MODELING STUDENT DESTINATION CHOICE: THE HONG KONG CASE

Meredith Lawley and April Wright

Abstract

A rapidly growing demand for education, combined with an increasingly competitive global environment, means that many countries and educational institutions are interested in knowing how and why overseas students choose one country over another as a study destination. This research develops and tests three competing models of student destination choice using data gathered from 354 prospective students in Hong Kong. Destinations considered include the United States, Australia, Canada and the United Kingdom. The components of the three models include course and country characteristics, administrative processes, costs, evaluation of alternatives and likelihood of choice. Results confirmed the key importance of course and country characteristics across all destinations, as well as highlighting some differences between destination countries. This study has practical implications for all stakeholders involved in the marketing of education.

Keywords: Consumer behavior, international education, choice of destination, student recruitment

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Introduction

The marketing literature highlights a diversity of issues that impact on the development, delivery, promotion, and quality of services (Barnes et al., 2002; McColl-Kennedy and Patterson, 2003). A core issue is the extent to which globalization and technology have reshaped the competitive environment for the marketing of services (Walker and Francis, 2003; Laing et al., 2002). No service sector has been more affected by these trends than the higher education sector. The university enrolment boom of the 1970s and 1980s has become the bust of the 1990s (Ford et al., 1999), with institutions beginning to adopt a marketing orientation previously non-existent in the sector (Joseph and Joseph, 2000). Relationship marketing is being used by universities to initiate partnership arrangements and centers for excellence (Trim, 2003) and to increase donations from alumni (Arnett et al., 2003). Most significantly, students are being viewed as consumers (Gomes and Murphy, 2003). International students in particular are seen as sources of income generation (Carr et al., 1999) because "public sector service providers are under pressure to enhance both the quality and scale of service delivery in order to meet the needs of (the) global economy," (Laing et al., 2002, p.490).

The increased marketing focus of the university sector towards international students is most notable in the host nations of Australia, Canada, the United States, the United Kingdom, and New Zealand (Mazzarol et al., 2003). The strategy being pursued is one of market development in the Asian region, with students from Malaysia, Singapore, Hong Kong, and Indonesia primarily being targeted (Joseph and Joseph, 2000). Demand for business and management skills is high among these students but educational opportunities and facilities in the home country are limited (Lumby, 2000; Chow, 1995). Competition between different host-nation institutions in recruiting fee-paying international students has had a two-pronged effect. First, Asian students have become more discerning customers, who demand greater value for money and who are more selective in their choice of institution (Joseph and Joseph, 2000). Second, universities require information to better understand what international students want in order to differentiate and improve the perceived quality of their educational services (Ford et al., 1999).

In light of these trends, there is a need for research by marketing academics into relevant aspects of
consumer behavior as applied to international higher education students (Carr et al., 1999). A particularly relevant aspect is the consumer decision making process through which the international student moves, with Mazzarol and Soutar (2002) contending that this decision making process can be divided into three stages. In stage one, the potential student decides to study internationally rather than domestically. Once this decision is made, the student progresses to stage two and selects the host nation in which to study. During stage three, the student selects the preferred institution in the host nation. The purpose of this paper is to explore in detail the second stage of the international student decision making process: the choice of host nation. This choice is of broad interest to marketing academics for two reasons. First, the destination choices being made by international students suggest the existence of country-of-origin effects, which may be more important for educational evaluation than is the case for other product categories (Ohmae, 1995). Second, similar staged decision processes exist in the marketing of other services, such as vacation destinations for tourism services (Lehto et al., 2002).

A better understanding of the choice of host nation is also important from both an economic and a marketing practitioner perspective. Worldwide it is estimated that over two million post secondary students study in another country each year (CBIE, 1999). Tuition fees and living expenses of international students contribute significantly to a country's export income, for instance it comprises 9 per cent of Australia's total service exports in 1995 (Mazzarol et al., 1996), and thus a better understanding of the decision process that generates this income is important from an economic standpoint. From a marketing perspective, a university's effectiveness in marketing their educational programs to international students depends on the ability to distinguish the uncontrollable host-nation factors that influence student's choice from the strategically controllable institutional factors. Since students choose a university after they have chosen a host nation, a university's specific brand image, reputation and service offerings are less important in attracting students initially than the more general features of its location. However, as Bourke (2000) points out, the reputation of a nation and the reputations of individual institutions overlap to some extent, such as the United States' and Harvard Business School's reputations for providing business education.

The remainder of this paper is presented in six sections. The next section reports the results of the literature review used as the basis for the development of three competing models in section 3. Section 4 then outlines the methodology adopted to gather data to test the models with results for each destination country reported in section 5. Next, results are discussed and managerial implications drawn. The paper concludes with a discussion of the limitations of the study and the provision of directions for future research.

Review of the Literature

The country choice decision can be classified as complex buying behavior because the student is purchasing a high involvement service with an extended consumption time of several years (Athiyaman, 1997). The choice set of country destinations may differ significantly in terms of educational resources, information flows, government policies, funding and culture (Bourke, 2000). The international student is expected to engage in extensive information search and thoughtful evaluation of alternative locations because of inexperience with the study abroad decision and the risk of making a poor choice, including financial and emotional costs (Mazzarol, 1998). Reliance on psychological and informational inputs is typical for choice decisions involving experience goods and intangible services (Neelamegham and Jain, 1999). Thus, the model developed in this paper focuses on the attributes on which information is sought, and through which alternative host nations are evaluated, when students are involved in the decision to study abroad.

A review of both the marketing and international education literature suggests that three multidimensional constructs have the potential to influence the choice of host nation by international students. First, students are hypothesized to be influenced by course and country characteristics, which reflect the student's perceptions of characteristics such as a country's educational standards, safety, and lifestyle. Second, students are hypothesized to be influenced by the administrative processes involved in gaining entry to the host nation and accessing its universities. Third, students are hypothesized to be influenced by the cost of studying in alternative countries, including both financial and psychological costs. If student university classes are viewed as transaction or service encounters
(Athiyaman, 1997), then the three constructs in our model of international student destination choice are analogous to attributes of the service and the service distribution outlet, the search costs incurred in accessing the service outlet, and the price of the service. The basis of these three constructs is described next.

**Construct 1: Course and country characteristics**

Reputation is often used as an indicator of quality when dealing with experience goods and educational services are no exception (Bourke, 2002). A country’s status as a provider of high quality education motivates international students to study in that host country (Mazzarol and Soutar, 2002), as does a reputation for the encouragement of innovation and employment of experienced staff (Mazzarol, 1998). Course characteristics, such as the range and content of courses, are also important in choosing a tertiary institution (Ford et al., 1999; Steadman and Dagwell, 1990), particularly if the high standard of academic courses and programs is mirrored in the standard of physical facilities (Joseph and Joseph, 1998; Joseph and Joseph, 2000). Student satisfaction is affected by general university characteristics including library services, computing facilities and recreational facilities (Athiyaman, 1997) and campus size (Mazzarol, 1998). Perceptions of facilities are reported to influence the willingness of international students to recommend a host country to others (Carr et al., 1999), with such word-of-mouth recommendations being an important source of information when evaluating experience goods.

Not surprisingly then, a major external influence on students’ choices are recommendations by significant others, primarily parents and friends or peers (Chapman, 1981; Joseph and Joseph, 1998). While parents and relatives play a major role in selecting host-country institutions, the “social links” that arise from the previous experiences of friends or family members who have studied in a host country can sway country choice (Mazzarol and Soutar, 2002). Bourke (2000) similarly notes the importance of knowing someone who has studied in the host country which is being considered. Such social links provide sources of information about the lifestyle and safety experiences in the host country, with an ‘exciting place to live’ and a ‘safe low crime environment’ being attractive to Asian students (Mazzarol and Soutar, 2002). Thus, the perceived high level of personal safety in Australia is a draw card for overseas students (Smart and Ang, 1992; Industry Commission, 1991).

An interest in improving English language skills underpins the host country choices of some Asian students (Bourke, 2000), while others are influenced, in part, by an intention to migrate (Mazzarol and Soutar, 2002). The Australian Education Centre Hong Kong (1992, p.6) reports that before July 1997, the potential to emigrate was a driving force in the decision of students from Hong Kong to study overseas. Even more important in today’s intensely competitive market for tertiary education is recognition of the host-country qualifications in the home country (Bourke, 2000; Mazzarol and Soutar, 2002). The importance of such recognition of qualifications by employers in the home country and the influence of the way of life in a destination country as an influencing factor on the choice of host nation are confirmed by Lawley (1993).

Hence, the construct of course and country characteristics in our model of international student destination choice is hypothesized to comprise eight variables: standard of courses in the host nation; standard of teaching facilities in the host nation; the opinions of family; the opinions of friends; the perceived level of personal safety in the host nation; the potential to emigrate to the host nation; recognition of a course by employers in the home country; and lifestyle in the host nation.

**Construct 2: Administrative processes**

Given that education is a high involvement service which is inherently difficult to evaluate, international students favor host nations that are ‘information rich’ (Bourke, 2000). Such countries have administrative processes and support systems in place to make data freely available which is accurate, up to date and well presented” (Bourke, 2000, p.126). National bodies and centralized agencies are a fundamental component of this information infrastructure. The ease with which sufficiently detailed information about the host nation can be obtained therefore has a major influence on international student destination choice (Mazzarol and Soutar, 2002; Mazzarol, 1998). Notably, the ready availability of information is influential in the decision of many students in choosing the United States as a study destination.
(Austin, 1988; Stewart and Felicetti, 1991) whereas Australia has been criticized in the past for providing less substantial "touristy" information to potential students (AGB, 1992).

Once the information about the host nation is accessed, it must be evaluated, imposing additional administrative search costs. The student must evaluate the impact of host-nation government quotas and post arrival control mechanisms, such as registering as an Alien (Bourke, 2000). The ease of gaining a student visa and what this visa allows the student to do in the host nation, must also be assessed. A visa gives the student the right to undertake part-time work in many host nations (Mazzarol and Soutar, 2002), making nations whose laws do not allow this less attractive to the potential students. For example, Australia is deemed an attractive place by many international students due to its generous work rights (Industry Commission, 1991). Course and entry requirements are an important influence on student choice (Joseph and Joseph, 2000), particularly entry flexibility (Ford et al., 1999) and whether or not host-nation institutions accept a student's existing qualifications for entry into study programs (Mazzarol and Soutar, 2002). Ease of gaining exemptions is also relevant, with many students indicating a willingness to 'shop around' to ensure they gained the most exemptions possible (Lawley, 1993).

Hence, the administrative processes construct in our model of student destination choice comprises five variables: availability of information about a host nation; perceived ease of gaining entry into the nation's universities; perceived ease of obtaining a student visa; ability to legally work part-time; and perceived ease of gaining exemptions.

**Construct 3: Cost**

It is well recognized in the literature that the financial cost of education is an important influence on the choice of tertiary institution (Joseph and Joseph, 1998) and host nation (AGB 1992; Chandler, 1989; Throsby, 1966). The decision to study abroad creates opportunity costs relative to choosing to study in the home country or not at all. As Mazzarol and Soutar (2002) point out, the cost of international education can be measured through the direct financial costs of fees, living expenses and air travel between home and host country as well as the opportunity costs of foregone alternatives. Bourke (2000) similarly reports that students consider the incremental costs of studying abroad, including accommodation and health benefits.

In addition, the pressure of limited finances and homesickness caused by an absence of family ties creates psychological difficulties for international students abroad, with differing social systems and poor selection of ethnic foods being particularly problematic for international medical students in Ireland (Bourke, 2000). Racial discrimination also imposes psychological costs (Mazzarol and Soutar, 2002; Chandler, 1989), so much so that international students who perceive they have experienced prejudice are reluctant to recommend a host nation upon returning home (Carr et al., 1999). Finally, climate influences comfort levels (Mazzarol and Soutar, 2002), as does geographic proximity to home (Purdy, 1992; Industry Commission, 1991).

Hence, the financial and psychological cost construct in our model of student destination choice comprises four variables: comparative financial cost; distance from home country; climate of the host nation and level of racial discrimination in the host nation.

**Developing the Model**

The three constructs and the variables comprising each construct were combined into a model of university student choice of destination. In developing this model, the three constructs were hypothesized as factors that influenced both student evaluation of alternative destinations and the likelihood of choosing a specific destination, as shown in Figure 1. However, several authors suggest that alternative, competing models should be developed and tested to ensure the model with the best explanatory power is accepted (Bollen and Long, 1992; Hair et al., 1995; Morgan and Hunt, 1994; Mueller, 1997). Based on further consideration of the literature, two competing models were developed. The two competing models are nested within the full three-factor model, that is, they are more parsimonious subsets of the full model.

**Reduced Model (2 factors)**

The first competing model involves deleting the impact of administrative processes on alternative evaluation and deleting the cost construct completely.
from the full model as shown in Figure II. Thus course and country characteristics are hypothe-
sized to predict both the evaluation of alternative destinations and the intention to choose a destina-
tion, while administrative processes are proposed to predict intention only and not the evaluation of alternative destinations. This modification suggests that when potential students are evaluating alternative destinations, they consider country and course characteristics only. At this stage of the decision process, students are not concerned with issues of administrative processes. However, once alternatives have been evaluated and an intention is being formed, the administrative process construct will have an impact.

Furthermore, the cost construct has been deleted from this competing model as Lawley (1998) suggested that many of the psychological and indirect financial measures of this construct, such as climate and distance from home, are of limited importance relative to other factors. In addition, while students did consider the overall financial cost of studying overseas as important, this influence occurred at an early stage in the decision process, when students were choosing between studying abroad or at home. Once a student decided they could afford to study abroad, the difference in comparative financial costs between destinations was generally considered insufficient to alter a student’s choice of destination (Lawley 1998).

In summary, this explanation does not contradict the full three factor model but does add additional refinements. This model will be referred to as the reduced model (2 factors).

Reduced Model (1 factor)

The second competing model is a still more parsimonious version of the first competing model as shown in Figure III. In this competing model, both the cost and administrative process constructs are deleted from the model and only country and course characteristics are left to predict alternative evaluation and intention. This competing model is based on the findings of previous studies where many of the course and country characteristic measures were rated of higher importance than the cost and administrative process measures (Mazzarol et al., 1996; Lawley 1998). This competing model will be referred to as the reduced model (1 factor).
Methodology

The models were tested using structural equation modeling with data collected from a questionnaire designed to measure the variables that comprised each of the three factors in the model. That is, the eight variables, as concluded from the literature review, that constituted the construct of course and country characteristics; the five variables that constituted the construct of administrative processes; and the four variables that constituted the construct of cost. These seventeen variables, along with a global measure of the evaluation of each destination country and a global measure of overall likelihood of choosing each destination country, were included as items on the questionnaire. Our questionnaire focused on the four major destination countries: Australia, the United Kingdom, Canada and the United States. All questions used five point Likert-style scales. Respondents rated each destination country on all items. Starting points were rotated for both the items and the destination countries to minimize any bias. The questionnaire was designed to be personally administered by interviewers.

The target population for the questionnaire was Hong Kong students actively engaged in evaluating and selecting alternative host nation destinations for study abroad. Hong Kong was chosen as the target population for the survey for several reasons. Within Asia, Hong Kong has historically been a major source country for study abroad students, with over 20,000 students leaving Hong Kong each year to study at overseas educational institutions (AGB 1991). Of these students, approximately 28 per cent choose the United States as a study destination, 27 per cent choose Canada, 25 per cent select Australia, and 20 per cent visit the United Kingdom (Leung, 1996). In recent years, Australia’s share of students from Hong Kong has grown significantly, and Canada has increased slightly, at the expense of the United Kingdom, which experienced a decline in student numbers in response to the focus away from things British following the handing back of Hong Kong to China (Leung and Watt, 1999).

In addition, the economy of Hong Kong has a growing need for management training and education (Chow, 1995) and is recognizing the need to restructure vocational education to increase opportunities for students to make choices (Lumby, 2000). As a culture, Hong Kong has been stereotyped as valuing conspicuous consumption (Chung and Fischer, 2001) and corporate identity (Han and Schmitt, 1997), suggesting that perceptions of the status of course and country characteristics may be particularly relevant in student destination choice. Family and friends are likely to influence this choice given the collectivist, rather than individualist, nature of the Eastern culture. Thus, Hong Kong students are an appropriate target population on which to test our models of student destination evaluation and choice.

The questionnaire was first pre-tested on Hong Kong students both in Australia and in Hong Kong. Following pre-testing, the questionnaire was personally administered at an international education trade fair in Hong Kong. Previous studies reported that around 18 percent of students obtain information from trade fairs (Asia Pacific Access Pty Ltd, 1995; Harris and Rhall, 1993). The use of a trade fair as a survey site provided the following advantages. First, it allowed access to the target population of people in Hong Kong actively considering going overseas to study at undergraduate university level within the next twelve months. Second, a large number of potential respondents (over 75,000) passed through a confined space over a limited period of time (4 days), thus enabling efficient and timely gathering of data. Third,
multiple destination countries are represented at international trade fairs, which provides an opportunity to research students as they evaluate and compare alternative destinations.

At the trade fair, a form of systematic sampling was used to select respondents to answer the questionnaire, resulting in a total of 354 completed questionnaires, for a response rate of over 86 percent. The respondents were predominantly female (61%), under 20 years of age (75%), with business (31%) being the most popular proposed course of study. In terms of the likelihood of choosing a specific destination, the United States was the most popular destination followed by Australia, the United Kingdom and Canada. While no summary characteristics of the population could be identified with which these sample characteristics could be compared, the sample is consistent with existing trends in study abroad destination choices. Business and commerce are the most popular courses for Hong Kong students going overseas (Leung, 1996) and these courses were the most popular in the sample. Furthermore, our respondents’ rankings of the likelihood of choosing a destination country correspond with published statistics on the popularity of the destinations. On these grounds, the sample of respondents in our survey is considered to be representative of prospective international students in Hong Kong.

Analysis and Results

The analysis was carried out in two stages. Firstly, the scales for course and country characteristics, administrative processes and costs were refined using exploratory factor analysis, Cronbach’s alpha and confirmatory factor analysis (Churchill, 1979; Anderson and Gerbing, 1986). The second stage then involved testing the three structural models using AMOS.

Exploratory principal components analysis with an oblimin rotation was used, to contribute to model specification prior to cross validation with the confirmatory factor analysis of structural equation modeling (Gerbing and Hamilton, 1996; Ambler, Styles and Xiucun, 1999). Using the root one criterion (Tabachnick and Fidell, 1996), six factors were initially identified. The analysis was run again restricting the number of factors to five, four, three and two to explore alternative structures. Based on this analysis, the three-factor solution provided the most credible insight into the measurement component of the model.

The three-factor model accounted for 39.7 percent of the variance in the data. In this solution, and consistent with the literature review, eight variables loaded onto the first factor of course and country characteristics. Five variables loaded onto the second factor of administrative processes and four variables loaded onto the third factor of costs: distance from home, climate, comparative cost and racial discrimination.

Reliability analysis was conducted on the three factors to assess internal consistency. The resulting Cronbach alphas were 0.79 for country and course characteristics, 0.48 for administrative processes and 0.28 for costs. An acceptable alpha depends on the purpose of the research, with alphas of 0.5 and above acceptable at the early stages of basic research (Churchill 1979). On this basis the first factor of course and country characteristics is acceptable, the second factor of administrative processes is marginally unacceptable while the final factor of costs is extremely weak.

The model was then tested in two stages using AMOS. In the first stage, both the measurement and structural models were tested with data for the destination country of Australia. In the second stage, the data for all destination countries was tested and the resultant models compared across the four destination countries of Australia, the United Kingdom, Canada, and the United States.

Measurement Model: Australia as Destination Country

Each of the three separate congeneric models (course and country characteristics, administrative processes and costs) was initially estimated separately and then all together, with the results summarized in Table I.

The results of the congeneric course and country characteristics model indicate that all eight variables contribute to the factor of course and country characteristics. The betas for seven of the eight variables are in the range 0.55 to 0.69 with only one variable, recognition of qualifications, having a weak loading of 0.35. Although this loading is low, the variable of recognition of qualifications
Table I: Results of Estimation of Initial Measurement Model

<table>
<thead>
<tr>
<th>Factors</th>
<th>Chi square (df)</th>
<th>CMIN/DF</th>
<th>GFI</th>
<th>RMSEA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Course &amp; country characteristics</td>
<td>25.97 (4,15)</td>
<td>1.382</td>
<td>0.990</td>
<td>0.049</td>
</tr>
<tr>
<td>Administrative processes</td>
<td>12.27 (6)</td>
<td>2.424</td>
<td>0.986</td>
<td>0.064</td>
</tr>
<tr>
<td>Costs</td>
<td>0.723 (2)</td>
<td>0.362</td>
<td>0.909</td>
<td>0.000</td>
</tr>
<tr>
<td>Total measurement model</td>
<td>250.10 (41)</td>
<td>2.414</td>
<td>0.920</td>
<td>0.063</td>
</tr>
</tbody>
</table>

was retained on theoretical grounds. An analysis of residuals indicated one standardized residual in the course and country characteristics congeneric model appeared high at 2.98. Since the existence of residual covariance between the standard of courses and standard of teaching facilities suggests the possibility that these two variables are measuring the same thing, the variable of standard of teaching facilities was deleted from the model.

The results of the congeneric model of administrative processes indicate that all five variables contribute to the administrative processes construct. However, the betas for these items are all low (< 0.5), with the exception of ease of entry to university (b = 0.60). No large residuals are present.

The results of the congeneric model of the cost construct indicate that only one of the four variables, comparative cost, contributes significantly to the factor of costs. The standardized regression weights for all four items are low (below 0.5). This result suggests that the cost factor is very weak. No large residuals are present.

**Structural model: Australia as a Destination Country**

After the measurement model was refined by deleting the variable of the standard of teaching facilities, the three-factor model was run with both measurement and structural components. In the structural model, only the factor of course and country characteristics contributed significantly to the evaluation of alternative destinations (with a critical ratio of 5.52). However, the factors of course and country characteristics (critical ratio 4.97), administrative processes (critical ratio 2.48) and alternative evaluation (critical ratio 2.17) all contribute significantly to intention, while the cost factor does not. The squared multiple correlation for alternative evaluation is 38.7 percent compared to 45.1 percent for intention. Few residuals are greater than 3. While chi square is significant, the remaining three indices all suggest that the full three-factor model can be assessed as being adequate. Results for the full three-factor model, the reduced two-factor model, and the reduced one-factor model are summarized in Table II.

In comparison to the three-factor model, the reduced two-factor model provides a slightly better overall fit, as well as a marginally better SMC of 45.5 percent. The reduced one-factor model also provides a good fit. However, the SMCs for the reduced one-factor model are slightly lower than the three-factor and two-factor models. Hence, while the one-factor model offers an improved fit, the predictive power of the model has decreased slightly. As a final indication of comparative model fit, the differences in chi square and degrees of freedom between the models are tested (Anderson & Gerbing, 1988). These tests are necessary because of the nested nature of the models, such that the reduced two-factor model is a subset of the full model and the reduced one-factor model is a subset of the two-factor model. The results show that the reduced one-factor model is a significantly better fit to the data than the reduced two-factor model which, in turn, is a significant improvement on the full three-factor model.

**Cross-Destination Comparison of Models: Australia, Canada, the United Kingdom and the United States**

This analysis involved assessing the applicability of the full three-factor, reduced two-factor and reduced one-factor models to the data collected for the remaining three destination countries of Canada, the United Kingdom and the United States. To facilitate an assessment of the similarity of parameters and overall fit of the models for these destination countries with that of Australia, the form of the structural model was kept constant across the four destinations (Bollen, 1989). Table III presents the comparative results of the full three-factor model when tested in each of the four destination countries.
Table II: Summary of Full and Competing Models

<table>
<thead>
<tr>
<th></th>
<th>Full model</th>
<th>Reduced model (2 factors)</th>
<th>Reduced model (1 factor)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chi square</td>
<td>293.918</td>
<td>144.133</td>
<td>44.414</td>
</tr>
<tr>
<td>df</td>
<td>130</td>
<td>75</td>
<td>26</td>
</tr>
<tr>
<td>p</td>
<td>0.000</td>
<td>0.000</td>
<td>0.010</td>
</tr>
<tr>
<td>CMIN/DF</td>
<td>2.261</td>
<td>1.922</td>
<td>1.708</td>
</tr>
<tr>
<td>GFI</td>
<td>0.916</td>
<td>0.945</td>
<td>0.972</td>
</tr>
<tr>
<td>RMSEA</td>
<td>0.060</td>
<td>0.051</td>
<td>0.045</td>
</tr>
<tr>
<td>Standardized residuals (&gt; 2.58)</td>
<td>21</td>
<td>5</td>
<td>0</td>
</tr>
<tr>
<td>SMC</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alternative evaluation</td>
<td>0.387</td>
<td>0.358</td>
<td>0.358</td>
</tr>
<tr>
<td>Intention</td>
<td>0.451</td>
<td>0.455</td>
<td>0.434</td>
</tr>
</tbody>
</table>

The fit statistics for the full three-factor model indicate an adequate fit for Australia, Canada and the United States, with a marginally poorer fit for the United Kingdom. Chi square is significant for all destinations and CMIN/DF is less than 3 in all cases. However, GFI is below 0.9 for the United Kingdom and RMSEA is above 0.05 for both Australia and the United Kingdom. The full model provides the best explanatory power for Australia and the poorest explanatory power for the United Kingdom.

The reduced two-factor model results are presented in Table IV, indicating the model provides an adequate to good fit for all four destinations. While chi squares are still significant for all destinations, CMIN/DF is below 2 for Australia and Canada, close to 2 for the United States and less than 2.7 for the United Kingdom. GFI ranges from a low of 0.921 for the United Kingdom to a high of 0.951 for the United States. Consistent with the results for the full three-factor model, explanatory power is poorest for the United Kingdom.

Table III: Summary of Full Three-Factor Model across all Destinations

<table>
<thead>
<tr>
<th></th>
<th>Australia</th>
<th>Canada</th>
<th>United States</th>
<th>United Kingdom</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chi square</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>df</td>
<td>293.918</td>
<td>222.524</td>
<td>254.980</td>
<td>375.150</td>
</tr>
<tr>
<td>p</td>
<td>130</td>
<td>130</td>
<td>130</td>
<td>130</td>
</tr>
<tr>
<td>CMIN/DF</td>
<td>2.261</td>
<td>1.723</td>
<td>1.961</td>
<td>2.196</td>
</tr>
<tr>
<td>GFI</td>
<td>0.916</td>
<td>0.932</td>
<td>0.925</td>
<td>0.889</td>
</tr>
<tr>
<td>RMSEA</td>
<td>0.060</td>
<td>0.045</td>
<td>0.050</td>
<td>0.073</td>
</tr>
<tr>
<td>SMCs</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alternative evaluation</td>
<td>0.387</td>
<td>0.369</td>
<td>0.339</td>
<td>0.349</td>
</tr>
<tr>
<td>Intention</td>
<td>0.451</td>
<td>0.334</td>
<td>0.362</td>
<td>0.271</td>
</tr>
</tbody>
</table>

Table IV: Summary of Reduced Two-Factor Model across all Destinations

<table>
<thead>
<tr>
<th></th>
<th>Australia</th>
<th>Canada</th>
<th>United States</th>
<th>United Kingdom</th>
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<tbody>
<tr>
<td>Chi square</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>df</td>
<td>144.133</td>
<td>122.790</td>
<td>153.061</td>
<td>195.706</td>
</tr>
<tr>
<td>p</td>
<td>75</td>
<td>75</td>
<td>75</td>
<td>75</td>
</tr>
<tr>
<td>CMIN/DF</td>
<td>1.922</td>
<td>1.637</td>
<td>2.040</td>
<td>2.609</td>
</tr>
<tr>
<td>GFI</td>
<td>0.945</td>
<td>0.951</td>
<td>0.938</td>
<td>0.921</td>
</tr>
<tr>
<td>RMSEA</td>
<td>0.051</td>
<td>0.043</td>
<td>0.054</td>
<td>0.068</td>
</tr>
<tr>
<td>SMCs</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alternative evaluation</td>
<td>0.358</td>
<td>0.314</td>
<td>0.300</td>
<td>0.280</td>
</tr>
<tr>
<td>Intention</td>
<td>0.455</td>
<td>0.334</td>
<td>0.353</td>
<td>0.269</td>
</tr>
</tbody>
</table>
Table V: Summary of Reduced One-Factor Model across all Destinations

<table>
<thead>
<tr>
<th></th>
<th>Australia</th>
<th>Canada</th>
<th>United States</th>
<th>United Kingdom</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chi square</td>
<td>44.414</td>
<td>50.990</td>
<td>73.604</td>
<td>108.298</td>
</tr>
<tr>
<td>df</td>
<td>26</td>
<td>26</td>
<td>26</td>
<td>26</td>
</tr>
<tr>
<td>p</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
</tr>
<tr>
<td>CMIN/DF</td>
<td>1.708</td>
<td>1.326</td>
<td>2.831</td>
<td>4.164</td>
</tr>
<tr>
<td>GFI</td>
<td>0.972</td>
<td>0.968</td>
<td>0.952</td>
<td>0.930</td>
</tr>
<tr>
<td>RMSEA</td>
<td>0.045</td>
<td>0.051</td>
<td>0.072</td>
<td>0.095</td>
</tr>
<tr>
<td>SMCs</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alternative evaluation</td>
<td>0.358</td>
<td>0.314</td>
<td>0.300</td>
<td>0.280</td>
</tr>
<tr>
<td>Intention</td>
<td>0.434</td>
<td>0.335</td>
<td>0.321</td>
<td>0.189</td>
</tr>
</tbody>
</table>

The results of the reduced one-factor model, as shown in Table V, reveal notable differences when compared to the previous models. While some aspects have improved, the RMSEA for the United Kingdom and the United States has worsened, as has the explanatory power of the model for these two destinations.

In summary, all models can be considered adequate across the four destination countries, with the reduced two-factor model slightly superior to the full three-factor model and the reduced one-factor model. The results also indicate only minor differences in the squared multiple correlations for alternative evaluation and intention for each country across the three models, with the reduced two-factor model again offering slightly better explanations of these relationships. When considering overall explanatory power, the models offer the best explanation for Australia and the weakest explanation for the United Kingdom.

**Discussion and Managerial Implications**

The models of international student destination choice developed in our study provide managers involved in the recruitment of international students with a framework to understand the decision making process used by prospective students when evaluating and selecting a destination for university education abroad. Specifically, the research identified the evaluation criteria set used by prospective international students from Hong Kong, and the relative importance of individual criteria within the evaluation set, when comparing four major destination countries and forming an intention to study at one of those countries. The full three-factor model gives managers a comprehensive representation of the range of country and course, administrative process and cost variables influencing international student destination choice, while the more parsimonious reduced form models provide a succinct conceptualization of the decision process for many prospective students. The full three-factor model offers a useful starting point for educational institutions seeking to analyze a wider range of target markets, including different source countries and different educational sectors, as the importance of the identified factors may vary between target markets and sectors and indeed between segments within each market.

In addition, this study has contributed to the development of three scales to allow the factors influencing choice and their dimensions to be better understood. Course and country characteristics emerged as the most influential construct across all destination countries, with all items except recognition of qualifications contributing significantly to the majority of destinations. These results imply the need to focus on creating the positive perceptions of these items in all communication with prospective international students. This is information that will be critical to a student’s choice and should be clearly and obviously presented.

Administrative processes were supported less uniformly in our models. While previous research by Lawley (1993), conducted with students engaged in studying abroad, indicated that administrative processes influenced their perceptions, data gathered from prospective students in our study does not support the importance of this factor. Hence it is possible that administrative processes impact post choice. However, anecdotal evidence
from Lawley’s (1993) research suggested that the speed of response to a student’s application could determine their choice. Therefore, while not significant with prospective students, those students more advanced in the decision process than the current sample could be influenced by the efficiency of administrative processes. This implies a need for universities to ensure a quick response to all applications and, at a national administrative body level, the need for prompt processing of student visa applications.

Contrary to initial expectations, this study found that the cost factor was not a significant influence on a student’s choice of destination. This finding supports the premise that if a student can afford to go overseas to study, the comparative cost differences between destination countries is of reduced significance. In addition, the item ‘distance from home’ may have reduced in importance as the speed and frequency of airline flights has increased and as more timely communication becomes possible between the home and host country through mediums such as the Internet. The third item making up this construct was climate. This was significant in the choice of Australia only and perhaps reflects Australia’s strong positioning as a tourist destination and a place to ‘have fun in the sun’. Contrary to expectations, climate was not a key influence in the choice of the United Kingdom and Canada, which were consistently seen as uninviting in terms of climate. The final cost item was racial discrimination, which was not significant for any destination.

The managerial implications of the lack of support for the cost construct in our models are two-fold. First, the destinations of Australia and Canada, which are perceived positively in relation to financial cost, might benefit from focusing communication efforts on increasing the importance of this factor in the evaluation criteria set of prospective international students. Australia, in particular, can be positioned as a relatively less expensive study destination with quality educational programs and a pleasurable climate. Second, an appropriate promotional strategy for the destinations perceived as comparatively expensive, notably the United Kingdom and the United States, is to position themselves on course and country criteria that carry higher relative weight in prospective students’ evaluation criteria set.

Conclusions

Just as globalization and competitive pressures have increased the importance of maintaining a customer focus in many traditional product and service markets, so too has the market place for education services for international students been transformed by these forces. Like their counterparts in other industries, the revenues of universities increasingly depend on adopting a marketing orientation and positioning offerings on criteria important to prospective students. For university managers and administrators charged with recruiting international students, this requires an in-depth understanding of the decision making process through which students progress in order to better develop positioning strategies and communication programs to favorably influence prospective students.

When students are conceived of as potential consumers, a critical stage in this complex decision process is the choice of host nation destination. The results of our study of the evaluation criteria adopted by prospective tertiary students from Hong Kong when choosing between alternative host nation destinations highlights the relative importance of course and country characteristics, as compared to administrative processes and cost factors, in influencing international student destination choice. That a country’s characteristics are important, and that students select a country prior to an individual university, are consistent with Ohmae’s (1995) suggestion that country-of-origin effects may be highly relevant for education services. The host nations chosen in our study were recognized by prospective students and primary and secondary reference groups (family, friends and potential employers) as having tertiary education courses of high standard. Universities operating in countries for which this is not the case may struggle to attract international students of high quality, or to prevent domestic students from choosing to study abroad, because of the country-of-origin effect in education.

In addition to the practical implications discussed in the previous section, this research has contributed to the development of theory in the area of choice of destination by bringing together the existing empirical research and proposing the first comprehensive model of choice. The study is also
one of the first to gather comparative data on four
destination countries. Hence this study not
only answers the question of why a student
selected a particular destination but also
answers the question of why another
destination was not chosen. This
study has gathered data from one source
country only (Hong Kong), focused on one
specific sector, (undergraduate university
study), and on one
decision (choice of country). Finally, the increased
importance of administrative processes in the post-
September 11 era may impact model development,
with the United States significantly increasing the
processes for students from some source countries,
and destination countries like the United Kingdom
and Australia placing increased emphasis on their
less restrictive processes. Future research should
further refine the model by considering these issues.

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### Appendix 1: Summary of Scale Items

<table>
<thead>
<tr>
<th>Course and country characteristics</th>
<th>The standard of courses available is high</th>
</tr>
</thead>
<tbody>
<tr>
<td>Qualifications obtained are well recognized in HK</td>
<td>Teaching facilities are of a good standard</td>
</tr>
<tr>
<td>My family thinks it is a good place to study</td>
<td>My friends think it is a good place to study</td>
</tr>
<tr>
<td>Favorable way of living</td>
<td>It is a safe place to study</td>
</tr>
<tr>
<td>It is a place to study</td>
<td>I would like to immigrate there</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Administrative processes</th>
<th>It is easy to gain entry to universities</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>It is difficult to obtain information about studying</td>
</tr>
<tr>
<td></td>
<td>Easy to gain exemptions</td>
</tr>
<tr>
<td></td>
<td>It is possible to legally work part-time</td>
</tr>
<tr>
<td></td>
<td>It is difficult to get a student visa</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Costs</th>
<th>There are high levels of racial discrimination</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>The climate is not very good</td>
</tr>
<tr>
<td></td>
<td>Short distance from Hong Kong</td>
</tr>
<tr>
<td></td>
<td>It is a comparatively cheap place to study</td>
</tr>
</tbody>
</table>