Building brands for universities

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Motivated by the difficulties that the German higher education system currently faces, my research is concerned with the status of German universities in the national and international educational market and the necessity for German universities to improve their position as successful players in this market.

Internationalization, the possibilities of virtual education, a trend to modularization, commercialization and multi-channel-utilization, and the necessity of life-long learning confront the German higher education system with a situation that has before-hand only been known for other parts of the world: market structures, and along with them the consequences of a market, namely, increasing competition, the need of a customer perspective for universities, evaluation of educational offers by the customer, and the question of efficiency.

The classical German university is not ready for such developments: financed by the government in a budget-based system, a university did not have the need to worry about efficiency, student numbers or the performance of their employees, namely the professors. However, the government sees no possibility to maintain the current system financially, and has pressed for a reformation of the system with the following main points:

– strengthening of university management to more internal responsibility;
– evaluating performances and outputs in teaching and research;
– shortening study times and adopting the Bachelor/ Master System;
– encouraging competition and the development of unique profiles of universities.

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Within this framework, universities have the duty and the possibility to influence their future identity by actively creating a unique profile that allows them to take their desired position in the international educational market. This can be managed by building a university brand.

My research question is therefore: Which characteristics constitute a university brand, and how does a university build and influence its brand?

Based on the concepts of marketing and branding for service providers, I analyze which characteristics constitute a university brand, and how these characteristics can be utilized and influenced by the university in order to create a brand for itself. The analysis is based on research in the areas of marketing and branding, psychology, and the educational field. The application of marketing and branding principles on the special situation of the university will result in a theoretical concept for branding of universities. This concept is then applied to a number of universities for verification.

First, the basic principles of marketing and branding are introduced. The characteristics of services, immateriality, inseparability of production and consumption, heterogeneity, and perishability, make their marketing and branding special, as there is no physical product that can be marketed. Instead, the marketer has to give other than physical value to the consumer and to communicate the value. A service brand is often used to reduce the risk associated with the purchase of the service. Associated concepts are the concept of identity and of image: while the identity is the intended presentation of a good or an organization, it is its image that is perceived by the consumer, influenced by the organization's appearance, media, peer groups and the public. The organization has to aim for the highest possible congruence of identity and image.

Research has been conducted in the marketing of universities, both internationally and for German universities. Mostly, this research is in the area of strategic marketing and student admissions. No systematic research has been done on university brands until now.

Following the concept of marketing and branding, I conduct an analysis of the market, the competitive situation, the inside of the institution, and the customers. This analysis is on a general level and does not consider specific institutions, but rather intends to show common institutional issues in branding universities.

There are a number of special characteristics which make the branding of universities more complex. Two examples are given in the following.

A university is not simply a service provider, but operates in a complicated system of different markets: the knowledge market, the education market, and the employment market. For each of those markets, the university competes with different competitors, has different customers, and has very different interests. In the employment market, e.g., the university acts both as a supplier and demander; a supplier for graduates, and a demander for researchers and administrative personnel.

Furthermore, there is a strong conflict between institutional and personal interests in a university: a researcher conducts her/his research for her/his own career interest and reputation, whereas the university as financing institution has an interest in using the reputation for its overall reputation. In this conflict of interests, the right incentive structures have to be found.

The analysis of the university environment will result in a number of factors relevant for a university brand. These will partially be objective service characteristics, such as quality of studies or research, infrastructure, etc., and partially perceived characteristics, such as reputation of the institution in the public and in the peer group, etc.

The development of possible strategic goals in marketing and branding for universities is based on the analysis and gives different possibilities, given the actual situation of an institution. It considers factors such as geographic reach, research vs. teaching, areas of research, and others relevant for developing a strategic marketing and branding plan. For example, given that a university wants to serve a small region, what are strategic goals for that university? Based on the strategic plan, possible means of reaching the strategic goals are developed. The operative plan is sketched out but will not be developed in detail, as this is not possible on a general level and can only be done for the individual university.

A number of international university brands will be observed. According to their strategic goal system, the brand characteristics and the quality of their implementation will be analyzed.

In a last chapter, the findings are summarized and further steps suggested. Although my research is mainly focused on German universities and the situation in the German educational system, the work should identify basic rules of university branding which I expect to be applicable to all universities and other institutions on the education market. The final chapter will also give an overview of open research questions in the area of university branding.