ROLE OF NETWORK MARKETING IN EDUCATIONAL INSTITUTIONS

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ABSTRACT

The Ultimate goal of any advertising campaign is to increase the brand awareness especially with the introduction of new brands. The various attributes of brands should be properly positioned, consistent; delivering the core benefits, pricing strategy is based on consumer perceptions of value. The latest techniques of products and services promotion through the use of technology is network marketing that is becoming a popular direct marketing tool for companies and Institutes across the world. One main benefit of network marketing is inexpensive and reaches audiences within a short period of time. The research was conducted to investigate effectiveness of network marketing on brand image. The data was collected from 160 respondents by using a convenient sampling method. The questionnaire prepared by five-point Likert scale method. The outcome found that network marketing lead to a positive response towards brand awareness in educational institutions.

Keywords: Network Marketing, Service sector Brand, Brand Attributes, Brand image, Educational Institutions.

INTRODUCTION

An advance in internet technology has helped to migrate company and consumer relationships to an interactive level, where technology contributes to brand building by creating and sustaining a

long–term relationship with the customer. However, giving consumers the opportunity to voice their opinion will not always lead to positive word–of–mouth and can threaten company's good image and reputation with their consumers. The growth and evolution of the Internet, electronic peer-to-peer referrals have become an important phenomenon and marketers have tried to exploit their potential through network marketing campaigns. Network marketing can help a brand to grow quickly and cheaply, it carries more risk than that of building a brand based on relevance and relationships. This marketing strategy uses customers in a specific market to promote a product. Multiple social media formats are used in the process, which includes social networks sites such as YouTube, email communication, and many other forms of electronic media. This marketing technique on social networks and by word-of-mouth generates publicity to increase brand awareness, with the objective of using this technique being an increase in product sales through carefully designed viral processes.

STATEMENT OF THE PROBLEM

The lack of knowledge and awareness of network marketing can be counterproductive as it can create unfavourable attitudes towards services. Therefore, this problem requires more attention; its impact needs to be clearly understood by Marketing institute Managers, Institute owners, and all affiliated stakeholders of the institutes. According to the great majority of business decision–makers feels it is now much more difficult to manage the Internet, social media, and the need to respond extremely quickly are key challenges.

OBJECTIVES

- To study the network marketing in Educational Institutions.
- To identify factors influencing the use of network marketing
- To Analyse the Role of network marketing on Educational Institutes brand image..

REVIEW OF LITERATURE

In the view of **Angela Dobele (2005)**[1] the successful network marketing campaigns are comprised of an engaging message that involves imagination, fun and intrigue encourages ease of use and visibility, targets credible sources and leverages combinations of technology.

According to **Abed Abedniya and Sahar sabbaghi mahmouei, (2010)** [2] the role of social network websites which has influence on viral marketing, and the characteristics of the most influential users to spread, share viral content. Structural equation modeling is used to examine the patterns of inter-correlations among the constructions and to empirically test the hypotheses.

Antony Joe Raja V. (2012) [3] stated that how network marketing spreads rapidly with a zero cost technique of social network and the significance of employing e-commerce strategy to it. The basic characteristics includes effortless transfer to others, scales easily from small to very large, exploits common motivations and behaviors, utilizes existing communication networks, takes advantage of others resources.

Lance Porter and Guy J. Golan, (2010) [4] stated that More than traditional advertising, Viral advertising relies on provocative content to motivate unpaid peer-to-peer communication of persuasive messages from identified sponsors. While emotive content has always been the key to capturing audience's attention in advertising, viral advertising relies on increasingly raw content for actual distribution.

According to **Maria Woerndl, (2008)** [5] five type of network marketing factors that may critically influence the success of viral marketing campaigns are identified. These factors are the overall structure of the campaign, the characteristics of the product or services, the content of the message, the characteristics of the diffusion and the peer-to-peer Information contents.

According to **Patrizia Grifoni (2012)** [6] a mix of methods (M-marketing, social networks, viral marketing etc) to create awareness for the company's brand, products and services. It provides a theoretical framework involving elements and factors important for the planning of an on-line viral marketing campaign.

USE OF SOCIAL MEDIA TO RAISE BRAND AWARENESS

Commercial organizations quickly adopted Short Message Sending to reach their customer base and may have used social media to raise brand awareness and increase engagement with their customers. Singapore universities adopting social media to increase engagement with their students using a competition as the incentive. Students were asked to like the page and post a

comment (thus increasing likes and engagement). They then had to share this comment on their own page and encourage friends to like it, further increasing engagement and awareness.

A REVIEW OF NETWORK MARKETING STRATEGIES USED IN EDUCATIONAL INSTITUTIONS.

The internet marketing literature suggests that there are variety of possible options that can be used, such as direct email, search engine registration, banner, pop-up and rich media advertising, public relations, promotions, cross-media advertising etc.

Direct email is being used as an effective, inexpensive and easy way to target potential customers. As potential students are essentially the potential customers of educational institutions, personalized direct email can also be used to target these students in an ongoing manner with specific and relevant information concerning the degree they might wish to study. Direct email campaigns can either be carried out in–house or outsourced to specialized email marketing organizations. If they are carried out in house considerations should be made whether the educational institution has the capability, in terms of staff and network infrastructure, to respond to the anticipated volume of emails or follow up queries. Failures to provide adequate prompt and personalized replies may have serious consequences not only lose trust and commitment but also pass on the negative experience and impressions to others via viral marketing. At best the education institution should engage in a continuous email dialogue with prospective students until their degree related queries have been satisfied. This dialogue will help build a degree brand. Providing query email addresses and giving email queries high priority is important as it establishes trust in prospective students. This is likely to improve the response rate of potential students to email marketing campaigns.

IMPORTANCE OF NETWORK MARKETING FROM BUSINESS AND CONSUMER PERSPECTIVES

In India, the importance of network marketing has increased substantially once again, According to an internet – based survey 'Trust, Value and Engagement in Advertising' repeatedly carried out by the market research institution Nielson for the first time in 2007 and then in 2009, over 25,000 Internet users surveyed from 50 countries primarily trust in the recommendations of other consumers (90 percent) and in consumer opinions published online (70 percent). Traditional media such as newspapers (61 percent), television (61 percent) and radio (55 percent) are

mentioned, but they trail significantly behind inter-personal communication (The Nielson Company, 2009)

Customer trust and satisfaction are determinants of positive word of mouth and customer loyalty. 'Customers continue to purchase those products with which they are satisfied and in telling others about particularly pleasing products, they may influence the brand perceptions of those with whom they communicate' (Richins,). More and more people nowadays based their attitudes forming in the emotional factor created by the word of mouth, so this could be a further factor of word of mouth increase (Yu and Dean, 2001)

Opinion published online concerning products, brands and companies are also increasingly gaining influence among consumers. Thus, the Allensbach Computer and Technology Analysis (ACTA) 2008 shows that 98 percent of the approxiamately 40 million private internet user regularly rely on the Internet for product search, primarily on price comparisons and information on the websites of the manufacturers and the valuation portals. Further, a total of 48 percent of internet users also consider the comments of other users and messages in forums in the process of deliberating a purchase, and these sources are assigned a much higher credibility than the websites of suppliers – again confirming the benefits of the word of mouth (ACTA, 2008).

CONCEPT OF BRAND IMAGE

The brand image is special because it explicitly and unambiguously represents an organization as well as a product and services. Change, driven by technology, market trends, and innovation of every type, is accelerated by the Institute media strategy. Institute brands and their reputations are important assets in enabling organisations to exploit opportunities and mitigate threats. Branding and reputation-building are key resources that allow an organization to be successful over an extended period. Today, it is crucial for marketers to listen and understand how the Institutes brand fits consumer lives and lifestyles. The managing of Institute brands needs a different approach to classic line branding. This means that while individual line branding primarily focuses on consumers and distributors and few staff interact with consumers, consumers in fact assess the brand's values from advertising, such as network marketing campaigns, packaging, distribution, and the people using the brand. The use of the entire integrated marketing communications mix is used to create brand image and reputation, including internet and social network marketing.

BENEFITS OF NETWORK MARKETING

One important benefit of network marketing is relatively inexpensive in comparison to many other forms of advertising and marketing campaigns. The other major benefit of network marketing is it reaches the audiences within a short period of time as messages spread exponentially at a fast speed. This rapid diffusion can significantly boost the speed of the adoption of the marketed product or service. Network marketing makes use of peer-to-peer transmission. In addition, network marketing can help achieve substantial audience reach as marketers get access to diverse audiences through social contacts and can profit from effective targeting.

Table 1: Potential benefits of Network Marketing

Sl.No.	Category	Benefit
1	**Financial**	Inexpensive
2	**Diffusion speed**	Reaches audience within a short period of time
		Rapid, fast diffusion
		Boosts adoption speed
		Exponential
3	**Peer-to-peer transmission**	Voluntary transmission by sender
4	**Audience reach**	More effective targeting
		Access to diverse audience through social contacts

Source: Internet-induced marketing techniques

SERVICE SECTORS PRACTICE OF NETWORK MARKETING

Network marketing is the set of techniques used to spur brand users, game participants, or advocate consumers among the target group to promote their favourite brand to friends and relatives. They are put to work to spread the word about the brand or product by using e-mail, SMS, 'tell or send to a friend' buttons, or other referral tools on websites. As with viruses, network marketing strategies take advantage of rapid multiplication to explode the message to thousands or millions of 'victims.' Network marketing campaigns work best between groups with strong common interests, which implies that these campaigns allow marketers to spread

selective messages to selective groups. By using network marketing tactics carefully, marketers may avoid negative reactions and gain an excellent return on investment, increasing the reach of a marketing message to a targeted group that is much larger than the audience originally covered.

RESEARCH METHODOLOGY

Research was conducted to collect data from Institutes operating in different areas. Primary data were collected from 160 respondents and private Institutes were targeted for this study. Since a suitable sampling frame was available, from which to draw a probability sample, convenient sampling approach was used to select respondents. A mixed approach of qualitative and quantitative techniques was used to collect primary data. Questionnaires were hand-delivered to 160 respondents with interviews conducted.

RESULTS AND DISCUSSION

A survey was conducted with various Institutes from different areas in Chennai consisting of a total sample size of 160.
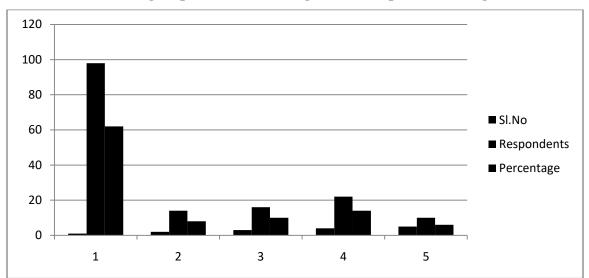
Chart 1: Network Marketing helps to build a strong relationship with the target customers.

The results illustrated in Chart 1 show that most of the respondents 98 (62 percent) strongly agree that viral marketing is used to build a strong relationship with the target customers. 14 (8 percent) agree, 16 (10 percent) neutral, 22 (14 percent) disagree and 10 (6 percent) strongly disagree to the statement.

Chart 2: Network Marketing Gives Customers Freedom to Talk about the Institutes.

Inference

Chart 2 indicates, more than half of the respondents 91 (57 percent) strongly agree that viral marketing gives customer's freedom to talk about their Institutes.22 (14 percent) of the respondents agree with this statement, 16 (Ten percent) are neutral, 17(11 percent) disagree, and 14 (eight percent) strongly disagree.
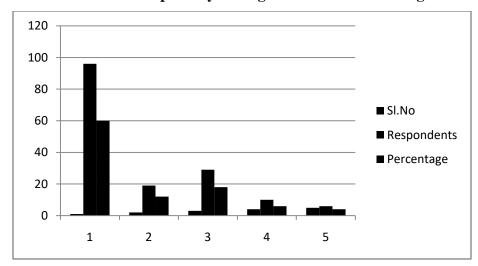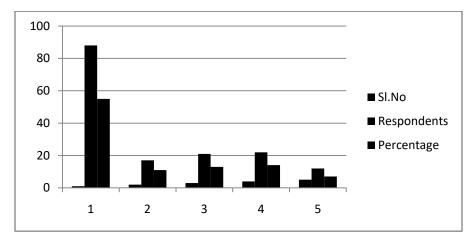
Chart 3: Institutes Gains More Popularity through a network Marketing Platform

Inference

Chart 3, illustrate that 96 (60 percent) of the respondents strongly agree that their Institutes gain more popularity through the use of a viral marketing platform. 19 (12 percent) agree with this statement, 29 (18 percent) are neutral, 10 (six percent) disagree, and 6 (four percent) strongly disagree
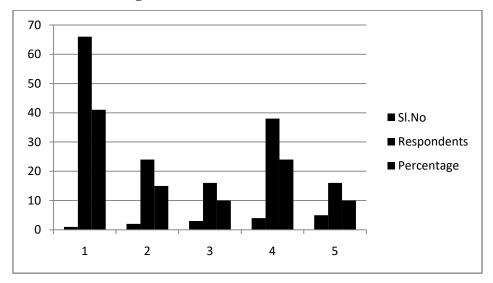
Chart 4: Network marketing creates More Awareness and More Popularity about Institutes Brands

Inference

As shown in Chart 4, 88 (55 percent) are strongly agree regarding the statement that marketing creates awareness and more popularity about their Institutes brands. A small percentage 17(11 percent) agrees, 21(13 percent) neutral, 22 (14 percent) disagree and 12 (7 percent) strongly disagree.

Chart 5: Information and Brand Reputation about Our Institute has Increased due to the Use of network Marketing

Inference

The results, as shown in Chart 5, illustrate that 66 (41 percent) of the respondents strongly agree and 24 (15percent) agree that information and brand reputation about their

companies have increased due to the use of viral marketing. 16 (10 percent) of the respondents are neutral, while 38 (24 percent) disagree and 16(10 percent) strongly dis agree.

FINDINGS

- Majority of the respondents 98 (62 percent) are strongly agree regarding the statement that net work marketing has helped to build a strong relationship with the target customers.
- More than half of the respondents 91 (57 percent) strongly agree that network marketing gives customer's freedom to talk about their Institutes.
- It is observed that 96 (60 percent) of the respondents strongly agree that their Institutes gain more popularity through the use of a network marketing platform.
- Majority of the respondents 88 (55 percent) are strongly agree regarding the statement that network marketing creates awareness and more popularity about their Institutes brands.
- It is observed that 66 (41 percent) of the respondents strongly agree that information and brand reputation about their companies have increased due to the use of network marketing

LIMITATIONS

This study did not cover all institutes located in Chennai City. It was limited to only private colleges depend on network marketing. Therefore, the results of the study cannot be generalized to all Institutes in India

RECOMMENDATIONS

Marketing managers should encourage their Institutes to fully utilise network marketing with the aid of social networking websites and other social media outlets such as Face book, Twitter, LinkedIn, and individual blogs.

Institute Marketing Managers must notify target customers/users about the Institute social network websites to minimize negative comments.

Institute newsletters should also be supplied to communities in order to teach them about good communications ethics, including communicating through websites.

CONCLUSION

Network marketing is a marketing technique which uses pre-existing social network to spread a marketing message creating the scope for exponential growth by the exposure of the message. Network marketing builds a strong relationship with their target customers it will increase their brand awareness. The use of new technologies, such as social media and social network marketing, is rapidly growing in India in both the business and service sectors. Institute Marketing Managers, directors, owners, and all affiliated stakeholders should be made aware of the value of network marketing in promoting their business. Less Cost benefits and short time advantages of using network marketing as a promotional tool for strengthening the Institutes brand must be clearly understood.

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