

Chapter 3

Business Lessons for Higher Education Marketing

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ABSTRACT

Today, recent business marketing approaches that depend upon market analysis and planning have stimulated the growth of marketing firms that offer sophisticated quantitative market analyses in order to identify an organization's potential and current customers and their needs. This analysis contrasts educational service provider to enrollment outcomes at two nonprofit higher education institutions. The authors' data indicates securing educational marketing services may be a costly approach in order to attract and keep customers or students.

INTRODUCTION

The adage that people flock to universities in hard times may be true; it certainly seems that since the global economic slump in 2008 most universities have experienced a boost in their student enrollments (National Center for Educational Statistics, 2008). So it could be argued that, with the attendance up, there may not be as much concern over marketing efforts to increase enrollments, but most university administrators also know that enrollments tend to be somewhat

cyclic and, barring serious funding cutbacks, they continue or even increase their marketing efforts during the economic down turns.

This study investigated problematic business marketing approaches and the consequences when they are adapted to the nonprofit higher education sector. Universities have recently sought commercial marketing services from companies offering corporate online marketing and management services to higher education institutions. The purpose of the study was to investigate corporate marketing results in two universities, each of

which had begun adding online courses in the last decade. We sought evidence that higher education marketing campaigns designed by for-profit service providers who use marketing data bases have been associated with enrollment increases.

A REVIEW OF THE LITERATURE

New marketing approaches have emerged over the fifty years since the 1950s, the golden days of marketing. As new forms of media have emerged, new marketing approaches have emerged to influence the service and product buyer (Hartman, 2010; Kabadayi, Eyuboglu, & Thomas, 2007; Shaik, 2005; Shaw & Tamilia, 2001). Drucker (2007), an expert in business and marketing theories, proposed marketing was necessarily an interdisciplinary effort. His research transcended boundaries and prompted a shift in marketing because “an interdisciplinary approach (also) leads to a more effective focus on customers and other stakeholders, better leveraging of resources and greater positive synergy” (Drucker, 2007, p. 31). Research on marketing higher education services has often been relegated to reaching potential students, and university branding (Haworth & Conrad, 1997; Jones, 2003). A few more recent studies have investigated new program rollouts and student retention (Hergert, 2003; Ley & Gannon-Cook, 2009; Johnstone, Ewell, & Paulson, 2002). An interdisciplinary literature review revealed several higher education marketing studies and for-profit consumer product marketing studies (Campagnuolo, 2008; Eagle & Goodstein, 2008; Kautz & Rayburn, 2006). In addition, the recent growth in online programs and the attendant rise of marketing service providers who serve higher education institutions has also been described in recent studies. (The Review of Literature of this study includes research reports published since 2005 investigating consumer product and higher education marketing efforts).

Since there seemed to be marketing studies from other disciplines that had been applied to higher education and had produced successful results that seemed to be transferrable across interdisciplinary borders (Campagnuolo, 2008; Eagle & Goodstein, 2008; Kautz & Rayburn, 2006), the researchers also incorporated a number of marketing studies from business applications into this study.

BUSINESS MARKETING RESEARCH

“What is happening ... is largely a matter of interpretation . . .” (Skinner, 1974, pp. 228-229). For-profit product marketing studies have revealed that cost data and software to generate marketing data may not improve upon or replace personal relationships between people in the provider/producer organization and the end user. For example, without any additional marketing dollars, McDonald’s rollout of a new product could have influenced six million more people (Briggs & Stuart, 2006). IBM focus groups and other sales data revealed that word-of-mouth, testimonials, and brand recognition better explained increased sales than did measuring computer clicks (Briggs & Stuart, 2006).

Ignoring a product or service may have unintended and undesirable consequences. For example, only after a luxury car manufacturer tried to sell its product with a very sophisticated driving computer system, did the company realize customers did not find it user friendly. They “did not take into account you’re driving a car. They lost sight of the context . . . [a] problem in interfaces as diverse as cellphones, remote controls, and web site layouts” (Martin, 2008, p.19), the context of which was improvements to the operability of a car.

Experienced sales and marketing people when interviewed about corporate use of business to business sales and marketing services revealed un-

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