Students' Perception on Integrated Marketing Communication of Private Higher Education Institutions in Lao PDR

This paper discusses private higher education institutions students' perceptions on integrated marketing communication (IMC). Data were collected from a survey of 211 students across five private colleges in Lao PDR. The findings suggest that contrary to previous research, Lao PDR students perceive the five IMC elements similarly. Moreover, gender, linguistic classifications, and place of origin influence perceptions of IMC. By way of contrast, student age and family members related variables are non-significant contributes. Sales promotion is regarded as the most effective IMC tool in the Lao educational market, followed by personal selling, public relations, direct marketing and advertising. The paper concludes with policy implications for the tertiary sector.

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Keywords: Integrated marketing communication, Students’ perception, Advertising, Sales promotion, Public relations, Direct marketing, Personal selling.

INTRODUCTION

With the rapid growth of private higher education in Lao PDR, marketing forces have played an increasingly important role in private higher education. Most private colleges find themselves in a highly competitive environment as they try to offer similar educational services. This market condition makes it difficult for customers to differentiate one from another, especially when the majority of private colleges are located in the same geographical area of Vientiane Capital, where this research was predominantly conducted. To compete with each other, most private colleges use various types of business strategies, including integrated marketing communication to communicate with their clients.

Marketing communication is defined as an organisational function and a set of processes for creating, communication, and delivering value to customers and for managing customer relationships in ways that benefit the organisation and its stakeholders (Paul, James & Donnelly, 2011).

This paper presents the findings of students’ perception on Integrated Marketing Communication (IMC) of private colleges in Lao PDR, with a focus on five (5) IMC elements: advertising, sales promotion, direct marketing, public relations and personal selling. The findings of this study suggest that overall, Lao PDR students perceive the elements of IMC similarly. These findings differ with those of other studies as follows. Messah, (2011) ascertains that advertising through print media,
newspaper, brochures and alumni networks plays a critical role in enhancing student enrolment. Mazzarol and Soutar (2002) emphasise reasons influencing students choice of a university, including family decision, social links and geographic proximity, cost issues and environment. Binsardi and Ekwulugo (2003) assert that the best way to attract more students is educational standard, lowering tuition fees and promotional variables such as providing scholarships, giving quality care and services.

As the private education market has continuously expanded, the competition among private colleges is intense. The competition has been strong in terms of resources for teachers/lecturers, buildings, other facilities for teaching and learning process and students activities in order to provide the best education services and to gain students satisfaction (Ministry of Education, 2000). Consequently, private colleges have to develop their own strategies, including communication, providing discount on tuition fees for family members, offering scholarships for outstanding students and providing free internet access. However, the literature on IMC of private colleges in Lao PDR context is very limited. Much of this literature, is from the Western higher education context (Kotler & Fox 1985; 1995, Kittle, 2000; Schultz & Schultz, 2004; Edmiston-Strasser, 2009; and Paul, James & Donnelly, 2011). Other studies although limited, have also discussed the effect of stakeholders’ perception (Kliatchko, 2008), organisational culture and structure (Schultz, 1991; and Wingtam, 1999) on IMC. In the Lao educational context available literature mainly focuses on teacher education and education management in the public sector (Noonan & Xaiyasensouk, 2007; Sundgre, 2008; The World Bank, 2008; and Kittiphanh, 2011).

Although Lao PDR government promotes private investment in education, not much research has been done in a private education sub-sector, especially in marketing research. Consequently, many private colleges do not effectively promote themselves because of improper marketing planning, inexperience and lack of a marketing communication plan.

While private colleges have been striving to satisfy students with the aim of keeping existing students and attracting prospective students, it seems that in the Lao higher education context, from both academic and practitioners’ perspective, they lack an understanding on marketing communication
strategies. Thus, this research will fill the gap on the practices of IMC strategies implemented by private colleges. The study will also uncover effective educational marketing communication strategy for higher education institutions in Lao PDR. This then raises the following main research question:

- How do students in Lao PDR private higher education perceive integrated marketing communication?

IMC practiced in the Lao PDR market and economic context is relatively new among private, public institutions and in academic circles. This is the first research in Lao PDR that focused on the practice of IMC in private higher education institutions. Therefore, this qualifies this investigation to be original. Additionally, this study is a major contribution to the literature in marketing higher education in developing countries. As being among the first of IMC research in the Lao educational market, this study will further open up new lines of future research possibilities. Finally, findings from this study will assist the educational marketers in Lao PDR to better understand the concept of IMC. Thus, policy makers in private education will benefit from this research, as well as promoting the growth in trade education in Lao PDR and regional economic development.

**LITERATURE REVIEW**

Communication strategies in higher education sector are different from those in the business sector for various reasons. One important aspect is its nature of intangibility (Messah, 2011), which compares to other services. Messah (2011) found that direct marketing influences student enrolment. Amiso (2000) reveals that public relations play an important role in improving higher education institutions’ image and in attracting students. Thus, this can be an essential tool in marketing strategies. The literature suggest that family members, especially parents are considered to be the most influential factor on student college decision making and information sources (Mazzarol & Soutar, 2002; Messah, 2010; Pampaloni, 2010). Mazzarol and Hosie (1996) argue that education can be classified as “soft” service, where the specific nature of the service offering is difficult to define. This implies that marketing of higher education is a professional service which requires special treatment. Mazzarol and Soutar
(2008) suggest that key success for an educational institution is to have a coherent strategy that enables the institution to position its offerings effectively to target market segments.

The goal of IMC is to develop marketing communication programs that coordinate and integrate all elements of promotion, advertising, sales promotion, personal selling and publicity so that the organisation presents a consistent message (Paul, James & Donnelly 2011). Kotler and Fox (1995) maintain that most educational institutions use marketing communication, namely, public relations, marketing publications and advertising. In this research IMC elements include advertising, sales/education promotion, direct marketing, personal selling and public relations. This research, thus, focuses on the way in which the concept of integrated marketing communication (IMC) fits in and can be implemented in education business in the Lao PDR contexts.

THEORETICAL FRAMEWORK

The IMC model is constructed based on the literature on marketing educational services (Kitchen, Brignell, Li & Jones 2004; Oplatka, 2004; Kitchen, Kim & Schultz, 2008; and Messah, 2011). This framework is also developed based on the theory of IMC established by various authors (Kotler & Fox, 1985, 1995; and Paul, James & Donnelly, 2011). The framework is summarised in Figure 1. This structure defines independent and dependent variables. The independent variables include stakeholders and organisational factors while the dependent variables refer to IMC elements.

This research explores how students perceive five elements of IMC comprising of advertising, sales promotion, public relations, direct marketing and personal selling. They were requested to clarify their perception on how IMC aspects are significant in communication with customers. From the results, IMC tools will be identified and how they will relate to each IMC element.
RESEARCH METHODOLOGY

A quantitative approach was adopted to investigate students’ perception on the adoption of IMC strategies by private colleges in Lao PDR. There are two stages in this study. The first stage involved a pilot study, where a survey questionnaire was designed and distributed to 30 students and 3 experts in the area of IMC. This was to test the reliability and validity of the questionnaire. The survey questionnaire mainly consisted of four parts: personal information of the participants, students’ perception on integrated marketing communication of private colleges in the Lao PDR, hypothesis testing and students’ additional comments and suggestions. A five point Likert scale was used to measure students’ perception on IMC. The results of the pilot study indicated 1.00 on item objective congruence meaning that the survey questionnaire is both construct and content valid. The reliability of the survey questionnaire was also tested through the use of Cronbach’s Alpha Coefficient method. The results showed 0.96 on reliability (see Table 1). After the pilot study, the final survey questionnaire was refined based on the comments received from both students and experts.

During the second stage, the final questionnaire was distributed to 250 students from five private colleges in Vientiane Capital. These colleges were willing to provide the information on marketing communication of their institutions. Additionally, these colleges have good reputation, had been established for over seven years and the students numbers had dramatically increased in each academic year. Formal letters were sent to five private colleges’ directors, requesting approval to conduct surveys at their institutions. After the researcher obtained the responses from them, and ethics clearance at RMIT University, private colleges’ officers were requested to distribute the questionnaires to 50 students from each school. The data was collected between 23 April and 08 May, 2013. However, 211 of these questionnaires were usable. Descriptive and Inferential statistical techniques (t-test and One-way ANOVA (Analysis of variance)) were conducted to examine the significant mean differences among students on an interval or ration scale dependent variable (Cavana, Delahaye & Sekaran, 2000; Zikmund, Babin, Carr & Griffin, 2010; and Pallant, 2011).
RESULTS AND FINDINGS

Overall Students’ Perception on IMC

As indicated in Table 2, overall, students’ perceive IMC of private colleges in Lao PDR similarly (agree) ($\bar{X} = 4.03, \text{S.D} = .38$). When examining all elements of IMC, the results show that all aspects are categorised in an agree level, with mean scores ranging from the highest to lowest, as follows: sales promotion/education promotion ($\bar{X} = 4.13, \text{S.D} = .51$), personal selling ($\bar{X} = 4.06, \text{S.D} = .60$), public relation ($\bar{X} = 4.04, \text{S.D} = .47$), direct marketing ($\bar{X} = 3.97, \text{S.D} = .61$) and advertising ($\bar{X} = 3.94, \text{S.D} = .50$).

Students’ Perception on IMC by Gender, Age, Family Members, Language and Place of origin

The results of the students’ perception by various characteristics focus on the following hypotheses.

**Hypothesis 1:** There is difference among students from different genders when it comes to their perceptions on IMC of private higher education institutions in Lao PDR.

**Hypothesis 2:** There is difference among students from different age when it comes to their perceptions on IMC of private higher education institutions in Lao PDR.

**Hypothesis 3:** There is difference among students from different number of family members when it comes to their perceptions on IMC of private higher education institutions in Lao PDR.

**Hypothesis 4:** There is difference among students from different linguistic classification when it comes to their perceptions on IMC of private higher education institutions in Lao PDR.

**Hypothesis 5:** There is difference among students from different place of origin when it comes to their perceptions on IMC of private higher education institutions in Lao PDR.

Five hypotheses were tested in order to understand students’ perception on IMC of private colleges in Lao PDR. The key variables include gender, age, number of family members, linguistic classification and Place of origin. Independent sample $t$-test was used to test hypothesis 1 (gender) and hypothesis 4 (linguistic), the difference between mean scores of two groups of students gender (e.g. male and
female) and linguistic (Lao speakers and others speakers). One-way ANOVA (Analysis of variance) was used to identify the difference between more than two groups of dependent variables and one independent variable. In this study, One-way ANOVA was used to test hypotheses 2 (age), 3 (family members) and 5 (place of origin), difference in mean scores of students’ perception from different students’ general backgrounds. The results are summarised in Table 3.

Hypothesis on students’ perception on IMC according to genders (H1) show, no statistical significance (t=-.93, p=.35) on the overall IMC. When all elements of IMC were further examined, it was found that the levels of the students’ perception regarding IMC do not statically differ significantly. However, female students score higher than male students. Thus, it can be concluded that different genders have different levels of perception on IMC of private colleges in Lao PDR.

The perception of IMC on age (H2) and family members (H3) demonstrates no statistical significance. When examining all elements of IMC, it was found that the levels of the students’ perception regarding IMC do not differ significantly on statistics. Linguistic classification (H4) and place of origin (H5) influence students significantly on IMC. It is apparent that in general, hypothesis on students’ perceptions on IMC according to linguistic (H4) had statistical significance (t=3.41, p=.00) in overall IMC. When examining each elements of IMC students’ perception differ significantly at the 0.05 level (p<.05) between Lao speakers and other language speakers on three elements, namely, advertising* as an IMC tool to communicate with students (t=3.32, p=.00), sales promotion/education promotion* (t=2.40, p=.02) and direct marketing* (t=3.77, p=.00). Thus, Lao speakers score higher than other speakers (see Table 3).

Interestingly, the test of hypothesis (H5), shows that students from the Northern provinces differ from those from the central provinces (F=3.49, p=.02). When examining public relations, the results show that all aspects of different place of origins are in an agree level, as follow: The level of students’
perception from the Northern provinces is highest ($\bar{x}=4.17$), following by Southern province ($\bar{x}=4.10$), and Vientiane Capital ($\bar{x}=4.02$), and the lowest is from the central provinces ($\bar{x}=3.82$).

CONCLUSION

The students’ perception on IMC suggests that IMC exists in the Lao PDR educational context. The tertiary sector, in particular, private colleges need to understand the perception of students on IMC in order to translate them into marketing activities that would appeal and retain students. Notably, some IMC elements may have very little or no influence on students choice to study at specific college. Private colleges should examine their target markets and clients to find out each group’s communication needs and suitable IMC tools to use. Sales promotion or education promotion are considered to be the most important factors as comments from the survey highlight offering discount on tuition fee and scholarships, followed by personal selling, public relations (orientation course, official events and school visits), direct marketing and advertising (through former graduates, television, radio and Facebook).

This study shows that female students indicate higher mean scores on direct marketing than male students, as confirmed by Messah (2011). This finding suggests that different genders may require different types of direct marketing techniques. Thus, private colleges must design effective direct marketing communication to suit their target markets. Additionally, this research exhibits that students with different ages do not show significant different on the levels of perception about IMC. This result implies that all elements of IMC can be used with all age groups. Thus, it is important for private colleges to have a sound strategy to incorporate all elements of IMC (Mazzarol & Soutar, 2008).

This research found that the level of students’ perception about IMC does not differ according to the number of family members, an issue which is not supported by the literature (Mazzarol & Soutar, 2002; Pampaloni, 2010; and Messah, 2011). Moreover, this study found that students with different linguistic classifications have different levels of perception on three elements of IMC such as advertising, sales promotion/education promotion and direct marketing. Thus, the three IMC aspects can be crucial in enhancing student enrolment. This finding is consistent with Goldgehn (1991) and
Kittle (2000) that advertising plays an important role in carrying institutions’ message and can become a major element in institutions’ integrated marketing communication.

Furthermore, this study found that students from different place of origin have different levels of perception on public relations, ranging from the highest to lowest in the Northern, Southern and Central (excluded Vientiane Capital) provinces, respectively. These findings suggest that geographical location has an impact on IMC elements, implying that a specific IMC element might be effective in a certain area and target clients. In this research public relations prove to have a significant role in marketing communication for private higher education in Lao PDR. These findings are in line with (George, 2000 and Messah, 2011).

In summing up, it is evident that private higher education institutions need a well-developed marketing strategy, which involves good coordination and combination of marketing communication elements. This research has investigated students’ perception on IMC practice of private higher education institutions, and as such, findings will enable private higher education institutions to develop a more effective and efficient marketing communication strategy as well as to lay down the foundation of future research in higher education marketing communication in Lao PDR.
References


Figure 1: The Conceptual framework of this research composes of the following variables:

**Independent variables**

- **Stakeholders**
  - Directors of private colleges
  - Professional staff
  - Academic staff (dealing with IMC)
  - Parents
  - Students

- **Organizational Factors**
  - Organisation Structure
    1. Hierarchical structure
    2. Flatter structure
    3. Mixed structure
  - Organisation Culture
    1. Clan culture
    2. Adhocracy
    3. Hierarchy culture
    4. Market culture

**Dependent variables**

- **Integrated Marketing Communication**

  1. Advertising
     - 1.1 Television
     - 1.2 Radio
     - 1.3 Newspaper
     - 1.4 Internet
     - 1.5 Magazines
     - 1.6 Outdoor displays

  2. Sales promotion
     - 2.1 Coupon
     - 2.2 Price deals
     - 2.3 Refund
     - 2.4 Display

  3. Public relations
     - 3.1 News release
     - 3.2 News conference
     - 3.3 Sponsorship
     - 3.4 Public service announcements
     - 3.5 Events speeches

  4. Direct marketing
     - 4.1 Brochures
     - 4.2 Catalogs
     - 4.3 Direct response advertising

  5. Personal selling
     - 5.1 Face to face
     - 5.2 Communication
     - 5.3 Computer communication
Table 1: Pilot study: Reliability of survey

<table>
<thead>
<tr>
<th>No</th>
<th>Students’ perception on Integrated Marketing Communication of private colleges in the Lao PDR</th>
<th>(Alpha Coefficient α)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Advertising</td>
<td>0.94</td>
</tr>
<tr>
<td>2.</td>
<td>Sales promotion</td>
<td>0.88</td>
</tr>
<tr>
<td>3.</td>
<td>Public relations</td>
<td>0.91</td>
</tr>
<tr>
<td>4.</td>
<td>Direct marketing</td>
<td>0.92</td>
</tr>
<tr>
<td>5.</td>
<td>Personal selling</td>
<td>0.89</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>0.96</strong></td>
</tr>
</tbody>
</table>

n = 33 (students 30 and experts 3)

Table 2: Mean, Standard Deviation and Levels of Students’ Perception about IMC of Private Colleges in the Lao PDR in overall aspects

<table>
<thead>
<tr>
<th>Students (n = 211)</th>
<th>Five aspects of IMC influences</th>
<th>S.D</th>
<th>Level of influences</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Advertising</td>
<td>3.94</td>
<td>.50</td>
<td>Agree</td>
</tr>
<tr>
<td>2. Sales promotion/education promotion</td>
<td>4.13</td>
<td>.51</td>
<td>Agree</td>
</tr>
<tr>
<td>3. Public relations</td>
<td>4.04</td>
<td>.47</td>
<td>Agree</td>
</tr>
<tr>
<td>4. Direct marketing</td>
<td>3.97</td>
<td>.61</td>
<td>Agree</td>
</tr>
<tr>
<td>5. Personal selling</td>
<td>4.06</td>
<td>.60</td>
<td>Agree</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>4.03</td>
<td>.38</td>
<td>Agree</td>
</tr>
</tbody>
</table>

Table 3: Results of five hypotheses on five elements of IMC

<table>
<thead>
<tr>
<th>Five elements of IMC</th>
<th>H:1 Genders</th>
<th>H:2 Age</th>
<th>H:3 Family members</th>
<th>H:4 Linguistic</th>
<th>H:5 Place of origin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertising</td>
<td>t=3.93 (p&lt;.05)</td>
<td>F=1.34 (p&lt;.05)</td>
<td>F= .73 (p&lt;.05)</td>
<td>t=3.69 (p=.00)**</td>
<td>F=2.63 (p&lt;.05)</td>
</tr>
<tr>
<td>Sales promotion</td>
<td>t=4.13 (p&lt;.05)</td>
<td>F=1.26 (p&lt;.05)</td>
<td>F=1.23 (p&lt;.05)</td>
<td>t=4.15 (p=.02)**</td>
<td>F=.28 (p&lt;.05)</td>
</tr>
<tr>
<td>Public relations</td>
<td>t=4.05 (p&lt;.05)</td>
<td>F=.98 (p&lt;.05)</td>
<td>F=.30 (p&lt;.05)</td>
<td>t=4.05 (p&lt;.05)</td>
<td>F=3.49 (p=.02)**</td>
</tr>
<tr>
<td>Direct marketing</td>
<td>t=3.90 (p&lt;.05)</td>
<td>F=1.00 (p&lt;.05)</td>
<td>F=1.96 (p&lt;.05)</td>
<td>t=4.00 (p=.00)**</td>
<td>F=1.38 (p&lt;.05)</td>
</tr>
<tr>
<td>Personal selling</td>
<td>t=4.00 (p&lt;.05)</td>
<td>F=1.34 (p&lt;.05)</td>
<td>F=.75 (p&lt;.05)</td>
<td>t=4.06 (p&lt;.05)</td>
<td>F=1.33 (p&lt;.05)</td>
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</tbody>
</table>