A Competitor Analysis for an Online Student Portal Start-up

Case: Eurasmus

Topi Närhi

Bachelor’s thesis
May 2015

Degree Programme in Business Administration
Social sciences, business and administration
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1 INTRODUCTION

The constantly ongoing globalization and strong technological development are providing opportunities for new kinds of ideas and innovations. This can also be seen when looking into the number and variety of new online platform targeted for students. As mobility during studies is being promoted and supported from every direction it is clear that a curious and adventurous youth wants to travel more and to see new places, meet new people and to gain valuable experience for their future working life. The demand for student exchange related services is definitely there. For entrepreneurs it is only a matter of how to make their solution good enough to stand out from the larger and larger group of options that are being provided to this relatively trend-oriented target group. A modern and independent student is actively looking for new ways to do things, which also leaves room for new solutions.

This research was conducted for an online student portal start-up company called Eurasmus. The company wanted to get more useful information on its biggest competitors, which were also named in advance. The services of the companies mainly include housing and internships for international student. Having recently launched its operations in the whole Europe, the study was useful and provided valuable information for the client company’s current situation.

The study was completed between March and April 2015 and was conducted following qualitative research process. The theory is based on Porter’s theory of five forces of competitive position analysis, which also provided the framework for assessing the results. Based on the results obtained, conclusions were drawn concerning the overall competitive situation and the specific characteristics of the two competitors defined. The results enabled making a few proposals for the client company to consider. The main ideas included choices in online marketing channels in order to improve the client’s position in the field of fierce online competition.
1.1 Client Company

Eurasmus is a new EU-funded internet portal targeted for students that wish to internationalize in their studies and want to spend a period abroad as a part of their studies. The target is to become a leading online resource in its field of business and offer the most comprehensive service for its users. The website is totally free to use for students. It is a start-up company and the regular staff only includes two member, the managing director and the marketing director, who are both also the founders of the company. In addition, there are several interns working in different marketing positions.

Eurasmus is fully committed to European Union’s Erasmus+ programme, and shares it’s objectives to support values such as lifelong learning, mobility, equity and social cohesion. All the features of the website have been designed keeping in mind these goals and values. The website offers the following:

- Student accommodation
- Useful information of each destination
- Internships
- Place to meet your Erasmus mates in advance
- Student events

In the first phase the client’s website aims to provide student accommodation in all the major Erasmus cities in Europe. The purpose is that the website is only operating as an intermediary and is not operating as an accommodation agency, but only a platform through which internationalizing student can search accommodation in a safe and easy way before their actual arrival. The rooms listed in the website are owned by individual landlords and housing agencies, who will also take care of the rental process after having found a tenant via the client’s website.
The client company also wants to provide information that students going abroad might find interesting or useful to know in advance. This information is provided in guides made for each city appearing on the website. The information includes for instance general information about the weather and public transport, as well as tips for sightseeing, nightlife and eating out.

Forthcoming features include a portal from which students may find internships all over Europe. This will be done by merging an already existing internship website to the new website. When this is done, the client will provide thousands of vacancies for students from different fields. In the near future the website will also have a social feature which will enable students to get to know other students going to the same destination. Students will also be able to find listings of different student events that take place in the chosen destination.

1.2 Assignment

Eurasmus wishes to have a clear understanding of what is the company’s position in relation to its most significant competitors. By conducting this research it wants to, if needed, adjust its marketing strategy and methods in order to better meet the requirements of the internationalizing students. Meeting these requirements is crucial, because students aged 20 to 25 years are presumably not that loyal to any of the brands in the field and will probably need the kind of service not more than once or twice. Providing a decent enough service is a key in the field where word-of-mouth advertising can be considered relatively common among the internationalizing students. However, it is also extremely important to know which online marketing channels are effective for reaching the potential customers.

In order to reach the goal to become leading service provider in its field, it is crucial to have all the available information regarding the main competitors, how they are
operating and what currently makes them successful in the field. This research is aiming to provide the client company useful information with which to develop its operations and adjust its marketing methods in order to have an advantage over the competitors.

1.2.1 Implementation

The plan is to get familiar with all the information provided of the competing companies. The number of operators that the client considers as direct competitors is not very high. For this reason, it was decided together with the representative of the company to narrow the scope of the research down to two competitors. The ones under the scope are Housing Anywhere and Erasmusu. Since all the parties, including the client company, are SMEs with no public annual reports are provided, all the information has to be gathered online from the company websites, the social media, articles written about the companies or the field of business and other sources related to the topic that the author might come across. It will also be important to get familiar with what has been written about the competitors on different forums about studying abroad, finding housing abroad or customer experiences in general. Some special attention will also be paid to which marketing channels and -methods the competitors are using, as well as to the way they are doing it.

1.2.2 Trustworthiness

When a qualitative research method is used, the reliability of the study has to be assessed accordingly. It is also important that the trustworthiness aspect of the research is kept in mind while conducting the research. The assessment should cover the research problem and the methods and the actual research and the sources used. Still, probably the most significant trustworthiness assessment will be made when
analysing the results of the study and the conclusions made based on it. The most known indicators for assessing trustworthiness are reliability and validity, which are originally made for quantitative research assessment, but depending on the case in question, can be applied in qualitative research purposes as well. Reliability measures how reliable and repeatable the results are, whereas validity measures how well the chosen research method measures the things it is supposed to measure. (Kananen 2014, 145-147)
2 QUALITATIVE RESEARCH METHOD

Compared to quantitative research, qualitative research provides a deeper understanding of whatever is under research. To be more precise, the aim is to get as much information as possible from each perception and finding. The qualitative research process can usually be divided into three phases. The first phase describes the phenomenon, the second phase is dedicated to truly understanding the phenomenon and the last phase includes making an analysis based on the research. (Kananen 2009, 18-19)

First of all, in order to have a clear idea of the phenomenon under investigation it is necessary to describe the phenomenon, its features and characteristics, as clearly as possible by using all the information at hand. Without describing the phenomenon, it is difficult, if not impossible, to begin the research process effectively. Moreover, moving on to the next phases will not be possible without having looked into all the reliable sources and constructing a clear description. (Kananen 2009, 18)

The success of the second phase of the process, understanding the phenomenon, is to a large extent based on a successful description of the phenomenon prepared in the previous phase. In this phase the researcher has already looked into the phenomenon and should formulate an idea of what it’s all about and how the different sections are related to each other. All the information discovered should always be reviewed from the point of view of the research problem set in the beginning. Without a clear understanding of this it is impossible to look into the phenomenon from analytic point of view. (Kananen 2009, 18)

The final phase of the process, the analysis, is a conclusive part of the research. However, conducting the analysis should not be restricted to the final phase of the
research, but be part in all the phases. Keeping the analytic thinking along in each part of the process helps the researcher be more successful in the research as a whole. (Kananen 2009, 18)

After choosing qualitative research, before conducting the actual research it is necessary to describe the design based on which the study is conducted. The research design contains a detailed and collective way to conclude what kind of information is needed in the study, from where the needed information will be collected and which data collection method is going to be used on the way. The design also indicates the method of analysis that will be applied after gathering all the needed information. (Kananen 2014, 42-43)

Conducting a qualitative research is the most suitable way to implement this study. Instead of being based on numbers and statistics like quantitative research, qualitative research is based on use of words and descriptive sentences. This is absolutely crucial in this case, because in order to be able to make suggestions for the client, a deeper understanding is required. Since the material used for this research can’t be analysed with quantitative method, qualitative research is chosen to discover something new and useful from a topic under investigation.

2.1 Utilization of qualitative research

When choosing the research method, the type of the phenomenon and the research problem should always be kept in mind. In most research cases, lack of information available is the most common reason making it impossible to conduct a quantitative research. In these cases qualitative research is basically the only possible research method. In comparison to quantitative research, qualitative research is also more flexible and allows the researcher to adjust the research process if it is required. Qualitative research method can commonly be applied in the following situations:
1. There is no information, theories or previous researches conducted of the phenomenon at hand.
2. There is a need or an urge to have a deeper understanding of the phenomenon being research.
3. The purpose of the research process is to create new theories or hypotheses of the phenomenon.
4. There is a need or an urge to use triangulation / mixed research strategy in which the phenomenon is being viewed from several different angles using different methods.
5. The phenomenon needs to be described properly.

(Kananen 2009, 19-20)

The outcomes of this research are supposed to include new ideas for a fresh company, and therefore the quantitative research simply doesn’t provide accurate enough tools. The purpose is that the researcher keeps an open mind studying the topic which is presumably, at least partly, unknown. Some new phenomena regarding the topic are discovered along the study, and discovering these phenomena in general will require qualitative research method. Quantitative research method would for sure tie up the researcher’s hands too much and make it impossible to process the material successfully enough from the point of view of the target set at the beginning. All in all, qualitative method enables the researcher to be more creative and increases the validity level of the study.

2.2 Content analysis

Content analysis is a type of analysis that is targeted for linguistic information sources. Its goal is to analyse different kinds of contents and structures within a certain area of interest. Content analysis is ideal especially for qualitative research purposes, as it assists to describe the form of spoken and written language very well. The word content is understood as a theme or a topic of the material. Different content
structures on the other hand might include aspects such as the location where the material was found, as well as the use of text or some pictures. In other words, content analysis can be considered quite versatile analysis method. (Seitamaa-Hakkarainen 1999.)

Content analysis includes some potential risks concerning the researcher him-/herself, the sources that are used in the study. The researcher always comes from a certain background and observes the material from a specific point of view formed over time. This can naturally be either a good or a bad starting point. Even if the researcher’s background is perfect for the study and provides him/her an excellent basis to start the investigation, one should never be too narrow minded when looking at the phenomena. Being too close to the theme under research might prevent the researcher from finding something relevant that would bring a new valuable aspect to the study. A researcher should be able to utilize the knowledge and experience without letting them holding back the true purpose of the study. (Kananen 2015, 121-122)

A same sort of factor is affecting the different sources used for gathering information. Whether the source is a person being interviewed or an online article, the researcher has to take into account that each source, and the value it brings, should be observed from an aspect most suitable for the purpose of the research. What is considered relevant by a source used might not be relevant at all for the study. Every piece of material is viewing the phenomenon through a filter, and if researcher is able to recognize the filter being used each time, he/she is one step closer to getting the best possible benefit out of it. (Kananen 2015, 121-122)

Due to the chosen research method and the goals set for the study, content analysis provides the best tool for getting the most from the available material. There will also be multiple sources that are rather different from each other, which makes it difficult to use more straightforward methods. Content analysis is chosen in order to be able to keep the general focus on the goals set, in spite of the variety in types of contents encountered. The researcher, on the other hand, has a working history in the client
company, and for this reason is not entirely neutral as a researcher. However, having a 
background in this specific field of business has given a better readiness to conduct 
the study and more experienced point of view for analysing the diverse content of the 
research material.

2.3 Research design

Research design is an essential part of a study and illustrates the structure that is used 
in conducting the research. The first thing that has to be described is the research 
question and what kind of information is needed in order to be able to answer it. Any 
sort of ambiguity at this point regarding the research target might create a significant 
barrier for a successful research. When the research problem and the research 
questions are clear, the most suitable sources of information must be chosen. Having 
chosen the best possible sources, the researcher has to define the research method. 
Usually the nature of the study, as well as the research questions, have a major effect 
on which research method works the best. The final part of the study contains the 
analysis made based on the findings of the research. Research design defines the most 
suitable type of analysis to be used. (Kananen 2014, 42-43)

By conducting this research the client company wishes to solve three main research 
questions. First of all, what are the main strengths and weaknesses of the main 
competitors in relation to the ones of the client company? Second of all, what kind of 
online marketing tools and channels are the designated competitors using and how 
effective are they? And last but not least, how should the client company adjust its 
online marketing strategy in order to compete and overcome its rivals? Since the 
research scope can’t be narrowed down to just numbers and figures and since the 
client wants to have a more comprehensive results, quantitative research was ruled out 
and the research was decided to conduct as a qualitative study. In addition to company 
websites themselves the information sources include some internet marketing tools 
meant for online marketing purposes. These will be specified later on. The analysis
will be a content analysis which is compiled based on all the gathered information. The research design is described in the figure below (Figure 1).

Figure 1. Research design (Adapted from Kananen 2014, 42-43)
3 COMPETITOR ANALYSIS IN THEORY

According to Michael E. Porter every company that is facing competition in their field of business is also having a competitive strategy. The companies might have been forming their competitive strategies by using a planned process specifically tailored for building up a competitive strategy. The other option is that the competitive strategy is not constructed through any kind of planned process and it is simply being formed based on how different operative departments of the company are executing their functions. However, the latter option is rarely an optimal way to form a competitive strategy. A successful competitive strategy most often requires careful planning and professional analysing. (Porter 1980, xxi)

By analysing their competitors and forming a competitive strategy a company is able to define the differences between the companies, their strategies and operations. A competitor analysis also helps to make the best out of the capabilities and resources that the company has, especially in relation to the major rivals. In this respect the methods of a competitor analysis can be just as well applied to a company self-evaluation. This is often the case when the competitors’ operations are assessed in relation with one’s own company. Either way, the goal is to form as clear an idea as possible of the competitors’ strategies, characteristics and how they react to the changes that might appear in the field of business. Competitor analysis can also be used for finding out who are the competitors to focus on and which actions to use. Moreover, such an analysis is useful for indicating the reasons of the changes in competitors’ strategy, as well as showing which ones of these changes should be taken seriously. If the competitor analysis is done properly, it might also help the executing company to avoid certain strategic changes that might cause the competitors to react in an undesirable way. (Porter 1980, 47-49)

When analysing competitors, two questions should be kept in mind. First of all, what drives the competitor, and secondly, what the competitor is doing and can do.
Answering the first question requires analysing the future goals of the company and trying to define the assumptions that the company has about itself and the field of business. The second question can be answered by defining the current strategy of the company and assessing its capabilities. As presented in the Figure 1, these four components help a researcher to form a competitor’s response strategy, the goal of which is to define the key characteristics of the competitor. The current strategy and capabilities are often relatively easy to determine, whereas defining the future goals and assumptions require much deeper analysis. “What drives the competitor?”, however, is often the question, the answer of which provides better insights into how the competitor might behave in the future. (Porter 1980, 48-49)

Figure 2. The components of competitor analysis (Porter 1980, 49)
3.1 Porter’s five forces of competitive position analysis

The key to forming a functioning competitive strategy is to recognize the essential characteristics of one’s company and the business environment in the specific field that the company is operating in. Only when having all the needed information, it is possible to relate the company operations to its environment and come up with a suitable competitive strategy. There are five key forces that effect on competition within an industry (Figure 2). These forces together define the position of a company in a field of business. (Porter 1980, 3-4)

Figure 3. The five forces that shape industry competition (Porter 1985, 5)
Threat of new entrants

Whenever there is a new competitor entering an industry, it is a possible and probable threat for the companies already operating in the field. Newcomers are always likely to take their share of the markets, which naturally means reducing market share of the other rivals. The extent of a threat of entry is depending on the type barriers to entry that are prevailing in the field of industry. If the barriers are higher, the threat of new entry is lower and vice versa. Making this assessment is significant when forecasting threat of entrants. The most common barriers to entry include the following:

- **Economies of Scale.** A newcomer usually has to make a decision between jumping in with a larger-scale production, which is extremely risky for a new operator, and with a small-scale production, which will result in relatively high costs per unit.

- **Product Differentiation.** A new company has to overcome not only the existing rivals that have been operating longer, but also the existing customer loyalties between consumers and the companies. This might take a lot of time and extra resources and definitely creates a barrier.

- **Capital Requirements.** Starting a business, depending on the field, might require huge financial resources, which alone creates a barrier to entry.

- **Switching Costs.** Operators will face at least some costs if they are changing their business. These costs might include retraining of the personnel or acquiring new hardware or software necessary for the new business.

- **Access to distribution channels** is likely to be challenging if there are only few strong operators existing in the field of business.

- **Cost Disadvantages Independent of scale.** Already existing companies are often having some advantages regarding favourable locations, governmental subsidies or simply better know-how and better experience from the challenges to occur in the field of business.

- **Government Policy** will create a barrier if it limits the entry of new operators in some way, for example by using licensing. (Porter 1980, 7-17)
Bargaining power of suppliers

If a supplier is strong enough it can have a certain power over its customers. The variables applicable for them are the price and the quality of the purchased goods. However, a supplier can have bargaining power only in following scenarios:

• There are only few operating suppliers in a specific field of business
• There are no reckoned substitute products
• The importance of the buyer party is not great to the supplier’s business
• Supplier is selling a product which has a key role in buyer’s product

(Porter 1980, 27-29)

Bargaining power of buyers

Buyers are naturally a key stakeholder to any commercial company. By adjusting their behaviour the buyers are able to affect not only one on each company individually, but also on the competition between them. This effect is obviously higher if the product or service purchased is standard or undifferentiated. Moreover, the bigger investment the purchase represents to a buyer, the bigger is the bargaining power he or she has over the producer. Whenever there is a market with a high amount of competitors and lots of information provided to consumers regarding the competing products, consumers are possessing a great deal of bargaining power. (Porter 1980, 24-27)

Threat of substitute products or services

Substitute products are products that have the same function and/or are bought for the same need that some other, even slightly or entirely different kind of products. This creates a threat if a manufacturer or a service provider doesn’t recognize the core need of a target consumer, who is able to replace the product with something else. On the other hand, if high demand tempts a producer into too arrogant pricing, consumers
Rivalry among existing competitors

Rivalry among two or more competitors is a natural part of almost any field of business. In some business areas it is quite obviously fiercer than in others, but nonetheless it exists. This is due to a healthy need of businesses to grow and improve one’s position compared to others. At its simplest, rivalry can be only about cutting down prices in order to increase one’s sales, whereas in bigger picture rivalry takes place deeper in the strategy and vision of a company, aiming to achieve sustainable growth. (Porter 1980, 17-23)

3.2 SWOT analysis

The abbreviation SWOT comes from words strength, weaknesses, opportunities and threats. SWOT analysis is a rather simple tool first described in the 1960’s. It is targeted for any development project within a company and it can be used as a supporting tool in competition analysis as well. The analysis can be divided in two different parts. Strength and weaknesses represent the internal characteristics of whoever is conducting the analysis. On the contrary, the analysis for opportunities and threats is focused on the external environment of the implementing party. From the point of view of competitor analysis, especially the latter one is significant, since a major part of opportunities and threats are created by competitors’ actions or inaction. SWOT analysis is often rather subjective form of analysis, which can be either a positive or a negative issue depending on the case at hand. (SWOT-analyysi N.d.)

Although SWOT analysis is a simple form of analysis, it can also be its greatest disadvantage. At times it might not be accurate enough to divide the analysis output
into just four categories. In order to get realistic enough results and thoroughly understand the situation under investigation, some more analytic methods are often needed. (SWOT Analysis 2010.)

If the purpose is to use SWOT analysis as a basis to an extensive development process inside a company, some special attention should be paid in planning it. In order to avoid inaccurate results, at least these four key guidelines should be followed punctually:

- Make sure that the statements made in each section of the analysis are precise and verifiable.
- Avoid listing a too great amount of factors affecting each section and only focus on the ones that are the most significant ones.
- Make sure that the level on which the results of the analysis are being applied is correct. Whether the results should be applied on development of a single product or to the corporate strategy is worth a careful consideration.
- With large-scale issues, it is often preferable to combine SWOT analysis with other tools, such as USP-analysis or Core Competence Analysis (SWOT Analysis – Discover New Opportunities, Manage and Eliminate Threats 2015)

The pros of SWOT analysis are emphasized especially in research such as competitor analysis. One of the main purposes of a competitor research commonly is to get a structured idea of competitor’s operations, its strength and weaknesses, especially in relation to the conducting party. On the other, competitor analysis usually strives to provide some useful insights regarding the possible threats or improvements that are currently worth taking into account. SWOT analysis includes all the mentioned features as well, which makes it a valuable tool for the purpose and very difficult to ignore in the type of research.

In this specific research the SWOT analysis has an additional advantage. The focus of the study was set to two mentioned competitors, Housing Anywhere and Erasmusu.
When the scope of the competitor analysis is narrowed down to three companies, the client being the third, comparison is much easier to make and the results are clearer and have more value. Moreover, what comes to studying backlinking and search engine optimisation methods of the competitors, the results are always ruthlessly precise and relatively easily comparable. For this reason SWOT analysis suits well especially for this type of competitor analysis.
4 ONLINE MARKETING

Online marketing is a form of marketing that enables enterprises to advertise and market their services and products by using different channels provided by the internet and its different applications. Being as widely used around the globe as it is today, the internet is an ideal environment for marketing and more than fruitful soil for advertising purposes. Marketing is all about customers, and since a great majority of customers are online, marketers have obviously noticed a great opportunity to tell about new products, send promotional ads or try enhancing the brand awareness overall. Possible means include sending email marketing messages, reaching the customers via mobile, display advertising, exploiting social media as well as search engine marketing etc. In many cases the best possible marketing results can be achieved by combining the traditional tools with the modern online ones in way that suits best for the specific field of business.

(Online Marketing: A Modern Channel for Advertising Products and Services. 2015)

Online marketing has several benefits. The most essential ones are the cost-effectiveness and the fact that it enables reaching a large number of targeted consumers in a way specifically designed for this group of potential customers. Modern technology also provides lots of options and only sky is the limit when designing effective campaigns. Online marketing is not tied up to any time or place either. It reaches the target group whenever and wherever. The low cost structure also minimizes the risks. All in all, a greater number of potential customer contacts can be achieved by using less resources than in traditional marketing campaigns. Still, probably the biggest beneficiary of modern online marketing is the customer who can get the latest information of the desired products anytime and anywhere, after which a structured decision is made between the choices available.

(Online Marketing: A Modern Channel for Advertising Products and Services. 2015)
4.1 Digital marketing models

The internet and therefore the whole online world is constantly evolving. In order to keep up with this development, a marketing manager needs to have an open mind and constantly come up with new ideas and ways to conduct marketing online. Moreover, even though the internet is a global environment and despite of the fact that online marketing is never entirely limited by nation borders, online marketing should rarely be conducted using the same models everywhere. All aspects of a company, its vision and strategy, the product and the goals that the company wishes to achieve should be taken into consideration when choosing a digital marketing model. (Egol, M., Peterson, M., Stroh, S. 2014)

When designing a digital marketing model that is suitable for a company, there are four main marketer roles that a company can choose in order to create a successful online marketing strategy. The right choice depending on the factors mentioned above, especially the field of business and the nature of the product are crucial in making the right choice. The four models include the following:

1. **Digital brander** is a model where a marketer constantly tries to find new ways to create a connection between a product and a customer by using a variety of multimedia tools. Typically this kind of model is chosen by a producer of consumer products who wishes to engage the customers with the product and thereby create brand loyalty.

2. **Customer experience designer** is a very customer oriented model, which uses the available customer data for creating a best possible customer experience. This is model is very useful for companies that see customer service as the single most significant aspect of their field of business, such as tourism industry for instance. If a company manages to create a respectful interaction with customers, it is able to make pleased customers and increase the brand equity.
3. **Demand generator** has its main focus on getting as much online traffic as possible for its channels and turning the heavy traffic into heavy sales. This can be considered as the opposite of customer experience designer. In order to generate demand efficiently, the company has to make sure it has the design of the website, search engine optimization, social media and possible mobile applications all designed for the purpose.

4. **Product innovator** is a model that uses digital media purely for creating something new. By making the right choices the company can identify, as well as develop and distribute new online service and products for the consumers to discover. Any customer connections are mainly used to develop the innovation process.

   (Egol, M., Peterson, M., Stroh, S. 2014)

### 4.2 Search engine optimization

Nowadays one of the most powerful online marketing tools is search engine optimization, which is the most significant tool of search engine marketing. It is a key tool in creating traffic to a website. The goal of a successful search engine optimization is to make a wanted website become one of the top search results whenever there is a potential customer making an internet search using the right key words. Having a perfectly appealing website is not enough if no one can find it. Also, the more visitors come to a website, the more will come as the popularity of the website rises in the search engine statistics. (Raittila, A. 2015)

In order to make a website appealing to both potential customers and search engines such as Google, a few things have to be taken into account. The internal search engine optimization is something you have to do to the site itself. It can to be taken care of by adjusting all the texts presented on the website, including, for example, the site title, sub-headlines and the actual text appearing on the site. They have to be as unique as
possible in order to stand out from the others and consist of only the most relevant and essential words. Another important aspect of internal search engine optimizations is the meta-description. It is a description of the website appearing in the XHTML-code, which influences in search engines as well. For meta-description it is essential to figure out the absolute key words regarding the website, the field of business and the expected search terms that might be used by potential customers looking for information online. (Raittila, A. 2015)

4.3 Backlinking

In addition to internal search engine optimization, such as modifying the site titles and adjusting the site meta-description, also external optimization should be considered. One of the most important terms regarding search engine optimization is backlinking. Backlinks are links on other websites that are pointing to your own website. If a website is able to get a high amount of decent backlinks, it is often valued highly on search engine ranks. However, nowadays it is crucial to focus on getting backlinks only on high-quality sites that are possibly already well ranked themselves. Getting your backlink listed on a site without context and maybe even bad reputation will most likely cause you more negative than positive results. (Agrawal, H. 2015)
5 MAIN RESULTS

The results of the research have been divided in three sections. The purpose of the first part is to provide an overview on the competitors that were chosen to be in the scope, to clarify their operating principles and also describe their user interface. The second section digs into the backlinking of each competitor. By making the backlink research, the purpose is to get data for analysing their online marketing strategy and find out the different channels they have chosen to maximize the online visibility. The next part of the results will be about what is being written over the competitors in articles and what kind of user experiences come up when browsing through different online forums and -student communities. Also, user feedback and experiences might indicate the efficiency, or the lack of efficiency for that matter, regarding each online marketing channel discovered in the backlink research conducted in the previous section. Finally, a search engine test run is conducted to give another aspect on measuring the results of the marketing choices made by the companies.

5.1 Overview on the competitors

The overview section is entirely based on the company website. The idea is to find out what kind of content there is, what it looks like. Also, a small introduction to what kind of general information the companies provide of themselves on their website is included here.

Housing Anywhere

Housing anywhere is an online student housing portal established in 2009. The website is targeted for international students having short-term accommodation needs while going abroad for an exchange. The general idea of the site is that a student can find and book an accommodation for his/her exchange period in a safe and secure
way, and at the same time offer his/her own accommodation for somebody else who is looking for an accommodation for the same reason and the same amount of time, commonly for one or two semesters. The website can also be used by private landlords or brokers and families can provide an opportunity for an exchange student to find accommodation in a family. Housinganywhere.com is not a real estate company and it doesn’t have any apartments of their own. Currently the website advertises to have over 5100 rooms in more than 400 cities located in 48 countries.

The overall appearance of the Housing Anywhere – website is neat and the structure is very clear for a new customer to start using the site. A new user is able to check to available rooms in a wanted city with only few clicks with no registration is required at this point. The search results are presented in a visually attractive way which gives a nice overall idea of the accommodation possibilities in each city listed. The website also has a thorough section in which all the term and conditions, as well as legal information, regarding rental issues, is provided. Housing Anywhere has also created a nice brochure for universities for information and advertising purposes.

The fact that the business idea of Housing Anywhere is based on selling memberships to universities is probably going to affect this research drastically. The schools buying the membership are promoting the service to their students using its own channels, which naturally reduces the importance of using other channels significantly. Therefore, the main task that Housing Anywhere should do is focus their marketing towards universities and then make the platform as user friendly as possible for the students.

Erasmusu

Just like Housing Anywhere, Erasmusu.com is also a website created for internationalizing students. However, Erasmusu is not only finding accommodation. Students can also use it for finding an internship and mutually companies can advertise their open vacancies for students to find. Currently the website advertises to
have over 30000 accommodations, more than 3000 jobs and over 15000 roommates registered. Erasmusu also wants to be an online community for international students providing them blogs, experiences and forums to share ideas in and a platform in which to get to know your future friends.

Although the core business is more or less the same as Housing Anywhere, the amount of content in Erasmusu – website is greater. Erasmusu not only wants be an online portal for students looking for accommodation or internship, its goal is clearly to try building something bigger by highlighting the online community features of the website. The fact that all the different services and features of the website have been stuffed to the front page, makes it slightly unstructured and the layout of the site a bit messy. On top of this, there is no “What is Erasmusu?” –section at all, which would tie up the package into a more sensible set of services. Making a search on the website by typing down your destination, brings out everything the website has to offer regarding this specific city.

5.2 Backlink research

The backlink research will be conducted by using the chosen tools available online. Backlinkwatch.com is a website allowing a researcher to find out the backlink network behind any defined website. Ahrefs.com, on the other hand, provides much more detailed information on how the target website is located in the web. By using these two tools the purpose is to form a backlink profile for each competitor’s website. Having a comprehensive backlink profile enables more reliable and efficient analysis on the competitor’s online marketing choices. The scope consists of 100 top backlinks given by the website Backlinkwatch.com.
**Housing Anywhere**

The backlink research clearly indicates that the backlinking efforts of Housing Anywhere have been focusing very strongly on educational institutions. Almost 90% of the backlinks in the research scope were different schools and universities around central Europe (Table 1). On one hand it is well justified to have the main focus on the institutions that are the closest to the most obvious target group of the business. Not only are universities more than great places to spread awareness among students, different schools, especially bigger ones, are also ranked very high in search engine pager rankings. However, narrowing the backlinking down to schools can be considered short-sighted or even plain unimaginative formation of online marketing strategy. Whereas they absolutely have to be included, some other powerful backlinking channels are probably being left unutilized. Also, most of the university backlinks are specifically from Central Europe, which is where the whole company is originally from. This leaves a large portion uncovered, only in Europe.

Other backlinking types included an important party, student organizations. However, their share was very small and consisted only of different regional offices of ESN. Promotional websites included sites advertising different educational institutions in the Netherlands. The share of the remaining types was very low. Especially blogs regarding different themes and phenomena are nowadays extremely popular among the younger generation. This could have been taken better into account.

<table>
<thead>
<tr>
<th>Schools and Universities</th>
<th>86 %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student organizations</td>
<td>5 %</td>
</tr>
<tr>
<td>Promotional websites</td>
<td>3 %</td>
</tr>
<tr>
<td>Online newspapers</td>
<td>2 %</td>
</tr>
<tr>
<td>Blogs</td>
<td>1 %</td>
</tr>
<tr>
<td>Community websites</td>
<td>1 %</td>
</tr>
<tr>
<td>Accommodation forums</td>
<td>1 %</td>
</tr>
<tr>
<td>Theme sites</td>
<td>1 %</td>
</tr>
</tbody>
</table>

Table 1. Housing Anywhere backlinking distribution
However, strong focus on universities seems to guarantee a steady growth in the total amount of referring domains. This is rather clearly indicated in the diagram describing the development of the amount of referring external domains in the last two years. (Appendix 1)

**Erasmusu**

The backlinking profile of the Erasmusu website is very different from the previous. The diversion between different kinds of choices available in online marketing strategy have been taken more seriously. This can be seen very clearly in the percentages in the table below (Table 2). While schools and universities still form a notable percentage of the total backlinks, other types of websites have been preferred over them. The largest percentage, 46%, consisted of backlinks in a great variety of European blogs. Also websites committed to a certain theme, that is likely to attract students, represented a significant part of the backlinks. Overall, the contrast with the backlinking distribution seen in Housing Anywhere is significant and it can’t not effect of what kind of rank the site achieves in the eyes of major search engines.

<table>
<thead>
<tr>
<th>Blogs</th>
<th>46 %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Theme sites</td>
<td>21 %</td>
</tr>
<tr>
<td>Schools and Universities</td>
<td>12 %</td>
</tr>
<tr>
<td>Students organizations</td>
<td>11 %</td>
</tr>
<tr>
<td>Travel sites</td>
<td>4 %</td>
</tr>
<tr>
<td>Community websites</td>
<td>3 %</td>
</tr>
<tr>
<td>Online newspapers</td>
<td>2 %</td>
</tr>
<tr>
<td>Promotional websites</td>
<td>1 %</td>
</tr>
</tbody>
</table>

Table 2. Erasmusu backlinking distribution

Whereas betting strongly on university backlinks seemed to create a steady growth in referring domain, looks like spreading the backlink profile a bit wider is creating
greater fluctuations (Appendix 2). In past two years the amount of external domains referring to Erasmusu – website has varied strongly, which is most likely caused by the types of referring websites being less committed to support Erasmusu in the long term.

5.3 Word on the street

This section of the research digs in to how the two competitor companies are managing in their marketing, and especially online marketing efforts. The purpose is to discover how the marketing message of the companies is being received among the potential customers and how the consumers who have already found them and used their services value the experience. The research will be conducted as an internet research, starting from the companies’ websites and social media groups, continuing with different online forums and communities used by students. Finally, a brief glimpse is made into what is written about Housing Anywhere and Erasmus in newspapers, magazines and online releases.

**Housing Anywhere**

The other side of having a light and simple website structure, like Housing Anywhere does, means that there are only the most necessary sections on the website. This means that there isn’t a place to leave comments or discuss together with other user. In “Contact us” subpage the only way to express ones opinion is to write a personal message to the site admin. However, Housing Anywhere does provide links to their Facebook, Twitter and LinkedIn pages, which are updated on daily basis in order to constantly provide interesting content for followers, customers and other users.

In Housing Anywhere – Facebook page the user have had an opportunity to open up and let the other user know their experiences. A great majority of the reviews are
extremely positive and as much as 60 reviews, out of the total amount which was 83, gave full five stars to the service and the website as a whole. The most common themes that came up were by far easiness to use and the innovativeness of the idea in general. Several comments were also appreciating the fact that they were able to be in contact directly with the landlord, or even with another student in the same situation subletting his/her flat. The less flattering feedbacks were a lot less verbal making the statement only by giving the one or two stars out of five. The only clear negative issue raised was about the lack of support provided by the Housing Anywhere website.

“Simple idea that works on a global and local level. I found my place here in Rotterdam via this platform after only 1 week of searching. Excellent!”

-Comment from the Facebook community of Housing Anywhere

Housing Anywhere is still a relatively new platform, which is probably why most of the few articles made of it are focusing mostly on its innovativeness and overall novelty. However, even without analysing the content of the text, getting an important magazine such as Forbes to write an article of you gives you a certain edge what comes to positive publicity. It is one things to get a story written of your company to a local newspaper and another things get one in an international and highly appreciated business magazine from United States.

“As well as capitalising on growth the sharing economy, Housing Anywhere is riding the wave of academic globalization, as more and more students spend at least a semester of their studies abroad, sponsored in part by initiatives such as the AIESEC and ESN.”

-Alison Coleman in Forbes magazine 12/2014

Erasmusu

The website of Erasmusu is much more interactive and it enables user to contribute better than Housing Anywhere does. However, there is still no forum section for open opinions and feedback from the users. Erasmusu does not even provide possibility to
rate the service on their social media pages. Overall, getting direct feedback from users using websites and community pages accessible for anyone seems to be brings no actual results. Just like Housing Anywhere, Erasmusu does have a great participation in numerous social media websites, but they only contain content from the company itself.

However, even though no direct feedback and user opinions are found on Erasmusu, it is quite obvious that the target group has not only found the website, but also have made it an active online community. The fact that international students around the world are actually using the site for sharing ideas on studying and travelling, as well as meeting new people from their destinations of interest, is a significant thing for Erasmusu and proves that they have done something right. While browsing through the content added by users it almost seems that they have adapted Erasmusu as a natural part of their studies, internationalization and communication, almost as if they considered Erasmusu and Erasmus to be one and the same thing. This is a huge things from marketing and branding perspective. The resemblance of the names of these two obviously doesn’t make this much more difficult.

Even though Erasmusu has been on the map for a few years longer than Housing anywhere, also all the articles written about Erasmusu are from its early years in 2009 and only about “a new service for students”. The articles are written in Spanish, which is natural since the company is established and located in Spain. An article written by Jaime Novoa in Genbeta-website points out that:

“The amount of user-generated content about each city helps Erasmusu to position itself as a reference for students seeking accommodation in their destinations. This also allows Erasmusu diversify its business model which until now was based primarily on advertising.”

-Jaime Novoa
5.4 Search engine test run

In order to provide another concrete way to measure the success of the companies’ online marketing, the final part of the research will indicate each company’s position in the search engines. Since nowadays search engine almost equals Google, the test run was conducted by using Google. The idea is to choose three examples of a typical search that a student in the target group is most likely to perform. In this case, they will be “student accommodation berlin”, “rent rooms madrid” and “rental flat amsterdam”. Then, using these three examples, a search is made and the results are reviewed from Housing Anywhere’s and Erasmusu’s aspect. The results are displayed in the following table which indicates the sequence number of the first search result from each of the two companies on the scope. The symbol “x” indicates that the company’s link does not appear in the first ten pages of the search results. Purchased Google advertisements are excluded from the results.

<table>
<thead>
<tr>
<th>Search term</th>
<th>Housing Anywhere</th>
<th>Erasmusu</th>
</tr>
</thead>
<tbody>
<tr>
<td>“student accommodation Berlin”</td>
<td>92.</td>
<td>4.</td>
</tr>
<tr>
<td>“rent rooms Madrid”</td>
<td>X</td>
<td>2.</td>
</tr>
<tr>
<td>“rental flat Amsterdam”</td>
<td>70.</td>
<td>2.</td>
</tr>
<tr>
<td>“student flat Paris”</td>
<td>24.</td>
<td>1.</td>
</tr>
<tr>
<td>“Helsinki rent room”</td>
<td>61.</td>
<td>3.</td>
</tr>
<tr>
<td>“rental room Rome”</td>
<td>X</td>
<td>3.</td>
</tr>
<tr>
<td>“Vienna student accommodation”</td>
<td>48.</td>
<td>1.</td>
</tr>
</tbody>
</table>

Table 3. Search engine test run

The results clearly show that Erasmusu is doing significantly better than Housing Anywhere as for search engine visibility. Erasmusu appeared among the first results in each headwords chosen, whereas Housing Anywhere does not seem to have any kind of position in searches like this. The trend is somewhat identical regardless of the location chosen. Erasmus is able to beat Housing Anywhere even in Amsterdam, which is Housing Anywhere’s home ground. The results also clearly indicate the great
number of local competitors, most of which are currently not operating internationally.
6 CONCLUSIONS

This research was conducted based on an assignment from a Spanish start-up company Eurasmus, which wanted to get more familiar with its biggest competitors marketing. It was relatively easy to narrow the scope down to two major competitors, Housing Anywhere and Erasmusu. The former is purely focusing on student housing needs and latter provides a more complete platform for internationalizing students’ needs. The strategy of the client company will be somewhere between these two models.

While conducting the research it became quite clear that the demand for student housing and internship online service is substantial, as the number of incoming students is increasing everywhere. There are several smaller local operators, especially in the housing business, but the number of online companies in this field of business operating in the whole Europe is significantly smaller. The well-known success story of Airbnb has certainly inspired young entrepreneurs to try to create their own success stories. In the past five years a couple of newcomers have had their aim on a market area much larger than one city or country, but so far none of these seem to have been able to achieve the strong international position that they have been reaching.

From Porter’s point of view, the main focus of the research has been on the competition between the existing competitors. The amount of large-scale competitors is still rather low, as not that many in addition to Housing Anywhere and Erasmusu can be regarded as competitors on the level of whole Europe. However, while making the search engine test run it became clear that the threat of substitute services is high in most major locations in Europe. The threat of new entrants entering the international markets also exists, not least due to relatively low starting costs.

Since the number of articles and user experiences turned out to be rather low, the most significant results were gotten in backlinking and search engine optimization (SEO).
In the online business it is crucial to have your website optimized for search engines. This research clearly pointed out the strong connection between well performed professional backlinking and achieving a strong positions in search engine rankings. The results also indicated the necessity of constant innovativeness when searching for new ways to get effective backlinks. A strong foothold on modern social media, such as blogs for instance, seems to create a solid position in the sense on online marketing as well.

6.1 Strengths and weaknesses

Based on the research and its results, both competitors are having strength and weaknesses. The most significant strength for Housing Anywhere is the idea according to which students are able to rent rooms from each other and to each other for a period of time. From the student’s perspective this is brilliant and a clear win-win. A student leaving for exchange can find an accommodation from his/her locations and someone to stay in his/her own flat meanwhile from the same website. Also, for students it is easier to do business with other students, especially when considering people from another country. However, there is a minor flaw in Housing Anywhere’s strategy compared to Eurasmus. They are charging the students 50% of the first month’s rent, whereas one of the main principles of Eurasmus is to keep it free for students. For students who are trying to come by with as little as possible, paying an extra fee of several hundred might create a problem. On top of this, Housing Anywhere charges the universities as well. This naturally turns out well as long as there are customers, but the charging model is definitely one of the top opportunities to focus on if competing with Housing Anywhere. Eurasmus only charges a small portion of what the landlords earn by using the website. This lowers the barrier to join for both students and universities.

Erasmus on the other hand has a crystal clear advantage at this point. The amount of users and overall content, partly created by the users themselves, is significantly
higher that the competitors. Having started recently, this is also one of the biggest weaknesses for Eurasmus. The students seem to have really found the site and are using it for getting information, sharing, socializing and arranging their accommodation and internships through it. The overall package is quite impressive. However, the huge amount of content makes it more challenging to keep the page structure organised, and this turns out to be an obvious weakness of the site. In addition, the information provided to the users of the website and its different functions is inadequate, which together with several typos doesn’t improve the overall structural and visual impression at all. Eurasmus also has some issues concerning the clarity of the website, but overcomes Erasmusu by far.

An obvious strength for Erasmusu is also successful work it has been able to do with search engines. This means that the meta-structure of the website has been done very well. It seems to have a firm foothold in different parts of Europe, like indicated in the search engine test run part. Nowadays students are often individually making their own research on different options provided for their accommodation and internship needs. For this reason, having a high search engine page rank truly pays off. In case of Housing Anywhere the situation is very different. Their results in search engine test run was a disaster, which indicates that their success is clearly based on something else. Assessing the Eurasmus in the sense of SEO is difficult as the site is new. The choices it has made might turn out powerful, but it will take some time to take effect in any case. The strong commitment to different kinds of social media is likely to work out well for Eurasmus in the future.

### 6.2 Marketing channels

Between the two competitors in the scope, there are some differences in the choices made when choosing marketing channels. Housing Anywhere has almost outsourced its marketing to schools and universities around the world. This can be seen very clearly in the backlinking research conducted in chapter 5.2. The efforts to have
visibility through any other channels than schools and universities seems to have been close to zero. Also, although the website itself is very user-friendly and visually pleasant, the only marketing material provided there is for universities as well. This is most likely a conscious choice to focus on schools, but they might not get the best out of their marketing by doing so.

Erasmusu has spread out its marketing efforts to a much wider area. This is also indicated in the backlinking research. A bit surprisingly, the main focus is in blogs. This is actually interesting and rather brilliant, since a great majority of the blogs is being created by the users of the website. In other words, every time a user writes a blog via Erasmusu website, it creates a useful backlink for them, which one by one improves their position in search engine ranking. Not to mention the fact that nowadays it is very trendy to read blogs and follow the ones close to your areas of interest. Every single student going abroad is definitely interested in fellow students’ opinions on the destination, universities or student mobility in general. This being said, Erasmusu has been really able to make the best out of the possibilities what comes to efficient and modern online marketing.
7 DISCUSSION

There should be no significant reasons for not being able to combine the strengths of each competitor’s online marketing strategy. A strong focus should be put on contacting schools and universities and creating partnerships with them, as the school channels do provide the first source of information for their students. At the same time, however, it is important to improve the backlink profile. Erasmusu has showed that the content of the website itself can be a huge factor here. If the website is only a portal that a student finds when he/she is in need of accommodation, there is no reason for him/her to stay active on this site after finding a suitable flat. In order to grow such business bigger in a sustainable way, a great goal would be to create an online exchange community that provides all the services planned, but also a more extensive social “bait” that would create a stronger bond for the students using the site. Erasmusu has already done this rather well, but their website has some flaws. The user interface is dated, the structure is too messy and the overall appearance is somehow unprofessional. At least it could be done better.

As mentioned earlier, the best way to compete against Housing Anywhere is to adjust the charging strategy. Charging both universities and students is a questionable strategy in a long run, since neither of the groups is very wealthy. This is only emphasized in times of global economic struggles. Instead of making money by charging schools and students, it could make more sense to charge a small percentage of the rent from the landlords, who are often relatively wealthy individuals. Housing Anywhere has a nice looking website and a decent business plan, which is why they have been able to be successful in the past years. However, this might only be a matter of not having enough decent competition of the same scale.

Overall, it is very important, as it always is, to understand the mind-set of the target group. Students are always an active community of social and open-minded people, which is further emphasized among exchange students who are willing to discover new things. In groups like this there are usually strong opinion leaders, or pioneers,
that can influence in others by making certain kinds of choices. Nowadays, this type of influence often takes place on different social media platforms. For this reason having a comprehensive social media strategy is crucial and it has proved to have a positive effect on backlinking as well. Considering all this, an ideal solution for Eurasmus would be not only to provide Facebook signup, but to find a new and innovative way to include social media as a part of the website.

**Trustworthiness assessment**

The research can be considered valid, as the research target group as well as the research questions were defined together with the client company marketing manager. The qualitative method used for conducting the research also proved itself suitable for this type of study and help to gather some useful information for the client. The main goal was to get information on what kind of marketing choices the two named competitors are using and how effective have they turned out to be. The research did answer these questions well. All the findings encountered during the research process were also properly documented in order to ensure the trustworthiness all along.

From reliability point of view, there are no big issues raised either. Although the amount of data available was everything but extensive, the data gathered from the chosen sources is rather unambiguous and the results are easily repeatable. Analysing the results was made strictly according to the theoretical frame set in the beginning of the study. The conclusions have been solely drawn by the researcher, but with a great assistance received client company marketing management during previous internship at the company. The general experience in the specific field of industry provided a great asset also from reliability point of view.

Perhaps the biggest concern is concerning the relatively little amount of data available of the companies under the scope of the research. Getting in to the very core of user experiences turned out to be extremely difficult. Therefore, if the client wishes to have additional information regarding, a further research is recommended. Regardless of
this, the data gathered on backlinking and search engine rankings can be considered both reliable and very useful for the whole research. In qualitative research it is impossible to be completely objective, but the background that the researches has on the same field is likely to be a positive thing rather than negative in this case.
REFERENCES


APPENDICES

Appendix 1. Housing Anywhere backlinking development
Appendix 2. Erasmusu backlinking development