

E-MARKETING TOOLS AND THE NEW DIMENSION OF INTEGRATED MARKETING COMMUNICATIONS IN EUROPEAN HIGHER EDUCATION SERVICES

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Abstract

The increasing competitiveness, rising target audience's expectations (students, their families, employees/ employers, academic staff, government, suppliers) and widening access to information determines higher education institutions across the world to continuously evaluate their activities with the external environment, get in touch with the users' needs and integrate this analysis into their every day working plan, which, in fact, means adopting the marketing concept – an important issue, that concerns higher education marketers, even with today's grim economic outlook.

Recent studies indicate that nowadays higher education institutions are moving online across the spectrum of marketing activities, from building awareness to creating a high-quality virtual education system and they use online tools as an important and effective component of their marketing strategies. In order that the Internet is most effective, it requires to be deployed as part of an integrated marketing communications approach.

European higher education institutions have to identify ways to integrate E-marketing tools into their communication plans. The unique characteristics of the new media require that a database driven segmentation approach to communication strategy be employed, including the development of a customized, interactive, integrated marketing communication plan.

Key words: *communication models, e-marketing, integrated marketing communications, new media, online promotion techniques.*

Introduction

In addition to already established online tools (e-mail, information-rich web sites and display advertising), even more interest is shown for the interactive and collaborative technologies, also known as Web 2.0 (they rely on user collaboration, include Web services, peer-to-peer networking, blogs, podcasts, and online social networks), used in advertising, product development and customer service (McKinsey Quarterly business journal, 2007).

Under these circumstances, the main problem that higher education institutions face today is related to coordinating all promotional activities towards one clear, unified, consistent and compelling customer-focused message about the organisation and its services, which defines integrated marketing communications (IMC).

Although the present economic crisis has severe consequences for all sectors, including higher

education, recent studies reveal, that the main challenges, in 2009, (branding and messaging; re-thinking and expanding communication outreach approaches and formats, and incorporating new media and/or technology strategies) for higher education marketing and communications, aren't overshadowed by financial constraints, as expected (Slover-Linett & Stoner, 2008).

An effective integrated marketing communications process comprises the following steps:

- Identifying the target audiences - which requires a well thought out market segmentation and targeting process, that may include secondary and/or primary market research;
- Determining the communications objectives - which can range from generating awareness to countering the competition;
- Designing the messaging content - *the critical component*;
- Selecting the means for communications;
- Defining the mix of media, budget and priorities;
- Measuring the effectiveness of the efforts.

In order to achieve a successful interactive marketing communications program for Internet marketing, higher education institutions have three main objectives to fulfil:

- to use on- and offline promotion for driving quality visitors or traffic to the web site;
- to use on-site communications for delivering an effective and relevant message to the visitor;
- to integrate all communications channels.

The challenge of integrating communications channels into the business strategy and marketing activities - which is nowadays common to all businesses - should also be faced by institutions of higher education.

The European Higher Education Landscape

With around 4,000 institutions involved, the landscape of European higher education is inevitably diverse. Whereas Europe's higher education system is shaped by the history of the past 200 years, briefly highlighting the main issues - from a historical perspective - could help explain today's major challenges: *the first* issue is that Europe's universities were not established according to any kind of coherent or rational plan; *the second* point is that, from the early nineteenth century, European universities became increasingly dependent on central governments for their finances and management policies (with ministries of public education taking, almost everywhere, responsibility for finance, academic appointments, salaries and the curriculum); and *the third* problem is that, from the period of World War I onwards, most European universities stopped charging fees, and many of them became less selective.

Therefore, today's key challenges for Europe's higher education system are: 1. Europe now has very few top 50 world-class universities; 2. European higher education institutions are over-regulated and underfunded; and 3. the political obstacles to reversing 200 years of history are considerable (Lambert & Butler, 2006).

Nevertheless, the European higher education landscape is currently undergoing important changes and, in the future, academic degrees and quality standards would be more comparable and compatible throughout Europe as a result of the Bologna process and related efforts to create a European Space of Higher Education (ESHE). According to the Bologna process, higher education is structured in three cycles: Bachelor, Master and Doctorate (or PhD). The Bachelor degree is obtained at the end of the undergraduate level, whereas the Master and the Doctorate require graduate level studies.

By enabling comparative assessment and creating the conditions for increased competition through student mobility, the Bologna reforms present further challenges: universities will need a better understanding of their strengths and weaknesses, and of their capacity to change (Aghion & Dewatripont & Hoxby & Mas-Colell & Sapir, 2008).

Because higher education institutions will no longer be able to count on a captive market of students staying with them throughout their higher education, higher education organizations will

have to learn how to market themselves to students, in order to attract candidates at master's and doctoral level (Lambert & Butler, 2006).

Universities should be encouraged to evolve so that their leadership and strategic management capacity matches that of modern enterprises, with appropriate strategic, financial and human resource techniques to ensure long-term financial sustainability and accountability requirements. Training large numbers of graduates and interaction with industry on a massive scale are highly dependent on large numbers of universities performing at a solid level. A popular way to determine the performance of a higher education institution is through assessing the position of universities in university rankings.

Although European universities are underrepresented in the top 40 or 50 ranked universities, European higher education institutions are in a reasonably good position when one considers the number of European universities that rank in the world's top 500 and top 100, demonstrating that standards in Europe have risen considerably over the past years (European Parliament, 2007).

In this context, improved governance and increased financial and managerial autonomy are both critical topics for European higher education institutions. Unless Europe's universities have the authority to decide their own strategy for teaching and research, they cannot hope to flourish in an increasingly competitive environment.

IMC Goals and Strategies

When selecting on- and offline marketing communication tools, higher education institutions have to correlate them with the overall and specific marketing communications objectives (Pickton & Broderick, 2001). The goals of E-marketing communications span between **building brand equity** and **generating a direct response**:

- **Online brand advertising and online public relations** create a distinct favourable image associated with the brand/services, at the moment customers make decisions;
- **Online direct-response advertising, sales promotion and direct marketing** have the goal to motivate action.

Models have been created to give more specific guidelines on how customers may respond to marketing communication; all derive from what can be referred to as the old "learning theory". The new approach toward marketing communication and advertising planning generally reflects the methods and assumptions of cognitive psychology.

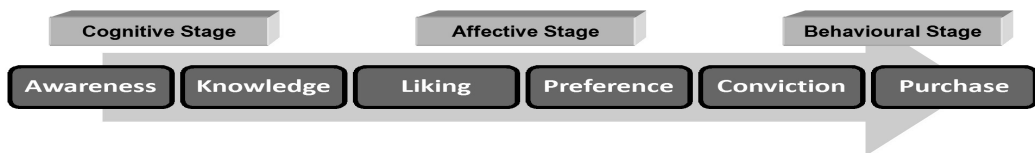


Figure 1. Hierarchy of effects theory

According to Kitchen (1994), advertising aims to progress customers through the cognitive, affective and behavioural stages before they buy the products (Figure 1). We will examine only the three most discussed models: AIDA, DAGMAR and Lavidge & Steiners Hierarchy-of-effects (Figure 2).

The AIDA model (AIDA is an acronym for: Attention! Interest! Desire! Action!) - developed by Strong in 1925 - is probably the most common one. It is based on a hierarchy of effects because, simplistically, it is assumed that learning about a product will lead to feelings about it and, eventually, to purchase. AIDA's purpose is to make sure that an advertisement raises *awareness*, stimulates *interest*, and leads the customer to *desire* and eventually, *action*. AIDA must be passed in a linear way, with one step completed before moving on to the next one, so that the customer passes through all these four phases, all equal in importance.

Critics claim that there is no evidence that customers behave in this rational, linear way. They

mean that mass media advertising, in general, fails to stimulate desire or action. The model ignores the role of context, environment and mediation in influencing the effectiveness of the advertisement. In response, the advertising world has lately focused more on generating awareness and interest.

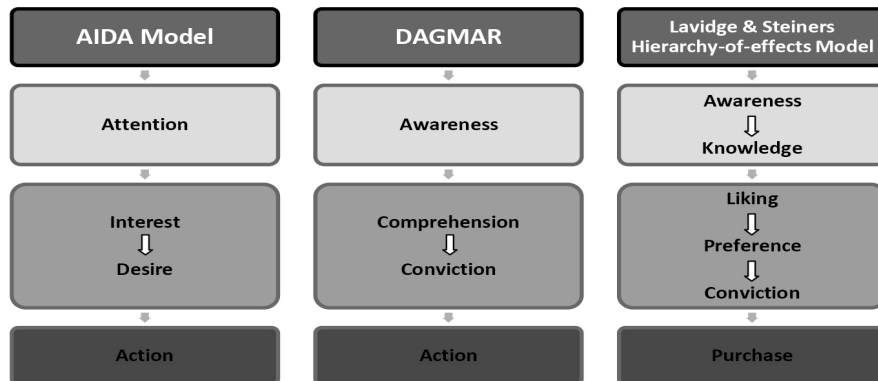


Figure 2. Response Hierarchy Models.

Source: Karlsson, L., 2007, *Advertising Theories and Models - how well can these be transferred from text into reality?*

The DAGMAR (Defining Advertising Goals for Measured Advertising Results) **model** was created in 1969 to encourage measurable objectives for each stage of the communication process and focuses on the levels of understanding (that a customer should have for the organisation) and on how to measure the results of an advertising campaign (Karlsson, 2007).

All commercial communications that pursue a sale - as an ultimate objective, have to carry a potential customer through four levels of understanding (see figure 2):

1. The potential customer must first be *aware* of the existence of a brand or organisation;
2. He must have a *comprehension* of what the product is and what it will do for him;
3. He must arrive at a mental suspicion or *conviction* to buy the product;
4. Finally, he must stir himself to *action*.

The DAGMAR model has had a huge influence on how to set objectives in the advertising planning process. Nevertheless, just as with AIDA model, one of the major criticisms towards the DAGMAR approach is on its reliance on the hierarchy-of-effects theory (because customers do not always pass through the stages in a linear way).

The Lavidge & Steiners Hierarchy-of-effects model was developed in the 1960's during the same period as DAGMAR.

According to this model - based on six steps, which must be completed in a linear way - customers do not switch from being completely uninterested to being convinced to buy the product in one step (see Figure 2).

Lavidge and Steiner describe the six steps in the following order (Karlsson, 2007):

1. "Close to purchasing, but still a long way from the cash register, are those who are merely *aware of its existence*."
2. Up a step are prospects *who know what the product has to offer*.
3. Still closer to purchasing are those who have favourable attitudes toward the product - those who *like the product*.
4. Those, whose favourable attitudes have developed to the point of *preference* over all other possibilities, are up still another step.
5. Even closer to purchasing are customers who couple preference with a desire to buy and the *conviction* that the purchase would be wise.

6. Finally, of course, is the step which translates this attitude into actual *purchase*”.

The big difference between this last model and the others is not only represented by the number of steps, but also by the way of passing them: Lavidge and Steiner admit that the steps have to be completed in a linear way, but a potential customer sometimes may move up several steps simultaneously.

The criticism on this model is similar to the one made on the previous AIDA and DAGMAR models.

Although marketing communications goals are hierarchically related with organisational objectives at all levels, it is also important to emphasize that the objectives and strategies of all the individual marketing communications elements should be integrated and contribute to the achievement of the total marketing communications goals for individual products/brands and corporate marketing communications, typically related to awareness, information and attitude generation and/or affecting customer behaviour.

Planning Integrated E-Marketing Communications for Higher Education

E-marketing plans are most effective when higher education institutions integrate online with offline marketing communications channels such as phone, direct-mail or face-to-face selling. Online channels should also be used in sustaining the whole decision-making process from information gathering to actual enrolment of students, and the continuing students support development.

The main characteristics of integrated marketing communications are:

- Coherence ~ the logical connection between different communications;
- Consistency ~ multiple non-contradictory, but emphasizing messages;
- Continuity ~ the connection of communications through time;
- Complementary ~ completing the organisation’s image.

There are three different aspects of planning higher education marketing communications:

- channel planning (finding the best route to market: retail, direct, sales partners);
- communications-mix planning (how to split the budget between advertising, direct marketing, personal selling and PR);
- media planning (how to spend the budget on TV, press, direct mail, online channels (Internet and New Media – including mobile/wireless & digital TV).

Successful integrated marketing communications demand that the different techniques are integrated through time as part of one campaign.

There are two key stages in planning integrated E-marketing communications:

- establishing the media strategy ~ determined by the need of reaching the target audience, it defines the online promotion techniques to be used and the right place to advertise online;
- establishing the creative strategy ~ through advertising and creating interactive microsites on third-party sites, higher education brands can be more effective in reaching the audience, who is more likely to spend time on online media sites than on destination brand sites (Chaffey & Ellis-Chadwick & Johnston & Mayer, 2006).

Although vital, an effective marketing campaign alone would not be sufficient to enhance the attractiveness of European higher education. Four other key factors are necessary:

1. European higher education itself must be of high quality if it is to be successfully promoted and it should be endowed with the necessary autonomy for:
 - selecting their international students;
 - providing institutional scholarships for highly qualified international applicants;
 - offering access to alternative sources of funding for international students;
 - recruiting highly qualified teaching and research staff.
2. It is vital to implement flexible international students exchange policies, which allow

them to continue their study and to provide them with work opportunities.

3. Especially in the less popular destination countries, the development of English-taught programmes is the only way to attract significant numbers of non-European students.
4. The long-term success of a European marketing strategy will not only depend on the overall quality of European higher education, but also on its ability to diversify. While the overall aim should be to achieve solid quality across the board, European countries and higher education institutions should attempt to find their niche and invest in developing their specific strengths (Academic Cooperation Association, 2005).

Electronic Media Characteristics

Because the Internet is just one of the many media used nowadays (e.g. TV, radio, wireless, newspapers, magazines, postal mail and outdoor - kiosks, bus cards and billboards) for carrying marketing communications messages, marketers have to understand the major media's characteristics in order to make appropriate choices when planning IMC.

Marketing communication can be addressed to an individual (e.g. postal mail) or the masses (e.g. newspapers) and can range from broadcast (e.g. television) to pointcast (e.g. E-mail) (Strauss & El-Ansary & Frost, 2006).

According to their capability to reach mass audiences, smaller audiences, or even individuals, electronic media can be viewed as:

- **Broadcast Media** (TV and radio): network TV uses a broadcast model in which the signals are transmitted everywhere, and anyone can receive them with an antenna. TV is a passive, multimedia, global medium used by marketers wanting to reach large numbers of customers at one time, but it is expensive and offers no message flexibility; in contrast, radio is inexpensive and ubiquitous - with excellent local market coverage.
- **Narrowcast Media** (CableTV, various push technologies, E-mail lists): narrowcasting means sending data to a specific list of recipients. CATV is an example of narrowcasting, since the cable TV signals are sent only to homes that have subscribed to the cable service.

The Internet uses both a broadcast and a narrowcast model. Websites that require log-in before viewing content are based more on the narrowcast model. The various push technologies are another form for narrowcasting. The best examples of narrowcasting are e-mail lists, where messages are sent only to individuals who subscribe to the list. Narrowcast media contains focused electronic content appealing to special-interest markets.

- **Pointcast Media** (Webcasting): is a way of pushing information out across the Net rather than waiting for consumers to find it. Pointcast media – such as the Internet and the mobile phone – has the capability of transmitting to an audience of just one person.

Online Promotion Techniques and Online Learning

Technological innovation has had and will continue to have a significant impact on higher education regarding both marketing promotion and teaching methodologies. In fact, technology will become a core differentiator in attracting students and corporate partners.

The most important *online promotion techniques* are:

1. *Search engines* ~ which are vital for generating quality visitors to a web site. But, only being registered in the search engines is not enough; the higher the rank of a higher education institution in the search engine results pages, the more visitors will be received. In order to obtain good results in the organic, crawler-based listings of search engines, marketers perform “search marketing” or SEO (Search Engine Optimization) – the process of “editing and organizing the content on a webpage or across a website to increase its potential relevance to specific keywords on specific search engines and importantly ensuring that external links to the site are correctly titled and in abundance”. (Source:

wikipedia.org)

2. *Online PR* ~ is especially used for increasing awareness and improving perception.

Public relations (PR) can be defined as the management of reputation - the planned and sustained effort to establish and maintain goodwill and mutual understanding between an organisation and its publics (customers, investors, employees, suppliers, government organisations and non-governmental organisations).

The main aim of online PR is represented by maximising favourable mentions about an organisation, brand, products or web-sites on third-party sites which are likely to be visited by target audience.

The differences between online and traditional PR:

- the audience is connected to organisations ~ immediate feed-back is now possible.
- the members of the audience are connected to each other.
- the audience has access to other information ~ in a short period of time the audience has the possibility to access multiple sources of information over the Internet. Any statement made can be analysed and discussed by interested individuals.
- audiences pull information ~ the numerous channels of information enable messages to be sent.

Online PR activities encompass:

- communicating with media online;
 - link building;
 - blogs, podcasting and RSS;
 - managing how the brand is presented on third-party sites;
 - creating a buzz - online viral marketing.
3. *Online partnerships* ~ link building (is also considered to be part of online PR), affiliate marketing and online sponsorship.

Affiliate marketing can be defined as a commission-based arrangement where the higher education organisation pays sites that link to it for inquiry, referral, or other information, when the lead that identifies a prospect (potential customer) has been generated. It can also be called "zero-risk advertising".

Online sponsorship can be defined as the linking of a brand with related content or context in order to create brand awareness and to strengthen brand appeal in a clearly web distinguishable form (banner).

Online sponsorship offers the benefit that it associates the advertiser's name with an online brand, which is already familiar to the visitor. Closely related is the association between two brands - online co-branding.

4. *Interactive advertising* ~ includes not only ad banners (which today register low response rate combined with relatively high costs), but also new ad formats, such as Skyscrapers, MPUs (multi-purpose advertising units) and rich-media ads with animation, audio and video or data capture and interaction.
5. *E-mail marketing* ~ permission-based e-mails are effective tools for building relationships with customers online. Despite the increased number of spam e-mails, they can still drive intense interest from target audience.

E-mail marketing success is related to the following factors:

- Creativity - the design of the e-mail, including its layout, colours and image;
- Relevance - the offer and concept of the e-mail have to be relevant for the recipient;
- Incentive - the benefit perceived to be gained by the recipient from clicking on the hyperlink in the e-mail;
- Targeting and Timing - e-mails have to be creative, incentive and relevant for the recipient. The moment when they are received is also important, especially when it is synchronised with an event;

- Integration - e-mail campaigns have to be part of the organisation’s integrated marketing communications plan;
 - Copy - structure, style, presentation of offer and the location of the hyperlinks in the e-mail;
 - Attributes - message characteristics: subject line, address, format (HTML or text);
 - Landing page (or micro-site) – pages reached after the recipient clicks on a link in the e-mail.
6. *Viral marketing* ~ the online form of word-of-mouth communications, it harnesses the network effect of the Internet and it can rapidly reach a large number of people.

Online learning is also gaining a firm foothold in universities around the world. As the survey (comprising a global online executive survey and in-depth interviews) conducted by the Economist Intelligence Unit’s editorial team in July and August 2008 reveals, more than two-thirds of respondents from academia say that their institutions offer online courses. “Many of them, especially those with a public-service mandate, consider online learning key to advancing their mission, placing advanced education within reach of people who might otherwise not be able to access it. The specialisation, customisation and convenience that distance education affords, has found an eager audience among students, working professionals and employers” (Figure 3 - Economist Intelligence Unit, 2008).

Which tools does your institution currently use, and which do you think will be used within five years?

(% respondents)

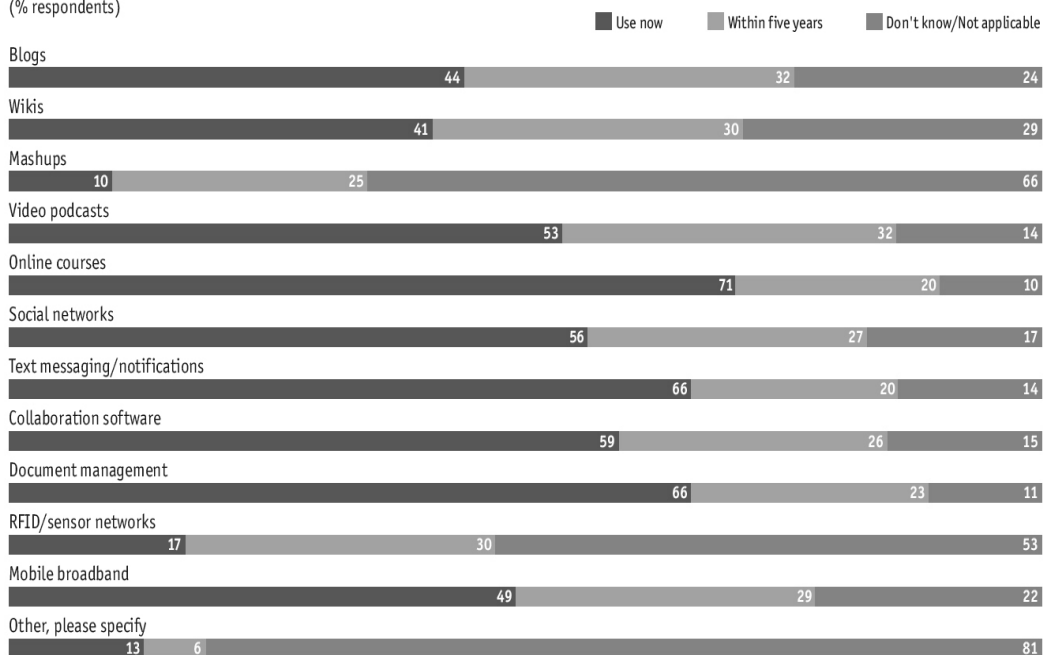


Figure 3. E-Marketing and Learning tools used by higher education institutions

Source: Economist Intelligence Unit (2008). *The future of higher education: How technology will shape learning*

Survey description: of the 289 executives responding, 189 participants came from higher education and 100 from corporate settings. The US accounted over one-half (154) of all respondents, Europe - 69, Asia-Pacific - 43 and the rest of the world - 23 respondents. Of this total, board members and C-level respondents made up 43% of private-sector respondents, while professors, deans and other faculty members accounted for 86% of those surveyed from academic institutions. In addition, 12 in-depth interviews were held with university chief information officers and leaders in the private

sector to assess reaction to the survey's findings and gain deeper insight into the wider impact of technology on both higher education and the job-preparedness of today's graduates.

Although most survey participants see online courses as a supplement to face-to-face classes, and nearly two-thirds of respondents consider that traditional degrees hold greater credibility than those earned online, the challenge for higher education marketers is to capitalise on the continuous growth and improved quality of distance-education programmes, by shifting perceptions of students and corporate participants (which hold this view most resolutely).

A proof that such an objective can be achieved is delivered by a number of elite institutions, such as Johns Hopkins in Maryland and Stanford University in California, which offer highly regarded online courses that allow students who complete coursework through Stanford's Educational Program for Gifted Youth (EPGY) and matriculate as undergraduates to use these credits towards their bachelor's degrees.

Conclusions

The challenges for European universities are great, starting with changes in the mind-set of students and staff (they would have to focus on the outside world) - which, in turn, would include more flexible employment regimes - and continuing with more concentration and larger differentiation, increased autonomy, increased selectivity of admissions, more flexibility within the internal organization and funding arrangements to stimulate interdisciplinarity.

The EU's challenge is to build on Europe's strengths while confronting its obvious problems. It should focus on four principles:

- Diversity in place of conformity (Europe needs all types of higher education institutions: from colleges, offering life-long learning, to world-class research universities);
- Higher benchmarks and ambitions (with incentives for success, and penalties for incompetence);
- Good governance (a simple structure of management in which roles and responsibilities are clear, and within which different institutions can pursue self-defined missions, promoting both freedom and accountability);
- Adequate funding (because, in a global market, the best students and the best academics could be tempted away by the promise of greater resources).

In their quest for success-driven campaigns, marketers have to continuously identify ways for integrating E-marketing tools into their communication plans. The unique characteristics of the new media require that a database driven segmentation approach to communication strategy be employed, including the development of a customized, interactive, integrated marketing communication plan.

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