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Effective Internet Marketing: An Integrated Approach Used By Educational Institutions

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Abstract: The internet and its various applications have been found to be very effective in delivering marketing functions in general and advertising in particular. This paper presents an integrated approach about the way different internet marketing strategies can be used for advertising the degrees of an educational institution using a case study method. This is an important goal for educational institutions in Australia. The paper culminates with a recommendation and a discussion about the ways in which this goal can be accomplished. Challenges associated with the implementation of this integration, including spam, internet market research and target market identification are also discussed.

Keywords: Internet marketing, advertising

I. Introduction

New media technologies, such as the Internet and the World Wide Web (WWW) have been found to be the most important factor in the future of marketing in general and advertising in particular [1,21,38]. The WWW has the potential to facilitate the consumer relationship marketing and the communication between producers and consumers all the way from acquisition to retention. This has had fundamental implications for marketing and advertising, because audiences can now be 'atomized' rather than just fragmented [19,21].

Different products can be marketed and sold via the WWW [4,6] and university degrees are just one type of product that can be advertised online via the WWW or other internet functions. The goal of the educational institution is to increase student numbers, including local and international full-fee paying students. This is important for several reasons. One of these reasons is that student fees constitute an important source of revenue for the educational institution. In addition, they also contribute to the economic growth of the state as onshore students are expected to generate demand for other goods and services in the state economy and therefore contributing to its growth.

On the other hand, using the internet to advertise university degrees is likely to reduce the advertising costs considerably, while reaching a wider target audience [24,25].

Internet features like ubiquity, global reach, standardization, richness, interactivity, information density, and personalisation and customisation, if exploited properly have the potential to make online advertising of degrees effective and efficient [25].

James et al. (1999) indicate that in Australia students have limited knowledge to decide what courses to study, prior graduate satisfaction, career prospects, teaching and learning approaches, and teaching quality [22]. In addition, research also shows that students base their choice on the reputation of the degree rather than the overall reputation of the university which is offering it. Other important factors include degree recognition, and value for money [18]. This suggests that relevant information appears to be one of the important critical variables influencing student choices. Therefore, when advertising a degree, information concerning the factors above should be provided to prospective applicants in one way or another. Marketing of degrees to international students is particularly important given their impact to Australia's economy. For example, in 2000 Australian education providers generated of AUD3.7 billion from overseas students [14]. In addition, research shows that over half of university students, use the internet to facilitate choosing overseas education [18]. Therefore, internet marketing of tertiary degrees is important.

The aim of this paper is to address the question of how internet marketing can help an educational institution improve marketing and advertising its degrees. The paper is structured as follows. In section two, three different alternatives addressing the goal are identified and explained. A justified recommendation is presented in section three. Section four explains the ways in which the recommendation will help accomplish the goal. Challenges associated with the recommendation are identified and discussed in section five. Finally, section six summarises the paper.

II. A Review of Internet Marketing Strategies Used By Educational Institutions

The objective of this section is to present three different ways to address the goal presented in the previous section. The internet marketing literature suggests that there are a variety of possible options that can be used, such as direct email, search engine registration, banner, pop-up and rich media advertising, public relations, promotions, cross-media advertising, etc [13,25,29]. However, due to space

constraints only the first three options which seem to be more popular will be considered in detail.

Direct eMail. Increasingly, direct e-mail is being used as an effective, inexpensive and easy way to target potential customers [12,13,23]. As potential students are essentially the potential customers of educational institutions, personalised direct email can also be used to target these students in an ongoing manner with specific and relevant information concerning the degree they might wish to study. Direct e-mail campaigns can either be carried out in-house or outsourced to specialised email marketing organisations (e.g. www.siebel.com). If they are carried out in-house considerations should be made whether the educational institution has the capability, in terms of staff and network infrastructure, to respond to the anticipated volume of emails or follow-up queries. Failure to provide adequate prompt and personalised replies may have serious consequences and lead to dissatisfied students, who will consequently not only lose trust and commitment [18] but also pass on their negative experience and impressions to others via viral marketing [8,24,25,35]. At best the education institution should engage in a continuous email dialogue with prospective students until their degree-related queries have been satisfied. This dialogue will help build a degree brand [20]. Providing query email addresses and giving email queries high priority is important as it establishes trust in prospective students. This is likely to improve the response rate of potential students to email marketing campaigns [13].

However, researchers estimate that by 2005 there will be as many as 35 billion commercial emails sent every day [12]. This suggests that email marketing is likely to become hyper-competitive, and may also be used by competing education providers who also wish to market their own degrees. Therefore, it is important for email marketing campaigns to be designed in such a way that they remain visible and distinct to the potential students.

Search engine registration. Thelwall (2000) provides evidence that web users use search engines as part of their strategies to find information in the Internet. Specifically, usability studies show that “slightly more than half of all users are search-dominant...” (Nielsen, 2000, p. 224). This is consistent with a study by Gomes and Murphy (2003) who found that nearly half of the students involved in the study used search engines to locate the web sites of tertiary education providers. Nevertheless, evidence indicates that there is a significant number of web sites that are not registered with the major search engines [44]. Thelwall (2000) explains that this is attributed to the misunderstanding of the importance of search engines by web site designers and by the lack of knowledge of how to get web sites registered and remain registered. As a consequence, it can be concluded that the designers of the web pages of education providers featuring individual degrees should make these pages “search engine-friendly” (Thelwall, 2000, p. 151) and register its individual degree web pages with popular search engines (e.g. Google, Yahoo,

Altavista, etc.) [31,32]. Typically, this is done by indexing and HTML META tag inclusion of key words in the HTML pages featuring degree offerings.

Banner, Pop-up and Rich Media Advertising. Banner ads represent rectangular promotional areas of a web site which display a promotional or advertising message using eye-catching animated images [13,25]. When clicked on, a banner ad redirects a visitor to the web site which it is advertising. While banner ads are embedded on a host web site, pop-up ads appear on the screen as separate windows without a user having to call them directly. Rich-media ads use Flash, DHTML, Java, and streaming video and/or audio simulating television [25]. These three means of advertising can be used to advertise university degrees, however, there are a few facts that have to be considered.

The web site hosting the banners should be carefully chosen depending on whether it is popular with potential students. In addition, congruity considerations should be made how the attitudes of potential students towards a degree are affected when they view banners on web site hosts. Research shows that if a banner ad is hosted on a web site, the ad should be congruent with its host, alternatively the attitudes of the potential consumers (or students) towards both the web site and the products advertised by the banner ad may be harmed [30] which is consistent with the cognitive consistency theory [15].

In addition, banner advertising can be quite expensive and its cost (e.g. click-through rates, cost per action, etc.) depends on the popularity of the host as well as the time of the day when the banner ad is displayed and when most traffic is expected. Besides, in an effort to generate additional revenue, some hosting web sites overuse banners, therefore, individual banners are likely to become invisible and obscure and consequently lose some or all of their impact. Research results concerning the effectiveness of banner ads are mixed. Some studies show an increase in consumer loyalty ranging from 5 to 50% for different products [16]. Other studies show that the click-through rates for banner ads are around 0.5% and this is continually decreasing [43] and this is also substantiated by [26]. However, even if banner ads may never be clicked, they may have an impact on the attitude of the a visitor, but most importantly, they help with degree branding [21].

Pop-ups while grabbing the attention of visitors, they can be also irritating and therefore have negative effects due to their intrusive nature [13]. Rich media ads can be effective. DoubleClick, reports that approximately 28% of online advertising included some form of rich media in their web ads during the first quarter of 2003. With rich media presenting opportunities to be interactive, users in general, and potential university students in particular, can be forced to interact with the ad in some fashion [25]. As a matter of fact, rich media ads are often used to replace static banner ads as research indicates that the former has been found to be more effective than the latter in gaining consumer attention [9]. However, in order for rich media ads to be

effective, fast internet connections, such as broadband are required.

Having examined the three alternatives above, we believe that they should be viewed as complementary rather than as mutually exclusive. Therefore, educational institutions should adopt an integrated approach using at least two of the alternatives explained above. At best, all three should be used in conjunction with each other [19,38]. However, any steps towards implementing combinations of the above should be geared towards acceptable levels of Return on Investment (ROI) as all of the options above require varying degrees of investment outlays.

For example, the direct email alternative may be implemented in-house or it may be outsourced. In both cases the educational institution may incur primary costs to purchase the list of names to which emails will be sent [25]. The direct email alternative, if implemented in-house will require additional resources, including staff hours and probably network infrastructure upgrades. It may also require the establishment of email reply policies and the designation of dedicated counsellors to provide advice to potential students [6,25]. This is likely to be highly effective as it provides the greatest degree of personalisation and customisation to direct email, which research shows that potential students are likely to respond to positively [5,25]. On the other hand, outsourcing direct email will increase the cost incurred by the education institution in terms of fees payable to the contracted third party direct email service providers, but yet, unless these liaise strongly with the university counsellors, the extent of advice personalisation and customisation may be questionable. This is likely to undermine direct email benefits.

Search engine registration is probably the most inexpensive alternative and should therefore be carried out under any circumstances. Generally most popular search engines do not require payment for registration, although some may offer additional services and charge for them [13,25,40,45]. The only cost incurred with this alternative consists of costs associated with the additional development effort to make these pages search engine friendly. Web site usability studies show that more than half of all web users are search dominant, one fifth are link-dominant, where as the rest exhibits mixed behaviour [31] which supports the recommendation further. In addition, search engines have a huge user base both locally and internationally. Therefore there is no reason for search engine registration not to be carried out [44].

Banner ads are generally considered effective in increasing reach as they are likely to increase the target audience considerably. However, careful consideration should be made when choosing the websites to host these ads. For example, appropriate sites could be high school websites, or web sites of national and international tertiary admission centres, etc. As suggested earlier, a lack of congruity between the banner ads the websites hosting them can adversely affect both [21]. Cultural considerations of the audience likely to receive the ads should also be taken into

consideration [35]. Clearly suitable payment schemes should be considered and organised between the education institution and the websites hosting the banner ads. Pop-up ads are probably a poor choice and may undermine the effect of the message they are trying to advertise due to their intrusive nature. Further, using rich media ads may not be effective at this stage due to the requirement of appropriate internet infrastructure, such as broadband. Currently, Australia is still lagging almost 2 years behind other developed western nations with respect to residential broadband penetration and adoption, suggesting that the placement of rich media in websites targeting an Australian audience may be premature for the time being [37].

In summary, a detailed cost-benefit analysis should be carried out. In addition, a multi-phased approach should be undertaken, whereby the above options are implemented as increments, rather than all together in a big-bang fashion [11]. The benefit of this approach is that the education institution can monitor and therefore control costs and continuously compare them against the generated outcomes. Following this approach, will also allow undertaking responsive adjustments when results are not satisfactory.

III. The Benefits of an Integrated Approach

The benefits of an integrated approach can be actualised in three ways [25]. First, using the internet as a medium, the internet marketing via direct email, search engine registration and banner ads increases significantly the number of potential students that can be reached. Second, the internet has the potential to increase the richness of the content that can be provided without sacrificing interactivity while maintaining adequate levels of personalisation and customisation. Third, the internet has greatly increased the information intensity which can be provided to potential students.

With direct emails, educational institutions can establish e-mail policies which can include training employees and using standards for email response times and formats. Prompt and personalised email responses constitute good customer/student service [33]. Continuous email communication with prospective students will help institutions create a degree brand [20]. After being de-identified to protect privacy, email communications with potential students can be systematically stored in databases and data warehouses for further analysis [34]. Data mining, which consists of various analytical techniques to identify patterns in databases or data warehouses, can then be used to create profiles, behavioural patterns, and demographics for potential students [2]. These are useful because they help education institutions understand the requirements of prospective students and consequently be proactive in satisfying these requirements [39].

The educational institution can even go the extra mile and establish a Prospective Student Relationship Management System (PSRM), which can be modelled after customer relationship management (CRM) systems. A

PSRM would support the institutions efforts to be student-centric and therefore treat potential students as individuals rather than use one-size-fits-all strategies to treat them equally as parts of a market segment [7,42]. While evidence suggests that using CRM-like systems can be effective, their initial introduction requires the establishing of a positive and fluid institutional culture [35,42].

The obvious benefits of search engine registration is that registered degrees are likely to be listed in the 'top-ten' hit list when prospective students carry out searches using search engines. Being included in the 'top-ten hit list' is important because nowadays the market for tertiary degree is highly competitive. Therefore, being part of a 'top-ten' hit list is a convenient way to stand out from the crowd. Essentially, search engine registration is the equivalent of placing an entry in a phone or yellow pages directory: it increases the chances of offered degrees to be easily located [13].

Clearly, the first benefit that is provided by banner ads is additional exposure of degrees to potential students. As discussed in the previous section, the other benefit of banner ads (even if they are never clicked on) is that the help with degree branding [21]. Clearly, if banner ads are clicked on, they have aroused the visitor's interest. Consequently, the next step is to satisfy the prospective student's queries. If the page the visitor is taken to upon clicking the banner ad, does not provide the required information, the effectiveness of the banner ad is likely to be quickly undermined. Consequently, items like, Frequently Asked Questions (FAQs), links to real-time prospective student service chat systems, automated response systems, site maps, and email addresses should be clearly identifiable in prominent locations or even elegantly included as hot spots in the banner ad [25]. If these are properly designed in the banner ads or pages the banner ads redirect a visitor, cost savings are likely to be realised, as prospective students are likely to find the required information from webpage pages without needing to contact designated counsellors.

IV. Challenges in Implementing an Integrated Internet Marketing Approach

One of the important aspects that the educational design of an online unit needs to take into consideration includes the resources that are provided to the learners [20].

Although the challenges faced by educational institutions are those inherited by internet marketers in other industry, the industry specific characteristics present them with challenges other than those previously experienced or identified by other marketers. Three main challenges are considered, namely, spam, internet market research, and identification of the target market.

SPAM. One important issue that might hinder the effectiveness of direct email marketing is spam, which is unsolicited commercial email [10]. According to Laudon & Traver (2004) 45% of all internet mail in the US was spam.

Gervois (2004) suggests that two thirds of the email received in most households in Australia and New Zealand is spam. The implication of this is that email sent by an educational institution to potential students is likely to be unsolicited and therefore runs the risk of becoming invisible.

Although anti-spam legislation came recently into effect in Australia the amount of marketing email messages continues to grow [3,17]. Although the Australian Communications Authority is making serious attempt to control spammers, email users are increasingly becoming comfortable with opt-in communications [17].

In this context education institutions should seriously consider two important issues. Firstly, they have to ensure that they do not violate the Spam Act. In order to achieve this three basic rules should be satisfied: a) messages may not be sent without the recipient's prior implied or express consent; b) messages should include accurate sender information; and c) messages should allow receivers to opt-out or unsubscribe from future messaging [3,36,47]. Secondly, upon obtaining permission from potential students for degree-related advertising emails, the education institutions, should be creative in their design to sent distinct and visible messages.

Market research. The rapid diffusion of computers, digital and telecommunication infrastructures allows marketers and individual potential consumers to interact in an individualised manner [27]. This is applicable to educational institutions and their potential students. In order to increase the effectiveness of the direct email and banner advertising educational institutions should conduct market research, which would provide insights into what sort of information need to be included in an email, the best ways to design effective ad banners, as well as to present degree related information to potential students. This is important because it helps the education institution identify the requirements to satisfy its prospective students' needs [39].

While this information can certainly be gathered using traditional market research (e.g. surveys, interviews, etc.), internet-based market research (e.g. online surveys, online focus groups, etc.) constitutes another option and should be seriously considered [13,46]. For example, internet market research surveys exhibit several desirable features, including ease of use and low cost, while the response quality and the response rate rapidly tend to be at least equal if not superior to the traditional forms of survey. According to the results of the study conducted by Wilson and Laskey (2003) internet market research is effective in reaching teenagers who are likely to be more difficult to access via traditional means (e.g. phone and postal surveys) and who are potential respondents for educational institutions [46]. However, internet usage patterns are likely to be different among different users, it is therefore also possible for the collected data not to be representative of the population. Consequently, internet based research should be used as a supporting method to traditional market research rather than as a substituting alternative [46].

Target Market. Another important consideration is the identification of the target market which constitutes an important strategic decision for an education institution in particular [28]. This is important because it helps the institution position itself in the eyes of its target market which will eventually affect the perceptions of the potential students about the degrees that are offered [41]. In the case of educational institutions which need to advertise their degrees, the target market would clearly include year 11 and 12 high school students, tertiary transfers, mature-age and international students. If direct email is used, individuals and their email addresses need to be identified first before they can be contacted. This identification is associated with privacy concerns [25].

V. Conclusion

The goal of this paper was to propose ways in which internet marketing technologies can be used to advertise tertiary degrees by education institutions. The goal of the paper and its motivation were explained in section one. Three alternative ways to address this goal were discussed in section two. These alternatives include direct email, search engine registration, and banner, pop-up and rich media advertising. The recommendation that these three methods are complementary and should therefore be used in conjunction with each other is presented in section three. The benefits that the proposed recommendation is likely to deliver to the education institution are covered in section four. Finally section five discusses some challenges that likely to be encountered if the recommendation is implemented.

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