

THE IMPACT OF INFORMATIONAL INFLUENCE FOR REFERENCE GROUPS ON STUDENT SELECTION OF PRIVATE UNIVERSITIES IN JORDAN

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ABSTRACT: *The present study is an effort to explore the impact of informational influence for reference groups on students' selection of private universities in Jordan. To achieve this aim, a survey was constructed and conducted to collect the required data from students. About 480 questionnaires were distributed at two private universities in Amman. Descriptive analysis, test of reliability, factors analysis, and regression analysis were used in this study. The findings of the study show that three factors were produced by factor analysis as follows; family and relatives, friends and opinion leaders. These three factors were used in regression analysis; results show that family and relatives, friends and opinion leaders influence the students' selection of private universities.*

KEYWORDS: Informational Influence, Reference Groups, Private Universities, Students, University, Jordan

INTRODUCTION

Currently all private universities in Jordan are facing a very critical situation due to the fact that 84% of students as shown in table 2 are joining public universities and the remaining tiny number either they study abroad or they join private universities in Jordan. The minister of higher education and scientific research declared at (Al Ghad News Paper, 2016) that in the past three years approximately (240.000) student has failed in the "Tawjihi exam" "the General Secondary Education Certificate" which entitled the students in Jordan to apply to all types of higher education institutions. This massive fall in number of students has encouraged the private universities to think and act seriously to design different marketing techniques to convince and attract new students under a very intense competition between 18 private universities.

Reference group is among many factors influence consumer decision making. Students' selection of a private university is an important decision for both the student and his family. Von and William (2009) conducted a study on the effects of student choice on academic performance and the result showed that academic performance degrades if the student does not have goals in the selection. According to Misran *et al.* (2011) researchers found that the factor of family and friends' influence was the strongest factor in the decision making of Asian students to pursue their study. This study will examine if reference groups have the same influence on students' selection of private universities in Jordan.

Importance and Objectives of the Study

Despite the massive number of students joining both private and public universities in Jordan, this study is considered as the first one to tackle the influence of reference groups on students' selection of private universities. More specifically, this study will address the influence of reference groups on students' selection of private universities in Jordan, currently the majority of private universities are facing huge decline in number of students in the past three years.

This problem inspires universities to dig deeper in the factors that influence students in university selection. Reference groups play a very important role in students' selection of a university because at this stage, high school graduate student lacks any experience or knowledge about universities or study specializations. Based on that the main objectives of this study are:

- 1) To shed the light on private universities, a giant contributor to service sector in Jordan
- 2) To investigate the informational influences for reference groups on students selection of private university and which group has the most influence.

LITERATURE REVIEW

An Overview of Higher education in Jordan

The sector of higher education in Jordan plays a key remarkable role in the process of comprehensive development at various levels and areas. That is, during the last ten years higher education in Jordan witnessed a significant progress in terms of the diversity of study programs, patterns of teaching and learning that control both the quality and quantity and expansion of higher education institutions. In spite of the limited financial and human resources in the kingdom, higher education lies within the priorities of the government as of the role it plays in promoting the economic, social and knowledgeable level of the Jordanian citizen. According to Bader (2014) higher education plays an important role in the process of development in Jordan. Even though financial resources are limited in this country, higher education is given a high priority by the state as of the role it plays in the process of economic, social and cultural development.

All universities and community colleges are controlled by Ministry of Higher Education in Jordan and subject to the National Accreditation board according to the law (Badran, 2014). Higher education in Jordan has commenced by the establishment of the University of Jordan in 1962 as the first public university, while concerning private sector, Al-Ahliyya Amman University was established in 1989 as the first private university in Jordan. Later on many public and private universities were established. During the last two decades, the sector of higher education in Jordan witnessed a prominent development as well as progress evidenced by the increasing number of institutions of higher education, enrolled students, faculty members, administrative and academic members.

The number of public universities as a result has reached (10), besides (18) universities that are private. This progress in numbers of universities accompanied by significant increase in number of students enrolled to study in these universities, where the number of enrolled students in both public and private universities is estimated at nearly (289) thousand; (28) thousand out of the total are from Arab or foreign nationalities. Thus, the responsibility created by this expansion as well as progress puts university administration face-to-face with various challenges, the thing which leads us to pay more efforts in order to overcome the difficulties and obstacles stand before them, to realize a balance between the spread of higher education and its establishment from one side, and its level and quality from the other.

As Table 1 show there are 10 public universities with 213,306 student's enrollment, and 18 private universities with 76,094 student's enrollment. The total number is 28 universities

accommodating total enrollment of 289,400 students. As we can see that public universities attract the majority of graduated school students because of minimal cost of study compared with private universities. In addition, a huge number of scholarships are provided by different government institutions to students in public universities.

(Table 1) Students enrolled in Higher Education

(Public & Private) in Jordan 2014/2015

	No. of Universities	No. of students enrolled in Universities
Public Sector	10	213306
Private Sector	18	76094
Total	28	289400

Source: Ministry of Higher Education & Scientific Research statistics 2014/2015

Whereas Table 2 show a comparison of students enrolled in both private and public universities for the academic year 2103/2014 and 2014/2015. Numbers show that for private universities there is 45% drop in number of students enrolling in the past two years. Currently, all private universities are facing very critical time, and if the situation continues this will lead to serious consequences.

(Table 2) Comparison of Students enrolled in Higher Education

(Public & Private) in Jordan between 2013/2014 & 2014/2015

	No. of Universities	No. of students enrolled in 2013/2014	No. of students enrolled in 2014/2015
Public Sector	10	52817	50473
Private Sector	18	15757	8647

Source: Ministry of Higher Education & Scientific Research statistics 2014/2015

Reference groups

Consumer behavior models created by marketing and consumer behavior scholars such as (Fishbein and Ajzen, 1975; Ajzen, 1988; Engel et al., 1995) indicate that social influences play a very important role in the consumer decision making process. This importance rose from the fact that consumer social life and groups that he belongs to can be a good indicator and predictor for the patterns of thinking and behaving that constitute consumer behavior. According to (Gillani, 2012) customers' opinions can be affected by their compliance with the reference group. Reference group has been defined in several ways. For example Frouzanfar *et al.*, (2012) has defined it as People whose attitudes, behavior, beliefs, opinions, preferences, and values are used by an individual as the basis for his or her judgment. While Reza and Valeecha (2013) defined reference group as a group whose norms, values and rules are followed by an individual as a foundation of his daily behavior. Reference group has different

classifications and types and its influence on consumers is based on the group characteristics. For example, school groups, business groups and work groups are classified as Formal primary groups because they interact directly, frequently and possess a formal structure. While families, households, study groups, roommates, and fishing pals are all considered as Informal primary reference groups because they don't possess any formal structure.

According to Park & Lessig (1977) there are three major types of reference group influences that occur: informational influence, utilitarian influence, and value-expressive influence. Park & Lessig (1977) has defined informational influence as the influence which is based on the craving to make informed decisions and optimize the choice is called informational influence. When new students lack knowledge regarding higher education or the experience of choosing the specialization, they may perceive the information and recommendation from their reference group as credible and thus accept it with a certain degree of confidence. In this research our focus will be on the informational influence of reference groups on student's selection of private universities. Misran *et al.*, (2011) found that parents, teachers and family members influence both female and male students' selection of university in Malaysia. Pimpa (2003) pointed out that family as the most influencing factor on Thai students' choices of international education. Besides, the influence of family and friends are shaping intention of Taiwanese to study abroad (Chen and Zimitat, 2006). While McMahon (1992) and Mazzarol and Soutar (2002) cited recommendations from friends and relatives as important influences as the "push" factors in motivating student destination choice for students from Taiwan, India, China and Indonesia. Based on that, the following hypothesis will be proposed:

H01: There is a significant influence for family and relatives on students' selection of private university

H02: There is a significant influence for friends on students' selection of private university

H03: There is a significant influence for opinion leaders on students' selection of private university

Previous Work

Very little research was done in the area of reference groups and student selection of university in Jordan. Most of research in Jordan was done about student satisfaction and in areas other than the theme of this current research. For example, Al-Alak (2009) study assessed overall students' satisfaction perception in higher education institutions in Jordan as well as the differences in satisfaction perception of business students between three public and private universities. The only study conducted on students' selection of a private university in Jordan was conducted by Shammot (2011). The aim of the study was to explore the role of different marketing factors that affect Jordanian student choice of a private university. Through using a random sample, he asked the students about the factors that could be the main reason behind choosing a private university. The results show that the financial factor and information from former graduates has the most significant effect on their selection of the university, and regarding female students, word of mouth and university reputation were more influential than any other factors in choosing the university.

Another study in Jordanian universities focused on the influence of academic faculty members as a reference groups in the Promotion of the National Products of Jordan. The study was conducted by Anagreh and Al-share (2012) and assumes that university professors is deemed a reliable source of information and can play the role of opinion leaders in affecting consumer

decision making and more specifically students due to the direct connection inside the class and the university in general. Results show that there is a significant relationship between the social position of the university professor and the size of his influence on the Jordanian consumers.

The purpose of Lin and Chen (2009) paper is to focus on the influence of purchase intentions on repurchase decisions, and also to examine the moderating effects of reference groups and perceived risks. The travelers on Taiwan tourist trains were surveyed. Convenience sampling was used to collect primary data. A total of 1,200 questionnaires were distributed and 1,155 effective samples were collected. The effective return rate was 96 percent. Regression analysis was used to test hypotheses. The paper finds that; purchase intentions will have a positive effect on repurchase decisions: the higher the informational reference group influence, the greater the positively moderating effect between purchase intentions and repurchase decisions; the higher the value-expressive reference group influence, the greater the positively moderating effect between purchase intentions and repurchase decisions; and the higher the psychological risk, the greater the negatively moderating effect between purchase intentions and repurchase decisions.

Black and Bahl (2011) who investigated how undergraduate student characteristics influence student selection of either intensive (compressed) or traditional semester-long course formats. The results indicate that student age and current work status have a statistically significant influence, while student major and work experience come close, but do not significantly influence these decisions. Further, student gender, ethnicity, and educational level also have no influence on student decision. Finally, (Saif, 2014 and Saleh, 2016) examined the effect of service quality on student satisfaction in private universities.

While the aim of Zubai and Bataineh (2013) paper was to explore the nature and types of reference groups that influence consumer purchasing decisions, and to determine types of informative and normative influence, and the degree each type influences the car-purchasing decision. The study used a convenience sample of (430) respondents drawn from main shopping centers in Irbid City. The results show that reference groups (informatively and normatively) influenced the consumer purchasing decision. Whereas family, friends and personal opinion and prior experience, were the first source of information for consumers. Furthermore, there were significant statistical differences in the degree of reference groups influence on the consumer purchase decision either informatively or normatively or both, attributed to age and education levels; the age category (18-29) and higher education category were the most influenced by the reference groups.

Al-Azzam (2014) study examined the impact of social factors on consumer behavior in purchasing home furnishing in Amman (Jordan). The objective of this study was to investigate the independent variables that include reference groups, family, price, color, and quality on purchasing behavior of home furniture for Jordanian consumers. The study results demonstrated that from the five factors identified, reference group and consumer purchasing decision were positively related. Reference group was considered as one of the most important factors in determining a customer loyalty.

Al-Duhaish *et al.*, (2014) research aimed at studying the impact of the reference group on the purchasing decision for the Saudi Youth. The study found that the work colleges are the most influencing on the clothes purchasing decision, followed by the friends and the community stars and celebrities, and lastly the family. There are differences of reference group impact on

the decision when buying the clothes according to the difference in (the average of using the internet, household monthly income, gender, age group, living area, and educational level).

Another study conducted in Saudi Arabia by Al-Nahdi *et al.*, (2015). They argue that there are some dimension of the subjective norms has the most significant influence on Saudi purchasers' behavior when purchasing housing. According to this perspective and since subjective norm is the perceived as social pressure to engage or not to engage in behavior. Based on that, the study examines the effect of attitude, subjective norm (Spouse, Children, Parents, Friends and Reference group) on Saudi consumer purchasing housing. The results show that there is a positively significant relationship between attitude, children influence and reference group toward the intention to purchase real estate.

RESEARCH METHODOLOGY

To investigate the impact of reference groups on students' selection of private universities in Jordan, a survey was constructed and conducted to collect the required data from students. The questionnaire consists of three parts, the demographics, questions about reference groups and finally student selection. To assess reference group influence, about 15 item were used and students responses were measured on five-point Likert scale (1= Strongly Disagree to 5= Strongly Agree). The questionnaire was initially developed in Arabic, and then translated into English by the researcher. Even student with USA nationality answered the Arabic version because they originally descend from Arab countries. The survey was administered inside the university campus using a convenience sample from students in different faculties who completed the self-administered questionnaire on a voluntary basis. The sample consists only of bachelor students. About 480 questionnaires were distributed at two private universities in Amman (Applied Science University and Middle East University), student has returned about 453 questionnaires, and after scrutinizing them, 33 questionnaires were incomplete and therefore they were removed. This gives an 87.5% response rate. As shown in Table 3, about 75.5 of the sample aged amid 18 - 24 and this is the normal age for undergraduate students. Male students were slightly higher than female with 58.8%. About 65.7% of the sample was from faculty of business, followed by faculty of engineering by 12.4%. Jordanian students were the majority by 49.5% where as student from gulf countries ranked second by 19.0%. Finally third year student got the highest percentage by 28.3% while second year ranked second by 23.1%.

Data Analysis

Reference group and students selection were checked for reliability by determining Cronbach's alpha and an alpha value of 0.60 or greater was considered acceptable (Schuessler, 1971). Cronbach's alpha for the reference group items was 0.826, while the Cronbach's alpha for student selection items was 0.645. Both alpha values are higher than the minimum accepted level. In order to ascertain the latent variables and sample adequacy, Bartlett's results have supported the appropriateness of the observed data to the factor analysis ($KMO = .808$; $\chi^2 = 1922.302$, $df = 91$, $p = .000$). Data were analyzed using Factor Analysis followed by Varimax Rotation. As shown in Table 4, factor analysis created three factors with loading above .50 and reliability test were done for the new factors and all as shown in table 4 were higher than the minimum accepted level.

Table 3: Sample Profile

	Frequency	Percent%
University		
ASU	220	52.4
MEU	200	47.6
Total	420	100%
Age		
18 – 24	317	75.5
25 – 30	103	24.5
Total	420	100%
Gender		
Male	247	58.8
Female	173	41.2
Total	420	100%
Faculty		
Business	276	65.7
Engineering	52	12.4
MIS	27	6.4
Arts	34	8.1
Media	23	5.5
Pharmacy	8	1.9
Total	420	100%
Nationality		
Jordan	208	49.5
Palestine	73	17.4
Gulf Countries	80	19.0
Syria	39	9.3
USA	10	2.4
Yemen	10	2.4
Total	420	100%
Year of Study		
First year	80	19.0
Second year	97	23.1
Third year	119	28.3
Fourth year	103	24.5
Fifth year and more	21	5.0
Total	420	100%

Table 4: Rotated factors from principal component analysis for reference groups

	Loadings	Eigen value	Reliability
Family & relatives			
1) Father influence	.799	4.092	.739
2) Elder Brother influence	.731		
3) Mother Influence	.574		
4) Relatives influence	.688		
5) I trust info from family members	.762		
6) I trust info from relatives	.824		
Friends			
6) Friends inside school influence	.762	2.512	.702
7) Friends on social media	.645		
8) Expert friends in university	.644		
9) Neighbors opinion	.524		
10) I trust info from my friends	.861		
Opinion Leader			
12) Education experts	.751	1.696	.632
13) Graduated friends advice	.768		
14) Faculty members' opinion	.518		

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization

Testing the hypotheses

To test the proposed hypotheses, the items of the three factors created by factor analysis were summed together to be used in the regression analyses to evaluate the influence of the reference groups variables on students selection of private university. The results show that R square = 28 %, this means that about 28% of the variation in students selection can be explained by reference groups variables jointly. F value =31.731, and $p = 000 < .01$ which is very significant, implying that the model is adequate.

Table 5: Results of Regression Analysis

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
Family & relatives	.310	.041	.347	7.569	.000
Friends	.347	.040	.388	8.613	.000
Opinion Leaders	.259	.045	.271	5.761	.000

To test the hypotheses, regression analysis was used as shown in Table 5. For the first hypothesis family and relatives influence was significant in students selection at $p \leq .05$ level with Standardized Coefficients Beta = 0.347, and t value = 7.569. Thus, Ho1 is accepted which

means that there is a significant influence for family and relatives on students' selection of private university. Table 5 also test Ho2 and data show that Friends influence was significant in students selection at $p \leq .05$ level with Standardized Coefficients Beta = 0.388, and t value = 8.613. Thus, Ho2 is accepted which means that there is a significant influence for friends on students' selection of private university. Finally, data show that opinion leaders influence was significant on students selection at $p \leq .05$ level with Standardized Coefficients Beta = 0.271, and t value = 5.761. Thus, Ho3 is accepted which means that there is a significant influence for opinion leaders on students' selection of private university.

CONCLUSION

The aim of this study was to explore the impact of informational influence for reference groups on students' selection of private universities in Jordan. Results show that family and relatives, friends and opinion leaders influence the students' selection of private universities. The results of this study appear to support previous research in the area of reference groups and students' selection such as Misran *et al.*, (2011), Pimpa (2003), (Chen and Zimitat, 2006), McMahon (1992) and Mazzarol and Soutar (2002).

Based on the results of paper, it appears that it will be very useful for private universities administration to address and focus on the benefits of reference groups and its informational influence on students' selection. Private universities can use different promotional campaigns by integrating information for family and relatives as well. In addition, we can utilize current student to participate in promoting the university by talking and advising their friends, relatives and neighbors to choose the university. For example, any current student who manages to convince a new student to join the university, the university will give him fees discount.

It's quite important as well to acknowledge the important role for opinion leaders in the area, such as higher education experts and renowned faculty members in the university. This will give the university a very excellent image that enhances the university name in the educational sector. Also it's recommended as well for universities to work harder on improving the international ranking level, because this ranking will be an advantage for the university and opinion leaders can use it as indicator of quality.

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