

Marketing health scares?

Marketing health and wealth in challenging times.

Each year a web based survey of UK higher education maps trends and identifies preoccupations within sector marketing and management.

Many of the emerging issues are to be expected, including concerns about the fall-out of tuition fees on application statistics and the inevitable worries surrounding mergers and competition, but for the 2006 survey, the effectiveness and relative "health" of marketing in higher education dominated the results.

Six key themes were identified from the survey:

- Reporting lines and structures
- Marketing influence and resource
- Marketing decision making
- Marketing culture
- Critical success factors
- Market place realism

The main findings related to these are outlined briefly, below.

[1] REPORTING LINES AND STRUCTURES

The level of access or influence the higher education marketing function has re: an organisation's senior management team (SMT) is critical.

For many newly developed marketing directorships, access or reporting lines to the SMT are make or break, as these channels determine whether an individual will actually have the influence and decision-making powers to drive through real change and strategic innovation.

Inevitably, if marketing is not represented effectively within the decision-making arena of an organisation, it can have little power to drive corporate strategy proactively, but, instead, is destined to manage a response to a strategic direction that is decided beyond its reach.

One of the greatest difficulties facing organisations attempting to restructure marketing operations along more strategic lines is the problem in shaking off traditional reporting lines and a "task-driven" or "element by element" approach to marketing operations.

To be effective, marketing needs to be integral to corporate strategy and, as a function, be able to drive and influence the direction of long term corporate planning processes, rather than simply being forced to respond to decisions and plans made beyond its reach.

[2] MARKETING INFLUENCE AND RESOURCE

Ideally, marketing should be an integral part of an organisation's corporate strategy, but, the 2006 survey results suggest that this is not always the case. Marketing is often called upon to act alone, or respond to strategic direction, rather than playing an integral part in how that organisational direction is determined.

Marketing budgets will always be a contentious issue, will always attract media attention and will always cause debate about the relative size and deployment of resources. The real issues, though, are whether an organisation possesses an accurate picture of its marketing spend and whether that spend delivers any measurable return on investment.

A major concern arising for the survey was that 35% of respondents did not know the size of their corporate marketing budget and could not account for the deployment or effectiveness of its spend.

Expenditure on marketing was found to be extremely variable, a situation which reflects the devolvement of marketing activity in many organisations: only 47% of respondents' budgets were set and managed centrally. Marketing activity is on the increase, though, with 65% of respondents' budgets having risen by approximately 10-20% in the last 3 years.

[3] MARKETING DECISION MAKING

33% of respondents reported that their institutions did not have a formal strategic marketing plan in place, a critical concern for higher education.

This situation is reflected in the recent burst of activity to recruit to corporate affairs and corporate relations directorships at an increasingly strategic and influential level. The absence of a **"governing"** marketing strategy in many UK organisations is also an indication of **"task-driven"** marketing. In such a situation organisations display a dominant focus on the immediate issues of, for example, student recruitment, rather than requiring their marketing strategy to exert influence on corporate direction, competitive positioning and broader scale reputation management issues.

[4] MARKETING CULTURE

How well marketing is received and perceived within organisations is directly related to its performance and interaction with internal stakeholders.

When marketing is well understood and perceived to bring direct benefits, it is welcomed, and levels of a marketing-oriented culture rise. Where there is a gap in stakeholders' understanding of marketing, it is considered to be less beneficial or purposeful. The 2006 survey identified that such gaps do exist and especially so among academic colleagues and the student cohort.

Marketing as a function needs to be, itself, marketed to internal stakeholders to increase levels of positive awareness and understanding. It is a major concern for higher education organisations that two key stakeholder groups, academic staff and the student cohort, do not always perceive the benefit of organisational marketing effort, especially when both groups are central to marketing an organisation's proposition and have the opportunity to benefit from successful strategic marketing activity.

To succeed, marketing needs to be demonstrably relevant to stakeholders: marketing cannot be **"done"** to stakeholders but needs to be achieved **"with"** them.

[5] CRITICAL SUCCESS FACTORS

Inevitably, marketing is often called upon to focus on the year-on-year tasks of student recruitment, but the 2006 survey suggests that this may be at the expense of the **"bigger picture"** challenges of reputation management, positioning and threatening competitive market issues. This link with readily apparent, tangible indicators of success does suggest, too, that marketing may become the **"scapegoat"** when recruitment does not go to plan.

The survey indicates that endorsement from the SMT and principal officers is the most significant factor in delivering support to, and for, marketing effort within organisations. It also shows that marketing is most valued when organisations are realistic about their competitive challenges.

[6] MARKET PLACE REALISM

A major concern emerging from the survey is that some UK higher education institutions are still extremely unrealistic about the competitive environment in which they now operate. This leads to a lack of investment (in terms of resources or belief) in the marketing function and can lead to a vulnerability to competitive challenges and market change.

To find out more about the survey or to receive the full report contact rosemary.stamp@stampconsulting.co.uk

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