What attracts mainland Chinese students to Australian higher education

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Abstract

This paper analyses the factors that influence mainland Chinese students’ choice of Australia as their study destination. China is the main source of international students and is one of Australia’s leading export markets for education services, but the study of international students is not in the mainstream of any discipline. Two stages were employed in this research. Stage one was a quantitative study using a MaxDiff (Maximum Difference) Scaling. A sample of 65 potential students who were considering studying overseas was selected in China. The respondents were asked to specify their “best” and “worst” choices from sets of four statements. This stage identified what factors influenced students’ choice of study abroad. Stage two comprised a further investigation of why students choose Australia. 30 students who are currently studying in Australia were interviewed. The findings found that Australia has become popular with Chinese students, and is preferred to both the United States and United Kingdom. The most important factors motivating Chinese students to study in Australia are future migration opportunities after graduation, Australia’s high quality of education, and competitive lower tuition fees and cost of living. By understanding the underlying factors attracting Chinese students to Australia, education providers can focus on their recruitment activities and enhance their marketing strategies.

Introduction

The aim of this study is to analyse mainland Chinese students’ choice of Australia as their study destination and associated factors that influence students’ decision-making processes. This study will contribute to knowledge in the research field of international education and use the MaxDiff approach to provide better understanding of Chinese students’ needs and expectations of Australian institutions. This work will give obvious benefit to education providers, researchers, marketers and policy makers who are involved in the field of international education, and possibly identify areas for future research.

International education has been a major growth industry globally over the past 30 years. Since 1995, the total number of international students has almost doubled and has reached 2.7 million globally (Organisation for Economic Co-operation and Development (OECD), 2006; Australian Education International (AEI), 2005).
From 2000 to 2004, the number of international students has increased by 41%. The numbers are predicted to grow to 7.2 million by 2025 (International Development Program (IDP), 2006b; Boehm, Davis, Meares, & Pearce, 2002). The growth in the global demand for international education has increased competition between host countries (Labi, 2006). More than half of international students choose their overseas study from four major host countries. The United States has around 22% of total international students, the United Kingdom has 11%, Germany has 10%, and France has 9%. Currently, China is the largest exporter of international students and it provides 15.2% of total international students (IDP 2006a; IDP; OECD).

International education was Australia’s eighth export earner in 2000 and fourth export earner in 2005. International student enrolment numbers grew by nearly 42% in 2004–2005 compared with student numbers in 1999–2000. Around 344,815 international students were enrolled at Australian domestic or overseas campuses in 2005. International education’s contribution to the Australian economy has reached $9.8 billion in 2006 (AEI, 2006). Since China is the largest source of students, it has become the target export market for all educational providers, including Australian institutions. The number of Chinese students in Australia rose from 68,895 in 2004 to 81,814 in 2005, which is an increase of 19% (AEI).

In recent years, the Australian international education market has had obvious growth. Australia has become the third biggest of international education providers amongst the top six host countries and has been regarded as a safe and friendly study destination by many international students including Chinese students (AEI, 2006). The industry is growing and becoming more competitive, but research on international students is not in the mainstream of any area of study (Altbach, 1989; Prugsamatz, Alpert, & Heaney, 2004), and not much research has been done about why mainland Chinese students choose Australia as their study destination. Thus, to gain a better share of the international education market in China, it is important that Australian educational providers are aware of why Chinese students choose to study in Australia and what factors influence their choice of destination. Research will help Australian institutions to ensure that students’ expectations and needs are understood and met, and ensure that students’ study in Australia is enjoyable and successful.

Why do mainland Chinese students study abroad?

The number of international students studying outside their home countries is growing rapidly. IDP Education Australia estimates that international students will increase to 7.2 million by 2025. This increased demand is derived from demand from the main source countries’ growth in household wealth, increased demand for higher education, low education capacity in some countries and growth in interest in studying abroad (Boehm, Davis, Meares, & Pearce, 2002). It has been more than 100 years since China first sent its students and scholars to study abroad (Hui, 2005; Wang, 2002). In that time, government-funded students studied abroad in order to bring home knowledge and believed that further studies could assist in building a strong country. In the 1960s, with the change of international political climate, the central government made adjustments in policies related to sending students and scholars abroad (Gareth, 2005). In 1978, the late Chinese leader Deng Xiaoping decided to expand the scope of sending students and scholars abroad. From 860 in 1978, there are currently 700,200 students and scholars studying in 108 countries and regions all over the world (Ministry of Education the
With only one child in most Chinese families, parents are making every effort to endure any financial burden to provide a good education for their children’s future. In 2001, a survey conducted by China’s National Statistic Bureau showed that more than 60% of Chinese families invest one-third of their income in their children’s education (Mazzarol & Soutar, 2001). A family’s spending on their children’s education is second only to their food expenses. Chinese parents and students perceive that a good education will guarantee a better future (Duan, 1997; Ashley & Jiang, 2000). A graduate with a foreign degree is classified as having better skills and being more employable in the market place of industry (Zhang, 2001; Fan & Gray, 2000; Gareth, 2005).

**Push and pull factors**

A great number of mainland Chinese students who leave the country for their higher education were influenced by “push and pull” factors (Mazzarol, 2002). Based on a study of existing literature, students’ choice of study destination is influenced by these factors. The “push” factors relate to the economic, social and political forces within the source country and the “pull” factors are associated with the characteristics of the host country that the student selects as a final study destination (Mazzarol, 2001).

**Push factors motivating study abroad**

Generally, push factors may affect the different segments within the Chinese market differently. Existing studies indicate that there are four push factors motivating Chinese students to study abroad. Firstly, China’s strong economic growth that commenced in 1979 boosted the Chinese economy to an average annual Gross Domestic Product (GDP) growth rate of 9.9% (Australian Department of Foreign Affairs and Trade (DFAT), 1999). China is becoming an increasingly important market for other East Asian economies and Australia. Fast economic growth in China has caused household income growth and more and more families can afford to send their children to other countries for education. Therefore, going abroad is no longer a major concern for the average Chinese family (Chinaview, 2006; Chinaorg, 2002). Secondly, going abroad to study has become a trend in Chinese society. Chinese parents perceive overseas education as having several advantages for their children such as getting direct exposure to foreign languages and culture, accessing a better education and building better skills for future competition in the job market after graduation (Yang, 2002). A third factor is that recently Chinese government policy has changed to a more positive attitude towards supporting international education. Starting this year, China’s government will begin paying more attention to self-funded students. According to studies by Mazzarol (2002) and Marginson (2001), the Chinese government’s policy on studying abroad has had a strong influence on the flow of Chinese students to study abroad (Mok, 2003). The fourth factor is that there is an inadequate supply of university places in China’s higher education (Zhao & Guo, 2002). In China, on average only 8% of Chinese high school graduates would be able to gain a place in local universities. IDP reported that high demand for higher education in China would continue to grow with the fast economic and social growth (Marginson). In China, the only way for a student to gain a university place is to pass the fierce competition of the national college entrance examination (MOE, 2006). Many affluent parents are worried by the high competition for a
higher education in China and consider sending their children overseas (Peterson, Hayhoe, & Lu, 2001).

**Pull factors influencing students’ choice**

Pull factors are those that operate within the host country and make that country attractive to students. Once a student and their family have decided to study overseas, several pull factors influence the decision of a host country. Based on Mazzarol’s (2002) study, there are at least six factors which are important to students’ choice:

1. Knowledge and awareness. The Chinese market is a brand-conscious market (Fam, 2000; Hiu, 2001); the host country's preference ranking has a great impact on students’ choice. Also, the reputation for quality of the destination country and the qualifications from the destination country are recognised in China.
2. Recommendation. This factor includes the influence of relatives, parents, and friends.
3. Cost. This relates to the cost of tuition fees, living expenses, travel cost, and social cost.
4. Environment. This is associated with climate, lifestyle, crime, safety, and racial discrimination.
5. Geographic proximity. This relates to the importance of geographic proximity to a destination country.
6. Social links. This relates to family and friends living in the destination country or whether family and friends have studied there. The host country's government policies, such as immigration policy, have a strong influence on the flow of Chinese students abroad. Baas (2005) revealed that many Chinese students in Australia who were planning to study abroad were not planning to return to China after graduation and see studying abroad as an immigration ticket.

International education in Australia has expanded rapidly, and it has had a great impact on the Australian economy. China’s economy has experienced significant growth since 1979. Now, China is the primary source country of international students, and Australia has become a popular study destination amongst Chinese students. Studies identified that students who choose to study abroad are pushed from China by several factors, such as a social trend of studying abroad in China in recent days, students not being able to gain easy entry into local universities, and Chinese government policy of encouraging studying abroad. At the same time, students are pulled to the host countries for many reasons. For example, students are attracted to study abroad to learn western culture, there is easier entry to an overseas university, improving English, and preparing for the future. Australia faces significant competition globally in the international education industry. To gain a better market share of the Chinese international education business, it is important that Australian institutions understand the Chinese market by knowing why students choose to study in Australia, what factors motivate their choices of destination, and what the needs and expectations of Chinese students are.

**Methodology**

This paper analyses the factors that influence mainland Chinese students’ choice of Australia as their study destination. This study is a preliminary study which uses
MaxDiff (Maximum Difference) Scaling on a small scale of samples; it serves to test the suitability of MaxDiff. To do so, two stages of studies were employed. Stage one, a quantitative study, identifies what factors influence students’ choice of study abroad. Stage two employed a qualitative method to further investigate why students choose Australia as their final study destination.

**Stage one**

In Stage one, a preliminary and exploratory study was undertaken in China in February 2006. The researcher approached 200 students who were considering studying abroad and a sample of 65 respondents completed the survey, giving a response rate of 32.5%. Data were gathered using a self-administered survey translated into Mandarin. To encourage the sample groups to be more responsive to the survey, a Maximum Difference Scaling (MaxDiff) was used in this study. It was developed by Finn and Louviere in 1992, and has been widely used in marketing and social surveys. MaxDiff was considered for this survey as it has never been used before in this type of research; it is an easy, new, popular approach and offers an easy interpretation of attitude measurement in current marketing research practice. It is also time-saving for participants to respond to the questions. The questionnaire used MaxDiff; it contained 12 groups of statements, each with four statements for comparison. The statements focus directly on the objectives of study abroad intentions, knowledge about the host countries, sources of information and aspects of decision-making. Each group of four statements used response categories of “most” and “least” that most applied to the participants and least applied to the participants. A sample of the scale is shown in Table 1.

<table>
<thead>
<tr>
<th>Statement that applies MOST to you</th>
<th>Statement that applies LEAST to you</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Why do you choose to study overseas?</td>
<td></td>
</tr>
<tr>
<td>□ An overseas course is better</td>
<td></td>
</tr>
<tr>
<td>□ Difficult to gain entry in China</td>
<td></td>
</tr>
<tr>
<td>□ Intend to immigrate to the host country in the future</td>
<td></td>
</tr>
<tr>
<td>□ Better understanding of Western culture</td>
<td></td>
</tr>
</tbody>
</table>

The majority of students in the survey were aged 19–22 years (54%), with 38% in the 23 and over age group, and only 8% below 19 years. There were nearly equal numbers of males and females in the survey population. A simple counting analysis option was used. The “most” choices were scored as plus one, the “least” choices as minus one and the two non-choices as zero to create a single data set (Chrzanz, 2005).

**Stage two**

In Stage two, a further qualitative study of an in-depth, one-to-one interview was conducted in Australia in September 2006. Thirty mainland Chinese students who are currently studying at Central Queensland University were interviewed. The interview questions probed students’ motives for studying abroad, influencing factors on their decision-making process, and why Australia was chosen specifically.
The majority of students were in the 23 and over age group (90%); only 10% were in the 19–22 years age group. There were 53% male students and 47% female students. There were 70% postgraduate students and 30% undergraduate students of total thirty students.

**Results**

**Key findings of Stage one**

The results of the Stage one survey indicate that Australia has become popular with Chinese students, and is preferred to both the United States and the United Kingdom. Table 2 shows the preferences of students’ country choice. Thirty-seven percent of respondents were considering Australia as their study destination, 24% the United States and Canada, 17% the United Kingdom, 17% other European, and 5% other countries. Of those students who had already decided to undertake overseas study, 49% of students preferred Australia, 23% preferred the United Kingdom, 15% preferred the United States and Canada, and only 13% preferred other countries. Overall, the majority of students perceived that an overseas course is better and offers a high quality of education and it was the most important factor motivating them to study abroad, which supports previous studies. The second most important influence was the difficulty of gaining entry into higher education in China and the least important influence was a better understanding of Western culture. Compared with Mazzarol’s (2002) study, a better understanding of Western culture seemed less appealing to the Chinese students in this survey.

**Table 2. Students’ decision on study destination**

<table>
<thead>
<tr>
<th>Country</th>
<th>Considering study overseas</th>
<th>Decided to study overseas</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>37%</td>
<td>49%</td>
</tr>
<tr>
<td>USA and Canada</td>
<td>24%</td>
<td>15%</td>
</tr>
<tr>
<td>UK</td>
<td>17%</td>
<td>23%</td>
</tr>
<tr>
<td>Other European</td>
<td>17%</td>
<td>–</td>
</tr>
<tr>
<td>Other</td>
<td>5%</td>
<td>12%</td>
</tr>
</tbody>
</table>

Table 3 shows the results of “knowledge and awareness” of a host country. The analysis revealed that over 49% of those students who have decided to study in Australia were influenced most by Australia’s high quality of education and future migration opportunities after graduation and influenced least by the lower level of racial discrimination in Australia. Compared with previous studies, the results on future migration opportunities after graduation revealed that Chinese students seem to be responding positively to Australia’s migration policy of recruiting skilled labour, which is starting to have a significant impact on Chinese students’ choice of Australia as their study destination.
Table 3. Factors influencing students’ decision-making

<table>
<thead>
<tr>
<th>Survey Questions</th>
<th>Most significant influencing factor</th>
<th>Second significant influencing factor</th>
<th>Third significant influencing factor</th>
<th>Least significant influencing factor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Why do you choose to study overseas?</td>
<td>An overseas course is better</td>
<td>Difficult to gain entry into higher education in China</td>
<td>Intend to immigrate to the host country in the future</td>
<td>Better understanding of Western culture</td>
</tr>
<tr>
<td>Why do you choose Australia for your study destination?</td>
<td>High quality of education</td>
<td>Future migration opportunity</td>
<td>Lower cost of living and tuition fees</td>
<td>Lower level of racial discrimination</td>
</tr>
</tbody>
</table>

The results of the Stage one survey show that Australia has become popular with Chinese students, and is preferred to both the United States and the United Kingdom. The most important factor motivating Chinese students to study outside China is a desire to have a higher quality of education and a better career in the future. The least important factor influencing students’ choice is part-time job opportunities and being close to their home country. The choice of destination was the joint decision of students and parents. Family is the main source for fees and expenses. However, the students’ choice is most greatly influenced by future migration opportunity after graduation.

Key findings of Stage two

The results of the Stage two interviews show that a number of factors motivated the students to study abroad which supports the findings in Stage one and existing studies by Mazzarol (2002), Pimpa (2003), Prugsamata, Pentecost, and Ofstad (2006), and Colmar and Brunton (2004). Irrespective of whether they were the most or the least influencing factors, students were motivated by the following factors:

- Gain western experience
- Have international exposure
- Learn western culture
- Learn to be independent
- Improve English
- Difficult to gain entry in China
- Become better prepared for their career in the future
- High quality of education
- Wide range of programs
- Overseas education is better
- Challenges
- Family’s financial background
- Have broader perspective on life
- Travel
- Future migration opportunity after graduation.
The respondents considered Australia as their study destination because of the following factors:

- English-speaking country
- World-class education system
- Climate
- Lifestyle
- Improve English skill
- Good reputation
- Qualification is recognised in China
- Easy and quick visa application process
- Part-time jobs
- Lower level of crime and discrimination
- Lower cost of living and tuition cost
- Parents, relatives or friends’ recommendation
- Education agent’s recommendation
- Relatives and friends living or studying in Australia
- Future migration opportunity.

**Critical factors for studying abroad**

The majority of students expressed the view that the most important reason for them to study abroad was to gain an internationally recognised qualification, as they perceived an overseas course was better than a local one. The next most important factor was the difficulty of gaining entry into higher education in China. Around 85% of students did not gain admission to the university of their choice in China. Also, around 75% of students stated that gaining permanent residence was a major motive.

**Critical factors for choosing Australia as the study destination**

The analysis found two key motives for students’ choice of Australia as their study destination. First is the future migration opportunity after completing their education in Australia. This is most attractive to respondents, with 97% of students claiming that they were influenced by this factor. Students were attracted by Australia’s skilled migration policy and seeking permanent residency in Australia after completion of their studies. Most of the students claimed that their program choice was based on the profession list of skilled migration, with around 87% of respondents currently studying an accounting program and 10% studying an information technology program. A minority of students stated that they planned to return to China for a better career when they finished their studies.

Second, Australian higher education offers competitive lower tuition fees amongst English-speaking host countries and provides high quality and world-recognised education. Many of the students viewed the Australian education system as of world-class quality and this perception had an impact on their choice of destination. Some students actually preferred the United States of America as their first choice but they chose Australia as their final destination as they viewed Australia’s competitive lower tuition fees and cost of living as the more cost-effective option. Some students stated that they applied for visas from both the United States of America and the Australian embassy and were granted a visa from the Australian embassy first. A minority of students stated that they were attracted by the Australian climate and lifestyle.
Discussion

The MaxDiff scaling was appropriate for use in this study. The task is simple to complete, but the data generated was far more powerful than the rating scales method. All participants were first acquainted with the MaxDiff scaling. Participants responded positively to the survey and commented that it had an easy and friendly format to respond to and took little to respond to, and that the choices were straightforward. Based on two stages of studies of students’ choice of study abroad and host countries, the study revealed that several factors influenced students’ choice. The Stage one study found that the most significant influencing factor for study abroad is that an overseas course is better, and the second significant factor and third significant factor is intention to immigrate to the host country after completion of study, the findings are same as found at the stage ones. The findings of the Stage two study revealed that future migration is the most significant factor in choice of Australia, with lower tuition fees and cost of living as the second significant factor. Compared with the Stage one study and previous studies, the results on future migration opportunities after graduation revealed that mainland Chinese students seem to be responding positively to Australia’s skilled migration policy of recruiting skilled labour.

Education agents’ recommendation and consultation are the least important influence on students’ choice but most students still approached agents for their institution’s admission application and visa application process. In recent years, education agents in China have played a less important role in students’ decision-making process due to the diminishing credibility of their service but they still play an important role in admission and visa application processes. This might explain why students viewed online information and attending education exhibitions as important factors for their information collection. The majority of respondents preferred to access the official websites for first-hand information of the country and institutions. Around 75% of students stated that they prefer websites in the Mandarin language so that they can have a better grasp of the meaning of information and their parents could participate in the information collection process.

Conclusion

This study has found that skilled migration policy has a great impact on students’ choice of destination and program selection. The main reason for choosing accounting and information technology programs among interviewed students was based on future migration opportunity. The export of international education is also policy driven (DFAT, 2005). With the recent changed migration policy of raising the English requirement, cancelling work experience requirements, and setting up a professional year and two years of working visa, students will face tougher constraints on skilled migration applications when they graduate. Recently, Australia, France, Japan and New Zealand have had significant growth in the global international education market but amongst our competitors, Australia is facing an increasingly tough market not just from English-speaking host countries but also recently other European and Asian countries (DFAT; AEI, 2006). Quality of education is likely to remain the most important factor influencing students’ destination choice. Where will Australian educational services stand in the future in this global market? How will Australia sustain its market share? Adams (2006) suggests that the key to future Australian success in the competitive global market to attract international students is the ability to support and satisfy the needs of students and ensure we keep the promise of delivering an excellent study.
experience, ensuring students’ academic success and fulfilling students’ career goals.

This study is just a preliminary study, but it serves to provide some information about mainland Chinese students’ choice of study abroad by using MaxDiff scaling. It does not aim to draw definitive conclusions, and its purpose was to test the suitability of MaxDiff. The study is limited in several respects. In particular, the sample size was small and from only one institution. For this reason, the findings may not necessarily generalise to other students, but it could be expanded at a practical level to make it more generalisable. For example, institutions might adapt the research design to find out what motivates their students’ enrolment choices so as to market better. In addition, there are many issues worth exploring further. These include how students choose the institutions, their needs for their Australian education, the impact of immigration policy on students’ program choice; and how support services impact students’ academic success.

References


