

AN EXAMINATION OF THE MARKETING EFFECTIVENESS OF SMALL WESTERN UNIVERSITIES / COLLEGES

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ABSTRACT

This paper reports the findings on the marketing effectiveness of small universities and colleges in the Western United States. The use of marketing techniques was found to be widespread in small institutions of higher education. It was also found that there exists a difference in the marketing effectiveness of institutions with declining versus non-declining enrollments. In comparing public versus independent institutions, it was also found that there is a difference in their enrollment status. This finding speaks to the larger difficulties faced by independent, small institutions due to their dependency on tuition.

INTRODUCTION

Institutions of higher education, like all other organizations, operate in a dynamic environment which directly affects their vitality and direction. Forces in the environment have created external and internal pressures on American colleges and universities whether large or small, public or independent. In responding to these pressures, some large institutions rushed to adopt or strengthen their marketing programs. Some small private institutions, caught in the squeeze of rising costs and shrinking enrollments, were forced to reduce programs and a few, to close their doors [McAdams 1975].

Prominent among the external pressures is the changing demographics which is most frequently mentioned in the literature on higher education. There are statistical projections of gloom and doom concerning the traditional college-age cohort. For example, Hodgkinson [1978] noted, "One of the givens in higher education these days is that we are about to face a decline in conventional student registrations of a most unprecedented sort." A U.S. government report [U.S. Department of Commerce 1983] tends to echo Hodgkinson's predictions.

On the other hand, Mathias [1982] indicated that the number of older students starting or returning to college may be sufficient to counteract predicted

enrollment declines. Many of these newer and older students may be women. Schmeider [1977] found learning groups are becoming more and more age-mixed.

There are internal pressures at work as well. The graying of faculty in American educational institutions is evident in the large portions of academic budgets locked in to pay tenured salaries, thereby reducing the degree of fiscal flexibility. Increased student consumerism and fear of litigation cause concern to many administrators. Faculty continue to push for lighter teaching loads combined with higher salaries.

Educational institutions have responded in varied ways to adapt to these pressures in order to attract students, funds, and overall support. Some two-year institutions expanded to offer four-year degrees. A great number of church-related institutions deemphasized their church affiliation. Changing social values tempted many single-sex institutions to become coeducational. According to Mayhew [1979], some that did so had remarkable success while others ended financially worse than before. Many post-secondary schools have turned to marketing as a strategy to maintain institutional vitality in a changing environment.

Declining enrollment is an acute problem among smaller, public and independent colleges and universities, particularly among those which are perceived as relatively less attractive and/or those which are tuition-dependent. These smaller institutions in dire need of effective marketing programs are also the most likely to have neither the expertise nor the resources to implement such programs. Little has been done, however, to study the marketing efforts of smaller institutions and, to examine the perceptions of administrators regarding effectiveness of their institutions' marketing efforts.

The purpose of this study was to find out the extent to which small institutions are effectively utilizing marketing programs to combat enrollment declines during a period of changing demographics.

HYPOTHESES

The research question addressed the relationship between the enrollment status, enrollment trends, the nature of the institution [public vs. independent], and the marketing effort and effectiveness. It should be noted that the focus of this research has been purposely kept to small institutions of higher education, because smaller institutions are perhaps the greater victims of environmental changes.

Nine testable hypotheses [H₀, through H₉] were developed for the purpose of this study. The null hypotheses were stated in terms of "no difference" because a review of relevant literature did not provide conclusive evidence to warrant stating the hypotheses in terms of any particular direction.

The first four hypotheses [H₀, H₁, H₂, and H₃] were developed to determine if there was a relationship between an institution's marketing effort and its enrollment status. Together, these four hypotheses sought an answer to the following research question: Are the marketing efforts of institutions with non-declining enrollments the same as the marketing efforts of institutions with declining enrollments?

Hypothesis 1 (H₀): There is no difference in the marketing effort of institutions with declining enrollments and the marketing effort of institutions with non-declining enrollments.

Hypothesis 2 (H₀): There is no difference in the status of marketing plans of institutions with declining enrollments and the status of marketing plans of institutions with non-declining enrollments.

Hypothesis 3 (H₀): There is no difference in the ratings of marketing efforts by administrators of institutions with declining enrollments and the ratings of marketing efforts by administrators of institutions with non-declining enrollments.

Hypothesis 4 (H₀): There is no difference in the marketing effectiveness of institutions with declining enrollments and in the marketing effectiveness of institutions with non-declining enrollments.

Hypotheses H₅, H₆, H₇, H₈, and H₉ were developed to compare the marketing efforts of independent and public institutions. The literature on institutional marketing hinted that independent institutions have traditionally been more actively engaged in marketing due to their direct dependency

on monies obtained through tuition. Therefore, independent institutions might be expected to be more willing to accept marketing and more adept at utilizing marketing techniques. Specifically, these hypotheses sought to answer the question: Are the marketing efforts of small public and small independent institutions equal? Hypothesis 9 was designed to test the theory that small public and small independent institutions have been equally hard hit by the decline in traditional student pools.

Hypothesis 5 (H₀): There is no difference in the marketing efforts of public and independent institutions.

Hypothesis 6 (H₀): There is no difference in the status of the marketing plans of public and independent institutions.

Hypothesis 7 (H₀): There is no difference in the ratings of marketing efforts by administrators of public institutions and the ratings of marketing efforts by administrators of independent institutions.

Hypothesis 8 (H₀): There is no difference in the marketing effectiveness of public and independent institutions.

Hypothesis 9 (H₀): There is no difference in the enrollment status of either declining or non-declining of public and independent institutions.

RESEARCH METHOD

Small institutions, both independent and public, in thirteen Western states were selected as targets for this study. This population consisted of approximately 43 public and 112 independent institutions. These were public and independent four-year, degree-granting institutions of higher learning which met the test of a small institution (i.e., less than 9,000 undergraduate students by headcount) and which were located in the following thirteen Western states: Alaska, Arizona, California, Colorado, Hawaii, Idaho, Nevada, New Mexico, Montana, Oregon, Utah, Washington, and Wyoming.

Data was gathered through a survey instrument. Information was sought from two different levels within each institution. That is, questionnaires were sent to both the vice-president for academic affairs and the director of admissions at each college or university within the population parameter. The questionnaire was based on general marketing

concepts and on a marketing effectiveness rating instrument specifically developed by Kotler and Fox [1985] for use in higher educational institutions.

ANALYSIS AND RESULTS

Admissions directors and academic vice-presidents from 155 institutions were surveyed. Of this number, 110 institutions responded, yielding an overall response rate of 71 percent. The 136 completed questionnaires received from educational administrators across 13 Western states served as the sample of small institutions and provided sufficient data to test the hypotheses. Statistical analyses were performed utilizing both the t-test and analysis of variance, F-test procedures. Results of these tests are summarized in Table 1.

Table 1

t-TEST SUMMARY: DECLINING AND NON-DECLINING INSTITUTIONS

Hypotheses	Computed t-value	Critical t-value	Results
Ho ₁	-0.1816	1.282	Accept
Ho ₂	-0.9268	1.282	Accept
Ho ₃	-0.7751	1.282	Accept
Ho ₄	-1.3388 *	1.282	Reject
Ho ₅	-0.8078	1.282	Accept
Ho ₆	-0.6062	1.282	Accept
Ho ₇	-0.9942	1.282	Accept
Ho ₈	0.1712	1.282	Accept
Ho ₉	-1.6876 *	1.282	Reject

Level of Significance = .20

d.f. = 134

* indicates statistical significance

Table 2 highlights the perceptions of administrators regarding marketing efforts and enrollment trends of their institutions.

TABLE 2
MARKETING EFFORTS AND ENROLLMENT TRENDS

Respondent	Declining Enrollment	Declining Marketing Effort	Non-declining Enrollment	Increase Marketing Effort
Academic VPs	23%	3%	71%	97%
Admissions Directors	18%	5%	82%	95%
Both Respondents	20%	4%	80%	96%

DISCUSSION OF RESULTS

Hypotheses 1, 2, and 3 could not be rejected based on the analysis. However, other important facts did emerge. Of the sample institutions studied, 20 percent indicated that their institutions were experiencing declines in enrollment, while 22 percent indicated no growth in enrollment. Other facts revealed that 20 percent of the administrators reported "little change" or a "substantial decrease" in the marketing effort of their institution over the last five years. While no statistical conclusions can be drawn from these facts, there are indications that a correlation may exist between a decrease in marketing effort and a subsequent decrease in enrollment.

A majority of the participants revealed that they were heavily engaged in the marketing of their institutions. Sixty-four percent of the respondents had either formalized a marketing plan or had an operational plan. However, only a scant 2 percent of the respondents rated their marketing efforts as superior. Thus, while heavily engaged in institutional marketing, most administrators felt that there is still room for improvement. In most of the areas examined, admissions directors and academic vice-presidents seemed to have similar opinions.

Hypothesis 4 tested the difference in marketing effectiveness of declining and non-declining institutions. As might be expected, a statistically significant difference was evident. While this test did not reveal where the difference lies, an inspection of the data does show that declining institutions have lower mean

marketing effectiveness scores (220) when compared to the mean score (231) of non-declining institutions. This seems to suggest that declining institutions may not be as effective and/or as heavily engaged in their marketing efforts as are their non-declining counterparts.

Hypotheses 5, 6, 7, and 8 again could not be rejected based on statistical tests. Hypothesis 9 was rejected, i.e., a statistically significant difference was found in the status of enrollment of independent and public institutions. This could be expected in a time of decreasing student financial aid and a diminishing pool of traditional students. While this test did not indicate direction of difference, close examination of the data revealed that the difference might be expected to exist in the decline of enrollments in independent institutions. Twenty-two percent of the independent institutions surveyed indicated a decline in enrollment over the last five years, whereas only 19 percent of public institutions indicated a decline in enrollment.

CONCLUSION

The purpose of this investigation was to determine whether small institutions, thought to be most in need of utilizing marketing techniques in this period of general decline in the traditional college age pool, were, in fact, effectively utilizing marketing techniques. Few studies have been done to measure the marketing role in higher education, and no published study has measured the effectiveness of marketing programs, whose focus was on smaller institutions. Thus, this study sought to bridge a gap in the literature.

Several important findings resulted from this study. First, the realization that the use of marketing techniques in higher education, even among small institutions, is an extremely widespread-if not a universally accepted concept. Considering the reluctance (and even repugnance) with which many in higher education viewed the use of marketing a few short years ago, this is indeed a remarkable finding.

A second finding is that there is a difference in marketing effectiveness of institutions with declining and non-declining enrollments. From the perspective of a marketing scholar, this is probably the most important finding. It provides a rationale for the increased adoption of marketing as a weapon to combat external environmental pressures on institutions of higher learning.

A third, and final, finding is that there is a difference in the enrollment status of public vs. independent institutions. The fact that so many small institutions have already experienced a decline in enrollments speaks eloquently to unique problems that small institutions face in this period of decreasing student pools. Furthermore, while both public and independent institutions have experienced declines in enrollment, the tuition dependency of small independents places them in a doubly vulnerable position.

This study highlights the need for longitudinal evaluation of marketing programs of educational institutions. Longitudinal studies will shed more light on the cause-effect relationships between marketing programs and enrollments. The present study is simply a beginning.

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