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El article

Mad Men?

As higher education becomes more competitive, universities are spending heaps more on marketing. Sunniva Davies-Rommetveit surveys the landscape

It would have surprised anyone born before 1989. Last year, the Huffington Post reported that universities were offering iPads, laptops and even cash to lure students in a bid to fill seats. The reason? The government had just uncapped the number of ABB students institutions could recruit, ramping up competition for the best students. One university was even said to be offering up to £10,000 for students with a minimum of BBB, while others were offering £1,500 discounts on accommodation.



Such stories are exceptions, of course, but speak to a wider trend: as higher education becomes increasingly competitive, many universities appear to be spending more on marketing to gain an edge.

According to a survey of 37 institutions by education marketing agency Communications Management, university marketing budgets have risen by an average of 69% since tuition fees were increased in 2012. Made to pay more, students have become more picky, or so the argument goes.

With student number controls due to be removed altogether in 2015, some now expect the trend to accelerate. Universities will be free to recruit as many students as they like and could potentially steal each other's market share. "We are moving to a genuine market where institutions are in competition for resources," says Chris Chapleo, principal academic in marketing at Bournemouth University. "Therefore marketing - from student recruitment to institutional branding - will be increasingly important."

For external agencies operating in this space, the next few years could be interesting. There are a host of players already helping universities to elevate their brands, ranging from stalwarts like Hobsons to newcomers like US firm PlattForm, which entered the UK market by acquiring Coventry-based marketing firm MJD Media last year. (It is understood to have a partnership with a British university in the offing.)

The agency SMRS works with about 25 universities including Birkbeck, the University of London, Sheffield Hallam and the University of Hull. It sees the introduction of tuition fees as having created a "major shift" in how the higher education sector goes to market, with students empowered as "consumers as never before".

"Quite simply, the decision making process has gone from 'will they take me?' to 'if they do take me, am I willing to pay?'" it says on its website.

The demand to take university brands international has also kept such firms busy. However, Dan Beynon, head of education at SMRS, warns against expecting a massive uptick in business when student number controls are abandoned next year. "It's true that some universities will look to expand. Other institutions will be a lot more focused on maintaining the quality of their provision, though."

Others are more bullish. If the impacts of the removal of AAB number controls are a sign of what is to come, then competition is sure to intensify, they argue. As the December 2013 UCAS 'End of cycle' report shows, between 2011 and 2013 the better HEIs received 80% more students who had between 11 and 14 BBC to AAB A-level grades. Meanwhile, there was a 30% drop in high achievers who received between 13 or 14 ABB or AAB grades entering lower tariff universities (see figure 1).

Further to this, universities are facing funding challenges and regulatory hurdles, amplifying the need to grow enrolment. Research funding has become tighter for example, while for many, student visa controls have limited the valuable revenue stream overseas students provide.

"Universities must now compete vigorously for every student due to there being more capacity than demand in the system," says Mike Boxall, higher education expert at PA consulting. "The stakes are high: every two or three extra students, or students lost, equates to a member of staff, and every 30 students to £1 million in profit. This is a big cultural challenge to universities who still think in terms of admissions and selection rather than competitive recruitment."

In this environment, so-called 'promotional' marketing - above or below the line marketing or advertising, for example - could be the go-to for many HEIs post-2015. While it may seem old-fashioned, radio adverts and poster campaigns are still considered to be important marketing tools.

"Posters, though they are considered to be old-style mass marketing, still increase universities' visibility,"

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says Justin Shaw of Communications Management. "University open days are also increasingly huge marketing opportunities for universities, so a lot more effort has been spent preparing for them."

It's digital marketing that appears to be making most difference, though. According to Chapleo, this is because it is more cost-effective and can usually be measured – vital at a time where marketing increasingly has to demonstrate return on investment (ROI). Moreover it allows the most direct form of communication available with potential students, either via social media or websites which are very often accessed on mobile devices.

Online student forum The Student Room is an example of a company that has benefitted from increased digital spend. Universities view it as the perfect place to target prospective students, and observers note its pages are always chock full of HE advertising.

'A disparate wealth of data'

Some, however, say such promotional approaches have limits. Ultimately building a strong brand and reputation, along with being able to deliver what students want, is what will really set an HEI apart. Part of this requires understanding your prospective recruit, and here data can play a huge role. Blackboard and PlattForm, for example, are among countless firms offering 'lead generation services' – that is, they create quality leads by various means on behalf of a university, which might convert into enrolments.

UK firm Hobsons, another lead generator, says universities are also benefiting from so-called 'student lifecycle management platforms'. Hobsons' own, Radius, allows institutions to engage with a student right from their first enquiry through graduation, generating useful intelligence on students to inform recruitment strategies.

"The key is to put the student at the centre and deliver personalised information to them, from admission to graduation and beyond," says Duncan Findlater, director of client services at Hobsons. "Radius helps different departments to communicate with each other, monitor and analyse a disparate wealth of data, [and] create automated marketing... in an intelligent way."

Does it work?

Not everyone is convinced by the efficacy of HE marketing. According to the Times Higher Education, freedom of information requests from 70 institutions revealed a collective spend of more than £36 million on student marketing in 2012-13 – up 14.7% on 2011-12 and 33% on 2010-11. And yet, undergraduate applications that year still remained lower than when £9,000 fees were introduced (some, of course, would argue that there'd have been even fewer applications with less marketing, but that remains a matter of conjecture).

As in any industry, some universities also get carried away and behave unethically. 'Integrity in higher education marketing?', a report published in the International Journal for Educational Integrity, looked at undergraduate prospectuses for 2013 entry from eight randomly selected universities. It found 22 examples of misleading claims, including selective data and outright falsehoods.

In one case, prospective students were told that a department's teaching was rated as "excellent" – but not that this had been based on an assessment from 1994.

Sometimes too, it seems there's no getting around large scale investments to attract students. Spending on university infrastructure is, for example, of huge brand benefit and on the rise: the Russell Group this year claimed its members would spend more than £9 billion on capital projects between 2012-13 and 2016-17 – not far off the amount spent on the London 2012 Olympics.

Another report from the group in 2012 outlined the benefits a "state-of-the-art learning environment" bestows: "[Students] benefit from the opportunity to take strategically important subjects which require advanced equipment and facilities, which are simply not available at all institutions due to their high cost."

Not everyone can afford such investment, but there may be consequences for those who choose to splash their cash. As credit ratings agency Moody's noted earlier this year, in the US where the HE system is more competitive, institutions have become laden with debt as they vie to outspend each other on facilities.

With competition in UK HE likely to increase, some are sure tougher times lie ahead. "If the current squeeze on overall student numbers continues, we may see mergers or takeovers in the sector where some institutions struggle, in a scenario comparable to commercial arenas," says Chapleo. Fear of such eventualities will only increase the pressure on universities to increase enrolment, and many could opt to accelerate their marketing campaigns in response.



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