Privatisation and marketisation of Indonesian public universities: a systematic review of student choice criteria literature

Andriani Kusumawati

University of Wollongong, ak993@uow.edu.au
Privatisation and marketisation of Indonesian public universities: a systematic review of student choice criteria literature

Abstract
The transformation of higher education from the dependency on government funding to the competitive funding market indicates that universities have to compete for students in the recruitment markets. As the result, the motivating factors for students in choosing a university have undergone change also and the role of marketing in student recruitment has increasingly important. This study approach has entailed systematically searching, collecting and reviewing of the pertinent and recent literature from relevant databases. The purpose of this systematic review is to explore the nature of the privatisation and marketisation of higher education especially in the student choice context. The findings indicate that universities need to market their institution and establish a unique difference in order to highlight their strengths and to give the students a reason to choose a university. Previous research also reveals that university choice factors are varied. A useful way to understand these recruitment markets is to have a clear perspective of the choice and decision making process that students use to select a university.

Keywords
privatisation, marketing, student choice, Indonesian Public University

Disciplines
Business

Publication Details
This conference paper was originally published as Kusumawati, A, Privatisation and marketisation of Indonesian public universities: a systematic review of student choice criteria literature, The Indonesian Student International Conference 2010, Thinking of home while away: the contribution of Indonesian students studying overseas for education in Indonesia, Melbourne, Australia, 16-18 July 2010.

This conference paper is available at Research Online: http://ro.uow.edu.au/gsbpapers/32
Privatisation and Marketisation of Indonesian Public Universities: 
A Systematic Review of Student Choice Criteria Literature

Andriani KUSUMAWATI, Australia

Key words: privatisation, marketing, student choice, Indonesian Public University

SUMMARY

The transformation of higher education from the dependency on government funding to the competitive funding market indicates that universities have to compete for students in the recruitment markets. As the result, the motivating factors for students in choosing a university have undergone change also and the role of marketing in student recruitment has increasingly important. This study approach has entailed systematically searching, collecting and reviewing of the pertinent and recent literature from relevant databases. The purpose of this systematic review is to explore the nature of the privatisation and marketisatisation of higher education especially in the student choice context. The findings indicate that universities need to market their institution and establish a unique difference in order to highlight their strengths and to give the students a reason to choose a university. Previous research also reveals that university choice factors are varied. A useful way to understand these recruitment markets is to have a clear perspective of the choice and decision making process that students use to select a university.

RANGKUMAN

Transformasi pendidikan tinggi dari ketergantungan pendanaan pemerintah ke pasar kompetitif menunjukkan bahwa perguruan tinggi harus bersaing untuk mendapatkan mahasiswa di pasar rekrutmen. Akibatnya, faktor-faktor motivasi bagi siswa dalam memilih perguruan tinggi telah mengalami perubahan juga dan peran pemasaran dalam perekrutan mahasiswa semakin penting. Pendekatan studi melibatkan pencarian, pengumpulan dan pengkajian secara sistematis terhadap literatur terkait dan terbaru dari database yang relevan. Tujuan dari tinjauan sistematis ini adalah untuk mengeksplorasi sifat dari privatisasi dan marketisasi pendidikan tinggi di Indonesia, khususnya dalam konteks pilihan siswa. Temuan menunjukkan bahwa universitas-universitas perlu memasarkan lembaga pendidikan mereka dan membuat perbedaan yang unik dalam rangka menonjolkan keunggulan mereka dan memberikan alasan kepada para siswa untuk memilih sebuah universitas. Hasil penelitian sebelumnya juga menunjukkan bahwa faktor-faktor pemilihan universitas adalah bervariasi. Sebuah cara yang berguna untuk memahami pasar perekrutan ini adalah dengan memiliki perspektif yang jelas mengenai pilihan dan proses pengambilan keputusan yang digunakan oleh para siswa dalam memilih sebuah universitas.
1. **INTRODUCTION**

Indonesia is facing new challenges in the higher education sector. These challenges include government reforms in higher education, namely, a move towards establishing institutions as legal entities and changes in university autonomy and funding mechanisms. The main driver of this change is the decreased role by government. Recent reforms are often seen to be leading to an increasing privatisation and marketisation of higher education. In line with that, the Indonesian government also introduced a kind of privatisation of public universities. The transformation of higher education from the dependency on government funding to the competitive market indicates that universities have to compete for students in the recruitment markets. As the result, the motivating factors for students in choosing a university have undergone change also and the role of marketing in student recruitment has become increasingly important.

This paper presents the results of a systematic review of the literature on privatisation and marketisation of higher education especially in student choice context. The purposes of this systematic review were to: systematically collect, document, examine and critically analyse the recent research literature on marketisation of universities; expose the student choice models; uncover the factors influencing choice of university; identify gaps in the literature; and make recommendations for further research in this field.

The paper commences by summarising the privatisation of universities, and then discusses the marketisation of universities as well as providing a short summary of the emergence of research related to the marketing of higher education. The method used in this paper for selecting and reviewing the literature will be explained briefly as well as the search strategy of the review. Following those points, empirical studies identified for the review will be explained in detail including the research area, methods and sample used in the previous research. The finding and discussion from a thematic analysis of the review will establish the current state of research in student choice criteria for selecting a university for study. The final part of the paper concentrates on recommendations for further research in this field.

The author concludes, although an extensive and growing body of literature on student choice decision of undergraduate exists, a search of the student choice databases did not reveal any previous systematic reviews of this topic. Moreover, none of the existing literature focuses on choice criteria of Indonesian student when selecting their local university. Therefore, some opportunities for further research in this field especially in the Indonesian context still open to form the basis of the current study.
2. PRIVATIZATION OF UNIVERSITIES

Reformation in higher education has been the trend around the world. These reforms have also impacted on the higher education system in Indonesia. The reform was carried out by implementing a new paradigm in which institutional autonomy and accountability became the strategic issues. For those purposes, the principle of educational decentralisation was subsequently extended after the enactment of Law 22 in 1999 by the Presidential Decree 61/1999 to facilitate the plan to transform public universities into autonomous universities or “state owned legal entities”. The regulation significantly increased the academic and financial autonomy of universities, and formed the structure of the Basic Framework for Higher Education Development, KPPTJP IV (2003-2010). This decree was also supported by the Indonesian Government Regulation Nos. 152/2000, 153/2000, 154/2000, 155/2000 and the Act of Republic of Indonesia on National Education System No. 20 2003. Article 53 of the Act established a pilot scheme, which awarded four public higher educational institutions (HEIs) the new status of Badan Hukum Milik Negera (BHMN), or “State Owned Legal Entities”.

The reform of the Higher Education Strategy in Indonesia has granted full autonomy to four well-established public universities, namely Universitas Indonesia (Jakarta), Universitas Gadjah Mada (Yogyakarta), Institut Teknologi Bandung (Bandung), and Institut Pertanian Bogor (Bogor). Following those universities, four other HEIs have also been awarded autonomy status, Universitas Sumatera Utara (Medan), Universitas Pendidikan Indonesia (Bandung), Universitas Airlangga (Surabaya) and Institut Teknologi Sepuluh Nopember (Surabaya). These HEIs have become privatised with their management no longer under the control of the Indonesian Government or the Ministry of National Education (MONE) (Fahmi 2007). University autonomy increased aligned with the IMF reform package as well as increased accountability and transparency demanded by the spirit of reformation.

The increasing number of the BHMN universities in line with the government efforts to lay a legal basis for autonomy and privatization and even globalization of higher education institution came through the Act No. 20/2003 concerning National Education System (SISDIKNAS). Obviously, the recent reform of Indonesian higher education reflected both internal and external demand. Internal demand occurred in the transformation towards legal entity related to the decreasing role of Indonesian government in university funding (Beerkens 2007). The government implements a block funding mechanism based on output or the number of graduates produced instead of student enrolments (Brodjonegoro 2002). In such situation, universities are also free to generate income in other ways, such as through consultancy or cooperation with industry (Beerkens 2007). However, the quality of HEIs is monitored through a quality assurance board (Ikhsan & Asih 2008). Thus, university management has shifted towards a more corporate system (Wicaksono & Friawan 2008). While external demand is closely related to the development of marketisation which requires policies on privatisation.

Indonesian universities are aware that the government’s financial support cannot keep up with the need to improve quality. Despite the fact that tuition fees act as one source of
revenue (DGHE 2008), the responsibility for setting the level of tuition fees is no longer in the hands of the central government. As part of this autonomy, universities may now collect tuition fees directly from the students and may set their own tuition fee levels which were previously set by the central government (Tadjudin 2001). Admissions and enrolment management administrators continue to view marketing strategies as valuable resources, since competition among higher education institutions for students and resources intensifies. This argument of marketisation can be seen as an effort to conduct structural adjustment in order to assign market mechanisms for the sake of efficiency. In this situation, universities are operating in a more competitive recruitment market. Therefore, it is important for the universities to understand ways to attract students and how to market themselves.

The emergence of marketisation of universities, which includes service marketing in universities and students as a customer of higher education issues, will be explored in the following sections.

3. MARKETISATION OF UNIVERSITIES
Marketing in the higher education sector is not new. To effectively communicate with potential students, promotions, advertisements and other marketing tools are used as marketing strategies to attract students. The increasingly important role that marketing plays in student recruitment has been recognized by many scholars (Goff et al. 2004). These include: marketing universities (Judson et al. 2004), the image of universities (Ivy 2001), relationship marketing (Ellis & Moon 1998; Kittle & Ciba 2001), international marketing (Cubillo et al. 2006), direct and data base marketing (Tapp et al. 2004) and strategic marketing (Liu 1998).

Marketing in higher education is needed to mitigate the effects of decreasing government funding and increases in competition (DesJardins et al. 2006). In order to survive and to achieve a sustainable competitive advantage, higher education institutions should satisfy the need of their customers by adding value (Kotler & Fox 1995). This can be achieved by applying effective marketing mix tools to influence the demand for the services that the university offers (Ivy 2008). According to Hoyt and Brown (2003), in order to remain competitive, higher education institutions should use a marketing framework.

Higher education possesses all the characteristics of a service industry, for example that education is “people based”, and emphasises the importance of relationships with customers (Mazzarol 1998). Shank et al. (1995, p74) also underlined that educational services are intangible, heterogeneous, inseparable from the person delivering it, perishable and the customer (student) participates in the process. As a service, higher education marketing is sufficiently different from the marketing of products (Nicholls et al. 1995). University management need to market their institution and establish a unique difference which highlights their strength and gives the students a reason to choose that university. Since higher education institutions operate in a service environment, they need to understand the unique aspects of service marketing in order to accomplish the above goal.
Adopting a marketing orientation can provide an understanding of customers’ needs and ensures that higher education addresses those needs effectively. Similarly, Kotler and Fox (1995) and Rindfleish (2003) maintain that marketing is relevant to educational institutions as well as to profit-making firms. There are four benefits that can be produced by using marketing: “(1) greater success in fulfilling the institution’s mission, (2) improved satisfaction of the institution’s publics and markets, (3) improved attraction of marketing resources, (4) improved efficiency in marketing activities” (Kotler & Fox 1995, p26).

Regarding the customers of higher education, there is considerable debate in the literature whether students are customers in a higher educational institution (Eagle & Brennan 2007). Some of the scholars (Conway 1996; Kanji & Tambi 1999) agree that students are customers of higher education because they pay an increasing proportion of their education costs, therefore they should be treated in the same way as any other purchaser of goods or services. However, others (Emery et al. 2001; Eagle & Brennan 2007) argue, since students do not pay the full cost of their education and they are not “purchasing” a qualification for itself they can not be regarded as customers. Although there is a criticism of the perception of students as consumers (Hemsley-Brown & Goonawardana 2007), students can be seen as the “direct and immediate customers” of the higher education services (Nicolescu 2009). Furthermore, several stakeholders can be considered as being customers, including students, employers, families and society (Marzo-Navarro et al. 2005; Maringe 2006a). As highlighted by Hill (1995) and Stensaker and D’Andrea (2007) students can be considered as primary customers, while employers can be seen as secondary customers of a higher educational institution (Nicolescu 2009).

In order to develop effective service marketing strategies, educational institutions should know the criteria that students use to select a university. Therefore, a systematic review is needed of the research on student choice context as one of the impact of privatization and marketisation of the higher education sector. To date, there is no systematic review of the evidence of the phenomenon of student choice context in the university has been conducted. This review will focus on factors that influence the university choice process of undergraduate students.

4. STUDENT CHOICE MODELS
Several researchers have attempted to explain student choice model. Models of student enrolment behaviour theory started to emerge in the early 1980s. According to Hossler et al. (1999), most studies that have tried to understand the university choice process could be included in one of the following categories: economic models, status-attainment models and combined models. The other combined models in the literature such as Jackson (1982), Chapman (1981), Hanson and Litten’s (1982), Kotler and Fox’s (1985), and Hossler and Gallagher (1987) models have become the most widely accepted in enrolment behaviour (Freeman 1997; Hamrick & Stage 1998; Moogan et al. 1999; Perna 2000; Hamrick & Stage 2004; Teranishi et al. 2004; DesJardins et al. 2006; Smith & Fleming 2006; Clarke 2007). These models are related to the various general consumer behaviour and decision making models such as those of Engle, Blackwell and Miniard (1995; 2001), Perreault and
McCarthy (2005), Schiffman and Kanuk (2007), and Kotler and Keller (2009). A comparison of these models is summarized on Table 1.

Table 1 Models of the Stages in Consumer Decision Making and Student Choice

<table>
<thead>
<tr>
<th>Authors</th>
<th>Consumer Decision Making and Student Choice Model</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engle, Blackwell and Miniard</td>
<td>Need Recognition</td>
</tr>
<tr>
<td>(1995; 2001)</td>
<td>Information Search</td>
</tr>
<tr>
<td></td>
<td>Evaluation Process</td>
</tr>
<tr>
<td></td>
<td>Outlet selection and purchase</td>
</tr>
<tr>
<td></td>
<td>Post purchase process</td>
</tr>
<tr>
<td></td>
<td>Prepurchase Search</td>
</tr>
<tr>
<td></td>
<td>Evaluation of Alternatives</td>
</tr>
<tr>
<td></td>
<td>Purchase</td>
</tr>
<tr>
<td></td>
<td>Post purchase evaluation</td>
</tr>
<tr>
<td>Kotler and Keller (2009)</td>
<td>Problem recognition</td>
</tr>
<tr>
<td></td>
<td>Information Search</td>
</tr>
<tr>
<td></td>
<td>Evaluation Alternatives</td>
</tr>
<tr>
<td></td>
<td>Purchase Decision</td>
</tr>
<tr>
<td></td>
<td>Post purchase behaviour</td>
</tr>
<tr>
<td>Perreault and McCarthy (2005)</td>
<td>Need-want awareness</td>
</tr>
<tr>
<td></td>
<td>Search for information</td>
</tr>
<tr>
<td></td>
<td>Set Criteria and evaluate alternative solutions</td>
</tr>
<tr>
<td></td>
<td>Decide on solution</td>
</tr>
<tr>
<td></td>
<td>Purchase product</td>
</tr>
<tr>
<td></td>
<td>Post purchase evaluation</td>
</tr>
<tr>
<td>Chapman (1981)</td>
<td>Pre-search</td>
</tr>
<tr>
<td></td>
<td>Search</td>
</tr>
<tr>
<td></td>
<td>Application</td>
</tr>
<tr>
<td></td>
<td>Choice</td>
</tr>
<tr>
<td></td>
<td>Enrolment</td>
</tr>
<tr>
<td>Hanson and Litten (1982)</td>
<td>Deciding to go to College</td>
</tr>
<tr>
<td></td>
<td>Investigating Colleges</td>
</tr>
<tr>
<td></td>
<td>Application, Admission and Enrolment</td>
</tr>
<tr>
<td>Jackson (1982)</td>
<td>Preference</td>
</tr>
<tr>
<td></td>
<td>Exclusion</td>
</tr>
<tr>
<td></td>
<td>Evaluation</td>
</tr>
<tr>
<td>Hossler and Gallagher (1987)</td>
<td>Predisposition</td>
</tr>
<tr>
<td></td>
<td>Search</td>
</tr>
<tr>
<td></td>
<td>Choice</td>
</tr>
<tr>
<td>Kotler and Fox (1985)</td>
<td>Initial decision to investigate college</td>
</tr>
<tr>
<td></td>
<td>Information gathering</td>
</tr>
<tr>
<td></td>
<td>Evaluation and elimination of choices to generate set of options</td>
</tr>
<tr>
<td></td>
<td>Choice</td>
</tr>
</tbody>
</table>

These models have been helpful in allowing later researchers to understand that the decision to attend college is a complicated and lengthy process and influenced by a diverse set of factors. These influential factors found from systematic review will be explained later in the findings and discussion section.

5. METHODOLOGY

Overall this systematic review used the data from primary studies in the area of interest rather than from direct experimentation. A systematic review, according to Needleman (2002) can be defined as a review of a clearly formulated question that attempts to minimize bias using systematic and explicit methods to identify, select, critically appraise and summarize relevant research. Therefore, systematic reviews can be considered as a research activity.

A systematic approach to literature review endeavours to get an overview of existing research/publications in a systematic way. Such an approach prioritises all high quality evidence from empirical studies that is relevant to the specific question. Originally, systematic reviews came from the medical field and have been developed through the Cochrane Collaboration (Sheldon & Chalmers 1994; Booth 2001). Recently, some of the features of this approach have been adopted in the social sciences, including education. Some of the key features of a systematic review within education have been identified by Evans and Benefield (2001) and adopted in this paper.
Searches of electronic and on-line databases, namely: ProQuest, ERIC, Emerald Full-Text, Ingenta (Including Science Direct), EBSCO (Business Sources Premier and PSYCINFO) were conducted. In addition, searches through the internet and manual media were also carried out in order to identify other publications and secondary references by authors identified in the previous searches. Additional articles were identified from searching the bibliographies of retrieved articles.

The search strategy used thesaurus search terms, such as “privatisation”; “marketing”; “student choice” or “choice”, and combined them with “higher education” or “university(ies)”. An additional term “Indonesia” was also used in order to focus the current issues of privatisation and marketisation in Indonesian higher education as well as identify relevant studies that explored the influential factors in student choice context.

The search of publications between 2000 and 2010 were completed to identify relevant studies that explored what factors influenced undergraduate students to choose a university. It was decided to limit articles to those published after 1999 because it was felt that these articles would be most relevant to current situation of higher education reform around the world. Indeed, since higher education has been transformed into a highly competitive environment, choice and decision making in higher education is an area of growing research interest (Soutar & Turner 2002). Predominantly now when the students have to undertake complex decisions within a wide range of options to choose a university in order to make the right choice. Publications in the English language from all countries such as Asia, Africa, Europe, Canada, the USA, the UK, Australia and New Zealand were considered for review. However, in order to give a significant contribution for Indonesian context, the review was limited on empirical research from developing countries while others were used for comparing the choice criteria found in that literature. The review prioritised using published scholarly journal papers from empirical research, and excluded thesis, unpublished conference papers and opinion pieces in professional publications.

Enormous numbers of empirical papers have discussed student choice criteria in the selection of a university. After thoroughly searching the literature, 99 qualified articles were identified. Twelve empirical research papers were chosen and scrutinized in detail for the research objectives and methodologies used. These paper were taken from Journal of International Management Studies (Ancheh et al. 2007), Management and Marketing journal (Băcilă et al. 2006; Băcilă 2008), The International Journal of Educational Management (Yamamoto 2006; Ho & Hung 2008), Eurasia Journal of Mathematics, Science and Technology Education (Tatar & Oktay 2006), Compare: A Journal of Comparative and International Education (Al-Yousef 2009), Educational Research for Policy and Practice (Pimpa & Suwannapirom 2008), Southern African Business Review (Wiese et al. 2009), Academic Leadership: The Online Journal (Afful-Broni & Noi-Okwei 2010), Chinese American Scholars Association publication (Wagner & Fard 2009), and African Journal of Business Management (Beneke & Human 2010).

The reviews were analysed by thematic analysis based on themes generated deductively from the research found (Boyatzis 1998). Moreover, the themes which derived through an
aggregative and interpretative approach were intended to summarise what is already known and established, and focused on the extent to which consensus is shared across various themes (Tranfield et al. 2003). The key ideas of the 12 papers used for the review, is summarised and provided in Table 1.

For the purposes of this paper, the literature on student choice criteria that have already been found has been categorised into broadly four types of studies. These includes the main purpose of studies, the types of studies identified by the systematic review process, for example, whether they were qualitative or quantitative, the method of data collection, the sample, and the findings. Findings from the systematic review, therefore, will be presented and discussed under the headings: empirical studies identified for the review, findings and discussion from the systematic review based on the themes that emerged during the analysis, and followed by recommendations.

6. EMPIRICAL STUDIES IDENTIFIED FOR THE REVIEW

Of the 99 relevant publications, twelve research papers met all of the criteria. Articles were most commonly excluded because they were not empirical research in published scholarly journal papers, the subjects were not students, or the outcomes produced did not include the choice factor rather than choice major and the process. Another reason for exclusion was that empirical research focused on choice factor for choosing an overseas university rather than a local university. Although the systematic search strategy was thorough, limiting the key words searched also certainly restricted the scope of the literature retrieved.

Much of the existing literature on choice criteria in relation to the selection of universities has been conducted in developed countries. For example, in Australia (Brennan 2001; Soutar & Turner 2002; Mao & Oppewal 2010), in the UK (Anderson 1999; Dawes & Brown 2002; Moogan & Baron 2003; Price et al. 2003; Dawes & Brown 2005), in England, Scotland, and Northern Ireland (Veloutsou et al. 2004; Briggs 2006; Marine 2006b; Brown et al. 2008), in the US (Broekemier & Seshadri 2000; Quigley et al. 2000; Broekemier 2002; Hoyt & Brown 2003; Kim 2004; Nora 2004; Perna & Titus 2005; Domino et al. 2006; Govan et al. 2006), in Portugal (Raposo & Alves 2007; Tavares et al. 2008; Simões & Soares 2010), in Spain (Cubillo-Pinilla et al. 2006; Gallifa 2009), and in New Zealand (Holdsworth & Nind 2006).

Only some of the literature contained research that has been conducted in developing countries such as in Thailand (Pimpa & Suwannapirom 2008), in Malaysia (Ancheh et al. 2007; Wagner & Fard 2009), in South Africa (Wiese et al. 2009; Beneke & Human 2010), in Saudi Arabian (Al-Yousef 2009), in Turkey (Tatar & Oktay 2006; Yamamoto 2006), in Taiwan (Ho & Hung 2008), in Ghana (Afful-Broni & Noi-Okwei 2010) and in Romania (Băcilă et al. 2006; Băcilă 2008). None of the extant literature focuses on student choice criteria in the selection of an Indonesian university. Only one research has been conducted on distance learning at Indonesian Open University (Riana et al. 2006) which is a slightly different type of learning delivery than other common universities. Therefore, the review
focuses on the most relevant empirical research and which could contribute more on the choice criteria context in Indonesian universities.

All twelve papers reported on the findings from primary research studies in developing countries, with nine papers focus on a single study (Băcilă et al. 2006; Tatar & Oktay 2006; Yamamoto 2006; Ancheh et al. 2007; Băcilă 2008; Ho & Hung 2008; Pimpa & Suwannapirom 2008; Wagner & Fard 2009; Wiese et al. 2009; Afful-Broni & Noi-Okwei 2010; Beneke & Human 2010), and one paper used two different groups of samples for comparison (Al-Yousef 2009). In addition, two studies used two different groups of samples, one study using two different countries (Al-Yousef 2009), and another using student recruitment marketers and administrators at numerous higher education institutions besides first and second year university students in the same country (Beneke & Human 2010).

For the purpose of the analysis and reporting, this review used those published scholarly journal papers of empirical research in developing countries, which have almost similar characteristics to Indonesia. However, other relevant studies from developed countries also were used to support and compare the findings from studies in developing countries in the findings and discussion section. This review covered a range of study area, the main purposes, research methodologies including sample and sampling methods (see Table 1). The findings and discussion from this review will be summarised and critically reviewed in the following sections.

7. FINDINGS AND DISCUSSION: The Themes and Choice Criteria Found in the Literature

The choice to enrol in higher educational institutions has the potential to change a person’s life; hence, it is an important issue for recruitment management. However, the processes that influence this decision are complicated. Student choice research has focused on factors that influence students' ultimate decision to attend college. Several studies have investigated the factors that influence students in their decision to attend a university or college (Briggs 2006; Raposo & Alves 2007; Tavares et al. 2008; Wagner & Fard 2009). These studies can be viewed according to the stimulus-response model of consumer behaviour, where students are faced with external stimulus such as the institutionally controlled marketing vehicles (Maringe 2006a), institutional attributes (Domino et al. 2006; Pimpa & Suwannapirom 2008) and non controlled factors like parents and friends’ personal influence (Moogan & Baron 2003; Yamamoto 2006; Al-Yousef 2009).

Typical stage models of college choice (Hossler & Gallagher 1987; Hamrick & Stage 2004) focus on students’ aspirations or predispositions toward postsecondary education, their search activities and their eventual selection of a school. While these models are certainly useful, they assume that students, first, perceive college as a realistic option, and second, that they have enough resources to be able to engage in search and selection activities. Hurtado et al. (1997), in their research offer a notable exception in their study of college choice and enrolment among different racial and ethnic groups. Using nationally

Andriani Kusumawati

Privatisation and Marketisation of Indonesian Public University: A Systematic Review of Student Choice Criteria Literature

The Indonesian Student International Conference 2010

Thinking of Home while Away: The Contribution of Indonesian Students Studying Overseas for Education in Indonesia

Melbourne, Australia, 16-18 July 2010
representative data, these authors found significant group differences in college preparation and selection behaviours.

7.1. The Number of Choice Criteria
There are a number of factors that are considered by students when determining their preferences. Soutar and Turner (2002) categorized the attributes into two categories; first are university related factors and second are personal factors. The university related factors are the type of course, the academic reputation of the institution, the campus, the quality of the teaching staff and the type of university. Personal factors are distance from home, what their family thinks about each university and the university their friends wish to attend. While Mazzarol and Soutar (2002) identified seven broad categories: institution characteristics, knowledge and awareness of the host country, recommendation from friends and relatives, environment, cost, social link and geographic proximity.

Based on the results of 22 previous studies, Hoyt and Brown (2003) listed the most important choice factors as academic reputation, quality of faculty and instruction, location, cost, scholarship offers, financial aid and student employment opportunities. Other important factors found from these studies were: size of institution, surrounding community, friendly/personal service, availability of graduate program, variety of course offered, extracurricular programs, admission requirements, admission to graduate school, affiliation (with another reputable institution), attractiveness of campus facilities, class size and quality of social life.

Ho and Hung (2008) who studied the marketing mix formulation for higher education identified fourteen factors by using a model that integrates analytic hierarchy process, cluster analysis and correspondence analysis. These factors can be grouped as five categories and include living (location, convenience, campus), learning (faculty, curriculum, and research), reputation (academic reputation and alumni reputation), economy (tuition fee, subsidies, and employability) and strategy (exam subjects, exam pass rate, and graduation requirements). Five of the most important factors found for students' school selection were employability, curriculum, academic reputation, faculty, and research environment. The results also identified that students perceived the university to be strongly associated with lower tuition fees, fewer entrance-exam subjects, lower entrance-exam pass rates and easier graduation requirements.

Briggs (2006) in a study of 650 first-year undergraduate students in two disciplines, accountancy and engineering, across six Scottish universities identified ten factors that influence student choice of higher education. These factors include academic reputation, distance from home location, own perception, graduate employment, social life nearby, entry requirements, teaching reputation, quality of the faculty, information supplied by university and research reputation. Of the ten factors above mentioned, the top three factors are ‘academic reputation’, ‘distance from home’ and ‘location’, after which these factors vary considerably across universities.
7.2. The Influential Criteria
Several choice criteria for selecting a university occur from this current review, and support the argument of this article in that they represent an impact on of marketisation of HE institutions.

7.2.1. Parents
A range of research strongly discusses the dramatic effect parents have on a student's choice of college (Moogan & Baron 2003; Domino et al. 2006; Yamamoto 2006; Raposo & Alves 2007; Al-Yousef 2009). Moogan and Baron's (2003) study found parental impact during the initial stages was greatest for non-mature pupils rather than mature pupils in the UK. Al-Yousef (2009) revealed that parents’ level of education effect on their involvement in their daughters' higher education choices in UK and Saudi Arabia. In Portugal, Raposo and Alves (2007) underlined that parents have a strong influence in the choice process of selecting a university, as well as school teacher’s recommendations. On the contrary, Domino's (2006) study discovered that parents had little or no influence at all in their child’s decision of a college.

7.2.2. Reference groups
Studies in Asian countries predominantly found that reference groups such as siblings, friends, peers, relatives, teachers and other influential people influence a student’s choice of a university. Teachers from secondary school, and parents, for example, can exert a strong influence on students’ decision-making in Thailand (Pimpa & Suwannapirom 2008). Wagner and Fard (2009) also discovered that families, friends and peers have a strong influence on the student’s choice of university in Malaysia. Furthermore, there is a significant relationship between influences from families, friends, peers and students’ intention to study at a higher education institution. Yamamoto (2006) reported that parents and friends are also considered as external influences to the student selection of a university. However, in California, the qualitative study of Chican studies by Ceja (2006) also contend that parents and siblings as influential people on their choice of university. These studies highlighted the important role of protective agents, namely parents, siblings, family and relatives during the college choice process.

7.2.3. Personal Factors
Previous studies on choosing a university also explore the influence of personal factors. Raposo and Alves (2007) noted that personal factors show the greatest positive influences on student choice of a university in Portugal. For Turkish students, Yamamoto (2006) found that personal preference was the most influential factor in university selection. However, in this study, perception, learning, memory, motives, personality, emotions and attitudes were not discussed in detail. Dawes & Brown (2002) detected that before choosing university, students went through three decision sets namely the students' awareness set, consideration set, and choice set. Individual background is also relevant to the student choice of a particular university according to Kim (2004), Nora (2004) and Dawes and Brown (2005). Nora (2004) identified that all students, regardless of their ethnicity, were more likely to re-enrol if they felt accepted, safe, and happy at their colleges. However Tavares (2008) revealed that in Portugal, students’ choices seemed to be most influenced by gender and family background. The family’s cultural and economic
capital influenced not only the probability of entering higher education, but also students’ choices of programme and type of institution.

7.2.4. Institutional Characteristics
In South Africa, geographic location is considered second most important, campus safety third (Beneke & Human 2010). In Portuguese, Tavares et al. (2008) identified relevant institutional characteristics include teaching quality, prestige, infrastructure, library, computer facilities, location, quality of the curricula, scientific research quality, administrative support, extra-curricular factors (sports, leisure, canteens, etc.) and the availability of exchange programmes with foreign universities as influential factors. The importance of facilities on students’ choice of institution was also noted by Price et al. (2003) in UK context. He revealed that for many institutions, facilities, where provided to a high standard, were perceived as having an important influence on students’ choice of institutions.

7.2.5. Proximity
In terms of location, Raposo and Alves (2007) and Dawes and Brown (2005) pointed out that proximity to home is one of the strong influences in the choice process of selecting a university in Portugal and the UK. In addition, Paulsen (1990) indicated that the closer to their home, the higher the university was ranked by students. Veloutsou (2004) also noted that the location of the university and the geography of its surroundings were some of characteristics that were of pivotal importance for students at various universities in England, Scotland and Northern Ireland. These institutional characteristics suggest that a university nearby is one of the important stimulators of a students’ decision to further their education. In addition to those above, Wagner and Fard (2009) detected that in the Malaysian context the proposed factors such as physical aspect and facilities have significant relationships with a students’ intention to study at a higher educational institution.

7.2.6. Reputation
The reputation of the institution was found to be the most important factor in a student’s decision of a place of further study in South Africa (Wiese et al. 2009; Beneke & Human 2010). According to Ancheh et al. (2007) recognition and reputation of the institutions are the strongest evaluative criteria used by students in their selection of higher education for both private universities and colleges in Malaysia. Briggs (2006) also noted that reputation is one of ten factors that influence the selection decision by university students. Using the decision making model from Kotler (1999), Moogan and Baron (2003) exposed that at the problem recognition stage, reputation is important for students. Veloutsou, Lewis and Paton (2004) also highlighted that in addition to the variable of courses and campus, the most important factor that candidates seek is related to the university’s reputation. In Ghana, Afful-Broni & Noi-Okwei (2010) identified that academic factors included availability of desired program, academic reputation and quality of teaching were the main reasons influencing the students to enrol at university. Furthermore, Ho and Hung (2008) and Hoyt and Brown (2003) argued that academic reputation is one of the college choice factors that determines the success of university marketing strategies.
7.2.7. **Job prospects**

In terms of job prospects, Băcilă et al. (2006) and Băcilă (2008) in a study among 12th grade pupils from 16 counties in Romania found that the most important factors when pupils select their faculty is job opportunities. However, for South Africa students employment prospect were listed as second important choice factor after quality of teaching (Wiese et al. 2009). While in Cambridge University recruitment, Whitehead, Raffan and Deaney (2006) discovered that according to post-16 year old students the most popular reasons for wanting to enrol in university are the enjoyment of the subject, need for a degree for a career, better job, new subject areas and the enjoyment of student life. A similar situation was found in Western Australia (Soutar & Turner 2002) and in Turkey (Tatar & Oktay 2006), However, based on Tavares’s et al. (2008) study in Portuguese universities, ‘vocation’ or specialization was a stronger reason for programme choice than employment prospects.

7.2.8. **Cost of study**

Many researchers have investigated the influence of price in the choice of a university (Domino et al. 2006; Wagner & Fard 2009). Although, for South African students, tuition fees are listed as the fourth of their important factors to study at university (Beneke & Human 2010), Wagner & Fard (2009) in Malaysia found that cost of education has significant relationships with a students’ intention to study at a university. However, Domino’s et al. (2006) study in the US context, asserted that price is the most important factor from parents’ point of view rather than a student’s perception. In the US setting, Quigley et al. (2000) discovered that there was a significant difference in response patterns of respondents between high discount and low discount treatment. High discounts were viewed more favourably than low discounts.

7.2.9. **Financial aid**

The impact of financial aid or financial packages that include scholarships and grants was examined thoroughly by Kim (2004) in a survey of 5,136 undergraduates who began their post-secondary education in 1994 at University of California at Los Angeles. The results showed that financial aid has different effects on attending a first-choice college across racial groups, namely White and Asian American students. Govan et al. (2006) and Hoyt and Brown (2003) found in United States that financial aid was a considerable factor that influenced student choice of a university, while Beneke & Human (2010) found that financial aid offered is only listed as the fifth important factor to study at university in South Africa.

Although it was found that there are numerous important factors considered by students when selecting a university, these factors have different level of importance for each country and each student. Therefore, this review uncovers the most influential factors that possibly contributed to Indonesian students when selecting an Indonesian public university.
8. RECOMMENDATION

This review has focused on exploring, categorising and comparing empirical research studies on students’ choice criteria which is related to the higher education marketing context. This discussion draws together the key findings, identifies and presents an analysis of the gaps in research in light of the major argument of this article. There were also differences in the choice criteria found between the studies identified for the developed countries and less developed countries context. The findings indicated that broadly, the factors found in the previous research may vary among the countries even though they have the same level of development.

Despite the local studies discussed, little is known about the choice factors considered by Indonesian students when selecting a higher education institution to study. Especially since Indonesian higher education is facing environmental challenges that call for the development of new marketing approach and the lack of recent, systematic research in this area served as the impetus for this study. In general, the impact of the choice criteria on the student decision-making behaviour phenomenon warrants further inquiry. Future research might also explore the important factors that influence student decision-making process in the Indonesian context. This study benefits are two fold, for the students, they could improve the way they approach educational decision-making and for the institutions, they could revise and use appropriate marketing strategies that can be employed to serve their students better.

The findings have implications for university recruitment strategies in order to have a deeper knowledge about the student choice criteria and also to improve their knowledge on how to deal with the influences that can form student perceptions. This suggests that university should reconsider the philosophy underlying privatisation and marketisation in higher education especially recruitment strategy at institutional levels. Although there have been a number of studies that examined students choice criteria, the notion that privatisation and marketing in higher education institutions which have impact on the student choice have still to be explored.

Since the findings of this study are based on empirical research in developing countries, the implications can be drawn from the results applicable primarily to students and administrators at similar institutions, although others can used this as an insight for their recruitment management strategies. It would appear from this study that general recruitment strategies should take into account the students choice criteria for selecting a higher education institution. This might help the universities to attract qualified students as well as allocating time, funds and resources more efficiently and effectively in their recruitment management.

REFERENCES


Ceja, M. 2006, 'Understanding the role of parents and siblings as Information sources in the college choice process of Chicana students', *Journal of College Student Development*, vol. 47, no. 1, pp. 87-104.


Gallifa, J. 2009, 'An approach to find out students' motives and influences on their selection of studies and university: Results from six years of continuous...


Hoyt, J. E. & Brown, A. B. 2003, 'Identifying college choice factors to successfully market your institution', *College and University*, vol. 78, no. 4, pp. 3-10.


Maringe, F. 2006a, 'University and course choice: Implications for positioning, recruitment and marketing', *The International Journal of Educational Management*, vol. 20, no. 6, pp. 466-479.


Nicolescu, L. 2009, 'Applying marketing to higher education: Scope and Limits', *Management & Marketing*, vol. 4, no. 2, pp. 35-44.


Andriani Kusumawati

Privatisation and Marketisation of Indonesian Public University:
A Systematic Review of Student Choice Criteria Literature

The Indonesian Student International Conference 2010

Thinking of Home while Away:
The Contribution of Indonesian Students Studying Overseas for Education in Indonesia

Melbourne, Australia, 16-18 July 2010


Riana, K. E., Zuhairi, A. & Maria, M. 2006, 'The Decision-Making Process of Distance Education Students at Universitas Terbuka in Indonesia', *Asian Journal of Distance Education*, vol. 4, no. 1, pp. 20 - 33.


Andriani Kusumawati
Privatisation and Marketisation of Indonesian Public University: A Systematic Review of Student Choice Criteria Literature

The Indonesian Student International Conference 2010

Thinking of Home while Away:
The Contribution of Indonesian Students Studying Overseas for Education in Indonesia
Melbourne, Australia, 16-18 July 2010


CONTACTS
Andriani KUSUMAWATI
Sydney Business School, University of Wollongong
Innovation Campus, Squires Way
Wollongong, New South Wales, 2500
AUSTRALIA
Tel. (+61)425173968
Fax. (+61)2-42214709
Email: ak993@uow.edu.au

Andriani KUSUMAWATI
Business Administration Department, Faculty of Administrative Science,
Brawijaya University
Jl. Mayjen Haryono 163, Malang, 65145
INDONESIA
Tel. (+62)817382700
Fax. (+62)341-558227
Email: andriani_kusumawati@yahoo.com

Andriani Kusumawati
Privatisation and Marketisation of Indonesian Public University: A Systematic Review of Student Choice Criteria Literature

The Indonesian Student International Conference 2010
Thinking of Home while Away:
The Contribution of Indonesian Students Studying Overseas for Education in Indonesia
Melbourne, Australia, 16-18 July 2010
Table 1.

<table>
<thead>
<tr>
<th>Author-Date</th>
<th>Country</th>
<th>Purpose</th>
<th>Methodology and Sampling</th>
<th>Sample Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tatar &amp; Oktay</td>
<td>Turkey</td>
<td>To investigate students’ behaviours in search and choice during university placement, and to examine how students’ choice process affects on their persistence decisions.</td>
<td>Survey of 51 second year students studying in the Department of Chemistry Education of Kazim Karabekir Education Faculty, in Ataturk University, in Turkey.</td>
<td>Second year university students</td>
</tr>
<tr>
<td>Yamamoto</td>
<td>Turkey</td>
<td>To examine the university selection criteria of students for better university management with the use of marketing tools.</td>
<td>Semi-structured interview of 11 students who take entry examination or Student Selection Examination (SSE)</td>
<td>Students who take entry examination or Student Selection Examination (SSE)</td>
</tr>
<tr>
<td>Băcilă et al.</td>
<td>Romania</td>
<td>To investigate and analyse the criteria of choice, sources of information, expectations and charting directions of strategic and tactical support for higher education in marketing education.</td>
<td>Survey through face-to-face questionnaires of 153 students attending a foundation university in Turkey</td>
<td>Foundation university students</td>
</tr>
<tr>
<td>Ancheh et al.</td>
<td>Malaysia</td>
<td>To identify the evaluative criteria that students studying in Malaysian private HEI use to select their institution of choice</td>
<td>Survey method using questionnaire for data gathering.</td>
<td>12th grade pupils from 16 counties in Romania</td>
</tr>
<tr>
<td>Pimp a &amp; Suwannapirom</td>
<td>Thailand</td>
<td>To identify what criteria do Thai students use to evaluate their decision to enrol in the vocational education institutions</td>
<td>Quantitative study of 412 first year students from eight government vocational institutions in Thailand</td>
<td>First year students of vocational institutions</td>
</tr>
<tr>
<td>Ho &amp; Hung</td>
<td>Taiwan</td>
<td>How a graduate institute at National Chiayi University (NCYU), by using a model that integrates analytic hierarchy process, cluster analysis and correspondence analysis, can develop effective marketing strategies.</td>
<td>Survey using stratified random sampling of 570 undergraduate students from 14 universities in four different areas in Taiwan</td>
<td>Undergraduate students</td>
</tr>
<tr>
<td>Băcilă</td>
<td>Romania</td>
<td>To determine: the information sources used by potential students, the most important criteria used by pupils when they choose a faculty, the reasons to choose a particular educational program, the influence of other persons, the potential students’ choice regarding the admission methods.</td>
<td>Quantitative survey using questionnaire among 12th grade pupils from 21 high schools, 9 national colleges and 11 vocational high schools resulted 560 pupils response in Romania</td>
<td>12th grade pupils from 21 high schools, 9 national colleges and 11 vocational high schools in Romania</td>
</tr>
</tbody>
</table>

(continued)
<table>
<thead>
<tr>
<th>Author-Date</th>
<th>Country</th>
<th>Purpose</th>
<th>Methodology and Sampling</th>
<th>Sample Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wiese et al.</td>
<td>South Africa</td>
<td>To investigate the relevant importance of the choice factors that prospective students considered, as well as the sources of information used in the decision-making process when they decided to enrol as first-year students at HEI in South Africa.</td>
<td>Quantitative survey through questionnaire to 1,500 first-year students from six HEI in South Africa using a non-probability convenience sampling.</td>
<td>First-year students from six HEI in South Africa</td>
</tr>
<tr>
<td>Al-Yousef</td>
<td>Saudi Arabia</td>
<td>To explore how parents are involved in their daughters’ decision-making around their higher education path.</td>
<td>54 young women between the ages of 16 and 20 from a range of cultural and academic backgrounds as well as different family structures. Eight focus group discussions (three in the UK and five in Saudi Arabia including an exploratory study). The number of participants within the group varied from five to eight. Eight in-depth individual interviews with eight young women (three in the UK and five in Saudi) for the same objective.</td>
<td>Young women between the ages of 16 and 20 as final years students of private secondary schools in Saudi Arabia and from private a state high schools in the UK</td>
</tr>
<tr>
<td>Wagner and Fard</td>
<td>Malaysia</td>
<td>To identify the main factors that significantly influence students’ intention to study at a higher educational institution (HEI)</td>
<td>Survey using self-administered questionnaire of 162 pre-university students around Klang Valley, and graduated students from secondary school within two years</td>
<td>Pre-university students and graduated students from their secondary school within two years</td>
</tr>
<tr>
<td>Afful-Broni and Noi-Okwei</td>
<td>Ghana</td>
<td>To explore the factors that influenced the students’ decision to enrol at University of Education Winneba (UEW) Ghana</td>
<td>Quantitative using self-reported questionnaire to 300 first year undergraduate student at UEW using convenience sampling techniques</td>
<td>First year undergraduate student UEW</td>
</tr>
<tr>
<td>Beneke and Human</td>
<td>South Africa</td>
<td>To ascertain whether using a relationship marketing approach is conducive to the task of identifying, selecting and recruiting highly desirable students</td>
<td>Qualitative research of eleven experience interviews with student recruitment marketers and administrators at numerous higher education institutions. Quantitative research using questionnaire to 895 first and second year students across institutions in three of the largest provinces in South Africa, with a cluster sampling technique.</td>
<td>Student recruitment marketers and administrators at numerous higher education institutions First and second year university students</td>
</tr>
</tbody>
</table>

Andriani Kusumawati
Privatisation and Marketisation of Indonesian Public University: A Systematic Review of Student Choice Criteria Literature

The Indonesian Student International Conference 2010
Thinking of Home while Away: The Contribution of Indonesian Students Studying Overseas for Education in Indonesia
Melbourne, Australia, 16-18 July 2010