E-MBA: THE PROGRAM THAT WOM BUILT

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ABSTRACT

The purpose of this study is to provide a better understanding on how word-of-mouth communication (WOM) contributed to the development of a master's degree program in e-Commerce (e-MBA). Through a review of the literature focusing on both online and offline WOM, research questions and a conceptual framework characterizing how both online and offline WOM emerges. The framework is then tested through a longitudinal case study strategy looking at the e-MBA program over a five-year period. The findings show that online WOM is emerging as a dominant form of communication in attracting students to business programs. The paper ends with a presentation of four types of WOM communication

INTRODUCTION

The inception, development, and implementation of any curriculum, be it the introduction of a new course to an existing curriculum, or the implementation of an entire program with a curriculum made up of several new courses, faces many challenges (Odini 1999; Ottewill et al. 2005). Universities today are trying to keep up by developing both courses and programs ("majors") that meet the growing needs of graduates from several disciplines in order to meet the demands and take advantage of today's technological developments (Nambisan and Wilemon 2003).

However, in trying to deal with the shrinking resources that most universities and departments continue to face (Roffe 1997), as well as the increased competition between institutions of higher learning (Oplatka and Hemsley-Brown 2004), there is a growing reliance on seeking more efficient means for communicating one's educational offerings (ibid.). This is the story about one such offering: A master's degree program in e-Commerce at a Swedish university (with the brand name of "e-MBA"). Due to facing such limited resources and the pressure to deliver the program (i.e., offer it) within a short period of time, the program relied, almost unwittingly, on the use of word-of-mouth (WOM) communication.

In the first year (2001-02), the inaugural class was small and homogeneous, consisting of only eight students, all from Sweden, all of whom were accepted to the program, as they were already studying at the university where the new program was being offered. However, in the second year (2002-

03), with no real external marketing communication efforts, online or off, students from around the world found us rather than the other way around, as 44 students were accepted from nine different countries (27 actually arrived). In the third year (2003-04), 74 students were accepted from 16 different countries and 31 showed up. In the fourth year (2004-05), 67 students were accepted from 20 different countries and 28 students actually arrived. For the class that arrived in the fall of 2005, 99 students were accepted from 20 countries and early figures indicate that ca 35 will be the final "arrival" number.

What caused this growth during these first five years of the program if no external (i.e., outside of Sweden) marketing communication efforts were made? The answer is that the growth of the program was fuelled primarily by a combination of online and offline WOM. We now turn to a brief review of what previous studies have found regarding online and offline WOM, especially as it pertains to the marketing and communication of educational programs and opportunities.

LITERATURE REVIEW

WOM is considered the most important, informal means of communication between consumers and is defined as, "… the informal communication directed at other consumers about ownership, or characteristics of particular goods and services and/or their sellers" (Derbaix and Vanhamme 2003, p.99). It is well established that WOM is a major influence on what people do, feel, and know (Buttle 1998), and WOM has become an important tool used in the marketing (communication) of education (Davis and Swanson 2001). Furthermore, WOM is being given new significance by the unique opportunities offered by the Internet (Dellarocas 2003).

A review of literature within the area revealed that there is very little if any research done in the area of WOM and its role in the development and/or marketing and communication of education, regardless of whether the focus is on the course/curriculum, program, or university levels. One recent study that not only provides a comprehensive review on the literature covering the marketing of education but also brings up the use of WOM as a communication tool for such educational opportunities is Oplatka and Hemsley-Brown (2004). However, their focus is on offline WOM, not online.

Kiecker and Cowles (2001) explain that, even though the role of WOM in the marketing communication mix is well established, no research to date has examined the phenomenon of WOM on the Internet. Companies are also not taking the value (both negative and positive) of WOM on the Internet seriously (Stauss 1997). Furthermore, most WOM research has had a customer-only focus (Ennew et al. 2000), and little research has focused on the role of WOM in services (Mangold et al. 1999), even though higher education is recognized primarily as a service (Swanson 2001). This study will begin to fill in some of these gaps.

WOM is among the most ancient forms of communication (Dellarocas 2003). According to Derbaix and Vanhamme (2003), the power of WOM is based on four factors: First, WOM is a more credible source of information as compared to more commercial sources (e.g. advertising, sponsorship), and part of what makes it more credible is that it comes from trusted sources such as friends and family; second, WOM is real communication (i.e., the message flow is two-way); third, WOM provides potential consumers with a richer description of what the experience would be like and thus is considered a form of risk reduction; finally, WOM can be either positive or negative.

These days, however, customers are not only relying on information from friends. Today they are moving online to seek out opinions as well (Gelb and Sundaram 2000). Recent studies have looked at the concept of "online WOM" (Kiecker and Cowles 2001), "Internet WOM" (Stauss 1997), "interactive WOM" (Phelps et al. 2004), and electronic word-of-mouth, or "e-WOM" (Hennig-Thurau et al. 2004), as well as virtual WOM (Newman, Jr. 1999). Online WOM has also become known as "viral marketing" (Welker 2002; Phelps et al. 2004) as well as "referral marketing" (Buttle 1998). Phelps et al. (ibid.) found that e-mail is the most common Internet activity and that it plays a big role in online WOM. According to Ha (2004), WOM is one of several important factors that influence trust in a particular brand within an online environment.

Hoffman and Novak (2000) discuss the challenges in acquiring customers for online companies, explaining that WOM can create the lion's share of an organization's customers if used the right way, yet these scholars speak only of the offline WOM used to get people to an online environment. Other sources of online WOM, or as Gelb and Sundaram (2002) cleverly put it, "word-of-mouse," come from such tools as chat rooms, newsgroups, and electronic consumer forums. Pitt et al. (2002) have consumers turning to, "... accurate, recent, unbiased information ..." via specific websites (p. 8). Dellarocas (2003) talks about the digitization of WOM and the use of online

feedback mechanisms, while Pool (2005) states that blogs are also now a forum for online WOM.

OVERALL PURPOSE & RESEARCH QUESTIONS

This brief review of previous offline and online WOM research reveals that we have several names for "online WOM", but few studies have looked empirically into its role in the success of an actual "product." From this brief but helpful review of WOM studies, and in recognizing that none of them specifically focused on the use of WOM for educational programs or curriculum, the purpose of this study is to provide a better understanding on how WOM contributed to the development of an educational offering, namely a master's degree program in e-Commerce (e-MBA). To reach this purpose, the following research questions are posed:

RQ1: How can the role of online WOM be characterized?
RQ2: How can the role of offline WOM be characterized?

These research questions are depicted in the following conceptual framework, which guided how the empirical data was to be collected in order to be able to answer the research questions (see Figure 1).

FIGURE 1
THE ROLE OF WOM WHEN PROMOTING EDUCATION

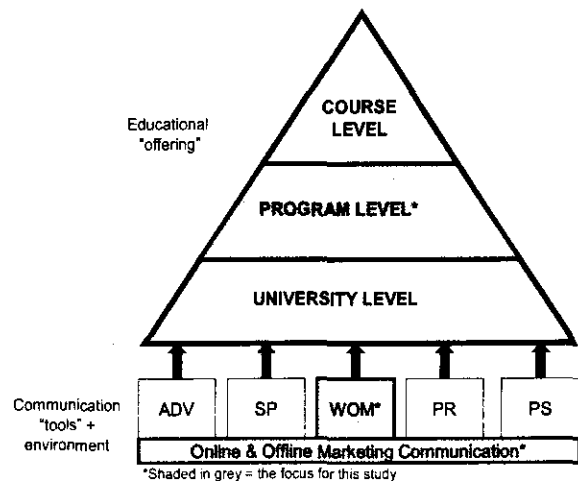*Shaded in grey = the focus for this study

Figure 1 shows how WOM, as one of several marketing communication tools contributes to the marketing (communication) of a university at the macro level, the actual courses at the micro level, and in the middle at the program or "major" level. The areas shaded in grey depict the focus for this study.

METHODOLOGY

In order to answer the above research questions, thereby reaching the overall purpose, a longitudinal case study approach was used, looking at the first five years of the e-MBA program (the classes of 2001-02 through the recently arrived class of 2005-06). Yin (1994) states that the use of case studies is a good idea when a researcher is focusing on contemporary phenomena in a real-life context. A longitudinal case study is defined by Jensen and Rogers (2001) as the study of a research entity at multiple time points. Gummesson (2000) further explains that a case study is especially useful where the aim of the research is to provide practitioners (those marketing education) with specific tools.

Yin (1994) further recommends multiple sources of evidence when conducting case studies. For our purposes, three sources of evidence were used, namely depth interviews, documentation, and observation. Depth interviews were conducted with "generations" of students within the program via three specific case studies: Ghana, China, and Pakistan. Insights were also made available through reflection by instructors within the program as well as from the current program coordinator. The importance of collecting students' views is supported by Smart et al. (1999). Loe and Ferrell (2001) discuss the importance of investigating what works in a marketing curriculum using both students and instructors.

FINDINGS* AND CONCLUSIONS

Overall, students from three countries, namely Ghana, Pakistan, and China illustrate the power that offline but especially online WOM played in not only making them aware and getting them to the program, but turning them into "ambassadors" for it afterward, using a continuing cycle of positive WOM to get other students here over the first five years that the program was offered.

The findings and conclusions below are based on the data from the three case studies collected via interviews with "generations" of students from these three countries, as well as interviews with instructors and program coordinators.

RQ1: How can the role of online WOM be characterized?

Online WOM is the primary form of WOM for the e-MBA program and is often used instead of (or at least in addition to) offline WOM. Online WOM made the e-MBA website a "hit," but more importantly became the foundation for how we got students to apply for and attend the program from all over the world. From the

interviews with the students in the three countries that were focused on for this study, as well as reflection from the program coordinator and two instructors in the program, three primary forms of online WOM emerged for attracting students to the program: The use of the e-mail and online chat functions were "first level" online WOM tools used in a more personal way between two individuals, be it student-to-student or faculty-to-student.

This led to the "second-level" of online WOM coming from current students or faculty, via hyperlinks within the e-mail or chat functions being clicked on, which led them to the e-MBA website. In this instance, a sort-of online WOM hierarchy-of-effects emerged, where e-mail and/or chat worked together (Awareness) to lead the prospective student to the e-MBA website (Interest), which led to them contacting for more information (Desire) before applying to the program (Action).

However, for other students who did not know someone currently enrolled in the e-MBA program, the website acted as more of a "magnet." By searching online for an educational opportunity, using combinations of key words, the online WOM came from the website, the content of which is of course written by a person. From these examples on the website's role in online WOM, students came across it through online search efforts (i.e., a pro-active visit) or through hearing about it online or off from others (i.e., a reactive visit).

RQ2: How can the role of offline WOM be characterized?

Offline WOM is not an alternative to online WOM, but instead is seen as a partner. As already stated, it was found that online WOM played a larger, more dominant role in terms of garnishing positive WOM for the e-MBA program (and eventually the program's website) developed over time, whereas offline WOM played a smaller role.

The primary form of offline WOM was via voice-to-voice contact over the telephone as compared to face-to-face contact in person. However, there are indications that as students graduate from the program and return to their home countries, or other parts of the world, they will act as offline "ambassadors" to get others interested in and applying for the program.

In the case study presented here, students are not necessarily "pushed" to become ambassadors but instead become that by default and of their own volition, should the program meet (or preferably exceed) their expectations. That says something

about the importance of the quality of such programs, but it is beyond the scope of this study to go into it any further. Offline, the graduates of the program either become passive ambassadors by spreading positive WOM (i.e., if asked by someone who finds or contacts them), or they become more active (dynamic) ambassadors where they actually seek out and actually recruit students to the program. In either scenario, regardless of whether the WOM takes place in an online or offline environment, or the person ("ambassador") providing the information is passive or dynamic, the WOM for this educational program has truly been a success in aiding its development.

An improved framework for categorizing WOM

The purpose of this study was to provide a better understanding on how WOM contributed to the development of a master's degree program in e-Commerce (e-MBA). Through the findings of the study and in the more specific answers to the research questions above, an expansion of the conceptual framework presented earlier (see Figure 1 above) provides for a categorization on the types of WOM (see Figure 2 below).

FIGURE 2
CATEGORIZATION OF ONLINE AND OFFLINE WOM CATEGORIES
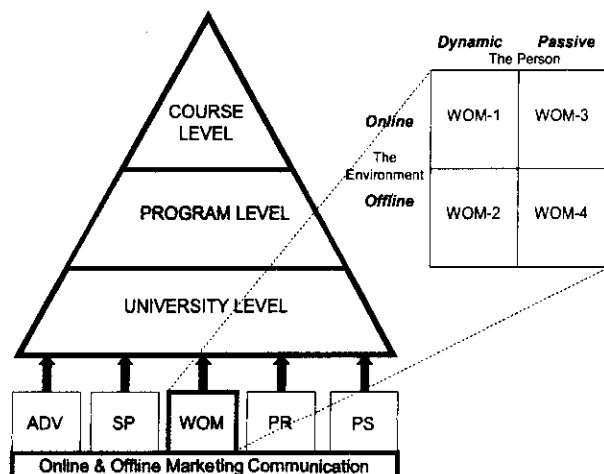
By expanding the WOM "box" presented in the original conceptual framework, one can see from Figure 3 above the emergence of four types of WOM possibilities categories. First, an online/offline dichotomy describes the environment where the WOM will take place, whereas the dynamic/passive dichotomy describes the person carrying the message.

A "WOM-1" is a dynamic spreader of WOM (i.e., they are proactive in spreading information) working primarily in an online environment to "spread the word." A "WOM-2" is also dynamic, but moves offline in most of their WOM efforts. A "WOM-3" becomes a passive provider of information (i.e., they do not actively promote but will react positively if someone else initiates contact with them) and such a person is also an ambassador in spreading WOM primarily online. Finally, a "WOM-4" is also passive but spreads the word primarily offline.

LIMITATIONS AND FUTURE DIRECTIONS

The above quadrants are not mutually exclusive, but instead allow for someone to move in and out of the various quadrants depending on various circumstances. The framework above of course has limitations and deserves further research. Being qualitative in nature, the focus here was to develop and test a framework in order to uncover certain patterns. The role of qualitative research is to go in-depth and uncover "clues" for further testing and consideration. This study is seen as a stepping stone and not an end result.

Future research should focus on the continuing relationship between online and offline WOM working together to create true (communication) value. Looking more specifically at the WOM categories presented above is also of interest, as the categorization presented is the result of qualitative research. Testing the true validity of such categorizations should be done quantitatively on a much larger, random sample of students within the environments outlined above. It would also be of interest to compare the use of WOM communication with other forms of communication, including looking at such communication dichotomies such as online/offline, personal/non-personal, as well as commercial/ non-commercial tools.

REFERENCES*

*A reference list is available upon request via one of the author's e-mail: Tim.Foster@ltu.se. The actual data collected and presented as three, separate case studies and originally intended as appendices to this article has been cut due to space limitations. For a copy of that data, please contact the author in the e-mail provided here.