



## **Editors**

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# *Increasing Management Relevance and Competitiveness*



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# Increasing Management Relevance and Competitiveness

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## Preface

International Conferences provide an excellent opportunity to bring together academics from different countries and backgrounds for the purpose of presenting their research results, critically discussing methodology and findings and improving the quality of research and the impact of the research on society and science. Furthermore, conferences enable the scientific community to create new networks, to foster relationships and extend their visibility.

The 2nd Global Conference on Business Management and Entrepreneurship (GCBME) 2017 is an annual conference co-hosted by Department of Management, Faculty of Economics & Business, Universitas Airlangga and Business Management Education Program, Faculty of Business and Economics Education, Universitas Pendidikan Indonesia. The theme of GCBME 2017 is increasing management relevance and competitiveness.

The theme inspired by the concern of Sumantra Ghoshal that bad management theories are destroying good management practices. Before that, the dichotomy between rigor and relevance is always becoming a hot topic in the management field. This conference aims to answer the following question: How might we accomplish a reconciliation of rigor (academic) and relevance (practitioner) standards to offer organizational competitiveness?

I expect this conference raises two important things in the discussion room and proceedings (based on Corley and Gioia, 2011): First, theories used in this conference should be problem driven—that is addressing a problem of direct, indirect, or long-linked relevance to practice, rather than narrowly addressing the (theoretical) “problem.” Second, the fact that we are a profession (academia) studying another profession (management), therefore it needs balancing between theoretical contribution managerial implications. By doing that, I believe that our research and discussion in this conference could offer something useful for practitioners (thus increase its competitiveness) while at the same time contribute to the development of our management field.

I am looking forward to seeing you in GCBME in the near future.

With warmest regards,  
Prof. Badri Munir Sukoco, PhD  
*GC-BME 2017 Conference Chair*

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# The effects of good/bad news on consumer responses toward higher education

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**ABSTRACT:** The aim of this research is to test the effect of publication in media, which it can be good and bad news, toward consumer response in higher education. Using experimental design, the news had been manipulated. The good and bad news had been set for institutional and individual domain. Consumer responses measured by trust, brand image and attitude toward university. Using 150 students of Senior High School as participants, it found that news contents have different effects on trust, brand image and attitude toward brand. The higher education needs to create and share their positiveness to media, and intense to cope the negativeness.

## 1 INTRODUCTION

Many research about higher education/universities, such as on brand image (Jiewanto et al., 2012); determinant of students selection (Polat, 2012; Noorafshan et al., 2014), had been conducted. But the effects of news about university still remain unexplored. Though, university has many news about their institution and individual performances. The existence of positive and negative news was able to portray the image of the institution's reputation.

Previous research has shown that social media shapes the views of the community involvement and the impact on the level of confidence (Warren et al., 2014). Other studies have also shown that the use of a website to get information is able to bring social trust (McLeod and Schell., 2001). Additionally, Go et al., (2016) states that interactive messages on a website is able to push the level of confidence of users in the community.

The good or bad news can be a source of interest for the research object. Given the news, of course, will influence the decision of a prospective student in determining the continued study of the electoral college. Referring to a market where the student is considered as a customer, the university must implement strategies to manage and improve competitiveness so that the reputation of the university is well formed and become the university choices for students. The higher the reputation of the university have, the higher the confidence and goodwill of prospective students for admission to the university.

According to research conducted by Balakrishnan, et al. (2014), marketing communications online, (especially electronic Words of Mouth/E-WOM), online communities and advertising online, have a very strong influence and are very effective in promoting the brand image of a product through a website and social media platform company.

This study will use the object in the form of an imaginary university with the aim to find out wider relevance of each study variable.

According to the background and problem identifications above, the problems of this research are, (1) Can news content affect trust toward a University?; (2) Can news content affect university's image?; and (3) Can news content affect attitude toward university?

H1: News Content (Positive and Negative News) affects Trust on University

H2: News Content (Positive and Negative News) affects University Image

H3: News Content (Positive and Negative News) affects Attitude Toward University

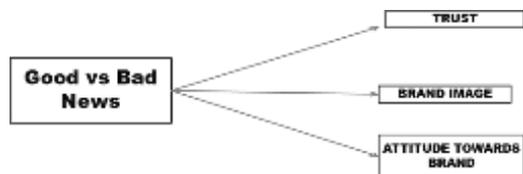


Figure 1. Research framework.

## 2 RESEARCH APPROACHES

According to Malhotra (2007) suggested that the experiment is the process of manipulating one or more independent variables and measure the influence of one or more of the dependent variable and then controlling for variables that are not connected. The use of the experimental method makes it possible to test the theory directly by implementing different treatments simultaneously while controlling factors that can blend in with this concept in real conditions (Agrawal, et al., 2010).

### 2.1 Research design

This experimental study will measure the difference in the average score (mean) of variable trust, brand image and attitude towards a university.

Experimental manipulations in the independent variable is create scenarios for the study of research that tells a fictional of an university and it positive/negative news. This scenario will be attached to a section of the initial questionnaire and be displayed as if it were a news online. At the end of the scenario will be a questionnaire about trust, brand image and attitude towards the brand.

### 2.2 Population and sample

The sample collection method using purposive sampling, whereby researchers determine the specific criteria to take samples that will be used as the respondents. Researchers determined that the population in this study was all students in senior high school (grade XII) Surabaya.

## 3 ANALYSIS AND DISCUSSION

Pretest process conducted on 20 students in SMA Negeri 5, Surabaya, especially on grade XII IPA 1 with the school's permission and consent. Treatments were given in the form of an article related to positive and negative news as if it came from the news online on the internet. There are four scenarios: positive news associated with individuals and institutions, and a negative news associated with individuals and institutions. Each scenario given to different respondents. One scenario given to respondents (between subjects). Total of number used at pretest was as many as 20 respondents. The total of participants for main test is 150 students.

### 3.1 Validity and reliability

Validity test is measured by calculating the value of item-to-total correlation of each indicator on each

Table 1. Validity and reliability.

Variable		Item-to-total correlation	Cronbach's alpha
Trust	T1	0.808	0.923
	T2	0.868	
	T3	0.894	
Brand Image	BI1	0.775	0.872
	BI2	0.776	
	BI3	0.743	
Attitude Towards Brand	ATB1	0.699	0.887
	ATB2	0.831	
	ATB3	0.828	

Source: Processed data.

variable. The reliability test is measured by calculating the Cronbach's alpha value of each variable.

### 3.2 Differential test (One-way ANOVA)

ANOVA (Analysis of variance) was used to see if there is difference between the mean of the sample groups, between the control group and the experimental group consisting of a group of individuals' good news, institutions' good news, individual' bad news and institutions' bad news. This experimental study used two tabulation of data: the data for individual group and data for group institutions. Each tabulation will be processed in the average of mean from each variable (trust, brand image and attitude toward university). ANOVA analysis results can be seen on Table 2.

From the results of the different test on groups (Table 2), it can be concluded that: (1) accepting H1 or News Content (Good and Bad News) affects Trust toward University; (2) Accepting H2 or News Content (Good and Bad News) affects University Image; and (3) Accepting H3 or News Content (Good and Bad News) affects Attitude Toward University.

### 3.3 Discussion

This experimental study supports Polat's research (2012) that the rumors or news about the university, including the factors that affect the interest of a prospective students in choosing a university and department.

A study conducted by Keh and Xie (2009), stated that the profits of companies with a good reputation built on trust and identification among customers, are able to positively influence customer commitment to purchase intention.

In the group of good news when given the news that is positive, their image of the university they

Table 2. ANOVA between group test.

Group		Trust			Brand image			Attitude		
		Mean	F	Sig.	Mean	F	Sig.	Mean	F	Sig.
Individual	Control	4.5230	560.802	0.0000	4.0440	270.560	0.0000	3.6550	328.388	0.0000
	Individual Good News	4.5003		0.0000	4.4777		0.0000	4.4780		0.0000
	Individual Bad News	2.0333		0.0000	2.1557		0.0000	2.0783		0.0000
Institution	Control	4.5230	573.058	0.0000	4.0440	416.352	0.0000	3.6550	327.884	0.0000
	Institution Good News	4.5333		0.0000	4.4893		0.0000	4.5007		0.0000
	Institution Bad News	1.9673		0.0000	2.1003		0.0000	1.9110		0.0000

Source: Processed data.

want will tend to increase, while in the bad news groups, when given news that is negative, their image of the university they want will tend to decline.

#### 4 IMPLICATIONS

This experimental study generates managerial implications that can be used by stakeholders in the university to enhance its role in education. In a market where the student is considered as a customer, and the competition does not only come from within the country but also from abroad, then the university must develop excellence unique competitive possessed by each university characteristics. The better a university in enhancing its reputation, the higher the intentions and interests of prospective students to choose and continue their studies at the university. It is also not independent of how a university to constantly develops and improves its performance, whether it is an individual accomplishment or institution. But in reality, there will always be cases involving negative news; the university needs to know how to manage this so as not to allow the negative publicity to affect the reputation of the university nor the intention of applicants to choose and continue his studies at the university.

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