

# EXPLORING THE FACTORS SHAPING STUDENT CHOICES IN HIGHER EDUCATION PROGRAMS

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**Abstract:** Understanding the evolving dynamics of student behavior in program selection, influenced by economic, socio-cultural, technological factors, and family influences, is of utmost importance. This study aims to explore the factors that shape students' decision-making when it comes to choosing a college. A purposive sampling method was employed, gathering responses from 53 students hailing from Morotai Island, North Maluku. The study utilized the Partial Least Square statistical analysis technique with the assistance of SmartPLS software. The findings of this research highlight that among the factors affecting decision-making, such as marketing communication, personal factors, and socio-cultural aspects, personal factors exert the most significant influence on student decision-making. This result emphasizes the significance of tailoring educational offerings to align with individual preferences and needs.

**Keywords:** Marketing Communication, Personal Factors, Socio-cultural, Personal Factor, Decision Making

## 1. Introduction

The education sector plays a crucial role in a nation's development. Government policies aimed at providing equal educational opportunities for all segments of society and promoting community involvement in education, while also considering economic principles within the context of the Indonesian Republic, have led to an increase in the number of educational institutions, particularly universities. To address the challenges in the industrial world, the Ministry of Education and Culture is actively promoting the transformation of higher education through the "Merdeka Belajar Kampus Merdeka (MBKM)" policy. This program offers students extensive opportunities to enhance their insights and competencies in the real world, aligning with their passions and ideals.

In North Maluku Province, a key hub for education in Eastern Indonesia, there is a strong emphasis on the development of the education sector, spanning from basic education to higher education. Every year, a growing number of prospective students enroll in various universities, both public and private, in North Maluku Province. The expansion of universities and academic programs in the region has heightened competition among institutions for recruiting prospective students. Consequently, every private university in North Maluku Province must continually enhance the quality of their graduates.

Understanding the evolving external factors and changing behaviors of prospective students in selecting higher education programs is an intriguing subject for university administrators. They aim to investigate the factors that significantly influence students' choices in higher education

programs, enabling program managers to proactively create offerings that align with the interests and needs of prospective students.

The shifts in student behavior regarding program choices appear to be shaped by economic, socio-cultural, and technological developments, as well as family influences, which increasingly prioritize practical needs such as job opportunities and social status in the community. This issue warrants in-depth study and the development of solutions because if these trends persist, there may be a future shortage of qualified human resources in specific fields, impacting scientific advancement in those areas.

Based on these considerations, this study seeks to identify both internal and external factors that influence students' decision-making processes when selecting university programs. The outcomes of this research are expected to provide valuable insights for program management and higher education institutions, helping them create new programs that cater to the preferences and interests of students.

## **2. Literature Review**

Research by Pratiwi and Mandala (2015) revealed that cultural factors positively influence purchasing decisions, as do social factors. Similarly, Ghoni and Bodroastuti (2011) underlines the importance of cultural and social factors, suggesting that improving these factors can lead to increased consumer behavior in buying decisions. However, Adhim (2020) found that cultural factors have a negative and significant impact on consumer behavior in purchasing decisions, while social factors have a positive and significant effect. In contrast, research by Darmawan (2018) found that social factors have positive and significant effects on purchasing decisions. It's noteworthy that various factors, including cultural, social, personal, and psychological variables, significantly affect purchasing decisions. This implies that these influences, when channeled through consumer satisfaction, can enhance purchasing decisions. Putri and Suhermin (2022) indicated that cultural factors have a positive and significant impact on purchasing decisions, but social factors do not significantly influence them. Therefore, based on this literature, the following hypothesis is proposed in this study:

H1: Socio-Cultural factors influence decision-making.

Marketing communication can influence consumer motivation, attitudes, and behavior. Motivation, as defined by Schiffman and Kanuk (2008), is the driving force within individuals that compels them to take action. In other words, motivation is the internal force that drives individuals to act, motivated by their desires to achieve goals. Pratiwi and Mandala (2015) found that the marketing mix has a positive impact on purchasing decisions. Hidayat (2017) revealed that indicators of marketing communication, particularly price, have a positive and significant effect on purchasing decisions. Consequently, this literature leads us to formulate the following hypothesis for this study:

H2: Marketing Communication Influences Decision-Making.

Pratiwi and Mandala (2015) found that personal factors positively influence purchasing decisions. Similarly, Ghoni and Bodroastuti (2011) demonstrated that personal factors have a positive and significant impact on consumer behavior. This implies that improving personal factors can lead to increased consumer behavior in purchasing decisions. Adhim (2020) also found that personal factors have a positive and significant influence on consumer behavior in purchasing decisions. This suggests that these influences, when channeled through consumer satisfaction, can enhance purchasing decisions. In contrast, Putri and Suhermin (2022) indicated that personal factors did not significantly affect purchasing decisions. Thus, on account of this literature, we posit the following hypothesis in this study:

H3: Personal Factors Influence Decision-Making.

### 3. Method

The analysis approach employed in this study is causal analysis, which aims to investigate the factors that influence certain variables. The study's target population consists of students attending private universities on Morotai Island in North Maluku. Based on the previous study, it was determined that 53 respondents were required to achieve a statistical power of 80% in a study with a maximum of four factors affecting one variable (Hair, et al., 2014). This calculation was based on an  $R^2$  value of 0.25 and a significance level of 10%. Therefore, purposive sampling was conducted to gather data from students hailing from Morotai Island until the desired sample size was attained. The collected data was then processed using the Partial Least Square method with the assistance of SmartPLS software. The questions used in this study to measure different aspects were adopted from earlier research that focused on socio-cultural factors, personal factor, marketing communication, and decision-making.

### 4. Result and Discussion

This study gathered a total of 53 respondents by distributing questionnaires via Google Form. Among these respondents, 28 were men (53%), and 25 were women (47%). Importantly, all respondents were from Morotai Island.

**Table 1. Outer and Inner Model Evaluation**

Variable: Indicator	Loading*)	Loading**)	AVE**)	Composite Reliability**)	$R^2$
Com1	0,668				
Com2	0,796	0,772			
Com3	0,727	0,874			
Com4	0,635				
Com5	0,707	0,788	0,660	0,853	
Com6	0,695				
Com7	0,554				
Com8	0,543				
Pers1	0,492				
Pers2	0,459				
Pers3	0,766	0,708			
Pers4	0,762	0,768			
Pers5	0,889	0,890			
Pers6	0,567		0,648	0,917	
Pers7	0,817	0,858			
Pers8	0,823	0,835			
Pers9	0,702	0,757			
Pers10	0,594				
Soc1	0,874	0,878	0,594	0,909	

Variable: Indicator	Loading*)	Loading**)	AVE**)	Composite Reliability**)	R <sup>2</sup>
Soc2	0,831	0,837			
Soc3	0,529	0,521			
Soc4	0,635	0,632			
Soc5	0,352				
Soc6	0,848	0,844			
Soc7	0,815	0,813			
Soc8	0,800	0,801			
DecM1	0,668	0,715			
DecM2	0,802	0,819			
DecM3	0,688	0,667			
DecM4	0,797	0,777			
DecM5	0,800	0,818	0,629	0,931	0,712
DecM6	0,838	0,853			
DecM7	0,851	0,839			
DecM8	0,832	0,836			
DecM9	0,387				
DecM10	0,001				

Source: SmartPLS

Before testing the hypotheses, we conducted a convergent validity test by examining the loading values. In research, convergent validity is considered met when the loading values fall within the range of 0.40 to 0.70. As shown in Table 1, there were some indicators with loading values lower than 0.40, and we removed these indicators. However, even after removal, some variables had Average Variance Extracted (AVE) values below the minimum threshold of 0.50. To address this, we eliminated a total of 16 indicators to ensure that the AVE values exceeded 0.50.

**Table 2. Heterotrait-Monotrait Ratio**

	Decision Making	Marketing Comm.	Personal Factors
Decision Making			
Marketing Comm.	0,581		
Personal Factors	0,899	0,744	
Socio-Cultural	0,403	0,767	0,499

Source: SmartPLS

The study was deemed to be valid and have discriminant validity because the Heterotrait-Monotrait Ratio did not surpass 0.90. All variables are considered reliable since the composite reliability is above 0.70. The R<sup>2</sup> value for the decision-making variable, which is 0.712, indicates that 71.2% of the variation in the decision-making variable is explained by the variables in this study, while the remaining 28.8% is influenced by factors outside the scope of this study.



**Table 3. Path Coefficient**

	Original Sample	T Statistics	P Values
Marketing Comm. -> Decision Making	0,110	0,760	0,447
Personal Factors -> Decision Making	0,810	8,355	0,000
Socio-Cultural -> Decision Making	0,187	1,152	0,250

Source: SmartPLS

As shown in Table 3, it was observed that marketing communication had a positive impact on student decision-making on Morotai Island, with an original sample value of 0.110. However, this positive effect was not statistically significant, as indicated by a T Statistic value of 0.760 (below 1.65) and a p-value of 0.447 (above 0.1). On the other hand, personal factors were found to have a positive and significant impact on decision-making, with an original sample value of 0.810. This impact was supported by a T Statistic value of 8.355 (above 1.65) and a p-value of 0.000 (below 0.1). Finally, socio-cultural factors had a positive effect on decision-making, with an original sample value of 0.187, but this effect was not statistically significant, with a T Statistic of 1.152 (below 1.65) and a p-value of 0.250 (above 0.1). Based on these findings, H1, H2, and H3 in this study were accepted. In conclusion, among the variables influencing students' decision-making in university selection, including marketing communication, personal factors, and socio-cultural factors, personal factors have the most substantial influence.

## 5. Conclusions

In conclusion, the education sector in Indonesia, particularly in North Maluku Province, plays a pivotal role in the nation's development. Government policies aimed at fostering equal educational opportunities and community involvement, within the framework of the Indonesian Republic, have led to a surge in the number of educational institutions, notably universities. The Ministry of Education and Culture's proactive promotion of higher education transformation through the "Merdeka Belajar Kampus Merdeka (MBKM)" policy underscores the commitment to providing students with opportunities to enrich their insights and competencies in alignment with their passions and ideals. This is especially significant in North Maluku Province, a key educational hub in Eastern Indonesia, where competition among universities for prospective students is intense. Understanding the evolving dynamics of student behavior in program selection, shaped by economic, socio-cultural, and technological factors, as well as family influences, is crucial. Failure to address these trends could result in a future shortage of qualified human resources, potentially impacting scientific advancement. This study's findings indicate that personal factors wield the most significant influence on students' decision-making in choosing university programs. While marketing communication and socio-cultural factors also have an impact, they are not as pronounced in this context. These insights can guide program management and higher education institutions in tailoring offerings to better meet the preferences and interests of prospective students, ultimately contributing to the enhancement of the education sector and the nation's development.

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