

# MARKETING RESEARCH: AN EMPIRICAL STUDY ON CONSUMPTION OF EDUCATIONAL PRODUCTS IN CHINESE UNIVERSITIES

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# AN INDEPENDENT STUDY SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION GRADUATE SCHOOL OF BUSINESS SIAM UNIVERSITY

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#### **Abstract**

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In recent years, the problem of education consumption, especially the problems of higher education consumption have not only become the focus of public attention, but also become a research highlight of education and economics. But due to the different understanding in consumption of education, most scholars generally, based on the macro environment of higher education consumption, from the perspective of economics and sociology, explore its impact on social development and national economic growth, as well as under the current level of income, the crowding effects to the consumption of residents' daily life brought by high consumer spending on higher education. This paper is bases on university, the microcosmic educational consumption environment, references the research methods of consumption economics, starts from a few of basic elements in consumption activities, takes the educational products as the consumption object, takes the college students as the main body of the consumer, researches the current consumption status of educational products in our country's university education, and the status of consumer satisfaction; and starting from the view of universities, puts forward some strategies for improving the current consumption situation, opposing the threat of competition, and guarantee the sustainable development of education products consumption.

In view of the debate in academic circles about the question of what the educational products, this paper put forward the overall concept of educational

products from the object of consumption -- the education products, and describes the composition level of content and the characteristics of product. On the research of consuming subject, this paper highlights the demands hierarchy of student consumers and identity characteristics different from the general consumers. After establishing what is the education product and who is the consumer, this paper highlights the bad consumption status of China's higher education products at present through the aspects of the consumption level, consumption structure and consumption utility, and impels the students changes the concept of study abroad to experience campus life. In other words, with the high level of consumption and the trend of its rising year by year, the consumption structure, especially the structure of consumption content is not reasonable with low consumption utility. By using of questionnaires and interviews, this paper investigates the consumption satisfaction of college student educational product of a few of different types of colleges and universities in Beijing areas. The result of the investigation shows that the college students' current satisfaction is generally low. This paper analyzes the threat of competition in the end which the colleges and universities face, puts forward the consuming object strategy, consuming subject strategy and consumer environment strategy to maintain sustainable consumption of consumer products in universities.

This paper adopts the research method integrating normative analysis and empirical analysis, quantitative analysis and qualitative analysis, focuses on study for consuming object, consuming subject and consuming status in micro field. It emphasizes use of the theoretical tools of consumer economics, takes the help of some theory judgments in marketing, and is combined with some statistical data and data from questionnaire survey, analyzes consumption problems of student education products in university to remedy the weakness of the research framework in educational consumption theory, promote integration between consumption economics, marketing theory and the theory of education economics, and improve the consumption quality of education product in colleges and universities, ensure the sustainable consumption of educational products, so that it provides some reference and basis for the survival and development in the increasingly fierce competition in

the education market.

Key words: Educational products; College students; Consumer satisfaction



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I realized that I am going to leave the campus, my dear teachers and classmates when I was about to start my paper writing. Taking my own luggage, I will start another journey of my life. Looking back at these two years of study in Thailand, I have made great efforts, struggled and learned a lot.

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In June, we have to say goodbye in this vast summer. The sky is very blue, the aroma of gardenia drifts in the wind. The last time we walked on the path hand in hand in the evening and heard some people singing the song we have sung in the twilight. We smiled at each other. The song reminded us of the past that we could not go back any more. Thinking of the past days, we have seen many farewells. Once we just watched others' parting, but today it is our turn, we say goodbye in summer wind. We prepare for this farewell with our whole youth. We have been ready for this farewell, but such solemn and ceremonious farewell will never occur again in the life, the tears are still rushing out from our deep heart, like the wonderful memories that will never come back to us...

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#### **CHAPTER 1**

#### INTRODUCTION

#### 1.1 Research Background

#### 1.1.1 Demand for Theoretical Development

The world higher education has funded by the country or the government for a long history. In twentieth Century, the public autonomy mode of higher education further expanded in the world; especially to many developing countries and the countries who was seeking modernization, it generated more effect. Since 1999, based on many problems such as the economy and jobs, domestics colleges and universities experience large scale of enrollment increase, so that teaching resources appear increasing constraints, the quality of higher education will naturally become one of the hot issues concerned by the society. At the same time, with the establishment of the socialist market economic system, the higher education reform is deepening, enrollment increasing of universities makes the higher education further market-oriented. But due to the different understanding of educational consumption, most scholars only focus on the macro environment of higher education consumption, discuss its influence on social development and improvement to national economic growth, as well as discuss that under the current level of income, high consumer spending on higher education will bring influence on resident's consumption of daily life. Therefore, the research for micro environment of university higher education consumption has become the weak link of the research framework of educational consumption theory. From the perspective of social reproduction, production and reproduction process of higher education, is same as the production and reproduction process in other industries, including production, distribution, exchange, consumption, such four aspects. As the last link of the production process, consumption has a significant impact on whether the "existing product" of colleges and universities can finally reach its "value", or consumption can be regarded as the issue for the "existing product" can be eventually accepted by society. Therefore, it becomes particularly

important that research consumption problem in university by taking the educational products provided by university as consumption goods. What is the educational products provided by universities, who consumes it and which characteristics appear in these consumers and how their consumption status is, all these problems need to be theoretically clarified.

With the trend of economic globalization, especially the integration of world economic development, the education globalization has also begun to appear. Since its joining the WTO, China has made several commitments on educational services and China's higher education markets has been opened up to foreign countries gradually. More and more foreign universities and colleges have begun to enter into China to seize the educational consumers. While in China, the government encourages private capital to invest in higher education. Besides, with the rapid development of information technology, new institutions and forms of higher education come out continuously. The services provided by social training institutions, virtual university, internal education and training department might become replacement of some college education thanks to its their advantages in practice, applied skills and etc., which might become thereat to the existing universities and colleges. A number of training programs designed specially to train scare networks and software professionals are welcomed by secondary and university graduates, therefore, these training programs will impact the source of undergraduate and graduate students. All of these will undoubtedly increase the pressure in competitions that China's universities and colleges face. Nowadays when social products are quite rich and with the background that the market competition is getting more and fiercer and consumers' power is getting higher and higher, as the provider of higher education products, universities and colleges are not only facing competitions from the domestic ones with the same class, but also threats from the new-type universities and colleges and new replacement products. Therefore, the universities and colleges shall confirm the products they provide – education products, understand the consumers' need, analyze and research the problems existing in the consumption of higher education products. Universities and colleges shall pay more attentions to consumption level,

consumption effects, consumption structure and consumers' satisfaction, at the same time, they shall optimize the product mixing, improve the product quality of higher education, enhance product brands and improve consumer satisfaction practically so that the consumption activities in universities and colleges could develop continuously to ensure the favorable position in the competition.

#### 1.1.2 Domestic Research

When exploring the view of educational product, the scholars in our country mainly focus on three aspects: existence of products, what is the product and properties of product, and then form the view of product existence, view of product content and view of product properties.

<1> View of educational product existence

It is thought by traditional economic theory that the third industry is a non-productive sector, which "eats peasant's meals and wears the workers' clothes". It does not produce any physical products. In an article in the China Education Daily in 2001, the idea of "education does not produce a product" was put forward. It thinks that education is just a process, involving educators and educated people, there are no products produced at all. This view treats the goods only as their physical forms produced to meet the material needs of the people by the first and second industries, which is traditionally right. However, with the promulgation of China's Decision on Accelerating the Development of the Third Industry, it clearly defines education as the "third industry" and it's true that the educational organizations do have products, which have been widely accepted. Education organizations have no product view, although it is only a small part of people's prejudices. But the view that the education organizations have no product, although it is truly existing, only a small part of people's prejudices.

#### <2> View of educational product content

Under the premise of admitting the existence of educational products, the content of educational product view begins to change into discussing what the educational products are. And as for this, education world and marketing world are also divided into different views. Even within the education world, four different perceptions

emerge:

- (1) On the view to treat students as products. It thinks that students are products of universities and colleges and fresh students are raw materials while graduate students are products. So education is just a processing process. During the consumption, person is one party while the products are the other. It puts educational organizations as processing industry so it treats the objects enjoy educational services who are enter into and get out universities and colleges in dynamic status as relationship between raw materials and finished products.
- (2) On the view to treat value-added as products. It thinks that educational products are achievements of educational activities and process, which is also personal harvest in knowledge, skills, various capabilities and spiritual life. It is the promotion of personal development or labor value. In a word, it involves personal training and growing up. It treats the emotions from certain effects and value-added after consumption as products which are attaining by the students from improvement in their knowledge, capabilities, mental health and comprehensive quality, which is to say that during the process that the consumers make use of the physical products and accept the invisible service from organizations.
- (3) On the view to treat education as service. It treats educational products as education service. The process when students are educated is the process to enjoy educational service. It doesn't involve results but the whole process of enjoying educational services provided by the universities and colleges for the students when they grow up from common workers to become owner of human capital who are so called "talents". It is the end of universities and colleges education when the students become "talents" and it is also the final achievements of educational services provided by the universities and colleges. Therefore, the products of universities and colleges are educational services but not talents.
- (4) On the view of combination product. It treats educational service as a product with special type and the products provided by education is a combined one which includes not only students, but also educational services. Universities and colleges provide service products to students and provide dual products of the student products

to the society, which forms a combination product of the quality of school education. While marketing world treat the products used in educational processes as educational products. Their intellectual support is provided by some educational organizations and they are produced by educational organizations jointed together with manufactures.

#### 1.1.2.1 Study on College Students as Consumers

It is not pointed out by educational consumption world for the first but it is based on the living consumption world to do the special survey on the modern college students in China as unique consumer groups. It makes survey on their consumption conditions, consumption psychology and consumption behaviors and the objects of their consumption are daily living consumption products and services. Within the education world, they accept the college students as people who are educated but not who are consumers. Therefore, the consumption of educational products, which is the highest proportion of college students' consumption expenditure, has become a neglected part of college students' consumption research. Many scholars don't begin their study on consumer issues in education world until the concept of educational consumption has been recognized by most people and paid close attentions to. But what they concern mostly are not college students as consumers, but more like from a macro point of view, the state, the government and the family are thought to be the main consumers. Only a small number of scholars try to study the right issues of college students on educational consumption. For example, Miaohui focuses on right protection of students as consumers in his Right to Know of Educational Consumption and Construction of Guarantee Mechanism.

#### 1.1.2.2 Study on Higher Education Consumption

Chinese scholars' research on the consumption of higher education starts after the reform and opening up. Before reform and opening up, education is invested by the government, and it is a kind of welfare that citizens deserve to enjoy. But along with the entering into of sharing theory of higher education cost introduced by American economist John Stone, education is no longer considered as pure welfare. It provides to the society a complex product or service, people who are educated, especially people who enjoy higher education, shall bear some costs at the same time.

Therefore, the consumption of higher education has aroused widespread attention in academia. In the study of higher education consumption, Chinese scholars mainly base themselves on the macro of higher consumption environment and revolve around the following train of thought. First, in the process of studying the consumption structure, we advocate increasing the proportion of education consumption, so as to put forward the necessity and important meaning of expanding educational consumption in the academia; second, the shortage of domestic consumption demand, the study centers on the expansion of domestic demand which carries on the expansion of higher education consumption demand of residents as an important policy to stimulate economic growth. The research achievements in recent years are reflected in contribution of higher education consumption to expand domestic demand and the domestic economic growth; third, the study of higher education consumption policy is from the standpoint of the government, to pay more attentions to countermeasures answering to the popularization of higher education.

#### 1.1.3 Overseas research

After review of the economical thinking and theoretical research on educational industry in overseas countries, it's easy to find the similarities and differences between eastern and western scholars from the following points: (1) they both think that education is with productivity and educational investment is productive one. (2) The rate of personal education returns is measured from the comparison of educational cost and labor income. (3) Using historical statistical data to make an empirical study on the effect of education on national economic growth. The differences are: (1) Because of the different class positions, the former Soviet scholars and Western scholars have different theoretical basis for the study of educational economy. The former one is based on Marx's theory of labor value, social reproduction theory and dialectical materialism, historical materialism, or Marx's economics; The latter is the human capital theory, the screening theory, the socialization theory, the new growth theory and etc.. The human capital theory has been challenged later. (2) The methods they employed are different. The former Soviet scholars mainly use the simplified labor ratio calculation method"; while

western scholars adopt many methods, such as discounted present value method, economic growth's residual analysis method, economic growth's multiple factor analysis method and regression analysis method and etc.. (3) They have different research views. The research views of the former Soviet scholars mainly focus on the contribution of education to national economic growth and the rate of personal returns of education and etc.; while western scholars have wider research views, besides the research on education to national economic growth and education returns rate, they also focus on, with the main line of human capital, the relationship between education and labor market, income allocation, culture, physiology, birth rate, even as well as state government mechanism and etc..

According to the related foreign literatures, the educational consumption has not been studied as a specialized problem by academia. The literature search results show that there is no such concept as education consumption and education product. In Britain, the theoretical research on educational products and educational consumption is mostly integrated in the theoretical research of educational industry. It is rarely to list it separately to discuss. In 1969, Kenneth Richmond from University of Glasgow published a monograph entitled The Education Industry, in which, the author sees education as a process based on the idea of the education industry, and sees the outcome of this process as an education product. While in the United States, such kind of research is integrated in marketing of high education. During 1960s, the view of "students consumers come first" is proposed. It defines the relationship between students and colleges clearly, which is to say that students enter into colleges as consumers to become buyer in a certain sense, while the colleges become seller. And the curriculums or majors in college and universities are only products of higher education. With the application of service marketing theory in the marketing research in universities and colleges, marketing experts in United States point out that students are not only consumers of higher education products, but also the third party during the consuming the education products, such as the products that enterprise need for in the future, so college graduates are final qualified products who have been educated by higher education. The view to treat students as a consumer of higher education and

a product of higher education has gained wide acceptance in United States. Therefore, overseas research on education consumption is mainly based on the data survey which centers on the state and the government, who is the main consumers, the basic situation of consumption, consumption structure and other aspects and make analysis according to the empirical analysis. The main purpose is to provide the decision-making basis for the country's investment in education, the drawing of reasonable charging standards and the perfection of the scholarship system and etc.. As for the study of higher education consumption, even if it mentions college students as consumers, it should emphasize the service concept of colleges and universities only from the point of protecting the interests of consumers. It is very rare to start with educational products consumption to analyze the consumption status and satisfaction of college students as consumers and from the point of products structure to discuss the research for the universities and colleges on how to improve the education quality.

In summary, studies on higher education products both at home and abroad have their own theoretical basis and their opinions are divergent, unable to agree on with another. Therefore, with the historical background when education consumption has becomes hot topic and higher education consumption has attracted unprecedented attentions, it seems particularly important to discuss the connotation and extension of education products in universities and colleges, to identify the characteristics and classifications of educational products and to combine the contents of the educational products. It becomes necessary for the ear to focus college students who are with direct perception of educational products to discuss their consumption situation and satisfaction and how the universities and colleges ensure sustainable consumption of education activities.

#### 1.2 Significance of the Research

#### 1.2.1 Theoretical Significance

This paper is based on the micro environment of education consumption, integrates empirical analysis and normative analysis the two methods, focuses the

present situation of consumption in higher education, emphasizes the research paradigm from consumer economics, launches the research from several basic elements of consumption activities, and provides people with a new perspective on observing education. With the help of some judgment in marketing theories, combined with some statistical data and the empirical research on questionnaire, analyze consumption problem of college students' educational product, research the consumption subject, consumption object, and consumption status of higher education consumption, so as to remedy the weakness of the research framework in educational consumption theory, improve integration between consumption economics, marketing theory and education economics.

#### 1.2.2 Practical Significance

At the time when the education globalization begins to appear and the competition is getting fierce, this paper analyzes the positioning of college students' consuming demand, consumption level, consumption structure and consumption effect of educational products and etc., especially the empirical survey on the consumption satisfaction. It can provide basis of decision for the decision of universities and colleges in establishing reasonable allocation and organization supply of effective education products, developing new products to meet consumers' demands, improving the quality of related educational products, drawing effective strategies to ensure the sustainable consumption activities of educational products. At the same time, it provide references for college students in confirming the classification of educational products consumed by themselves, understanding their identity characteristics that are different from the general consumers, expanding their right to know, choose and self-protection of education consumption for further to prompt them to adjust their consumer behavior more reasonably.

#### 1.3 The Theoretical Framework of the Research

In accordance with the present consumption situation of the development of educational products in colleges and universities in China, this paper takes the satisfaction level of educational products in Beijing as the research object, and obtains the data through the questionnaire in order to analyze the factors of consumption of educational products in China colleges and universities, to analyze the Cross - group frequency of consumer satisfaction level, and analyze the necessity of sustainable for educational products consumption in colleges and universities in China, and to put forward the corresponding countermeasures and suggestions.

These analyses provide decision support to better carry out educational services for our universities and improve their overall level of service. The main contents are as following:

Featuring unity, diversity, relevance and complexity, higher education products cannot be evaluated as other products. The index system in the study has four levels indexes to evaluated the satisfaction:

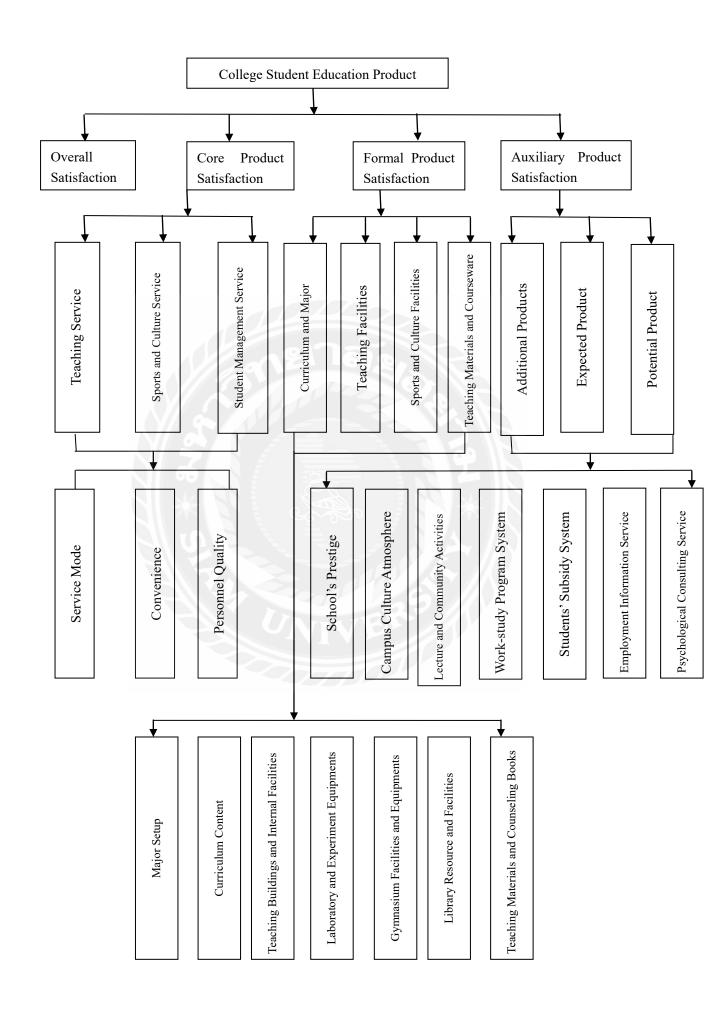
1<sup>st</sup> level indexes are overall evaluation index for satisfaction.

2<sup>nd</sup> level indexes contain four secondary indexes to evaluate education products.

3<sup>rd</sup> level indexes contain overall satisfaction, central product satisfaction, form product satisfaction, additional product satisfaction (additional product, expected and potential products treated as additional product here) and considering the specifics in different colleges. Sub-indexes such as for facilities and service quality are also included in this level.

4<sup>th</sup> level indexes transform above indexes as the questions in the questionnaire. The indexes in this level come from materials, investigation including the exchanges with professionals, students and their parents, and teachers. They are the factors that affect the satisfaction and give a hand to the design of the questionnaire.

The theoretical framework is showed as the below Table:



The Empirical Research on Satisfaction Level of Consumption of Educational Products in Colleges and Universities. In order to fully reflect the university students' satisfaction level on the consumption of educational products, mainly based on the consumer needs of the main body of consumption and the content of consumption object, to construct the index system, and to obtain data through the questionnaire survey, and to make the quantitative statistical analysis.

The Suggestions and Countermeasures to Improve the Satisfaction Level of Educational Products Consumption in Colleges and Universities. Based on the evaluation of students 'satisfaction level in the consumption of educational products, put forward the countermeasures and suggestions to improve the service of higher education and promote the students' satisfaction level.

#### **CHAPTER 2**

#### LITERATURE REVIEW

#### 2.1 The Basic Orientation of Educational Products in Colleges and Universities

#### 2.1.1 A Comparative Analysis of Two Views of University Product

Based on the different understanding of the output of higher education, in the definition of educational products, the scholars of our country have produced two opposing views which are the student product view and service product view of higher education.

<1> On the view to treat students as products – products of higher education is talents (students) trained by universities and colleges

People who agree with this view think that colleges and universities are an educational factory, while products are students and teachers are in charge of processing and marketing. It is the foundation for universities to train high-quality and marketable talent in order to survive and develop. This view can be analyzed from two perspectives. First of all, from the theoretical analysis of pedagogy, the essential function of education is to educate people, train people and promote human development. It centers on human. While the view that treats students as products makes the student who just stepped into the universities and colleges as the objects to be processed, neglects its position to be main body status. Secondly, from the theoretical analysis of economics, the talents as labor resources with high quality belong to the talents themselves, but not the universities. Colleges and universities don't shave talents like manufacturers own their products, and there is no real exchange relationship between universities and employers. In the talent market, the supply and demand sides are students and employers, but not universities and employers. Colleges and universities have no right at any time to buy or sell their students as their products.

<2> On the view to treat service as products –products of higher education is services provided by universities and colleges

The view that treats service as products thinks that product of products of higher education is services provided by universities and colleges and the services can be accepted and used through students' understanding and absorbing to the demand of students themselves and their families, as well as the demand of society and country for further. Producers of higher education products are educators, through whose mental and physical forces to produce educational services that can meet the demand of different education objects and bear excellent performance in multiple aspects. The students who are in the field of production are the main consumers of higher education services, so they are in the field of consumption. Through consumption, such services will be internalized as their own capabilities and qualities so that the quality of their labor goods is continuously improved and higher labor remuneration and higher social status are obtained in the future. Because such higher education products have the ability to increase the purchasing power of workers and value or effectiveness in other aspects, students and their parents are willing to afford.

The comparison between the two views can be expressed in Table 2-1:

Table 2-1 Comparison between view treating students as products and view treating services as products

Items for comparison	View treating students(talents) as products	View treating services as products
Product of higher education	Students	Educational services
Main objects served to	Employers	Students
Consumers of universities and colleges	Employers	Students
Consumption market of higher education	Labor (talents) market	Various universities and colleges
Value of education	Society-oriented	Individual-oriented

#### 2.1.2 Basic Positioning of Higher Education Products

The view treating services as products of higher education puts forward the essence of higher education output and it is a kind of sublation of view treating students as products of higher education. Education service is the basic output of higher education. Teaching activities are the basic functions of higher education.

Students receive education services and internalize them into their own knowledge, skills and comprehensive qualities. Therefore, we can locate the main products of higher education as educational services. But we cannot equate the educational products of colleges and universities simply as an intangible service. It is not only an invisible educational service, but also an integrated and tangible product of a series of services, as well as some scientific and technological achievements during the course of teaching. Professor Li Jiangfan from China's Third Industry Research Center of Management College of Zhongshan University mentions in the end notes of Theoretical Discussion on Educational Products and Educational Industry: besides the educational service, the education department can work with the manufacturing industry to produce physical products used for education, such as teaching facilities etc.. That is to say, the hardware facilities depend on which education and teaching services can be carried out should also be attributed to educational products. As for the educational products in colleges and universities, we should not only position the main products as educational services, but also see them as a product of educational services, which are two undividable aspects. We should get rid of the traditional mode of thinking, according to the requirements of era development, conform to the development trend of education industry, and learn from the whole concept of marketing theory to study the educational products of colleges and universities.

#### 2.2 Holistic Concept of the Product

Products are originally confined to physical goods processed or produced for sales tangible items. With the high development of commodity economy, the concept of the product has exceeded the physical product category, and come to the invisible field. For example, service, strategy, copyright, brand, technology and so on, all these have been included in the product category. Holistic concept of the product is an important category of marketing, and generates in the background of increasingly fierce market competition and gradually enhanced customer power. Compared with the traditional product concept, it has more extensive epitaxy and more abundant connotation, and it refers to all the factors and means through exchange to meet

people's needs, include objects, service software, consciousness and other tangible or intangible goods. The famous marketing expert Philip Kotler summarized it all existence through some efforts to let the object recognize it or achieve a certain purpose (public-benefit or utilitarian). According to his point of view, the holistic concept of the product can be expressed at the following five levels: core product, formal product, additional product, expected product and potential product.

## 2.3 The Holistic Concept and Content Component of Higher Educational Product

#### 2.3.1 The Holistic Concept of Higher Educational Product

With the changes that undertaking of the higher education tuition has gradually changed from government to consumers, two changes of higher education happened, which are respectively the products has gradually realized transferring from the student to the education service and the purchase subject has gradually transferred from the government to the individuals. The traditional concept of education has gradually been replaced by service product concept. Analysis for educational products concept needs to reference the " The holistic concept of product " theory, analyzes from two aspects of connotation and denotation. From the perspective of connotation, it is in the process of educational activities, provided to satisfy the education needs of college students, and is a sum of a series of intangible services and tangible items to improve knowledge, ability, moral quality and physical and mental health and other comprehensive qualities. From the perspective of denotation, it can be an intangible education services, such as the teacher's lesson, teaching, counseling, assessment, marking and other teaching service with a series of typical cycle work, administrative personnel's management services to students and sports and cultural services, etc.; and can also be an integration of a series of educational services such as courses, professions, etc.; and can also be the visible physical goods with a condensation of education practitioners' spirit achievements and hardware facilities to realize education, such as teaching materials, teaching CD-ROM, multimedia courseware, classroom, laboratory, teaching experimental equipment, library and so on. Higher

educational products have extremely rich connotation and denotation, almost covering all the tangible products and intangible services. However, the higher education defined in this paper does not include students' food, accommodation, traffic, health and other related services and facilities. The reason lies in: first, from the objective, higher educational product is to meet the education needs of college students, is to realize the further physical and mental development; and the students' food, accommodation, traffic, health and other related services and facilities can just meet the basic survival needs. Second, from consumer's spending, main spending of college students in educational products is the tuition and incidental expenses of related educational activities. Spending in food, accommodation, transportation and medical expenditure belong additional expense and aren't included in tuition.

#### 2.3.2 The Content Component of Higher Educational Product

#### 2.3.2.1 Some Expressions of Contents of Higher Education Products

The academia and theory world discuss the content of higher educational products from different angles:

- 1. Division according to the attributes of educational products: quasi-public products are those such as educational services, courses, majors and etc. in universities and colleges. Public products are those such as free educational radio, television, teaching programs and free academic lectures for college students. Private products are those such as private educational training and coaching in universities and colleges, as well as books, patents, teaching software and etc..
- 2. Divisions according to the importance of products: basic products are those such as educational services (educational services provided by educators through teaching, lecture. Counseling, guidance, tests, answering and etc., it is a kind of real-time form but not a physical educational products in material status.) Assistive products include: (1) physical education products such as teaching (including experiment) books, teaching tapes, teaching videos, teaching CDs and etc.. (2) Scientific and technological achievements of educators. In the form, it is generally a kind of new knowledge, technology (especially patent technology) or theory and some of them refer to a kind of new design, even some material products, such as a robot, a

new type of equipment or solution and etc.. (3) Development of scientific and technological achievements by educators.

- 3. Divisions according to the covering scope of consumption spending of educational products: The basic educational products refer to the educational products covered by the basic educational expenses, such as tuition fees, tuition fees, designated teaching materials, accommodation and etc.. Extended education products refer to the educational products covered by those that except basic education charge, such as remedial costs, revising costs, various of costs for training classes and etc.. Selective educational products are educational products that covered by the costs of choosing universities or colleges and majors.
- 4. Division according to the service functions of universities and colleges: educational products of universities and colleges can be divided into educational service products, basic research service products, applied and technical service products and social political and cultural service products.

## 2.3.2.2 Content of Universities and College Educational Products Based on the Whole Product Concepts

In the premise of establishing the basic positioning of higher education service products, on the basis of the five levels of the whole product concept, higher education products can be divided into: core products, form products, expected products, additional products and potential products.

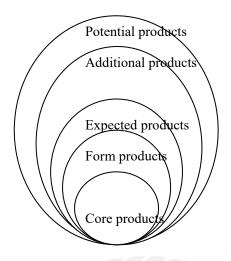


Diagram 2-2 Levels of universities and colleges educational products

#### 1. Core products of universities and colleges educational products

The core product is the most basic one. It refers to the core interest that consumers can look for when they buy a product to provide a solution. The core interest of educating consumers to enter college is to acquire useful knowledge, ability and quality, and to develop healthily in two aspects of the body and mind, so as to meet the demands of the society for talents. The core products of higher education products are the various educational service activities offered by colleges and universities to meet the needs of college students and consumers. They include teaching services, sports cultural services and student management services. The main provider of teaching service are teachers and the whole process begins after student enrollment, including a number of teaching sectors, such as teaching training, homework correcting, practice, research guidance and performance appraisal. The whole process ends with students' graduation. The core product of educational service provided by the universities and colleges can make consumers (people who are educated) acquire knowledge, increase their abilities and achieve the goal of improving the cultural quality of consumers.

#### 2. Form products of universities and colleges educational products

Form products are the forms to realize core products. The form product of universities and colleges educational products refers to form to realize various

educational services provided by colleges and universities to meet the basic needs of educational consumers. It is a combination of tangible products and intangible products. It includes all material means and facilities depending on which educational services can be provided. Intangible products include teaching from theoretical and practical aspects, professional direction, curriculum programs, diploma and degree and etc.. Tangible products include classrooms, laboratories, libraries, stadiums and their internal facilities and environmental conditions, teaching materials, courseware, etc., and some convenient services that enable education services to be carried out smoothly, such as enrollment and publicity services. Core products and formal products form formal products, that is to say, consumers consume through formal products. The interests of core products are realized through formal products, so form products are the soil or carriers of core products. The basic function of the form products is to realize the core products content or to make the core products easy to use, and they are two undividable aspects. For example, college students can enjoy educational services only by knowing a university, entering a major, taking a course, sitting in a classroom.

#### 3. Additional products of universities and colleges educational products

Additional products are the additional services and benefits that consumers receive when buying core and form products. Additional products of universities and colleges educational products refers to a series of products help to enhance their own quality and value of various aspects besides the enjoyment of educational service to attain knowledge and skills when the students are educated in the universities and colleges. The content of additional products offered by different universities is different, such as the academic lectures of some famous scholars, all kinds of activities on campus to help broaden students' knowledge, club activity to exercise students' ability, and related certificates and training services and etc..

#### 4. Expected products of universities and colleges educational products

The expected product refers to expected to attain, a set of attributes and conditions closely related to the products when the buyer buys the product. The expected products of universities and colleges educational products means that

college students are expecting a series of products that are closely related to core products and help to increase the value of core educational products while the students are consuming educational products, including teaching characteristics, the school's reputation ranking, employment channels, professional brands, and gold-content of diploma. Expect products reflect not only the further demands of universities and colleges students on the quality of core products, but also their expectation that they will be recognized by society after consuming educational products.

#### 5. Potential products of universities and colleges educational products

The potential products are any extension and evolution of existing products that may eventually develop into future products. The potential educational products of colleges and universities mainly refer to the extension and evolution of all aspects of education service process, and the products may eventually develop into potential parts of future service projects. Among all these products provided by universities and colleges, these extensions and evolutions include some personalized services and training modes that are with advances and in line with international standards, some optional courses, opportunities to study abroad provided by the universities and colleges, training methods of BA with MA degree, MBA-DBA and intercollegiate and etc.. The potential products of colleges and universities will be different because of their own different levels and categories, but the potential products exist more or less in all colleges and universities.

Although the educational products of higher education are located in the core educational services, the other four levels should not be neglected. They form the whole body of educational products. They exist around the core products but also reflect different consumption demand levels of consumers. At the same time, it also makes the educational products of colleges and universities show characteristics that are different from those of general services and physical products.

#### 2.4 Hierarchy Analysis of College Students' Demand for Educational Products

Maslow divided the human needs into five levels from lower level to higher level,

including physiological needs, security needs, emotional needs, esteem needs, self-actualization needs. He believed that people's motives are subject to the dominated needs, and transformed from low level to high level. With some strengths of demand are gradually reduced, others will increase, and rise from the lower level to higher level, and the satisfied degree of people's demand will be gradually reduced.

Based on Maslow's hierarchy of needs theory, according to the division of the composition of higher educational products in universities and colleges, the colleges' students, as consumers, can be divided into five levels from core needs to the potential needs. Please see Diagram 2-3.

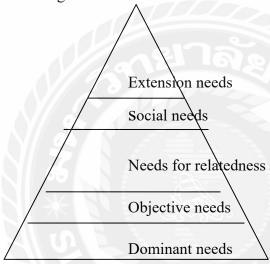


Diagram 2-3 Consumption need levels of educational products

#### 2.4.1 Dominant Needs on Core Products

The core demand of college students for educational products refers to the core interests pursued by consumers of educational products when they apply for a school, which is what the students really pursue when they are in college. That is to obtain useful knowledge, ability and quality, as well as physical and mental health in order to meet the requirements of society for talents. Facing the increasingly fierce competition, the education service focusing mainly on imparting knowledge and skills is to meet the educational consumer's core needs to survive and compete in the society with the image that he is college student owning knowledge, ability and quality of all aspects.

#### 2.4.2 Objective Needs on Form Products

Such kind of needs is also called basic needs which refer to the pursuit of acceptance of educational content, methods, teaching conditions and security facilities, which are various desires to meet the core interests' needs of higher education and also important basis for college students to identify and choose universities and colleges. For the first, college students shall have the core needs to acquire knowledge and accept the educational services. After they enter into the universities and colleges, the students have further needs on educational form products, such as hardware facilities and major curriculums can be carried out. These form products are carried out depend on the content, form, quality and services provided by core products of educational services.

#### 2.4.3 Needs for Relatedness on Additional Products

It refers to the needs of relatedness produced with the precondition that the core interests and basic needs of products consumers have been met. It refers to human needs' further extension and improvement with economic development and social progress. For example, people want to acquire more extensive knowledge, related skills besides their majors, further exercise their social practice ability and etc.. The lectures, club activities and related training services and etc., which are additional products of higher education in universities and colleges, are just meeting the needs for relatedness of additional products.

#### 2.4.4 Social Needs on Expected Products

Social needs refer to the needs of college students after consuming educational products to have the ability to melt into society and be accepted by society, such as the ability to further study, employability, social testing ability, and ability to repay the society. This is also the further needs of a number of candidates and their parents for their satisfaction on educational needs. Universities and colleges not only furnish education and teaching reform in major structure design, construction of talents training modes and etc. to enhance the close relationship between universities and the society, to try best to form their own unique characteristics and to adapt to the universities' adaptability and feedback ability to the talent market. Besides,

universities and colleges shall enhance the guidance to the students in confirmation of employment view, training of employ ability and skills and etc.. At present, most colleges and universities in China have set up employment guidance institutions with certain personnel to actively carry out the employment guidance and provide employment information and channels in order to meet the social needs of college students in expect products.

#### 2.4.5 Extension Needs for Potential Products

It refers to the new needs produced by higher educational products, for example, it is hoped to make students trained in line with the international ones, the students' ability to begin business by themselves after graduation, ability to manage a company, provision of characteristic training methods, intercollegiate training, opportunities for life-long education and etc.. Needs in this level need to get rid of the stale and bring forth the fresh along with the continuous development of economy and society. Universities and colleges need to work out continuously and transfer the potential products to appear into products project which need to be developed further and provided to the consumers finally.

## 2.5 Analysis for the Characteristics of College Students as Consumers of Educational Products

Consumption refers to people's behavior that uses, consumes labor products or natural products to meet some needs. Consumer education refers to people's use or consumption of education service products. based on service and consumption characteristics of higher educational products, as well as age and physical and mental development of college students, the current consumers of higher educational product shows following identity characteristics in the process of consumption.

## 2.5.1 The Consumption Awareness Is Weak, Consumer's Information Is Not Comprehensive

In the practice of consumption, College students only have a few channels to acquire higher academic services, especially the ones with strong imperceptibility, so that they cannot shape a comprehensive understanding on the services' quality, advantages and disadvantages through their knowledge, experiences and beyond. In addition, in regard to such products, college students have no clear understanding on their needs, for example what majors and products are suitable to them, how can they develop themselves, what are their strengths and what kind of teaching models is good to their long term development. Such information imbalance and incomplete understanding on self-needs lead to high possibility that college students cannot get the products that they really need.

## 2.5.2 Consumption Weak Prospect Was Obvious, Consumer Is Lack of Decision-Making Power

In the consumption of higher education products, strict national regulation and professional ethics quality of professionals in higher education make the products in the field more humane and less benefit-driven that general products. Even though, consumers of higher education products do not occupy a good position when they purchasing because of their weak knowledge, personal economy, rights and power and consumption awareness. As a result, with few chances to decide, college students would not do a good option during consumption, particularly in the beginning phase. In the current education institution of China, such phenomenon embodies their fiercely incomplete consuming right. For example, their performance in Gaokao decides whether they have the access to what level of colleges they can study in. At same time, the students also get affected by their families' financial situation.

## 2.5.3 The Ability to Resist Risks Is Not Strong, It Is Difficult to Prevent the Risk of Consumption

Risks occurs in higher education consumption among college students, such as improper option of majors and colleges, inability to graduate, improper facilities and teachers and low quality services in colleges, and change of teachers, which would waste students' time and money. Some of them are systematic risks for all students, while some of them are personal risks only for part of students. However, the risks no matter the systematic or personal ones, lies in each phase of consumption. Moreover, the reasons that the risks come into being are also complex. Some of them may be triggered by students, management of colleges or teachers, while some of them occur

because of speeding change of society and economy development and the unpredictability in the future. Students also may suffer loss because of the products' uncontrollable factors such as a product's intangibility and the change of national policies. That means students are difficult to keep away from consumption risks.

#### 2.5.4 Multiple Roles, Complex Identities

Colleges and their students have diverse relations such as administrative relationship, which is decreasing, management relationship, contractual relationship, except increasing civil legal relationship and lowering educational relationship. What is more, the relationship between teachers and their student is not only service providers and customers because teachers always have a strong emotional ties with their students. Thus, relations between teachers and students are purer and more complex than that between common Operators and consumers and money does not mean everything. Teachers in colleges are the service and product providers to their students.

#### 2.6 Consumption Level of Higher Educational Products

## 2.6.1 Development Trend and Concrete Manifestation of Consumption Level of Higher Educational Products

From the capital expenditures of university students in the educational product, the overall level of consumption is increasing year by year, and the amplitude of increase is very large. Since the implementation of the charging system in 1989, since the students began to pay the service as role of consumers, the tuition of higher education in China has showed rapid rising trend year by year.

#### 2.6.1.1 Annual Increase in Tuition

In the beginning, average tuition is 100-300 yuan in 1989. Annual tuition of common regions takes 100 yuan, with 300 yuan annual tuition in low income regions. Since then, tuition increases year by year as Figure2-4 shows.

Figure 2-4 shows the increase of annual tuition in common colleges from 2000-2016.

Year	2000	2002	2004	2006	2008	2010	2012	2014	2016
Average Tuition per Student (Yuan)	3550	4224	5000	5789	6572	6928	7539	8010	8433
Annual Increase(%)		18.99	18.37	15.78	13.52	5.42	8.82	6.25	5.28

It can be seen that average tuition in 2016 reaches 8422 yuan, two times of the one in 2000. As majors vary, people make every effort to get access to quality colleges. As far as the author know, the tuition of some major which are taught by foreign teachers and have possibility to go abroad and foreign languages has reach nearly 20000 yuan.

### 2.6.1.2 Ratio of Tuition to Household Income Per Person

College students' fund for consumption mainly come from their family. The increase of higher education products is much higher than the one of household income which even though is enhanced as the development of society and economy in China.

Figure 2-5 Per capita income and College tuition increase from 2010-2016 (Undergraduate in Tsinghua University as example)

Year	2010	2011	2012	2013	2014	2015	2016
Per capita income of urban	19109	21810	26959	26955	28844	31195	33616
household ( yuan )			AIA				
Per capita income of rural	5919	6977	7917	8896	10489	11422	12363
household ( yuan )							
Undergraduate tuition of	6000	8000	8000	8000	8000	8000	8000
Tsinghua university (Yuan)							
Ration of tuition to annual							
income of urban house	10.46%	12.22%	9.90%	9.89%	9.25%	8. 55%	7.93%
hold (3 family members)							
Ration of tuition to annual							
income of rural household	25.34%	28.67%	25.26%	22.48%	19.07%	17.51%	16.17%
(4 family members)							
Avg %	17.9%	20.45%	17.58%	16.19%	14.16%	13.03%	12.05%

It can be seen that per capita income of urban household doubles from

2010-2016 as same as per capita income of rural. Over the same period, college tuition increases from 6000 to 8000 yuan and the ratio of tuition to the income of households is decreased.

### 2.6.1.3 Analysis on the Ratio of Total Tuition to Educational Expenditure

College tuition is the main resource of education expenditure in China. The ratio of total tuition to education expenditure also increase as Figure 2-6 shows:

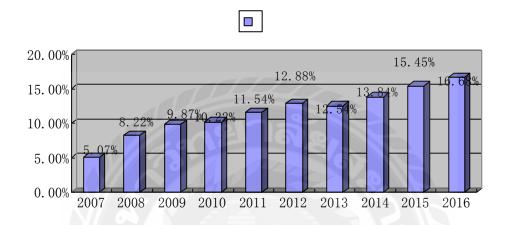


Figure 2-6 Change of ratio of tuition for higher education to educational expenditure

The figure shows that since 21st century, the education expenditure of China goes up to 74.56 billion yuan in 2016, 61 times of the expenditure in 2007 (1.2billion yuan). The ratio of other educational fees to educational reach 16.68% in 2016 from 5.07% in 2007

# 2.6.2 The Negative Influence of High Level of Educational Products Consumption in Colleges and Universities

Educational fund is an important part of the burden of family education fee, except the living cost in college. Currently, tuition in common colleges has reached 5000 yuan. That means the annual burden of educational fee for a family would reach to 10000 yuan so that many students have to abandon the chance to receive higher education. The fact shows that the higher price of educational products has make negative influence in many aspects such as students, family and society:

### (I) Lower consumer satisfaction and utility

Higher cost brings higher requirement for higher education in quality, style and

forms. As a result, if a college does not meet the need from its students, the satisfaction of students for their college would be lower. On the other hand, lower satisfaction will hinder the dynamics of education product consumption. That means the conflict is not only bad for students' career but also bad for the development of the whole education industries.

### (II) Lower life quality because of shrinking other living expenditure

Educational fund in China is not higher than the one in developed countries, but the students in developed countries enjoys diverse ways to pay tuition such as work-study and scholarship and help from government and their colleges thanks to the countries' sound education institution. An investigation made by Xiamen University shows that tuition of most college students are paid by their families and the ratio amounts to 83,2%. There are also surveys showing that in recent years the increase of urban and rural income has slowed. The increase in ratio of urban households is 5% with 3.5% increase in rural households. In addition, the per capita daily consumption (food, communication, Consumer durable goods and housing) occupies over 50% of people's income. It is obvious that most of families cannot afford tuition with an annual 15-20% increase in educational expenditure. That means that families have to lower their life quality to deal with the increase of educational expenditure.

### (III) Lower stability and inequality in education

Imbalance of progress of society and economy, increasing price of higher education products and widening gap of income increase the number of needy students. Over-increased expenditure of higher education products also loses the chance to win scholarship. Moreover, there are also problems in the system of scholarship management, such as egalitarianism, and in the system of loan system such as bureaucratism. There is no doubt that over-increased expenditure of higher education products has undermined equality of education and society as well as the harmony among classes in China.

## 2.7 Consumption Utility of Higher Educational Product

## 2.7.1 The Consumption Utility of College Educational Products and its Measurement Index

There are direct utility and indirect utility in consumption utility. The direct consumption utility of educational products is defined from individual consumers, is the growth of knowledge and ability, development of character and values, obtaining higher income and position in the labor market and social activities after the consumer consumes the educational products. The indirect consumption utility of educational products, refers to improvement of production ability, creative ability and civilization degree of education consumers due to the growth of knowledge, ability, internal generation of good conduct and moral character, values; so that it promotes the social economic growth and harmonious development of the society. This paper focuses on the research of college Students' consumption status of university educational products. Therefore, the paper mainly discusses the direct consumption effect from individual consumers. In order to more intuitively understand the of consumption utility status of college students, this paper uses the individual internal rate of return of higher Education in education economics to measure college students' future net economic reward level after consumption of higher educational product. The internal rate of return is also a concept of economics. In economics, the internal rate of return is the profit degree of an investment, that is the profit rate. From the consumer's perspective, it is also the basis for consumer to make decision in consumption of educational product.

# 2.7.2 International Comparison of Individual Internal Rate of Return in Colleges and Universities

Mincerian earnings function and precise method are two common ways to calculate college personal internal rate of return and the results are called Mincerian Rate of Return and Personal Internal Rate of Return. Psacharopoulos, a reputed Greek economist, analyzed the rates of return in 61 countries and classify them into different catalogs according to economic status. His outcome is shown as Figure 2-7.

Figure 2-7 Rate of return to higher education in different countries

Countries	Social rate of return	Personal rate of return
Low-income countries	10.6	19.3
Low-and-middle-income countries	11.4	18.7
High-and-middle-income countries	9.5	12.7
High-income countries	8.2	7.7
World average	10.7	15.7

It is noted that internal earning rate of the individual with higher education in developing countries is higher than the rate in developed countries due to the lower educational cost in developing countries and fewer individuals with higher education than the people in developed countries. That means that the graduates in developing countries would enjoy a higher salary.

#### 2.8 Innovation Point

- 2.8.1 In view of present conceptual controversy of educational product in educational circles, from the marketing perspective, this paper puts forward the holistic concept of educational products, and performs the hierarchical subdivision of its contents.
- 2.8.2 Based on the Maslow's theory and the classification of higher education products, the dissertation divides the college student demand for higher education products into five levels according to importance and gives its idea on the level of the demand of education products.
- 2.8.3 The solution to an education issue relies on the combination of practice and theory. Many scholars make great contribution to the college students' satisfaction for their colleges. However, the empirical study in the field by the dissertation is totally innovated.

### **CHAPTER 3**

## RESEARCH METHODOLOGY

### 3.1 Research Design

#### 3.1.1 Literature Research Method

This paper has a wide range of information sources; they are from the school library and the network at home and abroad on the theory and practice of higher education consumption monographs, papers, as well as relevant information obtained from participating in a number of academic meetings and experts discussion results. Meanwhile, we pay close attention to the survey and discussion for this hot issue on major media sites in past few years. For example, in 2006, the survey on "Education Consumption and Environment" in nationwide is launched by Sohu website and "China University Satisfaction Survey" and so on. Based on the analysis of these raw data, the theoretical support system and the required information of this study are found.

## 3.1.2Combination of Theoretical Analysis and Survey Research

Through reading a large number of literatures, collecting relevant information, organizing the existing research results, conducting in-depth and meticulous research and study, the relevant background materials and project data are collected, and the theoretical analysis is combined with research closely to obtain practical research results.

### 3.1.3 Combination of Empirical Research and Normative Analysis

Empirical analysis is mainly to discuss the real state of development of things based on the fact, which is objective. And normative analysis is related to the value judgments, proposing some criteria as a guideline to analyze and solve problems, establishing the premise of the theory, describing the expected state of development of things, which is subjective. Both have their own focus and purpose of the study. In the part of theoretical research, this paper focuses on the use of normative analysis, starting from the relevant theory, analyzes the subject and object of education

consumption. On the consumption conditions and its satisfaction research, it focuses on the use of empirical analysis. The relevant data is collected from website and study sample schools. Using "Satisfaction Survey Questionnaire on College Students' Educational Products Consumption" to test reliability and validity after the questionnaires were collected and invalid questionnaires were removed. The detailed data of the samples were obtained through the statistical analysis of the software.

### 3.1.4 Combination of Comparative Analysis and Typical Study

Through the comparative analysis and typical research on the higher education cost structure among different colleges and students as well as psychological and economic affordability for education cost in families with different income levels, the paper reveals the university education cost and main influencing factors in China.

#### 3.2 Research Tools

### 3.2.1 Questionnaire Design

#### 3.2.1.1 Content of the Ouestionnaire

The questionnaire used in the investigation have two parts. One is the questionnaire description, which is basic and key, while the second part contains questions and is the main body of the questionnaires. The part is also divided into three subparts. The first one is factual questions on the background of interviewees such as gender, major and hometown and beyond. The questions in the part would give the author a hand to analyze how satisfaction is affected by subjective factors. The second contains the question about the satisfaction for different education products. Generally, education products are divided into central product, form product, additional product, expected and potential products. The study applies Likert Sheet and sets five level to record the satisfaction, that is, every dissatisfied, dissatisfied, general, satisfied, very satisfied. The third is Question and Answer to acquire how the interviewees know products and what they would do after experiencing the products.

### 3.2.3 Sample Selection

This investigation takes colleges and universities in Beijing as the survey site, while in the site in Thailand, only part of Chinese students are investigated. As the capital of China, Beijing is a modern city mix of education technology, manufactory industries, communication hub and travel site. It is not only a place with high speed development but also a culture city with a long history. All of these bring a strong atmosphere of culture, commerce and beyond. As a result, college students in Beijing are good sample to survey. The investigation chooses four colleges in different type including one "985" key college, one provincial key college, one common college and one senior college. Each type of colleges receives 90 questionnaires randomly. In China, senior students also can study in colleges, so the students with bachelor degree will be main interviewee. Questionnaires distributed in Bangkok are 40 copies and filled by Chinese student in a public college and a private college. The total number of questionnaires reaches 400 which are returned after interview. Among them, 362 questionnaires are valid, with effective rate up to 90.5.

The dissertation also uses other scientific methods as analysis tools. It mainly applies the theories and idea in consumer economics. In the conclusion of the thesis, advanced theories and methods in marketing are also used, which give a hand to the author for solutions.

#### 3.3 Statistical Method

The Statistical Analysis of the Surveillance Results of Educational Product Satisfaction level in China's colleges and universities. This study conducting a correlation analysis, which takes college students' evaluation of the satisfaction level of core educational products, formal educational products and affiliated educational products and the evaluation of the overall satisfaction level of colleges and universities as variables, in order to study the relationship between college students 'satisfaction with educational products and the overall satisfaction of colleges and universities. When analyzing the data of the survey, in order to understand the impact of the evaluation index designed by questionnaire on the overall evaluation, also need

to use the frequency of cross-grouping, frequency statistics and illustrations, to judge the relationship between the evaluation index and the overall evaluation in order to intuitively determine the relationship between the evaluation of indicators and the overall evaluation.

The Analysis on the Influencing Factors of Consumption Satisfaction Level and Countermeasures and Suggestions. The satisfaction level of college students is mainly affected by two factors: the expected expectations of college students before consumption and the actual perception of consumers, when happens in the consumption environment of colleges and universities. Based on this, on the one hand to increase the power of promotion, and to ensure that to fulfill the promise in the process of consumption. At the same time, but also the overall quality of educational products is needed to be improved, and the process quality management of the education products needed to be strengthened.

The Necessity Analysis of Sustainable Consumption of Educational Products in Colleges and Universities. With the development of the times, the ever-changing international situation and people's ideas changing, consumer awareness is gradually becoming rational, the existence of some bad consumption situation, must will affect people's consumption choices, and then affect the sustainable development of educational activities of educational products in colleges and universities. In order to evaluate the results of the survey, collecting the data of questionnaire, statistically analyze the basic descriptive and analyze reliability validity in-depth.

### **CHAPTER 4**

## RESEARCH AND ANALYSIS

# **4.1** An Empirical Study on the Satisfaction of Educational Product Consumption in Colleges and Universities

The concept of customer satisfaction has been well used in many countries in the for-profit organization and reached success. It will soon be extended to public utilities, government departments and organizations in the field of education, but the concept of consumer satisfaction has not received enough attention in the field of higher education in our country. Higher education institutions provide educational products for consumption of consumers. The college students are the subject of this consumption link, and has different identifying features and specific characteristics different from general consumers. They have strong participation in the process of consumption. Therefore, from the student consumers themselves, the status how they are satisfied with the educational products, directly affects the consumption effect of educational products. From the product provider -- the universities, whether students satisfy the educational product directly affects the survival and development of universities in the future. Understanding the satisfaction status of College Students, and further improving the quality of the educational products, are not only the inevitable choices of universities to respect the students' rights, students' consuming demand, but also the primary task of universities in response to China's accession to the WTO, the situation that foreign educational institutions and educational products compete for prospective students.

It should be pointed out that the current research on the contentment of university students in China is mostly based on the quota system of university teaching evaluation conducted by the Ministry of Education, based on the school standard and the subject standard, and delineated as university characteristics, university management, school style & teaching style, students' work, logistics services, security and other aspects. There is little research based on the view of university Students'

consumption needs and their consumptive educational products to delineated quota detailed and measure their contentment. This chapter mainly starts from the consumption needs of consumers and the content of consumer objects, to constructs the quota system, according to the questionnaire survey to obtain the data, then to quantify the statistical analysis, in order to fully reflect the students' satisfaction with the consumption of educational products finally.

### 4.2 Statistical Analysis of Survey Results

### 4.2.1 Basic Description of Consumer Satisfaction

## 4.2.1.1 The Overall Satisfaction of College Students for Their College and Universities

In the design of the questionnaire, the contentment of university students is designed to be located in the end. It is intended that the respondents will have an overall impression about the university after evaluating the satisfaction of educational products. After finishing the questionnaire survey, the overall contentment of universities is shown in Table 4-1:

Table 4-1 The overall satisfaction of university students for their schools

Overall Contentment	Very Dissatisfied	Dissatisfied	In General	Satisfied	Very Satisfied
Number	14	112	162	68	6
Percentage (%)	3.9	30.9	44.8	18.8	1.7

The survey statistics about the overall satisfaction of universities shows that the number of general is the most, adding up to 162 people, accounting for 44.8% of the total number. The number of Very Dissatisfied is 14, accounting for 3.9% of the total number. The number of Dissatisfied is 112, accounting for 30.9% of the total number. The number of Satisfaction is 68, accounting for 18.8% of the total number. The number of Very Satisfaction is 6, accounting for 1.7% of the total number. That is to say, in this paper, if we defined "Satisfied" and "Very Satisfied" in the student satisfaction evaluation language as satisfactory evaluation, the rest as non-satisfactory evaluation, so the number of Dissatisfied is 288, accounting for 79.6% of the total number. This also

confirms the first hypothesis of this paper that the overall satisfaction of university students with universities is lower. The high and low levels of consumers' satisfaction directly affect the choice of consumers' behavior experience. There are two questions were designed in the survey as follows: "Whether to recommend your university to your friends and relatives? "&"Whether to stay in school for further study? "Frequency statistics of cross table were carried out by using SPSS software. The results are shown in Table 4-2.

Table 4-2 The overall satisfaction of universities \* Recommend others to study \*

Stay in school for further study Cross table

The Overall Satisfaction of		Recommend Others to Study		Stay in School for Further Study		
Universities		Yes	No	Yes	No	
Very Dissatisfied	14	0	14	0	14	
Dissatisfied	112	18	94	10	102	
In General	162	114	48	122	40	
Satisfied	68	60	8	50	18	
Very Satisfied	6 6	6	0	4	2	
In Total	362	198	164	186	166	

We can find that there are 14 dissatisfied students in Figure 4-2, none of people recommends others to study in their universities or stay in school for further study. There are 112 dissatisfied students, only 18 people choose to recommends others to study in their universities, 10 people choose to stay in school for further study. While most of satisfaction students and dissatisfied students choose to recommends their friends and relatives to study in their universities and choose to stay in school for further study. So we can say that university students' satisfaction with universities to a large extent affect the source of university students. While the current low satisfaction of universities, it should cause sufficient attention to higher education institutions.

### 4.2.1.2 The Satisfaction Degree of College Students on the Education Products

Only to understand the overall satisfaction is not enough, for different characteristics of educational products, university students will make different satisfaction evaluation. The statistical survey data shows that the overall satisfaction

of university students about educational products that constituted with the core education products, forms education products and affiliated education products, the results are shown in Table 4-3.

Table 4-3 Comparison of University Students' Satisfaction with Educational Products

	Very		Dissatisfied		In General		Satisfied		Very		
	Dissa	atisfied							Diss	Dissatisfied	
	Num	Percent	Num	Percent	Num	Percent	Num	Percent	Num	Percent	
	ber	age	ber	age	ber	age	ber	age	ber	age	
Core	12	3.3	108	29.8	164	45.3	68	18.8	10	2.8	
Educati											
onal											
Products											
Formal	10	2.8	108	29.8	146	40.3	94	16.0	4	1.1	
Educati		.07/			D						
onal		.07//4		ded			40				
Products		. OY/A	2/4								
Subsidia	10	2.8	122	33.7	136	37.6	88	24.3	6	1.7	
ry		11 66			25		8 1				
Educati		MI W	100		A. S.						
onal		71 -9	100	1 6		o 3					
Products		311 .	18				N /A				

In the comparison table of the satisfaction about educational products, the total number of satisfied and very satisfied with the core products, formal products and subsidiary educational products was 78, 98 and 94 respectively. We can find that the satisfaction with core products is lower than the satisfaction with formal products and subsidiary educational products. This also explains from another point of view that university students pay more attention to the core products psychologically and have higher expectations, while the core products offered by universities do not meet the needs of university students in their qualities. Among the indexes of core products, the satisfaction rate of teachers' classroom teaching ability, teaching method and teaching content and social practice guidance ability is only 18.8%, 22.1%, 23.2%, 18.3% respectively. One of the most important information which conveys is that in the concept and the system have been the initial results achieved during the reform of higher education from education concept to education system and teaching activities.

However, the core reform and construction of teaching are obviously lagging behind, the quality of teachers needs to be improved, and the content and methods of teaching can not meet the needs of university Students' success, especially can not meet the cultivation of innovative spirit and practical abilities, all of these Should be the focus of the next step in university work.

The survey data also show that university students in the evaluation of formal products, although the overall satisfaction is higher than the core products and subsidiary products. But in these two indicators of professional and curriculum, the satisfaction is significantly lower; however, the satisfaction about hardware facilities, such as teaching buildings, laboratories, library gymnasium and its internal facilities are obviously higher. The results are shown in Table 4-4.

Table 4-4 A Comparative Study of university Students' Satisfaction with Hardware Facilities, Majors and Courses

	Very Dissatisfied	Dissatisfied	In General	Satisfied	Very Satisfied
Hardware facilities	12	68	154	114	14
Majors	12	112	170	62	6
Courses	14	132	146	64	6

The survey statistics shows that the total number of people satisfied with and satisfied with the hardware facility amounted to 128, while the number of satisfied and very satisfied with the major courses amounted to 68 and 70. Although they belong to the form of product categories, but the contrast of the evaluation is larger. The evaluation of majors and courses has greatly affected university students' overall evaluation about formal products. That is to say, it there is no specialty majors, no phase with the curriculum content and related materials, even if there is a picturesque campus, bright and spacious classrooms, teaching instruments and equipment modernization, it won't also bring a higher degree of satisfaction.

### 4.2.2 Correlation Analysis of Consumer Satisfaction

In order to study the relationship between university students 'satisfaction of educational products and the universities' overall satisfaction, this paper takes university students' evaluation of the satisfaction degree of core educational products,

formal education products, subsidiary education products and the evaluation of the overall satisfaction of universities as variables to analysis relevantly, the data is shown in Table 4-5:

Table 4-5 Correlation Coefficient Matrix between Overall Satisfaction and the Satisfaction of Products

		The Overall Satisfaction of University	The Satisfaction of Core Educational Products	The Satisfaction of From Educational Products	The Satisfaction of Subsidiary Educational Products
The Overall Satisfaction of University	Significance (Bilateral) Pearson Correlation	1 1 1 1 1	Sales		
The Satisfaction of Core Educational Products	Significance (Bilateral) Pearson Correlation	.899(**) .000	1		
The Satisfaction of From Educational Products	Significance (Bilateral) Pearson Correlation	.678(**) .000	.695(**)	3 米	
The Satisfaction of Subsidiary Educational Products	Significance (Bilateral) Pearson Correlation	.644(**) .000	.610(**) .000	.476(**) .000	1

(Note:\* \* is significantly related at the 0.01 level (bilateral))

Table 4-5 shows that the person correlation coefficient among the four indicators. In the case of the significance level of 0.01, the correlation coefficient between university students' overall satisfaction and the satisfaction about three kinds of products are positive, and the correlation coefficient is more than 0.5, showing a strong positive correlation. Among them, the largest correlation coefficient of the university students' overall satisfaction is the overall satisfaction with the core educational products, and the correlation coefficient is 0.899. The second is the overall satisfaction with the formal product, and the correlation coefficient is

0.678. The last is the overall satisfaction with the subsidiary educational products, and the correlation coefficient is 0.644. The satisfaction of the products also showed a strong positive correlation. This also confirms that there is a correlation hypothesis between the evaluation of university students' overall satisfaction and the satisfaction of the three major educational products. At the same time, from the statistical point of view, the University's educational products are interrelated and inseparable, which constitute the consumer objects of university students. The evaluation of an educational product by university students will affect the evaluation of other products in different degrees. In providing educational products, universities should focus their attention on the quality and supply of core products; either shouldn't ignore the form products and subsidiary products.

### 4.2.3 Analysis for Crossing Grouping Frequency of Consumer Satisfaction

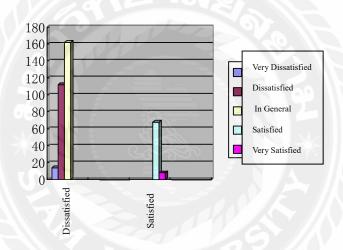
When analyzing the survey data, in order to understand the impact of the questionnaire on the overall evaluation of the questionnaire, it is necessary to cross-group the frequency, frequency statistics and illustrations of the relationship between the evaluation index and the overall evaluation, and need to intuitively determine the relationship between the evaluation index and the overall evaluation. Through the cross-group analysis, we can initially find the items which have great influence on the overall evaluation results. In the evaluation of the satisfaction about Production-Consumption, if we defined "Satisfied" and "Very Satisfied" in the student satisfaction evaluation language as satisfactory evaluation, the rest as non-satisfactory evaluation, so it can add up the satisfaction evaluation of all indicators, and can add up the satisfaction evaluation of overall evaluation about the cross-group frequency and frequency. This also confirms the third hypothesis of this paper that the university students' overall satisfaction mainly affected by university students' evaluation of teaching services.

Table 4-6 shows that cross-group statistical frequency of the overall satisfaction of universities and the satisfaction of teaching service. It show up more intuitively through the cross tabulation Compound Bar Diagram 4-7

Table 4-6 the cross-group statistical frequency statistics of the overall satisfaction and the satisfaction of teaching service

The Satisfaction of Teaching Service Quality							
	The Overall Satisfaction of University	Frequency	Percentage (%)				
	Very Dissatisfied	14	4.9				
D: 4: C 1	Dissatisfied	112	38.9				
Dissatisfied	In General	162	56.2				
	In Total	288	100				
	Satisfied	68	91.9				
Satisfied	Very Satisfied	6	8.1				
	In Total	74	100				

the Output Compound Bar Diagram 4-7:



4-7 the cross tabulation Compound Bar Diagram

Through Table 4-6 and Table 4-7 we can see that students' evaluation of teaching services has a more direct relationship with the overall evaluation of universities, so the former has a greater impact on the latter. That is to say, students' satisfaction for teaching service will ultimately affect the students to make the overall evaluation of universities. But we can initially seek the evaluation indicators on the larger project that have strong impact on the overall evaluation results, it excludes the students who are dissatisfied with the universities, there a few students are satisfied with the quality of teaching services.

## 4.3 Analysis and Countermeasures on Influencing Factors of Consumer Satisfaction

### 4.3.1 Influencing Factor Analysis

In 1985, the famous American management expert Sesui Moore believed that consumer' satisfaction evaluation to the product depends on the consumers' perception for product quality in the process of consumption, and put forward that the "consumer's perception for product quality depends on the level of difference between consumer's perception and product expectation in the process of consumption. It can be summarized as the consumer satisfaction formula: consumer satisfaction = consumer's actual perception - consumer's expectations. This also indicates that in the consumption environment of Colleges and universities, the level of satisfaction of college students is mainly affected by college student's expectations before consumption and consumer's actual perception the two factors. In order to improve customer satisfaction, it needs to improve the customer' actual experience to the product, reduce the consumer's expectations. Of course, the emphasis here for reducing consumer expectations doesn't means that the lower consumer's expectation, the batter effect, but means not only let the students have consumer's expectations to generate interest and enthusiasm in the specific educational products consumption, but also make this expectation not higher than the college promised consumption status can be perceived by students in the future, so that it can make the two achieving an optimal matching.

## 4.3.2 Countermeasures and Suggestions for Improving Consumption Satisfaction

For the consumer environment-universities, facing the special consumption-university students, how to use these two factors to improve their satisfaction with educational products, this paper has the following considerations:

(I) Increasing publicity efforts, and ensuring to make good on the promise.

In the questionnaire survey, there were a few questions about the undergraduates' choice of information sources in universities. The statistics show that among the 362 students, there are 144 students through the school's publicity channels to understand

and eventually choose to attend their universities, the number of students accounting for 40% of the total, only lower the official report of the government agencies about information sources .Today, with the competition of student market becoming more and more fierce, it is undoubted that doing a good job in recruiting propaganda is a top priority for every university, in order to let students know the characteristics of university products and its features.

Universities are based on the exam results and the study archives in selecting students, and they have a complete understanding about the students who are admitted to the university. For the situation that students choose their universities, there is little information needed is based on their academic performance and pay-ability. That is to say, producers in the educational products market -- universities and consumers-students just as partners in the transaction; their information of transaction objects is incomplete or asymmetric. Firstly, most of students understand the information that different universities give publicity school characteristics, school quality and school reputation to students, parents and social through direct or indirect way, after making a commitment, then students can choose to enter a university to develop consumption.

- (II) Improving the overall quality of educational products, and strengthening the quality of management about educational products
  - <1> Ensuring the core products of educational products

The core of the education product is the one that is most closely watched and valued by consumers. It is only when this part needs to be satisfied that the consumer will pursue the other parts. Therefore, the core of the education product is that universities must first guarantee it. The core product is composed mainly of teaching service, sports culture service and student management service. Teaching service is the most important parts of all. Ensuring the core product is to ensure the quality of teaching service, supporting personnel and the management at all levels. The quality of service is determined by the interaction between the teaching staff and the college students. The teacher's knowledge, skills, academic level, service awareness and service behavior have a great impact on the quality of service about college students'

feeling. The consumption behavior of college students also affects the quality of service, the satisfaction of other consumers and the attitude of the teaching staff. So in service quality management, managers should not only pay great attention to the management of teaching staff's teaching behavior, and should attach great importance to the education management of the education consumption behavior of consumers.

## <2> Perfecting the form product of education product

The form product of education product is the first part of the overall product elements that be recognized by consumers, it fully displayed the educational service functions and effectiveness through specific forms and processes,. Therefore, It is a basis that consumers make a judgment on the value of a core product of universities. Many consumers are always based on the principle of maximizing utility, according to the elements of form educational product such as teaching equipment, material environmental conditions, majors, curriculum to make a consumer choice about education products. It is clear that the consumer's overall perception of the form product is largely determined by his choice of consumption. Therefore, universities should improve the construction of form products, improve teaching equipments and facilities, and beautify campus environment. But it is important that the construction of majors and courses should be putted in the first place. This is an important part of a form product that can be distinguished from a competitor in order to attract more potential customers.

### <3> Expanding the additional product of educational products

The additional product of educational products is a product that enables an educated person to develop a range of qualities that contribute to their own quality and value. The content of the additional product of educational products provided by different universities is very different. On the one hand, it should learn from the experience of other similar or higher level universities. In the case of our financial and human resources licensed, it also can enrich the content of additional products such as inviting some well-known scholars to make a lecture, encourage and support various club activities in the campus. On the other hand, it should pay close attention to social hot training, provide certificate examination and training services, and meet

consumers' needs who are university students designed to improve their cultural quality. At the same time, it also raised their satisfaction evaluation of university education products.

<4> In sighting into the desired product of educational products

The product of educational products not only reflects College students' further demands on the quality of core products but also reflect their expectations of social recognition after consuming education products. University students are always expected to get a set of properties and conditions that are closely related to the purchase of core products and form products. For example, a series of products that contributes to the value-added of core education products, the teaching characteristics, the school's reputation ranking, the employment channel, the professional brand, the degree of the diploma. Therefore universities must insight into the inner needs, desires and expectations of customers, and treat them as the guidance, finally design and provide the product that meets their needs so that improving the overall value of education products.

### <5> Developing potential products of the educational products

In the case that conditions are permitted and the time is right, universities should extend and evolve products which included in the education services in all aspects of the process, all levels. And ultimately develop these products into potential parts of future services. On the one hand, they can expand the service project, enrich the new content of educational products; on the other hand, they can better meet the growing needs of consumers. Such as according to certain qualities of universities students to customize the talent training scheme, develop advanced, internationally connected services and training patterns, offer opportunities to study abroad and so on. In general, these potential products have great attraction for university students, once are developed, and effectively putted into practice, they will improve their confidence in choosing universities and satisfaction.

In the overall combination of educational products universities, no matter which part of the product, its quality will affect the overall quality of service and the satisfaction of education consumers. Universities must adopt different management measures and ways for different output components. In addition, the process management of product quality must be strengthened. According to the various activities in the consumption process, the overall quality management of universities emphasis that the teachers and teaching management personnel must understand the whole process of undergraduates' consumers; do a good job of service system design and service quality management; solve all problems in consumers so that improving consumers' spending. At all stages of education products consumption, universities must treat high-quality products and services as a whole, to create greater consumer value for university students; to develop the long-term cooperation between the two sides; to improve the consumer satisfaction effectively; to enhance the trust and loyalty of undergraduates consumers for their schools.

## 4.4 Necessity Analysis for Sustainable Consumption of Educational Products in Colleges and Universities

## 4.4.1 The Bad Status of Chinese Educational Products Consumption

Through the analysis and research for consumption situation of educational products in colleges and universities, it shows that the college education products have a series of problems, including high level of consumption and expense increased year by year, unreasonable consumption structure of educational products, low consumption utility educational products, etc. Although people's long-period thought, and many non-monetary benefits and other factors causes the residents of our country still have very strong demand for higher education and also have increasing consumer enthusiasm, and education expenses saved for offspring is still the top objective of household savings, in the long run, with the development of the times, the international situations change rapidly, people's ideology change, and consumer's awareness gradually tends to be rational. Above bad consumption status will affect people's consumption choice, thereby affect Sustainability of consumer's activities of educational products

## 4.4.2 The Low Satisfaction Degree of College Students for Higher Education Products

This paper conducts a questionnaire survey on the satisfaction of university students about educational products among several different types and levels of universities. The results show that the satisfaction is generally low. University students are the main consumers of educational products, and the immediate consequences of their satisfaction are consumers' complaints and consumers' loyalty. On the one hand, the lower satisfaction may cause consumers to stop spending activities halfway. In recent years, the phenomenon that university students who drop out from universities has been common. On the other hand, the number of target consumers will be affected by word of mouth. In the long run, this will also affect the sustainable development of consumption activities of educational products, then affecting the survival and development of universities.

## 4.4.3 Colleges and Universities Are Facing with the Threat of New Entrants and Substitutes

The governments encourage private capital to invest in higher education, with the rapid development of information technology; there will be new educational institutions. Therefore, universities should not only cope with the threat of competition in the existing institutions, but also face the competition power of these new entrants. On the other hand, the rational consumption consciousness of consumers has begun to sprout. Due to changes in career choice, some people may choose to receive skills training programs and give up receiving higher education.

### **CHAPTER 5**

### **CONCLUSIONS**

Based on the focus on problems of education consumption, this paper researched the consumption problems of higher education products in the field of education consumption. It explored the consumption problems in the micro consumption field of universities. It theoretically analyzed the consumption object - education products, the consumption subject - college students and consumption status, and complete the empirical research on consumption satisfaction of college students, and put forward some suggestions and strategies.

### **5.1 A Study on Educational Products**

About the research in the field of educational product: in colleges and universities clearly to see the education products as a consumption object in the consumption activities educational. First, proposing the overall concept of educational products on the basis of comparative analysis of two kinds of educational products, such as student product view and educational service product concept and base on the forefront of marketing theory. Analyzes its connotation and extension. Secondly, the content is divided into five parts: that is, the core of products, the form of products, additional products, the desired products and potential products. Finally, analyze the characteristics of educational products from the point of the product and the consumption, which is different from general products and consumer goods.

## 5.2 A Study on College Student Consumers

About the research of consumer subjects, first of all, the concept of "student consumers" in the field of higher education in our country is pointed out, which is derived from the implementation of the charging system of individual charging for the part of the cost of higher education. It is confirmed that the student in Chinese universities is the identity of the main consumer of educational activities in the

consumer products, and based on their status and qualification to analyze the identity characteristics of college students. According to the Maslow's hierarchy of needs theory, consumption needs of educational products is needed to gradually rise from the need to extend the dominant levels.

### 5.3 A Study on the Consumption Situation of Educational Products

China's current education products in the current status of education can be shown from the following three aspects: the level of education consumption, education consumption structure and education consumption effectiveness. About the aspect of consumption level, through the following three aspects: the annual tuition fees, tuition fees accounted for the proportion of household income per capita, tuition fees accounted for the proportion of education funding to collect he statistical data, and the analysis of the conclusion is that the level of consumption of education is quite high. About the aspect of the consumption structure, the analysis of the current consumption structure unreasonable performance and reasons. Taking the internal rate of return of individual as the index of educational consumption, comparatively analyzes the internal rate of return of individual and the income ratio of individual income in different income countries, so that which draws the conclusion that China's current educational consumption is lower than the world average. And facing the education of consumer products is not satisfactory situation, some improvement measures will be provided.

### 5.4 A Study on College Students' Consumption Satisfaction

The evaluation index system of consumer satisfaction was constructed, basing on the content composition of educational products, and on the basis of the questionnaires we make the questionnaire. The questionnaire survey was conducted on the students in the four sample schools., It is verified that the college students' satisfaction with the whole educational products is low, there is a correlation between the college students' overall satisfaction evaluation and the satisfaction evaluation of the three major educational products according to the statistical analysis of the data.

These three studies assume mainly influence the impact of college students' satisfaction level on the evaluation of teaching services. And draw the conclusions that the satisfaction level of consumer directly affects the consumer experience and consumer choice behavior in future. Finally, on the basis of analyzing the two factors that affect the satisfaction level of consumption, in order to make the expectation of college students' expectation before consumption and the actual perception in consumption process achieve the best match, a series of measures to improve the satisfaction level of consumption are put forward.

## 5.5 Flaws and Limitations in this Study

#### 5.5.1 Theoretical Research

At present, the higher education consumption is still not mature, not perfect in the theoretical research, and there are a lot of disputes. There is a deficiency in information search and writing capability. The discussion of theory in this paper is still lack of deep and thorough research.

### 5.5.2 Empirical Research

This study is limited by investigation time, money and manpower, and only 400 questionnaires were conducted in this study, the sample selection is limited to Chinese universities in Beijing and institutions of higher learning in Bangkok, so the sampling range is relatively narrow. The division of the educational product satisfaction index system is not accurate enough, it lacks some depth case interviews in the analysis, so that the depth of excavation research is not enough.

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