international students worldwide. There were estimated to be about 90,000 Chinese students in Australia (Bishop 2007) accounting for about 20% of the market. Australian universities have come to rely on international student revenue to supplement, or even to sustain their core teaching and research activities (Davis 2009). This study investigates the determinants of study destination choice for undergraduate and postgraduate students from China.

## **Literature Review**

Previous studies relating to international education have two distinct research approaches. One approach has been to study the macro-environmental variables that influence outflow of students from source countries. Another approach is to identify reasons of choice at an individual level by examining the perceptions of students (Duan 1997). The studies on individual level focus on the influence factors have on student's decision making. The researchers (Shank, Quintal and Taylor 2005; Mazzarol and Soutar 2002; Pimpa 2003) found that family influence is a major factor in overseas study decisions. The opinions of family members may exert different types of influence on one's behaviour (Bearden and Etzel 1982). Family recommendation and opinion influence students' options of their host institutions (Bourke 2000; Moogan, Baron and Harris 1999). This is largely because the nuclear familiar is small, parents have to fund the education hence both the cost and psychological separation play an important role.

Friends are another major influence of student choices (Kellaris and Kellaris 1998, Licata and Maxham 1998). Studies over the last decade have consistently demonstrated the importance of the opinions of friends when international students chose host institutions to study at (Bourk 2000). A study by Shanka, Ali-Knight and Pope (2002) showed that 37% of international undergraduate students rated parents and friends as their major sources of information for the UK and Australia. There are several reasons for this. These include the possibility of having friends studying at the same institutions, personal experiences of friends and their family members. The influence of family and friends are all related to the importance of word-of mouth communication which is seen as objective, reliable and not commercially oriented. These sources are much easier to trust as they are seen as not motivated by profit. The financial situation of student's was also seen as an important influence in choosing the host country and specific university (Shank et.al. 2005; Reed, Lahey and Downey 1984). Gorman (1974) indicated that financial consideration is one of the most important choice criteria. The other researchers (Vaugh, Pitlik and Hansotia 1978) ranked the basic cost of attending a university in the tenth place of the most important factors. However more recent studies suggest cost is a major consideration (Bourke 2000, Conard and Conard 2000). Generally, this is because undergraduate studies are funded by families. The situation is rather different for postgraduate studies since these are often funded by the government or some other form of scholarship.

The age of the students at the time they travel abroad for study has been found to influence or moderate the decision making process. Age has various implications since it is closely associated with level of study, the influence of the family and friends and the sources of funding. The age of international students was found to differ across countries. Australia Education International (2008) stated that nearly half (48%) international students were between 20 and 24 years old. Students from Thailand and Brazil tended to be slightly older with average ages of 26.2 and 25.4 years old respectively. Hong Kong students were younger, average 21.9 years old. Students from Korea, China and Japan were more evenly distributed across the age groups. Some researchers (Cushner, 1994; Simpson, 2000) note that tens of thousands of students between 15 and 19 years old were coming to Australia largely to prepare for their university entrance by attending the high school locally. This is intended to provide more solid language and cultural preparation for the students. To investigate if age has a significant influence, this study examines both students seeking undergraduate and postgraduate studies internationally as a proxy for age.

Fundamental to effective marketing is the choice of communication to reach the target audience. International students have access to a variety of information sources to aid in decision making. These include the internet, newspapers, word of mouth, education agents and government sources. Despite this wide diversity in potential information sources, James et al (1999) indicated that overseas students had limited knowledge to decide what courses to study and career prospects on completing a specific program. Even more surprising is that there is very limited knowledge about teaching quality of various universities. Thus, there is significant search for information to inform decision making (Groms and Murphy, 2003).

Some scholars have focused on the internet as a critical source of information and point out that e-business strategies might nurture a trusting relationship to overcome the geographic and culture distance between the host country and the students' home country (Hoffman et al 1999). Other researchers have suggested a more holistic approach of targeting the students' networks such as schools, universities, alumni etc. (Litten, 1982).

Another group of factors that may influence choice of a specific institution were added to our model. These are specific to universities and include university ranking, quality of teaching, availability of services to support international students. In addition to these factors, we added to our model issues not previously investigated. These arose from in-depth interviews undertaken prior to data collection for this study. These factors include motivation for studying abroad. It is hypothesised that those students seeking to eventual work or leave abroad are more likely to seek study abroad than those content to stay at home.

### **Research Methodology**

The design of this study is different from prior studies that predominantly rely on information from students already studying abroad. This study sought to understand students while they are contemplating making the decision to study abroad. This has the advantage that respondents will not be justifying prior. The drawback of such a study is that perhaps a large proportion of respondents are not going to study abroad. To overcome this potential weakness institutions which traditionally have large proportions of students going to study overseas were targeted. A personally administered self completing questionnaire was given to potential respondents at selected institutions in Beijing, Shanghai and Guangdong. A total of 300 high school students and 300 undergraduate students took part in the study giving an effective response rate close to 80% of the questionnaires handed out. There we approximately equal male and female participants in both groups.

#### ***Development of Measures used in the study***

##### *Motivation for wishing to study overseas*

1. Live and work overseas  $\alpha=.687$ ; 2. Employment at Home  $\alpha=.741$

##### *Principal Influencers of decision to study abroad*

3. Network  $\alpha=.729$ ; 4. Family  $\alpha=.713$ ; 5. Sponsorship  $\alpha=.816$

##### *Factors in choice of Foreign University*

6. University Services  $\alpha=.720$ ; 7. Cost of study  $\alpha=.799$ ; 8. Ranking  $\alpha=.875$

##### *Sources of Information*

9. Media advertising  $\alpha=.648$ ; 10. Overseas Websites  $\alpha=.827$
11. Domestic Websites  $\alpha=.789$

### **Results and Discussion**

The likelihood of going overseas to study is driven by different factors for the two groups. Common to both groups is the importance of the motivation to live and work overseas. The need to prepare one to work in China is not related with interest in going overseas. This finding is consistent with expectations in that if one's desire is to get work in China, there is

no need to incur the huge costs of international education. We operationalised networks to include friends, alumni, teachers and school advisors. The finding that networks are negatively related to potential postgraduate propensity to study abroad suggests that these students are more independent, better informed about overseas universities and may be more willing to make choices according to their specific needs. This is evidently different with respect to potential undergraduate students.

**Table 1: Factors influencing Propensity for overseas study**

Variables	Potential Undergraduates		Potential Postgraduate	
	$\beta$	t-value	$\beta$	t-value
H1: Live and work Overseas	.213***	3.557	.111**	2.788
H2: Employment at Home	.080	1.288	.009	0.135
H3: Network	.065	0.974	-.172**	-2.515
H4: Family	.122*	1.776	.028	.377
H5: Sponsorship	.034	0.474	.144*	1.795
H6: University Services	.082	1.104	.159**	2.399
H7: Cost of study	-.267***	-3.387	-.066	-.804
H8: University Ranking	.112*	1.685	.188**	2.459
H9: Media Advertising	-.130*	-1.947	-.102	-1.377
H10: Overseas Websites	.060	0.728	-.059	-0.656
H11: Domestic Websites	.001	0.010	.180*	2.016
R <sup>2</sup>	.160		.149	
adj R <sup>2</sup>	.125		.115	
F-ratio	4.596***		4.294***	

\*p<.05; \*\*p<.01; \*\*\*p<.001 based on one-tail test.

As would be expected the family is an important factor for high school students but not for undergraduate students. The availability of sponsorship (scholarships) is an important motivator to go overseas for potential postgraduate students. The government of China offers many scholarships but there has also been an increasing number of scholarships offered by companies in addition to families funding international study (CEAIE 2009). For postgraduate studies foreign universities do offer scholarships to outstanding students in addition to other support mechanisms such as research and or teaching assistantships that may help in meeting living costs. This option is not generally open for potential undergraduate students. The cost of undertaking overseas study is an important issue for potential undergraduates but not for postgraduates. This is consistent with prior observation that for undergraduate study the burden of fees and living expenses falls on the family.

University ranking is a significant factor for both groups of students (p<.05). Media advertising is perceived negatively for both groups but significant so (p<.05) by potential undergraduates. While this result is surprising, it merits further investigation since it may reflect wrong choice of media, language and perceptions of over commercialisation. Domestic websites are considered important by potential postgraduate (p<.05). This may be because they are seen as more credible and able to provide a lot of information than media advertising. This suggests that well designed websites in the local language may be a useful tool for communicating with potential students.

University ranking is considered an important and significant antecedent for potential postgraduate students ( $p < .01$ ). While many academic are cynical about university rankings, this has an impact on choice of universities by Chinese students. It also points to the need to compete effectively in this space since as more and more Chinese universities become internationally ranked, they increasingly become competitors to international counterparts. Also for potential postgraduate students the range and quality of services offered by international universities is important ( $p < .01$ ). The finding suggests that, all else being equal, universities that can clearly articulate what services they offer will be perceived more favourably. The services that appear relevant relate to accommodation, teaching and research assistantships, language support among many others. In designing the postgraduate sections of the website these should be clearly highlighted as Chinese students see this as important.

### **Implications of the study**

These results suggest that the antecedents to studying abroad for potential undergraduates and postgraduates are different. The common antecedents are only the desire to work and live overseas and university ranking. Australia's migration policies that permit students to stay on after completing their studies is an effective response to the desire to work and live overseas. The issue of university ranking raises a number of issues. First, it partly explains why 50% of the respondents chose the United States as their first choice. US universities are well represented in the top 200 world best universities. Second, while university rankings are not a science and there are many weaknesses in the system of ranking, ignoring its impact on student choice could place an institution at a serious disadvantage. Of the main influencers of studying abroad there is no consistent message for both groups. The implication is that different factors need to be addressed for each group and common messages are ineffective. Of the issues relating specifically to the university, as noted above, it is the university ranking which is perceived as important by both groups. Among the communication options, media advertising is the least effective although we note that this requires further investigation. The issues examined in this study transcend what any one stakeholder can respond to since some of the issues are the domain of government (migration policies), some relate specifically to universities and should be handled by the marketing or international relations personnel. Generally, advertising and communication is outsourced and we suggest effective briefing of agents is important.

### **Limitations and Suggestions for Further Research**

Data for this study was collected in China and the findings reflect actual evaluations before students leave China to study abroad. The main weakness is that perhaps most of the respondents will not go to study abroad. Some of the questions were too general and the results suggest further investigation is warranted. The four groups of factors could be examined using moderated regressions to estimate the significance of each (Motivations, Influencers, University-specific factors and Communication). Finally, given the space limitations, we did not discuss in detail choice theory and the items in each of the operationalised constructs (although these are available). Future studies could investigate whether there are significant differences across gender groups as this appears a potential important issue in country and university choice.

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