

Addressing Enrolment Challenges in a Chinese Private Higher Education: A Context-Based Systematic Problem Diagnosis

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ABSTRACT

In the context of mass higher education and intensifying competition among private institutions in China, enrollment sustainability has emerged as a critical strategic challenge. This study addresses enrollment inefficiencies in a private higher education institution in Guangxi by conducting a context-based and systematic organizational diagnosis. Drawing on mixed qualitative diagnostic tools, including PEST analysis, SWOT analysis, semi-structured stakeholder interviews, thematic analysis, fishbone (cause-and-effect) analysis, and a structured risk assessment matrix, the study identifies the underlying drivers of persistent gaps between planned and actual student enrollment. Findings reveal that weak brand awareness and limited digital visibility constitute the most critical and systemic constraints on enrollment performance, outweighing issues related to pricing, course design, and marketing channels. The risk assessment further confirms brand-related deficiencies as high-severity risks requiring immediate strategic intervention. By integrating environmental analysis with internal process diagnostics, this research contributes to the higher education branding literature by demonstrating how brand communication functions as a strategic bottleneck influencing enrollment outcomes. Practically, the study offers a structured diagnostic framework to guide private higher education institutions in aligning brand communication strategies with market demand, digital transformation, and sustainable enrollment management, particularly in developing regions of China.

Keywords: Enrollment management; Brand communication; Private higher education; Organizational diagnosis; Risk assessment; China

INTRODUCTION

In the context of the knowledge economy and rapid technological change, universities and colleges are expected not only to cultivate advanced talent but also to support continuous upskilling and reskilling of the workforce. This expansion reflects the growing demand for high-quality higher education, but at the same time it exposes challenges related to limited resources, rigid curricula, and uneven institutional branding. In China, higher education has become a central pillar for talent development and national modernization (MOE, 2024). According to the China Education Development Report 2024, the gross enrollment ratio of higher education exceeded 60 percent in 2023, which signaled the entry into a mass higher education stage.

Prior literature tends to emphasize external communication while ignoring how internal processes such as teaching quality, staff engagement, and learner services shape the credibility of brand promises (Wei & Tuntinakhongul, 2024). Researchers found learners often balance professional responsibilities with educational aspirations, which requires flexible delivery, practical relevance, and outcomes aligned with career development (Huang & Xu, 2023a & 2023b). The purpose of this research is to explore how brand communication strategies can be optimized to improve enrollment effectiveness in Youlu Institute. This responds to recent calls for theoretical models that move beyond one-size-fits-all approaches in higher education branding (Saunders &

Townsend, 2023). By focusing on the relationship between institutional branding, curriculum relevance and enrollment management, this study aims to contribute to academic knowledge on brand communication in higher education and to provide practical insights for institutions in Guangxi and similar regions.

Institutional And Macroeconomic Context

Youlu Institute, a representative higher education service provider in Guilin City, Guangxi Zhuang Autonomous Region. It originated from Guangzhou Nanyue Vocational and Technical Training School, which was established in 2000. Over the past five years, Guangxi has experienced steady growth in enrollment, reflecting the rising demand for lifelong learning and higher qualifications. The enrollment rate for bachelor's degree programs increased from 42.00 percent in 2023 to 45.71 percent in 2025, while the enrollment rate for vocational education programs rose from 40.02 percent to 45.32 percent (Guangxi Bureau of Statistics, 2024). Although this expansion highlights the growing importance of higher education in Guangxi, it has also brought about structural challenges, including shortages of qualified faculty, limited financial resources, and difficulties in establishing sustainable institutional brands. A report from the Guangxi Bureau of Statistics (2024) further emphasize that some institutions have relied on overly aggressive marketing strategies and outdated curricula, which have weakened public trust and hindered sustainable development.

Although Youlu Institute continuously increased its enrollment targets, from 3,000 students in 2023 to 3,400 students in 2025, the completion rate remained relatively stagnant, falling slightly from 77.16 percent in 2023 to 76.80 percent in 2025. This trend suggests that the growth in enrollment targets has not been matched by proportional improvements in actual student intake. Its branding and marketing remain underdeveloped, relying on conventional and low-cost methods rather than data-driven digital campaigns. As Keller's (1993) brand equity theory suggests, lack of systematic brand management undermines visibility and differentiation.

In addition, student support services are insufficient, with limited pre-enrollment guidance and post-enrollment follow-up, contributing to higher dropout rates and negative word-of-mouth (Tinto, 1993; Lin & Liu, 2020 & 2024). The persistent gap between planned and realized enrollments reflects ongoing inefficiencies in recruitment strategies and limited effectiveness of current brand communication practices. These results highlight the need for the institute to adopt more demand-driven enrollment management mechanisms and to strengthen its brand positioning in order to achieve sustainable growth.

A PEST (Political, Economic, Social and Technology) analysis has been performed to analyse the external environment that shape the development of higher education in Guangxi (see Figure 1 for more details). Politically, the Chinese government continues to prioritize education as part of the national revitalization strategy, with the Law on the Promotion of Private Education (2002) and subsequent regulations providing stable legal and regulatory support. Economically, Guangxi has maintained steady GDP growth, rising per capita income, and a structural transition toward a service- and knowledge-based economy, all of which underpin increased household spending on education. Socially, there is a strong cultural emphasis on education, reflected in households' significant financial investment, alongside growing demand for lifelong learning and reskilling in response to labor market transformations. Technologically, the expansion of 5G networks, broadband infrastructure, and online learning platforms, combined with rising national R&D spending, has created new opportunities for digital education delivery and brand communication. Taken together, these factors constitute a broadly supportive environment for higher education institutions. However, Youlu Institute has not fully leveraged these favorable external conditions, particularly in terms of digital integration, curriculum innovation, and brand positioning, which has limited its competitiveness in an increasingly dynamic educational market.

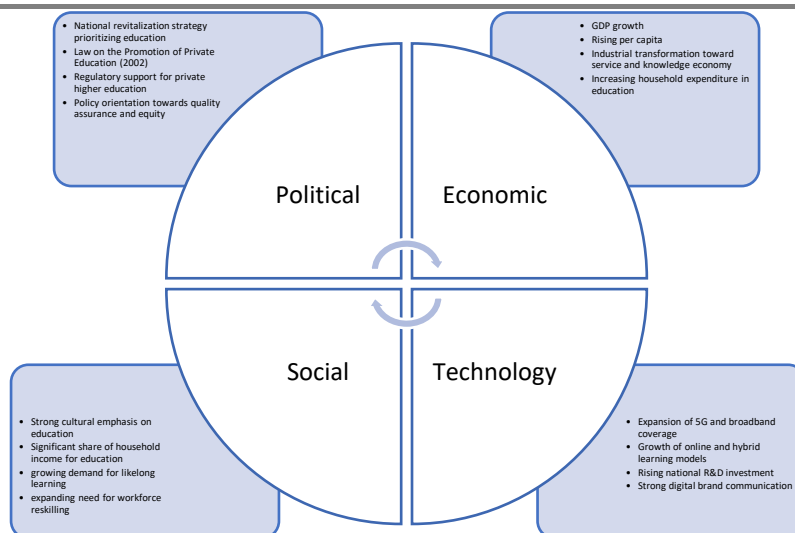


Figure 1: Youlu Institute's PEST Analysis
(Source: Self-developed)

The PEST analysis shows that Guangxi's higher education sector operates in a generally favorable macro-environment, characterized by supportive policies, steady economic growth, rising educational aspirations, and advanced technological infrastructure. However, Youlu Institute has struggled to capitalize on these opportunities. Political and economic conditions have raised expectations for quality and efficiency, while social and technological changes have reshaped learner demands and communication channels. The institute's inability to align its resources, curricula, and brand communication strategies with these external drivers has contributed to rising enrollment costs, declining completion rates, and weakening competitiveness. These findings reinforce the importance of developing demand-driven brand communication strategies as a core solution to the institute's enrollment challenges.

Organizational Diagnosis Of Enrolment Challenges

SWOT Framework

Next, the SWOT framework is adopted to provide a systematic assessment of Youlu Institute's internal resources and capabilities (strengths and weaknesses) in relation to its external environment (opportunities and threats). This analytical tool is particularly relevant for institutions operating in competitive and rapidly changing markets, as it highlights not only the alignment between internal capacities and external conditions but also the critical gaps that may hinder the institution's long-term development. Figure 2 illustrates the SWOT analysis of Youlu Institute.



Figure 2: Youlu Institute's SWOT Analysis
(Source: Self-developed)

This SWOT analysis indicates that Youlu Institute possesses several core strengths, including a strong corporate reputation in the Guangxi region, close partnerships with multiple renowned universities, and a successfully operated HE platform with high recognition. These factors provide a solid foundation for the company's continued growth in the private education sector. However, the company still faces several internal weaknesses, including weak commercial operational capabilities, limited marketing channels, inadequate post-enrollment student services, and room for improvement in diagnosing and addressing operational issues. In terms of the external environment, Youlu Institute can leverage the opportunities presented by regional economic transformation, capitalize on the gap in higher education demand caused by the limited enrollment capacity of public universities, and respond to the growing societal emphasis on continuing education and career development. At the same time, the company faces challenges from the dominant position of public universities, intensifying competition from other private educational institutions, and ongoing pressure to enhance marketing effectiveness and brand competitiveness.

Systematic Problem Diagnosis

To better understand the root causes of declining enrollment performance at Youlu Institute, this research first conducted a series of semi-structured interviews with key stakeholders, including employees, current students, and prospective learners. By collecting qualitative evidence at this preliminary stage, the study aimed to diagnose the internal and external factors contributing to weak enrollment outcomes and to identify areas requiring strategic intervention in later action research cycles. The study employed a saturation approach in which interviews were conducted and analyzed iteratively until no new themes or insights emerged. Thematic analysis on the interviews data revealed four recurring themes contributing to the decline in enrolment, namely limited brand awareness, lack of innovation in course offerings, ineffective pricing strategies, and weaknesses in marketing channels.

In addition to thematic analysis, this study employed the fishbone diagram, also known as the cause-and-effect diagram or Ishikawa diagram, as a complementary tool to structure the internal cause analysis of Youlu Institute's enrollment challenges. The fishbone diagram is a well-established quality management technique used to identify root causes through a visual and systematic approach (Cox & Sandberg, 2018).

Themes such as brand awareness, course relevance, pricing, and channel limitations were coded and categorized. Based on the themes and sub-themes identified in the thematic analysis, including brand awareness, marketing channels, course products, and marketing prices, this study constructed a fishbone diagram to map the underlying issues contributing to the reduced enrollment at Youlu Institute. As shown in Figure 3, the fishbone diagram analysis reveals four interrelated root causes contributing to the Youlu Institute's persistent enrollment challenges. The diagram illustrates how factors such as lack of social media marketing, insufficient channel innovation, uniform service standards, and incomplete pricing strategy mechanisms interact to influence the institution's enrollment efficiency.

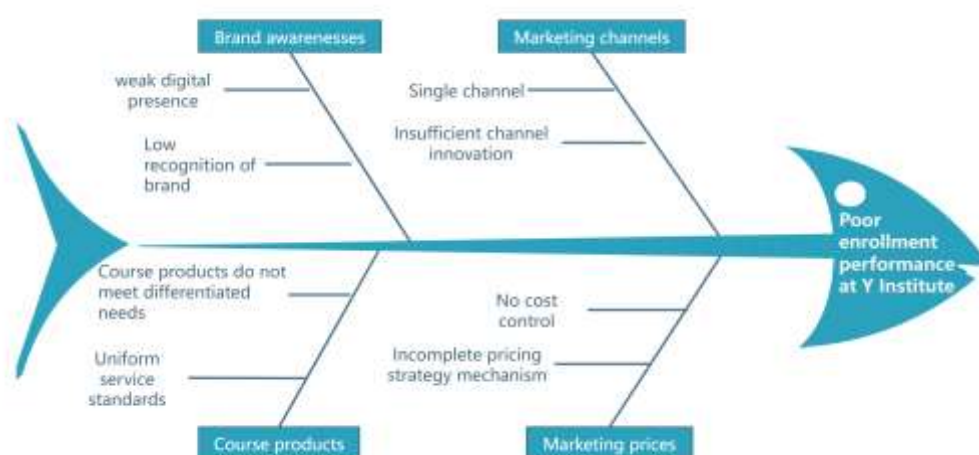


Figure 3: Fishbone Diagram of Enrollment Efficiency
(Source: Self-developed)

In summary, this analysis indicates that Youlu Institute faces multiple challenges from strategic, process, and organizational factors in its efforts to advance digital transformation and enhance enrollment efficiency. The fishbone diagram reveals the logical connections between these elements, providing a foundation for systematic optimization interventions and capability restructuring.

Furthermore, this study conducted a structured risk assessment to evaluate the relative impact of each thematic area identified in the fishbone diagram. After the thematic analysis was completed, the same interview participants were invited to assess the likelihood and consequence of each specific cause using a 5-point Likert scale, allowing the calculation of risk factors through the product of these two dimensions. The results, presented in Table 1, further substantiate the centrality of brand awareness as the most critical factor influencing Youlu Institute's enrollment performance.

Table **Error! No text of specified style in document.:** Risk Assessment Form

Category	Description	Likelihood	Consequence	Risk factor
Brand Awareness	Weak digital presence	5	5	25
	Low Recognition of Brand	5	4	20
Marketing Channels	Single Channel	3	3	9
	Insufficient Channel Innovation	2	1	2
Course Products	Course Does Not Meet Differentiated Needs	2	2	4
	Uniform Service Standards	1	2	2
Marketing Prices	Incomplete Pricing Strategy Mechanism	1	3	3
	No Cost Control	2	2	4

Source: Self-development

Specifically, the issue of “Weak digital presence” received the highest risk factor score (25), followed by “Low Recognition of Brand” (20). These findings echo the thematic analysis by confirming that weaknesses in brand visibility and outreach are not only frequently reported but also perceived by stakeholders as highly damaging and likely to persist if left unaddressed.

In contrast, issues related to marketing channels, such as “Single Channel” and “Insufficient Channel Innovation,” were rated with lower risk factors of 9 and 2, respectively, indicating a moderate to low perceived threat. This may suggest that while channel inefficiency is present, its impact is seen as less severe or potentially easier to remedy through tactical adjustments. Similarly, course product concerns, including “Course Does Not Meet Differentiated Needs” (4) and “Uniform Service Standards” (2), scored relatively low, implying that product-related issues are recognized but not viewed as immediate risks unless compounded by other factors. Marketing pricing concerns also ranked low in overall risk, with “Incomplete Pricing Strategy Mechanism” (3) and “No Cost Control” (4) signaling room for optimization but not representing core threats.

Last, the risk assessment matrix (see Figure1.7) provides a visual prioritization of the key internal risk factors identified during the thematic analysis phase. Using a 5×5 matrix, risks are plotted by their likelihood (Y-axis) and consequence (X-axis), allowing for a structured evaluation of their overall risk exposure (risk factor = likelihood × consequence). Color-coding is applied to indicate severity: red for high risk (≥ 20), yellow for

medium risk (9–19), and green for low risk (<9). This matrix serves as a diagnostic tool to inform strategic prioritization and resource allocation.

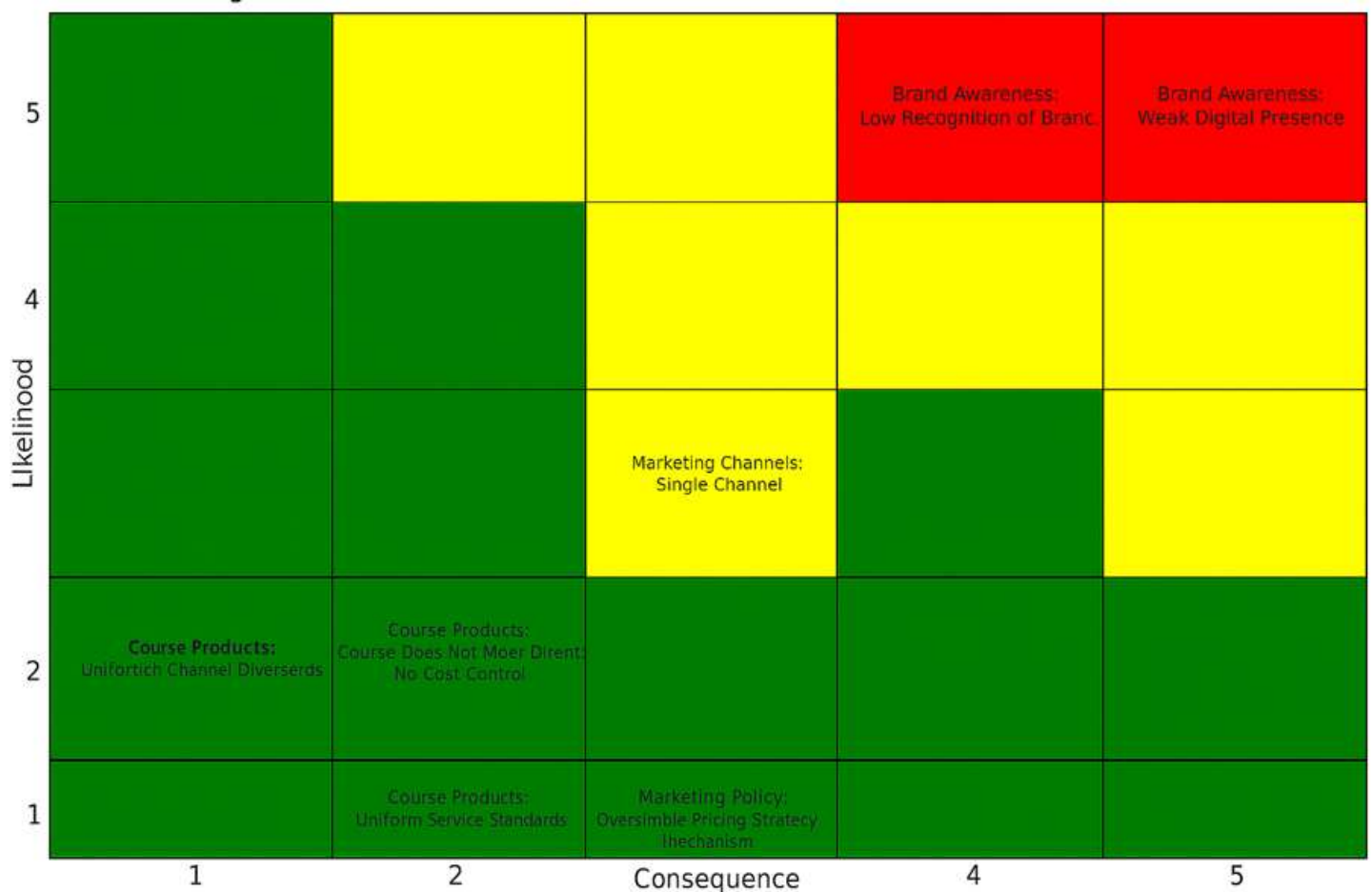


Figure Error! No text of specified style in document..1 Risk assessment matrix

Source: Self-development

The most critical risks, located in the upper-right red zone of the matrix, are associated with the Brand Awareness category. Specifically, “Lack of Social Media Marketing” (likelihood = 5, consequence = 5) and “Low Recognition of Brand” (likelihood = 5, consequence = 4) reflect the most severe risk exposures (risk factors of 25 and 20, respectively). These findings confirm earlier thematic results, emphasizing that Youlu Institute’s weak brand visibility not only occurs frequently but also significantly hinders its enrollment pipeline. These risks demand immediate intervention, particularly through integrated digital branding, content strategy, and engagement across dominant social platforms.

Medium-risk factors are clustered in the Marketing Channels and Marketing Prices categories. For example, the issue of “Single Channel” (risk factor = 9) is situated at the boundary of medium risk, indicating that reliance on a limited promotional outlet (e.g., print flyers) moderately threatens outreach effectiveness. Likewise, price-related weaknesses such as “Incomplete Pricing Strategy” and “No Cost Control” appear in the lower yellow-to-green zones, suggesting that while these issues exist, they are not perceived as immediate threats, though they may compound brand and channel deficiencies over time.

Lower-risk issues occupy the green areas of the matrix and are largely associated with Course Products. For instance, “Uniform Service Standards” (1×2=2) and “Course Does Not Meet Differentiated Needs” (2×2=4) indicate relatively limited stakeholder concern in terms of likelihood and consequence. This suggests that while program relevance and customization could be improved, they are not currently perceived as top-priority risks by participants. Nevertheless, addressing these green-zone factors in parallel with red-zone crises may enhance long-term strategic coherence.

IMPLICATIONS & CONCLUSIONS

Taken together, the results highlight brand awareness as the most critical and systemic vulnerability underlying Youlu Institute's enrollment decline. Among all identified factors, deficiencies in brand visibility and recognition emerge not only as direct barriers to student acquisition but also as amplifiers of secondary issues, such as ineffective pricing strategies and lackluster course appeal. In essence, when potential students are unaware of the brand or fail to associate it with distinct value, even well-designed programs and competitive pricing lose their persuasive power. This insight positions brand awareness not merely as one theme among many, but as a strategic bottleneck whose resolution could unlock cascading benefits across the enrollment funnel.

This study introduces an internal operational perspective within an institution into higher education branding, which has often been overlooked. By integrating internal and external dimensions, this research provides a multidimensional theoretical lens that connects institutional purpose, operational performance, and market differentiation. In doing so, it strengthens the conceptual link between branding and sustainable institutional competitiveness in the higher education sector.

The risk assessment matrix further validates this diagnosis, placing brand-related risks in the highest severity zone, thus warranting urgent, targeted intervention. Specifically, enhancing social media engagement, strengthening digital marketing presence, and crafting a coherent brand narrative are likely to produce system-wide returns, increasing visibility, stronger perceived value, higher conversion rates, and improved retention. When integrated with the fishbone analysis, these findings support a prioritization framework in which brand awareness is not an isolated concern, but the strategic linchpin for reversing systemic underperformance and restoring enrollment momentum.

In summary, this research provides a systematic and practice-oriented framework for improving brand communication in higher education institutions. By bridging theoretical insights and practical application, it contributes to the academic literature on HE branding while offering actionable guidance for institutional leaders seeking to strengthen market presence and learner engagement in a competitive and evolving educational landscape.

In future research, comparative designs across different institutional or contextual settings would provide deeper insight into the generalizability of the findings. In addition, longitudinal studies are recommended to examine how the observed relationships evolve over time and to capture potential temporal dynamics. Such extensions would strengthen theoretical contributions while enhancing the robustness and academic impact of subsequent investigations

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