

# EFFECT OF MARKETING COMMUNICATIONS ON STUDENT DECISION TO ENROLL AT THE FACULTY OF BUSINESS ADMINISTRATION IN A SMALL UNIVERSITY: A CASE STUDY OF RAJAMANGALA UNIVERSITY OF TECHNOLOGY PHRA NAKHON

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## ABSTRACT

Thai universities are in crisis as student enrollments decline. The problem underpins the purpose of this research which is to investigate the effect of marketing communications on student decision concerning enrollment for a bachelor's degree at the Faculty of Business Administration, Rajamangala University of Technology Phra Nakhon in Thailand, and to examine other factors affecting such decision of grade 12 students and year three vocational certificate students in Thailand. The research instrument used in this study is a questionnaire to provide descriptive statistics and enable analysis through a chi-square test. From the desired sample of 400 students, the findings show that subjects are influenced in their choice to study by advertising, public relations, online communication of the university, and viral marketing. Chi-square test results further show, with a level of significance at 0.05, that student decision about enrollment in a bachelor's degree at the university depends on all marketing communications tools, except public relations.

**Keywords:** marketing communications, decision to enroll, undergraduate, faculty of business, university

## 1. Introduction

Thailand academics are currently confronting a problem common to many Asian countries. Because of a decrease in the number of students, universities are facing steady class size reductions. In order to address this, top management of local universities is now urged to find ways to increase student numbers (Asian Correspondent, 2016). However, smaller universities like Rajamangala University of Technology Phra Nakhon (RMUTP) face restriction in what they can do by budget limitations. The need for effective policies in attracting prospective students is imperative.

Asian Correspondent (2016) reports that Thai universities are in crisis as student enrollments decline. University administrators and policymakers are concerned about the significant decrease in incoming students and possible attributing factors. Two key points that emerged are the ageing of the population (The World Bank, 2016) and an oversupply of universities in Thailand. Across the country, 170 institutions are offering up to 4,100 programs (Asian Correspondent, 2016), and according to education officials, Thailand universities have up to 156,216 spots open for prospective students. However, in 2015, only 105,046 students applied to take the entrance exams, leaving more than 50,000 empty places (Study International, 2017). If this trend continues, the prediction is that newer and smaller universities may have to shut down as weaker competitors.

The Thai government has introduced market mechanisms in education by increasing the number of universities to 120 in 2016 (Thai Association of Governing Boards of Universities and Colleges, 2017), believing that encouraging competition will increase the efficiency of education. However, most previous reviews of research literature in this area conclude that the effects of market mechanisms on increasing efficiency in education are marginal if found at all (Waslander et al., 2010) while entailing problems associated with an oversupply of universities.

Such oversupply has seen a noticeable decrease in student applications for courses, especially concerning smaller universities such as RMUTP. This situation is, in part, due to the belief of many students that “bigger is better.” However, this is not always true for universities. Even though large universities will often staff professors who are at the top of their fields, including renowned researchers, writers and experts (O’Brien, 2017), there are benefits associated with smaller institutions, such as reduced class sizes, greater familiarity between advisers and students, a sense of community, and a friendly atmosphere. These strong points have been a feature of RMUTP, but, even so, enrollment numbers remain a cause for concern.

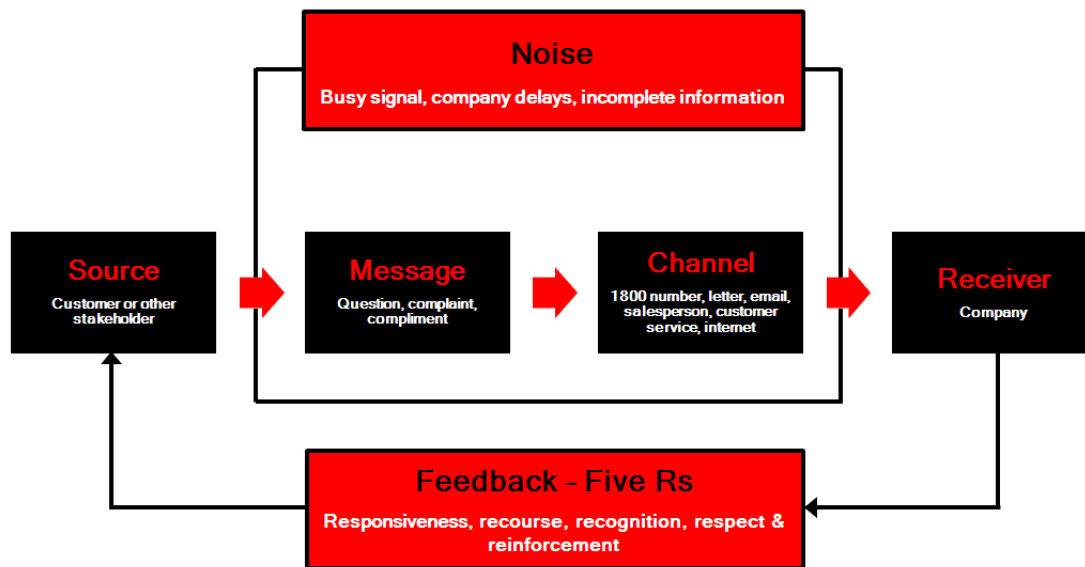
This particular university sets an example that small size does not equate with low quality. Even though RMUTP was established in 1975, the Faculty of Business Administration has a history of more than 117 years, being known originally as The Bangkok Commercial School. It became the first school of accounting in Thailand in 1900 and remains one of the foremost in academic achievement to this day. In order to maintain this level of merit, however, it is imperative that the problem of falling student numbers be redressed. The purpose of this research is to

study the effect of marketing communications on student decision to enroll for a bachelor’s degree at the Faculty of Business Administration RMUTP in Thailand.

**2. Literature Review**

Marketing communications (MC) employs different marketing channels and tools in combination, focusing on any way a business can communicate a message to the desired market or the market in general. Such tools can include advertising, personal selling, direct marketing, sponsorship, communication, promotion and public relations (Tomse, D., & Snoj, B., 2014). The International Chamber of Commerce (ICC) indicates that marketing communications such as advertising, sales promotion, sponsorship or direct marketing should be produced directly by, or on behalf of, marketers intending primarily to promote products or to influence consumer behaviour (ICC, 2006). The various types of communications and messages become unified to realize the concept of integrated marketing communications (IMC) which emerges as an intensely interactive process between an organization and its customers, stakeholders and staff (Belch et al., 2008).

Figure 1: Customer-Initiated Marketing Communication Model



source: Customer Initiated Communication (2011)

Duncan (2005) introduced the customer-initiated marketing communication model and explained how consumers communicate to the company brand using different social media tools. According to the model (see The West East Institute

Figure 1), the sender is the source of encoded messages like questions and complaints in communicating with organizations through channels both personal and non-personal. Personal channels of communication are direct and target individual groups. They involve two or more persons who communicate directly with each other face-to-face or person-to-person through telephone, email or fax. Social channels also are part of personal communications, where friends, neighbours, associates, co-workers, and family members are all included (Krizan et al., 2008). In the customer-initiated marketing communication model, the customer or other stakeholder transmits the communication, and the company receives it. According to this model, a two-way engagement process is achieved with the company providing feedback by way of the five Rs - responsiveness, recourse, recognition, respect and reinforcement (Worldpress.com, 2017).

In the case of universities, Redmond (2010) studied the influence of marketing communications on students' decisions to enroll at the Durban University of Technology. Her results indicate that marketing communications strategies must continually modify in response to a changing market. El-Hawary and Batayneh (2010) recognize the importance of marketing communications where potential students are the customers who require effective and efficient communication in order to influence decisions in favour of specific institutions. Fleming (2016) uses the term "Conversion Marketing" to help grow enrollments and launch new programs for institutions of all types and sizes despite limited budgets and resources. She suggests four immediate actions institutions can take. These involve website attention, effective use of social media, assessment and improvement, and being proactive and specific. All of the above studies can provide support for Duncan's model.

Concerning RMUTP, the focus is on the effects of four marketing communications tools. These are advertising, public relations, online communication, and viral marketing. Kotler and Keller (2009) define advertising as a paid, non-personal communication through various media to inform or persuade members of a particular audience. Messah and Immaculate (2011) argue that good public relations with an educational institution's stakeholders enable the institution to project a favourable image in the media and consequently improve student enrollment. Online communication refers to reading, writing, and communication via networked computers – something which is very popular among Thai students nowadays. Viral marketing (or word of mouth) is the passing of information from person to person by oral communication, and it depends on the extent of customer satisfaction with the product or service (Stach and Serenko, 2010) and the degree of its perceived value (Turel et al., 2010).

### **3. Methodology**

#### **3.1 Data**

The research instrument used in this study is a questionnaire from the target sample of 400 prospective students made up of grade 12 students and year three vocational certificate students in Thailand.

#### **3.2 Statistical Tools**

In data analysis, we employ frequency count, percentage and chi-square ( $X^2$ ) test analysis to examine the effect of the four marketing communications tools on student decision concerning enrollment for a bachelor's degree at the Faculty of Business Administration RMUTP.

### 3.3 Conceptual Framework

Figure 2: Conceptual Framework

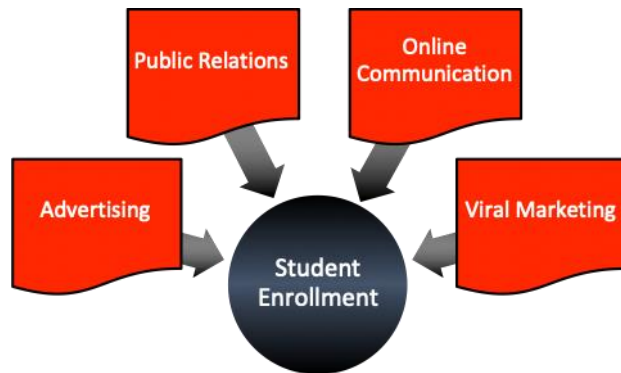


Figure 2 shows the conceptual framework for this study. Following the hypotheses, the intention is to investigate if there exist relationships between the four marketing communications tools (advertising, public relations, online communication, and viral marketing) and student decision concerning enrollment for a bachelor's degree at the Faculty of Business Administration RMUTP.

## 4. Results

### 1) Hypothesis 1

$H_0$ : There is no relationship between advertising and student decision concerning enrollment for a bachelor's degree at the Faculty of Business Administration RMUTP.

$H_1$ : There is a relationship between these variables.

Table 1: Test of a significant relationship between advertising and student decision concerning enrollment.

Effect of Advertising	Rank Selection Concerning Enrollment					X <sup>2</sup> value	X <sup>2</sup> p-value
	1	2	3	4	more than 5		
highly disagree	1	0	0	1	0	40.91	0.00
	0.4%	0.0%	0.0%	12.5%	0.0%		
disagree	18	2	1	0	12	40.91	0.00
	6.9%	8.0%	4.0%	0.0%	14.6%		
neutral	95	13	13	2	33	40.91	0.00
	36.5%	52.0%	52.0%	25.0%	40.2%		
agree	128	9	7	4	34	40.91	0.00
	49.2%	36.0%	28.0%	50.0%	41.5%		
highly agree	18	1	4	1	3	40.91	0.00
	6.9%	4.0%	16.0%	12.5%	3.7%		
Total	260	25	25	8	82		
	100.0%	100.0%	100.0%	100.0%	100.0%		

Table 1 shows the chi-square p-value (0.00) is less than our  $\alpha$  value (0.05). Therefore,  $H_0$  is rejected, indicating that there is a significant relationship between advertising and student decision to enroll for a bachelor's degree at the Faculty of Business Administration RMUTP. The highest percentage of students (49.2%) who selected to enroll for their first choice agree that there is an effect of advertising for their decision.

## 2) Hypothesis 2

$H_0$ : There is no relationship between public relations and student decision to enroll for a bachelor's degree at the Faculty of Business Administration RMUTP.

$H_1$ : There is a relationship between these variables.

Table 2: Test of a significant relationship between public relations (PR) and student decision concerning enrollment.

Effect of PR	Rank Selection Concerning Enrollment					X <sup>2</sup> value	X <sup>2</sup> p-value
	1	2	3	4	more than 5		
highly disagree	1	0	0	0	0	21.69	0.15
	0.4%	0.0%	0.0%	0.0%	0.0%		
disagree	18	0	2	2	11		
	6.9%	0.0%	8.0%	25.0%	13.4%		
neutral	99	15	15	3	38		
	38.1%	60.0%	60.0%	37.5%	46.3%		
agree	127	9	6	2	31		
	48.8%	36.0%	24.0%	25.0%	37.8%		
highly agree	15	1	2	1	2		
	5.8%	4.0%	8.0%	12.5%	2.4%		
much disagree	260	26	25	8	82		
	100.0%	100.0%	100.0%	100.0%	100.0%		

Table 2 shows that the chi-square p-value (0.15) is higher than our  $\alpha$  value (0.05). Therefore,  $H_0$  is not rejected, indicating that there is no significant relationship between public relations and student decision to enroll for a bachelor's degree at the Faculty of Business Administration RMUTP. The highest percentage of students (48.8%) who selected to enroll for their first choice agree that there is an effect of public relations on their decision.

### 3) Hypothesis 3

$H_0$ : There is no relationship between online communication and student decision concerning enrollment for a bachelor's degree at the Faculty of Business Administration RMUTP.

$H_1$ : There is a relationship between these variables.

Table 3: Test of a significant relationship between online communication and student decision concerning enrollment.

Effect of Online Communication	Rank Selection Concerning Enrollment					X <sup>2</sup> value	X <sup>2</sup> p-value
	1	2	3	4	more than 5		
highly disagree	0	0	0	0	1	44.68	0.00
	0.0%	0.0%	0.0%	0.0%	1.2%		
disagree	3	0	2	0	9		
	1.2%	0.0%	8.0%	0.0%	11.1%		
neutral	58	4	6	1	27		
	22.3%	16.0%	24.0%	12.5%	33.3%		
agree	135	18	15	3	36		
	51.9%	72.0%	60.0%	37.5%	44.4%		
highly agree	64	3	2	4	8		
	24.6%	12.0%	8.0%	50.0%	9.9%		
much disagree	260	25	25	8	81		
	100.0%	100.0%	100.0%	100.0%	100.0%		

Table 3 shows that the chi-square p-value (0.00) is less than our  $\alpha$  value (0.05). Therefore,  $H_0$  is rejected, indicating that there is a significant relationship between online communication and student decision to enroll for a bachelor's degree at the Faculty of Business Administration RMUTP. Most of the students (51.9%) who selected to enroll for their first choice agree that there is an effect of online communication on their decision.

#### 4) Hypothesis 4

$H_0$ : There is no relationship between viral marketing and student decision concerning enrollment for a bachelor's degree at the Faculty of Business Administration RMUTP.

$H_1$ : There is a relationship between these variables.



Table 4: Test of a significant relationship between viral marketing and student decision concerning enrollment.

Effect of Viral Marketing	Rank Selection Concerning Enrollment					X <sup>2</sup> value	X <sup>2</sup> p-value
	1	2	3	4	more than 5		
highly disagree	1	0	0	1	3	51.69	0.00
	0.4%	0.0%	0.0%	12.5%	3.7%		
disagree	7	1	2	0	10		
	2.7%	4.0%	8.0%	0.0%	12.2%		
neutral	69	12	12	2	34		
	26.5%	48.0%	48.0%	25.0%	41.5%		
agree	137	11	9	5	32		
	52.7%	44.0%	36.0%	62.5%	39.0%		
highly agree	46	1	2	0	3		
	17.7%	4.0%	8.0%	0.0%	3.7%		
Total	260	25	25	8	82		
disagree	100.0%	100.0%	100.0%	100.0%	100.0%		

Table 4 shows that the chi-square p-value (0.00) is less than our  $\alpha$  value (0.05). Therefore,  $H_0$  is rejected, indicating that there is a significant relationship between viral marketing and student decision to enroll for a bachelor's degree at the Faculty of Business Administration RMUTP. Most of the students (52.7%) who selected to enroll for their first choice agree that there is an effect of viral marketing on their decision.

## 5. Discussion

From the target sample of 400 students, the findings of this study show that subjects are influenced in their choice to enroll by viral marketing, online communication, and advertising, respectively. Hence, marketing communications is a crucial factor in influencing students to enroll for a bachelor's degree at the Faculty of Business Administration RMUTP.

Prospective students of RMUTP pay the most attention to viral marketing or word of mouth marketing. This communications tool has both advantages and disadvantages. The most valuable benefits are lower advertising costs, fast growth, mainstream media exposure, increased credibility, and rapid lead generation. However, viral marketing also has limitations that RMUTP must consider. The success of viral marketing depends on the transfer of messages from person to person. The efficiency of this process is diluted when not all messages reach the target market and when unwarranted negative comments persist. Even though viral marketing holds risks, it can attract many prospective students at a convincingly low cost, thus extending the reach of RMUTP.

Concerning online communication (such as websites and Facebook), this marketing tool is very suitable for smaller universities like RMUTP, which becomes restricted in what it can do by budget limitations. An internet presence instantly gives RMUTP not only prospective students but also a global audience. In addition, online communication operates continuously with cost-effectiveness. Opening and maintaining an online site costs a fraction of the budget needed for other marketing communication tools, especially advertising and public relations.

## **6. Conclusion**

RMUTP is currently facing the problem of declining student enrollments. In attempting to address the issue, this research investigates the effect of marketing communications on student decision concerning enrollment for a bachelor's degree at the Faculty of Business Administration RMUT in Thailand, and to determine other factors affecting such decision of grade 12 students and year three vocational certificate students in Thailand. Chi-square test results show that marketing communications are vital for the university in attracting prospective students to enroll in their institution. Based on analysis and discussion of the study, viral marketing is concluded to be the most effective marketing communication element in terms of reaching out to prospective students, followed by online communication and advertising, respectively.

## **7. Acknowledgement**

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## **8. Brief Biography**

Kwanruetai Boonyasana was born in Tak, Thailand. Her primary research fields are energy economics and international trade, and she is also interested in researching marketing. She accepted a scholarship to study at the University of Leicester in the United Kingdom and completed a Ph.D. in Economics from that university in 2013. While there, she received the best presentation award from the Graduate Research Festival in 2011 and scholarships from the International Association for Energy Economics for international conferences in Canada, Sweden, the United States and Australia. In 2013, she returned to Thailand to take a position as lecturer at Rajamangala The West East Institute

University of Technology Phra Nakhon. She recently was granted the distinguished award for 2016 by the National Research Council of Thailand for her Ph.D. thesis “World Electricity Co-operation.”

Napapach Thirapattanapokin is from Bangkok. Her primary research field is marketing communications. She graduated with a bachelor’s degree from Siam University in 1994 and gained her master’s degree from Rajamangala University of Technology Phra Nakhon (RMUTP) in 2016. She received the best poster presentation award for her thesis “Effect of Marketing Communications on Student Decision to Enroll at Rajamangala University of Technology Phra Naknon: A Case Study of Students in Bangkok” from the National Conference of Si Ayutthaya Rajabhat Group 2016 (NCSAG-2016). After working in Marketing File for longer than 20 years, she gained promotion to Director of Communication Affairs Division RMUTP in 2016.

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