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Comparing student loyalty behavioural intentions across multi entry mode deliveries: An Australian perspective

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ABSTRACT

This paper compares students' perceptions of push/pull and risk attributes for their impacts on attitude and loyalty behavioural intention towards their university that has adopted multi entry mode strategy in its home and offshore campuses. A total of 561 completed responses were collected through an online survey from students in a large university with campuses in Australia, Malaysia and Singapore. Findings suggested that international students residing in Australia held the most favourable perceptions, attitude and loyalty behavioural intention compared with their counterparts in Malaysia and Singapore, suggesting the inward exporting strategy was successful for the university. The applicability of the Uppsala model in explaining the university's respective entry mode strategies validated its use in the context of international higher education.

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1. Introduction

As world economies become increasingly interdependent and businesses internationalise, the burden is on higher education to mimic the practice of global business in adopting an internationally oriented approach. Higher education systems in most countries are "no longer considered an entirely national enterprise" (Elkin et al., 2005, p. 319). Instead, the higher education sector plays a part in the wider policy objectives of governments to further economic development (Kameoka, 1996).

In the bid to internationalise, universities must make critical decisions about their choice of an entry mode strategy. A university must take into account how students will perceive of its push/pull attributes (Alexander et al., 2009) and risk associated with international study (Beneke, 2011) for their impacts on students' attitude (Quintal and Phau, 2014) and loyalty behavioural intention (Quintal et al., 2012) towards their university and campus. A university that does not address the unique needs of its international student population in each campus runs the risk of leaving students "feeling disappointed, unfulfilled, and even exploited" (Sherry et al., 2010, p. 34). Yet, no empirical study has examined differences in students' perceptions, attitude and loyalty behavioural intention towards their university that has utilised multi entry mode strategy.

It is the area of student body internationalisation that "gives rise to the perception that universities are beginning to mimic corporations in their orientation" (Healey, 2008, p. 334). According to the

author, this trend is most pronounced in Australia, Canada, New Zealand, the USA and the UK. In such countries, internationalisation has followed the approach of global businesses by adopting the step-by-step 'Uppsala internationalisation model' that includes exporting, licensing/franchising, joint ventures and sole ventures (Healey, 2008). In 2013, international education activity contributed \$15.0 billion to the Australian economy, arising from international students studying and residing in Australia. This reflected a 3.8 per cent increase from the earnings recorded in 2012 (\$14.5 billion). A further \$571 million was generated from sundry international education activities (Australian Bureau of Statistics, 2013).

Pull or supply-related attributes such as a university's reputation for high quality teaching, learning, student support services and resources (Mavondo et al., 2004) are paramount to its success in attracting international students. The onus is on universities to equip students with discipline-specific knowledge, interpersonal skills and credible qualifications (Chen and Zimitat, 2006) that enhance their contribution to society. Push or demand-related attributes such as the veracity of university degrees to open doors to employment (McIlveen and Pensiero, 2008) and personal economic well-being (Duderstadt, 2000) are also crucial to students' choice of an international education.

However, embracing the pathway to an international education is fraught with risk (Beneke, 2011). From a student's perspective, there is risk associated with: (1) finance; (2) performance/function; and (3) time loss. From a university's perspective, there is risk in managing: (1) different expertise of academics; (2) varying student service levels; (3) condition of campus buildings and facilities; (4) marketing efforts initiated by different faculties; and (5) behaviour of students and staff members (Beneke, 2011). Such issues are

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intensified in universities that have adopted varied export modes (Healey, 2008). Poor management of the international student body can severely impact on students' perceptions, attitude and loyalty behavioural intention towards their university (Quintal et al., 2012).

While there is growing interest in research that explores the student body internationalisation (e.g. Elkin et al., 2005; Healey, 2008), there are gaps in the literature. First, there appears to be no general consensus on what constitutes an international university. In fact, Elkin et al. (2005, p. 319) have observed that "there has been no means of identifying or measuring what might be key variables in developing an "international" university." Second, to the best of the authors' knowledge, no empirical study exists which examines differences in students' perceptions that impact on their attitude and loyalty behavioural intention across a university that has utilised multi entry mode strategy in its respective campuses. Third, whether the Uppsala model can be utilised to evaluate a university's respective entry mode strategies also remains unexplored. Although universities have committed policy and infrastructure towards internationalisation, how students view and respond to their university and respective campus has not been empirically established. To address the research gaps, this paper examines one specific Australian university that has adopted multi entry mode strategy in its home and offshore campuses in Malaysia and Singapore. Thus, this paper asks:

RQ1: Do students' perceptions of their university's push/pull and risk attributes, attitude and loyalty behavioural intentions differ across the university's multi entry mode campuses?

RQ2: Will students' perceptions of their university's push/pull and risk attributes impact on their attitude and in turn, their loyalty behavioural intention towards the university across its multi entry mode campuses?

RQ3: Can the Uppsala model be utilised to explain a university's entry mode strategies?

2. Relevant literature

2.1. Market entry modes

The Uppsala internationalisation process model was introduced by Jan Johanson and Vahlne (1977) and explains the characteristics of the internationalisation process encountered by a firm (Jan Johanson and Vahlne, 2009). The authors identify four key tenets, namely, market knowledge, market commitment, commitment decisions and current activities. Firms handle the risks associated with internationalisation through an incremental decision-making process, where information acquired through foreign investment in one stage is used in the next stage to take further steps. Through this incremental process, the firm is able to exert control over its foreign venture and accumulate knowledge of conducting business in foreign markets (Forsgren, 2002).

As a firm begins to exert its control in a foreign market, it can incrementally undergo four stages of market entry, namely, export-

ing, licensing production, joint venture and sole venture (Fletcher and Crawford, 2014). According to Healey (2008), generally, this sequencing coincides with the four stages of the Uppsala internationalisation model. Consequently, in internationalising, one of the most critical decisions a university must make is its choice of entry mode strategy. This process is gradual, with universities moving from one stage to the next in accordance with the Uppsala internationalisation model as seen in Table 1. This paper examines the model's applicability in evaluating entry mode strategy in the context of international higher education.

First, universities acquire market knowledge when they export higher education by enrolling international students in their home campuses. In services marketing literature, this is referred to as "inward exporting" or importing customers as it brings international students to the universities' home countries (Bianchi and Drennan, 2012). Currently, with over 60% of the world's population, Asia is the most important source of students for Australia, New Zealand and the United States (Healey, 2008).

Second, universities exhibit market commitment when they license/franchise higher education by sub-contracting a local provider in another country to deliver a module or all of a university degree programme (Healey, 2008). In the 1980s, Australian universities initiated arrangements with private colleges in Singapore and Malaysia. Some of these arrangements included '1 + 2' deals, during which the first year of a three-year bachelor degree is delivered at the college's own premises, with students completing the rest of their degrees at the university's home campus. Subsequently, arrangements included '2 + 1' and '3 + 0' models, the latter resulting in a franchise of the entire degree at the college's own premises. The poor quality of private colleges, mostly established by profit-making local companies, has roused critics to label the franchise model as 'McDonaldisation' (Hayes and Wynyard, 2002).

Third, universities demonstrate commitment decisions when they establish joint ventures by setting up offshore facilities, referred to as the 'third wave' of the Uppsala internationalisation process (Mazzarol et al., 2003). Since national legislation on licensing of educational providers usually requires the involvement of a local partner, joint ventures are the standard organisational form of the third wave (Healey, 2008). Singapore and Malaysia have been recipients of the third wave between 1997 and 1998 respectively, with their governments encouraging leading western universities to establish branch campuses in both countries. In 2003, China followed suit with its first joint-venture. The establishment of Australian campuses in Singapore, Malaysia and China (Norris, 2011) has enabled Australian universities to tap into the "growing middle class, rapid industrialisation and shortage of domestic tertiary places in these countries" (Lebihan, 2012, p. 27).

Finally, universities implement current activities when they undertake sole ventures by setting up wholly-owned campuses. In the OECD, wholly-owned branch campuses exist in London and Paris. However, these function as international study centres for visiting students from the foreign (often the USA) university's home campus and are not part of any third wave of internationalisation by es-

Table 1
Uppsala internationalisation process in higher education entry mode context.

Authors	Internationalisation process and entry mode			
	1st wave	2nd wave	3rd wave	4th wave
Jan Johanson and Vahlne (1977, 2009) Fletcher and Crawford (2014) Bianchi and Drennan (2012), Healey (2008), Mazzarol et al. (2003)	Market knowledge Exporting Inward exporting	Market commitment Licensing production Licensing programmes	Commitment decisions Joint venture Joint venture	Current activities Sole venture Sole venture
Present study	Inward exporting of international students in home campus	Licensing delivery of courses/ programmes in offshore campuses	Joint venture with partners to deliver courses/programmes in offshore campuses	Not applicable

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