

Masteroppgave

Relevancy of Uppsala Model in Higher Educational Institution's Internationalization: From the Prospect of Australia

Autumn 2010

Sumon Ahmed

Student Number 271587

Candidate Number 6

International Business and Marketing

B309E



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Sammendrag

Uppsala modellen er et viktig forskningsarbeid som har blitt testet empirisk i flere tiår. Den har blitt møtt med både forståelse og kritikk. I denne oppgaven har jeg prøvd å finne "hvor relevant Uppsala modellen er i internasjonalisering av høyere utdanningsinstitusjoner: fra Australia sin synsvinkel". For å finne ut dette har jeg tatt utgangspunkt i tre australske institusjoner.

Gjennom min undersøkelse fant jeg at de tre institusjonenes internasjonaliserings prosesser er forskjellige fra Uppsala modellens konsept. Det største markedet for institusjonene er asiatiske land. Markedsvalget er styrt av rasjonalitet, gunstige markeds situasjoner, etterspørselen av høyere utdanning og komparative fortrinn over det utenlandske markedet. Institusjonens ekspansjon i et marked blir ikke fulgt av et sekvensielt mønster, men de går inn i ulike markeder gjennom ulike etablissement. Forpliktelses avgjørelser i et marked blir drevet av flere faktorer som nåværende resultat, gunstige markedssituasjon, omdømme, utvikling av ressurser, markedskunnskap osv.

Uppsala modell sier at markedskunnskap i hovedsak oppstår gjennom erfaring på markedet. Dette er i motsetning til det jeg har kommet frem til. Jeg fant at institusjonene får kunnskap om markedet gjennom ulike kilder som: erfaring, forskning, kontakter, partnere, online osv. Jeg har derfor på bakgrunn av empiriske funn forsøkt å bidra med en modell som viser internasjonaliseringsprosessen til mine utvalgte institusjoner.

Abstract

Uppsala model is an important research work that has been tested empirically for decades, resulted appreciation and criticism as well. In this paper I have tried to find the “ Relevancy of Uppsala Model in Internationalization of Higher Educational Institutions: From Australia’s prospective’’. To find the answer of the quest I have been through three Australian empirical elements.

This study found that the internationalization process of the selected institutions has remarkable differences with the concept of Uppsala model. The major markets of the institutions were Asian countries. Entry choice was driven by Rationality, favorable Market situations, demand of higher education and comparative advantages over the foreign market. The institution’s expansion in a single market was not followed by sequential pattern, rather institutions entered in different market with different establishments. The commitment decisions in a market were driven by multiple factors like current performance, favorable market situation, Reputation, development of resources, market knowledge etc. In the Uppsala model it has been said that Market knowledge can be mainly gained through experience in the market, in contrast I found the institutions gain market knowledge through difference sources like: experience, research, from contacts, from partners, online etc.

Finally based on the Empirical findings I have tried to contribute a model shows the internationalization process of the chosen institutions.

Preface

This Master thesis is a compulsory assignment for completion of Masters of Science in Business (two years) at Bodø University College. The thesis is written for specialization of International Business 'BE309E' counts 30 academic credits.

I am especially thankful my thesis Supervisor Professor Dominique Thon, for his kind help, proper guidance and comments about my work. I found his supervision very valuable and without his valuable guideline it wouldn't be possible to complete this thesis. I truly appreciate his kind efforts.

I want to thank interviewees from Australian Universities especially to the officer of University of Wollongong as s/he gave me valuable time and comments even when s/he was in overseas tour. Without the valuable data I gathered from Australian Universities this thesis would be meaningless.

I would like to thank University College of Bodø and Norway for giving me an opportunity to enroll in the Masters program, A special thank to my childhood friend Palash Kishor Dey for discussing about the Thesis problem frequently.

And finally my gratitude and appreciation goes to my parents, wife and son, their motivations and help guides me every steps I take every day.

Sumon Ahmed

Dedicated to

I dedicate my Master thesis to my wife Oddny Karin Sunde and son William Johannes Sunde.

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Chapter one: Introduction

In this chapter readers will find problem description, scope and contribution of the study, hence there will be a basic presentation of the background and important theories that I have focused in this study.

1.1 Background of the Study:

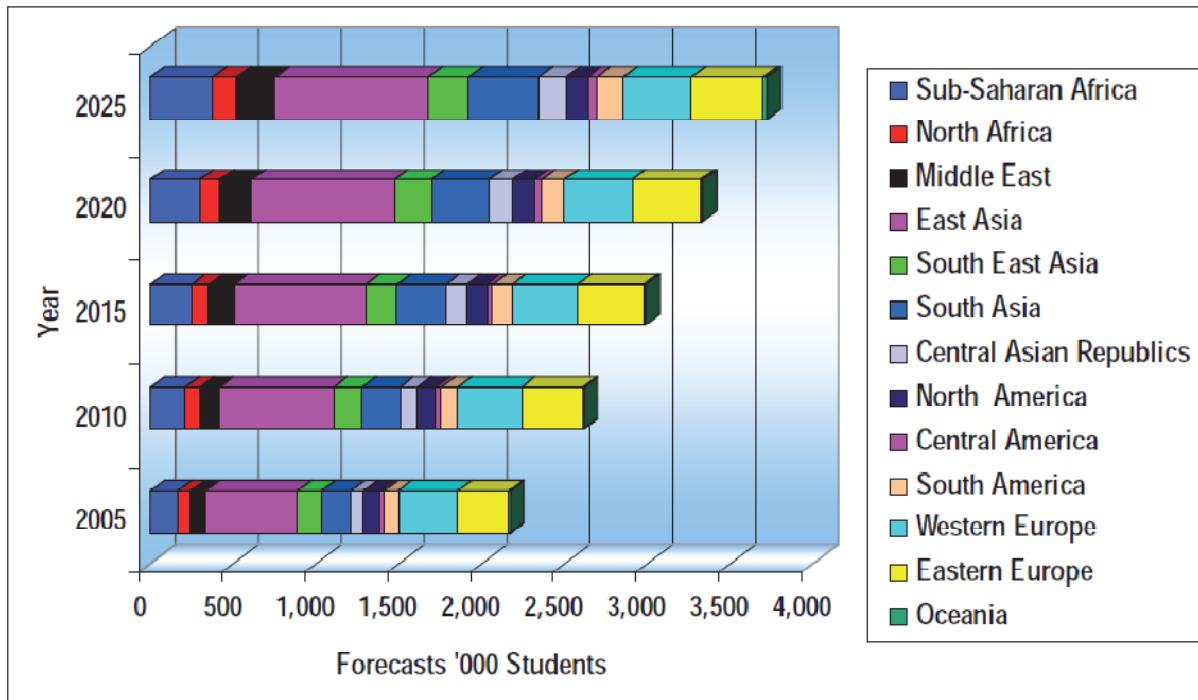
Since 1980 more and more people around the world are choosing to enroll in the higher education. For the rapid globalization and the trade liberalization, educational institutions are also following the new trend of internationalization. Few decades ago and still now in many parts of the world, governments and institutions believe educational institutions can't be a profit making firms and should remain welfare organizations only to develop human resources. In many countries the education became one of the most successful export sector and contributing a good cash flow in the economy, for example, in USA, United Kingdom, Australia, Canada, and New Zealand. (Department of Foreign Affair and Trade, 2005)

As the demand of higher education especially international education is growing, there were 1.8 million international students in 2002 (Department of Foreign Affair and Trade, 2005), in 2005 there were 2.173 million around the world, experts says the demand will grow steadily and there will be 3.720 million of international students within 2025. The annual growth of the demand of higher education is 2.7% and over 20 years the growth will be 71%. The chart on Figure 1.0 shows the growth of higher education in a time series from 2005 till 2025 (IDP, 2007).

One of the most successful country for developing as a higher education exporter is Australia and Asian nations are the major Markets to Australia. The rapid economic growth in the Asian nations, trade liberalization and privatization of the educational system in Asia influences trade in education (Department of Foreign Affair and Trade, 2005) and Australia's education sector is

securing the clear advantage in this scenario. Table 1.0 shows the major student enrolment in Australia is from the Asian nations; China and India are leading the number furthermore South East Asian neighbors are Major markets as well for the Australian Higher educational Institutions.

Figure 1.0: Regional Forecasts of Global Demand for International Higher Education



Source: Banks, Olsen, and Pearce, (2007) p 4.

The internationalization of the education is not a new concept, but the aspect of internationalization is much different now than before. There are a lot of debates about a common accurate definition of the internationalization of educational Institutions because internationalization means different things to different people in a variety of ways (Jane knight, 2005), commonly internationalization in Higher educational institutions may means, international movement of students and stuffs, internationalization of curricula, international links and open learning program and finally bilateral, regional and international recognition of

Higher education qualification. So we can hardly find the reference of the term of exporting education from the definition of the Education Internationalization. (Grant Harman, 2004).

Table 1.0: Higher Education Enrolment by Nationality 2009.

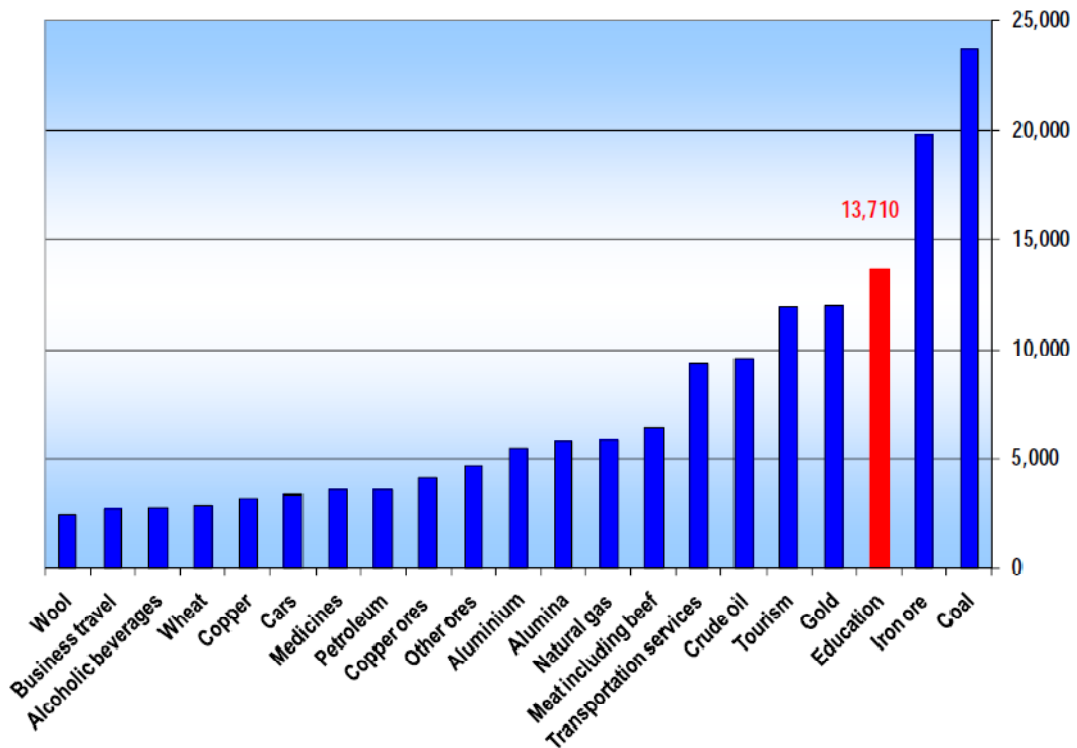
Nationality	Enrolments	% Growth 2008	% Contribution
China	64,406	20.2%	31.7%
India	27,535	0.7%	13.5%
Malaysia	17,311	10.7%	8.5%
Singapore	7,966	6.9%	3.9%
Indonesia	7,945	7.0%	3.9%
Republic of Korea	6,985	11.4%	3.4%
Hong Kong	6,000	-1.5%	3.0%
Vietnam	5,724	48.3%	2.8%
Thailand	4,105	-2.7%	2.0%
Nepal	3,862	19.1%	1.9%
Sri Lanka	3,699	9.6%	1.8%
Canada	3,498	4.8%	1.7%
Saudi Arabia	3,464	95.0%	1.7%
Taiwan	3,404	-1.2%	1.7%
Pakistan	2,549	17.1%	1.3%
<i>Other Nationalities</i>	<i>34,871</i>	<i>8.4%</i>	<i>17.2%</i>
All Nationalities	203,324	12.1%	100.0%

Source: AEI, Research Snapshot, (2009).

In reality commercial trade in education became one of the main rationales behind the internationalization process in many OECD nations (The member states of the Organization for Economic Cooperation and Development). Among the OECD nations English speaking countries are in ahead of successful internationalization their educational institutions because of comparative advantages of producing quality international education.

For the international student Australia is the lucrative destination for enrollment after United States and UK, and to Australia education sector is the third largest export sector (see Figure 1.1), in 2008 the Australian Bureau of statistics reported that the value of Australian education export will be

Figure 1.1: Australia's Top Exports 2007/08 \$ millions



Source: Universities Australia. (2009). p 20.

US\$ 13.7 billion for the year 2007/2008 (Universities of Australia 2009). So there is clear evidence that educational sector became a major industry in many countries.

Now it's widely accepted that like general business educational Institutions are adapting the commercial internationalization process that means, Universities exporting education by

attracting foreign students in its home campus, licensing production by franchising the degree program open joint venture campuses and even set up a sole venture campus in another country.

Traditionally the rationale behind internationalization of universities includes social, cultural, political, academic and economic (Knight and De Witt, 1997, 1999). The nature of internationalization is a changing with the time; so the rationale is changing as well. In the era of cold war particularly USA, USSR and UK internationalized their universities for political benefits, attracting students from the developing countries to secure the future loyalty, using scholarship to educate children of the elite politicians of the developing nation and poor nation as a cheap way to gain political advantage (Healey, 2007). After the cold war the dimension of internationalization of universities has been changed. Economic issue is one of the major motives for internationalization especially for the main English speaking destination countries (MESDC's). Even in the EU and EEA countries universities are imposing tuition fees as the first step of commercialization of higher education.

In this paper I will mainly focus on the Australian Higher educational Institution's internationalization process to testify one of the classic internationalization model widely known as 'Uppsala model' furthermore I will use theories needed to justify my study such as Comparative advantages, Market entry strategies and barriers, Trade in service and Education etc.

1.2 Research field:

This research is based on the Internationalization process of a firm, a vast part of international Marketing strategy. For the last few decades the internationalization is getting more common in major industries and firms as result of the ongoing globalization process.

As the term internationalization has a different meaning to the different actor and there is an ongoing debate about the proper definition about internationalization itself. Simply it can be said a procedure to expand the market from domestic to international (Javalgi, Griffith, and White, 2003., p 186).

The process 'internationalization' is not an isolated activity instead we can say it's a systematic process and combination of different activities. There have been many literatures and models invented to explain and initiate internationalization process, in this study I will mainly focus on relevancy of Uppsala model of Internationalization in the prospect of Australian higher educational institutions and their internationalization process.

In 1975 Johanson and Wiedersheim-paul focused on the internationalization process of firms. During their research on the Swedish manufacturing firms they developed a model what was influenced by Aharoni's seminal (1966) study (Hollensen, 2007). Commonly the model was developed Johanson and Wiedersheim-paul 1975 known as Stage model. In 1977 and 1990 the stage model was further developed by Johanson and Vahlne and named Uppsala model. The Uppsala model is the most frequently cited model in the international literature (Andersen, 1993; Oviatt and McDougall, 1994).

Johanson and Wiedersheim- Paul 1975; Johanson and Vahlne 1977, distinguish between four different modes of entering a foreign market, where the successive stages represent the higher degree of international involvement. Those four steps are (Healy, 2007):

- ❖ Stage 1: Exporting
- ❖ Stage 2. Licensing Production.
- ❖ Stage 3. Joint venture
- ❖ Stage 4. Sole venture.

For entry choice of the firm, Psychic distance has been seen as the key factor less the psychic distance is early the market entry. Firms enter markets with higher psychic distance successively. (Anderson,1993; Johanson; Vahlne, 1977)

If we see the higher educational institutions from the Uppsala model's view then we also can find four stages mentioned in the model. Universities export educational service to foreign students who enrol on their home campuses. The higher education licensing production is more equivalent to franchising. The 3rd wave (Mazzarol et al., 2003), of Uppsala model is about establishment of offshore production facilities. In the higher education sector establishing branch with the local partner can be compared. Singapore and Malaysia is a hub for Australian Higher educational institutions for this 3rd wave internationalization step of Uppsala model. And finally for a sole venture can be entitled when there was wholly owned branch in another country for example former UNSW campus in Singapore or RMIT in Vietnam. (Healey, 2007).

For centuries the main reason of international trade is to get benefited, like person nations are not same so by international trade nations get benefited. Some countries are well productive then others to produce a certain kind of product or services often it's known as '*comparative advantage*'. Australia has clear comparative advantage in producing quality international higher educational services because of the language, political condition, Law and regulations, social and economical infra-structure and over all cultural influences. Therefore the term 'psychic distance' in Uppsala model suggests different social settings and conditions are barriers for internationalization. In reality most of the international students are enrolled in Australian higher educational institutions from more psychic distance nations.

For a profit making firm the main drive for internationalization is profit maximization in long term, and it follows cheaper production facilities and market expansion. Similarly in the higher educational institution especially in the context of Australia the industry and it's firm is internationalizing by inviting international students, joint program in another country, franchising with foreign institution and finally opening wholly owned branch in foreign country to secure long term profit, cheap operating cost, and for expanding its education market Unlike the product making firm education also have some other drive to internationalize, social drive, cultural drive and political drive, academic and other economic drive (Knight & De wit, 1995). The Australian Higher education sector made a tremendous advancement in internationalization process within last few decades and absolutely it serves all the interests the country and the industry has.

1.3 Interests:

My Master's program is specialized with the international Business and marketing. During my study period i found the international Marketing and the internationalization process interesting. The Uppsala model is absolutely a widely known Model; there is many evidence of this models application in the firms. Therefore the education is an emerging industry, not only in Australia but in many other countries education is becoming a profit making sector. Even in Scandinavian countries we can see Universities are marketing education to the foreign students and recently Sweden and Denmark has imposed tuition fees for Non EU/EEA students. There is a strong trend in the Asian nation to privatize the educational sector as a result more foreign investments are coming to explore in Asian markets. The economic boom in the Asian countries is one of the main reasons behind rapid demand of internationalized educational service. OECD countries especially major English speaking countries have the comparative advantage for selling education in the International Market; well educational structure, English language, rich economy, relaxed immigration policies are the advantages of Australia and other English speaking countries. In this study I mainly observed the empirical elements from Australia because I found Australia's education market interesting because Australia is becoming world leader of education exporter within a short time and very successfully expanded the market in the neighbouring Asian countries.

1.4 Necessity of Study:

After 1980 internationalization has been a major trend in education especially in higher education, since 1980 students take their courses in another country became doubled. So the demand of quality internationalized higher education and the competition in the market intensified in the recent days. Thus the education is an emerging global industry driven by aggressive marketing (Department of Foreign Affair and Trade, 2005) approaches for example, hiring international students, joint degree program, and offshore branches.

Though it's a common maxima that education sector is internationalizing in the same or similar pattern of other industry (Healey, 2007) but still export of education remains a controversial issue. There are many studies has been done about the internationalization process of higher educational institutions but few of them follows classical internationalization models. The chain of establishments stated in the Uppsala model can be compared with the trend we find in Education internationalisation but yet it's not knows if the internationalisation process incremental or knowledge is the main driving force to internationalize the Educational Institutions. The concept of Psychic distance stated in the Model and matter of comparative advantage the English speaking countries has for producing education is also conflicting. There have been a number of publications on Uppsala model; much empirical evidence supports the model and some didn't. I think it worth very much to conduct a research on educational sector to understand the relevancy of Uppsala model in the Higher Educational institution's Internationalisation: from the prospect of Australia.

1.5 Objective of Study:

- a. Does Psychic distance influences mostly on Market entry choice?
- b. Is internationalization process sequential or isolated strategic choices?
- c. Is the Market experience only major element that influences commitment decision?
- d. Is Psychic distance a barrier to internationalize or Comparative advantage?

1.6 Contribution of the research:

As day by day the higher educational institutions are becoming more commercial and profit making sector. Many countries and the institutions are in the ongoing process of internationalization to secure a sustainable source of income for example in Scandinavia, Denmark and Sweden has introduced tuition fees for the foreign students, in Asia there is a growing trends of privatization of education and the demand for higher education is enormous because of the rapid economic development of that region. Ultimately there is a high possibility

of further internationalization on those countries, this study may not be wide but can be helpful to the new policy for internationalization of developing institutions of higher education and on the other hand it can be a pathway for further exploration.

This study will also be helpful to the student of international marketing. The internationalization of higher educational institutions for commercial purpose is comparatively a new concept and there is very limited publication in this field; especially a very little effort has been made to see internationalization process of higher education through Uppsala model.

I am an international student and have been studied in three higher educational institutions, in fact I am from Bangladesh and my country is a good witness of the impact of ongoing internationalization process. There is a growing number of students every year go abroad to study and on the other hand many students are enrolled in the branch campuses owned by the foreign institutions. There is also a growing trend of internationalization of Bangladeshi universities especially in the regional market. So this study can also contribute the educational sector in Bangladesh.

1.7 Organization of this study:

In the first chapter of this study is introductory chapter covers, background of the study, problem description or objective, overview about the main theory and the issue and the justification of the study. The second chapter is methodological where different philosophical views and methods will be discussed including how the sampling conducted and the source of validity and reliability.

In the third chapter (literature review) there will be a wide discussion about relevant literature including the issue, industry, current situation and different models of internationalization. In the chapter four there will be analysis of collected data and the learning points will be stated there as well.

Chapter five will include criticism of existing model and contribution where I will suggest a new model. In the chapter Six there will be some concluding remarks. This study will also include appendix and a list of reference where the literature list and some other information can be found.

Table 1.1: Organization of study.

Chapter 1	Introduction
Chapter 2	Methodology
Chapter 3	Literature review
Chapter 4	Analysis of collected data
Chapter 5	Criticism of Existing model and contribution
Chapter 6	Conclusion
Appendix A	Questionnaires
Appendix B	Reference

Organization of this study at a glance.

Chapter 2: Research Methodology

This chapter explains the methodological mechanism that I have used to inquiry for this study. The reader will find a comprehensive idea how and in which dimension of the research science this study have been done.

2.1 Methodological Approach:

Different researchers have defined the methodology differently, method generally a combination of technique of ensuring special situation, and that techniques includes data collection, analysis etc. (Smith, 2002). Methodology guides a researcher how the research can be undertaken from A to Z it also says about the ethical issues and the validity of the data to be used in the research work. In one word the methodology is the ‘guideline’ or blue print of the research. In this part of I will discuss about relevant methodological issues concerning this research.

2.1.1 Induction vs. deduction:

There is mainly two approaches namely induction and deduction, those describes the interaction between conceptual and empirical world (Davidson & Patel, 1994). Research process itself is not a clear cut sequence rather it is massy interaction between the theoretical and empirical world (Bryman & Burgess, 1994).

Induction is an empirical process of arriving new generalities or theory from observation and it doesn’t depend on the previous knowledge (Gebremedhin & Tweeten, 1994). One of the main weaknesses of induction approach is Induction approach itself can’t constitute proof because it’s not possible to examine all the possible evidence relevant to the case (Larrabee, 1964; cited at Ethridge, 2004) that means investigation rarely contains all the possible observation.

Induction

Observation→ Pattern→ Tentative Hypothesis→ Theory

(Rudakovskiy, 2007).

Unlike the induction approach in deduction approach the researcher depends on the existing theories. Sometimes the deduction approach calls ‘top-down’ approach meaning that more general to more specific. In the deduction approach the data collection depends on the researcher’s chosen theory and the hypothesis are made in the purpose of empirical testing.

In my study I will mainly rely on the deduction approach because the main objective of this thesis is to testify an existing theory i.e. Uppsala model of internationalization on the empirical element of Australian Higher education industry.

Deduction

Theory→ Hypothesis→ Observation→ Confirmation

Source: (Rudakovskiy, 2007).

2.1.2 Research Methodology- qualitative method:

The methodology selection of the research depends on the nature, data and the research itself. Basically researchers deal with 3 kinds of methodological namely, qualitative, quantitative and mixed. A researcher use qualitative method to undertake the research when the findings of the research are not arrived by statistical procedures or other means of quantification (Strauss & Corbin, 1990). Similarly to testify the Uppsala model in the educational sector Of Australia I need to analyze the internationalization pattern and the strategies so the findings of this thesis can’t be obtained by statistical analysis. Though

there might be a few numeric data in this study but a statistical calculation or interpretation is most unlikely. I have chosen qualitative approach because qualitative approach is normally used to understand the complex human and organizational interactions what's not easy to translatable numerically (Skrtic, 1995). Because of the goal of this study I believe a qualitative approach is more suitable and benefits the study based on the following reasons:

a. Participant observation:

The necessity of the participant observation is important in the qualitative research for an empirical finding. A participant observation includes dialogue between the participant and the researcher to try to understand the participants experience and believe in the particular case. In this study I will try to understand the international co-ordinate's/staff's knowledge and practical experience about the internationalization process so I will contact frequently with the international co-coordinators and staffs in the different institutions.

b. Interview:

“ An interview is a purposeful discussion between two or more people” (Kahn and Cannell, 1957 cited at Frauendorf, J., 2006, p166). As interview is a strong technique to gather data for qualitative research I will use interview to collect part of the data needed for this study. . The geographical distance of Australia is far from the place I live and as I don't have financial funding for this study so, it's not possible to travel Australia. Due to this limitation I will use Hi-tech telephone and messenger services to make interview with the international co-coordinator and staffs of the universities to learn the real-life information and experience about the internationalization process of their educational institution. The interview questions will be semi-structured and non-structural, the questionnaires and the thesis background will be sent earlier via email. During the interview I will try to avoid ambiguous and complex questions.

c. Secondary source of Information:

Due to the geographical distance I have been thinking about collecting data from the secondary sources. Unfortunately most of the secondary sources of the Empirical institutions were password protected and only open to the staffs of the International development department. The greatest advantage of secondary data over primary data is secondary data collation procedure is less time consuming then primary data collection procedure (Parsuraman, 1991). On the other hand in the secondary source relevancy problem is a big disadvantage (Churchill &Iacobucci, 2005) because the publication may be published for different purposes but for the wide speared internet uses there are a wide range of publications and information available containing relevant data needed for this study.

d. Empirical Study without statistical tests:

Understanding Internationalization pattern to testify the Uppsala model is an empirical study what mainly based on the trends of the internationalization process of selected institutions and the theory itself, so there will be no statistical tests in this study. The qualitative approach will help me to find necessary data needed for this study.

e. Informal discussion with others:

As I am doing this study alone I have a limited opportunity to discuss with other students about this issue but very frequently I will discuss with one of my friend, a former masters student in a Swedish institution over the Skype. As we have a similar education field, it will be very helpful to learn about his view and believe in this issue.

2.1.3 Validity and reliability:

‘No measurement can be perfectly controlled and no measurement can be perfectly accurate. In all measurement there can remain suspect (Kirk and Miller, 1986). In the research the term validity often defines by a simple question ‘Is the research measuring

what it supposed to measure (Kvale, 1996)’. So the term validity in the context of research refers researcher’s ability of accurately assessing or reflecting the concept that researcher supposed to measure (Howard et al, 2005). In the research work researchers mainly considers two kinds of validity, Internal validity and external validity, the internal validity refers carefulness in measurement and external validity means generalizability of the result where generalizability describes “the extent to which the findings of the enquiry are more generally applicable outside the specifics of the situation studied” (Kelliher 2005, p.123).

In the data collection and interpretation I have been focused with the issue of validity. As the main source of data came from the interview I have been taken all appropriate measure to gather valid data, from the data collection to interpretation I have taken a systematical approach.

Though ‘Reliability’ is a commonly used in quantitative research, it still has impact on all kind of researches (Golafshani,2003) according to Easterby-Smith et al. (2002), reliability is a matter of stability. Reliability concerned with the accuracy of instrument to measure what will give the same answer in different trails (Carmines & Zeller, 1979). To ensure the reliability and validity I have taken necessary care on every step of this study on the other hand the mode of procedure was systematic and rechecked.

2.2 Research design:

In research process the research design is a factor that keeps the research accurate and successful. The research design is influenced or considered by a researcher based on the type of the problem or topic of the study. It explains the specific methods, tools and measurement procedure to be used in the study. In this study the research design is scientific and chosen carefully because it impacts the whole study.

2.2.1 Why education Industry:

Now the education is internationalizing in different manner and commercialization of the educational service is a policy for many institutions around the world. For the rapid growth of this new market, the educational institutions are adopting advanced marketing approach as other service exporters use to internationalize the operation. This study is based on the Uppsala model of internationalization what includes steps of internationalization and there is a growing footprint of those steps in the educational market. So I found interesting to explore this phenomenon in this emerging sector.

2.2.2 Selection of institutions:

For the purpose of this study the institutions have been chosen from the Australian educational industry because after the 1980s the highly industrialized nation Australia became one of the major education exporters in the world. Education has been identified as third largest export sector in the 2007/08 in Australia's economy ((Department of Foreign Affair and Trade, 2005)

In this study I have selected three Australian Universities those are: The University of Wollongong, Swinburne University Of technology, Royal Melbourne Institute of Technology (RMIT). The higher level of internationalization was the reason behind my selection and I found those Institutions' international approach covers the characteristics of Uppsala model in basic. I didn't selected Institutions from European countries because in most of the European nation's universities are still not commercialized so exploring internationalization of a non-profitable university under Uppsala model is may not be relevant in my study.

2.2.3 Selection of respondents:

Most of the empirical data will come from the interview because the secondary sources are unavailable to access in the institution and password protected. In the interview I choose International coordinator and staffs of International development and strategy

division because they have wider knowledge about the internationalization strategies of the concerned university. International office and the coordinator are normally aware of admit new international students and co-ordinate with partners institution and foreign campuses so for the need of valid and reliable source of information I believe Interviewing the international co-coordinator was a rational choice. The international coordinators were interviewed in the purpose of this study were highly qualified and experienced in this field surely they are a good witness of the Internationalization of Australian higher educational sector.

2.3 Mode of procedure:

I am a residence in Norway so the geographical distance between Australia and Norway is so long what interrupt me to obtain data from primary source, fortunately after sending many emails and call a number of officials I managed establish contact with three officials in three different institutions.

2.3.1 Collection of data:

Data can be collected from two sources namely, primary and secondary source of data. Frequently Primary source of data collection includes interviewing and questioning. To collect empirical data in this study I have conducted interview with three staffs from three difference highly internationalized institutions of Australia The entire interview was over phone and over internet as it was not possible to meet them due to the distance barrier. It was not possible to collect data from the institution's web portal as it's a secrete to the institution and only can be accessed by the staffs.

2.4 Ethical Issue:

Ethical issue comes during research planning till summing up the result including, contacts with respondents, data collection and analysis (Saunders, Lewis, & Thornhill, 2000). During this study I have tried to keep the ethical issue in high standard. The respondents were anonymous as they choose to be, and only the relevant data has been presented in this study. The research problem was sent to them and I also asked them for a possibility of voice recording. From the data collection till the end of this study I have maintained a high ethical standard in this study.

2.5 Criticism of chosen approach:

Due to the distance and lack of time it may not be possible to get long length interview time from the respondents' on the other hand the information I achieved are from the respondent's personal view and can't verify, so I will use only the relevant part of the different resources. The lack of fund, distance and after all the time may limit this study as well.

2.5.1 Criticism of sources:

I have chosen three sample universities to collect empirical data. Often in many international firms strategies are secret and not open to public access, in that case bias information may lead this study's result inaccurate.

Chapter 3: Frame Of Reference

In this chapter I have tried to explain about relevant concepts that have been used in this study. As education is a service sector, in this chapter I will go through key concepts about service trading and internationalizing of the service firms. Furthermore there will be a presentation about Uppsala model and discussion about service trade in Educational sector and other concepts as well.

3.1 Trade In service:

In 2002 the total service export of world was USD 1.25 trillion equals to 22% of total export of goods and services ((Department of Foreign Affair and Trade, 2005). The Latest growth of trade in the service sector is a result of Technological advancement, as technology advanced the lifestyle of people are changing so that the world. According to Frank Bradley (2005) three factors are attributed for the international level of service growth those are: Technology, Changing world and Lifestyle of people. For all those reason the service suppliers experienced a growing opportunities in the service marketing and actually companies experienced the export of service is much easier then exporting goods moreover, a service result no ownership of anything, the service itself is intangible (Bradley, 2005). In the international trade service has remarkable differences with the product, some of the key implications (Patterson and Cicic, 1995, p60 sighted at Frank Bradley, 200, p179) are:

- Service can't be easily displayed or communicated.
- Without inspection buyers relay on cues, communications experience and the word of mouth to make judgment,
- The greater the intangibility, the more difficult is to differentiate the service and hence
- The higher the cost required to build the corporate image.
- The more intangible the service, the higher the perceived the cost and risk in internationalization.

Source: Bradley, (2005), p 179.

The GATT/WTO has been created in 1947 but primarily it was only concerned about goods trading the inclusion of service trading came after the Uruguay round in 1995 and a new agreement was made that called General agreement in trade and services, it constitute first multilateral, legally enforceable agreement covering trade and services (Department of Foreign Affair and Trade, 2005). The GATS includes four Types of supplies of any service:

- I. Cross border supply: Cross border supply refers service to cross the border from one country to another country among the members meaning that service providers will be able to deliver service in another country.
- II. Consumption abroad: Consumption abroad defines the possibilities of service consumer to go another country and get the service.
- III. Commercial presence: Commercial presence refers opportunity to establish territorial presence meaning that a service provider from one member state will be able to establish branches, wholly owned subsidiaries, agencies and joint ventures.
- IV. Presence of natural persons: Presence of natural persons means the ability for service providers to be in another member state to give the service for example, Teachers, doctors, lawyers.

3.2 Trade In educational service:

Traditionally education has been seen as a non-tradable service to develop the human resources for centuries but the recent trends in the globalized world the education finally commercializing and in many economies education is taking over the rank of major expert sector, such as USA, UK, Australia, Canada, and New Zealand.

The trade in education is a big business, the demand of education is growing in one hand on the other side Trans-border education is increasing for example: Private or profit making universities, Twinning agreements, Corporate university, virtual universities, open universities, e-universities etc. (UNESCO, 2003).

The international mobility of students is happening for a long period of time, but the export and import of education came under limelight because cross-border education is an important aspect of the education internationalization.

Unlike other service industry education has comparatively different rationale behind the trade and internationalization among them is political, economic, social and cultural and academic rationales have been discussed by Jane Knight (2004).

Though behind every trade and internationalization securing long term profitability is the main rationale; Jane knight (Knight, 2002, p10) suggested the following rationale behind export and import of education.

Rationale behind import of educational service:

- Limited domestic capacity to meet growing demand for higher education
- provide greater access to specific knowledge or skilled-based education and training
- improve the quality of higher education provision by allowing market access to prestigious/reputable

Foreign providers

- create cultural or political alliances
- Secure trade tied aid development projects and funds
- develop human capital and stem 'brain drain'
- Foreign competition may improve cost effectiveness in domestic institutions
- Imported programs may offer better value than studying abroad.

Reasons for exporting higher education services include:

- Excess national capacity in higher education
- Income generation
- International recognition and branding
- Strategic cultural, political, economic and education alliances
- Institutional strengthening and innovation
- A tool for further internationalization of domestic institutions
- Education as a conduit to access trade in other service sectors.

Source: Knight, (2003) p 10.

It's clear that GATS identifies the 'education' as service sector (knight, 2003). GATS first mode cross border supply includes distance education for example, online programs. Second mode 'consumption abroad' may include student traveling to enroll in the program or courses, third mode Commercial presence can be seen as establishing campuses and educational centers in another country, and finally fourth 'Presence of natural person' mode can include where supplier crosses the border in education we may say this mode of supply occurs when teachers, professors going abroad to deliver the educational service (Department of Foreign Affair and Trade, 2005). The four mode of GATS supply are illustrated as follows:

Mode of Supply	Definition	Examples in Education Services
1: Cross Border Supply	Cross border supply refers service to cross the border from one country to another country among the members meaning that service providers will be able to deliver service in another country. Not necessarily service providers.	<ul style="list-style-type: none"> ● Distance Education ● E-learning ● Testing Services ● Education Materials
2: Consumption Abroad	Consumption abroad defines the possibilities of service consumer to go another country and get the service	<ul style="list-style-type: none"> ● Students studying abroad
3: Commercial Presence	Commercial presence refers opportunity to establish territorial presence meaning that a service provider from one member state will be able to establish branches, wholly owned subsidiaries, agencies and joint ventures	<ul style="list-style-type: none"> ● Local branch or satellite campuses ● "Twinning" arrangement ● Franchising with local institutions
4: Presence of Natural Persons	Presence of natural persons means the ability for service providers to be in another member state to Deliver the service.	<ul style="list-style-type: none"> ● Professor, teachers, researchers working abroad

Source: Iga,(2002) p 22.

3.3 Firm's Internationalization:

There are many views and visions from critics about the internationalization. The term Internationalization itself has been seen as an agent to the globalization. Sometimes in the educational sector the term internationalization has been interpreted as, 'process of integrating an international, intercultural or global dimension into the purpose, functions or delivery of postsecondary education'' (knight, 2003, p 2). As the rationale discussed above, we can see the objective behind internationalization differs according to the objective of internationalization so the definition is.

The internationalization has been seen as a process where a firm expands its operation wings from the home market to international market (O'Farrell.,Wood, & Zheng, 1998; Javalgi, Griffith, & White, 2003). Wide range of research work has been done for the manufacturing industry internationalization, as the service sector internationalization is comparatively new there has been limited effort to explore the internationalization process of the service sector (Grönroos, 1999; Lovelock, 1999) though the aspect of manufacturing sector are applicable in the service sector (Boddewyn et al, 1986 cited at Etemad-sajadi 2008).

There have been many models developed and literatures have been published to analyze and define the internationalization process of firm, "the internationalization process of individual firm closely related to the work of Johanson and Wiedersheim-Paul and Johanson and Vahlne (Anderson, 1993, p210)". Initially in 1975 Johanson and Wiedersheim-Paul identified four different mode of entering international market, this model is well known as stage model and it was inspired by the work of Penrose (1959), Cyert and March (1963), and Aharoni (Anderson 1993, Carnerio, Rocha & Silva, 2008) The assumption of this model was originally driven by an empirical evidence from four Swedish firms. Later on in Johanson and Vahlne (1997, 1999) further develop the model and develop a dynamic model to explain the incremental character, the newly developed model is known as "Uppsala model".

3.3.1 Uppsala model of Internationalization:

As discussed above the Uppsala model is a modified or developed form of the stage model

(Johanson & Wiedersheim-Paul, 1975), the stage model suggest four different entering modes in international market:

Stage 1: No regular export activities

Stage 2: Export via independent representative

Stage 3: establishment of overseas sales subsidiaries

Stage four: Overseas production, manufacturing unit.

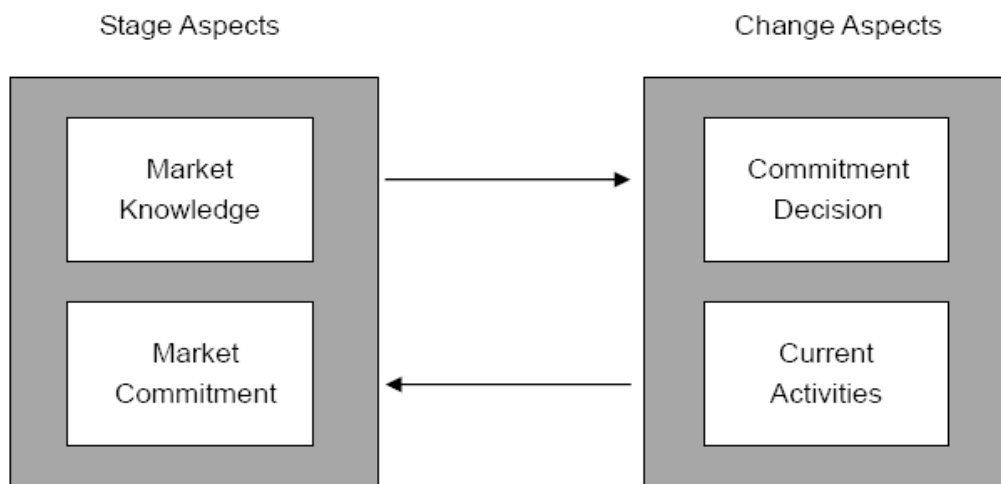
The assumption of the chain establishment was originally driven from a study on four Swedish firms, Sandvik, Atlas Copco, Facit, and Volvo, the mode of entry has been developed further by introducing joint venture and licensing (Anderson, 1993, p.210; Johanson & Vahlne, 1997; Root, 1987).

In Uppsala model it was hypothesized that firms will take bigger internationalization steps gradually rather than taking a big internationalization steps at a time, firms will enter new markets with the less-psychic distant countries and gradually it will enter markets where the psychic distance is wider (Johanson & Vahlne, 1997, p.24 ; Anderson, 1993). Here the psychic distance has been seen a barrier or factors prevent information flow from and to the desired market, for example, language, culture, educational system and condition, business policy and practice and industrial development, political situations (Johanson & Vahlne, 1997; Anderson, 1993).

The stage model has been developed and Johanson and Vahlne (1977, 1990) have introduced a dynamic model to explain the nature of the internationalization where outcome of one event creates input for the next, the model is known as 'Uppsala model' (Johanson & Vahlne, 1997; Anderson, 1993, p211). The main aspect is given by the distinction between the state and change aspect of internationalization variable, where the state aspects includes the resources committed in the foreign market and the knowledge about the concerned market where changed aspect are decisions committed to the resources and the performance of the current activities (Johanson & Vahlne, 1997; Anderson, 1993, p211).

The basic assumption of this dynamic model is Market commitment and market knowledge will affect both commitment decisions and the way current decisions are performed, and those in turn change Market knowledge and commitment (Anderson, 1992, p211).

Fig 3.0: The mechanism of internationalization- state and changed aspect.



Source: Johanson & Vahlne (1977), p 26.

3.3.1.1 State aspects:

The state aspect entitles two aspects: 'Market commitment' that is resources committed to foreign market and the knowledge about the foreign markets. It has been assumed that the Market commitment affects the firm's opportunities and risk in the in the business (Johanson & Vahlne, 1977).

a. Market commitment:

The concept of market commitment contains two factors, firstly we can say amount of resources committed in a specific market, more generally the term resource here not necessarily capital but investment including marketing, organization, personal and other areas, secondly the degree of commitment what refers the difficulty of finding the alternative uses of resources committed in the market (Anderson, 1993; Johanson & Vahlne, 1977)

b. Market knowledge:

In this model it has been assumed that the market knowledge and the market commitment are

interrelated. The market knowledge has been seen as dimension of human resource, here better the market knowledge, the resource are more valuable and the commitment to the market is stronger. The market knowledge has been distinguish into two kind of knowledge, 'General knowledge' and 'market specific knowledge' where general knowledge specifies knowledge about marketing methods, characteristics of certain types of customer, irrespective of geographic location, etc. On the other hand the market specific knowledge includes characteristics about individual customer firms, characteristics of specific national market, business environment, cultural pattern and structure of the market system (Johanson & Vahlne, 1977). The market specific knowledge can be gained by experience and the General knowledge can be transferable from one operation to another (Anderson, 1993).

3.3.1.2 Change Aspect:

The change aspect entitles two aspects, Current Business activities and Commitment decision.

- a. Current business activities: In Uppsala model current activities have been seen as a prime source of experience. It has been argues that the experience can be obtained alternatively for example to hire a professional with experience or to buy a whole unit of a firm with experience but sometimes First movers may face difficulty to gather experience in a alternative ways mentioned above hence experience might not be for sale to a new player in the market. So in many cases the firm can gain experience by a long learning process that's why sometimes internationalization process takes time (Johanson & Vahlne, 1977).
- b. Commitment decision: Commitment decision is decision of committing resources in the foreign market. It has been assumed that concerned decisions are made by the problem and opportunities in the prospective market, and that is dependent on the experience what can be gained by the current business activities (Anderson, 1993; Johanson & Vahlne, 1977).

Furthermore it has been said the market commitment will be made in a small incremental step unless three exceptions. “First, Firms that have large resources experience small consequences of their commitment and can take larger internationalization steps. Second, when market conditions are stable and homogeneous, relevant market knowledge can be gained in way other than experience. Third, when the firm has considerable experience from markets with similar conditions, it may be able to generalize this experience to any specific market.” (Anderson, 1993, p.211).

3.3.2 Uppsala model in the context of higher educational institution:

From the above discussion we found that the main theme of Uppsala model is firm’s internationalization process will be incremental in different steps. The footprint of this well-known literature we may also find in the educational service sector. Below some steps of the educational service internationalizations are discussed (Healey, 2006, p2).

1. Exporting.
2. Licensing production
3. Joint venture
4. Sole venture.

First we discuss about exporting education,

- a. Exporting when the international students come and enroll in the home campuses then that term can be called as export of higher education (Healey, 2006). Unlike other product including good and service trade education export happens when students from foreign countries enroll in home campuses.

Table 3.0: Higher Education by Mode of study

Mode of Study	%
Onshore full degree	65%
Onshore exchange	2%
Onshore study abroad	3%
Offshore distance or online	6%
Offshore on a campus	24%

Source: IDP Australia, 2007.

Table 3.1: Student Enrolments in Higher Education

Table 1: Shore	Students			% Growth	
	2005	2006	2007	2006	2007
Onshore	174,527	180,978	200,817	3.7%	11.0%
Offshore	63,827	68,423	71,003	7.2%	3.8%
Combined	1,141	1,393	1,279	22.1%	-8.2%
Total	239,495	250,794	273,099	4.7%	8.9%

Source: Australian education international, (2009)

The mode of export of education can be in two ways: Onshore and offshore. Table 2.1 shows the foreign students comes to enroll in the Australian campuses, the onshore mode of export is mostly dominated. On the other hand students can enroll virtually in a home campus via online or distance. This model of export is growing because of the technical advancements. We can see in the Table 2.0 that full degree international students are dominating this sector being 65% while online and distance offshore students are 6% in the year of 2007.

b. Licensing production:

The term licensing production in the context of higher education usually known as ‘franchising’ where a higher educational service provider franchise the program with a foreign partner institution. Mostly private colleges and universities make such kinds of arrangements with the well-known universities mostly from OECD countries. Commonly franchising deals known as 2+2 or 2+1+1. Where foreign students study in their home institutions for a period of time then they enroll a particular time in the foreign institutions. Sometimes franchising programs offer 4+0 meaning that full degree is franchised (Healey, 2006).

Universities with well reputations sometimes experienced embracing experience with the franchising partners for the lack of quality so United Kingdom responded with a quality assurance for the franchising partners. QAA (Quality assurance agency) carried out observation on the different part of the franchising program with the quality issue between 1996 and 2005 (Healey, 2006).

Table 3.2 UK quality assurance agency reviews of franchised Degree

Country	Number of Franchises Reviewed	Year(s)
Bahrain	3	1998, 2005
Bulgaria	1	1998
China	2	2001
Cyprus	2	2001
Denmark	2	2002-03
Dubai	2	1998
Egypt	1	2001
Germany	6	1997, 2002, 2003
Greece	14	1996-98, 2002
Hong Kong	4	2001
Hungary	1	1998
India	4	1998-99
Ireland	6	1999-2000
Israel	8	1998-2000
Italy	5	2003-04
Malaysia	18	1996, 1999, 2003
Netherlands	3	1997
Oman	5	1998, 2005
Poland	2	1998
Singapore	7	1996, 2002
South Africa	6	1999-2000
Spain	10	1996, 2000
Sri Lanka	6	2004
Switzerland	2	2002
United Arab Emirates	1	1998

Source: UK Quality Assurance agency cited at Healey, 2006, p 338.

Australia systematically records its offshore activities by 2003 there were 15,00 franchising programs were available worldwide from the Australian Higher educational institutions mostly it was in the china, Hong Kong (China), Malaysia and Singapore.

Table 3.3 Number of Australian offshore programs

	Pre-2000	2000	2001	2002	2003	Cumulative Total
China	98	30	22	24	24	200
Hong Kong	154	21	26	23	16	227
Indonesia	15	3	2	1	3	25
Malaysia	174	59	28	24	29	321
Singapore	194	43	30	58	53	375
Other	260	62	39	43	18	421
Total	895	218	147	173	143	1569

Source: Australian Vice-chancellor committee cited at Healey, 2006, p339

c. Joint venture:

In this step, firms set up a production possibility in the foreign territory with a local partner similarly, in the educational sector institutions set up campuses in the foreign country with a local government or institutions so we can say joint venture maybe entitled as the 3rd wave of the Uppsala model. As the demand of higher education is growing in Asian nation, Singapore and Malaysia encourage foreign investor to open branch campuses to meet the domestic demand and draw international students mostly from the neighboring countries. In 1977 Singapore and 1998 Malaysia reformed their policy to encourage reputed universities and institutions to invest in this field. (Healey, 2006). As an example, In Malaysia Monash built its branch campus with the local partner Sunway College; the University of Nottingham in Malaysia is a joint venture project with local Boustead group what holds most of the share. In Sarawak providence Swinburne and Curtin has joint venture campuses with Sarawak government.

China as the biggest market in educational sector investors are aggressively investing to set up joint venture educational centers and campuses as china opened its followed by the counterpart Singapore and Malaysia in 2003. Recently in Dubai and other golf states well reputed western universities are opening joint venture campuses, recently university of The University of Wollongon, and Murdoch University are in the market.

d. Sole venture:

The fourth and final wave of Uppsala model is about sole venture, a step when a firm open wholly owned production facilities in the foreign country. In the higher educational industry opening campuses and research facilities in another country wholly owned by the home institution can be seen as sole venture. There are many examples of sole venture campuses in the OECD member states. In the developing countries there is a trade barrier for the foreign institutions to set up a sole venture campus but recently there is a growing trend of opening sole venture campuses in the Asian countries as well, RMIT in Vietnam is first fully foreign owned university in Vietnam (IFC, 2005).

3.3 Comparative advantage:

For the centuries nations are engaged in trade for the two basic reasons, firstly countries like individual different then one another and countries trade to economic scale of production. From the international trade countries generally gain because one country has less productivity then other country to produce particular goods or services. The concept of this advantage often known as “comparative advantage” (Krugman & Obstfeld, 2009).

The concept of comparative advantage has been simply illustrated by David Recardo in 1817 in his book ‘principle of political economy and taxation’. A one factor economy has been discussed in the Recardian model using cheese and wine trade between England and Portugal. It has been said that in England it’s very difficult to produce wine and comparatively less difficult to produce cloths on, whereas in Portugal it’s easier to produce wine and comparatively easier to produce cloths as well, as the wine productivity in Portugal is higher it still can produce wine to import England’s cloth. Eventually both countries can be productive and gains from the trade. Because Portugal is more productive in wine then cloth so if Portugal makes cloth then they sacrifices wine production, the term is often known as ‘opportunity cost’ what describes such trade off: the opportunity cost of cloths in the term of wine is the amount of wine could be produces instead of cloth (Krugman & Obstfeld, 2009). While Recardian model is a simple assumption of comparative advantage and the main production factor was labor but in the modern days, the trade depends on multiple factor.

The footprint of comparative advantages has been found behind the success of the Australian higher education internationalization and export.

- a. *Language and culture*, for the ongoing globalization English is becoming the language for the trade, official work, education and research on the other hand Anglo-Saxon culture has a direct influence on the working environment internationally so Australia has a clear comparative advantage on the Asian counterparts (Harman, 2004).
- b. *Infrastructure*, The higher education institutions needs well infrastructures and big investment, as Australia is economically rich country it has been lavishly funded and builds the educational infra-structure.

- c. *Social and political*, Australia deserves a multicultural society; immigration policy of Australia is more flexible over Asian nations. The labor market of Australia seeks more skilled workers as a result Australia is accepting more immigrants those can contribute in the Australian Labor market. Many students find Australia not only to study place but also a place to live and be an immigrant (Harman, 2004).
- d. *Reputation and network*: Australia's universities are well-reputed over a long time for being successful in delivering quality education and research. Being well reputed Education institutions Australia major higher educational institutions have a wider network and acceptability internationally so students find Australia's education more valuable.
- e. *Geographical location and cost*, Major source of Australia's international students are Asian countries especially country near-by Australia, for example Singapore and Malaysia is in the same zone of Australian city of Perth on the other hand comparatively living and education related costs are lower in Australia then UK and USA so students from Asian countries choose Australia over USA or UK (Harman, 2004).

3.4 Barrier to Internationalization:

For trading internationally firms faces different barriers for example cultural, social, political, and regulatory. As countries are different the regulations and trade environment is also not similar. Firms' faces barriers in both early and late stage of internationalization, so a firm entering to a foreign market must consider factors prevent trade meaning that social legal cultural, economic and political framework (Czinkota, 1994; Quer et al., 2007 cited at Etemad & Sazadi, 2008). For the internationalization knowledge plays an important role as it's discussed above in the Uppsala model, from the context of internationalization one of the main difference between successful and failed firm is the successful firm is more skilled to learn about the potential market, customer and the environment of future markets (Craig & Douglas, 1996).

3.4.1 Internal and external barriers:

The barriers of internationalization can be two sided firstly internal and secondly external, Internal barriers includes, labor productivity, International management and attitudes, knowledge about foreign culture and language whereas the can be seen from the point of view of home and host country such as home countries supporting institutions and promotion policies on the other hand host countries trade policy, trade barriers such as taxation, tariff, customs regulation, political situations.

3.5 Conclusion:

As the education is an emerging sector, Countries like Australia not only attracting students onshore also opening education facilities offshore to provide quality education abroad it's quite clear that educational service providers or institutions are adapting marketing approaches aggressively, though education has been seen as a non-tradable service for centuries; trade in education is an reality what even identified by GATS. Among OECD nations English speaking countries are comparatively successful in educational trade one of the main reason can be comparative advantage in language, social, political, economic, and other factors.

Chapter 4: Empirical Study

In this chapter I have tried to have a closer look and analyze three empirical cases from three universities and interviews with prospective international students. In addition readers will find my learning point in this chapter.

4.1 Introduction of Empirical case 1:

My first sample case is on The University of Wollongong an Australian university that can be traces of its origins to 1951. In 1975, the south Wales parliament approved the university an independent higher educational institution. The university in 50 years grew rapidly, from 300 students to an international university with over 26,000 Students. The institution was originally established to offer engineering and metallurgy education for the local industry needs, now university offers wide range of courses and programs in nine faculties, those incorporates 40 teaching units, 865 academic staff and over 1,700 staff overall. The university's student population was primarily dominated by the locals, in present days students from 70 difference nations are enrolled in the institution. The University of Wollongong has multiplication campuses and centers those are (University of Wollongong, 2010):

<p>Campuses:</p> <p>At Wollongong:</p> <ul style="list-style-type: none"> ▪ Wollongong Campus. ▪ Innovation Campus (iC) ▪ Sydney Business School. (SBS) <p>At U.A.E (Dubai):</p> <ul style="list-style-type: none"> ▪ University of Wollongong in Dubai (UOWD) <p>At Shoalhaven:</p> <ul style="list-style-type: none"> ▪ Shoalhaven Campus 	<p>Education Centers:</p> <p>At Batemans Bay</p> <ul style="list-style-type: none"> • Batemans Bay Education Centre <p>At Bega</p> <ul style="list-style-type: none"> • Bega Education Centre <p>At Loftus</p> <ul style="list-style-type: none"> • UOW Southern <p>Moss Vale</p> <ul style="list-style-type: none"> • Moss Vale Education Centre
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The International University was named ‘University of the year in 1999 and was joint winner for 1999-2001 for ‘outstanding Research and development partnership’ and preparing graduates for an e-world’. In 2008 the total income of the university was \$482 million (University of Wollongong, 2010)

4.1.1 Mission And vision:

The University wants to achieve the reputation as an international university well known for enterprise in exploring and enrich individual, communities and the environment by Communicating and applying knowledge (University of Wollongong, 2010). The university has a wider capability in teaching and researches from international point of view, UOW achieve their vision through: The University achieves their visions through diversified access for UOW students and staffs, world class quality of research and teaching, quality staff committed to the goal of university and well collaborations between university and community partners.

4.1.2 Interview and analysis:

For collecting the empirical data for the University of Wollongong I had an opportunity to Interview a high rank official dealing with the internationalization process and activities. S/he is comparatively a new employee for the internationalization but as he is responsible for the internationalization process of the university I guess I had some valuable information from him/her about the internationalization of University of Wollongong. Unfortunately I am unable to mention his/her name and other information due to the privacy requirement.

From the Interview I found that the major markets of the University of Wollongong are concentrated in the Asian Continent with an exception: Canada. Major Markets of this institution are from three different regions of Asian Continent and each region can be separated from another region in the basis of cultural, political, economical and social dimension. Those major Markets are, China (P.R.C), Pakistan, India, Saudi-Arabia, Libya, Vietnam, Iran, Thailand, and Hong Kong, Canada.

Wollongong University's Market entry was mainly driven through the post Graduate and higher research Degree opportunities hence Market entry and expansion depends on the opportunities and driven by the Market demand. The institution follows its own model where the decision makers strategically prioritize factors such as potential number of students, risk evaluation, stakeholders, and quality issues. The goals implemented by a cycle of activities such as: Implementation, Performance review, improvement and finally it impacts next decision making and implementation for the next cycle. The university set up the goal of the institution for the 3 years and systematically they implement it. The current strategic plan includes internationalization to not limit only in the curriculum internationalization and student exchange rather wider commercial internationalization with twinning offshore programs Market expansion and more international student recruitment in the Home campus and in offshore campuses.

'3 year Strategic Planning cycle will expand its course delivery options in overseas countries. The main model for this will be employing in-country staff that are approved to teach the University's courses through very rigorous quality assurances procedures.

Thus creating more opportunities for student mobility between Australia and abroad and greater interaction of staff from the home campus and offshore partners. This will further strength internationalization of the University through a number of channels not limited to curriculum development, staff and student exchanges.’’

The institution’s entry mode defers from Market to Market, there is an evidence of entering in a Market with a Branch campus and the decision was made through multiple factors, such as market knowledge gain through different sources, partnership, capacity of country staff and placement of Home campus staffs to foreign market for startup purposes, foreign government approach, quality assurance, and business model planning.

‘‘Yes, the University entered a market with a branch campus and is the longest foreign provider in one country. The decision was based on market knowledge, in country partnerships, capacity to source in country staff with relevant qualifications and experience, capacity to place home campus staff in foreign country to assist with the start up and ongoing management, foreign government approaches and support, due diligence both education and financial and capacity of Faculties to quality assure and business model planning.’’

According to the interviewee, the internationalization process is both incremental and opportunity based and remarkably depends on the partners and the Market knowledge. The strategies are developed on Market knowledge is made based on due diligence, business planning other sources not necessarily only from the current activates. Thus strategic direction capacity and evidence based factors influences investment decision.

’’Investment decisions are based on market knowledge and other evidence based factors and strategic directions and capacity.’’

According to the interviewee the student’s attraction on Australia driven by the immigration policy, geographical location, financial and after all permanent residence (PR) hope. Currently the market is in crises because of shift of residency policy of the government, strong Australian Dollars.

“Students choice has been driven by country location proximity to Asia, value for money, residency hopes and country’s strength in education- In general terms now Australia is facing uncertain times as the strengthening of the AUD and the lack or certainty around Australian government policy in particular in relation to immigration and permanent residency has had a significant impact on the Australian education sector in 2010.”

4.1.3 Learning Point:

After analyzing the data from the interviewee of University of Wollongong I found that the university’s major market concentration is with some of Asian nations in South Asia, South East Asia, china, Middle East and Canada. Except Canada the major international Market of the institution remarkably has high psychic distance, the market entry choice of the institution depends on multiple factors rather than psychic distance such as: demand of higher education Market and the opportunities in the existing market.

The internationalization process of University of Wollongong in a particular market not necessarily incremental as sometimes the University entered in a Market with a branch Campus. The internationalization steps in a market generally taken by the strategic direction, Market demand and opportunity, quality assurance and resource capacity of the University of Wollongong and the foreign market.

The Market knowledge is an important factor for investment decision making as well to decide more market commitment in the foreign market and the knowledge about the foreign market gained through experience, market research, trends and issues in the market.

Finally, one of the main strength of University of Wollongong is being an Australian education provider meaning that the cultural, social, political, economical advantages of Australia makes Australian educational institution attractive because of hope for the Permanent residency, better life style, English language, reputation, affordability makes Australian Educational institution like University of Wollongong successful in Education trade.

In addition according to the interviewee the geographical proximity with the Asian nation makes student feel more comfortable in Australia then Europe or North America.

4.2 Introduction to the empirical case 2:

My second sample case is on Melbourne based Swinburne University Of technology. The institution was founded by George Swinburne in 1908 as 'Eastern Suburbs Technical College'. Eighty students have been enrolled for the first time for the session 1909. In 1980s the institution's status was changed as a university. Swinburne is a dual sector institution offers TAFE courses and higher educational degrees as well. In the year 2009 the university's higher educational student enrolment was 16,030 and TAFE student enrolment was 14,784 while in 2009 the university had 7000 of international student from around 100 countries. Swinburne has a successful international outlook, a member of European Consortium of Innovative University and community college for international development. The major market for the universities educational service is Asian countries,' China, Vietnam, India, Malaysia, Singapore are top among them. The university is expanding in emerging markets and it already has a branch campus in Sarwak, Malaysia (From the interview with Swinburne official, 2010).

From a technical college started with only 80 students Swinburne University Of technology has expanded in nationally and internationally. In present day the university has five campuses in Melbourne: those are Croydon, Hawthorn, Lilydale, Prahran, Wantirna in addition The University has one offshore campus in Sarawak, Malaysia. The majority of the international students study in Hawthorn, Lilydale, Prahran campus in Victoria and in Sarawak in Malaysia (Swinburne, 2010)

4.2.1 Vision of the Institution:

Swinburne University Of technology has a clear vision by the 2025; the institution's vision by the year of 2025 can be seen from 5 different dimensions. From the students dimension the institute wants to increase movement between TAFE and University though the Pathway

program, Increase the student number in the industry-based professional practice program, Open up more options to all students from vocational learning to Postdoctoral Studies. From the Research dimension the institute wants to be one of the top 10 in Australia, increase the number of world class research facilities and innovate world class achievements in research. From the internationalization dimension, the institute wants to internationalizes University community and its activities, increase international partnership not only in Melbourne also Offshore, Provide more student an international experience. From the engaging with industry and community dimension, the institute wants to increase industry partnership, ensure innovation and commercialization side by side, and educate well prepared graduates for Industry to meet future challenges. From the sustainability dimension, the institute want to remain a green, it wants to use environment friendly resources to minimize the pollution, wants to make significant investment in sustainable infrastructure, want to be a national leader in sustainable education (Swinburne, 2010)

4.2.2 Analysis of Data:

Due to the distance barrier the interview was interrupted several times for bad communication channels, to gather accurate data I have interviewed the interviewee two times. In the University, The interviewee is working in that institution for a 10 to 20 years, s/he midlevel officials and witness of the internationalization of the university. .

According the interviewee the traditional major markets for the university are Asian markets, where the cultural, social, political, educational, economic similarities are unlikely with Australia. Though all major Markets are from same continent but there is a significant difference between each market to another so Institution follows different cultural code for different market; to work in the international environments the international stuffs get comprehensive training about the specific Market about the corporate and social cultural values.

‘‘I would not describe our internationalization process as beginning with entering markets with similar culture. ‘‘The Market’’ has historically been Asia given the capacity

issues faced by education systems in Asian countries. Asian countries would not be described as having a similar culture to Australia.”

The university's Market entry and expansion in a Market depend on multiple factors; actually the Market entry of the institution can be traced a long time back because of the free mover international student recruitment. The international student recruitment in the Australian Home campuses are basically done by two sources: By agents, Self-applicants. University of Swinburne has a historical engagement in the nearby Asian Markets: Singapore, Malaysia, and Vietnam. The opportunities, trade agreements, Demand of the education are the reason for the market entry and expansion in ASEAN Markets. The target students in Singapore and Malaysia are not only the local students' also international students. In the ASEAN market Swinburne have a strong Market position; currently the students can enroll in the institution in various ways such as direct enrolment in the Australian campuses, through a feeder program or Twinning program (2+2 program), transitional programs or in the Sarawak campus in Malaysia, direct enrolment in the Australian campuses independently or via an agent.

According to the University official, the entry choice is depends on the demand and opportunities. The institution has different department to deal with international Marketing, Branding, strategy planning and implementation. Usually before a market entry the institution considers few issues such as Nature of market and clients, Market needs, Competitions, Risk and return, Increase of future enrolment number possibilities of attracting students from the other part of the region. Recently The Swinburne University of technology is involving in the Chinese and Indian Market, the student population size of those two nation makes the market lucrative to the Swinburne on the other hand there is a possibility to attract international students on those countries as they are opening up their market. In China Swinburne has its own office and partner institution to operate feeder programs, while India is still a premature market and Swinburne is opening the business gradually.

”Yes, India is an example of an immature market that is gradually opening up. My university is making moves to enter this market as it opens up.”

The international expansion after entering in a Market is not necessarily incremental rather strategic and opportunistic, before the university opened its Branch Campus in Malaysia with the

Partnership of Local Sarawak Government, Swinburne was only engaged in recruitment of Malaysian students for the Home campus in Australia there was no feeder programs or transitional education agreements in the time of opening the branch campus.

“Our involvement in Malaysia prior to opening the Sarawak campus was around student recruitment only, it did not involve any other kind of transnational education activity.”

Working in a foreign market with culturally diverse environment is a key challenge and the knowledge about the market is one of the important elements for the strategic decisions for further internationalization or Market commitment. The market knowledge mainly gain through multiple sources, Training, such as experience, contacts, Market research, due diligence.

According to the interviewee international students are attracted to the Swinburne because of Australia’s good reputation in high class education, Good life style, immigration policy, Native English speaking people, culture, cost advantages over USA and UK. The sector is in a crisis because of the change of skilled immigration skim, student visa policy, attack on Indian student and Very strong Australian Dollar.

“Yes, international students are attracted to Australia as a study destination. Australia has until recently, enjoyed a reputation for a high class education system, a good lifestyle, student safety and cost effectiveness compared to the US and UK. However, the sector is now in crisis due to a very strong Australian dollar, damaged reputation as a safe destination and strict and uncompetitive visa policies and processes.”

4.2.3 Learning point:

After analyzing two interviews I found that to Swinburne University of technology the most important Markets are Asian nation like china, India, Malaysia, Singapore and Vietnam so the institution doesn’t choose market entry and expansion regarding physic Distance rather it choose Markets with more psychic distance because of the advantages the institution and Australia has over those Markets such as Asian countries has higher demand of Higher educational and student hardly get place in the best universities. For the globalization English language and the

Australian culture has a major impact on the education research and business Australia has a full advantage in the region. So psychic distance (Political, social cultural, educational system, others) not a barrier for the Market expansion or entry rather it helps Swinburne to attract more international students.

The University's internationalization strategy is market oriented and depends on demand and opportunity; in chosen Markets the demand of quality Higher education is enormous, when the supply is limited. So, one of the main reasons of Swinburne's commitment on Asian Markets is, Opportunity of more prospective students both from the Market or neighboring countries.

Before opening the branch campus in Malaysia Swinburne only had student recruitment operation in the Market, the decisions were made for the great opportunity in the Market for local and International students. On the other hand the twinning programs and other transitional agreement have a life cycle that ends within two years. So the internationalization process in a specific Market can't be seen as incremental rather rational and opportunistic choices.

The Market knowledge is important factors for decision making of Internationalization. During the Market entry or expansion the Market knowledge helps the decision makers with the Framework the University has. The knowledge about the Market are generally gained by current or previous activities, Market research, contacts and due diligence, trainings.

Additionally the reputation damage or economical changes makes an adverse effect on the Industry; according to the interviewee "the industry is in crises"

4.3 Introduction to the empirical case 3:

The third and final empirical case in this thesis is The Royal Melbourne Institute of Technology a leading Melbourne based Australian origin international University. RMIT is an innovative, technology based university has total student population of 70, 000 in Australian Campuses, Vietnam, transitional, online from all over the world. RMIT is one of the oldest educational institutions in Australia; the history of RMIT can be traced in 1887 when a Francis Ormond established Working man's college. In 1954 the 'Royal' title was included in the name of the Institution and in 1960 the institution was named as 'Royal Melbourne Institute of Technology' and finally RMIT is granted university status under director David Beanland in 1992. From a 'working man's college' RMIT university is an international university in current days with around 3901 employees and attract students from all over the world. RMIT was the first Australian institution adopted strategy to deliver educational service in offshore by student abroad program successful participation of staffs, spending one semester abroad etc. RMIT was adopted the internationalization strategy at 1994. In 1998-99 RIMIT received the export award for best service activities in Asia. In 2009 the operating revenue of the institution was AUD 785.5 million and net asset AUD 1237.6 millon (RMIT, 2010)

In recent days RIMIT has three campuses in Melbourne- in central business district, Brunswick and in Bundoora in the city's northern suburbs. Additionally RMIT has two campuses in Vietnam; RMIT in Vietnam is a wholly owned subsidy by RMIT the first wholly foreign subsidy campus in Vietnam. In the Asian pacific region RMIT has a strong position especially in China Hong Kong, Singapore; Malaysia RMIT has multiple partnerships programs and transitional education facilities (RMIT 2010)

4.3.1 Mission And vision:

The 2010 vision of RMIT University is to be global in outlook and action through offering students and staffs global opportunity to learn and work engagement with the cities with the challenges and opportunities to shape 21st century sustainable cities, to be first choice work-relevant education institution to prepare future professional and vocations. Be a leading research

university in Australia with international background and successful in research and research education in chosen fields. The university achieves its vision through: well established global position, produce industry oriented knowledge and educate students to meet the global demand of skills. (RMIT, 2009).

4.3.2 Interview and analysis:

To collect empirical data from Rmit University, Australia I had conducted a phone Interview. The interviewee is a skilled employee in the institution has wider experience in the field of international development and partnership. The detail information unfortunately can't be given in this report due to the privacy requirement of the Interviewee.

After analyzing the conversation between I and interviewee I found that RMIT University is one of the most successful International University in Australia. According to the interviewee the major market of RMIT University is Asian markets and mostly nearby Asian countries such as: China, Singapore, Malaysia, Hong Kong, Indonesia, Vietnam though RMIT is expanding successfully in south Asia and in Middle East particularly in India and Saudi-Arabia. Those countries are different in psychic distance to each other and have remarkable difference in social, cultural, linguistic, political and economical difference with Australia. The reasons behind intensity of internationalization in the Asian continent were economic prosperity in Asia, demand of Higher education and changes of Government regulation.

“No! My institution is mostly successful in the Asian Markets due to the economic development, higher demand of technical knowledge for the industries and insufficient education infra-structure of Asian countries. Though the geographical proximity between Asia and Australia is closer; Australian culture and social environment has remarkable difference with the neighboring continent.”

According to the interviewee the entry mode in a Market depends upon the Market situation, such as demand of higher education potential growth of the students and international students, government regulation and partnership. There is no straight cut mode of entry in a Market but

very often the university enters in a market with smaller internationalization steps and gradually increases the operation and takes higher level of internationalization steps such as opening a branch campus. The small scale entry mode before the higher Market commitment not only generates market knowledge but also crates trust between the institution and it's stakeholders in the foreign market such as students, partners and government.

“ The market entry modes lies on market itself; depends on the situation and favorability of the market to our institution. We generally consider future growth of students, government's friendly rules and regulation, and partnership. Before any sort of market entry or expansion we always consider our institution's framework for achieving international goals. To make a bigger investment such as in Vietnam, often we enter in the market with smaller internationalization steps such as partnership, assisting foreign institutions or twining programs. It not only gives us an opportunity to know the market also builds trust among us and the Market and stakeholders. “

According to the interviewee Market knowledge is an essential element that influences the internationalization decision but it also follows the mission, strategy and the framework of international marketing. The Institution gain the Market knowledge from multiple sources such as: Existing online resources, from prospective partners, current market activities, Market research and often market knowledge gained from the neighboring alike market is transferable to another market because of the similar culture and regulations and language.

“Yes. Market knowledge is absolutely an important element for international expansion decision in any market. Not necessarily we always achieve the market knowledge from the Market itself; often we learn it from Market research, contacts with potential partners in the region, ongoing market operations. We consider then trends of the neighboring market and sometimes knowledge gained from similar markets are valuable as well”

And finally the interviewee sees the language a big advantage for the Australian Universities for success along with cultural, social, political situation. As for the ongoing globalization English is becoming major language for work and research, students want to develop their knowledge in English and learn with English curriculum. The Immigration is always vital factor for the

international student as there is a chance of skilled migration. On the other hand Asian students prefer the geographical location and the climate of Australia as because the Australian climate is very smaller with Asian countries.

“ I think English is one of our main advantages. Many students not only come here to study also to learn good English and enjoy our diverse culture. Australia’s PR permit (permanent Residence) is favorable to the international graduates from our university, many student enroll In RMIT with a PR hope. I also think, Asian and Australia’s climate is comparable so many Asian students prefer Australia rather than USA or UK. “

4.3.3 Learning point:

After analyzing the interview with RMIT official I found that RMIT University’s major markets are nearby Asian countries, with a high psychic distance with Australia meaning that RMIT’s major markets have different cultural, social, linguistic, political, social and economic situation. The market entry choice was driven by the ongoing globalization and Asian economic growth, Market demand of quality higher education and clearly not for psychic similarities between Australia and those countries.

The internationalization stages in a market are not necessarily sequential most likely the University engages in a Market in limited Internationalization step before any other big steps. The wider internationalization steps like sole venture and joint venture campus establishment depends on the Market situation, opportunities, partners and Government’s rules and regulations. The university enters in a market with smaller internationalization step with a bigger internationalization ambition not only to gain knowledge also to build trust.

Market knowledge is an important element for the internationalization decision what university achieves from multiple sources like: current activities, Market research, from partners, online resources. The Market knowledge from neighboring country similar market condition can be valuable and transfer to another market.

The linguistic, cultural, political, social, economical dissimilarity with the international markets has been seen as an advantage of the institution because students are attracted by the Australian English, culture, social, political and good living standard. Many students choose Australia not only to study also to be an immigrant. The geographical proximity with Asian nation gives Australia an alike weather, some Asian students find Australia more comfortable to live then USA or UK.

Chapter: 5 Criticism of existing model and Contribution.

On the basis of empirical findings in this chapter I have tried explain the limitations of the existing model (Uppsala model). Hence a new model of Internationalization based on the empirical findings has been suggested.

5.1 Criticism of Uppsala Model In the context of this study:

After analyzing the Interview and from the findings of this study based on empirical elements it has been clearly found some conflicts between Australian Higher educational institution's internationalization process and the Uppsala model. Uppsala model includes some basic mechanism and ideas about internationalization process such as: Market entry mode and psychic distance, Incremental internationalization in different stages, Investment risk minimization by learning through experience of current activities in the existing market. Some criticisms about Uppsala model in the context of this study are discussed below:

In chapter three of this study it has been shown that Firms intend to internationalize the operation with less psychic distance countries or Markets and gradually it expands operation with wider psychic distant markets followed by psychic distance; meaning that Australian major Educational Markets should be Nearby New Zeeland, UK, USA, Canada or European countries; As Australia Has less psychic distance with those countries. But From the empirical findings we can see that Historically Asian countries are the Major Markets of the Education industry of Australia.

In Uppsala Model the physic distance has been seen as barrier to internationalization in the findings of this study we can see that Psychic distance such as Language, Political, economical, social differences has accelerated the internationalization process of the Higher educational industry of Australia. The emerging Asian economy needs more highly educated people with international knowledge but the supply of Higher education doesn't meet demand; Australian higher educational institutions are cutting edge quality and capable to supply the education to the

international market after satisfying the domestic market. The political stability, economic prosperity, English language, safe multicultural society and after all the flexible immigration policy and educational system makes Australian education attractive both to offshore and onshore students. Australia has clear comparative advantages to produce world-class education over Asian countries. In Uppsala model the concept of comparative advantages is ignored.

In the Uppsala model it has been assumed that Firms will enter with lower internationalization stage and gradually increase the degree of internationalization. In this study we have seen that Australian Higher educational institutions entered in different Market with different internationalization stages based on opportunities such as demand in the market potential growth, risk assessments, internationalization opportunity in the existing market, government rules and regulations. The model too narrowly assumes the gradual internationalization based on learning process and omitted why firms enter in different market in different stage of internationalization with different commitment.

Uppsala model is basically a learning based model meaning that firms reduce risk of investment risk only by market knowledge gained from the current activities so that firms in the beginning enter in a market with lower Market commitment (Pederson, 2000). In this study I found that Australian Universities gathered market knowledge from multiple sources, and current activities in the market is one of many options. The technological development, Trade liberalization and customization of International markets make easier to acquire knowledge (Nordstrom, 1991).

Finally in this study it has been found that the internationalization strategy, decision making and implementation are driven by multiple factors not necessarily only driven by the knowledge about the market; some important factors are regulatory factors, market potentiality, comparative condition in the market, and business possibilities. One of the major limitations of Uppsala model is, the model only emphasis on the Learning process and ignore other competitive conditions, market potentiality, changing markets and opportunities.

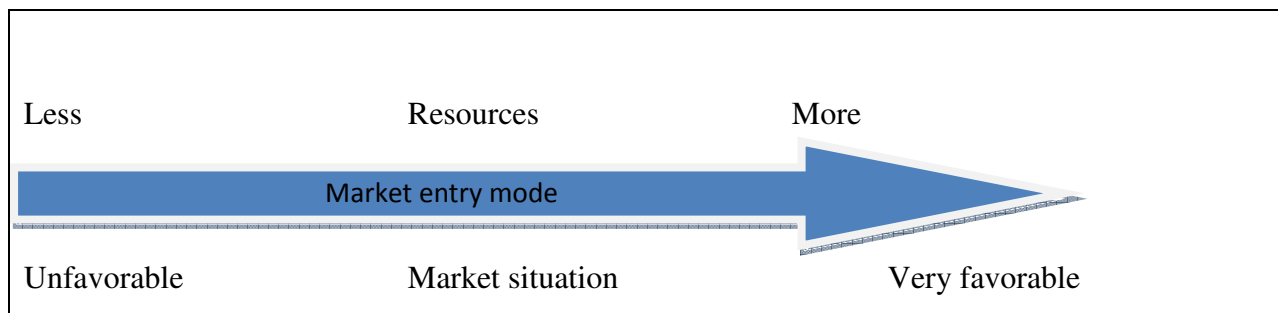
5.2 Contribution

In chapter four in this report, we have seen that the findings have remarkable differences with the Uppsala model especially in the Market entry choice, Gradual learning, and Incremental stages

of internationalization. In the Uppsala model it has been assumed that knowledge is the driving force for the internationalization process as firms Market commitment decision driven by the market knowledge what mainly can be gained from the current activities in the Market whereas In the empirical findings I found that Market situation, external and internal resources are related to the Commitment decision in a Market and knowledge can be gained from Multiple sources. Based on the empirical findings of this study a new model has been suggested, and the suggested model is an influential work from Uppsala model.

Firstly Existing Educational institutions market entry strategy is driven by favorable market situation such as: Rules and regulations, possible partnership, Demand of Higher education, future growth in the market and possibility of internationalization of existing market, and availability of resources in the Market. More favorable the Market situation is earlier the market entry and Higher the Market commitment.

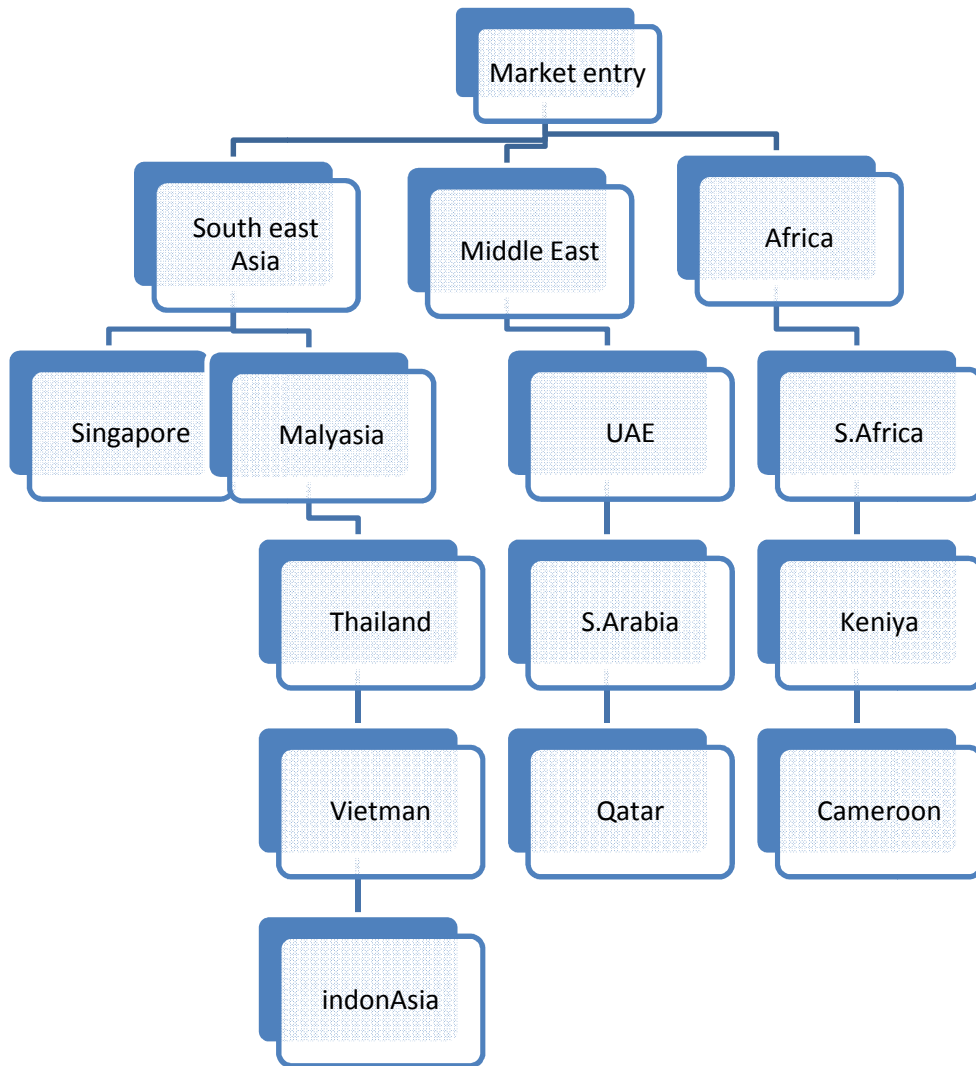
Figure 5.0: market entry



Source: Author's own work.

It has been seen that after entering one market in a specific region the Institutions enter other favorable markets in the same region using the market the institution already operating, as a hub. It can be assumed that the market knowledge and specific skills developed in the market easily transferable to similar markets; due to the geographical closeness it's even possible to use common resources such as staffs that give the institution good value of money and effort. Good reputation in one market eventually influences neighboring markets.

Figure 5.1: Regional Market expansion

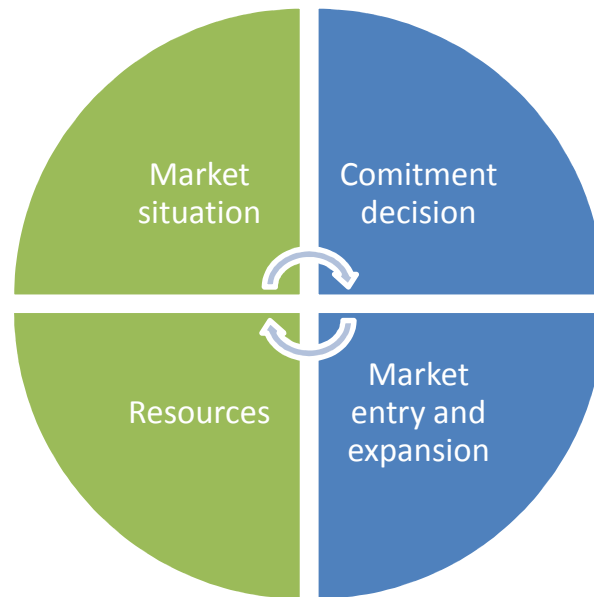


Source: Author's own work.

It has been seen in the Uppsala model and in the empirical part that there are 4 modes of Entry in the market, exporting via agents, franchising, joint venture and sole venture. The institutions choose the entry mode followed by the situation in the market and external and internal capabilities. At a time there can be multiple entry modes in a single market. The decision of further Market commitment or reduced market commitment will depend on the current market situation and performance.

To explain the situation I have developed a model where it shows the mechanism of market entry and expansion, also explains reasons of increasing or decreasing market commitment.

Figure 5.2: Internationalization process



Source: Author's own work

The market entry decision is driven is driven by the Market situation and availability of resources of the Institution. Where, Market situation includes comparative advantage in the market to produce higher education, demand of the higher education, favorable rules and regulations, possibility of partnership, potential expansion and internationalization of the market activities. Where, availability of resources includes both Internal and external financial and Human resources.

The commitment decision refers decision to investment in the market both financial and human resources. Better the Market situation and resources, higher the commitment decision meaning that institution can enter in a market with higher degree of commitment such as Sole venture or Joint venture if the market situation is favorable and resources are larger.

After the market entry the operation in the market influences resources and market situation, a successful performance in the Market makes the financial condition better and creates skilled staffs, builds good reputation by advertisement and branding, creates trust among the stakeholders in the market such as clients, Governments, partners. On the other side a bad performance result poor financial profit, and unskilled staffs, economic losses, bad reputation and mistrust.

So the Market operation influences Market situation and resources either positively or negatively, thus a bad market situation and damaged resource leads the institution pulling out from the market or minimize the operation. Where Good performance leads Favorable market situation and better resources what eventually changes influence the commitment decision for a larger internationalization steps.

The market situation can also be changed by the Market regulatory, political and economical and environmental changes.

Chapter 6: Conclusion.

6.1 Summary of the study.

The objective of this thesis was to find out the relevancy of Uppsala model of Internationalization in the Context of Australian Higher educational institutions. The thesis Subject was: Relevancy of Uppsala model in the Higher Educational institution's Internationalisation: From the prospect of Australia.

To find out the answer of this quest I formed four research questions those were:

- a. Does Psychic distance influences mostly on Market entry choice?
- b. Is internationalization process sequential or isolated strategic choices?
- c. Is the Market experience only major element that influences commitment decision?
- d. Is Psychic distance a barrier to internationalize or Comparative advantage?

The introductory chapter introduces the basic idea about the Australian Market, trends and issues and the essence of the Uppsala model. In addition the rationality behind this study and an overall structure of the thesis has been presented in the introduction chapter thus gives a basic idea about the issue and study.

In the Methodological part I have discussed the mechanism of conducting this study. Different philosophical views has been presented but was mainly focused on the qualitative view as this thesis is based on the qualitative method. The source of data in this thesis was interviewing officials in sample higher educational institutions; the chapter discussed about data collection procedure, validity and reliability issues as well. In addition the chapter also discusses rationality behind choosing qualitative approach, selection of interviewees, and critical views on the chosen approach as well.

In the frame of reference chapter, I have presented relevant theories and issues those gives an opportunity to develop theoretical understanding needed in this thesis. There has been discussion about service trade and educational service trade as well under the GATS framework. A wider presentation of Uppsala model has been given originally and from the prospect of educational Institution internationalization. Some other important concepts like trade barrier and market entry, comparative advantage theory has been discussed in order to develop understand of International Marketing and internationalization.

In the chapter of Interview and analysis there has been 3 basic parts, presentation of the institutions, interview analysis and learning point. In the presentation of the institution the mission, vision and a brief history has been discussed, and finally after analyzing I found the answer of my thesis, that is the major market of the Australian higher educational institutions are Asian markets, meaning that institutions doesn't prefer to enter market with less psychic distance.

The market entry in the Asian market was driven by the favorable market situation such as higher demand of Higher education and inefficient supply of quality education in the Asian markets other than that, Favorable Market situations like relaxed market regulation, partnership opportunities and possibility of Market expansion. The analysis of collected data shows that the market entry and expansion is not necessarily incremental but driven by opportunities and resources.

In this chapter I also found that the commitment decision not only depends on Market knowledge but multiple factors, hens Market knowledge can be gathered from various sources and Market experience is just one of the many sources.

The psychic distance of Australia is a comparative advantage over the major markets of Australia because students are attracted to the Australian education for Language, political stability, social condition, Immigration opportunities and economic situation. Australia is rich in economy and educational system is well structured, Australia has the capability of produce education and export in foreign countries after satisfying the demand in Australian Market.

From the analysis of empirical data I found Uppsala model has a remarkable difference with the internationalization process of Australian Higher educational institutions so in chapter 5: Criticism of existing model and contribution chapter I have discussed the limitations and irrelevancy of Uppsala model in the context of Australian Higher educational institutions internationalization. And finally I suggested a new model may be relevant to the issue, the model explains the mechanism of Internationalization of Higher educational institutions including Market entry, wider internationalization based on the empirical findings of this thesis. In addition a dynamic model was presented what shows how factors influences commitment decision in the market or in the region, it also shows how the internationalization can go downward or upward depends on Market situation and market performance.

6.2 Limitations of the Study:

Limitations are common in all human activities and this thesis is not an exception. Due to the distance barrier, it was very difficult to obtain data, so the sample institutions numbers are only limited in three, what may not be very impressive for a highly acceptable research. The Interview was given via internet and via phone from the interviewees personal believes or documents available to the interviewee; there is a little option to check out the validity of the information. Secondary information sources were password protected so it was not possible to access the university's international strategy portal what could give a better result in this thesis work.

6.3 Proposal for further research:

The proposal of for future research lays on the limitations of this study, this study can be developed more by collecting data from more empirical institutions, a face to face interview could result better understanding, and access to the resources of international strategy department of the institutions can give more understanding on internationalization process. Gathering data from different stakeholder, such as clients, projects, partners may enrich the research more than it is and after all it could be interesting to do the similar research in multiple Countries higher educational industry that could give more acceptability of the findings.

Appendix A

Questionnaires:

Part A:

1. Which countries are the major international Markets to your institution?
2. Does the Major markets have less psychic distance with Australia or wider?
3. During the internationalization process, did your institution entered in a market with similar culture in the beginning and gradually entered in markets where the cultural distance is wider? If not what was the sequence?
4. Why students choose Australia and your institution. Do you think Australia's culture, economy, social system, Educational infra-structure, language, immigration policy attract foreign students?

Part: B

1. Do you think your institution expand internationalization in a specific Market in different stages? (For example, export- franchising- joint venture- sole venture).
2. Is the Internationalization process in a particular market incremental?
3. Does your institution always enter in a Market with lower degree of internationalization and gradually increase it after gaining experience in the Market or you enter different market with different stage.
4. From your institutions prospect, do you think internationalization process is incremental or isolated rational choices?

Part: C

1. When you make further internationalization decision in a market you are already operating, do you think the market knowledge is the major factor that influence the decision?
2. Does your institution gain the market knowledge only by a long time experience in the market or other ways?

3. Do you think investment decision of your institution overall depends on the Market knowledge gained by the early entry in the market or other opportunistic or rational factors?
4. Did it ever happen that your institution opened a branch campus or Learning center in a country in the market entry time? What factors influenced the decision, how you gain the market knowledge?

Appendix B

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