



# **The effect of increased tuition fees on Higher Education marketing in the UK**

A research report

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Founded in 1987, it was ranked number one consultancy in the public sector by PR Week magazine in 2013 and shortlisted for Education Consultancy of the Year 2013.

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## Introduction

The UK Higher Education (HE) sector has seen a great deal of change in recent years, most significantly the advent and increase of student tuition fees in England and Wales. 1998 saw the first directly charged tuition fees, rising to a maximum of £3,000 per year in 2004, and continuing to grow to a maximum of £3,375 per year in the 2011/2012 academic year. From September 2012, however, the fees cap was lifted to a £9,000 per year maximum. UK Higher Education is still not a true market in the fullest sense, but an investment of this magnitude by students engenders a consumer mentality and a shift in approach from recruiting institutions.

This research was conceived in order to explore just how far along the road to marketisation UK universities have come; in short, whether fees have had a significant influence on marketing budgets, attitudes, approaches and structures. This research had two stages; the first exploratory in nature, based upon in-depth interviews related to marketing, which leads to richer qualitative information and a corresponding narrative on which further work can be based. The second stage sought to quantify changes in marketing budgets over the three years since the introduction in fees, and to identify where money is being spent. Specific objectives were:

- To explore the extent to which increasing tuition fees at UK universities have led to a corresponding investment in marketing activity?
- To identify where university marketing budgets have risen/fallen and whether particular periods have seen more significant changes?
- To explore changes in UK university marketing activity and approaches alongside the growth of fees.
- To explore the future of branding/ reputation management in the UK HE sector as the market evolves.

## Executive summary

1. Total marketing budgets (staff and non-staff) in universities have generally increased with the advent of fees. 69%\* of directors of marketing in UK universities surveyed have seen a growth in these budgets over the three financial years since the increase of fees. However, these increases are not uniform across the sector, and seem to be more significant in newer (post 1992) universities.
2. Most marketing budget increases have been modest, but for some, the increases have been '*significant*'. In addition, 80%\* of respondents in the survey had been able to secure additional one-off funds for marketing-related activities.
3. Non-staff budgets have seen the most significant increases. The academic year of 2012/13 (when the fees cap was introduced) was the year with the greatest increases of the three years surveyed, with 55%\* of respondents reporting an increase in non- staff budgets.
4. The rise in budgets seems to be indicative of the greater perceived value of university marketing as an ethos. This improving credibility of marketing in HE is evident through increasingly senior strategic appointments.
5. Marketing communications tools have evolved, particularly in terms of a shift to digital media at the expense of traditional advertising.
6. Within digital communications, social media in particular is now widely and strategically used. However, respondents cautioned against over reliance on social media alone, and called for it to be viewed as part of a broader

communications strategy.

7. Analytics and data modelling are increasingly important and sophisticated in the sector, and are used in areas such as 'propensity modelling'.
8. Customer Relationship Management (CRM) has become widespread in the sector, with some institutions using relatively innovative approaches.
9. Branding is still a key issue for UK universities but remains challenging. Experiential branding is suggested as one possible approach that may have applicability in the sector.
10. Marketing departmental structures seem to be constantly evolving and are suggested to be cyclical in terms of whether they are central or faculty belonging. Increasingly, specific roles are evident, particularly in digital communications.
11. There is an increased and fundamental focus on the 'student journey' and Marketers are increasingly embracing this through 'lifetime communications' pre, during and after university.
12. Overall, for the majority of UK higher education institutions (HEIs), investment in marketing (particularly non-staff budgets) is important and continuing.

\* 37 marketing budget holders (Directors of Marketing or similar) at UK HEIs responded, representing almost one third of UK universities.

## 2 Methodology

### 2.1 Qualitative

The initial stage involved exploratory work and was therefore suited to qualitative approaches that provide information of a 'richer nature'. The methodology selected was depth interviews with opinion leaders and opinion formers. Specifically, these were Directors of Marketing/Communications in the UK HE sector, (and Consultants working in this field) and all interviews were carried out between February and July 2013. The sample was fifteen; the minimum to obtain reasonable levels of confidence in the resultant data. Average interview duration was 29 minutes. Careful transcription and coded content analysis was undertaken to exploit the particular benefits of qualitative data. However, in order to encourage free and open interviews, the comments from individual respondents are largely anonymous.

We are grateful to those who contributed to this research, including:

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- University of Leicester
- University of Liverpool
- University of Nottingham
- University of Portsmouth
- Warwick University

- Callen Associates
- Oysterjam Ltd

## 2.2 Quantitative

The second stage focussed on quantitative research, and involved a questionnaire hosted via Bristol online surveys. We approached all UK higher education Directors or Marketing (or similar) and received a response rate of almost one third (37 responses). In terms of percentage of total population, this is a statistically sound response rate.



## 3 Stage One: Qualitative research findings

### 3.1 Are university marketing budgets changing?

This question explored whether marketers believed that marketing budgets had increased over recent years and, if so, whether this was potentially a response to increasing tuition fees.

Some corresponding changes in marketing budgets in light of the increased fees were evident, with talk of “*an increase in marketing budgets across the sector*”. This was a general trend, but closer examination revealed that this is perhaps an oversimplification; whilst most interviewees talked of an increase, some had seen a small increase but still worked “*on a very tight budget*”. The point about budgets increasing more in some groups in the sector was expanded on by one marketer who argued that “*if you are a new university that isn’t in a great location and isn’t hip, you are increasingly prepared to throw money at the problem*”.

Although many interviewees were reluctant to quantify specifically by how much budgets had changed, they all felt that this was a reflection of marketing being taken more seriously within the sector. Both the increase in budgets and influence of marketing were, it was argued, evident through the appointment of very senior level marketers.

The variance in marketing budget increase across the sector is interesting compared with the apparent 22% increase in ‘University student marketing spend’ headline in the Times Higher Education of 7 February 2013. Perhaps, as one Marketer suggested, although there were evident increases in marketing budgets, the rise was “*not necessarily proportional or correlated to the increase in fees*” but more indicative

of the increased recognition of the value of marketing across the sector. The competitive HE market has meant that universities are acknowledging this change in climate, and making significant investment in areas where previously they were unable to see the “*value and the need*” for such activities. Two interviewees explicitly commented upon the fact that now marketing spend was far easier to justify to those controlling the purse-strings, and that overall “*there is a greater willingness to allocate budgets to marketing tasks*”. Wider and more focused student recruitment (Outreach/Widening Participation; Undergraduate markets/ Postgraduate overseas markets) came through as a clear indication of where spend previously needing fuller justification was now deemed as vital.

It seems that senior management has started to realise that as a consequence of the changing operating environment, marketing is not only necessary to attract students, but also for the university’s reputation. Interestingly though, one further point emphasised was that even though marketing budgets may have risen over the years, they still rarely approach what one would expect in a comparable sized organisation in the private sector. A specific example of a marketing budget of 0.35% of institutional turnover was contrasted with the commercial sector by one marketer (with the point made that this covered a broader remit of marketing activities than would be the case in most companies). This idea of context was continued further in other interviews, where there was a comparison made between established, internationally-known institutions (e.g. the Russell Group) whose budgets may be relatively modest compared to the number of students they attract, against newer institutions, where their brand is “*more actively managed*” and where their senior management is pushing marketing to get the message “*out there*” and attract consistent quality and numbers of students.

### 3.2 Increased competition and its effects upon Marketing

Marketers were uniform in views that competition was increasing. These changes can primarily be attributed to the structural change of the domestic HE sector. In recent years, the semi-regulation or deregulation of HE providers has led to increased competition to secure students against those outside the ‘traditional’ provider context. Policies surrounding student number controls for UK HE providers have also contributed to this increased competition. As a response, HE providers (of all sizes) have had to implement measures to address this, one of which has been adopting a more aggressive competition strategy. The competitive response is directly related to the need to secure good quality students (not only to acquire their respective income, but also to maintain a strong reputation for academic excellence). Recently, universities have seen more unconditional offers (based on predicted grades) being offered in a bid to win the ‘fierce competition’ for ABB/AAB students, though as one interviewee put it, *“that’s [either] a brave or sensible thing to do.....time will tell”*. This fight was further highlighted in the following excerpt:

*“[The 2012 A-Level grades] probably had the biggest effect on the market, even more so than policy change...but the fact that there were less people with top A-Level grades was a big surprise to everybody and meant the competition was even fiercer”.*

Attracting overseas students is a necessity, especially given the decline of governmental funding, with admissions statistics now a ubiquitous discussion at Senior Executive levels. For international recruitment, which has a significant impact on postgraduate numbers, there has been a marked difficulty for the UK HE sector. The change in the UK’s government visa policy relating to overseas students is making the option to choose to study in the UK difficult, or even obstructive. HE providers located internationally have now increased both in number and perceived quality. For the UK HE sector, this effectively means that the traditional competitor markets of the US and Australia have been joined by those such as China. Such

markets have markedly improved in terms of their offering, and as a consequence, are increasingly becoming able to compete with UK HE institutions.

The fee increase itself has also developed a debate around the concept of the *student as service purchaser*. Students have become “*picky consumers*” or “*more demanding customers*”. This terminology has therefore meant that rather than universities relying on a student to choose to go into education as a sense of academic accomplishment or “*for the joy of the academic experience*”, they are in fact questioning what the return on investment (ROI) is for them in choosing such an experience. As one excerpt highlights:

*“...all of our sector-wide research indicates that prospective students are acting much more as one would expect a buyer of any expensive commodity”.  
“They’re wanting to know upfront options for careers much more clearly [expressed] and getting guarantees of work placements and internships....they’re becoming much more expected as part of the offering.”*

With this increased need to articulate the value proposition of the university (and individual courses) to prospective applicants, there has been an evolution in the marketing tools utilised to project this message. Essential to this is recognising that at different stages of the decision-making process, different types of information are required (as well as the importance of providing the right information at the right stage).

### 3.3 Marketing communications in the modern HE environment

It seems that a genuine *integrated approach to marketing communications* has increasingly been adopted in HE. There is, it seems, still a place for traditional tools such as outdoor advertising, TV, and radio, but there is also an acknowledgement that students “*are consistently online*” on their laptops, smart phones and tablets, and thus their attention is no longer held by more traditional forms of communications.

*“Traditional print and traditional media are not as they used to be because of the complexity of titles and dilution of readership...”*

One Marketer cited a move to a “*campaign based approach*” as a fundamental change in how they planned marketing communications, but it was the shifting media mix that was the main topic of discussion. This interviewee also talked of their increasing “*integration of print and online in holistic marcoms*”.

The role of outdoor advertising was questioned by several respondents. It is expensive to produce and hard to ascertain ROI, however, for the internal audience (i.e. university staff), it is important to see that their institution is visible. Overall, however, the consensus was that spend on this is significantly reduced (although clearly this varies between institutions and their target markets, with the part-time market, for example, still targeted through outdoor).

The obvious response to a potential decline in ATL advertising and changing societal practice is that of *digital marketing*, and this was extensively discussed by Marketers.

*“because [education] is a service...it’s all about word-of-mouth...therefore more susceptible to the role of social media.”*

Universities are developing a *social media strategy* that encompasses not only which tools to focus upon as part of a campaign (e.g. Facebook, Twitter, LinkedIn), but also the associated social media policy that comes with using such tools. It was argued that usage guidelines in terms of content, and the practicalities of using it, need to be considered; for instance, internal and external communication teams need to be working together to ensure a consistent message that is acceptable in both private and public domains, and there also need to be procedures in place to handle complaints or negative feedback.

Though there are difficulties surrounding constructing a policy on institutional usage, social media is an essential tool, given the change in how and from whom prospective students collate information. Peers, current students and alumni comments may be seen as far more influential than the university's formal communication, as they are often seen as more authentic experience evaluations of the university in question and their offerings. Social media is also being used as a tool to ensure that prior to starting university, formally accepted students feel included in the university 'family'; for instance, Bournemouth University has various Facebook groups for yearly intakes.

Furthermore, students are increasingly less patient and demand an instant response to any query 24/7; they want a fully optimised functional website and/or mobile app, which provide upfront information through content-based marketing in a user-friendly format. One initiative undertaken to try and address this demand for information is the establishment of a university contact centre. This centre, staffed by current students, only makes outgoing calls to potential applicants based on information that the university has received from web data. This is an example of a university being proactive in addressing potential concerns.

Whilst interviewees broadly talked of a significant shift to digital communications, (away from traditional advertising) this was by no means an absolute consensus, and

one Marketer cautioned against “*looking at social media too simplistically and too hopefully*” as “*it is not a panacea*”. This interviewee summarised views quite well by arguing that “*digital communications (and social media in particular) is part of communications, not the entirety*”.

### 3.4 Challenges of digital communication

Challenges and consequences of a digital communications strategy were discussed. A number of interesting points were made:

*“marketers by instinct and training are borderline control freaks[...]the way you control brands, the way you plan and execute[...]now] you have this explosion of digital and social media that means even if you were able to control the message in the past, there’s no way you can control it in the future”.*

*“we moved away from a situation where students were getting their information or making decisions on what we were telling them on a visit[...]in short, they were previously more susceptible to us marketers”.*

*Lack of content control* is therefore a fundamental issue, and consequently, increased monitoring responsibilities are needed. Speed of response to any unwanted content is necessary to protect the university’s reputation. Furthermore, given the social nature of such tools, there needs to be a judgement call on what counts as ‘shouty’ or ‘pushy’ communications when working in such contexts. There needs to be a careful balance “*between advertising to students and encroaching on their social space. It’s all about doing it in the right way*”. The suggested way is to refrain from entering private spaces (e.g. The Student Room) from a corporate perspective, and instead foster more authentic engaged discussions through developing a network of student ambassadors, who would naturally frequent such spaces.

For many interviewees, digital and print could, and should, work together. Although there have been many discussions about “*the death of the prospectus*”, it was argued

that the prospectus is still an important element to a university's marketing communication mix, and "*is likely to remain so given the increased role of parents in the decision making process*". For example, one older university has seen demand for the printed prospectus significantly rise, although for some universities the prospectus expenditure "*whilst still there, has been reduced*". One interviewee however, suggested that in the future more personalised and tailored marketing would be seen, an example of which would be a 'print-on-demand prospectus' which would be produced online but created specifically for an interested applicant to print out.

Other digital communication issues relate to the aspects of *effective targeting* and *visibility*. The need for online digital content to be relevant for the intended audience, especially given the cost implications for generating such content, was emphasised. Secondly, suitable digital channels need to be chosen; interviewees argued the importance of choosing specific ones and ensuring communications through those are well executed, as opposed to endeavouring to "*have a presence across the board and being a master of none*".

However, some institutions have changed their approach to targeting from thinking of advertising in a particular place (i.e. specific websites), to instead advertising to a certain type of digital user who fits a set of criteria. The methods of targeting audiences have improved for digital activity, with companies being able to use information from universities (e.g. segmentation criteria by demographics, geographical location, search terms, and web-user behaviour) to help them target those specific users/prospective applicants. This sophisticated CRM system enables institutions to provide a more personalised communication with those interested in entering higher education. Several institutions talked of their CRM systems but stressed that "*appropriate internal processes*" are needed to make these work.



A clear example was discussed by a Marketer from a Russell Group university whose institution was:

*“Using increasingly sophisticated models through the granularity of conversion data. This feeds into many aspects such portfolio development.”*

Analytics such as keyword searches were also directly tracked and clearly linked to print and publications, emphasising the movement to what was termed a “content marketing” approach.

Underpinning this need for effective targeting is one key aspect that seems to be *“undervalued and under-funded in organisations”* – that of market research. It was argued that investment should be made in this area, as it provides the basis for the marketing strategy. Market research should cover not only the types of prospective students and their needs, but also look to identify engagement levels with the various communication mediums. In the postgraduate market:

*“people who you are actually trying for activity with may not be particularly engaged with social media. So a very specific market may be harder to find through those channels”.*

This relates to an increasingly discussed area of targeting, termed ‘propensity modelling’, with a newer university Marketer talking of *“targeting high performing schools in state school areas for the deregulated ABB market”*.

This highlights the current challenge that the international HE market poses for UK institutions, in terms of much sought after new market entry strategies. When a brand is not known, or has a limited reputation outside of the domestic market, it is harder for the university to ensure visibility. There is also a cost to being visible online,

which needs to be taken into account. For example, one interviewee commented that:

*“around the clearing period, the price, the pay-per-click for certain key word searches in Google shoots up sky high, and so it’s very difficult to be competitive and still appear on the first page of Google searches”.*

Again, this highlights the perceived important balance between being competitive and resource cost-efficient, especially for institutions with more restricted resources. However, the benefit of digital marketing is that it is far easier to quantify value for money, due to the available statistics that arise from digital data.

Although digital marketing is the most recent development in marketing communication dissemination, working alongside the traditional approaches of advertising, the value of these activities can only be realised once there has been a conversion of prospective to actual applicants. As such, conversion events through ‘face-to-face marketing’ have had a strong emphasis placed upon them by senior university management. It is now a requirement for academic staff, Heads of Departments, and faculty representatives to be much more involved in student recruitment based activities, and, where possible, current and alumni students also. This reflects an involvement across the whole university, and not just solely by the marketing/central recruitment team. Open days not only provide an opportunity for prospective students to visualise themselves in the surroundings, but allow for other members of the decision making unit (e.g. parents) to potentially highlight a different perspective of the institution. It was commented that open days, with access to staff, students and prospectuses, provide an experience that an inanimate digital platform cannot convey.

*“still there’s something about having something you can hold in your hands and show to people[that] gives a sharper sense of kind of place and personality[...than] a PDF on a website does”.*

It has been suggested that in future, open days may not only include the traditional tour around campus and meeting the staff, but also visits into real-time lectures or broadcasting lectures online to give a better idea of the university experience.

This aspect of staff engagement is important, as *“every interaction [academics] have with a student or prospective student is a branding moment...it’s an opportunity for them to either improve someone’s perception of the university or damage it”*.

Overall, in terms of marketing communications, the most significant trend to evolve is probably the increased use of CRM and the shift to *“lifelong communications”*. Marketers in this research talked of the integration of marketing communications that underpin CRM programmes intended to communicate from *“recruitment, whilst here and after leaving”*. This is argued to be a fundamental shift, as previously communications tended to be *“to attract students, then ignore them whilst they are here and after leaving, target them for postgraduate or alumni”*. In short, Marketers thought communications were previously task specific and sporadic, whereas now they are on-going, intended to build a long term relationship and hopefully encourage the important role of *“brand ambassador”* in the future. Digital communications and the increased use of *“sophisticated marketing models”* support a real and targeted CRM program in the sector.

A final word of caution against ‘invading student’s space and risking irritating them’ was offered:

*“We need to take care on how exactly we integrate social media. I think there are complexities, sensitivities, and difficulties about being seen to invade personal space. For example, we develop this network of ambassadors who are all aligned on message, because I don’t think we Marketers could hope to. If you take ‘student room’, I don’t think it’s a sensible approach to try to invade that from a corporate*

*perspective. So it's about changing hearts and minds internally and how we engage with our current students, because most universities don't do that very well, but they are key ambassadors of the institution".*

### 3.5 Investment in HE marketing

This leads onto the importance of investing in marketing, and the debate over whether or not a greater proportion of the fee increase should be earmarked for marketing activity. There was limited consensus on this question, with several Marketers discussing the role and scope of marketing activity rather than a simplistic answer on whether or not marketing needed greater spend. This is perhaps best summed up by the view that marketing needed to be *"very broadly conceived...[as a]... wider sense of engagement"*.

A balance should be achieved between marketing activities, providing student experience, and enhancing university reputation: *"you have to be careful not to put so much into marketing to the detriment of other areas"*. There was a sense that as word-of-mouth in particular is a strong tool for university marketing, the 'product' being offered had to appeal to the target audience in order to provide the content for this technique. With higher tuition fees comes a higher expectation of quality, and quality does not come cheap. The brand as a 'promise delivered' needs to be perceived by those involved in the university. Given this, several arguments were put forward that monies should actually be directed into investing in campuses and student facilities; aspects that would visibly create and indicate a positive student experience. This perhaps links to the concept of experiential marketing discussed in the next section.

It was thought that given the access agreement requirements imposed on universities, any additional income arising from the increased fees is generally being directed towards fair access, through outreach and retention work. Therefore it was

suggested that it is not necessarily that marketing professionals need to throw more money into communications, but rather that they need a “*step change in how [they] think*”. They will need to seriously consider the ROI on each activity, make sure that it is achieved, and this in turn will earn influence and credibility from the university Executive and Financial Directors. The decisions (by some university management) as to what to invest in and how then to support it through marketing is often surrounded by a lack of understanding as to what marketing actually is and “*how much effective marketing truly costs*”.

The essence of the debate around investment was summed up by one Marketer, who argued that whilst marketing needs to be properly funded, short term funding was less important than the critical issue of moving to a marketing culture.

### 3.6 Branding in HE

Branding has been on the agenda of university management and marketers alike for some time and was considered an evolving but important field by interviewees. However, it is still often challenging in the sector. For instance, there remains a misconception by some staff that marketing is just the logo, the visual identity; They do not realise branding is “*actually what we stand for, what we believe in, and it's why we're special and it's the thing that makes us who we are.*” Money needs to be invested into developing brand values for the benefit of both students and staff; that is, staff need to “*feel proud*” to be working there and students proud to be studying there. This will generate positive discussions about the university, and improve the brand, if the brand as a promise is delivered upon.

*“...universities that will suffer are the ones that aren't clear about what they are, want to be something that they're not, and are intellectually dishonest about who they are and what their prospects are.”*

Branding is challenging in a number of respects in HE. A fundamental issue argued by interviewees was the lack of genuine differentiation in the sector, where many brands developed over recent years have been “*generic with a twist*”, as well as issues such as lack of real management control and limited product portfolio development. This, it was suggested, had led to institutions having tried and failed in branding programmes, where differentiation was not wholly genuine or did not resonate. However, a number of interesting suggestions for future branding strategies were discussed.

Several interviewees talked of the interesting possibility of brands built upon genuine differentiation through “*emotional resonance*”. One respondent was strident in the opinion that universities have the possibility to build brands that have real “*emotional registers*” as “*many sectors claim to change lives (e.g. mobile phones) but universities actually do change people’s lives. However, we have been conservative in actually going out and shouting about that in our branding*”.

This idea of the possibilities of the emotional values of the brand resonates with much contemporary literature on ‘experiential branding’ and, as one interviewee explained, “*looks at what consumers actually take out from the university experience rather than from the point of view of inputs as we have too often*”.

One Marketer discussed the interesting idea that branding through groupings was becoming quite important, with brands such as the Russell Group starting to build a degree of equity outside those who work in HE.

Theory conceives branding and reputation as distinct, and this was borne out by the views of Marketers, although the two are undoubtedly linked, as “*a branding strategy should clearly communicate a reputation*”. This reputational building can be seen in the University of Birmingham’s ‘Heroes’ campaign - a positional campaign aimed at situating their academics as being world leading in research and teaching. This message of quality, through the promotion of talented and inspirational academic

staff, enables the university to develop “*a recruitment link, but it’s not a hard sell recruitment campaign.*” Reputation is built and requires monitoring across all markets; however one needs to accept that building up from a weak poorly known brand to a strong established brand “*is a slow and difficult process*”. To a certain extent, newer institutions have more flexibility to respond to the demands of the sector than their more established counterparts, as their reputation is not fully established.

It was argued that good branding through involvement across the university actually has possibilities to build brand, but is inherently challenging. To some degree, newer institutions that have had more of a marketing orientation over recent years have an advantage here as “*older universities may be unable to respond competitively confined by their brand constraints*”. As one interviewee pointed out, “*from historic reputation which is still important at the moment, what will be interesting is to see whether that hierarchy changes over a period of time*”.

It was argued that there are particular branding implications for institutions located towards the bottom of the HE league tables as, if employability becomes a key differentiator, this could lead to a “*step back to the kind of binary divide[...]**the potential for more vocational institutions which one might call polytechnics*”. Greater specialisation in fewer courses will replace a broader portfolio of course offerings for such institutions, resulting in lower operating costs and a more focused recruitment drive; however portfolio offerings for all HE institutions will no doubt be examined going forward.

In summary, branding remains “*top of mind for many Vice Chancellors*” and therefore for university marketers. It remains challenging at best and is sometimes ill conceived, but some interesting possibilities are emerging as knowledge in this field advances.

### 3.7 Marketing as a function – structures and resources

Marketing as a function within UK HE has grown significantly in recent years, and marketing departments have increased correspondingly. These questions explored trends in departmental structures and resources. Overall, the two broad implications of increased fees on marketing departments have been (i) changes in university internal marketing structures and (ii) greater need for commercial skills.

Collaboration was also a theme that ran throughout interviewee responses. The distinction between central and faculty marketing departments was perceived not to be needed; rather universities needed to align their structure with their own priorities in their own operational context. For example, if the undergraduate home market is their ‘bread and butter’, the institution will therefore align themselves to enable them to compete in this area. The central and faculty marketing team will be funded in response to the physical structure of the organisation. For instance, an institution situated across multiple locations may benefit from a more centralised approach, in comparison to a one-campus university whereby there is a greater balance between *“devolved and central responsibility”*. Such unified-by-collaboration structures are emerging, though one interviewee felt that having a central marketing team was more professional and could run more efficiently. This did not mean, however, that they were exempt from obtaining specialist resources; they could do so through outsourcing to strategic partners, who provide greater flexibility and respond to the need for particular expertise.

Sector-wide, there are undoubtedly more marketing staff, but again numbers relate to how the individual university is structured. Having said this, a deficiency in specific commercial marketing skills has been identified. Those needed are from either the public or private sectors that have the ability to use commercial marketing approaches, to complement traditional HE marketers; in particular, those specialised in digital and online marketing, and also market research and analysis. There is a



need for professional marketers “*to develop segmented target markets with real understanding of what those markets are willing to pay, where we would find them, how we would target them, and what our real return is likely to be from these investments*”.

Developing existing staff skill-sets is also important, as those “*that can’t develop and adapt and look at new things probably aren’t going to be successful in the new environment*” The distinction between new and old guard relates not to the time in role by any one individual; rather it is a distinction in the way they approach HE marketing.

## 4 Qualitative research conclusions

Modern marketing planning in HE is challenging; the sector has been through a period of great change and continues to evolve. As one marketer put it “*marketing planning is building on quicksand due to continual policy changes*”. More than ever therefore, “*there is a need for marketers to be nimble, flexible and professional*” and this increasingly requires a certain calibre of professional.

There is evidence of an increase in marketing budgets across the sector since the advent of fees. However, these increases are not uniform across the sector, and seem to be more significant in new universities. Any upward trend in marketing budgets is probably indicative of the generally greater credibility of marketing as an ethos.

In terms of organisational structures, HE marketing needs to be increasingly synergistic; one interviewee talked of “*kicking down silos*”. In practice, this means departments such as communications and fundraising working closely with marketing. Certainly marketing should be increasingly “*strategically embedded across institutions*”.

Marketing communications have evolved in recent years. Marketers are utilising “*increasingly sophisticated marketing models to better target and employ on-going CRM communications*” and this requires better and richer data. The bottom line is “*lifelong communications[... ]not just recruitment*”.

There is a significant shift to digital at the expense of traditional advertising, but views vary on the extent to which this is the case, and as to whether it is the optimum strategy. Some Marketers strongly believe that digital (and particularly social media) is not a new panacea but part of an integrated strategy, but others believe its

flexibility and targeting will make it the core of future communications strategy. Clearly it is valuable and powerful, but the jury is out to some extent.

Branding still rises to the top of the HE marketing agenda. Many challenges persist but there are signs of marketers searching for different approaches to the perennial problem of a clear succinct brand that is genuinely differentiated, and resonates with stakeholder groups. Notable among these were approaches to understanding the emotional and/or experiential elements of a university brand proposition that could genuinely differentiate. Universities do have the basis for genuinely emotionally resonant brands as they can actually have a significant impact upon lives.

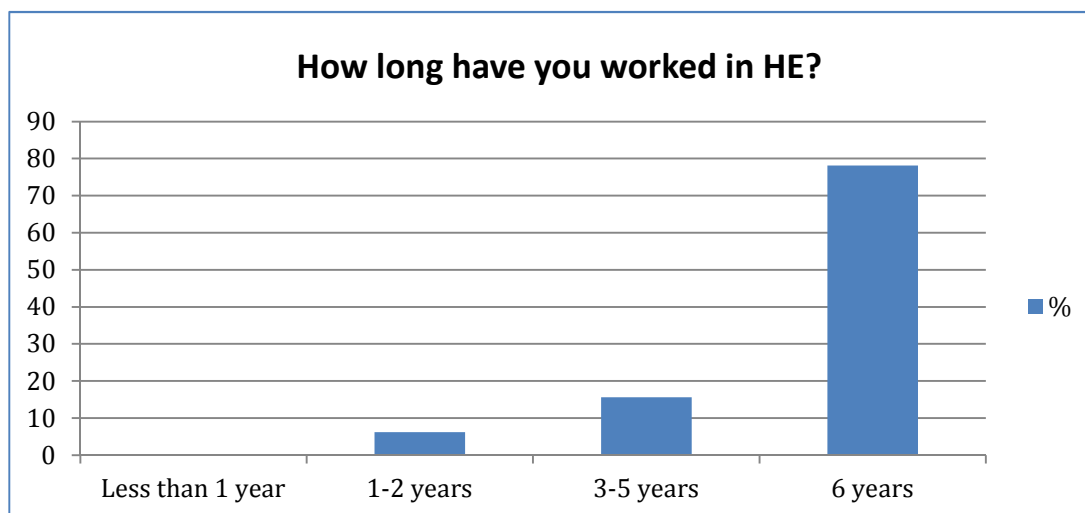
Overall, this report suggests HE marketers are generally positive but aware of significant challenges in a changing and uncertain sector. Greatest of these are the need for synergy across marketing structures and marketing communications, the changing nature of 'consumers', and managing rapidly evolving marketing communications and data sets to communicate with these and other stakeholders effectively.

## 5 Stage Two: Quantitative research findings

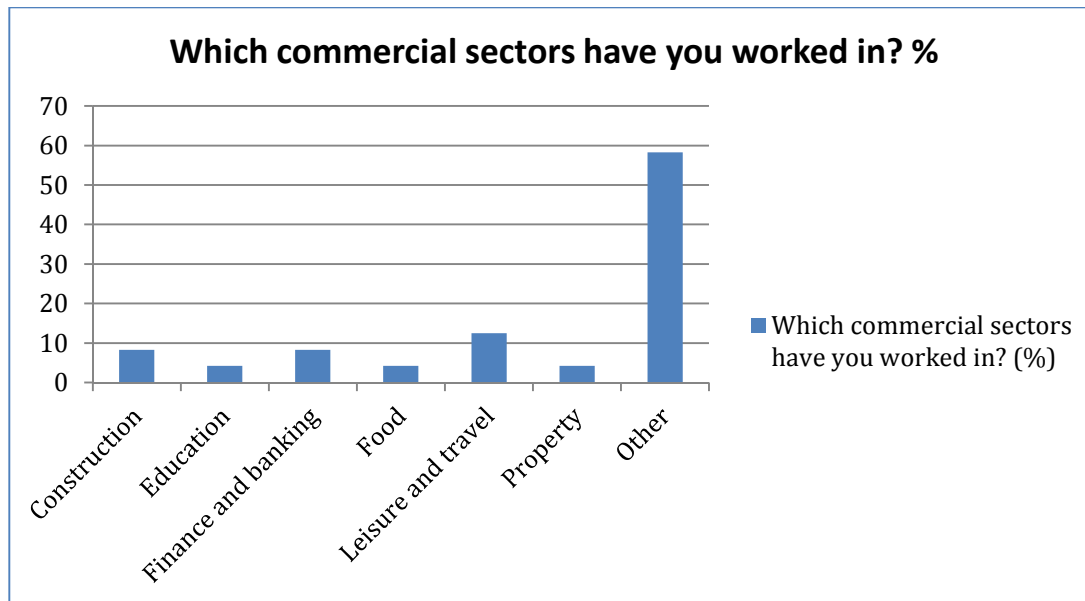
This stage built upon the earlier qualitative exploratory work, seeking to clarify whether UK university marketing budgets have increased (or decreased) in the three years since the introduction of higher HE tuition fees (and at each stage within those three years), by how much, and where marketing budgets are being spent. Whilst overall marketing budgets were considered, staff and non-staff budgets were also viewed separately. Any additional one-off sums of money were also highlighted.

The sample was robust, with 37 marketing budget holders (Directors of Marketing or similar) responding, which represents almost one third of UK universities. The research took place between November – December 2013.

The following charts illustrate the results.

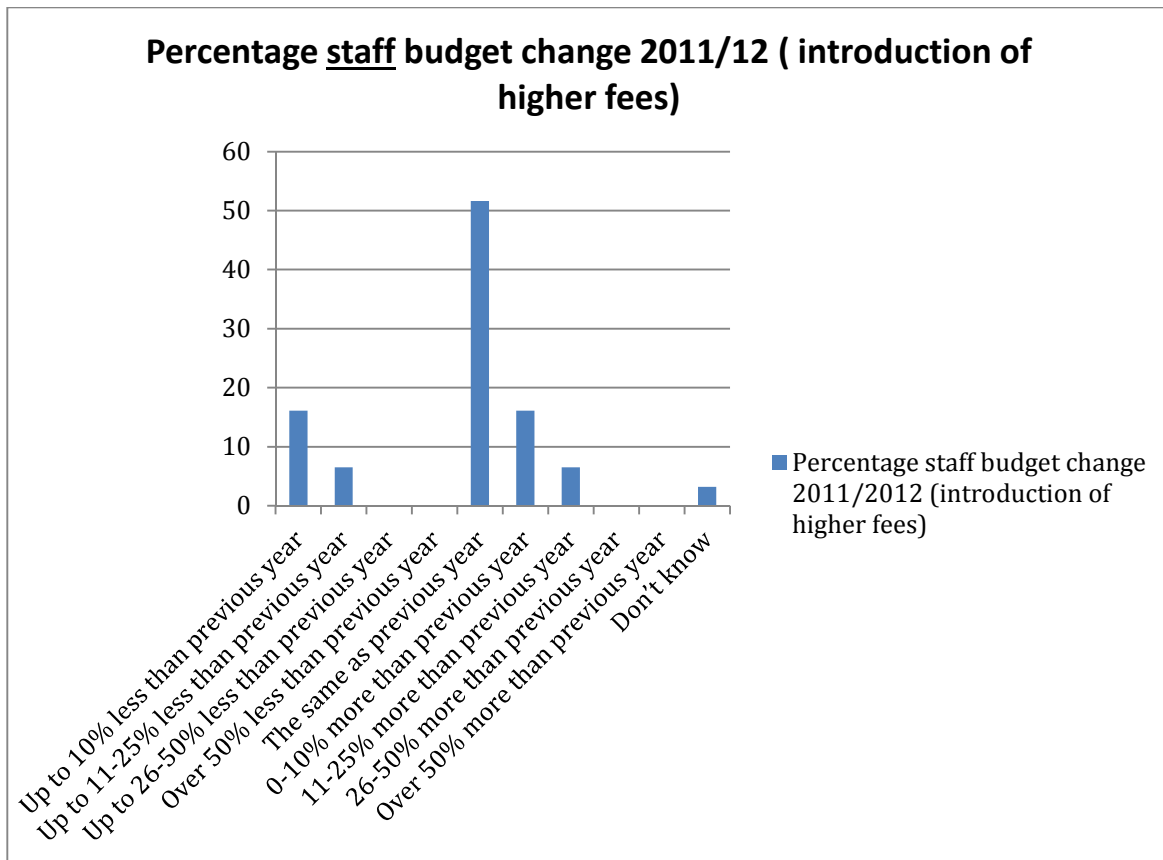


The vast majority of respondents had worked in HE for over 6 years; our sample was therefore significantly experienced in the sector.

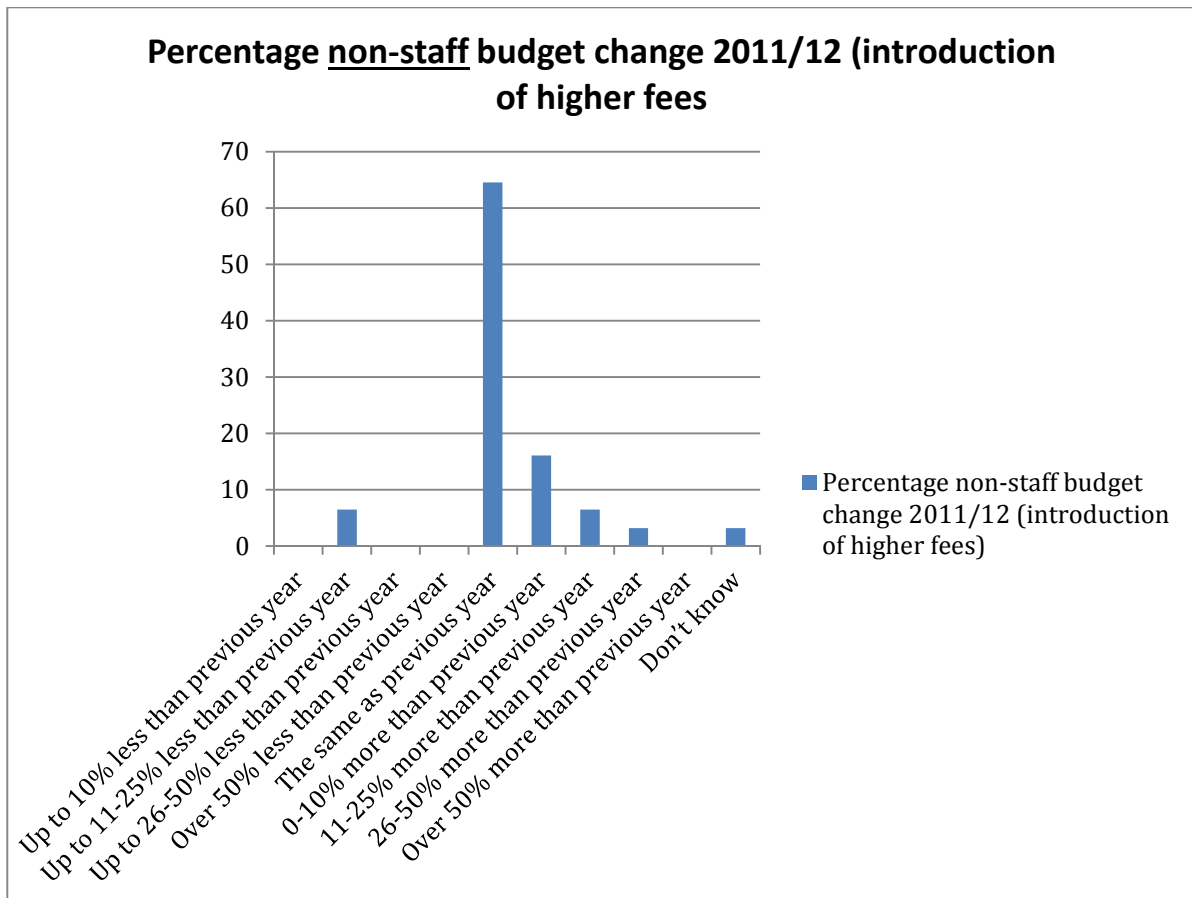


Over 74 % of respondents had worked in marketing in the commercial sector, with the above sectors being prevalent. The others category was too diverse to properly summarise.

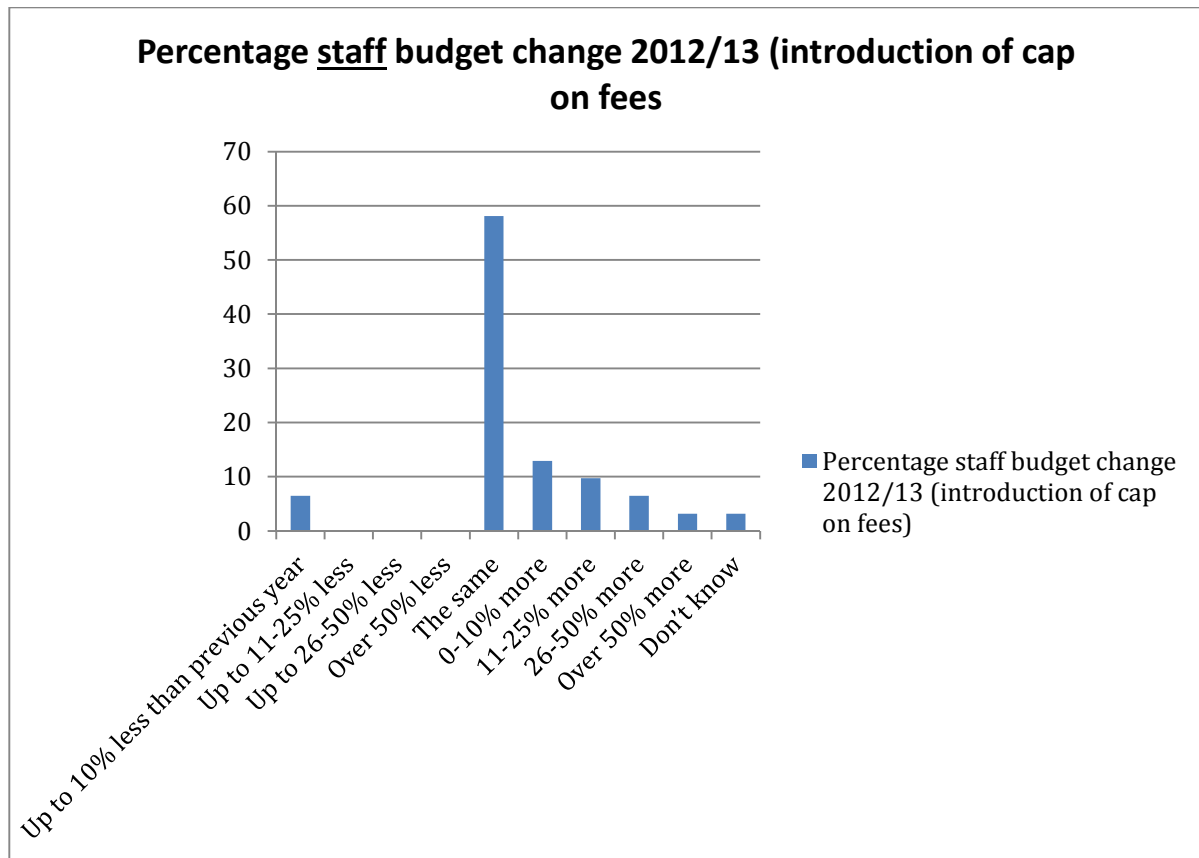
Respondents were also asked if they had budgetary responsibility. Over 78% had responsibility for staff budgets, and almost 84% had responsibility for non-staff budgets. In both cases over 50% of respondents have had this responsibility for over 4 years.



In the year higher tuition fees were introduced, staff budgets 'were largely the same' or up a little, based on budgets from the previous year.

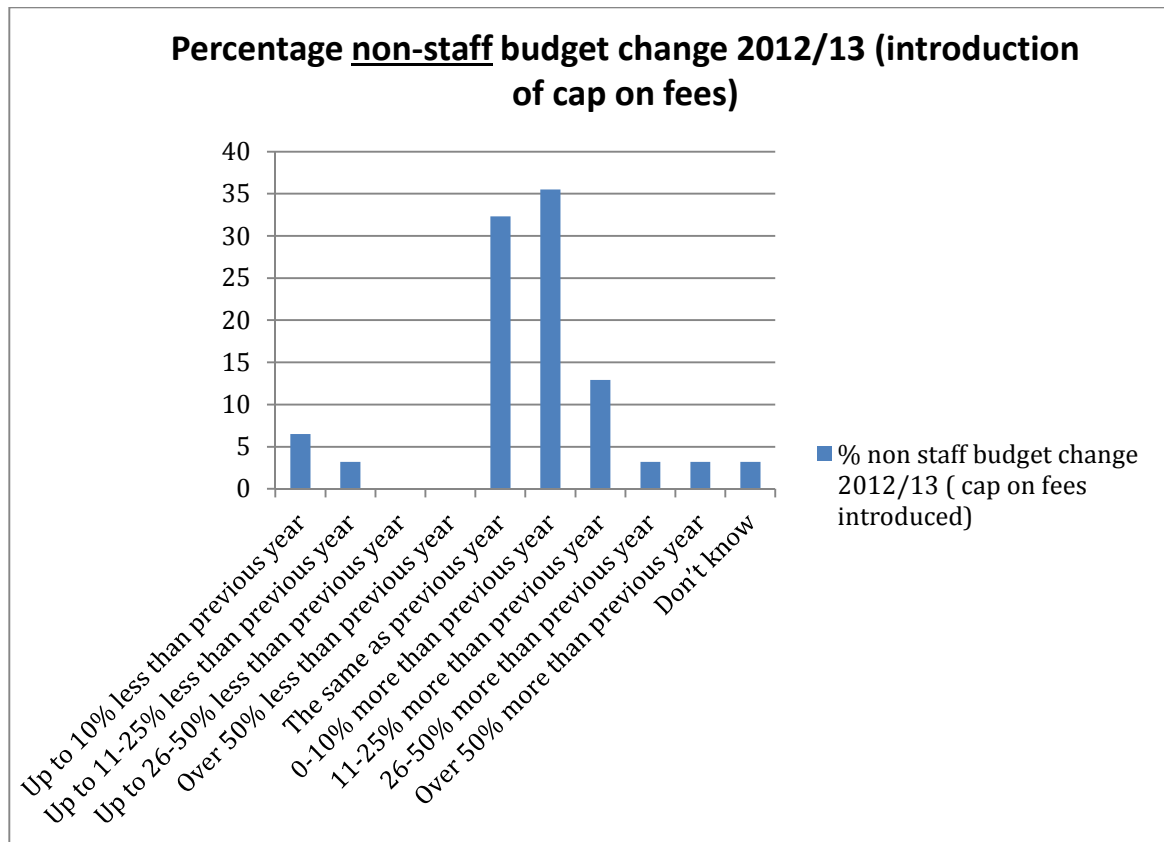


In the year higher tuition fees were introduced, the vast majority saw budgets remain the same, although a significant minority saw some increase.

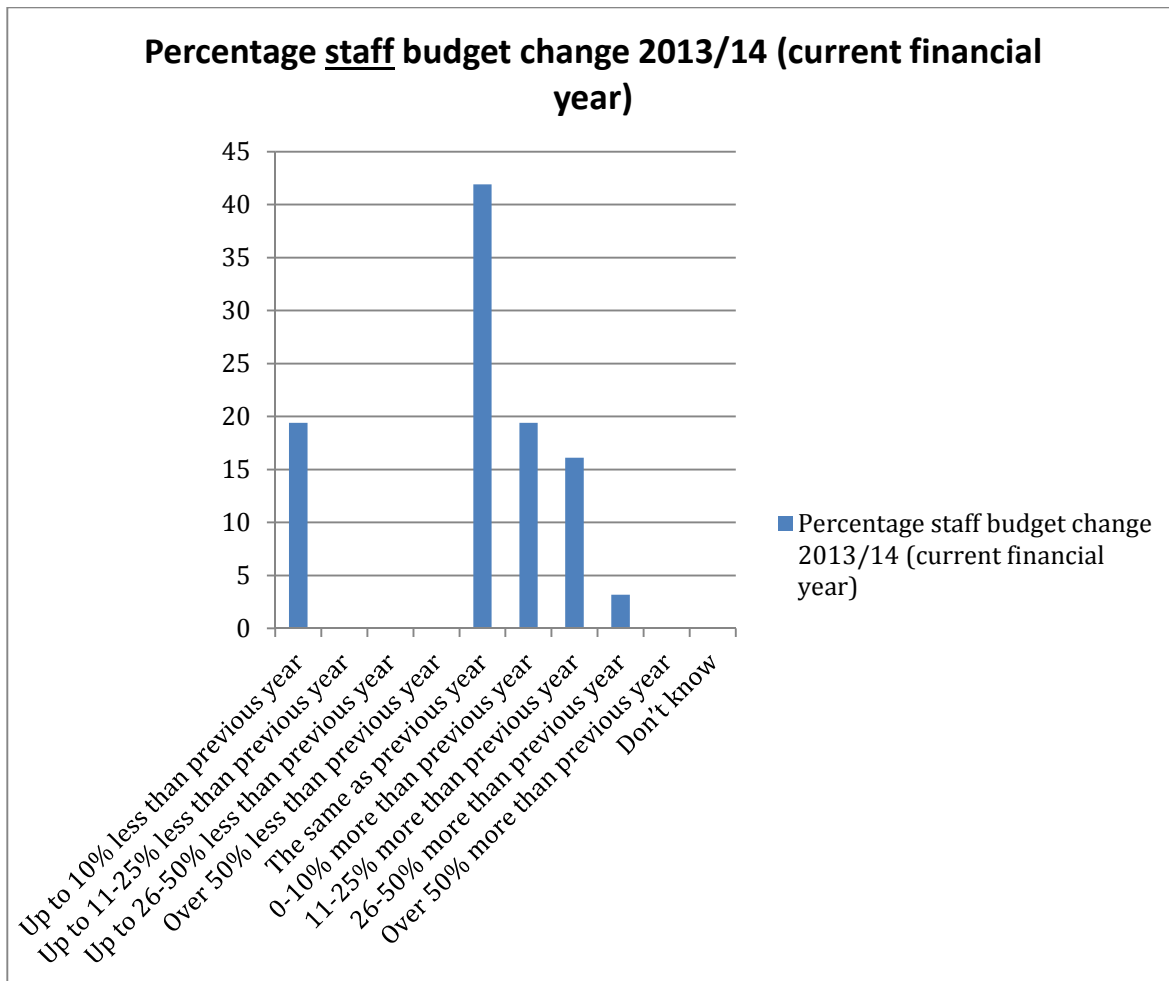


In the year that the fees cap was introduced, the majority of staff budgets remained static or increased somewhat.

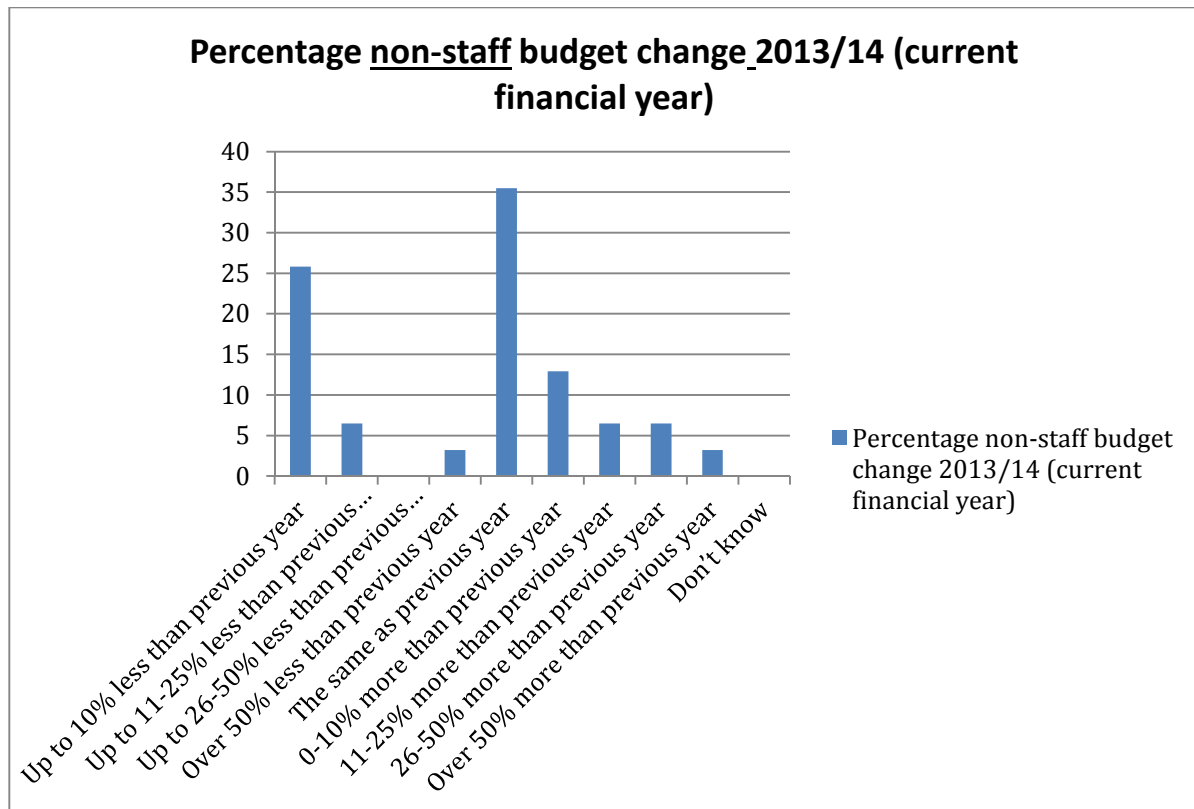




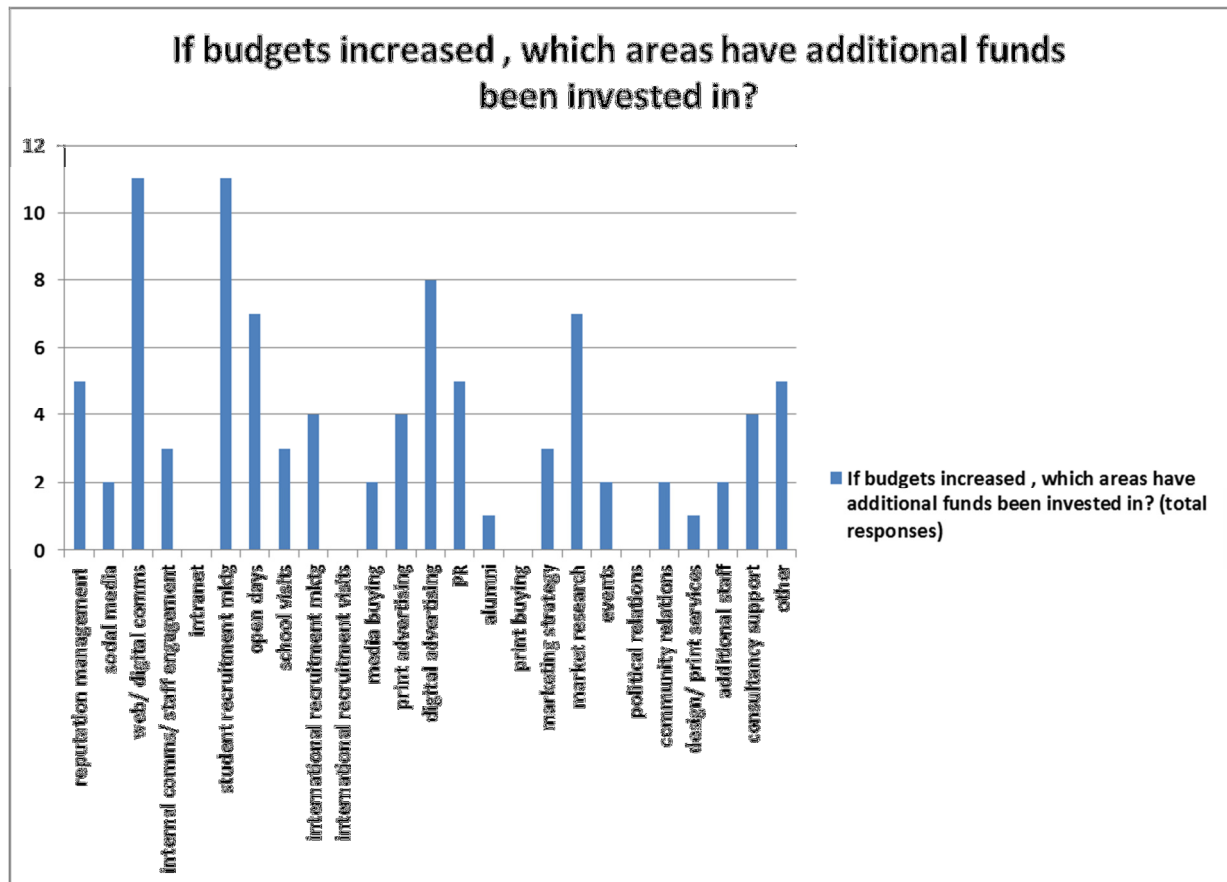
In the year the cap on fees was introduced, over 55% saw some increase in non-staff budgets



In the current year (2013/14), over 40% of respondents saw an increased staff budget, whilst 40% stayed the same.

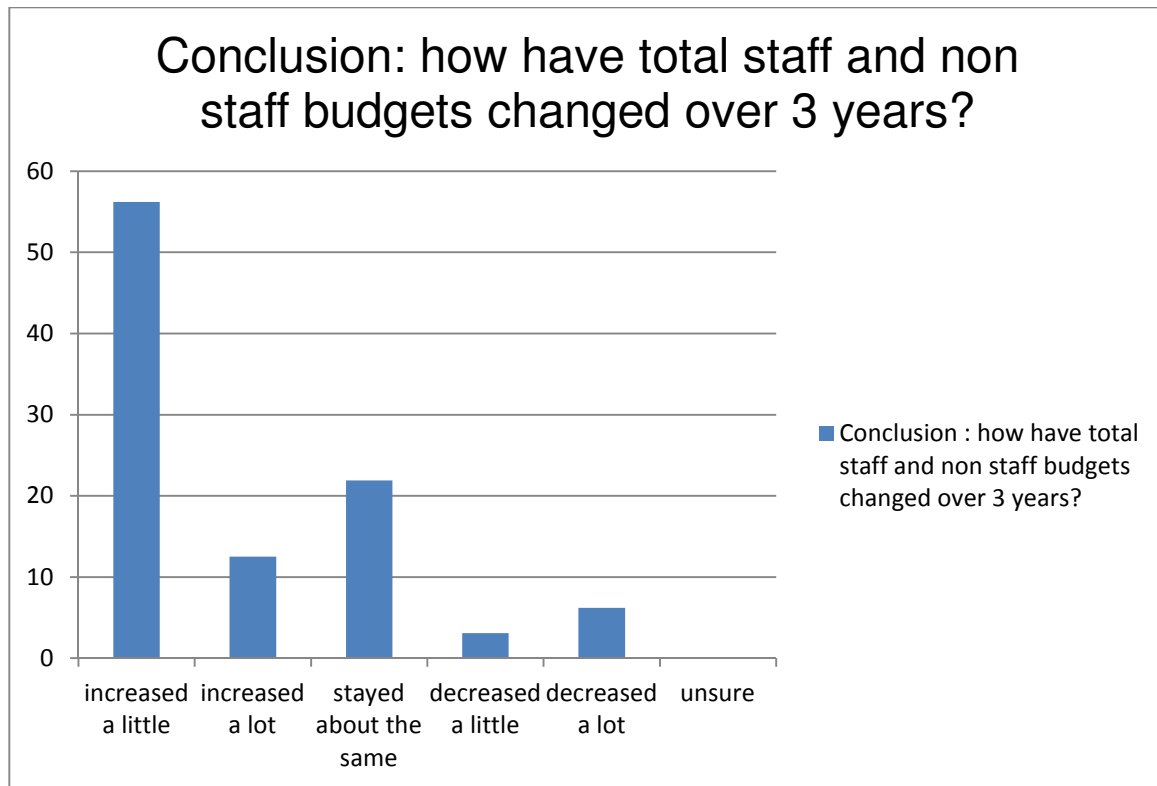


In the current year (2013/14), increased budgets were still seen by 30%. However there was a roughly even split in this year as 35% saw static budgets and 30% some fall.



Additional one off marketing budgets had been secured by 80% of respondents. These were spent on a wide range of communications tools as demonstrated above. Particularly evident were digital communications, web projects, digital advertising, student recruitment marketing and marketing research.

(This broad spread of tools was roughly replicated in an earlier question asking which marketing communications tools the respondents used).



In conclusion, over 56% of respondents said their budgets had increased a little over the last 3 years, and over 12% said they had increased ‘significantly.’ Less than 10% said they had seen a decrease. This indicates a measured increase in marketing budgets over the three year period.

## 6 Quantitative research conclusions – key points

### **Experience and responsibility**

- Of our sample almost 75% have commercial experience and over 80% have direct budgetary responsibility. 75% have had this budgetary responsibility for over two years.
- Our sample has responsibility for a comprehensive range of marketing communications, with social media, reputation management and PR being the mostly commonly cited.

### **Budget trends**

- ‘Staff budgets’ were largely the same or up a little in 2011/12, but in 2012/13 they seemed to increase more, with over 25% seeing an increase (and a few over 50% higher!). In 2013/14, this trend of improved budgets continued, with over 40% of respondents seeing an increase and 40% staying the same.
- ‘Non-staff budgets’ generally saw bigger rises than staff budgets. In 2011/12 60% had static budgets and over 25% had increased budgets, but in 2012/13 over 55% saw some budgetary increase; a significant figure. By 2013/14 increased budgets were still seen by 30%. (In this year 35% had static budgets and 30% had seen some fall).
- Overall, it seems that 2012/13 (when the cap on fees was introduced) was the year of most significant increases in overall budgets, with 2013/14 seeing more modest increases and some falls (Obviously all increases/ decreases are on the previous year’s budgets).
- Over 80% of respondents have secured additional funds. These have particularly been used for digital communications, web projects, digital ads student recruitment and marketing research.

In conclusion, this quantitative stage should be viewed alongside qualitative insights in the first part of this study, but a number of specific headline conclusions are apparent:

- 69% of respondents said their total (staff and non-staff) budgets had increased over the last 3 years, 56% stated they had increased a little and 13% of budgets had increased significantly. Less than 10% said they had seen a decrease.
- Clearly marketing budgets have risen as fees have driven increased marketisation. It is interesting however, that non staff budgets have seen the most significant increases, and that 2012/13 (when the fees cap was introduced) was the year with the greatest increases of the three years surveyed.
- The inevitable conclusion seems to be that, whilst there are obviously pressures on university finances (evidenced by a few institutions with falling budgets), for the great majority of UK higher education institutions investment in marketing (particularly non-staff budgets) is important and continuing.

Further copies of this report are available from:

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