



ST. MARY UNIVERSITY

SCHOOL OF GRADUATE STUDIES

MBA PROGRAM

**FACTORS AFFECTING STUDENTS' CHOICE OF UNIVERSITY; THE CASE OF FIRST
YEAR STUDENTS' OF PRIVATE UNIVERSITIES IN ADDIS ABABA, ETHIOPIA**

**A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILLMENT OF THE
REQUIREMENTS FOR THE DEGREE OF MASTERS IN
MARKETING MANAGEMENT**

By:

KIBROM FISSHA

ID-SGS/0133/2010B

ADVISOR:

MOHAMMED MOHAMMEDNUR (Ass. professor)

JUNE, 2020

ADDIS ABABA, ETHIOPIA

APPROVAL SHEET



ST. MARY UNIVERSITY SCHOOL OF GRADUATE STUDIES

MBA PROGRAMME

**TITLE: FACTORS AFFECTING STUDENTS' CHOICE OF UNIVERSITY; THE CASE OF
FIRST YEAR STUDENTS' OF PRIVATE UNIVERSITIES IN ADDIS ABABA, ETHIOPIA**

By: KIBROM FISSHA

Approved by the Examining Board

_____	_____	_____
Dean office	signature	Date
_____	_____	_____
Advisor	Signature	Date
Maru Shete (PhD)		08/09/20
_____	_____	_____
Internal Examiner	Signature	Date
Chalachew Getahun (PhD)		08/06/20
External Examiner	Signature	Date

Letter of Certification

This is to certify that KIBROM FISSHA has worked his project on the topic “Factors affecting students’ choice of universities; the case of first-year students’ of the private university in Addis Ababa, Ethiopia.” under my supervision. To my belief, this work undertaken by KIBROM FISSHA is original and qualifies for submission in partial fulfillment of the requirements for the award of Degree of Master of Marketing management.

Advised by

MOHAMMED MOHAMMEDNUR

Date _____`

Statement of Declaration

I, the undersigned, declared that this project entitled “Factors affecting the students’ choice of the university; the case of first-year students’ of the private university in A.A; Ethiopia” is my original work. I have carried out this project work independently with the guidance and support of my project advisor. This study has not been used or submitted to any Degree/Diploma fulfillment in this or any other institutes.

KIBROM FISSHA

Name

Signature

Date

Table of Contents

APPROVAL SHEET

Letter of Certification

Statement of Declaration

List of Figures

List of Tables

ACKNOWLEDGMENT

Abstract

Page

CHAPTER ONE	1
1. Introduction	1
1.1 Background of the study.....	1
1.2 Statement of the Problem.....	4
1.3. The objective of the study.....	6
1.3.1 General objective.....	6
1.3.2 Specific objective.....	6
1.4. Significance of the Problem/Study.....	7
1.5. Scope and Limitation of the Study.....	7
1.6. Definition of Terms.....	8
1.7. Organization of the Study.....	8

CHAPTER TWO

REVIEW OF RELATED LITERATURE	10
2.1. Theoretical Literature	10
2.2. Empirical Literature Review.....	16
2.3 Conceptual framework.....	18

CHAPTER THREE

RESEARCH DESIGN AND METHOD	22
3.1 Research Approach	22
3.2 Research Design	22
3.3 Target population and sampling Technique.....	22
3.3.1 Total population.....	23
3.3.2 Sampling Method	24
3.3.3. Sample size.....	24
3.4 Type of Data and Tools/ instruments of Data Collection.....	25
3.5 Methods of Data Analysis.....	26
3.6 Hypothesis	5

CHAPTER FOUR

RESULTS & DISCUSSION	27
4.1 Reliability test	27
4.2 Response Rate.....	28
4.3 Characteristics of Respondents'.....	29
4.4. Factor Affecting University Choice.....	30
4.4.1 Descriptive Results	
4.4.2. Correlation and Regression	31

4.4.2.1 Correlation Test between Variables-----	31
4.4.2.2. Multiple Linear Regression Analysis-----	34
4.4.2.2.1 Assumptions of multiple linear Regression-----	34
4.5.2.2.2 R ² and ANOVA analysis -----	37
4.5.2.2.3 Regression Coefficient analysis -----	39
4.5.3. Hypothesis Testing and Interpretation of Results-----	40

CHAPTER FIVE

CONCLUSION AND RECOMMENDATIONS-----	
---45	

5.1 Summary -----	45
5.2 Conclusion-----	46
5.3 Limitation of the study-----	49
5.4 Recommendations-----	50

REFERENCES -----	51
------------------	----

APPENDICES

List of Abbreviations/Acronyms

HERQA- Educational Relevance and Quality Agency of Ethiopia.

ist of Tables

	Page
Table 3.1 population size of the student universities-----	
23	
Table 3.2 sample size-----	25
Table 4.1 Reliability Test -----	28
Table 4.2 Characteristics of respondents' -----	29
Table 4.3 summarized result-----	30
Table 4.4 Correlation result -----	31
Table 4.5 skew and kurtosis values and their associated sta. error-----	
34	
Table 4.6 Multicollinearity test-----	36
Table 4.7 Model summary-----	38
Table 4.8 ANOVA-----	39
Table 4.9 multiple regression results on determinants of university choice decision and University Choice-----	40
Table 4.10 Hypothesis Testing and Interpretation of Results-----	
44	

List of Figures

	Page
Figure 1. A Three-Phase Model of College Choice-----	16
Figure 2.2 A Conceptual Framework-----	20

ACKNOWLEDGMENT

Primarily, I would love to give my glory and applause to the Almighty GOD for his invaluable care and supports throughout the course of my life and helped me since the inception of my education to its completion.

Next, I'm grateful to thank my Advisor MOHAMMED MOHAMMEDNUR (Ass.professor) who has taken all the trouble with me while I was preparing the paper. Especially, his valuable and prompt advice, his tolerance guidance, and useful criticisms throughout the course in preparing the paper, constructive corrections, and insightful comments, suggestions, and encouragement are highly appreciated. My sincere and heartfelt gratitude goes to the students and employees of St. Mary University, Unity University, and Admass University College for their frank response to my interview questions and questionnaires without which this paper would not come to life.

Finally, I am greatly indebted to my family for their encouragement, suggestions, and endless support.

Abstract

The objective of this research paper was to analyze the factors affecting students' choice of the university; the case of first-year students' of the private university in Addis Ababa, Ethiopia. The researcher thus tried to analyze the applicability of the Chapman model (1981) posits that student college choice is influenced mainly by a series of external influences. Those are the reputation of the university, location, advertisement, tuition fee/price, peer influence, and family influence was analyzed. Three universities were used to administer this study namely St. Mary University, Unity University, Admass University. A stratified sampling technique was employed with a sample of 261 students and out of which 239 were collected from three higher education institutions. The analysis was done using descriptive and inferential statistics, and the research outcome clearly indicates that location, university reputation have a positive effect on the university choice decision. Price/tuition fee and peer influence have a negative relationship with student's choice of university. As the finding of the study shows families are not considered as an important factor for student choice of university. Hence, the universities have to work or make extensive research on location while opening a new branch or while entering the education market. Also, they need to work on branding to maintain its reputation and design the best pricing policy to maintain and attract students' brand preferences. Besides, universities are urged to work solely on students, especially in high school students.

Keywords: Brand Choice, Brand Image, Brand Preference, Higher Education Institution

CHAPTER ONE

1. INTRODUCTION

Background of the Study

As sighted by Kotler & Fox (1995), brand preferences represent consumer dispositions to favor a particular brand. It refers to the behavioral tendencies reflecting the extent to which consumers favor one brand over another. Brand preference is close to reality in terms of reflecting consumer evaluation of brands. In the marketplace, consumers often face situations of selecting from several options (Hitesh B,2016). In the case of higher education institutions students are the potential customers of the institutions. Students' choice of one university brand over several other university brands is brand preference.

Brand Preference and Brand Choice – the choice is the process of preference consolidation facilitating the choice task. Brand choice is concerned with the selection and consumption of the brand. Brand preference can be viewed as a motivator of brand choice. Consumer choices are based on well-defined preferences through which consumers can determine the set of alternatives from which they will make their choices (Ammy.C, 2015).

As of Melane. W (2008) Higher education institutions never exist in isolation. Therefore, the communication of the image it projects to the target market is of crucial importance, because a higher education institution is dependent on its environment for the supply of students. In their choice of institution, students are strongly influenced by the image that the specific institution projects (Coetzee & Liebenberg, 2004).

Various researchers (Melane. W (2008)) emphasize the importance of the image of a higher education institution: to attract students to select a higher education institution.

Many studies have been done internationally on choice factors considered by students in selecting a higher education institution (Espinoza, Bradshaw & Hausman, 2002; Hoyt & Brown, 2003; Gray & Daugherty, 2004 and Punnarach, 2004). South Africa's studies addressing aspects of higher education marketing include the image of universities, market positioning, marketing strategies, corporate image (Roux, 1994), corporate reputation, and marketing communication strategies (Jones, 2002). Despite these works in other countries, research has not been done on the choice factors considered by local students when they select a higher education institution except for the Ethiopian aviation academy and this served as an impetus for this study.

According to Tadese.M (2017) on his study on customer preference to use training service of the Ethiopian aviation academy; student's choice of the academy or brand is highly affected by the reputation of the academy, price, and advertisement or communication way of the academy.

The beginning of the private higher education sector in Ethiopia was followed by the regime change in 1991 prior to this year: the education sector was not open to a private institution. Following the government change, In 1998 Unity College (now University) becomes the first private higher education institution in Ethiopia. In the same year, the new St. Mary University and Admass University has joined the education sector.

Following the changes in policies until 2007, the number of private higher education institutions located in Addis Ababa and other major cities reached over 100, Semela. T /2007/. After 12 years that is in 2019 the number of private higher education institutions In Ethiopia increased dramatically to 212 private higher education institutions licensed by Educational Relevance and Quality Agency of Ethiopia HERQA /July-2019/. In Addis Ababa, the numbers of private higher education institutions are 85: of which only 4 are titled full university. Those are St. Mary University, Admass University, Unity University, and Rift Valley University. The rest are University College and college.

As the number of private higher education institutions continuously increasing the Competition between the private universities is getting stiffer. And prospective students have access to choose from a wider variety of universities, this shows the universities need to make differentiation based on the factors affecting student's choice of universities.

According to a study in South Africa by Melanie (2008), top factors for student choice of the university are quality of teaching, employment prospects (possible job opportunities), campus safety and security, academic facilities (libraries and laboratories), international links (study and job opportunities), language policy, an image of higher education institution, flexible study mode (evening classes and use of computers), academic reputation (prestige), and a wide choice of subjects/courses.

Hanson, Norman, and Williams (1998) claim that: during the university choice period, students attach particular importance to the reputation of the university and its educational quality. They also suggested some other factors such as variety and quality of facilities and majors offered to students; the social atmosphere of the campus; quality of teaching personnel and distance from students' families. Mazzarol and Soutar (2002) found similar results in a study conducted in Australian universities. They suggested that the quality and reputation of the university and recognition of the certificates were the most important factors for those students.

According to the ministry of education, the number of students seated for the exam of grade 10 and grade 12 was about 1.6 million students in 2019. Hence, public universities have not the capacity to intake all these students so the private sector plays a vital role in enrolling a huge number of students.

At this time choosing a suitable university to apply becomes an important issue of the students. Because their choice decision which university to join affects their future career and motivation to study, commitment, and interaction with the university. As a result, exploring factors that drive students' choice of universities is crucial to consult them for the more informed decision.

Therefore, in Ethiopia, the prospective students who are approaching to join universities are getting higher in number. This is a huge opportunity for universities to expand their market share and enrollee students as high as possible. Hence, universities need to take a continuous assessment of student choice factors because student choice factors are critical components in understanding the student market.

To the researcher's knowledge, no research has been done concerning factors affecting students' choice of university. Most of which are with regard to quality and policy implementation, this served as an impetus for this study. Lack of recent local studies on choice factors emphasizes the need for a study in this field in an Ethiopia context. The overall goal of this study is, therefore, to investigate the factors affecting student's choice of university, specifically first-year students of a private university in Addis Ababa, Ethiopia.

Statement of the Problem

The numbers of higher education institutions in Ethiopia particularly in Addis Ababa are continuously increasing and have reached 85 (HERQA, 2019). About 40% of the total higher education institutions in Ethiopia are found in Addis Ababa. This forces Higher education institutions to develop a strategy to identify the most important factors of the student's choice of university. Higher education institution's survival is dependent on enrolling the high number of students. There is stiff competition to enroll a large number of students: this enforces the higher education institutions to critically understand and assess the factors that affect student choice to cope up with the ever-changing environment.

Likewise, students need to be advised to think critically about which factors to consider while choosing University, because this is one of the most important decisions making in their life which determines their future career.

According to Chapman (1984) Factors that could affect student choice of the university be internal or external factors. The internal factors are concerning the student: the economic capacity of the student to afford to join university, awareness, personal aspiration to education. The external factors are beyond the control of the student: an image of the university on the student's mind which could be the most important factor that induces the

student to choose unless economic problem, accessibility or location of the university to the student, cost of programs, advertisement or communication way of the university to reach potential customer or students, peer influence, family or teachers influence.

Gorman (1976) suggested a distinction between the factors affecting students' university choices. He labeled a group of factors as uncontrollable factors (i.e. location, natural beauties) since it is impossible for any institution to change or improve the conditions in this group. On the other hand, there are controllable factors such as education quality and academic reputation which can be achieved and ensured by following the required actions. In addition, as a result of his study, Gorman concluded that location and size were the most important factors, whereas reputation for academic quality came in second place. It is interesting that location -which is an uncontrollable factor for institutions- is one of the most important factors for students in their choices which could be in these days replaced by other factors, and we will find out.

Thus from the above-ground, this study is conducted to identify the relative importance of factors that affect the students' choice of university. Variables could be factors for higher education and student choice (decision making). Those are the reputation of the university, communication way of the university, location of the university, tuition fee (costs), reference/peer influence, family influence. Considering the magnitude of the problem it is surprising to see no research was made in this area in our city of Addis Ababa. To the researcher knowledge, no researches have been done locally regarding the factors affecting the student's choice of university. And this makes the research more worthy and timely.

1.3 The objective of the study

1.3.1 General objective

The general objective of the study is to analyze the factors affecting student's choice of the university; the case of first-year students of the private university in Addis Ababa, Ethiopia.

1.3.2 Specific objective

Thus the researcher's specific objectives are to achieve the following specific objective that guides the overall process.

To come across the existing university choice practice of students look like.

To analyze the effect of University Reputation, university location, advertisement, Reference or peer influence, pricing, and family influence on the decision-making process of students in selecting universities?

1.4 Significance of the Problem/Study

Though the numbers of private higher education institutions are growing continuously in the city; to the researcher's knowledge no studies have been conducted concerning the factors encompassing the student's choice of the university; in the case of the private

university in A.A; which makes worth conducting this study. The research outcome would be an important input to the higher education institutions to make the necessary adjustments and improvements based on the recommendation of the study. A useful reference for students: who are approaching to join the university to which factors to consider while choosing a university?

The research could open the door for other researchers who want to study further on this area or other similar issues. Furthermore, the study can be used as a literature review.

1.5 Scope and Limitation of the Study

The study is delimited to determining factors affecting first-year students of accounting and marketing department students; in a private university located in Addis Ababa to their decision-making process of choosing a university. Even though there are tens of institutions the first three private universities in Ethiopia are selected to conduct the research namely: Unity University, St. Mary University, and Admass University.

Geographically, this research focuses on the universities that are located in Addis Ababa, specifically students of the three universities namely St. Mary University, Unity University, and Admass University considering their large number of students.

Chapman's (1981) model posits that student college choice is influenced mainly by a series of external influences. These external influences can be grouped into three categories: the influence of significant persons; the fixed characteristics of the institution; and the institution's own efforts to communicate with prospective students. Both the student characteristics and external influences contribute to and, in turn, are shaped by generalized expectations of college life.

Therefore, this study is theoretically focusing only on the external influence on the student's choice of university.

1.6 Definition of Terms

Higher Education Institution (HEI): in the context of this paper, a Higher Education

The institution (HEI) is a University, University College, or College that offers one or more degree-awarding programs.

Brand preference: is the degree of brand loyalty in which a customer definitely prefers one brand over competitive offerings and will purchase this brand if it is available.

(Dibb S., Simikin L., Pride W.M., and Ferrell O.C. (2006)).

Brand choice: is concerned with the selection and consumption of the brand (Bettman et al, 1998).

1.7 Organization of the Study

This study comprises five chapters in total; in **chapter one** study introduced and provided background information. The area of research has been defined as well as the necessity to execute the study flowing from the problems identified, which acted as motivation to execute the study. The objectives of the study were set.

The second chapter is concerned with the review of related literature on Customer's brand preferences, students' decision-making process, and related previous studies.

The Third chapter goes through the Methodology, description of the study, research design, population and Sample, Data Source and Types, Data collection procedures.

The fourth is about data analysis. **The fifth** chapter is on the conclusion, recommendation, and future research recommendation

CHAPTER TWO

2. REVIEW OF RELATED LITERATUR

Introduction

After an extensive review of different pieces of literature the definition of all variables, their measurement instrument, and the finding of different studies in different countries will be presented in this chapter.

2.1. Theoretical Literature

Customer Preference customer preference is defined as a set of assumptions that focus on consumer choices that result in different alternatives such as happiness, satisfaction, or utility. The entire consumer preference process results in an optimal choice. Consumer preferences allow a consumer/student to rank different bundles of services and goods according to levels of utility, or the total satisfaction of consuming services or goods, as per Jennifer Lombardo (2015). So, the customers of universities we understand that the term customer refers to students of the universities. And it is important to understand that consumer brand preferences are not dependent upon consumer/student income or prices. So a consumer's capacity to buy services or goods does not reflect a consumer's likes or dislikes. Jennifer Lombardo (2015)

Branding

Anctil (2008) defined branding as “creating a clear message about an intangible product and helps to build awareness and relevance in an often crowded marketplace”. He explained that a strong brand is something people can rally behind, resulting in strong loyalty and affinity.

The process involved in creating a unique name and image for a university in the consumers' mind, mainly through advertising campaigns with a consistent theme. Branding aims to establish a significant and differentiated presence in the market that attracts and retains loyal customers. According to (Keller, 2013), “Brand is a name, term, sign, symbol, or design, or a combination of these, intended to identify the goods and services of one seller or group of sellers from another and to differentiate them from those of competition.” Brands, as further explained by (Keller, 2013), have a significant role both to consumers and manufacturers. To consumers, for instance, brands can play an important role in the functions of identifying the source or maker of service and thus, let consumers assign responsibility to a particular manufacturer or distributor. But more than serving any identifying purposes, brands take on special meaning to consumers through past experiences with the service and its marketing program over the years, which in turn helps consumers to be able to find out which brands satisfy their particular needs and which of them don't.

As a result, brands are stated to provide a shorthand device or means of simplification for students to university choice decisions. A brand also provides distinct benefits to consumers. For example, it promises and delivers a high level of assurance to consumers. Therefore, it is a mental guarantee that the service of the university will deliver the desired value promised; it is also a mental patent as it promises a certain amount of value to its customers. A brand helps customers identify the service and product on the market and helps in making an informed choice. A brand, as symbols of status and social significance, gives psychological satisfaction to consumers. A brand also serves as a medium of social stratification, as it reflects a person's choice and social class due to specific usage and value orientation (Ghodeswar, 2008).

Brand Image and its importance to an organization

Today's generation is quite impressionable and hence in order to enhance their personality, or to meet social standards, they gravitate towards branded service or products that are creating a stir in the market. This brand image is simply an impression or an imprint of the brand developed over a period of time in the consumer's mindset.

This image of a brand is ultimately a deciding factor that determines the students' choice of the university. The brand image is very important, as it is an accumulation of beliefs and views about that particular brand. The character and value of the brand are portrayed by its image, as it is the main component in the scheme of things. The brand image is eventually the mirror through which the company's key values are reflected as noted by Hitesh Bhasin (2016).

Student's University Choice Model

Espinoza et al. (2002:20) state that in response to the pressures of the changing environment of higher education institutions, there have been expanded efforts by higher education institutions to understand and influence the decision-making process among prospective students. In order to understand and influence the decision-making process of students, the three phases in the student decision-making process will now be shortly explained. But before that let's look at the determinant factors of university choice.

Influential factors: that determine students' choice of university.

University reputation

Institutional image and reputation have a tremendous effect on college choice. It is a powerful influence on potential student and college reputation is extremely persuasive in the college search and selection process. Students value the reputation of a college and it rates as an influential factor by students in the college choice process (Lay & Maguire, 1981).

Price

The price is one of the marketing mix instruments, which, combined with other instruments, should allow the realization of industry goals, the educational institution mission, and the realization of short-term and long-term industry goals. The price can be viewed as an economic, but also as a psychological factor.

From an economic point of view, the price determines income and profit, and psychologically, the price determines the values that a product or a service has. It is a quality indicator and equally affects the image and the other elements as well. Due to the specificity of the very service, the intangibility of price determination requires a special approach, since the price is considered an important strategic element in an attempt of a service organization to achieve a competitive advantage in the market. The price of service influences users and informs them not only about the quality they can expect from the service but also about its costs. (Kotler&Fox, 1995).

Communication way of the university/ advertisement

Advertisement is a process of communication between a university and service user with an aim to create a positive attitude on products and services. Effective communication comprehends that a university understands students' needs and wishes. The university should have the "know-how" in coding a message, which is reflected in the way students are to decode it. It needs to send out the message via an effective medium, communicating with the target group. It also needs to develop a feed-back channel, in order to the "know-how" target group reacted to the message. (Kotler&Fox, 1995).

Location

In higher education location/place refers to the availability of education/program to potential students in the most convenient and accessible way. A typical delivery mode for education services is for the institution to present courses at one location, with students gathering for classroom instruction (Kotler&Fox, 1995).

Reference/peer influence

Peers' preferences create a social norm, which is called "acceptable choice" among high school students. This means that peers might constrain the university options of an individual. Counselors or teachers have a major effect on students. They assist and

support candidates in the selection process (Kusumawati, Yanamandram, and Perera, 2010).

Family

Financial support from one's family might result in limitations in his or her decisions concerning their academic future. To say more specifically, if students' families have enough budgets, they support them. If they do not, they can constrain their child's choice. Students noted that financial support from parents or family might limit the choice of the university, as their financial sponsors may influence them to study in certain destinations or study programs (Pimpa, 2004).

Three-Phase Model of Decision Making

Hossler and Gallagher (1987), the three-phase model interactive model includes both the attributes of the student and the organizational factors at the pre-college and college

level. Factors that are influenced by government and institutional policy at various stages in the process are also included. The stages have been labeled predisposition, search, and choice. The **first phase**, predisposition, is basically a development stage in which students determine whether or not they would like to continue their education beyond high school. That allows students the choice of college or university or other options. In the **second phase**, the search is a period during which students gather information about institutions of higher education. Chapman (1984) describes a search phase. He defined searching activity as follows...searching for the attribute value which characterizes the college alternatives... (And search) may also entail learning about and identifying the right attribute to consider. These active investigating students undertake to become familiar with college or university alternatives. During this search phase, students formulate the "choice set" or that list of institutions to which a student will apply (Hossler & Gallagher, 1987). The **third phase**, choice, describes the final single university the student chooses to enroll.

Because this model is uniquely interactive, accommodating an extensive variety of factors, it was used as the basis for the present study. In addition to individual factors, organizational factors and the range of pre-college school experiences are accommodated in this model. The diagram presented as Figure 1 demonstrates the opportunity of these factors to exert modest influence on the choice process. The present study focused on the "influential factors" considered by students during phases one, two, and three.

Student Outcomes	Influential Factors		Model Dimensions
	Organizational factor	Individual Factors	
Search For: a. college options b. other options	School Characteristics	Student Characteristics Significant Others Educational Activities	Predisposition (Phase One)
a. choice set b. other options	College and university search activities (Search for students)	Student preliminary college values Student search Activities	Search (Phase Two)
Choice	College and University courtship activities	Choice set	Choice (Phase Three)

Figure 1. A Three-Phase Model of College Choice
 (Adapted from Hossler & Gallagher, 1987)

2.2. Empirical Literature Review

According to Beswick. R (1989) many factors considered during the selection process probably are also relevant in Canada. These include student characteristics, institutional characteristics, institutional activities, and persons of influence. Factors that may differ in relevance, include tuition costs, financial aid, and entrance examinations. (Litten & Brodigan, 1982). As sighted by Beswick.r (1989) an extensive study surveyed four thousand Indiana University freshmen and their parents to identify and to rank 22 influences that are considered in the selection process. Since most studies solicit only student opinion, this study is of particular importance because both parents and students were asked to rate the factors. The ratings were then compared for similarities in judgment.

Both groups rated the academic reputation of the university and the specific reputation of the department or school as the two most important factors in the selection process. The results indicated that although the students and parents were in agreement with the rating of the first two important influences, there tended to be disagreement regarding the relative importance of social climate and finance. Financial, geographical, and academic factors were more important to parents than to students, while students placed more value on social and cultural, and informal factors. (Bowers and Pugh-1983) Similar research at the University of California (cited in Litten & Brodigan, 1982) surveyed students to rate variables. The five general categories reported were: academic program attributes environmental factors, academic support aspects, student life factors, and educational outcomes. Ratings on these factors varied widely.

According to Melane.w (2008) study in South Africa The relative importance of the choice factors respondents regarded as important in the selection of a higher education institution are, in descending order: quality of teaching, employment prospects (possible job opportunities), campus safety and security, academic facilities (libraries and laboratories), international links (study and job opportunities), language policy, the image of higher education institution, flexible study modes (evening classes and use of

computers), academic reputation (prestige), a wide choice of subjects/courses, entry requirements, links with the industry, fees (cost), financial assistance (bursary and loans), location of higher education institutions, the attractiveness of campus, multiculturally / diversity, social life on campus (Rag, music festivals, campus dances), on-campus housing/hostels, sports programs, friends went there, brother/sister went there, and lastly parents went there (tradition).

2.3 Conceptual framework

Competitive pressure has forced higher educational institutions to look for more competitive marketing strategies in order to compete for students in their respective markets. To study the important attributes especially institutional factors that affect students' university choice decisions in higher education institutions become pertinent on the part of marketing strategy planning for students' recruitment of higher educational institutions.

Hanson, Norman, and Williams (1998) claim that during the university choice period students attach particular importance to the reputation of the university and its educational quality. They also suggested some other factors such as variety and quality of facilities and majors offered to students; the social atmosphere of the campus; quality of teaching personnel and distance from students' families. Mazzarol and Soutar (2002) found similar results in a study conducted in Australian universities. They suggested that the quality and reputation of the university and recognition of the certificates were the most important factors for those students.

Reputation of Universities

The reputation of an institution is the major factor in the university selection process. Gives competitive advantage because it represents the perceived excellence of the institutions by guiding the decisions of prospective students to enroll with the institutions, (gatfield, barker and graham, 2014).according to Mazzarol and Soutar (2002) found similar results in a study conducted in Australian universities. They suggested that the reputation of the university is the most important factor for those students.

Communication way of the university/ advertisement

Different communication ways used by universities to make awareness are identified as influential factors on the choice process. Such as internet and website, publication, and media like Radio, TV, newspaper, magazines are used by universities to place their advertisements that include information on education, social facilities, contact information, or job prospects. (oya tamtekin,2016).

Location

This factor refers to where a university is located geographically, close proximity to home or city center, and accessibility of transportation. Veloutsou, Lewis, and Paton (2004) say that the location of the university and the geography of its surroundings are characteristics that are of pivotal importance for students. The proximity to home is one of the significant effects on the university choice process (Alves and Raposo, 2007; Dawes and Brown, 2005).

Educational Fee of University

Students base their decision on university costs. Before making any choice, they estimate how much money they will have to spend on a decent education. It does not only mean university fees but also can include accommodation and transportation costs. Distance from home also adds up to that cost, which can have a negative impact on actual preferences and force students to limit the choices. Many researchers suggest like, Wagner and Fard (2009) propose that the cost of education has a direct and significant relationship with a student's intention to study at a university.

Reference Groups/peer influence/

Reference groups such as siblings, friends, peers, relatives, and teachers influence students' academic choices. Many studies show that students decide where to study based on their peers' choices. In some studies, this group is wider and includes siblings, friends, relatives, teachers, and other people that play an important role in a student's life (Kusumawati, 2010).

Family

Many pieces of research show that there is a certain relation between the students' university choice and their families. Families extend their influences in the following areas: finance, information, expectation, persuasion, and competition. Financial support from one's family might result in limitations in his or her decisions concerning their academic future (Pimpa, 2004).

Proposed conceptual frame work

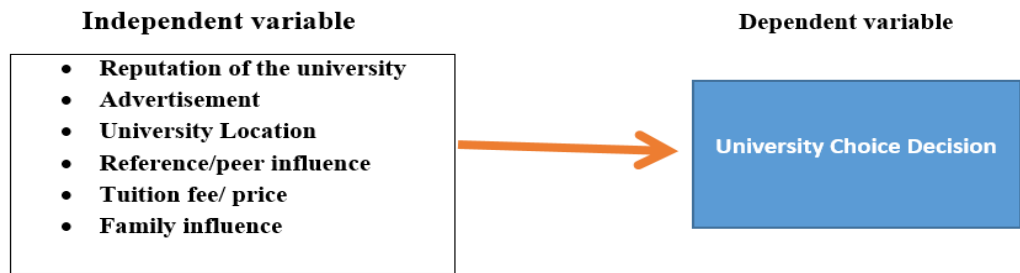


Figure 2.2 A Conceptual Framework.

Source: Adopted from Ming, J.S.K., 2010. Institutional factors influencing students' college choice decision:

This conceptual framework aims to develop a framework on university choice of first-year students of the private university in Addis Ababa, line with the stated objectives in chapter one, the theoretical and empirical works reviewed in the second chapter, and the conceptual framework and the hypothesizes provided above to be tested with the aim of finding out factors influencing university choice of private students in A.A

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

Introduction

In this chapter, the researcher made a discussion about the research approach, research design, sampling design (population of the study, sample size, sampling method), data source, and types of data collection procedures.

3.1 Research Approach

The research approach is a plan and procedure that determines the research design and consists of steps of broad assumptions to detailed methods of data collection analysis and interpretation. It is, therefore, based on the nature of the research problem being addressed (Bryan & Bell, 2015). This research approach is a deductive research approach and employ a quantitative research approach to analyze the statistical data because this research starts with existing theory, develops a hypothesis based on existing theory and hypothesis was tested and concludes with supporting and rejecting the hypothesis.

3.2 Research Design

Research design is a plan of the methods and procedure that is used by the researcher to collect and analyze the data, Paurav Shukra (2008). This research design is an explanatory study because it is associational research that finds out the relation between the predefined factors and student's choice/decision making/ of universities.

3.3 Target Population and Sampling Technique

The process of developing a sampling plan consists of steps: identifying the target population, selecting a sampling method, and selecting the sample size (Paurav Shukra, 2008:55)

3.3.1 Target Population

A population can be described as the entire compilation of elements that the researcher aspires to draw conclusions from or population or universe is the aggregate of all the elements (Cooper & Schindler, 2003:179).

The target population for this study was first-year students from three higher education institutions in three provinces, namely St. Mary University (Mexico campus), Admass University (Megenagna campus), and Unity University (Gergi campus) and this gives us the total population of the study. According to the preliminary data from the three institutions, the first-year students attained in 2019 on the stated campus which was selected using stratifying sampling are 3200.

Table 3.1 Population Size of the Student Universities

Name of the universities	Accounting and finance		Marketing management		computer science		Managemen t		Total	
	M	F	M	F	M	F	M	F	M	F
S.T Mary universities	315	305	270	279	260	63	120	96	965	743
Unity University	160	154	120	126	180	83	80	85	540	448
Admass University	85	80	52	62	100	25	70	30	307	197
Sample size based on the stratified sampling technique	46	44	36	38	44	14	22	17	148	113

Sources: From registrar office of the three universities

3.3.2 Sampling Method

For the purpose of this study, from the probability sampling method, a stratified sampling technique was used to select students of the universities from strata of the four departments. The data were directly collected from first-year students in their class. And After selecting a sampling method, the sample size was determined.

3.3.3. Sample Size

Based on the above total population which was 3200 students using Cochran's sample size formula calculator the sample size is 261 students. The researcher thus allocates a proportional sample size using stratified sampling from the four departments of the universities; accounting and finance, marketing management, computer science, and management.

$$n = \frac{n_0}{1 + \frac{(n_0 - 1)}{N}}$$

Note: Here n_0 is Cochran's sample size recommendation that is 285 with a 90 percent confidence interval and a 5% margin of error.

$$n = 285/1 + (284/3200) = 261$$

Substitute

Table 3.2. Sample Size

Name of the universities	Accounting and finance	Marketing management	computer science	Management	Total
S.T Mary universities	620	549	323	216	1708
Unity University	314	246	263	165	988
Admass University	165	114	125	100	504
Sample size based on the stratified sampling technique	90	74	58	39	261

Source: From the three universities

3.4 Type of Data and Tools/ instruments of Data Collection:

There are different methodologies that can be used for data collection and analysis. Most are based around a core set of basic tools. Those include interviews, questionnaires, focus group discussion, observation, photography, video, surveys, and case study (paulav Shukra, 2008).

In this study, the source of the data was the primary and secondary data: data collected directly from the first-year students of the universities.

A questionnaire tool employed in collecting the data and questionnaire form was employed based on the Chapman (1981) model which suggests that university choice is influenced by a set of series of external influences. From this model, we take 6 variables which are external factors for student choice of the decision-making process. Those are 1, the reputation of the university 2, location of the university 3, tuition fee (costs) 4, Reference or peer influence 5, Family influence, 6, advertisement. In the survey instrument, the format of a five-level Likert scale was used those are 1= strongly disagree, 2= disagree, 3= neutral 4= agree, 5= strongly agree.

3.5 Methods of Data Analysis

The responses of the 261 participating students in the questionnaire were presented using descriptive and inferential statistical analysis techniques. With regards to the descriptive analysis percentages, means, standard deviations, and frequencies were calculated using SPSS version 16.

With regards to inferential statistics, correlation, as well as regression analysis, was used to investigate the most important questions and objectives of this study and to arrive at the core findings of the study with regards to the hypotheses forwarded. The correlation analysis reports on the magnitude and direction of relationships between variables in the study. These variables are the six independent variables and the dependent variable (university choice factor).

A multiple regression analysis was also employed in order to investigate the effect of the hypothesized factors on the university choice factor. This has enabled hypotheses testing revealing which of the hypothesized independent variables have a statistically significant influence on the decision of students in each of the six independent variables. Statistical significance was assumed when the alpha level was less than or equal to 0.05. The regression analysis also reveals the amount of variance explained by the conceptual framework. Structural equation modeling with SPSS version 16 was also used for the analysis of the data.

1.3 Hypothesis

In conducting this study the researcher has tried to test and prove the following hypothesis:

1. **Hypothesis 1** - the reputation of the university has a positive effect on the decision making of students in selecting universities.
2. **Hypothesis 2** - location of the university has a positive effect on the decision making of students in selecting universities.
3. **Hypothesis 3** - communication way of the university has a positive effect on the student's decision-making process.
4. **Hypothesis 4** - tuition fee (pricing) has a negative effect on the student's decision-making process.
5. **Hypothesis 5** - Reference or peer influence has a positive effect on the student's decision-making process.
6. **Hypothesis 6** - Family influence has a positive effect on the student's decision-making process.

CHAPTER FOUR

RESULTS & DISCUSSION

Introduction

This chapter first presents the realized sample compared to the planned sample, thus the response rate for the study. It then provides reliability, general information of the respondents, descriptive analysis are addressed.

Finally, Inferential Analysis of variables (correlation test, multiple linear regression analyses, Hypothesis testing, and interpretation) are presented.

4.1 Reliability Test

Reliability is used to test the internal consistency among the variables or items through a summated scale (Hair, Anderson, and Tatham, 1998). Cronbach's Alpha was used to measure how well a set of items or variables measure a single unidimensional latent construct and the alpha value is low when data have a multi-dimensional structure. (Malhotra, 2007). Malhotra (2007) suggested that an alpha of 0.60 or greater should be considered adequate whereby Zikmund (2003) suggests that a Cronbach's alpha value of > 0.7 indicates considerably high reliability.

The scale reliability for this study was also checked using the Statistical Package for Social Sciences Software (SPSS) version 16.0 and the Cronbach's alpha was .762, .782, .734, .732, .769, and .851 for university Reputation, University location, University tuition fee, University advertisement, Reference or peer influence, and family influence respectively.

Table 4.1 Reliability Test

Variables	Cornbrash's alpha	No. of items
University reputation	.762	6
University location	.782	4
University tuition fee	.734	4
University advertisement	.732	4
Reference or peer influence	.769	4
Family influence	.851	4

Source: survey data (2020)

4.2 Response Rate

Questionnaires were distributed to students who participated in the study. The total number of students that completed valid questionnaires as part of the survey was 261. A total of 239 of these questionnaires were completed and used for the data analysis which means at 91.6% response rate.

4.3 Characteristics of Respondents'

This part discussed the Characteristics of Respondents' such as gender and their academic departments.

Table 4.2 Characteristics of Respondents'

Respondents' department and gender	Accounting and finance		Marketing management		computer science		Management		missing		Total	
	M	F	M	F	M	F	M	F	M	F	M	F
Respondents' academic department	45	41	32	38	36	12	19	16	16	6	132	107
Percentage	17.2%	15.7%	12.4%	14.6%	13.8%	4.5%	7.3%	6.1%	6.1%	2.3%	50.6%	41%

Source: survey data (2020)

Table 4.2 indicates that 17.2 % male and 15.7% female (total 33%) of the 261 respondents were accounting and finance, 12.4% male and 14.6% female (total 27%) were marketing management, 13.8% male and 4.5% female (total 18.3%) were computer science, 7.3% male and 6.1%female (total 13.4%) were management. Out of the 261 respondents, 50.6 percent (132) were male and 41 percent (107) were female. Therefore, the majority of students were from the accounting and finance and marketing management departments.

4.4. Factor Affecting University Choice

4.4.1 Descriptive Result

Table 4.3 Descriptive Result

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
University reputation	239	2.0	3.5	2.995	.4786
University Location	239	2.8	4.0	3.404	.3567
University Tuition Fee	239	1.5	3.8	2.295	.6195
University Advertisement	239	1.5	3.2	2.587	.4797
Reference or Peer Influence	239	1.5	3.8	2.704	.7265
Family Influence	239	1.0	2.5	1.725	.5087
Valid N (listwise)	239				

Source: survey data (2020)

As illustrated in the above table the highest mean score of variables falls under the moderate mean score category is the location of the university which is 3.4 with std. Deviation of 0.35 this result indicates that location is the most important factor for students' university choice decision. The second variable which scores the highest mean is university reputation with 2.99 and Std. Deviation of 0.478, this shows reputation is the next most important factor for students' university choice decision. The third and fourth moderate mean scores are reference or per influence and university advertisement mean values of 2.7 and 2.58 with Std. Deviation of 0.726 & 0.479 respectively. But tuition fee and family influence are the lowest mean score of 2.29 and 1.72 with Std. Deviation of .619 and 0.508 respectively.

According to this result, we can conclude that the most important factor students consider in their choice of the university are the location of the university, reputation, peer influence, and advertisement. And the price has the lowest mean value that is 2.29 with .619 std. deviation. However, the mean value of family influence is to the lowest

side which is 1.72 with std. deviation of .508. The result shows that the students make the university choice solely or with little influence from their family.

4.4.2 Correlation and Regression

4.4.2.1 Correlation Test between Variables

A correlation indicates the direction and strength of the association between two variables by its size. Correlation coefficient to 0 or to ± 1.00 . Those that are closer to +1.00 or -1.00 the sign of the correlation coefficient defines the direction of the relationship. A positive sign indicates a positive direction; a negative sign indicates a negative direction, that there is some systematic association between the variables according to (Jeremy and Mark /2000).

Dancey and Reidy (2004) state that correlation coefficients that fall between the absolute values of ± 1.00 indicate perfect correlation. Those correlations that fall between the absolute values of ± 0.7 and ± 0.9 are generally considered to be “strong.” Those correlations that fall between the absolute values of ± 0.4 and ± 0.6 are generally indicated a “moderate” association. Those that fall between the absolute values of ± 0.1 and ± 0.3 are typically considered to be “weak” and they denote a weak association. And correlation result 0 indicates zero correlation.

Table 4.4 Correlation result

The **Pearson** correlation coefficient measures were used to measure the relationship between the variables and the result is stated in the table below

Correlations								
		University_ reputation	University_ Location	University_ Tuton_ Fee	University_ Advertismnt	Reference_ or_ Peer_ Infulence	Family_ infulence1	Univeersity_ Choice_ Dicism
University_ reputation	Pearson Correlation	1	.573**	-.119	.109	.375**	.046	.572**
	Sig. (2-tailed)		.000	.067	.092	.000	.483	.000
	N	239	239	239	239.000	239	239	239
University_ Location	Pearson Correlation	.573**	1	-.065	.368**	.226**	.016	.748**
	Sig. (2-tailed)	.000		.319	.000	.000	.806	.000
	N	239	239	239	239.000	239	239	239
University_ Tuton_ Fee	Pearson Correlation	-.119	-.065	1	.286**	.078	.011	-.215**
	Sig. (2-tailed)	.067	.319		.000	.232	.864	.001
	N	239	239	239	239.000	239	239	239
University_ Advertismnt	Pearson Correlation	.109	.368**	.286**	1.000	.605**	.021	.264**
	Sig. (2-tailed)	.092	.000	.000	.000	.000	.745	.000
	N	239	239	239	239.000	239	239	239
Reference_ or_ Peer_ Infulence	Pearson Correlation	.375**	.226**	.078	.605**	1	.047	.145
	Sig. (2-tailed)	.000	.000	.232	.000		.467	.025
	N	239	239	239	239.000	239	239	239
Family_ infulence1	Pearson Correlation	.046	.016	.011	.021	.047	1	.028
	Sig. (2-tailed)	.483	.806	.864	.745	.467		.662
	N	239	239	239	239.000	239	239	239
Univeersity_ Choice_ Dicism	Pearson Correlation	.572**	.748**	-.215**	.264**	.145	.028	1
	Sig. (2-tailed)	.000	.000	.001	.000	.025	.662	
	N	239	239	239	239.000	239	239	239

** . Correlation is significant at the 0.01 level (2-tailed).

Source: survey data (2020)

Correlation result between university choice and university location

As indicated in the table above the correlation coefficient between university Choice Decision and university location is statistically significant ($p < .000$) and amounts to $r = .748$, Thus, the two variables show a significant positive relationship and are strongly correlated.

Correlation result between university choice and university reputation

As indicated in the table above The correlation coefficient between university Choice Decision and university reputation is statistically significant ($p < .000$) and amounts to r

= .572, Thus, the two variables show a significant positive relationship and are moderately correlated.

Correlation result between university choice and university advertisement

As indicated in the table above the correlation coefficient between university Choice Decision and university advertisement is statistically significant ($p < .000$) and amounts to $r = .264$, Thus, the two variables show a significant positive relationship and are weakly correlated.

Correlation result between university choice and university tuition fee

As indicated in the table above the correlation coefficient between university Choice Decision and the university tuition fee is statistically significant ($p < .001$) and amounts to $r = -.215$, Thus, the two variables show a significant negative relationship and are weakly correlated.

Correlation result between university choice and reference or peer influence

As indicated in the table above the correlation coefficient between university Choice Decision and reference or peer influence is statistically significant ($p < .025$) and amounts to $r = .145$, Thus, the two variables show a significant positive relationship and are weakly correlated.

Correlation result between university choice and family influence

As indicated in the table above the correlation coefficient between university Choice Decision and family influence is statistically insignificant ($p < .662$) and amounts to $r = .028$, Thus, the two variables show an insignificant positive relationship and are almost zero correlated.

4.4.2.2 Multiple Linear Regression Analysis

4.4.2.2.1 Assumptions of multiple linear Regressions

Assumption-1 Normality Assumption

Assumption of normality means that you should make sure your data roughly fit a bell curve shape first before running certain statistical tests or regression. According to Jeremy and Mark (2000), if the residuals are normally distributed, the histogram should be bell-shaped or using numerical value by calculating the skew and kurtosis statistical using fisher technique in spss, and if the skewness statistics result is greater than 2.0, (ignoring minus signs)there is a problem of normality distribution. Thus this study implemented both the graphical methods and numerical value to test the normality of data. From the Histogram figure (see Appendix C), it can be noted that the distribution is a normal curve, demonstrating that the data witnesses to the normality assumption.

Table 4.5 skew and kurtosis values and their associated sta. error

	N	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
University reputation	239	2.995	.4786	-.756	.157	-.727	.314
University Location	239	3.404	.3567	.107	.157	-.389	.314
University Tuition Fee	239	2.295	.6195	.801	.157	-.410	.314
University Advertisement	239	2.587	.4797	-.612	.157	.221	.314
Reference or Peer Influence	239	2.704	.7265	-.159	.157	-1.244	.314
University Choice decision	239	3.153	.4551	-.167	.157	-.272	.314
Family influence1	239	1.8054	.66287	-.029	.157	-1.552	.314
Valid N (listwise)	239						

Source: survey data (2020)

According to table 4.5, the skew and kurtosis statistics of the variables show that the skewness of the entire variable is less than 2.0. So we can say that we have no normality assumption problem.

Assumption-2. Multicollinearity

In a multi regression study, we assume that the independent variables are independent of each other. If two independent variables x_1 , x_2 are collinear they are correlated with each other and the problem of Multicollinearity arises (Jeremy and Mark /2000). According to Alvin C. Burn and Ronald F. Bush (2006), the way to avoid Multicollinearity is to use warning statistics issued by most statistical analysis programs to identify this problem. One commonly used method is the variance inflation

factor(VIF). The VIF is a single number, and a rule of thumb is that as long as the VIF is less than 10, Multicollinearity is not a concern.

Table 4.6 Multicollinearity Test

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	.122	.197		.621	.535		
University reputation	.280	.053	.295	5.309	.000	.510	1.960
University Location	.681	.070	.534	9.662	.000	.515	1.943
University Tuition Fee	-.140	.031	-.191	-4.488	.000	.870	1.149
University Advertisement	.199	.057	.210	3.489	.001	.436	2.296
Reference or Peer Influence	-.124	.036	-.199	-3.486	.001	.484	2.065
Family influence1	.009	.027	.014	.341	.734	.997	1.003
a. Dependent Variable: University Choice Decision							

Source: survey data (2020)

According to table 4.6, the inspected VIF number for this study is associated with each independent variable that is retained in the final multiple regression equation by this procedure, the VIF is less than 10. As a result, we have no Multicollinearity problem.

Assumption 3- Autocorrelation

Autocorrelation can also be referred to as lagged correlation or serial correlation as it measures the relationship between a variable's current value and its past value. And Correlatedness across error terms, famously known as autocorrelation, occurs where successive disturbance terms are associated with each other. This perhaps leads to high mean error & hypothesis-testing problem, as well as, F-value could be meaningless; it means that the results of your regression analysis are less likely to be reliable. To detect the autocorrelation we use the Durbin-Watson test. The Durbin–Watson statistic ranges in value from zero to four. A value of two indicates no autocorrelation. A value towards zero indicates positive autocorrelation. Conversely, a value towards four indicates negative autocorrelation (Paurey, 2008). Thus according to the Durbin-Watson test value is 2.0 so we have no problem with autocorrelation. (See Appendix E)

Assumption - 4 -Linearity

Linearity refers to the degree to which the change in the dependent variable is related to the change in the independent variables. Linearity can easily be examined through residual plots (this Y:*ZRESID and X:*ZPRED). (Bryman, 2015) Thus our residual plot indicates that there is a random distribution of positive and negative value across the entire range of variables plotted on the horizontal axis. Therefore, the linearity assumption is supported. (See Appendix D)

4.4.2.2 R² and ANOVA analysis

The multiple regression analysis models assume that a straight-line (plane) relationship exists among the variables. Multiple R ranges from 0 to +1.0 and represents the amount of the dependent variable “explained,” or accounted for, by the combined independent variables. High multiple R values indicate that the regression plane applies well to the scatter of points and the dependent is explained well by the predictor variables, whereas

low values signal that the straight-line model does not apply well, so it does not explain well the model (C.R Kothari, 2004). Coefficient of determination: the proportion of variance in one variable explained by a second variable. It is the Pearson correlation coefficient squared (R^2). Adjusted R^2 is a measure of the loss of predictive power or shrinkage in regression. The adjusted R^2 tells us how much variance in the outcome would be accounted for if the model had been derived from the population from which the sample was taken and the adjusted r^2 explains well for multiple regression made up of multiple independent variables. Because every predictor added to a model increases the R^2 not adjusted R^2 , (Field, 2009).

Table 4.7 Model summary

Model Summary					
Model	R	R Square	Adjusted R Square	Std. The error of the Estimate	Durbin-Watson
1	.797 ^a	.636	.626	.2783	2.017
a. Predictors: (Constant), Family influence, University Tuition Fee, University Location, Reference or Peer Influence, University reputation, University Advertisement					
b. Dependent Variable: University Choice Decision					

Source: survey data (2020)

According to table 4.7 of the model summary shows, the R of the model is 0.79 this indicates the overall correlation between the dependent variable which is university choice decision, and independent variables (Family influence, University Tuition Fee, University Location, Reference, or Peer Influence, University reputation, University Advertisement).

Multiple regressions with multi independent variables is explained well by the adjusted R^2 of the model summary. Therefore the adjusted R^2 is 0.62 which indicates that the dependent variable which is university choice decision is explained 62% by the six independent variables.

As a result, there are other factors that can explain the variation university choice decision made by first-year students in Addis Ababa. In other words,

38 % of the variation in university choice decisions can't be explained by the six independent variables other factors do.

Table 4.8 ANOVA

ANOVA						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	31.335	6	5.223	67.442	.000 ^a
	Residual	17.966	232	.077		
	Total	49.301	238			
a. Predictors: (Constant), Family influence, University Tuition Fee, University Location, Reference or Peer Influence, University reputation, University Advertisement						
b. Dependent Variable: University Choice Decision						

Source: survey data (2020)

According to the ANOVA table, the F test result was 67.44 with a significance ('Sig.') of .001 this meant that the probability of these results occurring by chance was less than 0.000 if we replicated this survey hundreds of times, we would find the same result or the model would appear in at least 95% of these replications. (Kothari, 2004).

4.4.2.3 Regression Coefficient Analysis

Multilinear regression also is known as multiple regressions, is a statistical technique that uses several explanatory variables to predict the outcome of the response variable. The goal of multiple regressions is to model the linear relationship between the explanatory (independent) variables and response (dependent) variable. Therefore,

researchers use multiple regressions to create an accurate prediction on the level of effect they have on the outcome variable (Kothari, 2007).

A multiple regression analysis was performed in order to assess the level of effect or importance of the previously mentioned explanatory of College choice decision. University Choice Decision was regressed on six explanatory namely university reputation, university location, tuition fee /cost, university advertisement, reference or peer influence, and family influence.

Table 4.9 multiple regression results on the determinants of university choice decision and University Choice

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.122	.197		.621	.535
	University reputation	.280	.053	.295	5.309	.000
	University Location	.681	.070	.534	9.662	.000
	University Tuition Fee	-.140	.031	-.191	-4.488	.000
	University Advertisement	.199	.057	.210	3.489	.001
	Reference or Peer Influence	-.124	.036	-.199	-3.486	.001
	Family_influence	.009	.027	.014	.341	.734
a. Dependent Variable: University Choice Decision						

Source: survey data (2020)

The values of the regression coefficient b represent the change in the outcome, resulting from a unit change in the explanatory and if the explanatory is having a significant impact on our ability to predict the outcome, then, this b should be different from 0 (and big, relative to its standard error). And also the t -test tells us whether the b -value is

different from 0. SPSS provides the exact probability that the observed value of t would occur if the value of b in the population were 0. If this observed significance is less than 0.05, then scientists agree that the result reflects a genuine effect (Field, 2009).

From the six explanatory variables of this study, the five explanatory namely university reputation, university location, tuition fee /cost, university advertisement, and reference or peer influence are less than 0.05. While the one explanatory variable family influence found to be insignificant. Therefore, we conclude that the probability of these t -values or larger occurring, if the values of b in the population were 0, is less than 0.05. Therefore, the b s is different from 0 and we can conclude that university reputation, university location, tuition fee /cost, university advertisement, and reference or peer influence make a significant contribution ($p < 0.05$) in predicting students university choice decision.

4.4.3. Hypothesis Testing and Interpretation of Results

Hypothesis one- the reputation of a university has a positive effect on the decision making of students in selecting universities.

Based on table 4.22, if other variables are held constant, the university choice decision made by students will increase by 28% if the university reputation increases by one unit. Thus, the coefficient of university reputation was 0.28, $t = 5.30$ with p -value 0.000 which is less than 0.05 therefore it is statistical significance, and hypothesis one is accepted.

Previous studies also show that the reputation of the university is considered the most important factor for university choice decisions. According to Tadese.M (2017) reputation plays a vital role for students to choose the Ethiopian aviation academy.

Hypothesis two- the location of the university has a positive effect on the decision making of students in selecting universities.

The university location has a positive and significant relationship with the dependent variable university choice decision, where the t- statistic value was calculated to be 9.66 at p-value < 0.05. The value of the coefficient of university location was also found to be 0.68 which means, if the university works on its location, the model predicts that 68 % will increase on the university choice made by students, other factors remaining constant. Therefore, H2 is accepted.

As previous studies from South Africa shows that the location of the university is among the most important factors student consider to choose higher education institution, Melane Wiese (2008).

Hypothesis three- communication way/advertisement of the university has a positive effect on the student's decision-making process.

Based on the table above university advertisement have a significant relationship with the dependent variable university choice decision, where the t- statistic value was calculated to be 3.14 at p-value 0.001 which coefficient is .215. This implies that a unit change in the university advertisement impacts 21% of the students' university choice decisions before they joined the university; other factors remaining constant. Therefore, H3 is accepted.

Previous studies also show that advertising is considered the most important factor for university choice decisions. According to Tadese.M (2017) advertising plays a vital role for students to choose the Ethiopian aviation academy.

Hypothesis four- tuition fee (pricing) has a negative effect on the student's decision-making process.

Price has a significant negative relationship at p-value < 0.05 with university choice decision as the price coefficient is -.14 which means one unit increases in price causes a 14% decrease in university choice decision, holding other variables constant. Therefore the H5 is accepted.

As previous studies of different countries show that always price has a negative relationship because as price increases students tend to shift to look at other alternatives of higher education institutions, Melane. W (2008).

Hypothesis five-Reference or peer influence has a negative effect on the student's decision-making process.

The regression model from the above table result shows that keeping other variables constant, a unit change in reference or peer influence causes a negative effect of 12% decrease in students' university choice decision at p-value 0.001 which is less than 0.05. The relationship with that of the dependent variable university choice decision is found to be negative and statistically significant, which leads to the rejection of H5.

According to Melane.w (2008) in South Africa, The relative importance of the choice factors respondents regarded as important in the selection of a higher education institution is peer influence.

Hypothesis six- Family influence has a positive effect on the student's decision-making process.

A unit change in family influence causes a 0.009 increase in university choice decision but the family influence is insignificant for university choice decision since its p-value, is greater than 0.05 which is 0.734. Therefore H6 is rejected.

Though previous studies show there is a significant relationship because families extend their influences in the following areas: finance, information, expectation, persuasion, and competition. Financial support from one's family might result in limitations in his or her decisions concerning their academic future (Pimpa, 2004).

Table 4.10 Hypothesis Testing and Interpretation of Results

Hypothesis	Independent Variable	Dependent Variable	Analysis method	Result
H1	University reputation	University choice decision	$P < 0.05$	Accepted
H2	University location	University choice decision	$P < 0.05$	Accepted
H3	University tuition fee	University choice decision	$P < 0.05$	Accepted
H4	University advertisement	University choice decision	$P < 0.05$	Accepted
H5	Reference or peer influence	University choice decision	$P < 0.05$	Rejected
H6	Family influence	University choice decision	$P > 0.05$	Rejected

CHAPTER FIVE

5. CONCLUSION AND RECOMMENDATION

5.1 Summary of the Major Findings

The primary objective of this study was to determine the factors that affect the university choice decision of first-year students of a private university in Addis Ababa. Using the three universities namely St. Mary University, unity university, and admass university. Nowadays the Ethiopian higher education institutions market is getting in too tough as the number of service providers increase and with the current political situation that students tend to choose to stay home and continue their study in a private university.

This thesis tries to identify which determinant factors have the highest influence on the overall university choice decision. In addition, this study also tries to answer the six research questions state in chapter one.

All respondents of the questioner are first-year students of the three universities stated above.

The correlation finding show that the location of the university was strongly correlated at 0.74 with a significant positive relationship and university reputation was moderately correlated at 0.57 with a significant positive relationship. But the rest variables (advertisement, and reference/peer influence, family influence, and price) had weakly correlated.

The findings indicate that the location of the universities was the first most significant variable than the other by resulting beta value of 0.68 and significantly related to dependent with a value of $p < 0.05$.

The results indicate that although all the four variables (university reputation, university location, advertisement, and) had a positive and significant influence on the university choice decision, the price and peer influence variables resulted in negative beta value - 0.14 and 0.12 respectively with $p < 0.05$ which shows a significant relationship with dependent variable university choice decision but its significance is inverse relation. But family influence has resulted in a positive beta 0.009 value and insignificant relationship with dependent variable university choice decision.

The first hypothesis which states that university reputation has a positive significant effect on university choice decisions of students is accepted. This leads to the conclusion that a one-unit increase in the University reputation of the dimensions, results in a positive increase in student's university choice decisions. And based on its effect level on university choice decision ranked second.

The next hypothesis which states that university location has a positive significant effect on university choice decisions of students is accepted. This leads to the conclusion that a one-unit increase in University location of the dimensions, results in a positive increase in student's university choice decisions. And based on its effect level on university choice decisions ranked first.

The next hypothesis which states that tuition fee/price has a negative significant effect on university choice decisions of students is accepted. This means that a one-unit increase in price will result in a decrease in students' university choice decision making. And placed fourth based on the significant determinant factor.

The next hypothesis which states that university advertisement has a positive significant effect on university choice decisions of students is accepted. This leads to the conclusion that a one-unit increase in University advertisement of the dimensions, results in a positive increase in student's university choice decisions. And based on its effect level on university choice decision ranked third.

The next hypothesis which states that reference or peer influence has a positive significant effect on university choice decisions of students is rejected. And placed fifth

based on the significant determinant factor and has a negative relationship with students' university choice decision. This means that a one-unit increase in reference or peer influence will result in a decrease in students' university choice decision.

The next hypothesis which states that family influence has a positive significant effect on university choice decisions of students is rejected. Therefore the hypothesis is rejected because family influence has no significant effect level at all on students' university choice decisions.

Finally, the university choice decision of students was found to be positively explained by the sum of the six independent variables by 62.6% in this study, and the remaining 37.4% of the dependent variable (i.e. university choice decision) has been explained by other exogenous variables.

5.2 Conclusion

The primary purpose of this study was to investigate the factors that affect the university choice decision of first-year students of a private university in Addis Ababa. More specifically, to analyze and determine the level of effect of each variable on the student's university choice decision process.

The results of regression analysis indicated that there is a positive effect of university reputation, location, advertisement, except price & peer influence which have a negative effect. From this finding; we can conclude that all are influential factors except family influence which is insignificant with a p-value >0.05 for the dependent variable that is university choice decision.

The other main issue we read from the results of inferential statistics is that family influence has no influential effects on the dependent variable that is the university choice decision process. So, we can conclude that this factor has no influence on the students' university choice decisions in a city.

One of the objectives of this study was to find out which dimension has the most significant impact on the dependent variable. As indicated in the result among identified and tested independent variables in this study the location of universities was the most determinant factor of student's university choice process.

The location has the largest value in its significance with dependent variable and beta value so, we can conclude that location has mostly influential factors that are the student's level of minding about the location of the university because of different reasons.

At the beginning of the study, it was hypothesized that all the six determinants factors of university choice decision had a positive significant impact on brand choice except the price. After the analysis was done, the findings revealed that the major dimension which affects the university choice decision of students are only the four like university reputation, location advertisement, and price are supported. The other two variables

peer influence which has a negative influence on student university choice and family influence which has no significant influence on student university choice are rejected.

5.3 Recommendations

Based on the findings of the study and conclusions made, the following possible recommendations are drawn:

According to the findings first and most important universities need to work on is their location when they are about to open new branches or if they are newcomers to the business. They have to scrutinize the accessibility of transport and out of malfunction places to the student.

The universities need to work on the reputation of the university according to the findings one unit increase in the reputation causes a 28% increase in the student choice decision. This seems pretty easy for the universities to achieve as they are academic institutions and they know how to achieve it.

Based on the findings from the peer influence and family influence we understand that students are highly influenced by each other and families to have no significant effect on the students' university choice decision. Therefore, universities need to look at ways to find students directly while they are in high school level to make up their minds. This could be achieved by preparing campus visits/open days, using mobile technology as nowadays students own it, and exposed to social Media and distributing brochures focusing only on the student. Studies made in South Africa shows that school visit and open day plays an important impact on students' university choice decision (Melane Wiese, 2008).

Finally, universities should have a flexible payment plan and financial aid programs which facilitate university brand preference. Likewise, universities should also have long term plans for sponsorship of students which is believed to encourage brand choice and reputation of the university.

5.4. Limitation of the study

Conducting research during the COVID-19 pandemic makes it hard; every school closed, conventional people's interaction is banned for safety. Therefore this research was dependent on face to face interaction to collect data which makes it difficult and takes time to distribute as well as collect the data.

References

- Ammy.C, 2015; Understanding your customer preference: increase your customer satisfaction.
- Ayenachew Assefa Woldegiyorgis (2015) A Glance at the Ethiopian Higher Education from the Developmental State Perspective. In: Bahir Dar j Educ. Vol. 15 No. 2 July 2015.
- Bryman. A.& Bell, E (2015) ” Bossiness research methods” 4th Edition, Oxford University Press, P.27
- Burns, M.J., 2006. Factors influencing the college choice of African-American students admitted to the college of agriculture, food, and natural resources (Doctoral dissertation, University of Missouri--Columbia).
- Cooper, P.S. & Schindler, D.R. 2003. Business research methods. 8th Ed. New York: McGraw-Hill.
- Chapman, D.W. 1984. A model of student college choice. Journal of Higher Education, 52(5): 490-505.
- Dr. Karim Abawi (2017) Data Collection methods (Questionnaire & Interview), In: Training in Sexual and Reproductive Health Research, Geneva Workshop 2017
- Elisabeth Koes Soedijati & Sri Astuti Pratminingsih (2011) The Impacts Of Marketing Mix On Students Choice Of University; Study Case Of Private University In Bandug, Indonesia. Universitas Widyatama, Bandung, Indonesia,
- Glenn D. Israel, (reviewed 2003) determinant sample size. In PEOD6, University of Florida
- Hanson, G. R., Norman, T., & William, A. (1998). The decision to attend UT Austin: What makes a difference? Retrieved from <http://www.utexas.edit/student/research/reports/ccweb/CCweb.html>
- Hair, J.F., Bush, R.P. & Ortinau, D.J. 2000. Marketing research. Singapore: McGraw Hill
- Hitesh.B,2016; Brand Image and its importance to the organization: Branding article 91

- Hossler, D., & Gallagher, K. S. (1987). Studying student college choice: A three-phase model and the implications for policymakers. *College and University*, 62(3), 207-221.
- Ioan-Constantin ENACHE (2011) MARKETING HIGHER EDUCATION USING THE 7 PS FRAMEWORK. In: Bulletin of the Transylvania University of Brasov • Vol. 4 (53) •No. 1 - 2011,)
- Jolena Gajić (2012) IMPORTANCE OF MARKETING MIX; IN HIGHER EDUCATION INSTITUTIONS. In: Singidunum Journal 2012, 9 (1): 29-41
- Kotler & Fox (1995), Strategic Management for Educational Institution, 2nd ed, prentice hall, 1995
- Martin, N.K. & Dixon, P.N. 1991. Factors influencing students' college choice. Journal of College Student Development, 32(3): 253-257.
- Mazzarol, T., & Soutar, G. N. (2002). Push-Pull' factors influencing international student destination choice. The International Journal of Educational Management, 16(2), 82-90
- MenbereTadesse(2017) Analyzing factors influencing customers prefer to use training Service of an Ethiopian aviation academy. p 22-32
- Melane Wiese (2008) a higher education marketing perspective on choice factor and Information sources considered by South Africa first-year University Student. Pretoria University
- Ming, J.S.K., 2010. Institutional factors influencing students' college choice decision in Malaysia: A conceptual framework. International Journal of Business and Social Science, 1(3).
- Oya Tamtekin Aydn (2015) university choice process: a literature review on models and factors affecting the process.
- Paurav shukra and book boon.com (2008) essential of marketing research, 1st edition
Publication of Higher education relevance and quality agency, HERQA (July 2019)
Factors Influencing VNU-IS Students' Choice of University: (VNU Journal of Science, Vol. 31, No. 4 (2015) 67-76))
- Rosely louse Kelly beswick(1989) A study of factors associated with student choice in the university selection process. University of LETHBRIDGE,
ALBERTA

The Journal of Buca Faculty of Education, December 2018, Issue 46, p. 199-216

Tesfaye semela (2007) Private Higher Education in Ethiopia: Peril and Promise:

The Ethiopian Journal of Higher Education Vol. 4 No. 1

APPENDIX A

STRUCTURED QUESTIONNAIRE S.T MARY UNIVERSITY SCHOOL GRADUATE STUDIES DEPARTMENT OF MARKETING MANAGEMENT

Dear Questionnaire Respondent:

Thank you for volunteering to participate in this research project. This questionnaire is prepared by Kibrom Fissaha, Masters of Marketing Management graduate student for the purpose of writing a thesis on **“Factors affecting students’ choice of the university; the case of first-year students of private universities in Addis Ababa, Ethiopia.”**

The questionnaire should take only ten or fifteen minutes of your time to complete.

The questionnaire survey is a major part of a study being conducted at three universities and designed to provide information about factors that influence students during the university selection process. Please read each statement carefully and tick (/) the box that best suits your perspective for each statement. I assure you that the information gathered will be kept confidential and will not be used for any other purposes. Thank you for your time. If you have any questions please feel free to contact me through 2025kib@gmail.com.

Part I: Demographic or General Information

1. Gender Male Female

2. Which department are you now attending your course?

- | | |
|------------------------|--------------------------|
| Accounting and finance | <input type="checkbox"/> |
| Marketing management | <input type="checkbox"/> |
| Computer science | <input type="checkbox"/> |
| Management | <input type="checkbox"/> |

Part II. Determinant factors of university Choice

No	Dimension	1	2	3	4	5
		Strongly Disagree	Disagree	Neutral	agree	Strongly agree
	Reputation					
1	The university has a well-established reputation.					
2	The university has reputable programs.					
3	The university has a reliable brand.					
4	The university is well known for its quality of teaching and instructors.					
5	The university has created a good image on the mind of students.					
6	The university provides a Scholarship opportunity.					
	Location					
7	The university is located near to the home or workplace.					
8	The university is easily accessible. (branch)					
9	The university has access to transportation.					
10	The university location is suitable for learning. (out of sound distraction)					
	Price/ tuition fee					
11	The university has a fair price/tuition					

	fee.					
12	The university has a flexible payment plan.					
13	The university has a financial aid program.					
14	The price of the university worth the service provided.					

	Advertisement					
15	The university advertisement is appealing.					
16	The university advertisement has good content.					
17	The university advertisements Influence your decision.					
18	The university advertisement is Persuasive.					
	Reference/peer influence					
19	You choose the university because of your friends' suggestion.					
20	Your friends have joined the university.					
21	Your teacher advised you to join the university.					
22	The perception of your community at the university influenced your decision.					
	Family influence					
23	Your family member has graduated					

	from university.					
24	Your family members are learning there.					
25	Your family member works there.					
26	Your parents have made a decision.					

Part III. University Choice Decision

No	Dimension	1	2	3	4	5
		Strongly Disagree	Disagree	Neither	Strongly agree	Agree
1	I am satisfied with the university					
2	I feel like I made the right decision to choose a university.					
3	I will choose this university for my future career advancement					
4	Based on its present features and attributes, I would recommend this university to others.					

APPENDIX B

Correlation

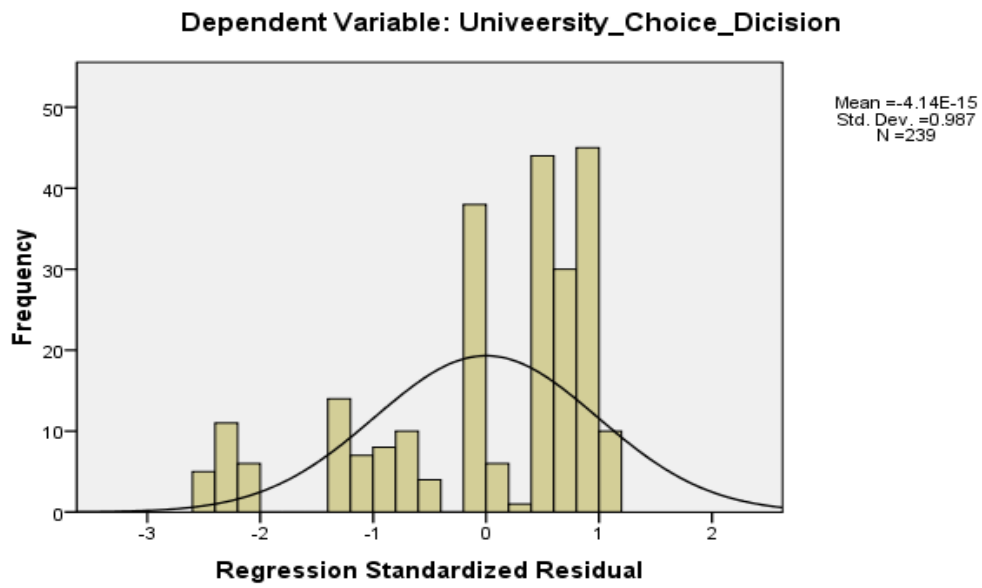
Correlations								
		University_ reputation	University_ Location	University_ Tuton_ Fee	University_ Advertismen	Reference_ or_ Peer_ Infulence	Family_ infulence1	Univeersity_ Choice_ Dcision
University_ reputation	Pearson Correlation	1	.573**	-.119	.109	.375**	.046	.572**
	Sig. (2-tailed)		.000	.067	.092	.000	.483	.000
	N	239	239	239	239.000	239	239	239
University_ Location	Pearson Correlation	.573**	1	-.065	.368**	.226**	.016	.748**
	Sig. (2-tailed)	.000		.319	.000	.000	.806	.000
	N	239	239	239	239.000	239	239	239
University_ Tuton_ Fee	Pearson Correlation	-.119	-.065	1	.286**	.078	.011	-.215**
	Sig. (2-tailed)	.067	.319		.000	.232	.864	.001
	N	239	239	239	239.000	239	239	239
University_ Advertismen	Pearson Correlation	.109	.368**	.286**	1.000	.605**	.021	.264**
	Sig. (2-tailed)	.092	.000	.000	.000	.000	.745	.000
	N	239	239	239	239.000	239	239	239
Reference_ or_ Peer_ Infulence	Pearson Correlation	.375**	.226**	.078	.605**	1	.047	.145
	Sig. (2-tailed)	.000	.000	.232	.000		.467	.025
	N	239	239	239	239.000	239	239	239
Family_ infulence1	Pearson Correlation	.046	.016	.011	.021	.047	1	.028
	Sig. (2-tailed)	.483	.806	.864	.745	.467		.662
	N	239	239	239	239.000	239	239	239
Univeersity_ Choice_ Dcision	Pearson Correlation	.572**	.748**	-.215**	.264**	.145	.028	1
	Sig. (2-tailed)	.000	.000	.001	.000	.025	.662	
	N	239	239	239	239.000	239	239	239

** . Correlation is significant at the 0.01 level (2-tailed).

APPENDIX C

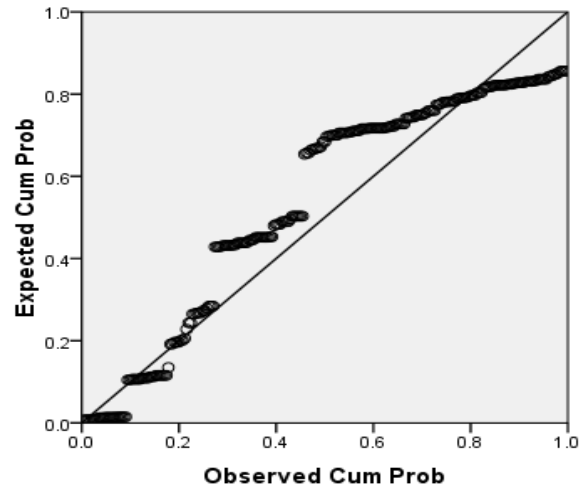
Charts (normality test)

Histogram



Normal P-P Plot of Regression Standardized Residual

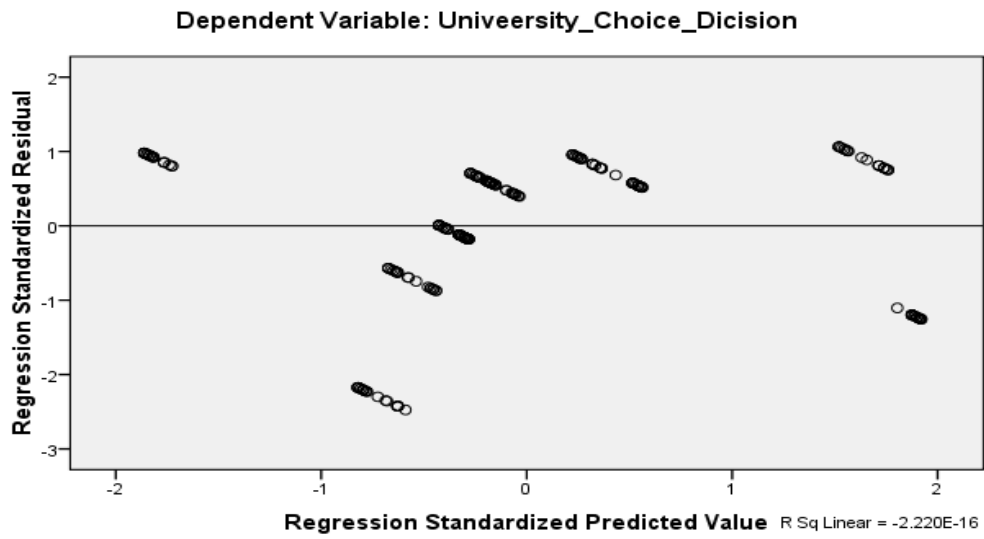
Dependent Variable: University_Choice_Dicision



APPENDIX D

Linearity test

Scatterplot



APPENDIX E

Autocorrelation test

Model Summary					
Model	R	R Square	Adjusted R Square	Std. The error of the Estimate	Durbin-Watson
1	.797 ^a	.636	.626	.2783	2.017
a. Predictors: (Constant), Family influence, University Tuition Fee, University Location, Reference or Peer Influence, University reputation, University Advertisement					
b. Dependent Variable: University Choice Decision					