



## A cross-country study of marketing effectiveness in high-credence services<sup>☆</sup>



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### ABSTRACT

This research seeks to examine the influence of traditional advertising, Internet marketing, and relational marketing on choice and willingness to recommend across countries with varying levels of the Inglehart–Baker cultural dimensions. In the general model, including four countries, relational, and Internet marketing have a significant and positive effect on choice. In the country-specific models, relational marketing has significant positive effects in Canada, Slovakia, and Peru; traditional advertising only in Peru; and Internet marketing only in Slovakia. None of those activities has an influence on choice in Hungary. Relational marketing and Internet marketing have indirect effects on willingness to recommend through the mediating influence of choice. The study provides evidence of comparative marketing effectiveness in the context of high-credence service across different countries.

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### 1. Introduction

Understanding the influence of marketing activities on consumer choice, sales, and other measures of performance has been the focus of much marketing research at the firm and consumer levels within a particular national context (e.g., Rust, Ambler, Carpenter, Kumar, & Srivastava, 2004; Srinivasan & Hanssens, 2009). Increasingly globalized markets and the export of many marketing practices call for an examination of marketing effectiveness across national contexts. Literature on marketing effectiveness across countries has taken largely two perspectives: (1) international marketing effectiveness of companies that have crossed borders (international or global companies) and (2) comparative marketing effectiveness of organizations across countries.

The first perspective enjoys rich literature assessing the influence of different marketing activities – such as product innovation, branding, marketing communication, export pricing, cross-border customer relations and relationship marketing, and standardization/adaptation strategies among others – on the performance of international/global companies (e.g., Bahadir, Bharadwaj, & Srivastava, 2015; Nijssen & van Herk, 2009; Pauwels, Erguncu, & Yildirim, 2013; Petersen, Kushwaha, & Kumar, 2015; Schilke, Reimann, & Thomas, 2009; Tan & Sousa, 2011). However, to this date, relatively few empirical studies exist within the second perspective: comparing how marketing activities may have differential influence for similar organizations across national cultures. In this perspective, research has compared – across countries – the influence of banner advertising (Möller & Eisend, 2010), product quality (Madden, Roth, & Dillon, 2012), and relationship and service quality (Ozdemir & Hewett, 2010) on some measures of performance.

The current study contributes to the second perspective of marketing effectiveness in the following ways. First, while current literature studies the influence of marketing activities in isolation, the present research examines the simultaneous influence of multiple marketing activities – namely, traditional marketing communications, relational marketing, and Internet marketing – on choice and on willingness to recommend. Second, extant literature typically builds on Hofstede's cultural dimensions to argue for cultural differences. This research takes a different angle and studies four different countries corresponding to varying levels of the Inglehart and Baker's (2000) cultural dimensions and spanning developed, developing, and transition economies. Third, in contrast to previous literature, this study focuses on a

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high-credence service sector (de Matos & Rossi, 2008; Stein & Ramaseshan, 2015) – namely, the higher education (HE) sector – which is characterized by higher risk and commitment given the importance of the decision about which HE institution to attend for the prospect students' future careers.

The education industry presents a particularly interesting setting, as it is a major services sector and is experiencing continuous growth (Durvasula, Lysonski, & Madhavi, 2011). It is projected that the demand for HE worldwide will expand from 97 million students in 2000 to over 262 million students by 2025 (Bjarnason et al., 2009). Not only is the education sector booming in growth, but it is also “swept up in global marketization” (Marginson & van der Wende, 2007, p. 7). As the HE market has become extremely competitive, many HE institutions engage in strategic marketing and design marketing activities with the aim of increasing the number of applicants and the number of students finishing their studies (Angulo, Pergelova, & Rialp, 2010; Hemsley-Brown & Oplatka, 2006). Given the growing emphasis on marketing in HE and the costs involved, it is surprising that studies in HE marketing have not paid attention to measuring the effectiveness of marketing activities (Chapleo, 2011; Hemsley-Brown & Oplatka, 2006).

This paper is structured as follows. First, the conceptual framework and hypotheses are developed based on the literature of marketing influence on the performance of organizations. Next, the methodology is presented, including the countries' context, the sample, and the analytical methods. Finally, results, discussion, and conclusions are presented.

**2. Conceptual framework: the influence of marketing activities in HE institutions**

Integrative frameworks that contain explanations of the linkages between marketing activities and the performance of organizations have been provided by Gupta and Zeithaml (2006) and Rust et al. (2004) among others. These frameworks integrate the literature of the influence of marketing activities – such as advertising, new product introductions, and promotional efforts – on the performance of

organizations and the influence of marketing intangibles – such as brand intangibles and customer satisfaction – on organizations' performance (e.g., Angulo-Ruiz, Donthu, Prior & Rialp, 2014; Pergelova, Prior & Rialp, 2010; Srinivasan & Hanssens, 2009).

Gupta and Zeithaml (2006) develop a systematic framework about the influence of customer metrics on the financial performance of organizations. Their framework links “what firms do (i.e., their marketing actions), what customers think (i.e., unobservable constructs), what customers do (i.e., behavioral outcomes), and how customers' behavior affects firms' financial performance (i.e., profits and firm value)” (p. 718–719). The present study uses the conceptual framework of Gupta and Zeithaml (2006), adapting it to the HE context, and takes into consideration the processes that happen before and after students choose a specific university. In what follows, the conceptual framework presents arguments of the influence of marketing activities on student choice. Then an explanation of the influence of marketing activities on students' willingness to recommend is developed. Fig. 1 shows a visual representation of the conceptual framework.

*2.1. How marketing activities affect student choice*

Universities can make use of several marketing activities to attract new students. Those include advertising (e.g., TV, radio, outdoor, print); relational marketing such as open houses, information sessions, interaction with alumni, or visits to high schools; Internet marketing through websites, blogs, or social media platforms; public relations; or other initiatives designed to have a marketing influence (Maringe, 2006; Rust et al., 2004).

Traditional advertising builds university brand awareness and brand associations (Chapleo, 2011) and can “have an effect on [student] expectation formation through information” (Anderson & Sullivan, 1993, p. 322) and therefore may affect students' choice. In the HE marketing literature, building an HE brand is a topic that is increasingly attracting attention (Chapleo, 2011), as many universities are engaging in activities designed to increase their brand awareness and

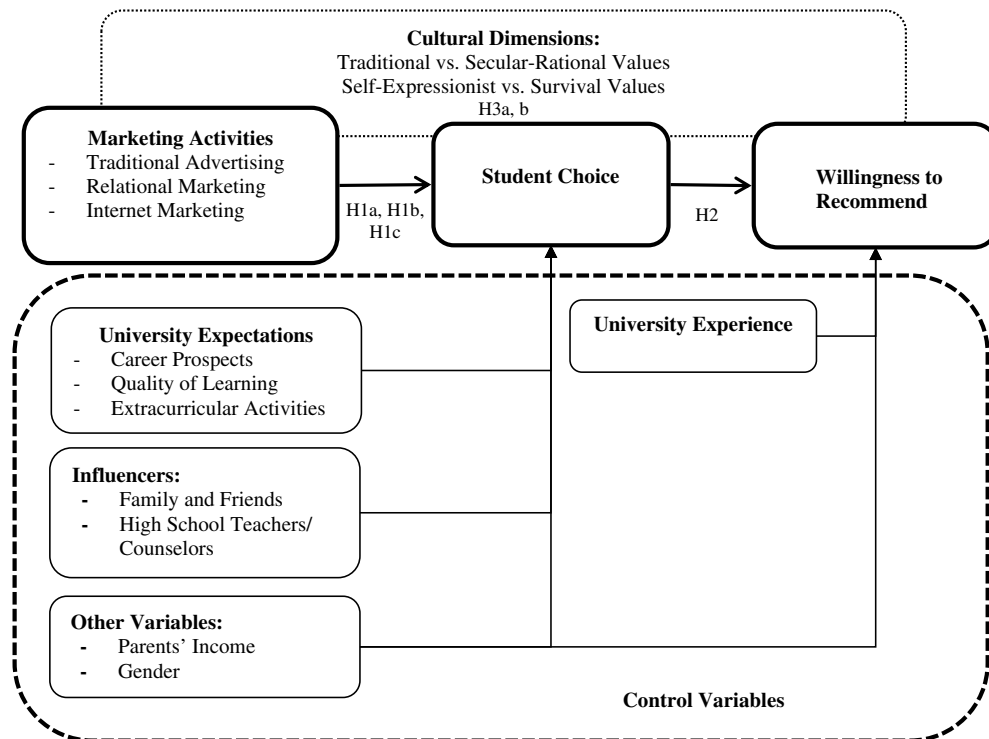


Fig. 1. Cross-country marketing effectiveness.

differentiation. Traditional advertising methods have been adapted by HE institutions with the aim of increasing the public's awareness about the institution, and consequently influencing student choice. In this research, student choice refers to the prospect's decision to choose an HE institution based on its reputation and ranking as well as the quality of its programs. This research assumes that the prospect will evaluate the ranking of the institution as well as the quality of the programs the institution offers to make a decision.

*Relational marketing*, on the other hand, can build closer ties with prospective students and consequently students may be emotionally appealed to choose a university. HE marketing scholars have called for more attention toward relationship marketing (Arnett, German, & Hunt, 2003; Hemsley-Brown & Oplatka, 2006) since it can help manage risks, such as addressing students' information needs, quality issues, and student expectations. Researchers suggest that relationship marketing should be used within recruitment and retention to attract potential students and maintain contact with them (Arnett et al., 2003). Relational-based marketing activities will allow potential students to have a first-hand idea of the university they are about to choose, and relational marketing through face-to-face encounters may provide potential students with a higher sense of connection to develop and establish potential future relational exchanges.

While the traditional advertising element of the marketing mix in HE is frequently standard mass media advertising and hard copy promotions like prospectus and direct mail, e-documents, and the use of technology are becoming increasingly important in HE marketing (Opoku, Abratt, & Pitt, 2006). Prospect students tend to heavily use websites and social media. Thus, *Internet marketing* may have a positive influence on potential students' choice of university. Because of the increasing competition for students and the desire for program recognition, universities have started to allocate more efforts and resources to communication on the Internet (e.g., Opoku et al., 2006).

Taking into account the previous rationale:

**H1a.** Traditional advertising has a positive influence on student choice.

**H1b.** Relational marketing has a positive influence on student choice.

**H1c.** Internet marketing has a positive influence on student choice.

## 2.2. How marketing activities influence willingness to recommend

In this research, willingness to recommend occurs after the student has chosen the university, has matriculated, and has started to experience the institution; in other words, willingness to recommend is a consequence construct in a similar way as WOM and referral behavior are used as consequences in the literature (de Matos & Rossi, 2008; Stein & Ramaseshan, 2015).

Marketing activities can have an influence on willingness to recommend through the influence they have on student choice. Marketing activities can help influence student choice based on the HE institution reputation and ranking as well as its quality of programs and, in turn, the more the student choice is based on HE institution reputation, ranking, and quality, the easier will be to recommend the HE institution. The relevance of student choice based on HE reputation, ranking, and quality as a mediator is derived from the idea that reputation provides a reasonable basis for future performance expectations in service industries (Jha, Deitz, Babakus, & Yavas, 2013). Reputation, in general, has been found in previous service research to influence longer-term commitment to the organization, such as loyalty (e.g., Lai, Griffin, & Babin, 2009), which is considered a determinant of long-term financial performance in competitive markets. Thus, student choice based on reputation and ranking can have a positive influence on willingness to recommend.

Research in social psychology and in marketing has pointed to the commitment–consistency principle to explain a person's desire to be consistent with his/her own attitudes and behaviors (Garnefeld, Eggert, Helm, & Tax, 2013). Following the principle of cognitive consistency, people value harmony between thoughts, feelings, and actions (Hawkins, Best, & Coney, 1995). Adapted to our study context, this means that if students commit to an HE institution by choosing it, they will be motivated to adapt their behavioral tendencies accordingly, resulting in higher likelihood of recommending the HE institution. By this logic, the initial choice of an HE institution based on its reputation, ranking, and quality of programs can lead students to embrace the institution in the long term. Therefore, marketing activities designed to have an influence on student choice can carry over to a longer-term commitment and recommendations. Thus, marketing activities will have an effect on willingness to recommend through their influence on student choice. Therefore:

**H2.** Student choice acts as a mediator between marketing activities and willingness to recommend.

## 2.3. Cross-cultural differences in the influence of marketing activities on student choice and willingness to recommend

The importance of culture to cross-national marketing has been established with studies investigating the link between culture and customer satisfaction, loyalty, and perceived service quality (e.g., Morgeson, Mithas, Keiningham, & Aksoy, 2011) among others. People differ in their behavior and consumption decisions based on cultural influences. Following recent research in marketing (Aksoy, Buoye, Aksoy, Larivière, & Keiningham, 2013; Morgeson et al., 2011), this study uses the cultural dimensions of Inglehart and Baker, who identify two broad measures of national-cultural values: traditional vs. secular–rational values and survival vs. self-expression values (Inglehart & Baker, 2000).

Inglehart and Baker (2000) define traditional societies in the following way: “People of traditional societies have high levels of national pride, favor more respect for authority, take protectionist attitudes toward foreign trade, and feel that environmental problems can be solved without international agreements, they accept national authority passively ... They emphasize social conformity rather than individualistic striving, favor consensus rather than open political conflict, support deference to authority, and have high levels of national pride and a nationalistic outlook. Societies with secular–rational values have the opposite preferences on all of these topics.” Furthermore, Inglehart and Baker (2000: 28) describe survival-dominated societies as follows: “Societies that emphasize survival values show relatively low levels of subjective well-being, report relatively poor health, are low on interpersonal trust and relatively intolerant of outgroups, are low on support for gender equality, emphasize materialist values, have relatively high levels of faith in science and technology, are relatively low on environmental activism, and relatively favorable to authoritarian government. Societies high on self-expression values tend to have the opposite preferences on these topics.”

In the marketing literature, researchers have used Inglehart and Baker's cultural dimensions to suggest that these values influence not only political institutions within these societies but also economic relationships and consumer perceptions of economic institutions, including consumer experiences (Morgeson et al., 2011). As societies move away from traditional and toward secular–rational values, individual consumers will be more willing to reject authority, question institutions, and form independent critical judgments (Morgeson et al., 2011), as well as be more skeptical of marketing practices in general (Aksoy et al., 2013). On the other hand, in self-expressive societies, individuals take physical and economic security for granted and the greater levels of interpersonal trust that have developed in these societies will

extend beyond personal relationships to other human interactions, including consumer interactions (Morgeson et al., 2011). Therefore, in self-expressive societies, individuals will be more open to messages from external sources, including marketing communication.

Therefore:

**H3a.** Marketing activities have a stronger influence on student choice and willingness to recommend in countries with traditional (vs. secular-rational) values.

**H3b.** Marketing activities have a stronger influence on student choice and willingness to recommend in countries with self-expressionist (vs. survival) values.

The conceptual framework in Fig. 1 also includes a number of control variables such as university expectations, social influencers, university experience, and the role of gender and parents' socioeconomic status (e.g., Menon, 1998).

### 3. Methodology

#### 3.1. Context

This study compares the marketing influence in HE across developed (Canada), developing (Peru), and transition (Slovakia and Hungary) economies. The countries in the current study correspond to varying levels of the Inglehart–Baker cultural dimensions.

Canada is high on self-expression values and medium-high on secular-rational values. Canada is one of the four English-speaking nations where the HE market is well established as a global phenomenon, and for which the extant literature provides evidence of marketization of universities (Hemsley-Brown & Oplatka, 2006). Canada, thus, represents well the developed countries and the high competition in HE in those countries.

Peru is characterized with traditional and survival values. Peru is one of the fastest growing Latin American countries. The *Wall Street Journal* called Peru one of the Latin America's "New Tigers," citing data from the International Monetary Fund on Peru's GDP growth of 6.9% (WSJ, 2012). In addition, the country has a very high entrepreneurial activity rating. The country's growth and high entrepreneurial spirit have given rise to a booming HE sector with many newly established private universities that reflect the dynamics of the market in general and fuel the HE market in particular. Peru is, therefore, a good example of emerging, developing markets and represents the evolution of HE in those markets.

Slovakia and Hungary are high on the secular-rational dimension but toward the lower end on survival vs. self-expression dimension (both being lower than Peru on this dimension, indicating more survival values). Slovakia and Hungary have undergone transition from communist regime to free market economy, and both countries are members of the European Union (EU) since 2004. As EU member countries Slovakia and Hungary enjoy certain benefits in terms of open access to EU higher education market (mobility of students, teaching, and nonteaching staff), but this also puts pressure on the HE systems of those countries because they are now facing increased competition from the European HE market. Slovakia and Hungary, therefore, represent well the challenges of HE in transition economies.

#### 3.2. Sample

The unit of analysis comprises first- and second-year university students enrolled in a business related program. Students in the first 2 years of university have fresher memories of the process they experienced when choosing a university, which is in line with HE research that also uses data from current freshmen and sophomores (e.g., Menon, 1998).

The analysis is based on data from four universities, one from each country under study. The programs students were enrolled in are comparable across the HE institutions and are focused on management and commerce. For the purposes of this research, a data set comprising 843 observations is used, and after eliminating incomplete data, the analysis is based on 718 valid observations from all universities (156 from the university in Canada, 298 from the university in Slovakia, 154 from the university in Hungary, and 110 from the university in Peru).

Three of the universities under study are public (Canada, Slovakia, and Hungary) and one is private (Peru). These four universities however are funded based on the number of students they recruit. For instance, although the university in Canada is public, the government funds the institution based on the number of recruited students; something similar is applicable to the cases of Slovakia and Hungary. The university in Peru, obviously, is funded by the fees students pay, and there is a natural motivation to recruit more students. All these four universities have marketing areas responsible to recruit new students for undergraduate programs.

#### 3.3. Operationalization of variables

Table 1 provides information about the operationalization and specific measurements for each of the variables used. Some of the variables under analysis are constructed using multi-item measurement scales; therefore, exploratory factor analyses are performed, and the resulting factors are used in the subsequent regression analyses.

##### 3.3.1. Willingness to recommend

This variable refers to students' willingness to recommend the university to friends or colleagues (Reichheld, 2003). It is measured with a scale from 0 (not at all likely to recommend this university) to 10 (extremely likely). The original variable is recoded into a 5-point scale. The recoded variable includes as 1 those who responded 0, 1, and 2 in the original scale; as 2 those who answered 3 and 4; as 3 those who responded 5 and 6; as 4 those who answered 7 and 8; and as 5 those who responded 9 and 10. From a methodological perspective, the current literature supports the use of "willingness to recommend" as a single-item measure (Bergkvist & Rossiter, 2007).

##### 3.3.2. Student choice

Since the students in the sample have already chosen a university, this variable is measured using two items related to the perceived quality and reputation/ranking of the university as a choice factor. Quality is one of the critical factors of university and post-university success (e.g., Chapleo, 2011; Chapman & Pyvis, 2006); therefore, capturing student choice based on quality is a good proxy of what the actual choice may be for prospect students. In particular, the items used ask for the level of agreement with choosing the university "because of the quality of programs" and "reputation/ranking."

##### 3.3.3. Marketing activities

Three marketing efforts are considered: traditional advertising, relational marketing, and Internet marketing, which are rated in terms of their importance in the decision to attend a university. Traditional advertising is measured using four items: radio ads, billboards, TV ads, and print ads. Relational marketing is measured using the following items: open house, career expo day, information session on campus, face-to-face interaction with alumni, and university visit to high school. Internet marketing is measured with a single item related to Internet, which is in line with Bergkvist and Rossiter (2007) and others who suggest that the predictive validity of single-item measures is comparable to that of multiple-item measures and encourage the use of single-item measures where appropriate. The items included for measuring marketing activities are in line with marketing activities implemented by the universities in our sample.



**Table 1**  
Operationalization of variables.

Variable	Operationalization	Measurement
Willingness to recommend	How likely is it that you will recommend this university to a friend or colleague? (0: not likely at all to 10 extremely likely)	Recodified original variable and used as follows: 1: 0 to 2; 2: 3 and 4; 3: 5 and 6; 4: 7 and 8; 5: 9 and 10
Student choice	Two items were used. I chose this university because of <sup>a</sup> : - the quality of programs - this university reputation/ranking	Used the result of exploratory factor analysis. Cronbach's alpha = .70
Traditional advertising	Four items were used. <sup>b</sup> How important were each of the following communication methods in your decision to attend a university? - Radio ads - billboards ads - TV ads - print ads	Used the result of exploratory factor analysis. Cronbach's alpha = .90
Relational marketing	Five items were used. <sup>b</sup> How important were each of the following communication methods in your decision to attend a university?: - Open house - career expo day - Information session on campus - Face-to-face interaction with alumni - University visit at your high school	Used the result of exploratory factor analysis. Cronbach's alpha = .78
Internet marketing	One item was used. <sup>b</sup> How important were each of the following communication methods in your decision to attend a university? - Internet	Used the result of exploratory factor analysis.
Career prospects	Three items were used. <sup>b</sup> Rate how important the following factors were to you in evaluating a university/college to attend? - Desired program of study - diversified choice of majors - future career prospects	Used the result of exploratory factor analysis. Cronbach's alpha = .68
Quality of learning	Five items were used. <sup>b</sup> Rate how important the following factors were to you in evaluating a university/college to attend? - Class size - quality of teachers - learning environment - social environment - access to professors and advisors	Used the result of exploratory factor analysis. Cronbach's alpha = .77
Extracurricular activities	Three items were used. <sup>b</sup> Rate how important the following factors were to you in evaluating a university/college to attend? - Extracurricular clubs and activities - sports - Student social networking events	Used the result of exploratory factor analysis. Cronbach's alpha = .70
University experience	How would you compare your University experience so far at this university, with the one that you envisioned?	Reversed original variable and used as follows: 1: much worse; 2: worse; 3: same as envisioned; 4: better; 5: much better
Family and friends	Three items were used. <sup>b</sup> How important were the following influencers in making your current university choice? - My parents/guardians recommendation - Family members other than parents - Friends recommendation	Used the result of exploratory factor analysis. Cronbach's alpha = .60
High school teachers/counselors	Two items were used. <sup>b</sup> How important were the following influencers in making your current university choice? - High school counselors recommendation - High school teachers	Used the result of exploratory factor analysis. Cronbach's alpha = .76
Parent's income	To your knowledge, which best describes your parents' or legal guardians' total combined annual income before taxes last year?	Scale from 1 to 5. In Canada: 1: \$50 K or less; 2: \$50,001–\$70 K; 3: \$70,001–\$90 K; 4: \$90,001–\$120 K; 5: more than \$120 K In Slovakia/Hungary: 1: €15.5 K or less; 2: €15,501–€25 K; 3: €25,001–€30 K; 4: €30,001–€40 K; 5: more than €40 K In Peru (monthly income): 1: S/.2 K or less; 2: S/. 2001–4 K; 3: S/. 4001–7 K; 4: S/. 7001–10 K; 5: more than S/.10 K 0: female, 1: male
Gender	Gender	

<sup>a</sup> From 1 “strongly disagree” to 5 “strongly agree.”

<sup>b</sup> From 1 “not important” to 5 “very important.”

### 3.3.4. Control variables

**3.3.4.1. University experience.** Positive university experience will bring student satisfaction and satisfied students may attract new students through recommendation by word of mouth (Voss, Gruber, & Szmiggin, 2007), so as to ensure a steady flow of future students. This research tackles the student experience from the perspective of satisfaction. This variable is measured using an expectancy–confirmation scale following Anderson and Sullivan (1993). Students compare their current university experience versus the one they envisioned before attending the HE institution.

**3.3.4.2. University expectations.** Students' expectations from an HE institution have been considered relevant influencers on the decision to select a university (e.g., Angulo et al., 2010). For instance, expectations such as career prospects, quality of learning (e.g., Chapman & Pyvis, 2006), and extracurricular activities have shown a significant influence on student choice. University expectations refer to latent needs prospects have when deciding about an HE institution; it is an expectation they have about a university. This study controls for expectations related to career prospects, quality of learning, and extracurricular activities.

3.3.4.3. *Social influencers and additional variables.* The study includes the influence of family and friends as well as the encouragement from high school teachers and counselors. Gender and parents' socioeconomic status are also used. (see Table 1 for more details on operationalization).

#### 3.4. Statistical method

The present study employs two stage least square regressions (TSLS). Compared to ordinary least squares, TSLS can deliver higher estimation efficiency due to the links between the equations and the correlations between their errors (Chu & Keh, 2006). Extant literature in marketing has also employed similar methods (e.g., Chu & Keh, 2006) when dependent variables in one model are independent in another. A system of simultaneous models is specified. The first model includes the effect of marketing activities, university expectations, social influencers, gender, and parents' annual income on student choice. The second model specifies the effect of marketing activities, student choice, university experience, gender, and parents' income on students' willingness to recommend. These procedures are followed to test the mediation effect of student choice, which are in line with Hayes (2013). In particular, this study runs bootstrap bias corrected estimations for the indirect effects using 5000 random samples.

### 4. Empirical findings

#### 4.1. Descriptive statistics

Descriptive statistics and the correlation matrix are shown in Table 2. Relational marketing, Internet marketing, university experience, career prospects, quality of learning, family and friends, and high school teachers and counselors are positively and significantly correlated with student choice. The following variables are positively and significantly correlated with willingness to recommend: student choice, relational marketing, university experience, career prospects, quality of learning, family and friends, and parents' income.

#### 4.2. The effects of marketing activities: testing the hypotheses

The results of the system of equations are presented in Table 3 and are organized in terms of findings that include responses from all universities under study and findings based on responses for each university/country. Table 3 also contains the mediating analysis of student choice in the relationship between marketing efforts and willingness to recommend.

For the student choice equation (model 1), the findings indicate that relational marketing (0.169,  $p < 0.001$ ) and Internet marketing (0.148,  $p < 0.001$ ) have significant and positive effects on student choice, in support of H1b and H1c. Traditional advertising (0.003,  $p > 0.10$ ) does not have a significant effect on student choice, which does not support H1a. University expectations such as career prospects (0.110,  $p < 0.01$ ) and quality of learning (0.131,  $p < 0.001$ ) as well as high school teachers and counselors (0.080,  $p < 0.05$ ) have a significant effect on student choice. The  $R^2$  of this equation is 0.098.

For the willingness to recommend equation (model 2), none of the marketing activities have significant direct effects on students' willingness to recommend; however, relational marketing and Internet marketing have indirect effects on willingness to recommend through their effect on student choice. Relational marketing has an indirect effect of 0.085 on willingness to recommend; this effect has a bias corrected confidence interval that lies between 0.0098 and 0.2199, at 95% confidence level. Internet marketing shows an indirect effect of 0.074 on willingness to recommend with bias corrected confidence interval between 0.0072 and 0.1836, at 95% confidence level. These findings give support to the mediating effect of student choice, in support of H2.

University experience (0.285,  $p < 0.001$ ) and parents' income (0.070,  $p < 0.01$ ) also have a positive effect on willingness to recommend. The  $R^2$  of the second equation of the system is 0.211.

#### 4.3. Country-specific findings

In the Canadian sample, of all the marketing efforts studied, only relational marketing (0.154,  $p < 0.10$ ) has a significant effect on student choice. Career prospects and high school teachers and counselors significantly affect student choice. In model 2, none of the marketing efforts variables have a direct effect on willingness to recommend; student choice (0.407,  $p < 0.05$ ), however, significantly affects willingness to recommend. Relational marketing has an indirect effect of 0.063 on willingness to recommend, with a bias corrected confidence interval that lies between 0.0079 and 0.1902, at 90% confidence level. University experience (0.267,  $p < 0.01$ ) also affects willingness to recommend.

In the sample from Slovakia, relational marketing (0.155,  $p < 0.05$ ) and Internet marketing (0.175,  $p < 0.05$ ) have a significant effect on student choice. Traditional advertising ( $-0.127$ ,  $p < 0.10$ ) shows a negative and significant effect on student choice. Career prospects (0.116,  $p < 0.05$ ) and quality of learning (0.168,  $p < 0.05$ ) significantly affect student choice. In model 2, student choice (0.852,  $p < 0.01$ ) has a significant effect on willingness to recommend. Relational marketing shows an indirect effect of 0.132 on willingness to recommend, with a bias corrected confidence interval that lies between 0.0315 and 0.4414, at 95% confidence level. Internet marketing also has an indirect effect of 0.149 on willingness to recommend, with a bias corrected confidence interval that lies between 0.0459 and 0.5168, at 95% confidence level. University experience (0.33,  $p < 0.001$ ) also shows a significant effect on willingness to recommend.

The results for the university in Hungary are thought provoking. The only variable that significantly affects student choice is career prospects (0.143,  $p < 0.05$ ). None of the marketing activities have a significant effect on student choice. In model 2, student choice does not have a significant effect on willingness to recommend. In other words, marketing activities do not have significant direct nor indirect effects on willingness to recommend.

In the case of the university in Peru, traditional advertising (0.419,  $p < 0.001$ ) has a positive and significant effect on student choice. Relational marketing (0.334,  $p < 0.001$ ) also has a significant effect on student choice. In model 2, student choice does not have a significant effect on willingness to recommend, which does not support the indirect effect of marketing activities. University experience (0.354,  $p < 0.10$ ) and gender (0.408,  $p < 0.05$ ) have a significant effect on willingness to recommend.

The results give partial support to the influence of cross-cultural differences on student choice and willingness to recommend. In Peru – a more traditional society according to Inglehart and Baker's (2000) dimensions – traditional advertising and relational marketing activities have more influence on student choice compared to the other countries under study in support of hypothesis H3a. In Canada – a country higher in self-expression values based on Inglehart and Baker (2000) – relational marketing shows a significant effect on student choice; however, relational marketing is also significant in countries with lower self-expression values, therefore our findings provide no support to H3b.

### 5. Discussion and conclusions

The objective of this study was to examine the effect of marketing activities on student choice and willingness to recommend a university across countries with varying levels of the Inglehart–Baker cultural dimensions. The study expands the understanding on various research topics at the forefront of services marketing and marketing accountability. First, service marketing researchers have pointed to the important role of referrals and recommendations especially for high-credence

**Table 2**  
Descriptive statistics and correlation matrix ( $n = 718$ ).

	Mean	s.d.	Min	Max	1	2	3	4	5	6	7	8	9	10	11	12	13
1. Willingness to recommend	3.8	1.01	1	5	1												
2. Student choice	.02	.99	-2.63	1.91	.38***	1											
3. Traditional advertising	-.06	.98	-2.04	3.49	.01	.01	1										
4. Relational marketing	-.01	.99	-2.49	3.05	.11**	.18***	-.02	1									
5. Internet marketing	.04	.98	-3.32	3.09	.06	.15***	.02	.00	1								
6. University experience	3.32	.88	1	5	.35***	.19***	.16***	.05	-.04	1							
7. Career prospects	.00	.99	-4.01	1.91	.10**	.12**	.01	.02	-.00	.03	1						
8. Quality of learning	-.04	1	-2.39	2.82	.22***	.15***	-.01	.00	.01	.29***	.01	1					
9. Extracurricular activities	.01	.99	-2.58	2.78	-.07†	.05	-.00	-.02	-.02	-.06	.00	-.01	1				
10. Family and friends	-.01	1.00	-1.81	3.15	.12***	.09*	.25***	.28***	.02	.12**	.08*	.21***	.10**	1			
11. High school teachers/counselors	-.03	.98	-2.29	2.54	.04	.13***	.12***	.07†	-.02	.14***	.08*	.17***	.06†	-.05	1		
12. Parents income	2.46	1.37	1	5	.13***	.02	-.18***	-.12***	.02	.07*	.05	.21***	-.16***	-.02	.07†	1	
13. Gender	.42	.49	0	1	.05	-.03	-.07†	-.12***	-.09*	.02	-.15***	.03	-.03	-.13***	.05	.10**	1

\*\*\*  $p < .001$ .

\*\*  $p < .01$ .

\*  $p < .05$ .

†  $p < .10$ .

**Table 3**  
Influence of marketing activities on student choice and willingness to recommend.

Independent variables	All universities		University in Canada		University in Slovakia		University in Hungary		University in Peru	
	Model 1, student choice	Model 2, willingness to recommend	Model 1, student choice	Model 2, willingness to recommend	Model 1, student choice	Model 2, willingness to recommend	Model 1, student choice	Model 2, willingness to recommend	Model 1, student choice	Model 2, willingness to recommend
Traditional advertising	.003 (.039)	-.012 (.036)	.108 (.108)	.040 (.064)	-.127 <sup>†</sup> (.075)	.119 (.102)	-.001 (.085)	-.007 (.075)	.419*** (.109)	.219 (.238)
Relational marketing	.169*** (.038)	.026 (.048)	.154 <sup>†</sup> (.090)	.006 (.064)	.155* (.064)	.088 (.085)	.034 (.085)	.074 (.078)	.334*** (.085)	.135 (.160)
Internet marketing	.148*** (.036)	-.002 (.046)	-.107 (.090)	.020 (.054)	.175** (.061)	-.227* (.091)	-.044 (.081)	.076 (.075)	.156 (.115)	.16 (.150)
Career prospects	.110** (.036)		.162 <sup>†</sup> (.094)		.116* (.058)		.143* (.069)		.105 (.132)	
Quality of learning	.131*** (.038)		.441** (.14)		.168* (.077)		.053 (.111)		.096 (.137)	
Extracurricular activities	.057 (.037)		-.011 (.085)		.092 (.061)		.018 (.077)		.115 (.109)	
Family and friends	.005 (.041)		.012 (.091)		-.009 (.067)		.047 (.092)		-.055 (.091)	
High school teachers/counselors	.080* (.038)		.165* (.083)		.032 (.062)		.086 (.077)		.067 (.097)	
Student choice		.501** (.195)		.407* (.174)		.852** (.317)		.274 (.389)		.063 (.560)
University experience		.285*** (.057)		.267** (.092)		.33*** (.078)		.131 (.125)		.354 <sup>†</sup> (.198)
Parents' income	.006 (.028)	.070** (.026)	.024 (.063)	.065 (.041)	.078 (.049)	-.090 (.062)	-.064 (.076)	-.070 (.074)	-.088 (.089)	.059 (.101)
Gender	.035 (.074)	.098 (.070)	-.065 (.172)	-.032 (.109)	.015 (.121)	.077 (.139)	.156 (.142)	-.030 (.137)	.006 (.190)	.408* (.189)
Constant	.026 (.035)	.011 (.034)	-.345 <sup>†</sup> (.195)	.270** (.085)	-.050 (.091)	.050 (.097)	.311*** (.096)	-.003 (.127)	-.650 (.205)	-.363 (.383)
n	718	718	156	156	298	298	154	154	110	110
RMSE	.944	.906	.949	.628	.984	1.134	.806	.779	.867	.940
R <sup>2</sup>	.098***	.211***	.157**	.342***	.122***	-.035***	.063	.197	.325***	.256***

Standard errors in parentheses. RMSE is the acronym for root mean square error; this index ranges from 0 to infinity, which 0 corresponds to the best model.

\*\*\*  $p < .001$ .  
 \*\*  $p < .01$ .  
 \*  $p < .05$ .  
<sup>†</sup>  $p < .10$

services. However, little is known about cross-country differences in factors affecting willingness to recommend. Our results point to relational marketing activities as potentially more important, as well as to a mediating effect of choice in support of a commitment–consistency principle (Garnefeld et al., 2013) according to which the initial choice influences subsequent recommendations. Furthermore, the results suggest that in countries characterized by traditional values (Peru), marketing activities have higher effect on choice compared to countries high on secular–rational values. This finding can provide strategic insights into the effectiveness of marketing for international marketing decisions and can help in marketing budget allocations across countries.

Research on comparative marketing effectiveness across countries indicates that, in retail services, collectivism increases the importance of relationship and service quality for behavioral intentions (Ozdemir & Hewett, 2010). The present study indicates that – in the case of high-credence services – relational marketing influences student choice, and that experience and relational marketing influence willingness to recommend. Future studies linking marketing activities to performance need to consider the critical role of relational marketing and experience in response models (Samaha, Beck, & Palmatier, 2014).

The results from the general model and the individual country analyses present some interesting challenges for HE marketers. Although in the general model relational and Internet marketing have a significant and positive effect on student choice, in the country-specific models, the results are very different. Relational marketing is important in Canada, Slovakia, and Peru; traditional advertising only in Peru, and Internet marketing only in Slovakia. Furthermore, none of those activities have an influence on student choice in Hungary. The HE systems in Slovakia and Hungary tend to be much more traditional

and the marketization of HE has not yet found place in those countries. Another reason would be historical determination because in the past, only a few universities offered economics or business programs; the number of students willing to study was high, and it was extremely hard to get through entrance exams. It is noteworthy that each country context reflects both current student priorities and historical evolution of the HE sector. HE marketing approaches therefore cannot be directly translated from one context to another.

The mixed results about the effect of marketing activities on student choice can be linked to discussions of the role of promotion and university-provided information in the HE literature. Maringe (2006) suggests that universities should refocus their strategy to reflect the real concern of applicants, instead of what universities think are most important issues to students. A similar critique has come from Briggs (2006), who found that while “information supplied by university” is in the top 10 factors, it is easily displaced, signaling that students believe the content of information is inadequate for their needs in the decision-making process.

On a final note, researchers have questioned and critiqued the marketization of HE, pointing that universities are spending more money on recruiting, leaving fewer resources available for faculty salaries and the education of students (Natale & Doran, 2012), and arguing that lower salaries result in lower faculty morale and deterioration of the university experience. The research findings provide support for the importance of university experience as the variable that is most consistent in explaining willingness to recommend. Overall, the findings from this research put a pressure on HE administrators to rethink the way they approach marketing activities and to reevaluate the relative importance of different variables in their marketing strategies.



## 6. Limitations and future research lines

While this study provides useful findings about the relative importance of a variety of marketing variables, it also has limitations. First, the use of samples from one university per country means that the findings cannot be generalized. Future research can broaden the scope and compare multiple universities in each country to improve generalizability of results. Second, given the importance of the student experience variable, future studies can focus on more variables explaining student experience, such as peer interaction, instructor effectiveness, and academic integration of the student. Further, this study relies on student perceptions about different marketing activities; future research can examine the effectiveness of marketing activities using actual university expense figures and linking those to the specific targets that each university has. Such a rigorous marketing metrics approach can provide invaluable insights to HE administrators. Fourth, the current study is a cross-country comparison of influences on student choice and willingness to recommend within the respective national markets. Future research can assess the effect of international marketing activities/budgets designed to attract international students.

Finally, future studies need to disentangle student choice based on reputation and quality of programs. This study uses only one item for each of those dimensions of student choice; while it is not uncommon to use single items for variables such as university ranking and dimensions of reputation (e.g., Rindova, Williamson, Petkova, & Sever, 2005), future research can use more items and supply a more developed measure of the construct. Future research can include also more items to measure Internet marketing given that organizations nowadays can use a multitude of Internet activities.

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