CHAPTER I

INTRODUCTION

A. Background of The Problems

Information and communication technology can be powerful tool in the sector of education, the world is going to be a universal digital village (Rahaman, 2018). Communication technologies have major impact on day to day life in the world. Study from (Puspitasari & Ishii, 2016) shows that 68.4% respondent adopted the Internet service via mobile phones and 53.9% adopted the Internet service via PCs. It means that these days people tend to use internet in their daily life, whether it from personal computer or mobile phone. The growth of technology has helped them in their job performances.

Technology is neither good nor bad in itself but it is the way that it is used that matters. To make good decisions about technology in education, understanding the relative educational strengths and weaknesses of different technologies, and what needs to be done to use technologies effectively. Technology cannot be separated from education, these days education field needs technology for promotion or access to information for students as well as for teachers (Rahaman, 2018).

Additionally, globalization in higher education are widespread and multifaceted. Including flows of students across borders, it is estimated that more than 1.6 million students now study outside of their home
countries (Altbac, 2015). Higher education has become increasingly international in the past decade as more and more students choose to study abroad. Enroll in foreign educational programs and institutions in their home country, or simply use the Internet to take courses at colleges or universities in other countries or simply looking for information about university they want to be in (Thanh, 2016). As this fact said, these foreign student need advanced technology that will enable them to access the information they needed to make a good decision. It has been made easier by development of technology.

The trends are affecting young generation to pursue studying abroad, not only young generation willing to study abroad but also the older people are keen to pursue study abroad for conducting research or other studies. The data Figure 1.1 from (migrationdataportal.org) shows the number of International students around the world.

Besides that, the data Figure 1.2 from (OECD, 2016) shows the distribution of the country of origin of students who study abroad, the Figure 1.2 shows that Asia and Europe are the highest country sending students abroad. It means that Asia and Europe have huge number of exporting students to study abroad.
Those two data imply that students mobility around the world are going to increase even more that in the next year especially students from...
Asia and Europe, the number of international students totaled close to 5 million compared to 4.5 million in 2011. According to the OECD (Economic Cooperation and Development), “the global demand for International higher education is set to grow to 7.2 million students in 2025 (James & Yun, 2017). By the fact that the trend will keep growing even more and that Asia and Europe are the highest country sending student abroad, this became an interesting and important fact to study.

Additionally, as national economies become more interconnected, governments and individuals are looking for higher education to broaden students’ perspective. By pursuing higher education in other countries than their own, students may expand their knowledge of other cultures and languages, and better provide themselves in an increasingly globalized labor market (OECD, 2016).

The need for global education is also reflected in public opinion. For instance, a recent representative study in the United States indicated that the majority of Americans believe that international education is moderately to very crucial for students. In other word, universities must teach students about world topics in order to equip them for the global economy. Also, that foreign language learning is a necessity, and that study abroad opportunities are an important component of preparing students for a global workplace (Lauermann, 2015).

This growth patterns and changes in demand in higher education market present opportunities for higher education institutions (James &
Moreover, as an opportunity open so does the challenge. The competitions between universities become even tighter than before. It means that universities must have a unique and different marketing strategies to attract international students. The University must understand what kind of information these students desire most and how can the university deliver these information to the potential students before they make a decision.

Marketing in Higher Education is relatively new but it has stimulated some interesting discussions. Subsequently, there has been an ongoing discussion about the exact nature of the education ‘product’ and the responsibilities of the customer and provider in the transaction (Durkin, McKenna, & Cummins, 2012). Hence, it is crucial in this case to give students the exact information they need. In this era where information is easy to access, international students tend to make their own research about the university, the course that the university offers and other related essential information. By the fact that usefulness of information is very crucial and could help students to make a decision, the university needs to develop and design which is the useful tools to attract and help students to make their decision easier by providing enough amount of useful information through website.

The decision to study abroad is one of the most noteworthy expensive initiatives that student may handle. Consequently, the high costs to study abroad make it even more intricate decisions (Cubillo, Sanchez, &
Julio, 2006). Many students make the wrong decisions as a result of receiving imperfect and lack of advice. Moreover, students obtain confusing opinions due to poor of accurate and related information provided (Moogan & Baron, 2003). Therefore, information is needed when it comes to the decision to study overseas. Knowing that students today seek increased information to extend more informed decision making (Briggs, 2006), university needs to focus on providing those information for potential students. Also, research by (Garwe, 2016) found that students needed information to enable them making decisions, universities should invest more into marketing their institutions and academic programs.

Most complex and expensive decision are more likely to involve deeper buyer consideration. Thus, including decision in which country to study, the document required to enter the country such as visa, the living cost, tuition fees and what are the courses that the university offers, city image, and institution image (Cubillo et al., 2006) might become one of the consideration for students to choose where they want to study.

As for the student, making decision whether to study at their own country or study overseas is not as easy as when they decide to buy goods for instance. Deciding to study overseas is a puzzlement task for student, even though they have many options, evaluating those options, even for students with access to quality information is problematic (Briggs, 2006). Decision making in the context to choice at any stage of an individual’s
education path is a process of adding into pre-existing perceptions and knowledge with the new and developing knowledge, and matching the new understandings with short and long term personal aspirations.

Understanding the concept and perceptions that young people have shaped by various stages in their lives provides both a bridge of the developing process and a starting point for establishing knowledge loss or errors that may be addressed by improved information supply or by promotional activity (Foskett & Brown, 2002). In particular, before student make a decision in which university to study, they already have their own knowledge and aspiration or expectation about higher education and their future. This aspiration or expectation is a key point for students. Thus, to make a decision is complicated for them, once the decision being made it will affect their future. This condition might affect the decision making process for student.

Decision related service purchase is often characterized by reasonably high risk and high service purchase decision involvement (Lau & Ng, 2001). It makes consumer tried their best to search for knowledge or recommendation from other people who experienced in using the same product/service before. There is a proof that pre purchase decision information addition in University decision making is being carried out with greater involvement by the potential students and their parents, not only the student will make a decision but parents also could affect how the
decision is being made by student, even though parents are not the one who will use the services.

Attracting potential applicants with the desirable figure is becoming increasingly tough for universities especially within a limited resource environment (Lewis, 2005). Higher education institution is unique and offered various options for students. The education service that being offered to potential student is intangible product. Education is a service, the intangible nature and high costs in terms of both time and cost, often means that the buying decision process becomes complex with an extended information search; a consumer may not understand a service fully before its consumption (Bansal & Voyer, 2000). In other words, international students are increasingly demanding better value for their money and are more selective in choosing a higher education institution (James & Yun, 2017). Thus, to make a decision in terms of higher education is a complex process, once student made a decision it will affect their career in the future. The study of student’s decision-making processes and how they perform their behavior toward its process have become interest to researchers, university recruiters and admissions tutors (Brown, Varley, & Pal, 2009).

Despite the difficult, complex, and a lot of consideration to think in making the decisions, the number of International students around the world are widely increasing. The growing number of international students in search of higher education and the inclusion of new countries as
destinations for this purpose have increased the need for understanding the behavior of consumers from a cross-national perspective (Cubillo et al, 2006). The mobility of people are huge, people could come from one country to another country for study or even work. Global trends within the field of higher education have brought new competitors (Ivy, 2001) and become an important strategy for the university, it involves in an increasing and intense struggle to attract new students (Nicholls, Harris, Morgan, Clarke, & Sims, 1995). The understanding about consumer behavior especially in this case is student behavior is important for University.

Many more factors that influenced student decision in much more intricate ways than has been the case in the past (Moogan & Baron, 2003). There are number of studies that explained on how student complex choice decision being made toward higher education institution (Briggs, 2006); (James & Yun, 2017). According to (James & Yun, 2017) there are three factors affecting student choice decision toward higher education institution (1) source of information, (2) pull (university related) and structural motivation, (3) reference group or influences. Moreover, according to (Lauermann, 2015) there are another three factors affecting student choice decision toward higher education institution (1) push and pull factors, (2) college choice models, (3) pre-departure expectations, goals, and motivational orientations.
Moreover, (James & Yun, 2017) said that University Website was the top source of information used by international student compared to other source. A university website might help the international student with providing some information they need before making a decision. Conversely, previous study by (Simões & Soares, 2010) said that website was not equally used by students from all fields of study. Students from field of Health studies and Science relies more on University website as information source while the most used information source for respondent from Arts, Humanities, Engineering and Computer Science was former or current the university students. Another research by (Greenbank, 2009) found that student increased seek for information from various sources such as prospectuses and websites, those are became persuasive in the decision making process. However, this research also shown that some of the students preferred to talk to people rather than prospectuses and websites. Yet, University open days, Web sites and prospectuses all rate highly for use and reliability sources for students (Paton, 2004).

Furthermore, study regarding website's ease of use has shown that the influence of ease-of-use is significance (Heijden, 2003). The function of the system or a technology under study matters. Website or portals have both entertainment and enjoyment functionality, and therefore, both beliefs matter. Traditional technology or system typically serve a “useful” function only (in a job-context, performing task and searching for information) and therefore only the “usefulness” belief matters. The
direct impact of ease-of-use may be explained from the strong impact of this construct on both usefulness and enjoyment or attractiveness. Another research by (Heijden, 2004) regarding website ease of use shown there is another factor which is perceived enjoyment together with perceived ease of use are stronger determinants of intention to use in terms of a hedonic information system than perceived usefulness. However, perceived usefulness is contributing in utilitarian value. It concluded that, in terms of searching information for students the perceived ease of use may not become the stronger determinant than the usefulness of website, yet in terms of ‘hedonic’ value perceived ease of use may become the dominant factor that will affect the attitude of the student. Yet, both perceived usefulness and ease of use are matter in terms of searching information for students and affect the decision.

Besides perceived website’s usefulness and perceived website’s ease of use, there is another factor which is Electronic Word Of Mouth. Web based technologies have created numerous opportunities for electronic word-of-mouth (E-WOM) communication or other online discussion forum. This phenomenon impacts the online consumption decision behavior process (Cheung & Lee, 2012). The new form of word of mouth, known as electronic word of mouth (E-WOM), has become an important factor in shaping consumer in purchase decision behavior these days (Cheung & Lee, 2012). Study from (Hennig-Thurau, Gwinner, Walsh, & Gremler, 2004) alleged that information provided on consumer
opinion sites is more influential among consumers nowadays. The fact shown that 61% of consumers relies on online reviews, blogs and other kinds of online customer feedback or review platform before purchasing a new product or service.

Moreover, a recent survey by (Nielson, 2007) found that most consumers perceive online opinions to be as trustworthy as a web sites. Previous study by (Shabsogh N. M., 2013) said that the influence of E-WOM is not always toward higher purchase intention since E-WOM can be positive or negative, and this will eventually impact on the purchase intention. It was shown in previous literature that negative information has the effect of obstructing purchase intention, while positive information encourages purchase intention in both traditional and online settings. Moreover, study by (Shabsogh, Liao, & Reynolds, 2012) in their study found that “the relationships between source characteristics and trustworthiness are largely irrelevant to E-WOM” and further its effect on purchase intention. To conclude, there is a gap that needed to address on the perceived usefulness, perceived ease of use of information, and E-WOM that will affect purchase decision.

Previous studies by (Sun-Jae Doh & Hwang, 2009) simply confirmed that negative messages were more influential than positive ones. However, this finding should be taken into consideration about the impact of E-WOM whether it is negative or positive toward purchase decision.
Therefore, we can conclude that previous research above has shown several gap in those mentioned variables (perceived Website's Usefulness, perceived website’s ease of use and E-WOM) toward decision to study in higher education institution. Therefore, it drives the author to investigate “The Impact Of Perceived Website’s Usefulness, Perceived Website’s Ease Of Use, And E-Wom On The Decisions To Choose University (Study at University Of Muhammadiyah Malang In Indonesia and Lublin University Of Technology In Poland), by conducting this research study.

To clearly explain and support the research, author will be using the TAM (Technology Acceptance Model) theory by Fred Davis 1989, this theory explains about human behavior on acceptance toward a technology by incorporating two major determinant which are: perceived usefulness and perceived ease of use.

Additionally, this research needed collaboration between both University, and thankfully to the International Relations Affair of Faculty of Economics and Business University of Muhammadiyah Malang in Indonesia and Faculty of Management at Lublin University of Technology in Poland for helping to make this research collaboration happened.

B. Statement of The Problem

According to the background of study above, the problem are complex. Making a decision for student is not easy, many factors
influenced the decision. Also, several researches showed some gap between those three variables mentioned in the previous section.

Based on the background above, the research problem is formulated as follow; does perceived Website's Usefulness, perceived website’s ease of use, and E-WOM affects students decisions to study at UMM and LUT?

C. Objective of The Study

To find out and analyze the factors which are perceived Website's Usefulness, perceived website’s ease of use, and E-WOM toward the impact of students decision to study at UMM and LUT. In particular, those factors are related to technology acceptance model.

D. Scope and Limitations

The limitation of this research is addressed only for International students at UMM and LUT. Additionally, in the context of rapidly changing environment in terms of searching for useful information, this research only focused on how the technology influence students decision in selecting university for their future study. In particular, this research only focused on study about the acceptance of technology toward decision to study at UMM and LUT.

E. Significances of The Study

1. Practical implications

The result of the study is expected to give contribution toward both university’s internationalization program. Moreover, this study is expected to give an overview on how both universities in Indonesia and in Poland
arranging strategy on their internationalizations process and international collaboration program to attract international students by developing an advanced technology in providing information for students.

2. **Theoretical implications**

This study is expected to provide the next research with some information with a reference for conducting research about study on source of information that will affect student’s decision in choosing university.