Comparative analysis of higher education in tourism in Latin America and Spain. Critical success factors and determinants of enrollment prices.

Daniel Celis Sosa¹

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¹ Instituto Universitario de Turismo y Desarrollo Económico Sostenible – TIDES. Módulo E. Campus Universitario de Tafira. Las Palmas de Gran Canaria. Gran Canaria. 35017, phone: +34 928 454958, e-mail: daniel.celis@ulpgc.es

Supervisors: Dr. Sergio Moreno Gil
Dr. Carmelo León González

Institution awarding the Ph. D. Degree: University of Las Palmas de Gran Canaria

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Goal

To improve the understanding of higher education in hospitality and tourism in Latin America and Spain, the critical success factors and the determinants of the price of the educational programs.

Objectives

- ✓ To identify the current market supply on offer of graduate and postgraduate programs of hospitality and tourism studies in Latin America and Spain.
- ✓ To ascertain the critical success factors perception gaps between academic managers, program directors, tourism students and students from other subjects.
- ✓ To evaluate the price impact of the determinants of the prices of the hospitality and tourism academic programs.

Methodology

In order to reach the first objective, in 2014 we collected data from the Webs of the academic institutions, as well as from the e-mail and telephone contacts with the persons of these institutions. The information was grouped in seven groups for further analysis: (1) Geographical area; (2) Typology; (3) Academic factors; (4) Convenience factors; (5) Financial factors; (6) Employment promotion factors and (7) Promotion and recruitment factors.

From the universe of academic institutions we identified 906 both public and private institutions offering graduate and postgraduate education on hospitality and tourism in Latin America and Spain. These institutions are located in 21 countries, covering 2,380

programs, from which 1,717 are graduate and 863 are postgraduate.

In relation to the second objective, we sent an on-line questionnaire to all managers of the programs and a sample of students. The sample sizes were 348 and 202 responses respectively. The number of academic institutions delivering responses was 231. These data was analysed utilizing a confirmatory analysis to determine the critical success factors.

In relation to the third objective of this research, the analysis is based on the price data obtained from 617 postgraduate programs, which represents a 71.5% of the total postgraduate programs investigated. The methodology is based on the hedonic price model, which is based on the hypothesis that the price of an education program can be successfully explained by a set of explanatory characteristics of the programs. The prices for different countries were converted by the *Purchasing Power Parity* (PPP) index to enable comparability. We identified a total of 24 potential explanatory variables which were grouped into different categories according to the empirical evidence and similar models to be found in the literature.

Results

The dissertation consists of three research works. The first one analyses the differences among the type of programs (graduate or postgraduate), country and region (Latin America or Spain) across the seven typical aforementioned groups of factors that commonly characterize an academic hospitality and tourism program. Latin America shares the largest number of programs (71.6%) with 1,705 individual degrees on offer, while Spain shares 28.4% with 675 programs. However, the distribution is uneven across graduate and postgraduate types. In 2015, Latin America offered 1,370 graduate programs and 335 postgraduate programs, while in Spain it was offered 147 graduate programs and 528 postgraduate programs. Spain, Brazil and Mexico share the largest shares of the total supply of academic programs in hospitality and tourism, with 28.4%, 22.4%

and 19.5% respectively. Altogether they represent a 70.3% of the total supply. These shares are followed by Argentina (7.5%), Peru (2.8%) and Colombia (2.6%).

In relation to the academic factors, a 71% of the institutions offering academic programs are private institutions. In respect of the convenience factors, it is found that the on-line mode represents an 11.9% in Latin America and 36.2% in Spain. The academic areas with more programs are *Tourism Management, Hospitality Food and Beverage* in both regions. There is also a growing interest in the area of MICE, Tourism Marketing and Sustainability. Considering the financial factors, Spanish private programs offer more loans and favorable payment conditions but less grants than the public programs. That is, private supply offers aggressive discounts in order to raise higher numbers of alumni. These results also apply to Latin America, except for the availability of grants.

In relation to the employment promotion factors, professional training programs are very incipient in Latin American programs, while in Spain almost half of the programs have some type of professional training incorporated into the academic schedule. The same is the case with the Alumni service and the institutional job market. Regarding the access requirements, in most regions the most extended is passing through a personal interview, followed by the need to demonstrate language skills, and the need to prove some professional experience. With respect to the factors of promotion and recruitment factors, the private sector in both regions presents a more intensive utilization of these factors than the public sector. It is noteworthy the factors which are related to the presence of the Institution on Facebook, followed by the availability of a Web platform and the presence on social networks.

The second research work finds six dimensions from the factorial analysis: *Factor 1*: Achievement of a career plan. *Factor 2*: E Learning, *Factor 3*: Accessibility and employment promotion, *Factor 4*: Promotion

and Alumni, *Factor 5: Convenience* and *Factor 6: Lifestyle*. The proposed model of the critical success factors of the postgraduate academic education on hospitality and tourism is based on the models to be found in the literature. The results show there is a significant gap in the perceptions of academic managers and students. Students are more sensitive to programs that (1) help to find a job or a wage improvement, (2) have grants available, (3) have official recognition, (4) the syllabus reflect the international reality, (5) allow to achieve social capabilities for professional performance, (6) are integrated into alliances or agreements with other institutions, (7) facilitate networking and (8) have discounts available, among others. The financial factors are the ones with a largest gap in the perception between academic managers and students, with a larger valuation for the latter group. However, there is a close match of the valuations allocated to the academic factors between both groups of subjects.

The managers give more importance to the type and characteristics of syllabus in the programs, and their international nature. Meanwhile students are more interested in the official recognition of the degrees and the financial facilities. For example, the availability of grants is the fourth factor ranked by students while it is ranked 29th by academic managers. In respect of the managers' perceptions of the critical success factors for the survival and continuity of the academic program, they value most (1) that the quality assessments of the program and its follow up are all positive, (2) that they are recognized and supported by the entrepreneurial sector, and (3) that the institution provides a professional and social recognition (no more wages) to the academic staff in the program.

The third research work applied the methodology of hedonic pricing considering previous work. A regression analysis allowed us to find the factors and variables that are significant in explaining the price of the academic programs. The results show that (1) to study a private postgraduate program is on average 1,397 Euros more expensive than to

study it in a public counterpart, (2) official recognition of the program raises the price of the program by 973 Euros on average, (3) the availability of a professional training program raises the price of the academic program by 727 Euros on average, (4) on-line programs are on average 2,030 Euros less expensive than traditional learning programs, (5) semi-on-line programs are on average 877 Euros less expensive than the traditional learning counterpart, among other effects on price. It is also found that the promotion and commercialization factors have a significant impact on the price of the academic programs in hospitality and tourism.

Theoretical conclusions

The first research work provides useful results for the comparative evaluation of academic programs, in order to study to what extent a particular program differs from the average results in the specific characteristics of the programs. This might allow them to focus on redesigning the programs with the aim to penetrate into potential market niches and acquire a better competitive position, thereby raising registration numbers and funding, which can also lead to an increasing reputation and prestige.

The second research work provides useful knowledge for the design of new academic programs on hospitality and tourism, and for the improvement of the existing ones, leading to some questions for further research. Along this line, it should be further researched the impacts that the gaps between academic managers and students regarding the critical success factors have on the success of the programs by looking at the number of registrations and academic and professional performance.

The third research work has developed an empirical hedonic price model for the assessment of the impact of the critical factors of the academic programs on the price of the programs, showing evidence that can be useful for the pricing strategies of the programs of hospitality and tourism.

Practical application of the dissertation

The first research work has achieved to map the complete supply of graduate and postgraduate programs in Latin America and Spain, allowing researchers to make comparative analysis between countries and to know the importance of the tourism education in their own country in relation to others. We found that the price of the private sector was 40.7% above the price of the public sector in both Latin America and Spain. However, 37.6% of the Latin America postgraduate programs offer some type of financial facility, while this percentage rises to 52.5% in the case of Spain. In Latin America grants are offered by 34% of the postgraduate programs, while in Spain, this percentage rises to 78.6%.

The second research work shows clear implications for managers of the academic programs when designing or redesigning their programs according to students' preferences. Only by working closely with the market tendencies in demand can academic programs achieve critical success and recognition, reducing the current gap between the objectives of the managers of the programs and the preferences of students.

The results in the third research work allow academic managers in both private and private institutions to adopt better pricing policies that would make them more competitive in a market context, thereby raising revenues by increasing their market share and the number of registrations. Focusing on those aspects that are more valued by students should be considered in terms of the resources needed to provide them from the specific institution, taking into account the opportunities for differentiation in expanding market niches.

Content of the dissertation

Abstract of chapter one

This research work analyses in detail the current situation and the characteristics of the graduate and postgraduate programs in tourism offered by 906 public and private academic institutions in Latin America and Spain. Results show comparative evaluation of key characteristics of the academic programs in relation to the development of academic education in tourism in both regions.

Abstract of chapter two

Critical success factors are identified for the academic programs in hospitality and tourism in Latin America and Spain, considering success defined as the generation of new registrations. The gap between academic managers and students about these characteristics is evaluated, showing that there are important differences between the perceptions of both groups for some critical factors of success.

Abstract of chapter three

This research work presents results on the estimation of hedonic price models on the factors explaining the price of postgraduate academic programs in Latin America and Spain showing that there are important managerial aspects raising large differences in the prices across programs.