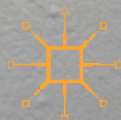




# **International Marketing of Higher Education**

Edited by

**Terry Wu and Vik Naidoo**



# International Marketing of Higher Education

Terry Wu • Vik Naidoo  
Editors

# International Marketing of Higher Education

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PART I

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# Introduction

# The Role of International Marketing in Higher Education

*Terry Wu and Vik Naidoo*

## INTRODUCTION

The higher education sector is facing increasing competition and escalating financial pressure in many developed countries. The continuing decline in the number of university-aged students in these countries adds to these pressures with many higher education institutions (HEIs) expected to experience enrollment decline over the next few years. The resulting decline in tuition revenues and continuing government funding cuts, has led many universities and colleges to explore new ways to accept more international students to offset the domestic enrollment downturn.

In turn, these enrollment pressures are pushing many HEIs into aggressive marketing and promotion to international students (Hemsley-Brown and Oplatka 2006; Naidoo 2006; Naidoo and Wu 2011), leading to the marketization of higher education developing into a big business. For some, this is reflected in the revenues generated from international tuition fees that contribute to the stability of their finances. For others,

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international student recruitment forms an integral part of an overall internationalization strategy (Naidoo and Wu 2014). It is now a common feature of the higher education landscape for international marketing to be of growing importance to universities and colleges.

As identified by Mazzarol and Soutar (2002), both demand and supply are instrumental to increasing flows of international students globally. On the demand side, international students consider an education from Western countries as a valuable investment to enhance employability in their future careers. On the supply side, university and colleges increasingly focus on highly popular academic programs such as business and engineering to attract full-fee paying international students to offset domestic enrollment decline (Hayes 2007). These demand and supply forces for education services have resulted in a global marketization of higher education (Allen and Shen 1999; Kwong 2000; Binsardi and Ekwulugo 2003; Chapleo 2011).

The ensuing intense global competition for students, has seen many HEIs develop marketing strategies and activities to recruit both domestic and international students (Mazzarol and Soutar 2001, 2008; Hemsley-Brown and Goonawardana 2007; Angulo et al. 2010). In recent years, there has been a growing interest among HEIs to intensify their international marketing efforts in order to recruit international students. This interest in international marketing has not been confined to individual academic institutions only. Realizing the export earning potentials of international education services, many national governments have developed a national policy to attract international students to study in their countries. Examples of these countries include Australia, New Zealand, and the UK which have adopted a national policy of marketing higher education to foreign students (Naidoo and Wu 2011).

This increasing marketization of higher education has however not been without its critics, particularly considering the many challenges academic institutions face while marketing their programs to overseas students. Marketing activities are also quite costly which involve the reallocation of priorities and scarce resources within an academic institution. Likewise, there is no guarantee that these marketing activities will result in a positive effect on student choice. Indeed, it has been well documented in the literature that although some HEIs are able to attract more international students to their campuses, others have not been so successful in increasing international enrollment despite their marketing efforts (Naude and Ivy 1999; Ross et al. 2007).

Given this growing importance of international students for the university system, there is a need for research on how HEIs can market themselves internationally. International marketers and university administrators need a better understanding of the major markets of higher education and how international marketing is changing the educational discourse in these markets. This book attempts to fill this research gap by focusing on international marketing of higher education in a cross-national setting.

### ORGANIZATION OF THE BOOK

This book is organized into 10 chapters. Chapter 2 compares the effectiveness of marketing activities on student choice of higher education across three developed countries: Canada, France, and Sweden. Specifically, this study analyzes the impact of traditional advertising, Internet advertising, and relational marketing on student choice. Data are collected from student samples in these three countries. The effectiveness of marketing activities are tested in three separate models (baseline, choice, and full choice) using ordinary least squares (OLS) regression analysis. The results reveal that student choice is significantly influenced by relational marketing such as open houses and face-to-face meetings. The perceived marketing effectiveness of university advertisements is significant only in Canada, but not in other developed countries such as France and Sweden. The results also suggest that the most consistent variables in student choice are the academic quality and institutional reputation. The surprising result is that the Internet does not have a significant impact on student choice, which contradicts a level of emphasis currently being placed by HEIs in investing and developing their web advertising tactics.

Chapter 3 examines the issue of entry modes as a component of international marketing strategy in higher education. With more and more HEIs establishing foreign campuses overseas as part of their international marketing strategies aim at raising overseas brand awareness and boosting international student recruitment, this study provides a new and interesting perspective on international higher education marketing. The study analyzes a data set of 308 instances of overseas investment by universities in six English-speaking countries—the USA, UK, Canada, Australia, New Zealand, and Ireland. A mixed method approach is used to develop a conceptual framework for empirical analysis. The sample is based on a survey completed by senior university management across the

six aforementioned countries. In this study, the variables used include international experience, entrepreneurial orientation, financial capital, reputation, market potential, location familiarity, and tacit know-how. Grouping these countries into three distinct subgroups, the authors use Tobit regression techniques to test the proposed model. The empirical evidence demonstrates that the international operations of universities are quite different from those of other service sectors and that universities cannot be treated as private sector-oriented multinational companies.

Chapter 4 challenges the assumption that better ranked universities will always attract more international students. The evidence presented in this study is a strong departure from current educational discourse that focuses on how universities use academic rankings to promote their schools and programs to prospective students, particularly those from overseas. Grounded in consumer behaviour theory, this chapter shows that students' regulatory focus will have a great deal to play in terms of their evaluation and ultimately selection (i.e. enrollment) of research versus applied universities. For example, the authors postulate that if students are risk averse, then they are likely to be attracted to research-intensive universities to achieve security-related goals. In contrast, they argue that some students may prefer applied universities for practical and less theoretical approach to learning. This chapter therefore brings a more nuanced understanding to international marketing of higher education, something which to date has been overseen by the extant literature.

Chapter 5 proposes a new conceptual framework of university website design as a communication tool in marketing higher education to international students. It provides some perspectives as to why current web advertising may not be an effective marketing strategy and offers a few website design as an effective marketing tool to reach out to international students across the globe. The author proposes that in addition to the standard information on academic programs and tuition fees, university websites could be customized to provide specific information for different regions regarding country affiliations, cultural needs, and admission requirements. He argues that given the intense global competition for international students, universities are likely to capture a larger market share of the international student market by adopting a customization approach to website design.

The second part of this book is devoted to case studies on international marketing of higher education in different countries. The first case study is analyzed in Chapter 6 which examines the application of a branding process model to an academic institution's international marketing efforts.

The analysis is based on the experience of the Global Opportunities (GO) program adopted by a US university that was awarded the Institute of International Education Andrew Heiskell Award for Campus Internationalization in 2013. The GO program has been credited for enhancing the university's brand image and has become an effective tool in marketing the institution to international students. The authors attribute this marketing success to what they term as 'brand soul'—the positive ways in which key internal stakeholders perceive and live the organization's brand, reminding us that marketing is not just an externally oriented strategy but one that needs to be developed and implemented internally as well.

Chapter 7 investigates international marketing of higher education from the perspective of developing countries with a special reference to Thailand. It is argued that academic institutions in developing countries may face many challenges in competing for international students in comparison with universities from developed countries. This exploratory study is based on results from a survey of international students in Thailand. Most international students perceive an education from Western developed countries as more prestigious and valuable than that of a developing country. However, universities from developing countries can leverage their national strengths to find a niche market. To compete in the global market, Thai universities could use a positioning strategy to target a segment of international students who are unable to study in Western countries due to either financial constraints or inability to get admissions to universities in developed countries.

In Chapter 8, the authors analyze various factors influencing students' choice of HEIs in Germany. Private universities offer small classes and strong alumni networks to compete with state universities. Using a cross-sectional analysis, the selection and evaluation criteria of students in both state and private universities are compared in terms of ranked importance. The results reveal that perceived employability is rated as more important for private universities than for state universities. Similarly, academic reputation and company connections are rated as more important for private universities than for state universities. These results are not surprising because students at private universities normally expect a reasonable return on their investment by paying higher tuition fees. In terms of the decision-making process, students tend to put less emphasis on non-academic criteria such as campus facilities and friends' recommendations in Germany. The results provide some interesting factors that private HEIs can use to market themselves distinctively from their publicly funded counterparts.



Chapter 9 provides empirical evidence on the attitudes toward study abroad programs in Norway. Understanding key factors influencing students' decisions on study abroad programs is of critical importance to HEIs and international marketers. This study combines the Theory of Reasoned Action (TRA) and attitude toward object model (ATO). The data used in this study is based on a sample of 294 respondents in Norway. A conceptual model is developed to include 12 latent variables and 44 items (indicators) in a path diagram. The study employs partial least squares structural equation modeling to empirically test key factors influencing attitudes and intentions on study abroad programs. The results reveal that the host institution image, safety and convenience image of destination, and the extent of internationalization by home institution have a positive and significant impact on student awareness of study abroad opportunities. Moreover, attitude toward study abroad is positively related to support mechanisms as well as social and cultural image.

Chapter 10 discusses the driving forces of international students in pursuing higher education in Hungary, which is considered as a non-traditional destination in Eastern Europe. Like many other European countries, Hungary is facing a significant decline in domestic student enrollment across universities. To cope with funding pressures in higher education, Hungary has decided to increase its international student enrollment to offset the domestic decline. In order to ascertain key determinants of international student choice of Hungarian higher education, three separate surveys were conducted with respect to international student recruitment agencies, international students, and exchange students. For most international students, the determining factors for choosing a host country and university are university reputation and academic quality. Other variables include the costs of living, size of international students, and safety of the host country. The research also found that word of mouth is the most important channels for international student recruitment.

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PART II

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Emerging Themes and Strategic  
Perspectives

# The Relevance of Marketing Activities for Higher Education Institutions

*Fernando Angulo-Ruiz, Albená Pergelova,  
and Juraj Cheben*

## INTRODUCTION

The higher education (HE) sector is experiencing continuous growth (Durvasula et al. 2011) and projections point that potential demand for HE worldwide will expand from 97 million students in 2000 to over 262 million students by 2025 (Bjarnason et al. 2009). One of the noticeable trends in the education sector throughout this growth has been what some have called global marketization (Marginson and van der Wende 2007; Naidoo and Wu 2011). The term “marketization” refers to the facts that as the HE market has become progressively more competitive, many HE institutions (HEI) have started to engage in strategic marketing and design marketing activities with the aim of increasing the number of applicants to their universities (Angulo et al. 2010; Hemsley-Brown and Oplatka 2006).

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