STRATEGIC ROLES OF INFORMATION TECHNOLOGY AS ACCELERATOR IN DISTANCE LEARNING AND ON-LINE PROGRAMS

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Abstract

Hyper competitive rivalries are undeniable in today's business environment. It is essential for competing firms to understand and take advantage of dynamic motion of technological breakthroughs. This paper aims to describe the movement toward hypercompetition and roles of information technology in distance learning. The research find technology is the principle accelerator toward hypercompetitive rivalries in distance learning market. Sucessful higher learning institutions (HLIs) are always aware of all complex interactions among competing institutions, and can observe patterns of movement and response, punches and counter punches.

Keyword (s) : Competitive strategy ; Communication technologies ; Distance Learning ; Service ; Globalization

Introduction

Distance learning or e-learning is a field of education that aims to deliver education to students who are not physically " on site " in a traditional classroom or campus. It is described as a process to create and provide access learning when the source of information and the learners are separated by time and distance, or both. The computer and communication technology have undoubtedly changed our daily lives to make communication swifter and easier. Thomas (1996) suggests dynamic resourcefulness and innovation in communication technology as the primary driver.

Penn State University is the best example to illustrate the dynamism of distance and online program. In 1982, when it founded one of the nation's first correspondence study programs, Penn State has been a pioneer in distance education. With the launch of the World Campus in 1998, the 25th campus of Penn State, the University reaffirmed its commitment to providing educational access to learners around the world (Penn State Website, 2010 ; world campus.psu.edu).

The world campus use multiple technologies to make some of Penn State's mostly highly regarded graduate, ungraduate and continuing professional education programs available anytime, anywhere through the World Wibe Web, computer interfacing and other media. Today , the World Campus offers more than 70 degree and certificate programs Through distance and online education (Penn State Website , 2010 : worldcampus.psu.edu).

Since then, the concept of the traditional classroom, with its four walls has been extended and ramified. Overall, higher learning institution (HLIs) could secure five major benefits such as expending access, cost reduction, emerging market oppurtunities , adapting to new technology and environments, and new fund-raising opportunities (Rosenor , Armstrong, Gates, 1999). All these enable HLIs to expand their business operations to greater market reach. Undoubtedly, information technology disrupts and makes significant changes in creating new markets and reshaping existing markets (Christense, Roth & Anthony , 2004).

Driving Factors in Distance Learning
Distance learning or e-learning is certainly playing an important role in human capital development. Nowadays higher academic qualifications are sought by most companies compared to 30 years ago. The era in which certicates and diplomas are required for management posts in the most positions in public and private sector has long gone. Challenges and dynamisms of current business environment drove many companies to seek individuals with a bachelor degree at least.

This had made distance learning or e-learning become popular especially among working adults. A significant number of them with certificates or diplomas had gone back to school to seek higher qualifications. This emerging scenarios has helped individuals organisations and countries around the globe to more competitive that before. For example, only 15 percent out of 25 million populations could access the internet in Malaysia by 2000. The percentage increases significantly year by year as 65 percent of its 26 million populations could access the internet in 2010 (Internet World Stats, 2010).
Table 1 illustrates the growth of internet usage for the country.

Table 1 : Internet Usage and Population Growth

Year	Users	Population	Percentage %
2000	3,700,000	24,645,600	15.0 %
2005	10,040,000	26,500,699	37.9 %
2006	11,016,000	28,294,120	38.9 %
2007	13,528,200	28,294,120	47.8 %
2008	15,868,000	25,274,133	62.8 %
2009	16,902,600	25,715,819	65.7 %
2010	16,902,600	26,160,256	64.6 %

http :// www.internetworldstats.com/asia/my.htm

In the USA, in 2005 , 66 percent of its 133 million adult populations could access the internet. It drove many HLIs in the USA to offer distance learning or online programs by making them available online. The same scenario is happening in other developed nations especially in the UK, France and Germany. Distance learning has enabled millions of working adults to receive   better academic qualifications besides improving their living

standard (distance-learning-college-guide.com).

Most HLIs realize on the importance of creating online and long distance learning programs if they want to remain relevant in the education sector. In the USA, over 87% of four-year colleges offered distance-learning courses in 2004, an icrease from 62% in 1998. In addition, between 1998 and 2004, 25% more colleges and universities added distance learning education programs to their course offerings. By 2004, 2.2 milion degree-seeking students were enrolled in distributed courses. The figures are growing year by year ever since and how the most geographically remote students can get an online education (distance-learning-college-guide.com).

Understanding hypercompetitive markets

D' Aveni (1995) described hypercompetition as a market condition typified byrapidly escalating competitive activities such as increasing price-quality positioning, developing new know-how and utilizing that know-how, establishing first –mover advantage, protecting or invading established markets and creating deep – pocked alliances. Therefore, it is important for HLIs to always alert and react accordingly on changes that occur in the education sector because understanding hypercompetitiveness is primarily important for businesses since it results in declining financial performance for business (Hanseen-Bauer, J., and Snow , C.C. 1996).

Hypercompetition in the education sector is highly associated withdisruptive, uncertainty, intense and rapidly changing environment where HLIs can only expect intermittent, temporary and unsustainable advantages (Harigopal, 2006). Those who can focus equally important on what not to do and what to stop doing, use technology to accelerate a transformation but not perceive it as a cause of transformation, paid scant attention to staff development, and seek for revolutionary result and more and not revolutionary process should have better chances to champion the sector (Collins, 2001).

Ironically new technological innovations create positive and negative implications. No doubt information technology and new forms of communication allow organizations to reach under-served markets. However, at the same time they create more direct competition. This certainly requires leaders to make strategic choices continuously (Christensen *et al.,* 2004). In relation to the education sector in Malaysia, most of the HLIs offer services in the home market only. The development is far from challenging its existing traditional degree programs. Overall the literature reflects mixed drivers that accelerate hypercompetition in the education sector (Clemons, 1997).

Hypercompetition in Distance Learning

It might have been predicted that the intensity of rivalries in the service sector will be as instense as the manufacturing sector in the coming decade. There had always been competition in the sector, although it was segmented and somewhat dampened by many reasons as context and scope of competition varied among companies and market segments.

So, the intensity of competition in the education sector goes along with size and market reach of competing institutions . For example , top HLIs competed on the basis of prestige , reputations and industry champion ; regional based HLIs competed for location-

bound which was on the basis of convenience and timing ; and nationally known HLIs competed for maintaining or increasing shares in the local market.

For some HLIs, the market position served as something between an emblem and a brand. The mailings and web sites proclaimed are important or play a relatively small role in their market positioning but majority of them perceived market share as a non-issue. These HLIs faced localized competitive pressure that was centred more on cost accessibility than reputation. As a result, highly localized online degree program were and develepod in response to local market demands.

A highly localized online online program is a clear result of intensity of rivalries. The intensity of rivalries could be seen in price, marketing and a new online program wars that leads to major competitors moving into one another's home markets. The intention was to improve one's own financial performance while weakening their competitors' by making them defensive in their home markets. The actual results was that more institutions offered similar procduts or services to a fixed numver of customers. The consequences were predictable such as prices decreased with little or no increase in unit sales volume (Thomas, 1996). This actually drove companies in cut throat competitions which finally lead to a few companies being better off, but most were worse off.

Reality of Distance Learning and Online Programs in Malaysia
Most of the competing HLIs in Malaysia face problems such as being unable to meet strategic and financial objectives. Many of them expanded their program offerings but some made new offerings or mode modifications of existing one. In either case, markets became flooded. This ploriferation of more variaties of online degree programs was good for consumers, but futher weakened business performance. This can be described as the expansion of offerings from HLIs without any increase in customer demand. What was reality program fragmentation.

Most HLIs in Malaysia were not only content to offer traditional programs in new markets but now sought to create programs. These new programs appeared to be successful until management realized that they were, in some cases, merely cannibalizing existing ones. The finding showed that these new programs grew but the number or revenue in the " regular" programs declined. This means that the existing prograns were now experiencing competition from within as well as outside. There had previously been only two or three programs but now these were four times more. As was the case with business, both revenue and customer retention suffered.

Another strategies issue identified in this study is the growing demand among customers for better accessibility and convenience. Support by advancement in digital communications, traditional HLIs responded by changing structures and programs provided. Most of the well established HLIs used current programs to produce " new " ones by offering them in radically different ways. Those programs are touted as the " same " but delivered using a different technology. It is seen as a " new program " in the market and this certainly increased the intensity of rivalry among competing institutions.

Some of the HLIs in the study created new programs besides forging alliances with other orgzanizations. Such inclination was developed in response to the oppurtunities created by a growing global market. There were HLIs which deliver traditional programs, but they were in a different location offering different programs and using different methodologies. Both were organized and designed to serve non-residential participants.

This approach them to deliver existing programs to audience in different locations. Some experienced a boom, majority encountered slow growth in online degree programs. Overall, most virtually promoted programs are doing well and become strong competitors of traditional programs. The possibility to access programs via the internet enabled buyers to shop at any time and at any place at their convenience.

However, when the market expansion and program development strategies did not favour the HLIs performance, the corporate response was to reduce costs. Some HLIs especially private universities and colleges hunted for ways to reduce costs as a ,eans of increasing gross margins , net profits, and earnings per share (Hilman, 2006). This was the era downsizing the blue-collar workforce ; cutting back inn corporate staff and middle management ; giving back of employee benefits ; and hiring part –time of temporary employees who receive no benefits.

Cost reduction initiative lead to reduction of employment of full-time employees, reduced fringe benefits, made staffing decisions similar to those of business by moving to greater levels of temporary and part-time employment. And eliminated services that were not revenue generating. The findings show most of the HLIs were aware that such actions negatively affected the quality of the programs provided because the HLIs offered more than the basic programs. It included the skill and attitundinal development.

From another perspective, competition stemmed from changes in the way HLIs saw themselves. The quality of the programs had a direct impact on how clients (students) perceived the entire HLIs. However, most of the cost-based competition came from smaller HLIs that had unknown standard of quality on programs offered. However, some HLIs were trying to gain a competitive advantage through focused strategy.

Conclusion

Hypercompetition drove HLIs to develop and produce specialized programs faster than the competition. New or differentiated programs provided potential students with new, improved, or additional features ; unfortunately hypercompetition means that programs had shorter life cycles, which was the unitended consequence of competing with one;s own programs. In fact, for many HLIs, their competitive strategy was to replace their programs before the competition did. This is often called " eating one's own babies".

Increased programs differentiation also leads to increased customer expectations and increasingly diverse applications, which in turn resulted in an explosion demand for increasingly specialized programs. Overall, program differentiation lead to increased compepetion and created a broader market. It also leads to the development of small, overslapping sub-markets and price points, which is turn resulted in veritable " ladder " of programs and price points, each of which is narrowly focused.

The result was explosive growth in the number of competitors and escalation of price-based competition. Many HLIs found that " rapid program development " required a restructuring or reorganizing of the entire business. Unfortunately if a HLI did not continue to develop new programs , it would continue to face declining profit margins. Therefore, HLIs would have to deal with expanded competition while creating a form of " rapid program development ". Competing HLIs could expect expanded competition as the programs provided form foreign as well as domestic institutions.

Eventually, this would lead to even more intense competition. Some HLIs would be able to differentiate themselves, but others would have to compete on the basis of costs or location. Location advantages would erode with the advancement of technology. So to remain competitive, HLIs must always understand and take advantage of the dynamic mition and flux of global markets and information technology. So to remain competitive, HLIs must always understand and take advantage of the dynamic motion and flux of global markets and information technology breakthroughs.

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