

Investigating the effect of tuition fees on students' choice of college mediated by household income- PLS SEM

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Abstract

Today education has crossed the gender barrier; hence the present era can see the wave for education. With rise in demand for education, there has been increase in the number of education providers. Therefore, it become important for colleges to know the factors that affects student's choice of colleges. Colleges charge tuition fee for providing education and this fee may affect the choice decision of students. Therefore, the present study has investigated the factors that affect student's choice of college and their relationship with tuition fee. Primary and secondary was done. College students from Kathmandu were taken for the study. Top 10 private colleges were taken for the survey. A structured questionnaire was prepared and 700 responses were collected. Smart PLS, SPSS and Sobel calculator has been used in the study. The study had indentified five factors of student's choice of college (reputation, placement, academic quality, infrastructure and location) and has shown that a significant relationship exists between tuition fees charged by the colleges and the identified factor. The study also shows that there is a mediating effect of household income on relationship between tuition fee and reputation, placement and location. The study is beneficial for colleges, students and marketing companies.

Keywords: Higher education, college choice, price, tuition fee, household income, smart PLS, mediation , enrollment.

1. Introduction

The purpose of higher education in students' life is for their own personal development, for development of community in which they live and for preparation of professional jobs, leading towards a better quality of life (Brooks, R. at el., 2020). The theories of territory education institutions are regularly alluded to as expert associations driven by values and standards related with the scholarly community. Subsequently, the achievement of key goals by territory education institutions relies upon context oriented factors, for example, the administrative structure of the country, dynamic power, monetary help, culture, correspondence, and evaluation (Stensaker et al., 2014). There is high competition between colleges at local and national level. With increase in number of students who wants to pursue higher studies, the competition for enrollment has emerged between the colleges (Smith. at el., 2017). The competition is intense when higher education institutions wants more enrolled students and are in need of enrollment management. This leads higher education institutions to depend on the tuition fees of the students , as all the strategies for enrollment has to be made and implemented(Williams, D. S. 2018). A consumer's purchase decision is molded by the price of that product or service (Kotler & Keller, 2016). There is a huge demand for higher education institutions. This demand has risen because today everyone wants a better standard of life. Higher education institutions promise to give this. They promise a better future, thus increasing the demand for higher studies (Golpek, 2012). There are various reasons because of which a student wants to pursue higher studies. The main reasons being future job opportunity and professional degree. Students are now ready to move from one place to another for higher studies. They are ready to travel and live in place where they can get better college for their higher studies. The way they select a college is also affected by their willingness to move from one location to the other. Therefore, this mobility of the students has given rise for more intense competition among higher education institutions (Hoxby, 2009 & Raducan., 2014). These students are affected by various factors while selecting a private college for themselves. They listen to the information that they get within their surroundings (Hrnciar &

Madzik, 2013). Kotler & Fox, (2002) stated “marketing exists when people decide to satisfy their needs and wants through exchange” in case of colleges, the trade is getting the fundamental product or benefit while giving something as a trade off. Colleges offer their educational programs, scholarly trains and a certificate, in return for which students offer their time, responsibility and now and again cash as educational expense. In case of higher education institutions the tuition fees has increased and higher education has become somewhat costly, as there is a fierce competition for increasing enrollment rate. There are different price that is offered to different students for different disciplines. Science and technical curriculum, humanity and various other disciplines are being provided in the institutions, with different tuition fees for each (Richard et al., 1984).

As the demand for higher education institutions increased the supply was also given. There is huge competition between higher education institutions today to increase their enrollment rate. For that higher education institutions need to understand the choice criteria of the students for a college. Also, there are various factors that affect the student’s choice of college. As every purchase decision of a product or a service is influenced by price. The study wants to investigate whether the price has an effect on student’s choice of college. Choice decision happens before the enrolment decision. The study also wants to see if income acts as a mediator between them.

2. Review of Literature

The propelling factors for student’s choice for higher education institution has become an imperative issue and marketing done by colleges in the process of enrolment has gained more importance. Colleges and universities are facing tuff competition from other colleges and universities for getting students enrolled in their institution. Marketing has to be done if have to increase enrolment rate of the students. To achieve that as per the concept of marketing needs and wants of the target customer has to be found and delivered to them in a better manner than their competitors (Schiffman & Kanuk 2010). According to Pasternak, (2005) in contemporary social orders, higher education is being advertised very much like some other item or service. A student’s choice to secure progressed information is consequently the summit of a course of weighing cost against advantages, and this is like the interaction applied when a client chooses an item or service. Therefore, marketing should be done for education. Marketing in higher education is mainly done with the objective of characterizing the quality education, showing the main function which is to provide social advantage as per the need. Marketing strategies of higher education institutions are not same as other business marketing strategies because of the immediate impact of state guidelines characterizing the education system. Using marketing strategies has been an advantage for the institution, as they also use marketing mix strategy. Price in case of higher education institution can be viewed a psychological and as well as an economical factor (Gajic, 2012). Jonathan (2008) stated the 7ps of marketing mix for higher education institutions. The price in marketing mix in case of colleges is the price that is charged by the colleges to the students for getting enrolled or for the degree. There can be a relationship between the price and students registration. According to Imoleayo (2010) the costs charged by colleges and universities differ from each other and subsequently stays a subject of a few variables. A portion of these incorporate services given by the institutions, administrations, accessibility of administration contenders, politics, legitimate and brand image. These elements impact the cost of administrations by individual colleges, while fostering the procedure for charging cost, generally alluded to as the price policy. In the depiction of estimating strategy, costs are set and can’t be haggled by clients. This suggests that, similar costs are proposed to each student under a similar condition. It is very important to have a pricing strategy in every organization that gives services (Dudu and Agwu, 2014). Colleges need to understand the needs and requirements of the students selection criteria more deeply. The colleges not only need to encompass educational experience and administration but also focus on the strategies to guarantee quality instructive help conveyance, in drawing in and holding students (Joseph et al., 2013). According to Hussain and Emam (2016) there is a relationship that exists between consumers buying decision and the price of the product and services. Buyers have a view of significant worth reflected in price of firms' items. It likewise shows that contenders cost influence the cost of firm items and also online marketing (Agwu, 2014). According to Hemelt & Marcotte (2011) enrollment of student in a college is affected by the price that the college is charging. With increase in the price the enrollment declines. According to Neil (2009) tuition fees of a college may have impact on enrollment decision when a student is entering a college for the first time. At the later stage if the fees increases then that does not have impact on the students, as they do not leave the college. The socioeconomic status of a child parent impacts on the educational development and achievement of the child. Parental involvement when their children are in school matter most than the parent’s financial status in uplifting the children academic performance in school. Our recommendation is that parents should always encourage their children and provide moral support as well for the child to be emotionally stable and have confidence in their academic pursuit to achieve excellence. A student from well financial

background is more likely to receive better academic result, but the income did not show much change in education decision (Chioma et al., 2017). Daud et al., (2018) stated that there are many students who face financial problems while studying in colleges. They are constantly under pressure because of the lack of financial resources or of the financial loans that they take for getting enrolled in a college. All this happens, as they do not plan properly of the entire education process. Students when thinking of career while in secondary school may not have a clear idea of the degree and college. They mostly enter college not thinking much of one specific career line (Ramirez & Dizon, 2014). Students are more selective towards private colleges than public colleges. This is because of the resources in these colleges. Private colleges are said to have more elite resources than public colleges. Private colleges are increasing their resources whereas, public colleges remain the same. Therefore, mostly students are inclined towards private colleges (Bound et al., 2009). Today public colleges and private colleges are forced to be market oriented. These days, organizations face a plenty of issues and difficulties in the current time. These institutions are expected to give better quality of education, are supposed to be reputed, have to be in the market competition, need to get enough enrollment and with all the requirements keep up with monetary strength (Cetin, 2003). The worth of an education degree, as estimated by the pace of profit from speculation, has evidently stayed high in contrast with other opportunities. At long last, numerous schools and colleges have acted to upgrade the genuine value of what they offer. The presentation of new projects, more forceful advertising, and so forth balance higher educational cost. Different activities, like settling for what is most convenient option, like keeping the standards low for admission may likewise affect the connection among educational cost and enrollment (Larry & Paul, 1987).

Making a choice for higher education institution is very complicated decision as there are so many factors that influence the choice that one can make (Briggs and Wilson 2007). Regarding the increment of students choice of decision for a college, research studies treating students choice behaviour has shown that it is not possible to assume that a student will settle on a levelheaded decision for a college and field of study, regardless of whether they are put in the situation where they have to choose. College choice decision is affected by an intricate blend of individual assumptions, inspirations and desires, and also impacted by the family, peers, family members, media, educators, and so forth (Gajic, 2010). Simoes & Soares (2010) in their study have highlighted the student's college choice factors. These factors were reputation of the university, academic performance, and geographical location, teachers' guidance, family, alumni and personal influence. From this entire factor the study has found the most important factor that affected the choice of college was the geographical location of the college. Farhan et al, (2012) stated that there are numerous factors or factors that are influencing student's college choice. The investigation discovered that Career is the most favored factor as ranked by a large portion of the students, followed by college facilities, scholarships and financial aids and social influence are connected to the student college choice decision. Colleges and universities today are being driven towards business contest forced by monetary powers. Competition is frequently the after effect of the development of worldwide education markets and the decrease of public finances that urges establishments of higher education to guarantee that clients (understudies) get what they anticipate. Conveying administrations all the more actually and guaranteeing the clients get what they expect adds to in general fulfillment and administration quality. Colleges and universities like most different associations have understood the significance of client focused way to deal with get by among contenders. This is vital remembering the globalization in the education sector and subsequent competition. College reputation and different marketing strategies used by the colleges are factors that influence students college decision (Jager, & Jan, 2015). Fosu & Poku (2014) conducted a study in Ghana and their findings revealed that there are many factors that influence the choice of a college for a student but top five factors that influence the choice were, educational programme offered, quality of education, recognition of the degree by an employer for a job, internet facility and the college library. According to Joseph et al., (2005) college facilities is an important factor that a student sees while making a choice for college. Saif et al., (2016) conducted a study to find the factors that influence student's choice for a college. The college reputation, place, quality of lecturer, online facilities, technical facilities, the advertisements done by colleges, price and the surrounding of the college, were factors that were identified. The two main factors that were most important factor in choice decision of students were the college reputation and online activities and services of the college. Broekemier (2002) studied grown-up college students with respect to their inspiration for going to college and factors that influenced their college choice. Factors identified in the study were landing at better job, acquiring general information, and upgrade of confidence was most often referenced. Accessibility of wanted classes, location, cost and workforce.

2.1 Research gap

The above literature shows different factors that influence choice decision of student for college choice. These were reputation of the university, academic performance, and geographical location, teachers' guidance, family, alumni

and personal influence. Farhan et al, (2012) stated career. (Jager, &Jan,2015) stated College reputation and different marketing strategies. Fosu & Poku (2014) stated educational programme offered quality of education, recognition of the degree by an employer for a job, internet facility and the college library individual assumptions, inspirations and desires, and also impacted by the family, peers, family members, media, educators, and so forth (Gajic, 2010). Joseph et al.,(2005) stated college facilities. Saif et al., (2016) stated college reputation, place, and quality of lecturer, online facilities, and technical facilities, the advertisements done by colleges, price and the surrounding of the college. Broekemier (2002) stated better job, knowledge, accessibility of wanted classes, location, cost and workforce. The literature also shows the overall effect of price on student’s enrollment decision. These literatures do not show the effect of tuition fees on student’s choice of college .Therefore, the study is done to fill this gap and see if there is any effect of tuition fees charged by the colleges, in choice decision of student and also, mediation effect of household income.

3. Materials and Methods

3.1 Objective of the study

1. To see the factors that affect students college choice decision
2. To study the effect of tuition fees on students choice of college mediated by household income.

3.2 The hypothesis is developed from the existing literatures

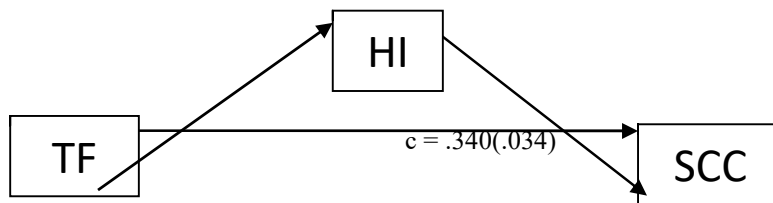
H1: There is a significant relationship between tuition fees and students college choice factors mediated by the household income.

3.3 Methodology

The study has been taken Kathmandu region. Students from top five colleges of Kathmandu were taken for the study. The survey was done taking 700 students from college. The questionnaire consist of factors of students choice decision took from the finding of (Farhan et al, 2012), (Jager, &Jan,2015), (Fosu & Poku ,2014), (Gajic, 2010), (Joseph et al., 2005), (Saif et al., 2016) , (Broekemier ,2002). The factors that have been identified are location, placement, infrastructure, reputation and academic quality. The factors that affect student’s choice decision in Kathmandu have been recognized by using Smart PLS 3. Another set consists of impact of price on student’s college choice. Regression analysis and mediation has been done using SPSS and Sobel calculator.

4. Data Analysis and Result

Fig 1. Proposed Model



- * TF- Tuition fee
- *HI :- Household income
- *SC:- Students college choice

The study was done to effect of tuition fees on student’s choice of college mediated by household income. Tuition fee is the independent variable , students college choice is the dependent variable and household income is the mediator taken for the study.

Factor Analysis

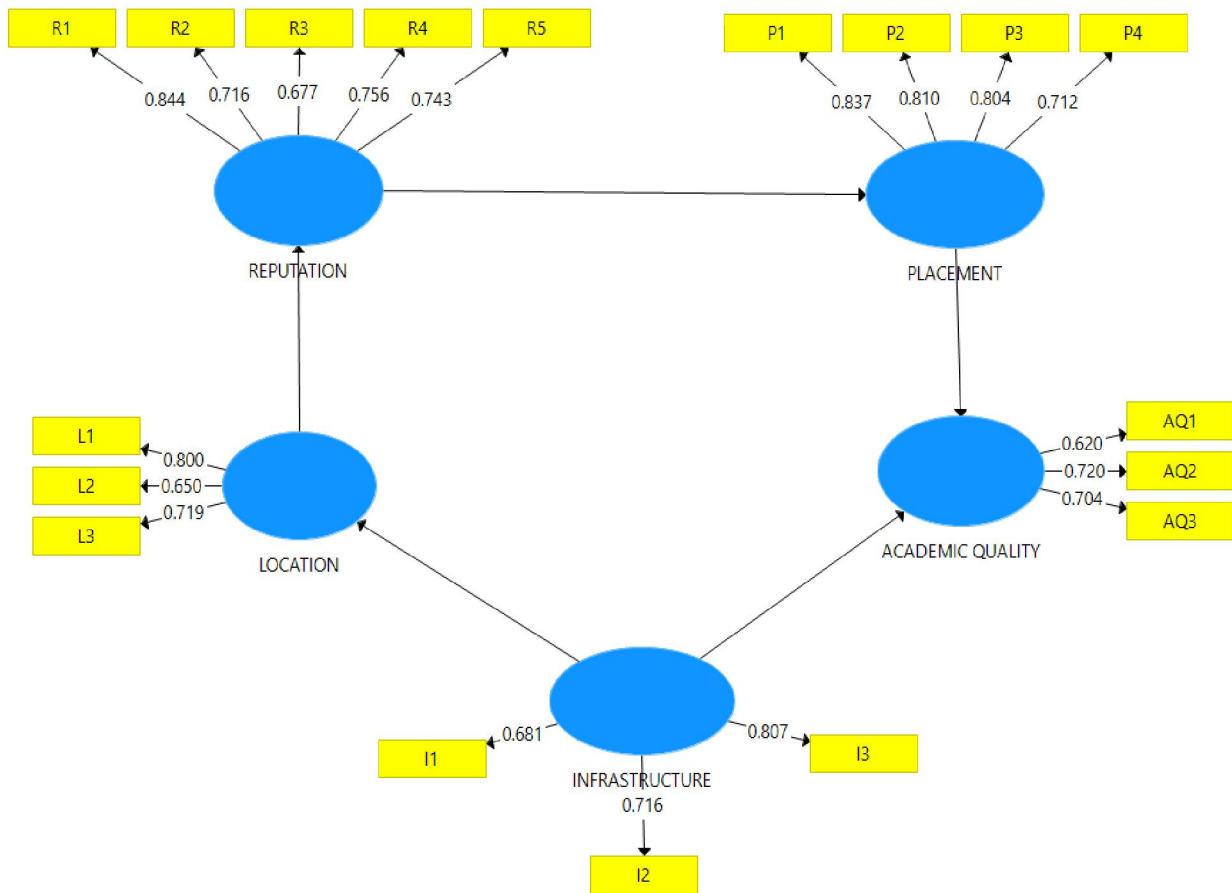


Fig: 2 Outer loadings

Source: Authors

Table 1: Factor Loadings

Factors	Loadings
Reputation	
The brand name of the college has been effective in choosing a college	0.844
The image of the college has been effective in choosing a college	0.716
The national and international recognition of the college has been effective in choosing a college	0.677
The online presence of college has been effective in choosing a college	0.756
The academic reputation has been effective in choosing a college	0.743
Placement	
The number of companies coming to offer job has been effective in choosing a college	0.837

The number of past students getting campus placement has been effective in choosing a college	0.810
The job opportunity the college can provide me has been effective in choosing a college	0.804
Part-time jobs provided by the college me has been effective in choosing a college	0.712
Location	
The nearness of college from my residence has been effective in choosing a college	0.800
The conveyance to reach college has been effective in choosing a college	0.650
The facility of staying in college has been effective in choosing a college	0.719
Infrastructure	
The buildings of college has been effective in choosing a college	0.681
The safety inside college campus has been effective in choosing a college	0.716
The physical facilities in the college has been effective in choosing a college	0.807
Academic Quality	
The quality of lectures has been effective in choosing a college	0.620
The courses offered has been effective in choosing a college	0.720
The examination result of college has been effective in choosing a college	0.704

Table 1 shows factor analysis, with loadings. The figure 1 shows the factor analysis that has been done using smart PLS 3. In the given table and the model, all the factor loadings are above 0.5, thus all the factors are acceptable.

Table 2: Model Fit

	Saturated Model	Estimated model
SRMR	0.033	0.107
NFI	0.929	0.893

Table 2 shows the result of the model fit. For the model to be fit the SRMR value and NFI are the two main values , which has to be considered. The SRMR value should be less than 0.08 or 0.1 The NFI value should be from 0 to 1. The value nearer to 1 gives a better fit. Hence, the table 2 shows that the model is fit, fulfilling the criteria of model fit .

Table 3: Composite Reliability and Average Variance Extracted

	CR	AVE
ACADEMIC QUALITY	0.766	0.522
INFRASTRUCTURE	0.780	0.543
LOCATION	0.768	0.526
PLACEMENT	0.871	0.628
REPUTATION	0.864	0.561

Table 3 shows composite reliability and average variance extracted. The composite reliability should be greater than 0.7 (CR>.7) and average variance extracted should be greater than 0.5 (AVE> 0.5). If AVE is less than 0.5 it is a matter of question as, it does not show convergent validity (Thi-Duong et al., 2022) . The CR and AVE values for all the five factors are showing good fit in the above case.

Table 4: Discriminant Validity

	ACADEMIC QUALITY	INFRASTRUCTURE	LOCATION	PLACEMENT	REPUTATION
ACADEMIC QUALITY	0.723				
INFRASTRUCTURE	0.504	0.737			
LOCATION	0.564	0.520	0.725		
PLACEMENT	0.539	0.571	0.511	0.792	
REPUTATION	0.452	0.470	0.520	0.470	0.749

Table 4 shows the discriminant validity. From the above table one can see that for all the five factors the square of AVE 0.723, 0.737, 0.725, 0.792 and 0.749 are greater than the values that are falling vertically below them. Thus, showing discriminant validity.

4.1 Hypothesis testing

H1: There is a significant relationship between tuition fees and students college choice factors mediated by the household income.

Linear regression was done to see the relationship between tuition fees and students college choice. There are five factors that have been identified from the previous literatures. To check the relationship between tuition fees and students college choice, each of the five factors relationship with tuition fee of the college has been analyzed. This was done to test the first hypothesis.

For mediation analysis Sobel test was done, using the sobel test calculator (Interactive Mediation Tests (quantpsy.org)). This test is used for those hypothesis where independent factor (X) and dependent factor (Y) is affected by a third variable or not. This third variable is called the mediating variable (Preacher 2020). As, the study has identified five factors of college choice decision, therefore mediation analysis will be done on each factors, where (HI) i.e household income will be the mediating variable between tuition fee and students college choice.

1. Relationship between tuition fees and college reputation

The Tuition fee significantly predicted reputation, $F(1,698) = 109.288, p < 0.000$, indicating that tuition fee can have an effect on location choice of students location ($b = .351, p < 0.000$), showing a positive relationship between tuition fees and reputation choice of students.

Table 5: Regression model summary

Regression model	Regression weights	Beta Coefficient	R ²	F	p-value	Significant relationship
1	TF → R	.351	.134	109.288	0.000	Yes

Note * $p < 0.05$. Tuition fee -TF, Reputation -R

From the above table we can conclude that a college’s tuition fee will have an effect on student’s college choice given the reputation factor of college.

1.1 Relationship between tuition fees and college reputation choice mediated by the household income.

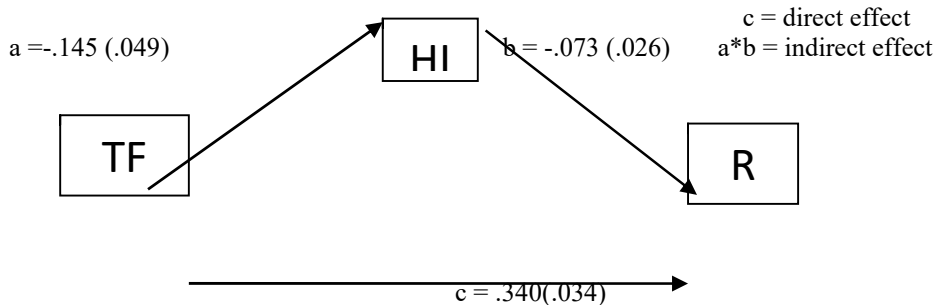


Fig 3. Unstandardized regression coefficient and standard Error

Mediation analysis was done by conducting the sobel test for which sobel test calculator was used. There is a significant relationship between tuition fee and reputation, where $b = -.145$, std. error = .049 and $p = .003$. There is an effect of Tuition fee and household income on reputation, where $b = -.073$, std. error = .026 and $p = .005$. After calculating these values using sober test calculator the p value that we got was $p = 0.04$ which is less than 0.05 and therefore is statistically significant. Thus, showing a mediation effect. Hence, we conclude that Relationship between tuition fees and college reputation choice is mediated by the household income.

2. Relationship between tuition fees and students college placements

The Tuition fee significantly predicted college placement, $F(1, 698) = 134.273, p < 0.000$, indicating that tuition fee can have an effect on placement choice of students, $P(b = .450, p < 0.000)$, showing a relationship between tuition fees and placement choice of students.

Table 6 Regression model summary

Regression model	Regression weights	Beta Coefficient	R ²	F	p-value	Significant relationship
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2	TF → P	.450	.162	134.273	0.000	Yes
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Note * p<0.05. Tuition fee -TF, Placement-P

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From the above table we can conclude that a college’s tuition fee has an effect on the student’s placement choice of college.

2.1 Relationship between tuition fees and college placement choice mediated by the household income.

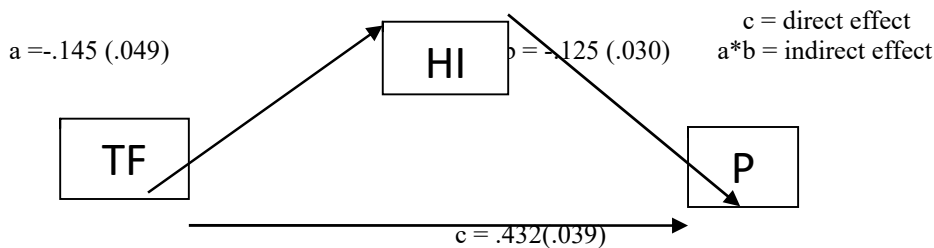


Fig 4. Unstandardized regression coefficient and standard Error

Mediation analysis was done by conducting the sobel test for which sobel test calculator was used. There is a significant relationship between tuition fee and household income , where b = -.145 , std. error = .049 and p= .003. There is an effect of Tuition fee and household income on placement , where b = -.125 , std. error = .030 and p = .000. After calculating these values using sober test calculator the p value that we got was p = 0.01 which is less than 0.05 and therefore is statistically significant. Thus, showing a mediation effect. Hence, we conclude relationship between tuition fees and college placement choice is mediated by the household income.

3. Relationship between tuition fees and students college academic quality choice

The Tuition fee significantly predicted academic quality, $F(1,698) = 97.377$, $p < 0.000$, indicating that tuition fee can have an effect on location choice of students , AQ ($b = .391$, $p < 0.000$), showing a relationship between tuition fees and academic quality choice of students.

Table 7 Regression model summary

Regression model	Regression weights	Beta Coefficient	R ²	F	p-value	Significant relationship
3	TF → AQ	.391	.152	97.377	0.000	Yes

Note * p<0.05. Tuition fee -TF, Academic quality- AQ

From the above table we can conclude that a college’s tuition fee has an effect on the student’s academic choice for college.

3.1 Relationship between tuition fees and college academic quality choice mediated by the household income.

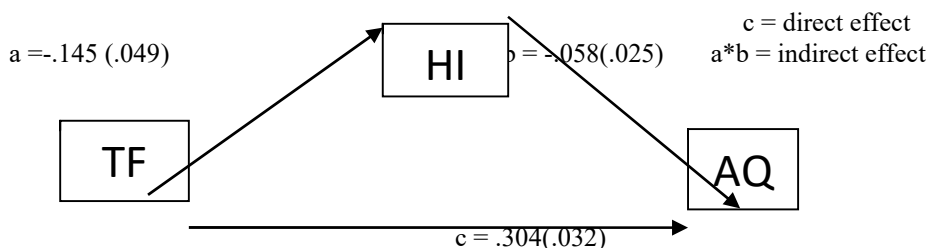


Fig 5. Unstandardized regression coefficient and standard Error

Mediation analysis was done by conducting the sobel test for which sobel test calculator was used. There is a significant relationship between tuition fee and household income , where $b = -.145$, std. error = .049 and $p = .003$. There is an effect of Tuition fee and household income on academic quality, where $b = -.058$, std. error = .025 and $p = .018$. After calculating these values using sober test calculator the p value that we got was $p = 0.06$ which is greater than 0.05. Thus, showing no mediation effect . Hence, we conclude the relationship between tuition fees and college academic quality choice is not mediated by the household income.

4. Relationship between tuition fees and students college infrastructure choice

The Tuition fee significantly predicted infrastructure , $F(1,698)=81.046$, $p < 0.000$, indicating that tuition fee can have an effect on infrastructure choice of students ,I ($b=.290$, $p < 0.000$), showing a relationship between tuition fees and college infrastructure choice of students.

Table 8 Regression model summary

Regression model	Regression weights	Beta Coefficient	R ²	F	p-value	Significant relationship
4	TF → I	.290	.114	81.046	0.000	Yes

Note * $p < 0.05$. Tuition fee -TF, Infrastructure-I

From the above table we can conclude that a college’s tuition fee has an effect on the student’s choice for college when it comes to college infrastructure.

4.1 Relationship between tuition fees and college infrastructure choice mediated by the household income.

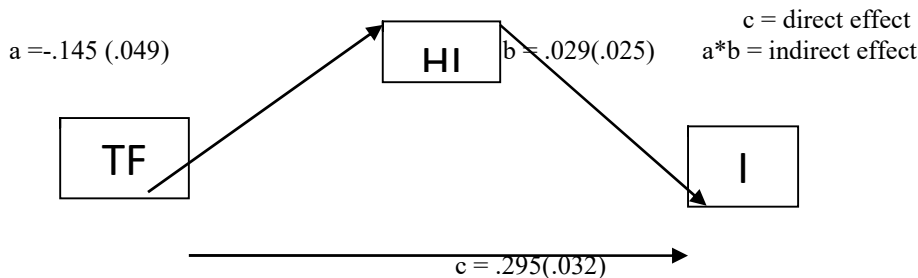


Fig 6. Unstandardized regression coefficient and standard Error

Mediation analysis was done by conducting the sobel test for which sobel test calculator was used. There is a significant relationship between tuition fee and household income , where $b = -.145$, std. error = .049 and $p = .003$. There is no effect of house hold income on infrastructure choice of students where $b = .029$, std. error = .025 and $p = .21$. After calculating these values using sober test calculator the p value that we got was $p = 0.2$ which is greater than 0.05. Thus, showing no mediation effect. Hence, we conclude the relationship between tuition fees and college infrastructure choice is not mediated by the household income.

5. Relationship between tuition fees and students college location choice

The Tuition fee significantly predicted location, $F(1,698)=81.677$, $p < 0.000$, indicating that tuition fee can have an effect on location choice of students , L($b=.358$, $p < 0.000$), showing a relationship between tuition fees and college location choice of students.

Table 9 Regression model summary

Regression model	Regression weights	Beta Coefficient	R ²	F	p-value	Significant relationship
5	TF → L	.358	.105	81.677	0.000	Yes

Note * $p < 0.05$. Tuition fee -TF, Location - L

From the above table we can conclude that a college’s tuition fee has an effect on the student’s choice for college when it comes to college location.

5.1 Relationship between tuition fees and college location choice mediated by the household income.

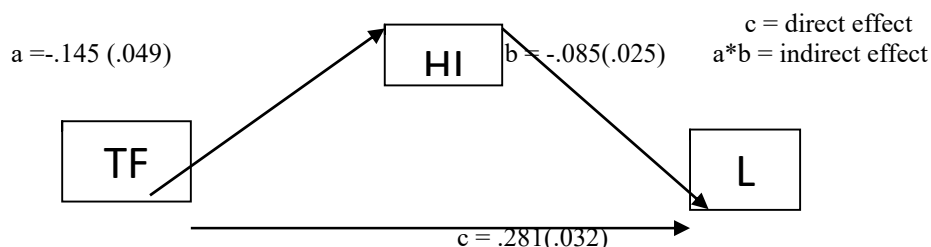


Fig 7. Unstandardized regression coefficient and standard Error

Mediation analysis was done by conducting the sobel test for which sobel test calculator was used. There is a significant relationship between tuition fee and household income, where $b = -.145$, std. error = .049 and $p = .003$. There is no effect of house hold income on location choice of students where $b = -.085$, std. error = .025 and $p = .001$. After calculating these values using sober test calculator the p value that we got was $p = 0.02$ which is less than 0.05 which is less than 0.05 and therefore is statistically significant. Thus, showing a mediation effect. Hence, we conclude that household income has a mediating effect on tuition fee and location choice of college.

5. Discussion

Education industry is a growing industry. There are many numbers of customers and so, much number of providers also. There is high competition between colleges at local and national level. With increase in number of students who wants to pursue higher studies, the competition for enrollment has emerged between the colleges (Smith. at el., 2017). For a student to chose a college is not an easy decision to make. College is an investment of money and time. A student by getting enrolled in a college is taking a risk of his/her future. Therefore, choice of a college should be done very properly. The study has taken Kathmandu region for the study. Kathmandu is the capital of Nepal and the hub of education, in Nepal. Therefore, the study was conducted here. There are many marketing factors and other factors that affect college enrollment decision. Here, the study has found out the factors that affect the choice decision of students, before getting enrolled. Choice decision is when students have not yet decided to join a particular college. This happens before the enrollment decision is made by the students. There were five factors that affected the college choice decision of students. These were reputation, placement, location, infrastructure and academic quality. All these factors of a college affect the college choice decision of a student. The study further show relationship between the college tuition fees charged by the colleges and five colleges choice factors. The result of the study showed that all the factors of college choice were affected by the tuition fees of the colleges. Further, the study showed mediation analysis using the sobel test and sobel calculator. The study wanted to see if the household income acts as a mediator between tuition fee and students college choice. The result of the mediation analysis showed that the household income mediates the relationship between tuition fee and reputation, tuition fee and placement, tuition fee and location, but there is no mediating effect of household income on relationship between tuition fee and academic quality and also, infrastructure of the college.

6. Conclusion

There were five factors that affected the college choice decision of students. These were reputation, placement, location, infrastructure and academic quality. All these factors of a college affect the college choice decision of a student. These factors were extracted by using PLS-SEM technique. These factors were extracted by using PLS-SEM technique. A model has been presented in the study, showing these factors. The model fits under the model fit value and discriminant and convergent validity is also shown in the study, to validate the model. 700 college going students were taken for the study from the top 5 colleges of Kathmandu. The study showed that a relationship exists between tuition fees and all the factors of student's college choice as seen from the result of the study. Relationship between tuition fee and each factor of student's college choice has a relationship. That concludes that there is an effect of tuition fee on student's college choice factors. The study also shows mediation model for each factor of college choice. The mediation model has used sobel test. The mediation effect of household income could be seen on three factors relationship with tuition fee, those were reputation, placement and location. In case of other two factors academic quality and infrastructure of the college; household income had no mediating effect on relationship between these factors and tuition fees.

7. Managerial Implication and Limitation

The study can be utilized by the marketers to come up with creative marketing strategies, when it comes to doing marketing for a college. Understanding the findings of the study will help them to understand ways in which they can attract students and come in their choice list of college. For educational policy makers also, the study is beneficial as, they can understand the mindset of students related to tuition fee and income and also, choice of college and work on these factors. Colleges can make policies and provide different financial aids to the students. The colleges by understanding the choice factors can work on these factors in the best way possible, so as to attract the students. The study will give colleges a new perspective by which they can attract the students and implement communication strategies and advertisements. The model made in the study can be used for further study or for understanding purpose.

The study also, comes with few limitations. Further, study can be done to cover these limitations. The study does not show if gender has any effect on student college choice. Further study can be done to see the moderating effect of gender as tuition fee and students college choice factors. The study sees the mediating effect of household income only. Further, study can be done to see the effect of various income groups on tuition fee and students college choice factors. The study has been conducted in Kathmandu region; similar study can be carried out in different areas and countries.

8. References

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