The Impact of MOOCs to the Marketing Mix in Higher Education

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INTRODUCTION

According to NetMBA's website (http://www.netmba.com/marketing/mix/), the term “marketing mix” originated when Neil H. Borden published his article, “The Concept of the Marketing Mix,” based on a list of concepts widely used in marketing. E. Jerome McCarthy later grouped the concepts into product, price, place, and promotion, also known as the “4 Ps” of marketing.

For online courses in higher education, the marketing mix is still applicable, but the physical location element has never been challenged like it is today by massive open online courses (MOOCs). In fact, the marketing mix used in higher education will be due for an overhaul if the current trajectory of MOOCs continues.

MOOCs have been called the latest disruption in education, with many people expecting the same magnitude of change already seen in music, videos, books and newspapers. According to Johnson, Adams Becker, Cummins, Estrada, Freeman and Ludgate (2013), MOOCs are one of the six technologies to watch in 2013, with widespread adoption predicted as students are looking for either alternatives or supplements to online learning at no cost. While not certain what the future holds, it is clear that both universities and students are looking at MOOCs with great interest.

PRODUCT

MOOCs may have complicated the product component of the marketing mix, which is the goods or services sold.

- Ivy (2008) believes the degree is the product for online courses. For MOOCs, the online course is the product, with certificates issued, for a fee, as proof of course completion.
- A collection of certificates from a variety of universities can be assembled as proof of competency (Bonvillian & Singer, 2013) instead of a degree.
- A game-changer if employers start to recognize completion certificates as qualifications for employment instead of degrees (Bell, 2013).
- The university brand may also be considered a product. Most universities are in the business to sell their brand (Bell, 2013); with the most prestigious institutions having the clear advantage (Pence, 2012).
- Little (2013) believes institutional branding plays a major role in attracting online students. MOOCs will not have an impact on these top schools as students will continue to chase the brand, as the brand is an indicator of success and status (Benderly, 2012).
- The product element of the marketing mix is affected as the true product, or what is sold, has not been completely defined for a MOOC, at least fully until a business model is created.

PRICE

Price, the cost to the customer for the goods or services purchased, is the component of the marketing mix most affected by MOOCs, and is what many hope will be the catalyst to lower tuition.

- For MOOCs, which are open courses, price is assumed to be free. For online courses, the price is the tuition charged to the student.
- With MOOCs, “schools are giving away what was once their most valued treasure – the intellectual property of the faculty – for nothing” (Raths, 2013).
- Open does not necessarily mean free, especially if there is a charge for completion certificates or other add-ons, like assessments or premiums paid for popular courses (Bell, 2013).
- The price of MOOCs is still in an experimental stage, as there is no expectation of profit or a sustainable business model (Bonvillian & Singer, 2013).
- The price element of the marketing mix is impacted if the market expects tuition to drop to match what is available in a MOOC today.

PROMOTION

The purpose of promotion is to use all marketing tools available to inform the market of the course and degree programs and to attract students (Ratiu & Avram, 2013; Ivy, 2008).

- In a MOOC, institutions can mine the data about students for analytic and marketing use. Universities with MOOCs might use this data for direct marketing of their online degree programs. MOOC consortiums might sell this data to other universities for their direct marketing efforts.
- Promotion strategies will most likely change as sustainable business models are developed with the products that result from the new models (Johnson et al., 2013).
- Larger universities are almost guaranteed free advertising as press releases are written to announce the latest entrant to the MOOC space.
- Universities may use MOOCs from cross promotion to to their online degree programs.

PLACE

Place, the distribution point, is relatively unchanged as online learning is free from time and place constraints (Amerault).

- Online courses available to anyone connected to the internet (Little).
- MOOCs provide online courses to a large “massive” number of people regardless of location (Johnson, et al.).

CONCLUSION

It is too soon to tell the full impact of MOOCs to online programs. Universities are starting MOOCs so they are not left behind. Students are taking MOOCs to see what they are all about. The game-changer will truly be the employer perception of MOOCs. Once employers are ready to accept MOOC completion certificates as proof of competencies, we will see a shift from students who are “just browsing” to serious students with intentions of completing the courses. Completion rates for MOOCs might be the key indicator of this change.

Perhaps it is time to seriously consider how MOOCs can be integrated into online programs. MOOCs can be used as qualifications for admissions to a degree program, or to supplement, not replace, current programs. The length of time to earn a degree may be shortened to deter students from building their own program using MOOCs from a variety of well-known schools. There are many possible options, but university marketing administrations cannot watch from the sidelines.

REFERENCES


