

KEY FACTORS IN SELECTING ECONOMIC HIGHER EDUCATION INSTITUTION: REPUBLIC OF MOLDOVA CASE STUDY

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Abstract: Economic higher education institutions in the country operate in an extremely complex and dynamic environment, characterized by demographic decline of the population, mass emigration of the younger population, high level of competition on the national and international markets, quantitative reduction in the demand for higher education services and the change of its structure, etc. The challenges from the external environment bring to the attention of university management the need to develop effective marketing strategies for the attraction and retention of students. The success of this approach largely depends on the awareness of potential students' motivations for applying to a training program and the criteria for choosing the university. Understanding the expectations and preferences of potential customers allows the design and development of more relevant educational programs and services, the development of effective communication strategies, that help recruit and retain a sufficient number of students to achieve the educational and financial goals. In this vein, the present study aims to analyze the existing behavioral models to identify the determinants that influence the university selection process by potential students. At the same time, the paper presents the results of the survey carried out in order to identify the key factors used by Moldovan students in the process of choosing the training program and the economic education provider. This study is part of a complex descriptive research on the behavior of consumers of economic higher education services.

Keywords: higher education, economic education, educational marketing, students' behavior, students' choice

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Introduction

One of the most important challenges faced by higher education in the Republic of Moldova today, including the economic one, is the constant reduction in the number of students. In the last 15 years, the number of students enrolled in higher education has dropped by more than twice. The same downward trend is recorded in higher economic education attesting a fall in demand by almost 65% during this period. At the same time, the analysis of quantitative and structural developments on the market of higher education services allows us to note that the training programs in the field of economic sciences remain at the top of consumer preferences, covering about 1/5 of the global demand volume. In part, this can be explained by the potential consumers' perceptions of the benefits they expect to gain as a result of consumption. Economic studies are often

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associated with employment prospects, career advancement or starting their own business, social status, etc.

Another challenge for economic higher education institutions in the effort to attract and retain students is the fierce competition on the educational market. The level of competition on the domestic market remains quite high, even if the number of educational institutions registers a downward trend. Currently, the offer on the educational market is represented by 21 higher education institutions (NBS, 2022), and more than a half of them offer training programs in the field of economic sciences. At the same time, the intensification of competition is also felt on the international higher education market. According to the experts' estimates (Ioniță, 2022), about 40% of all young Moldovans applied for higher studies in universities abroad.

In this context, it is increasing the importance and relevance for decision-makers within universities of reference studies for the identification of incentives, selection of criteria and the main factors that influence the decision-making process of acquiring future students. Understanding these behavioral determinants allows university management to adapt their recruitment strategies and other marketing activities to increase the educational institution's chances of being selected.

Starting from these reasons, within the limits of this paper we propose (1) to present the conceptual framework for exploring the factors that influence the decision to choose the university, (2) to identify the key factors considered by the Moldovan students in the process of choosing the training program and the economic education provider as well as (3) to analyze of the evolution of these factors over time.

1. Literature review

The existing competition on the national and international markets of economic higher education services highlights the importance of applying educational marketing strategies to attract and retain students. The development of appropriate strategies requires the need to study the behavior of the consumer of educational services. Understanding the expectations and preferences of potential customers contributes to designing and elaborating of much more relevant educational programs and services; developing effective communication strategies to attract and retain customers; improving the customer experience and, as a result, a stronger connection with the educational institution; development of loyalty strategies for the customers of educational services, etc.

A special place in behavioral studies belongs to understanding of how the prospective student makes the purchase decision and what are the determinants of the choice of the training program and of the university. Studying the factors that influence the decision to choose an educational institution is important for several reasons. Thus, M.Shah (2010) claims that the knowledge of behavioral determinants offers the educational institution a series of benefits, such as:

- understanding the reasons why prospective students prefer one university to the others;
- the information could and should be used by universities in developing marketing plans;
- it allows to get to know the students' expectations and to adopt strategies that could be implemented to improve their experience in the process of creation and consumption of educational services (cited by Manoku, 2015, p. 256).

The review of publications devoted to the investigation of the behavior of the consumer of educational services shows that there are a number of models, that analyze the process of choosing a university. The main differences between these models are determined by the description of the variables and how they affect the marketing decisions aimed at encouraging prospective students to pursue the institution's offer. What unites these models is the deeper understanding and systematization of the factors that influence the choice. Thus, the authors highlight a diversity of factors, both objective and subjective, that influence the future student's decision. These factors are correlated with the criteria, the students use when evaluating possible alternatives. Although the studies attest to the existence of some common elements, the importance given to these factors in the process of evaluating the alternatives varies from case to case.

The synthesis of the research results carried out by several authors allows us to identify three groups of factors that influence the decision to choose the educational institution by potential students (figure 1).

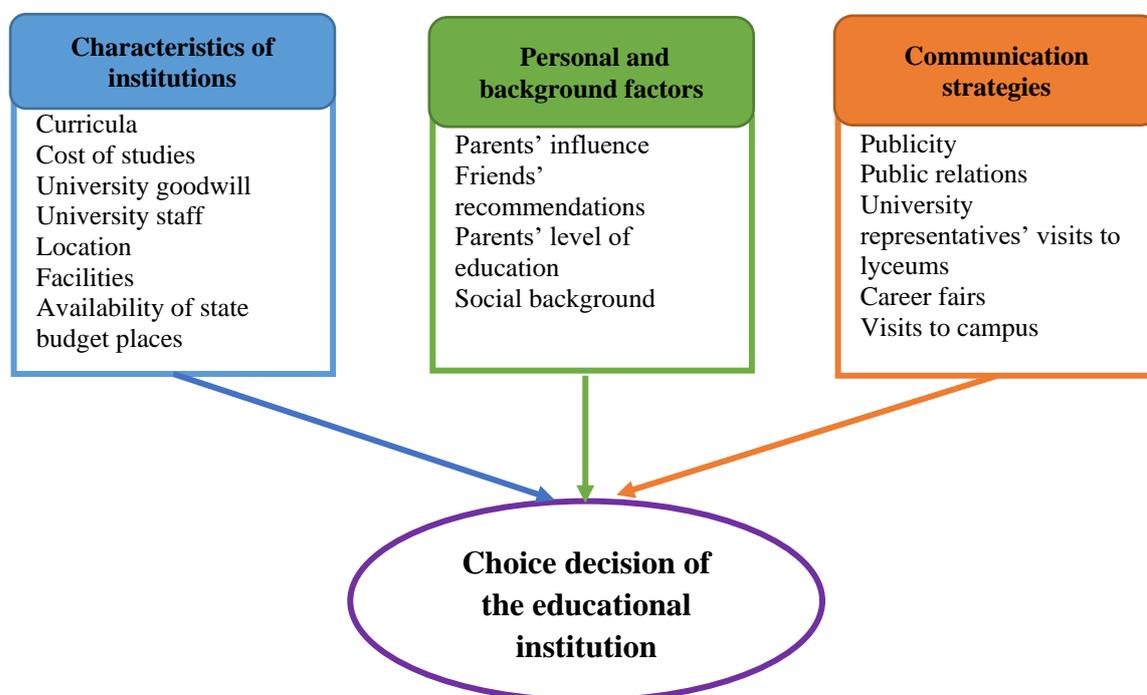


Figure 1. Factors that influence the decision to choose an educational institution

Source: developed by the author based on Maceachern & Yun, 2017; Maniu & Maniu, 2014; Ming, 2010; Shammot, 2011, Connie, G. et al., 2022

According to the model presented in the figure above, two groups of factors are of interest for the development of marketing strategies: institutional characteristics and communication strategies. It is on these variables that the educational institution can intervene to influence the behavior of potential consumers (Ming, 2010, p. 55).

Next, we aim to identify which of the variables presented in the model exert a stronger impact on the decision of young Moldovans to opt for higher economic studies.

2. Data and Methodology

This study is part of a complex descriptive research on the behavior of consumers of economic higher education services. This research aims to identify the key factors considered by Moldovan students in the process of choosing the training program in the economic field and the educational institution. The analysis of the results of the studies published in the specialized literature allowed the identification and systematization of the factors subject to the research. The survey was used to collect primary data, and the data collection tool – the questionnaire. The survey was attended by 640 students and master's students attending economic training courses. Sampling was performed using stratified random sampling. Thus, the sample is representative according to two variables: the field of training and the training level of the respondents. In terms of statistical accuracy, a sample of this size has a sampling error of $\pm 3.87\%$ at the 95% confidence level. The questionnaire was administered online using Google Forms. The period in which the present study was carried out is November-December 2022.

3. The Model and Findings

Studying the motivation of consumers of educational services is important both for identifying the direction in which demand will evolve on the educational market, and for defining educational policies at the national level. For the higher education institution, this information is useful to define its marketing policies and strategies.

In this context, the survey participants were asked to indicate the reasons why they opted for a study program in the field of economics. The percentage of answers to this question is presented in figure 2.

According to the results obtained, the majority of respondents (70.8%) indicated "career prospects" as the reason for choosing the study program, followed by "the prospect of obtaining higher earnings" and "the desire to develop their own business", mentioned by 47.8% and 41.5% of the respondents, respectively.

Starting from these results, we can state that the decision of the potential student is, most often, conscious, rational and future-oriented, a fact that confirms the existing theories in the specialized literature according to which the individual is predisposed to invest in education, if he believes that they will get higher earnings in the future.

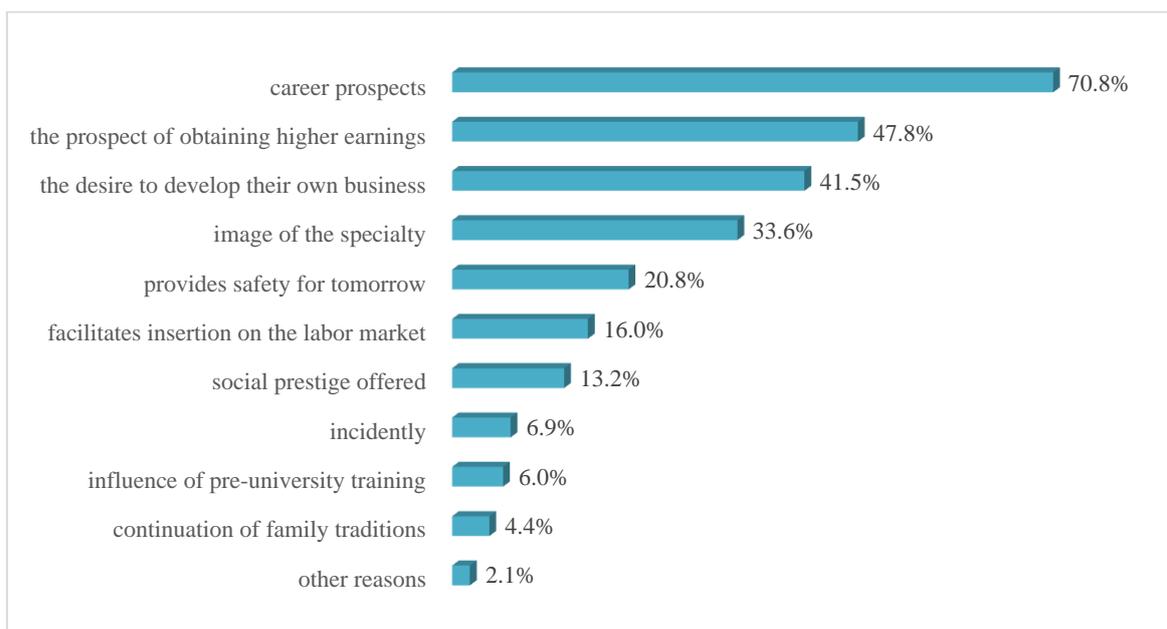


Figure 2. Reasons for choosing the study program in the economic field (%)

Source: developed by the author based on survey results

According to some studies, there is a significant difference in wages between young people with higher and secondary education. For example, in Sweden this difference is about 18%, in Korea about 30%, and in Hungary about 40% (Prodan, 2017, p. 165).

At the same time, with relatively high frequencies in the responses of the survey participants, such determinants as "image of the specialty" (33.6%), "provides safety for tomorrow" (20.8%) and "facilitates insertion on the labor market" are found (16.0%). These results confirm the hypothesis that the unemployment risks perceived by the applicants of training programs in the economic field are lower compared to other fields. As a result, even with the oversaturation of the economist market, training programs in economics remain at the top of consumer preferences.

The variants "social prestige offered" (13.2%), "influence of pre-university training" (6.0%) and "continuation of family traditions" (4.4%) appear with a lower frequency in the students' answers.

If the choice of the field of study is determined by perceptions of career opportunities and financial satisfaction, prospective students' university choice decisions are influenced by a number of institutional factors. Among the main factors identified in the previous research are: the educational programs offered, the cost of the program, the image of the institution, the proficiency of the staff, the facilities offered, the availability of budget places, etc.

In order to identify the degree of influence of these factors on the decision to choose the educational institution that offers training programs in the economic field, the respondents were asked to appreciate the importance of these factors on a one-to-five-point scale. Based on the answers, the average level of importance of the factors was calculated.

Thus, in the result of the analysis we find that the "quality of training" was indicated as the most important factor in choosing the educational institution, accumulating an

average score of 4.61 p. On the next three positions, according to the opinion of the respondents, were placed the "quality of the teaching staff" (4.54 p.), "the educational programs offered" (4.44 p.) and "the image of the educational institution" (4.26 p.).

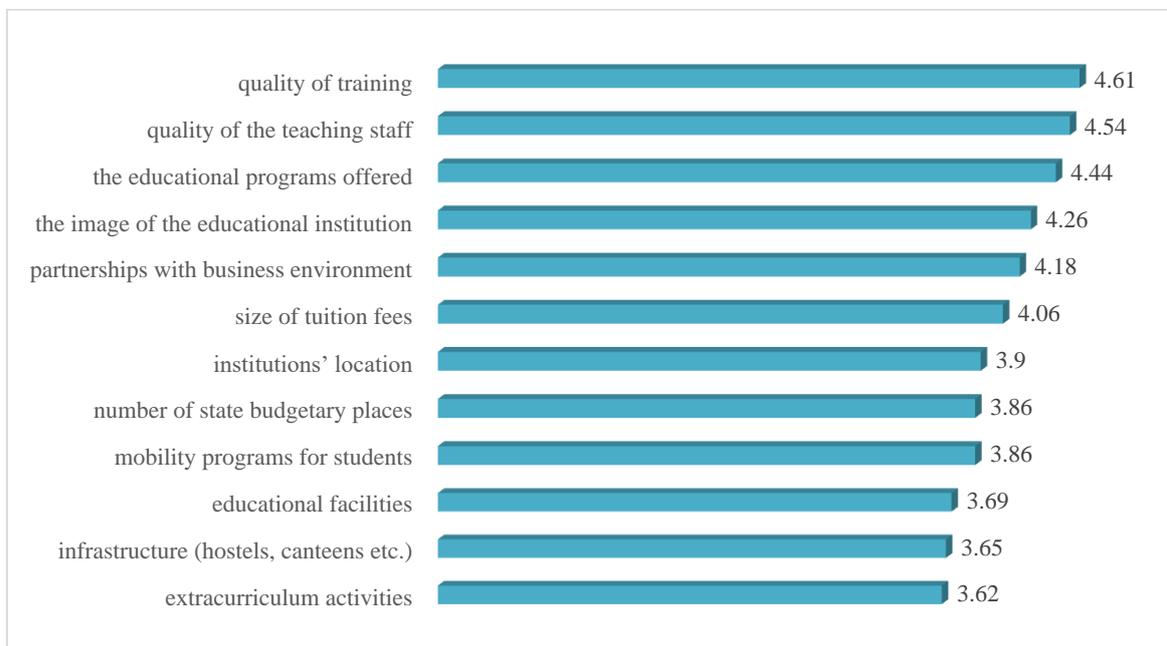


Figure 3. Appreciation of the degree of importance of the factors considered in the choice of the educational institution

Source: developed by the author based on survey results

In comparison, according to the results of a similar study carried out in 2019, the most important factor considered by students was the "training program" which reached the highest score (4.28 p.), followed by the "quality of the teaching staff" (4.02 p.) and "the image of the educational institution" (3.46 p.) (Sişcan & Zgherea, 2019, p. 113). It can be noticed that within a short period of time there was a change of accents. Currently the future students are opting for quality studies that would allow them to obtain a solid base of knowledge and skills to become competitive in the labor market and develop a successful career.

Taking into account the importance of price as an impact factor on the behavior of the consumer of products and services, and especially the price-quality ratio, the hypothesis was formulated that the quality of services and their price are the most important criteria in choosing an educational institution. In this sense, we note that the hypothesis was only partially confirmed, as the price accumulated an importance score of 4.06 p., placing itself in the middle position of this top.

Comparing the results obtained within the limits of this study with those reflected in the publications of researchers in the field, we find that although the behavioral determinants of Moldovan students are largely the same, the importance given to them in the university choice process varies. Thus, researchers E.Manoku (2015), M.M.Shamot (2011) identify "the cost of the study program" as the most important factor affecting the

decision to choose a university. M.J.MacEachern and D.Yun (2017), in turn, studying the factors that influence the choice of Chinese students, conclude that "educational facilities" is the most important factor of students' motivation. The results obtained by the Russian researcher Хлабыстова Н.В. (2014) showed that among the top three influencing factors are: "quality of training", "image of the institution" and "parents' influence". A study by Connie, G. et al. (2022) showed that the majority of Malaysian students are influenced by the "programs offered by the universities".

Another group of factors with an impact on the decision to choose a higher education institution is the communication strategy. For the foundation of an effective promotional communication strategy, it is important for the university to know the sources of information used by potential students in the process of information on the educational offer. Understanding how prospective students search for information and make their decisions about which universities to consider can help a university focus its marketing efforts on the right channels and messages.

In this vein, the following question sought to identify the sources of information most often accessed by respondents in the process of documenting the educational offer and evaluating the alternatives (figure 4).

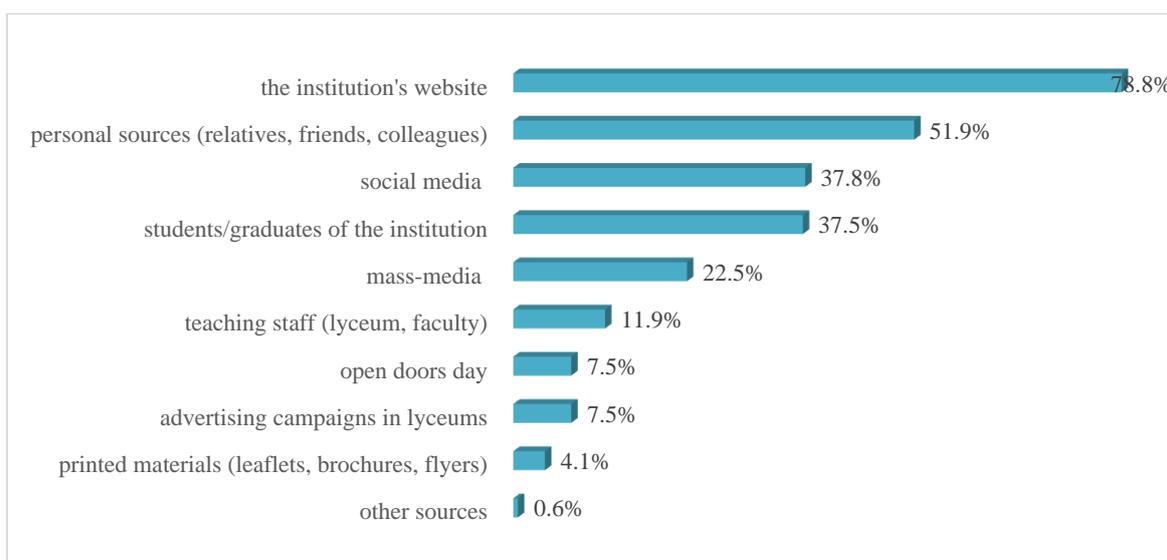


Figure 4. Sources of information on the educational offer (%)

Source: developed by the author based on survey results

The results presented in the figure above show that the most popular source of information is the institution's website, indicated by 78.8% of the respondents. These results support the idea that websites are usually the starting point in the information process on educational offers. Furthermore, according to the results of Afzal Basha's study (Rajkumar et al., 2021), 43% of enrollment decisions were made as a result of visiting the university's official website. Prospective students are looking for information about study programs, tuition fees, facilities and the experiences of other students. A well-structured and easy-to-navigate website can go a long way in attracting students.

In the next three positions are personal sources (relatives, friends, colleagues), which were mentioned by 48.8% of the survey participants, social media (37.8%) and students/graduates of the educational institution (37.5%). Thanks to its credibility, many potential students are guided by the recommendations of friends or other people they know to choose their university. Therefore, universities should encourage students and alumni to share their positive experiences and provide them with a platform to do so.

At the same time, it is worth noting that only 56.3% of the respondents affirmed with certainty that the information provided by the universities was useful in their approach to information on the educational offer.

The data obtained highlight the need to provide the most complex, up-to-date and relevant information through the official university websites, social networks, as well as to grow the positive image so as to generate personal recommendations.

Conclusions

In the current context of economic, social and technological development, the efforts of economic higher education institutions in the Republic of Moldova, more than ever, are oriented towards the development of marketing strategies focused on attracting and retaining students. This approach imposes the need to know the factors considered by the students when choosing their university.

Based on the study, we can conclude that the behavioral determinants of Moldovan students in the process of choosing an economic higher education institution do not have significant differences compared to students from other countries, except only in terms of the importance given to the factors. The comparative analysis of the results of the surveys carried out at three-year interval shows that, currently, potential students attach much more importance to quality criteria when choosing the economic education provider. Thus, among the most important factors that determined the choice of the university, the survey participants mentioned "the quality of training", "the quality of the teaching staff", "the study programs offered" and "the image of the educational institution". We can find that in the case of Moldovan students, the institutional characteristics have a considerably greater impact on the decision to choose the educational institution compared to the other two groups of factors. By working on the improvement of these factors universities would obtain important sources of competitive advantages.

Regarding the main motivators for choosing the study program, students indicated "career prospects", "the prospect of obtaining high earnings" and "the desire to develop their own business". Knowing these factors can help higher education institutions develop their curricula and adapt them to the needs of students.

At the same time, information on behavioral determinants can be successfully used by universities as support for defining communication strategies, as well as adjusting the content of promotional communication in order to attract and recruit potential students.

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