



Faculty of Technology Management & Technopreneurship

**THE EFFECTIVENESS OF MARKETING TOOLS
IN STUDENT ADMISSION IN HIGHER
EDUCATION INSTITUTES IN MALAYSIA**

MOHAMAD AZLAN BIN ABD AZIZ

MBA. in Advanced Operation Management

2012

**THE EFFECTIVENESS OF MARKETING TOOLS IN STUDENT ADMISSION IN
HIGHER EDUCATION INSTITUTES IN MALAYSIA**

MOHAMAD AZLAN BIN ABD AZIZ

**A thesis submitted in fulfillment of the requirements for the degree of
Master of Business Administration in Advanced Operation Management**

Faculty Of Technology Management and Technopreneurship

UNIVERSITI TEKNIKAL MALAYSIA MELAKA

2012

**Abstract of project paper presented to the Senate of Universiti Teknikal Malaysia Melaka
in partial fulfillment of the requirements for the degree of Master of Business
Administration**

**'The Effectiveness of Marketing Tools in Student Admission in Higher Education
Institutes in Malaysia'**

BY

**MOHAMAD AZLAN BIN ABD AZIZ
JUNE 2012**

Supervisor : Associate Professor Dr Ahmad Rozelan Bin Yunus

Faculty : Institute of Technology Management and Entrepreneurship

In Malaysia, there are lots of Higher education's institutions (HEI) operated and this created a stiff competition among the institution to attract student's admission into their HEI. Thus, this study is to find the inter relation in between the marketing mix concept with perception of students when selecting the HEI to pursue their study. The marketing mix (Marketing Tools) strategies developed earlier by Edmund J. McCarthy in 1960 explained about the 4 elements of marketing concept (4Ps) which in this study, the idea expanded into 7 elements that are product (course offered by HEI), Price (the cost associated with study at HEI), Place (location of HEI), Promotion, Peoples (the academics and staff of HEI), Process (administration of HEI) and Physical presence (facilities of HEI). All of these marketing tools were studied in order to find the most effective elements that can attract student's enrolment in a higher education institution.

Approach: The theoretical model and hypotheses in this study were tested using empirical data gathered from 407 samples of respondents that were a secondary school students and SPM leavers through survey questionnaires and then the data being analyzed using the correlation coefficients.

Results: The results revealed that more than 1 element of marketing mix is needed to attract student enrolment and the most effective marketing mix was the factor of people (the academics, lecturers of HEI) while the factor of employment opportunity after graduating, facilities, financial aids also can attract student attention to consider the HEI. The education fairs were the most informative medium for students to get information about HEI.

Conclusion: This study has explored the perceptions of students on considering the HEI to pursue their study thus the most effective marketing mix to attract student enrolment also were identified in this research.

**Abstract of project paper presented to the Senate of Universiti Teknikal Malaysia Melaka
in partial fulfillment of the requirements for the degree of Master of Business
Administration**

KAEDAH KONSEP PEMASARAN PALING BERKESAN DALAM PENGAMBILAN PELAJAR DI INSTITUSI PENGAJIAN
TINGGI DI MALAYSIA

BY
MOHAMAD AZLAN BIN ABD AZIZ
JUNE 2012

Supervisor : Professor Madya Dr. Ahmad Rozelan Bin Yunus

Fakulti : Pengurusan Teknologi dan Teknousahawanan

Di Malaysia, terdapat banyak Institusi Pengajian Tinggi (IPT) beroperasi dan ini telah mengakibatkan wujudnya persaingan sengit diantara mereka untuk menarik kemasukan pelajar ke dalam institusi mereka. Oleh itu, kertas kajian ini adalah untuk mencari hubungan antara konsep kaedah pemasaran dengan pemikiran para pelajar semasa mereka memilih IPT untuk mereka menyambung pengajian mereka. Kaedah pemasaran pada awalnya dibangunkan oleh Edmund J. McCarthy pada 1960 menjelaskan berkenaan 4 elemen (4Ps) konsep pemasaran dimana di dalam kajian ini, konsep tersebut dikembangkan kepada 7 elemen iaitu Produk (kursus yang ditawarkan di IPT), Harga (yuran dan kos di IPT), Tempat (lokasi IPT), Promosi, Orang (pensyarah dan staff IPT), Proses (pentadbiran IPT) dan Fizikal (kemudahan di IPT). Kesemua elemen ini dikaji untuk mendapatkan konsep pemasaran yang paling berkesan untuk menarik kemasukan pelajar ke IPT.

Pendekatan: Model teori dan hipotesis dalam kajian ini telah diuji menggunakan data yang dikumpul daripada 407 sampel responden dari pelajar-pelajar sekolah menengah dan juga pelajar yang baru menamatkan perperiksaan SPM mereka. Data yang dikumpul dianalisa dengan menggunakan pekali korelasi.

Keputusan: Keputusan menunjukkan bahawa lebih daripada satu konsep kaedah pemasaran diperlukan untuk menarik kemasukan pelajar ke IPT manakala faktor peluang perkerjaan selepas graduasi, kemudahan di IPT, pembiayaan di IPT, juga boleh menarik minat para pelajar ke sesebuah IPT. Didapati, pameran pendidikan menjadi wadah terbaik untuk para pelajar mendapatkan maklumat berkenaan IPT.

Kesimpulan: Kajian ini telah memahami persepi para pelajar dalam memilih IPT dan juga kaedah pemasaran paling berkesan untuk IPT menarik kemasukan pelajar juga dapat dikenalpasti dalam kajian ini.

ACKNOWLEDGEMENT

Alhamdulillah. Many thanks to Allah SWT, whom with His willing to give me the opportunity to complete this project which the title is “The Effectiveness of Marketing Tools in Student Admission in Higher Education Institute in Malaysia”

Firstly, I would like to express my deepest thanks to my Supervisor, Associate Professor Dr. Ahmad Rozelan Bin Yunus, who has helped and guided me all along the process of completing this paper. Secondly, I also want to thanks all the lecturers and staffs from the Faculty of Technology Management and Entrepreneurship who had taught and guided me during my study in UTEM.

Deepest thanks and appreciation to my wife, Pn Hernie Marlyнна Mursaid on her support along my study in this MBA program.

My ABLP team especially Pn Nalini Pragasam, all of you helped me a lot during my study in this MBA program. May Allah bless you all.

Lastly, Million thanks to all my friends in this MBA program for their cooperation, encouragement, constructive suggestion and full of support for this report completion, from the beginning till the end. Also thanks to all of my friends and everyone, those who have been contributed by supporting my work and help myself during completing this research.

APPROVAL

I hereby confirm that I have examined this project paper entitled:-

**“THE EFFECTIVENESS OF MARKETING TOOLS IN STUDENTS
ADMISSION IN HIGHER EDUCATION INSTITUTES IN MALAYSIA”**

By

MOHAMAD AZLAN BIN ABD AZIZ

I hereby acknowledge that this project paper has been accepted as part

Fulfillment for the degree of Master of Business Administration



ASSOCIATE PROFESSOR DR AHMAD ROZELAN BIN YUNUS

SUPERVISOR

DEDICATION

- This thesis is dedicated to my wife and my family who supported me all the way since the beginning of my studies. Thank you for supporting me!!!
- Also, this thesis is dedicated to my ABLP Department of MMU who has been a great source of motivation and inspiration.
- Finally this thesis is dedicated to all of my friends, those who supporting and helping me completing my study at UTeM

DECLARATION

“I hereby declare that:

“I have sincerely endeavored to produce a paper project of “The Effectiveness of Marketing Tools in Student Admission in Higher Education Institutes in Malaysia” by myself without any outside assistance except as cited in the references. I have not copied this paper from other papers or documents available, except where I have explicitly stated so. The project paper has not been accepted for any degree and is not concurrently submitted in candidature of any other degree”.

Signature: -----  -----

AUTHOR'S NAME: MOHAMAD AZLAN BIN ABD AZIZ

DATE: 25 JUNE 2012

TABLE OF CONTENTS

ABSTRACT	iii
ABSTRAK	iv
ACKNOWLEDGEMENT	v
APPROVAL	vi
DEDICATION	vii
DECLARATION	viii
TABLE OF CONTENTS	ix
LIST OF FIGURES	xv
LIST OF TABLES	xvi
LIST OF ABBREVIATION	xviii

TABLE OF CONTENTS

CHAPTER	TITLE	PAGE
CHAPTER 1	INTRODUCTION	
1.0	Introduction	1
1.1	Background	1
1.2	Problem Statement	10
1.3	Research Questions	12
1.4	Research Objectives	13
CHAPTER 2	LITERATURE REVIEW	
2.1	Competition Among Higher Education Institutions	14
2.2	Consumers Buying Behaviors Model for Choosing HEI	21
2.3	Marketing Tools Strategy in HEIs	24
	2.3.1 Product	25
	2.3.2 Place	27
	2.3.3 Price	27
	2.3.4 Promotion	29
	2.3.5 Process	30
	2.3.6 People	30

	2.3.7 Physical Presence	31
2.4	Conclusion	32
CHAPTER 3	METHODOLOGY	
3.1	Introduction	33
3.2	Research Instrument and design	34
3.3	Theoretical Framework	35
3.4	Data Collection	38
3.5	Data Analysis	40
3.6	Pilot Testing	41
3.7	Conclusion	42
CHAPTER 4	DATA ANALYSES	
4.1	Introduction	43
4.2	Descriptive Analysis	44
4.3	Reliability Analysis	50
4.4	Validity Test	52
4.5	Analysis On Independent Variables	53
	4.5.1 Product (Course Offered by HEI)	53
	4.5.2 Location	54
	4.5.3 Promotion	55

4.5.4 Fees	56
4.5.5 People	57
4.5.6 Facilities	58
4.5.7 Process (Administration)	59
4.5.8 Summary of Analysis on The Independent Variables (Marketing Tool)	60
4.6 Hypotheses Analysis	61
4.6.1 Hypothesis 1	63
4.6.2 Hypothesis 2	65
4.6.3 Hypothesis 3	66
4.6.4 Hypothesis 4	67
4.6.5 Hypothesis 5	68
4.6.6 Hypothesis 6	69
4.6.7 Hypothesis 7	70
4.6.8 Hypothesis 8	71
4.6.9 Summary of the Hypothesis Analysis	72

4.7	Independent T-Test Analysis	74
	4.7.1 The Student's HEI Selection Factor Based on Course Offered by HEI	75
	4.7.2 The Student's HEI Selection Factor Based on Location of HEI	76
	4.7.3 Student's HEI Selection Factor Based on Promotion of HEI	77
	4.7.4 The Student's HEI Selection Factor Based on the cost of study in HEI	78
	4.7.5 The Student's HEI Selection Factor Based on the peoples (Lecturers, staff) of HEI	79
	4.7.6 The Student's HEI Selection Factor Based on the facilities of HEI	80
	4.7.7 The Student's HEI Selection Factor Based on the Administration Process of HEI	81
	4.7.8 Summary on Finding of the T-Test	82
4.8	Chapter Summary	83

CHAPTER 5	CONCLUSION & RECOMMENDATION	
5.1	Introduction	84
5.2	Recommendation	88
5.3	Limitations of this research	89
	BIBLIOGRAPHY	90
	APPENDIX	97

LIST OF FIGURES

NO	FIGURE	ITEMS	PAGE
1	Figure 1	The number of student admission according to public HEI in 2010	15
2	Figure 2	The number of student admission according to Private HEI in 2010	16
3	Figure 3	Perception of a student in selecting HEI	28
4	Figure 4	Research Theoretical Framework	35
5	Figure 5	Cronbach's Alpha Calculation	40
6	Figure 6	Gender of the Respondents	44
7	Figure 7	Ages of the Respondents	45
8	Figure 8	Race of the Respondents	48

LIST OF TABLES

NO	TABLE	ITEMS	PAGE
1	Table 1	Public Universities in Malaysia	4
2	Table 2	The number of PHEI in Malaysia according to its category (Education Guide Malaysia)	6
3	Table 3	Number of Overall Enrolment into Malaysian HEI	17
4	Table 4	The force of globalization for higher education industry	21
5	Table 5	Schedule of exhibition and roadshow for data collection process	39
6	Table 6	Gender of the Respondents	44
7	Table 7	Ages of the Respondents	45
8	Table 8	Education Background of the respondents	46
9	Table 9	Distribution of location of the respondents	46
10	Table 10	Races of the Respondents	47
11	Table 11	Selection of HEI	48
12	Table 12	Student Decision on HEI Registering in Future	49
13	Table 13	Parents Monthly Income	49
14	Table 14	Reliability Statistic	51
15	Table 15	KMO Validity Test	52
16	Table 16	Correlations Test (Product)	53
17	Table 17	Correlation Test (Location)	54
18	Table 18	Correlation Test (Promotion)	55
19	Table 19	Correlation Test (Fees)	56
20	Table 20	Correlation Test (People)	57
21	Table 21	Correlation Test (facilities)	58
22	Table 22	Correlation Test (Process)	59
23	Table 23	Summary of the Result	60
24	Table 24	Correlation Test on Hypothesis 1	64

LIST OF TABLES

NO	TABLE	ITEMS	PAGE
25	Table 25	Correlation Test on Hypothesis 2	65
26	Table 26	Correlation Test on Hypothesis 3	66
27	Table 27	Correlation Test on Hypothesis 4	67
28	Table 28	Correlation Test on Hypothesis 5	68
29	Table 29	Correlation Test on Hypothesis 6	69
30	Table 30	Correlation Test on Hypothesis 7	70
31	Table 31	Summary of Hypotheses Test Result	73
32	Table 32	Difference in between Student perception on HEI enrolment towards Course Offered by HEI	75
33	Table 33	Difference in between Student perception on HEI enrolment towards the Location of HEI	76
34	Table 34	Difference in between Student perception on HEI enrolment towards the Promotion of HEI	77
35	Table 35	Difference in between Student perception on HEI enrolment towards the cost of study in HEI	78
36	Table 36	Difference in between Student perception on HEI enrolment towards the factor of peoples of the HEI	79
37	Table 37	Difference in between Student perception on HEI enrolment towards the factor of facilities of the HEI	80
38	Table 38	Difference in between Student perception on HEI enrolment towards the factor of Administration Process of the HEI	81

LIST OF ABBREVIATION

HEI	Higher Education Institutes
PHEI	Private Higher Education Institutes
UM	Universiti Malaya
MMU	Multimedia University
MOHE	Ministry of Higher Education
SPM	Sijil Pelajaran Malaysia
UiTM	Universiti Teknologi Mara
CSR	Corporate Social Responsibility

1.0 Introduction

1.1 Background

The higher education industry in Malaysia is becoming much tense and the level of competition had been increased from the previous decade. Currently, there are many higher educational institutes in Malaysia which provided by the government and also some offered by the private sectors. As per 2010, there were 20 public universities and around 460 of private higher education institutions (PHEI) in Malaysia (Education Guide Malaysia, 2010). From these 460 institutes, only 20 of them are at the university level (Education Guide Malaysia, 2010). The first university in Malaysia was University of Malaya (UM), Kuala Lumpur which established in April 1949 (University of Malaya, 2012), while the first private university in Malaysia is Multimedia University (MMU) which established in the year 1997 at Ayer Keroh, Melaka (MMU, 2011).

Private higher education institutes (PHEIs) already existed in Malaysia since the year of 80s where the private colleges were set up to offer twinning program courses which collaborated with the foreign higher education institute (HEI) from United Kingdom, United States, Australia and New Zealand (Education Guide Malaysia, 2010) In the 90s, these twinning programs were extended to become 2+1 or 3+ 1 or 2 + 2 program where the students need to complete their studies at the universities abroad of Malaysia after spending the first 2 years or 3 years inside the country (Education Guide Malaysia, 2010). At the late of 90s, the economic crisis had halted

the flow of Malaysia students to study abroad thus this encouraged a lot more of local private's higher education institution to make collaboration courses with foreign universities. Some of these foreign universities had set up their branches in the country where the courses run by local private institutions (KPT, 2012). Nowadays, there were five foreign university branches in Malaysia (KPT, 2012).

Khair Johari Report (1967) stated that the higher education is an academic study that required minimum pre requisite academic qualification of high school certificate or equivalent for admission into any higher education institution (HEI). According to 'Akta Pendidikan 1996' or Education Act 1996, Higher education institution (HEI) can be defined as an institute that offer education; at least at the diploma level, degree level or any certificate that equivalent to the said program level. The public's higher education institution can be defined as the higher education institute that owned by the government while higher education institute that not own by the government can be said as private higher education institution (PHEI) (Education Guide Malaysia, 2010).

The higher education institutes in Malaysia fall under several rules and regulation under Malaysian Law which are (Education Guide Malaysia, 2010):

1. The Education Act 1996 (Act 550).
2. The Private Higher Educational Institutions Act, 1996.

3. The National Council of Higher Education Act, 1996.
4. The National Accreditation Board Act, 1996 (replaced with the Malaysian Qualifications Agency Act 2007).
5. The Universities and University Colleges (Amendment) Act, 1996.
6. The National Higher Education Fund Corporation Act, 1997 (Amendment 2000).

Looking back to the development of higher education institutes (HEI) in Malaysia, the numbers were started to increase when the introduction of Education Act 1996. Since this act was introduced, the number of public higher education institutes and private higher education institute had been increased to more than double as it was before as can be seen in the table 1 and table 2. Some of these universities already established since long time ago but being upgraded to the university level after the year of 1996.

These universities are Universiti Teknologi Mara (UiTM), Universiti Sultan Zainal Abidin, Universiti Perguruan Sultan Idris and Universiti Tun Hussein Onn. For the private higher education institutes (PHEI), the numbers before year 1996 were around 200 institutes. After the establishment of Private Higher Education Act 1996 and Education Act 1996, the number increased to 460 institutes (Senarai IPTS, 2011). These PHEIs can be divided into 4 categories, which are:

1. University
2. College University

3. Campus Branch

4. College

Table 1; Public Universities in Malaysia (Education Guide Malaysia, 2010)

No	University	Year of Establishment
1	University of Malaya (UM)	1949
2	Universiti Sains Malaysia (USM)	1969
3	Universiti Kebangsaan Malaysia (UKM)	1970
4	Universiti Putra Malaysia (UPM)	1971
5	Universiti Teknologi Malaysia (UTM)	1975
6	Universiti Islam Antarabangsa Malaysia (UIAM)	1983
7	Universiti Utara Malaysia (UUM)	1984
8	Universiti Malaysia Sarawak (UNIMAS)	1992
9	Universiti Malaysia Sabah (UMS)	1994
10	Universiti Pendidikan Sultan Idris (UPSI)	1997
11	Universiti Sains Islam Malaysia (USIM)	1998
12	Universiti Teknologi MARA (UiTM)	1999
13	Universiti Malaysia Terengganu (UMT)	1999
14	Universiti Teknikal Malaysia Melaka (UTeM)	2000
15	Universiti Tun Hussein Onn Malaysia (UTHM)	2000
16	Universiti Malaysia Pahang (UMP)	2001
17	Universiti Malaysia Perlis (UniMAP)	2001
18	Universiti Sultan Zainal Abidin	2005
19	Universiti Malaysia Kelantan (UMK)	2006
20	Universiti Pertahanan Nasional Malaysia (UPNM)	2006

According to Sivalingam (2006), since the independence of Malaysia in 1957, higher education in Malaysia has been treated as a global public asset because of positive perception by the Malaysian peoples. This had caused a monopoly by the government in providing the higher education services in order to show their commitment on the people of Malaysia. In the middle of 90s, the policy had changed and this had encouraged the increasing number of PHEI in Malaysia. In the year 2007, a National Higher Education Strategic Plan was launch. According to Ministry of Higher Education (MOHE) PHEI Guidelines 2011, this national plan is to transform Malaysia higher education institute (HEI) into world class institutions. There were 7 major initiatives in these strategic plans which are:

1. Widening access and increasing equity
2. Improving the quality of teaching and learning
3. Enhancing research and innovation
4. Strengthening higher education institutes
5. Intensifying internationalization
6. Enshrining lifelong learning
7. Reinforcing the delivery system of the higher education ministry.

Another objective of this plan is to provide enough human capital for the country which targeting to achieve a developed country status in the year 2020. Rey (2001) mentioned that the universities were important engines to drive the local development and growth. Universities can provide human capital with knowledge and information which the skills were needed in order to make them being more productive.

According to MOHE PHEI Guideline (2011), the PHEI in Malaysia can accommodate around 478 924 students which will provide the country a sufficient human capital to work in the needed industries. The numbers of today PHEI according to its level can be referred at table 2.

Table 2; The number of PHEI in Malaysia according to its category (Education Guide Malaysia, 2010).

Institutions Category	Numbers
University	20
College University	22
Campus Branch (Foreign University's Branch)	5
College	408
Total	460

The increasing number of HEI had created a saturated market in Malaysia and the competition among these institutions to attract potential students become more intensifies which leads them to become much more creative to grab their customers (potential students). The marketing and promotional activities were become more and more difficult due to fast changes in the Malaysian social status, trends and the environment. Jarvis (2000) observed that due to the increasing number of higher education institutes, the competition among these institutes made them to act like more to a corporate firm. Rowley (2003) observed that a successful higher education institutes depend so much on its customer's profile and numbers. The customers mentioned by Rowley were identified as the students who are taking any courses in the institution. Lynne et al (2007) defined the customers of HEI as the students who are paying for getting the education.