# THE EFFECTIVENESS OF ELECTRONIC WORD-OF-MOUTH IN ATTRACTING INTERNATIONAL STUDENTS TO ENROL INTO PRIVATE UNIVERSITIES IN MALAYSIA

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## **UNIVERSITI SAINS MALAYSIA**

2018

# THE EFFECTIVENESS OF ELECTRONIC WORD-OF-MOUTH IN ATTRACTING INTERNATIONAL STUDENTS TO ENROL INTO PRIVATE UNIVERSITIES IN MALAYSIA

by

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Thesis submitted in fulfilment of the requirements

for the Degree of

**Doctor of Philosophy** 

September 2018

#### ACKNOWLEDGEMENT

The research journey is like a beginning without an end. It takes one through a multitude of emotions – of hope, excitement, despair but finally of accomplishment. The successful completion of this thesis was made possible through the invaluable contribution of a number of people. To say "thank you" to all of you is not even enough to express my gratitude. I would like to extend my greatest appreciation to all of them as I never could have carried on towards the end alone.

To my supervisor, Associate Professor Dr. Azizah Omar, I express my heartfelt gratefulness for her guidance and support that I believed I learned from the best. It is with immersed gratitude that I acknowledge her patience and help in the completion of my thesis. It was a great privilege and honour to work and study under her guidance. I also wish to extend my special thanks to Professor T. Ramayah for his constructive inputs in many areas of my research and in pointing out to me the best contributions that I can make through this research. My sincere thanks and appreciation also goes to all the other lectures and staffs of School of Management for their selfless kindness, warmth, and helps during my study in Universiti Sains Malaysia.

I would not have been able to embark on this journey if not for the financial assistance from Ministry of Higher Education (MOHE); I am especially grateful to them for giving me this golden opportunity. To the respondents (international students) from private universities, I am indeed indebted to them for their support in the difficult task of data collection. Special thanks also to private universities who permitted me to collect data from their premises.

To all my friends in USM, thank you for your understanding and encouragement in my many, many moments of crisis and for the beautiful friendship; Dr. Norzie, Dr. Wan Normila, Dr. Ying San, Dr. Iman, Samsudeen, Pravina, Nor Bayaah, Charlie and others whose names I unintentionally left out, you are always on my mind. Thanks for your presence in my life.

Most importantly, I would like to thank my family for all their love and encouragement. I deeply thank my parents, Mr.Arumugam Rengasamy and Mrs.Vijayal Johny Grey for their unconditional trust, timely encouragement, and endless patience. It was their love that raised me up again when I got weary. To my brothers, sisters, sisters in law and brothers in law, thanks for your concern and words of encouragement.

Last but not least, I would like to acknowledge the people who mean world to me; my wife and my daughter. To my ever supportive wife, Logavalli Balakrishnan, thank you for the undying love and support you have provided me and for believing in me that I can finish my thesis on time. You have been a valued companion throughout this journey, without your prayers, support, inspiration and motivation I would never have seen the end of this journey. I am just so grateful that I have you all this time. To my wonderful daughter, Shashmietha Vijayesvaran, thank you for bearing with me and my mood swings and being my greatest supporter.

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### LIST OF ABBREVIATIONS

- AVE Average Variance Extracted
- BI Behavioural Intention
- DTPB Decomposed Theory of Planned Behaviour
- DV Dependent Variable
- EAHEP Eu-Asia Higher Education Platform
- eWoM Electronic Word of Mouth
  - $f^2$  Effect Size
- GDP Gross Domestic Product
- GoF Goodness of Fit
- HEI Higher Education Institution
- IAM Information Adoption Model
- ICT Information and Communication Technology
- IV Independent Variable
- LAN National Accreditation Board
- LMIM Linear Marketer Influence Model
- MDV Moderating Variable
- MOHE Ministry of Higher Education
- MSC Multimedia Super Corridor
- MV Mediating Variable
- NDP National Development Policy
- NEP New Economic Policy
- NOPM Network Co-Production Model
- NVP National Vision Policy

- OICIM Organic Inter-Consumer Influence Model
- PBC Perceived Behavioural Control
- PEOU Perceived Ease of Use
- PHEIA Private Higher Educational Institution Act
- PLS Partial Least Squares
- PrHEI Private Higher Education Institution
- PrUni Private University (Local and Foreign Based Branch Campuses)
- PU Perceived Usefulness
- PuHEI Public Higher Education Institution
  - $Q^2$  Cross-Validated Redundancy
  - $R^2$  Coefficient of Determination
- SEM Structural Equation Model
- TAM Technology Acceptance Model
- UNESCO United Nations Educational, Scientific and Cultural Organization
  - WOM Word of Mouth

# KEBERKESANAN ELECTRONIC WORD-OF-MOUTH (eWoM) DALAM MENARIK MINAT PELAJAR ANTARABANGSA UNTUK MENDAFTARKAN DIRI DI UNIVERSITI SWASTA (US) DI MALAYSIA

#### ABSTRAK

Dalam persekitaran yang penuh persaingan kini, pelajar antarabangsa sangat bergantung kepada maklumat yang diperolehi daripada eWoM untuk mendaftar diri di Institut Pengajian Tinggi Swasta (IPTS). Beberapa pihak telah berhujah dan berpendapat kualiti dan kredibiliti sumber maklumat dari eWoM boleh mendorong pelajar antarabangsa untuk mendaftar dan mengikuti pengajian di IPTS di Malaysia. Mobiliti pelajar antarabangsa dan globalisasi telah mencetuskan persaingan dalam kalangan universiti di seluruh dunia untuk bersaing demi mendapatkan pelajar dengan mempromosikan universiti masing-masing dan kursus yang ditawarkan dengan menggunakan pelbagai kaedah promosi. Pada masa yang sama, pelajar antarabangsa mencari pelbagai maklumat berkaitan dengan Insititut Pengajian Tinggi Swasta (IPTS) melalui eWoM sebelum membuat keputusan. Sebelum eWoM, sumber maklumat konvensional seperti media cetak, media penyiaran, pameran pendidikan dan laman web universiti merupakan asas kepada kaedah pemasaran institusi pengajian tinggi. Pembangunan WEB 2.0 membolehkan pelajar antarabangsa untuk berkomunikasi, mencari dan mengumpul maklumat seperti imej negara, keberkesanan bandar IPT, imej institusi pengajian dan program yang ditawarkan oleh IPT melalui eWoM. Penerimaan platform eWoM seperti Facebook, LinkedIn, Twitter, Google+, YouTube, kini merupakan sumber maklumat alternatif bagi pelajar antarabangsa untuk mendapatkan maklumat sebelum mendaftarkan diri ke IPT. Dalam konteks ini, mengkaji dan memahami keberkesanan eWoM dalam

konteks pelajar antarabangsa boleh meningkatkan kadar bilangan pelajar antarabangsa yang berdaftar di Universiti Swasta (US) di Malaysia. Oleh itu, tujuan kajian ini adalah untuk mengkaji orientasi maklumat yang dicari oleh pelajar antarabangsa seperti imej negara, keberkesanan bandar, imej institusi pengajian, penilaian program serta semua maklumat yang bermanfaat ke arah menarik pelajar antarabangsa mendaftar diri dalam US pilihan mereka. Kajian ini juga memberi tumpuan untuk memahami hubungan kualiti maklumat dan kredibility sumber maklumat sebagai pembolehubah penyederhana di antara orientasi maklumat dan keberkesanan penggunan maklumat. Saiz sampel terdiri daripada 359 orang pelajar antarabangsa dari US yang dipilih dan maklumat tersebut dikumpulkan dan dianalisis menggunakan Structural Equation Modeling (SEM). Kajian mendapati bahawa tiga daripada empat orientasi maklumat iaitu kesan bandar, imej institusi pengajian dan penilaian program mempunyai kesan langsung yang signifikan terhadap keberkesanan penggunaan maklumat. Selain itu, keberkesanan penggunaan maklumat didapati menjadi pengantara yang menghubungkan antara orientasi maklumat iaitu kesan bandar, imej institusi dan penilaian program ke arah keputusan pelajar antarabangsa untuk mendaftar di US. Kesan pembolehubah penyederhana kualiti maklumat dan kesan pembolehubah penyederhana kredibiliti sumber juga telah diuji. Berdasarkan kajian, kualiti maklumat mempunyai kesan penyederhana yang kecil ke arah hubungan di antara kesan bandar, imej institusi dan penilaian program kearah keberkesanan penggunaan maklumat. Begitu juga dengan sumber kredibiliti yang mempunyai kesan penyederhana kecil di antara imej negara, kesan bandar dan penilaian program kearah keberkesanan penggunaan maklumat. Berdasarkan kepada dapatan kajian, implikasi teori dan praktikal kajian juga telah disediakan. Secara keseluruhan, kajian ini menyumbang kepada pemahaman tentang

keputusan untuk mengikuti pelajaran di US di kalangan pelajar antarabangsa yang menggunakan eWoM sebagai satu platform untuk mencari maklumat. Di samping itu, kajian ini juga memberi input kepada universiti swasta untuk merumuskan strategi pemasaran, supaya US boleh mengambil bahagian dalam eWoM dan pengambilan pelajar antarabangsa.

# THE EFFECTIVENESS OF ELECTRONIC WORD-OF-MOUTH IN ATTRACTING INTERNATIONAL STUDENTS TO ENROL INTO PRIVATE UNIVERSITIES IN MALAYSIA

#### ABSTRACT

In this current competitive environment, it is important for international students to accentuate on information from eWoM to enrol in PrHEI. It has been argued that the quality of information orientation and the credibility of the information orientation source from eWoM can guide international students to enrol in Malaysian PrHEIs. International student mobility and globalisation has triggered universities around the world to compete for students by promoting their universities and courses using a variation of promotion methods. Simultaneously, international students go through a university search, decision-making and selection process using a variety of information sources such as eWoM. Prior to the eWoM, conventional information sources such as print media, broadcast media, education fairs and university websites have been fundamental on HEI marketing methods. The development of WEB 2.0 allows international students to communicate and gather information such as country image, city effect, institution image and programme offered by a HEI via eWoM platform. The acceptance of eWoM platform such as Facebook, LinkedIn, Twitter, Google+, YouTube, now presents an alternative university information source for international student to search in for information and use the information prior to their HEI enrolment. In this manner, investigating and understanding the effectiveness of eWoM in the context of international students could increase the enrolment of international students in Malaysian PrU. As such, the

purpose of this study was to examine the information orientation searched by international students such as country image, city effect, institution image, programme evaluation and the usefulness of the information towards enrolment of the international students in their choice of PrU. This study also focused to understand the moderating effect of information quality and source credibility between information orientation and information usefulness. The sample size comprises 359 international students from selected PrU were collected and analysed using Structural Equation Modelling (SEM). The study found that three out of four information orientation namely city effect, institution image and programme evaluation had a significant direct effect towards information usefulness. Moreover, information usefulness was found to mediate the relationship between information orientation namely city effect, institution image and programme evaluation towards PrU enrolment by international students. The moderating effects of information quality and source credibility also have been tested. Based on the study information quality has small moderating effect toward relationship between city effect, institution image and programme evaluation. Similarly source credibility has small moderating effect toward the relationship between country image, city effect and programme evaluation. Overall this study contributes to the understanding of private university decision making amongst international students using eWoM as an information platform. In addition, this study also provides inputs for private universities to formulate marketing strategies for eWoM participation and recruitment of international students.

### **CHAPTER 1**

#### **INTRODUCTION**

#### **1.0 Introduction**

This chapter encompasses the background of this study, problem statement, research questions, and research objectives, operationalisation of key terms, significances of the study and organization of the remaining chapters.

#### **1.1 Background**

The introduction of information technology and communications technology has transformed the mode individuals and organizations function, communicate, manage, and carry out business. In the early years of 1960s, television, radio, magazines and newspaper are the foremost used communication platforms. Furthermore, there is growing disintegration within the numerous communication platforms (Rosen, 2009). According to Egli & Gremaud (2008), the consumers have not kept pace with the increasing fragmentation within various communication platforms which disseminates information. This expansion is correspondingly nurtured by the element that marketing information sent by various communication platforms are currently utilized by the corresponding target viewers to merely a reduced range (Godes et al., 2009).

According to Sankatsing (2007), the emerging range of communication platform and the homogenisation of the existing product or services have had a negative influence on the current communication platform. Therefore, traditional marketing communication platforms are progressively facing credibility concerns

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since there are market oriented context which frequently disseminate faulty information related to a product or service to the consumers.

These developments presume that the traditional communication approach has become ever more unpopular amongst consumers. According to Egli & Gremaud (2008) consumers often feel pressurised toward those incalculable promoting advertising and read this overflow of information either selectively or not at all, additionally consumers does not show the interest or spend time to deal with different advertising messages and gradually disregard them. Comparatively, a consumer gives more priority to interactive communication in their buying selection based on recommendations from their social environment. Thus, word-of-mouth (WOM) turns out to be an effective marketing communication channel (Egli & Gremaud, 2008). Word-of-mouth is pioneered by George Silverman, a psychologist in the early 1970s. George Silverman created what he called "teleconferenced peer influence groups" to engage physicians in dialogues about new pharmaceutical products. George Silverman discovered that few physicians who were having respectable knowledge with a drug would influence a whole crowd of doubters. They would even sway a dissatisfied group of ex-prescribers who have had negative experiences (Silverman, 2009).

Definitions of word-of-mouth (WOM) can be found in various articles and journals. Gafni & Deri, (2012) describes WOM as the intentional involvement of communications between consumers by professional marketers. Kozinets et al., (2010), claims that WOM is an interactive communication method among observed non-commercial communicator and a receiver relating to product or service. In the Journal of Marketing Research, WOM is described as informal communication focussed at new consumers associated with possession, utilization, or features of specific products and service. Justin &Paul (2006) provided a more specific and restricted definition of WOM as verbal, communication among a sender and a receiver which has a substantial influence on consumer decision making. In addition WOM is considering having greater beneficial than the old-fashioned marketing methods, for instance WOM communication believe to be credible and reliable than the marketers originated communications. Therefore, WOM is seen to be more credible than the marketer originated communications since it is viewed as a communication that is accepted over the neutral individuals of 'people like me' (Allsop, 2007). The development of Internet has changed the way of WOM functions. The advance of internet has transformed WOM – face-to-face communication to eWOM – face-to-screen communication.

#### **1.2 Internet and Word of Mouth**

In the recent decades, the Internet plays a pivotal role in communication through building it to share information with easiness between individuals. Internet has changed the approach individuals share their positive and negative thoughts. The reason the Internet is so attractive and efficient for individuals, and consequently a vehicle for WOM, lies in the concept of the Internet itself. This new medium called internet has a great level of interaction which often exists to only a limited extent, especially in traditional marketing communication (Esch, Langner & Ullrich, 2009). According to Sankatsing (2007), some of the most significant characteristics of the Internet are it is always available, 24 hour access to the utmost current information, its worldwide exposure, unrestricted volume and basis of facts on goods, trademarks or competitors facts and figures, its simplifying the ordering procedures, personalization and secured payment methods, as well as the medium's capability to aim particular marketing segments. Thus, internet became an interactive medium in promoting and retaining old and new consumers. Hence, it became even more important with the introduction of Web 2.0 to the computer users.

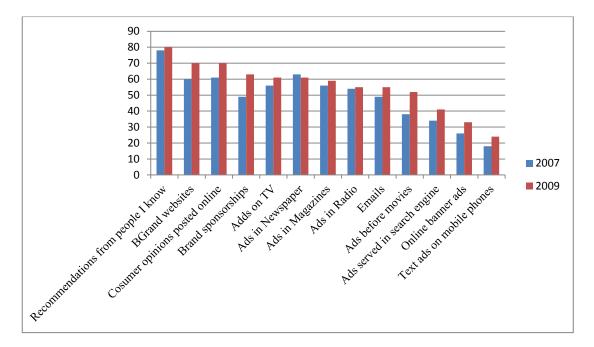
Web 2.0 is described as World Wide Web site that emphasizes user-generated content, usability, and interoperability (O'Reilly & Marx, 2011). The term was propagated by Tim O'Reilly and Dale Dougherty in late 2004, though it was coined by Darcy DiNucci in 1999 (O'Reilly & Marx, 2011). According to O'Reilly & Marx (2011) Web 2.0 websites exhibit five important characteristics, first, it delivers information and application entirely through a web browser; second, it develops structural design of individuals that inspires consumers to increase value to the method as they utilize it. A deserving illustration will be a webpage that tracks prominent news and blog entries by permitting its consumers on vote with respect to them; third, consumers can without much of stretch offer information with each other through interpersonal social network pages. Most Web 2.0 sites enable online consumers to assemble a system of different consumers for the reasons for sharing the internet resources; fourth, consumers can compose and characterize information to address their own issues. Many Web 2.0 sites bolster the utilization of a folksonomy, a method for utilizing open-finished names to arrange information; Fifth, Web 2.0 gives online consumers a rich, intelligent and easy to understand interface.

The advancement of Web 2.0 offers potential consumers various chances to pick up information from different channels (for instance, websites, valuation entrances, gatherings, groups) or to take part in the consumer created content (Alby, 2008). In spite of the fact that Web 2.0 proposes another form of the World Wide Web, it doesn't allude to a refresh to any specialized detail, but instead to total changes in the way Web pages were made and utilized. A Web 2.0 webpage may enable consumers to communicate and team up with each other in an online networking dialogue as creators of user-generated content in a virtual group, rather than Web sites where individuals are restricted to the inactive review of content. Example of Web 2.0 includes social networking sites, blogs, wikis, folksonomies, video sharing sites, and Web applications.

The appearance of the Internet and Web 2.0 interactive abilities has presented another type of verbal exchange termed electronic word-of-mouth (eWoM), where eWoM occurs throughout the web and permits consumers, to communicate with each other and offer their thoughts about different products via social networking sites, blogs, web journals, content-sharing sites and different types of online networking. Kaptein (2012), specified eWoM as an approach that influences the substantial power of individuals to motivate other individuals in their online social network via computer assisted communication medium. Electronic word-of-mouth also identified as any information shared by prospective, current or former consumers which the information is presented in numerous levels of consumers by the Internet (Hennig-Thurau, Gwinner, Walsh & Gremler, 2004), Goldsmith (2006), characterized eWoM as a casual communications focused on online users who use internet for searching information related to their interest of product or service and or the sellers. All the three eWoM definitions above highlighted that eWoM is an informal communication between consumers-to-consumers in online environment. This consumer-toconsumer communication has turned out to be progressively compelling in consumers' purchasing decision and has moved the power of impact from advertisers to consumers, as the present consumers are never just receive information from market oriented communication but instead become more dynamic in searching for

information related to consumers' feelings and offer their own information to other consumers' (Chu & Kim 2011).

The growing importance of eWoM in the realization of purchasing processes can be seen from the early 2000. According to an internet-based survey which was conducted in 2007 and 2009 principally shows 80% consumer belief in the references of other consumers and 70% in consumer thoughts circulated online in 2009 (Figure 1.1). Media such as newspaper (61%), television (61%) and radio (55%) were stated; nonetheless they track considerably behind inter-personal communication. Figure 1.1 clearly point out that online users are getting recommendations from other consumers before purchasing a product or service. These recommendations come from eWoM platforms such as social media, blogs and videos. Figure 1.1 also clearly indicates that eWoM is the most trusted medium by consumers to search for information associated with products or services across the industries. This survey is conducted over 25,000 internet users through few nations.



*Figure 1.1*: Consumer Trust in Advertising by Channel 2007 vs. 2009 (The Nielsen Company, 2009)

#### **1.3 Electronic Word of Mouth's Adoption Across Industries**

As the Internet turns into an essential vehicle for eWoM communication, eWoM has conveyed significant changes to consumer-to-consumer communication. Generally, WOM communication is regularly verbal, casual and restricted by transient or physical space (Stern 1994). Despite what might be expected, eWoM varies from WOM in the accompanying ways: First, eWoM tackles the boundless reach of the Internet for people to impart insights on a one-to-world platform (Litvin et al., 2008). By empowering consumers to retrieve mass electronic verbal information from others in a minimal effort and timely manner, eWoM is more diffusible than conventional WOM. Second, eWoM can originate from differing sources including acquaintances and total strangers (Lim & Van Der Heide, 2015), though traditional WOM essentially originates from family and companions. This difference in closeness of the eWoM sources additionally builds the extent of eWoM the Internet are archived for an indefinite long period of time (Cheung & Thadani, 2012). In this manner; consumers can without much of problem to recover countless positive and negative eWoM information concerning a specific item. The importance of eWoM and the influence of its attributes related to consumers' online purchase behaviour have brought about a generous research stream.

A vast amount of studies validates that eWoM has a substantial effect on online consumers' purchase decisions. Specifically, content of eWoM and origin of eWoM have been generally contemplated. In particular, the direction of eWoM (positive versus negative) has been appeared to have huge effect on consumers. Past research recommended that positive eWoM information would build consumers' purchasing decisions, while negative eWoM information would decrease consumers' purchasing choices, for example Chatterjee (2001) created an imaginary web shopping centre, and utilizing a non-existent consumer as responded for the study to examine the impact of eWoM. Outcome of the study shows that negative consumer review relatively has impact on consumer's confidence and purchase intent in the web shopping centre. Furthermore, in appropriate circumstances, for users who wish to purchase at a lower cost, the impact of negative eWoM is more powerful. It seems that eWoM users are considerably sensitive in receiving negative information from eWoM and this is especially true of low-cost products or services. Chatterjee (2001), highlighted that for those business dependent on cost benefit should manage the negative information in eWoM as they do not have the brand influence. Chatterjee (2001), in his study indicated that the information disseminated in eWoM can be of negative or positive impact on companies based on the capacity of online companies, but failed to highlight what motivates the online user to read these positive and negative information disseminated by eWoM (Chatterjee, 2001). Henning-Thurau

(2004), addressed the motivation for online users to read positive and negative information in their study. Hennig-Thurau et al. (2004) stated the most imperative inspirations for reading online reviews were: decreased of risk, bringing down of search time, realizing the different techniques in buying an item, reduction of purchase regret, looking to new merchandise, and upsurge social reputation and position. In addition, Gruen, Osmonbekov & Czaplewski (2006), highlighted that reduction of decision making time and better purchase decision making were shown to be the most significant factors motivating the customer to read eWoM. Hennig-Thurau et al., (2004) in his research clearly indicates the motive of a consumer using eWoM is for better purchase decision, but failed to identify why online users exchange information and adopt eWoM information. Gruen et al., (2006); Bickart & Shindler (2001); and Chevalier & Mayzlin (2006) in their studies highlighted on why online users exchange information and adopt eWoM information.

Gruen et al., (2006) considered eWoM as a sort of learning on the most proficient method to trade information among the consumers, and that the advancement of the awareness on how eWoM was followed by inspiration and capability. Moreover, when eWoM is overseen legitimately, it was demonstrated that it effectively affects the consumer appraisal of the business and on expectations to repurchase. Bickart & Shindler (2001), allowed consumers to gather data on 5 item classifications for a time of 12 weeks. The outcomes demonstrated that consumers essentially pay more thought to the information given by different consumers generally than those of the business people or advertisers since they have used the item. In short the information they offer is more appealing and critical to the potential consumers. Chevalier & Mazlin (2006) studied Amazon; Barnes and Nobles actual sales in relation to eWoM online book assessments. The results

demonstrated that more positive eWoM is sent on online book shops than offline, with Amazon having much more positive eWoM in both amount and quality than Barnes and Noble. Generally, all the 3 studies indicate that online consumers interchange and adopt information in eWoM because consumers pay extra consideration for the information disseminated by other consumers in eWoM. Electronic word-of-mouth turns out to be a significant platform for consumers to accumulate information prior to their purchase. Electronic word-of-mouth is most likely to impact on the buying selections for product or service which is complex, costly and exceptionally desired items. According to Riegner (2007), consumers will put extra efforts in searching for information and compare all the alternatives before buying items that are expensive and complex. Riegner (2007) likewise recommends that it is a necessity for consumers to tangibly assess an item that might restrict the possibility for eWoM to impact the buy of the item. Electronic word-of-mouth has additionally been found to influence high-risk purchase decision, for example, travel (Libai, Balton, Bugel, Ruyter, Gotz, Risselada & Stephen, 2010). The fact that the tourism product is an intangible items, including complex options associated with high expenditures, encourage consumers to look for more important information via a wide variety of platforms (Libai et al., 2010). These results recommend that eWoM could have a comparable result on one more category of complex, expensive service buying — international students' higher education institution enrolment choice decision. Hence, eWoM plays a vital role for international students to search for information before enrolling into the HEI of their choice.

#### 1.4 Development of Higher Education Institutions in Malaysia

Requirement for vastly highly skilled labour force to cater for a knowledge economy has changed the prospect of Malaysian Higher Education Institutions (HEI). The beginning of globalization joined with technological insurgency, particularly within the Information and Communication Technology segment has provided an ascent towards Malaysian knowledge economy which requires knowledge workforce (Vicziany & Puteh, 2004). To meet the knowledge manpower, Malaysian upper secondary was generalized in year 1991. As indicated by Htherto, all students had just 9 years of basic education and subsequently they needed to proceed for their Lower School Certificate Examination. Only half of the students who sit for the examination were advanced to the next phase in their education. From now on, and into the foreseeable future, all students are qualified to continue till the 11<sup>th</sup> year and sit for the School Certificate Examination. Thus, expended the interest for students to continue to HEIs, however in usual terms; not all the students who applied for public university (PuHEI) were successful in getting a place to study. According to Marimuthu, Jasbir Singh, Chew Sing Buan & Noraini Salleh (1999) it was estimated that, there were shortages of 150,000 spots for students to continue in HEIs in the year 1992. Therefore, the government pursued private body to participate in developing private higher education institutions (PrHEI) to support the PuHEIs.

One more aspect that contributed concerning the advancement of PrHEIs is the expansion in the expenses associated with Malaysian students studying abroad. The year 1985 saw a gauge of 68,000 Malaysian students studying abroad (Marimuthu 2008), largely in the United Kingdom, Australia, United States of America, Canada and New Zealand. Though in the year 2000, quantity of Malaysian students studying in abroad has declined to an aggregate of 50,000 students, 30% of who were sponsored by government or government linked agencies (Marimuthu, 2008). While in the year 2006, there were only 11,900 students sponsored by the Malaysian government due to the full-cost payment for abroad students which introduced by the Thatcher government in UK, trailed by Australia and other Commonwealth countries (Marimuthu, 2008). The decline in the quantity of abroad students and public request pressured Malaysian government to take serious consideration in developing PrHEIs. These situations contributed to the growth of Malaysian PrHEIs. The development of PrHEIs has also contributed to the growth of gDP of Malaysia. PrHEIs sector contributed 60% from the overall GDP growth of private education sector towards the GDP of Malaysia in year 2012. The strategic growth of PrHEIs has led to series of new rules and regulations to enable a methodical growth of PrHEIs in Malaysia.

The National Accreditation Board (LAN) was presented in the year 1996 to uphold the quality of PrHEIs programmes and as accreditation agency within the nation. Likewise, the National Council on Higher Education Act, 1996 was built up to define arrangement for both PuHEIs and PrHEIs. Following the National Council on Higher Education Act, Private Higher Education Institutions Act was presented in 1996, allowing the development of PrHEIs (local and foreign branch campuses) and granting PrHEIs to conduct their programme in English language with the approval of the Ministry of Higher Education (MOHE).

University and University Colleges Act 1971 was then altered in year 1996 to empower the universities to be corporatized and to modernize the administration of the universities keeping in mind the end goal to address the issues of the general public and the industry. In 1997, National Higher Education Funding Board Act was presented where the foundation of the HEIs subsidizing panel was to give education aid to both PuHEIs and PrHEIs students. The introduction and implementation of new rules and regulations enabled a systematic growth of PrHEIs. The growth is evident in the number of PrHEIs from the year 2000 to June, 2016. In June 2016, there were 480 PrHEIs in Malaysia; 44 PrHEIs with university status, 29 PrHEIs with university college status, 9 foreign university branch campuses and 398 PrHEIs with college status (MOHE, 2016).

Development of PrHEIs can also be viewed from student's enrolment perspective to PuHEI or PrHEI. This view is explained by Zahir & Mushtaq (2008), in their study. According to Zahir & Mushtaq (2008), Malaysian higher education system has five phases. The first phase was initiated in the year 1970 with the aim to 'export' local students abroad to gain tertiary education, the second phase started in the mid-1980s with the Malaysian government's emphasis on strategic alliance, "import substitution", among local PrHEIs and their overseas institutions. The introduction of "split-degree", which programmes comprised credit exchange and official twinning programmes with selected overseas institutions were developed in the particular phase. The third phase (mid-1990s) of the cycle went past twinning programmes as overseas institutions created "administration contracts" and "permitting" relationship with home-grown Malaysian universities that provides whole programme compare to part of undergraduate programmes. During the fourth phase (late-1990s), Malaysia opened the door for foreign entity to directly invest to open branch campuses and endorsed PrHEIs to fund their degrees by providing approval for establishments of the "university college" (Zahir & Mushtaq, 2008). The fifth phase (2000 to present-day) not only focused on the steps of both government and private entity in building the domestic options for Malaysian students, yet not withstanding in the end to "import" students from abroad, overwhelmingly, from the neighbouring nations to study in Malaysian local PrHEIs and branch universities which offer complete degree programmes. Malaysia's current international students' percentage stands at approximately 2% to 3% of total global market share and Zahir & Mushtaq (2008), specifies that WOM is seen as one of the main tool to attract international students to Malaysian HEIs, especially to PrHEIs (Table 1.1).

The UNESCO (2014), Institute of Statistics characterizes international students as students who have spanned a national or territorial border for the reason of higher learning and are joined outside their country of origin. Alternatively, the Organization for Economic Cooperation and Development (OECD) - (2003) defines international students as individuals admitted by a country other than their own, commonly under distinct permits or visas, for the particular purpose of following a specific higher learning of study in an accredited institution of the receiving country. Therefore, international students can be concluded as those who have crossed borders for the purpose of higher education in a different country from their country of origin (UNESCO, 2014).

# Table 1.1

## Target Markets for Malaysian Education

	Malaysian Education Evolution					
Components	Evolution 1: Export of local Malaysian students to foreign educational institutions	Evolution 2: Import substitution "Twinning programs". Partial study done abroad	Evolution 3: Licensing by foreign institutions. Entire program completed in Malaysia	Evolution 4: Foreign direct investment by overseas. Licensing by Malaysian public universities granting the degree	Evolution 5: International students is imported to Malaysia	
Critical impacts on the "buying centre" for example on users, influencers, and deciders	<ul> <li>Overseas institutional prestige/position</li> <li>Peer knowledge at overseas institution.</li> </ul>	<ul> <li>Affordable oversea higher education which could support by family.</li> <li>Government has control on the policies and financial issues.</li> <li>Emphasize on local culture.</li> </ul>	<ul> <li>Monetary burdens.</li> <li>Improved consciousness in national pride and Asian morals</li> </ul>	<ul> <li>Involvement of many organizations to uphold education level.</li> <li>Home-grown institutions are being accepted by their reputation.</li> </ul>	<ul> <li>The prestige of an institution is growing through WOM.</li> <li>Cheaper alternative for oversea higher education institutions</li> </ul>	

Source: Zahir & Mushtaq (2008)

#### **1.5 Problem Statement**

Previously, consumers searching for information were constrained to rely upon marketer generated sources, third party statements and discussions with loved one such as family and friends. Though, by the introduction and development of Web 2.0 that empowers consumers to take part actively in sharing information among consumers and allows consumers to interact between each other and exchange information prior to their purchasing decision (King, Racherla & Bush, 2014). The Web 2.0 revolution introduces consumers to the utmost capable voice they have used so far – eWoM (King, Racherla &Bush, 2014). With the capacity to effortlessly request and offer all kind of information, such as from which doctor to consult to what type of laundry detergent to buy, consumers are putting less trust in experts and are increasingly basing their purchasing decisions on the recommendations of their peers obtained mainly through the Web and web-based social networking, otherwise called eWoM (King, Racherla & Bush, 2014). This supported by Bronner & Hoog (2012), where the scholars indicated that eWoM is considered as the most trusted platform to gain information.

Electronic word-of-mouth has been extensively explored by scholars. The earlier studies of eWoM focused on the search goods or products (Cheol Oark &Thae Min Lee, 2009). Bronner & Hoog, (2012) and King et al., (2014), categorized searched products by the product qualities which all the details of the product could be attained prior to purchase. Clemons et al., (2006) addressed that the characteristics of the search product discussed in eWoM subsequently will affect the consumers' perception about a product. There was few research conducted on experience goods or service industry. Cheol Oark & Thae Min Lee (2009) explained that experience goods are those items which grouped under goods that are difficult to give full details

before the acquisitions. Thus it makes the information exploration far more expensive compared to the search products. In fact, PrHEIs are grouped under experience goods. The intangible nature of PrHEIs has made it difficult for early scholars to investigate the relations between information orientation search via eWoM and the criteria of HEI enrolment choice destination by international students.

Most prior study related to HEI and information search by international students are focused on official marketing medium of a particular HEI. Official marketing medium plays a big role as an investment in the future. Official marketing medium includes all of the available tools to the marketer for 'marketing communication'. Official marketing medium can be in mass media like TV, radio, newspapers, internet, and mobile phones, in which the advertiser pays an advertising agency to place the advertisement (Kathryn DiAna., 2014). According to Mortimer (1997), Hesketh & Knight (1999) and Gatfield, Barker & Graham (1999), there was a substantial information inconsistency throughout decision aspects by students and the information that had been given by HEI in their official marketing medium. Mortimer (1997); Hesketh & Knight (1999); and Gatfield et al., (1999) have each conducted their own research on the effect of official marketing medium in United Kingdom and Australia. In all the three research, there was a significant gap identified. The gap demonstrates that the official marketing medium produced to prospective students regularly neglected to give adequate academic programme and other related information in detail. This is supported by Casttleman (2015), Fagerstrøm& Ghinea, (2013) and Ismail & Leow (2008) in their research. Casttleman (2015), Fagerstrøm& Ghinea, (2013) and Ismail & Leow (2008) highlighted that there are gap between information required by international students and the information provided by HEI official marketing medium. The official marketing medium also normally fails to provide relevant, accurate, timely and comprehensive information about a particular HEI, country and cultural value (Gatfield et al., 1999).

Adding to Mortimer (1997); Hesketh & Knight (1999); and Gatfield et al., (1999), Gurevitch, Coleman & Blumler (2009) highlighted that, in recent years, many newspapers and television channels lost their audiences, since traditional print and broadcast media as promotional tool have faced major challenges in providing informative information. Furthermore, Kathryn DiAna (2014) stressed that HEI admissions departments which provide students with traditional marketing materials such as view books, brochures, or general print pieces fail to attract students to enrol in their HEI. Hence HEI fail in their efforts in pooling their efforts to present a clear image of offering a brand (Gurevitch et al., 2009). Thus, international students are looking for more formless information from their peers before the decision was taken (Hesketh &Knight, 1999). International students must be convinced that "what they see is what they get" before HEI decision is made. Therefore, eWoM is seen as the next step for international students to search for information prior to enrolling into the HEI of their choice.

The procedures of international students selecting HEI is developing due to the rapid expansion of HEI on the global platform and the continued Web 2.0 revolution that affects online user's behaviour, decision making, beliefs and perceptions which led to online consumer empowerment (Flew, 2011). Thus, international students had their own way to search for information via eWoM before the enrolling decision was taken. International students will seek information in relation to HEIs and their contributions from a range of sources including eWoM as a mean of reducing the perceived risk associated in enrolling into the wrong HEI (Flew, 2011). Other than the information about universities and their programme offerings, international

students also search for information on quality teaching (Mazzoral & Soutar, 2002), institution's reputation, employment opportunities (Mazzoral & Soutar, 2002), accessibility of up-to-date amenities and an international student body effectiveness. Jenkins (2011) explains that course admission marks and simplicity of admission to be important elements to Australian students. Table 1.2 presents a summary of the information orientation searched by international students which have an influence on international students' HEI enrolment choice.

Table 1.2

Summary of Information Searched by International Students in HEI Choice Decision Making

Researchers	Information	Country of study	
Maringe and Carter, 2007	Lack of access to better local education	Australia United Kingdom	
Maringe, 2006 Bodycott, 2009	Financial factors	Australia United Kingdom Hong Kong	
Mazzarol and Soutar, 2002; Counsell, 2011; Bodycott, 2009	Cultural factors	Australia United Kingdom Hong Kong	
Chen, 2007	Environmental and social factors	Canada	
Bodycott, 2009;	Foreign university's quality and better facilities	Hong Kong United Kingdom	
Bodycott, 2009; Chen, 2007	Security and safety	Australia United Kingdom Canada Hong Kong	
Mazzarol and Soutar, 2002; Maringe, 2006	Teaching credentials, qualification and reputation	Australia United Kingdom	

Table 1.2 (Continued)

Researchers	Information	Country of study
Bodycott, 2009; Cubillo et al, 2006	Higher education institution's status for excellence	Australia Hong Kong United Kingdom Spain
Mazzarol and Soutar, 2002;	Accessibility of a broad variety of courses and programs	United Kingdom Australia
Maringe and Carter, 2007; Bodycott, 2009	University environment	United Kingdom Hong Kong

Source: Lee & Morrish (2012)

HEIs enrolment decision procedure becomes an important research area among PuHEIs and PrHEIs scholars. This can be seen from the development of HEI choice model by Hossler & Gallagher in 1987 and keeps on being investigated today against eWoM, for example Counsell (2011), who watched that 46% of potential international students communicated and searched for information in eWoM prior to their HEI choice decision. Adding to Counsell (2011), Morris (2012), acknowledged that international students used eWoM in gaining information related to higher education institutions which guides them in selecting the right institution. Accordingly, a research by Kuzma & Wright (2013) has indicated that, today eWoM tools are making it possible to communicate directly with almost any audience. Further Kuzma & Wright (2013) indicated that the tools for communicating with the target audiences and marketing have significantly changed from traditional media to a new phenomenon known as "eWoM". As a result, HEIs are beginning to embrace eWoM and realizing the potential power and implications for using it as a component of their overall marketing mix (Fagerstrøm & Ghinea, 2013). Thus, the problem statement of this study is, whereas eWoM seems to have much opportunity and promise, it is still to be experimentally determined if and what information searched in eWoM plays a role in international students' decision of HEI enrolment choice. Thus, this study focuses on the affiliation among international students' information orientation search in eWoM and the usefulness of the information orientation towards PrHEI enrolment choice (focused on Private Universities (PrUni) – local and foreign based branch campus) by international students.

#### **1.6 Research Objectives**

Current study is focusing on understanding on the relationship between international student's eWoM usage in searching for information and their PrUni choice of enrolment. Thus, the following research objectives are developed:

- 1. Examine the effect of country image (cultural proximity, academic reputation and socioeconomic level) and information usefulness towards PrUni enrolment choice.
- 2. Examine the effect of city effect (city dimension and cost of living) and information usefulness towards PrUni enrolment choice.
- Examine the effect of institution image (quality of professors, institution recognition and facilities on campus) and information usefulness towards PrUni enrolment choice.
- 4. Examine the effect of programme evaluation (programmes recognition, programmes suitability, programmes specialization and cost or finance) and information usefulness towards PrUni enrolment choice.
- 5. Examine the mediating effect of information usefulness between the information orientations and PrUni enrolment choice.
- 6. Examine the moderating effect of information quality on the relationship between information orientation (country image, city effect, institution image and programme evaluation) and information usefulness.
- 7. Examine the moderating effect of source credibility on the relationship between information orientation (country image, city effect, institution image and programme evaluation) and information usefulness.

## **1.7 Research Questions**

In direction to accomplish the above objectives, the subsequent research questions were developed for this study:

- What is the relationship between country image (cultural proximity, academic reputation and socioeconomic level) and information usefulness towards PrUni enrolment choice?
- 2. What is the relationship between city effect (city dimension and cost of living) and information usefulness towards PrUni enrolment choice?
- 3. What is the relationship between institution image (quality of professors, institution recognition and facilities on campus) and information usefulness towards PrUni enrolment choice?
- 4. What is the relationship between programme evaluation (programmes recognition, programmes suitability, programmes specialization and cost or finance) and information usefulness towards PrUni enrolment choice?
- 5. Does information usefulness mediate the relationship between the information orientations and PrUni enrolment choice?
- 6. Do information qualities moderate the relationship between information orientation and information usefulness?
- 7. Does source credibility moderate the relationship between information orientation and information usefulness?

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#### **1.8 Significance of the Study**

This section discusses on the significant of theoretical and practical contribution in the relation to information orientation searched in eWoM by international students on their PrUni enrolment choice. Specifically, the contributions are as follows:

## **1.8.1 Theoretical Contribution**

Based on the discoveries of this investigation, three possible theoretical contributions have been identified. Firstly, this investigation authenticates and approves a research model by extending the information adoption model (IAM) of Sussman & Siegal (2003) by integrating and HEI choice combined model of Hossler & Gallagher (1987). Hossler & Gallagher (1987) highlighted that the information search phase as critical and important stage in HEI enrolment choice by international students. Student's search for more informal information orientation as formal information from HEI's marketing platform does not really help them to decide on the HEI of their choice. This information orientation such as country image, city effect, and institution image and programme evaluation is explored and studied further to enrich the academic literature in understanding HEI enrolment choice by international students.

IAM is used to understand the effectiveness of information quality and source credibility in perceiving information usefulness towards HEI enrolment choice by international students. Thus, a new model will be developed that will integrate the IAM and HEI choice combined model of in understanding the relationship between information orientation, information quality, source credibility, information usefulness and PrUni enrolment choice by international students. Furthermore, this investigation will add to the developing body of literature writing by distinguishing and featuring the impact of information orientation searched by potential international students via eWoM in the procedure of HEI enrolment choice. Even though many studies have discovered and examined the HEI choice decision by students, only few researches focused one eWoM effect in international students' PrUni choice decision. Therefore, this study will add to eWoM literature by focusing on the effectiveness of information orientation searched in eWoM among international students and its relation towards HEI enrolment choice which focus on PrUnis in Malaysia.

Thirdly, there are inadequate studies and investigation on international students' enrolment choice, particularly PrUni in developing countries such as Malaysia (Maringe, 2007); Malaysia's current international students' percentage is approximately 2% of the total global market share (UNESCO, 2014). From this 2%, 1.3% international students are enrolled in PrHEI. This clearly shows the importance of PrHEI in attracting international students. Therefore, this study will assist academicians to attempt more in depth research on the growing pattern of international students in PrHEIs specifically in PrUni. Furthermore, this study would also assist academicians and researchers to understand further on the relation between international students and information orientation search behaviour of international students in eWoM.