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The proposal of two local marketing approaches inspired by the different practices of Wall Street Institute France Isère and Wall Street Institute China Shenzhen

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Mémoire de stage

The Proposal of Two Local Marketing Approaches Inspired by the Different Practices of Wall Street Institute France Isère and Wall Street Institute China Shenzhen



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**Master 1 Professionnel FI
Master Management
Spécialité Entrepreneuriat et Innovation
2012 - 2013**



upmf
Grenoble
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Sciences sociales & humaines

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Résumé

Ce rapport diagnostic a pour but de comparer deux franchisées dans différents pays ayant deux pratiques différentes avec le même savoir-faire fourni par le même franchiseur international – WALL STREET INSITITUTE INTERNATIONAL. Ce rapport diagnostic traite, dans un premier temps, des différences de ces deux pratiques en terme de quatre aspects que sont : l'infrastructure, le service, la partie commerciale et les autres. Ensuite une analyse de ces différences s'est exécutée, suivie par deux propositions commerciales locales pour WSI France Isère , propositions inspirées par ces différents pratiques.

Mots-clés : formation d'anglais, franchiser, commercial

Summary

This dissertation is for the purpose of comparing two different practices of the same business content from one international franchisor – Wall Street Institute International. The dissertation evaluates the different practices of WALL Street Institute France Isère and Wall Street Institute China Shenzhen, in terms of four aspects which are: infrastructure, service, sales and others. An analysis of these differences is given in the dissertation followed by two local marketing proposals for WALL Street Institute France Isère that are inspired by the two practices.

Key words: English training industry, franchising, marketing

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INTRODUCTION

WALL STREET INSTITUTE is a global leading company in the English training industry, with more than 450 learning centers in 27 countries, more than 2 millions students have been trained by WALL STREET INSTITUTE around the world. As a former employee of WALL STREET INSTITUTE China Shenzhen for five months, I am currently a management student in IAE GRENOBLE, France. At the end of the first academic year of my master degree, I am honoured to have the opportunity to be able to find an internship in WALL STREET INSTITUTE France Isère so that I can have the chance to compare the different practices of WALL STREET INSTITUTE in two countries.

This dissertation is consisted of an analysis of the business context of Wall Street Institute France Isère, a comparison of different practices and a reflection on improvements in terms of local marketing. Firstly, it begins with a general introduction of WALL STREET INSTITUTE International, WALL STREET INSTITUTE France and WALL STREET INSTITUTE China. The introduction is then followed by a throughout analysis of the business environment of WALL STREET INSTITUTE France Isère in terms of three levels, which are general environment, operating environment and internal environment. The second part of the dissertation is a comparison of the different practices of WALL STREET INSTITUTE France Isère and WALL STREET INSTITUTE China Shenzhen in terms of four aspects: infrastructure, service, sales and others. After comparing the two practices, an analysis of these differences is presented by dividing them into three categories, which are: economical factors, cultural preferences and by choices. As someone who has the chance to experience the two different practices, I put some thought into how to integrate the strong points of the other practice in order to increase business performance of Wall Street Institute France Isère, which is why at the last part of the dissertation, a proposal of two local marketing approaches which are inspired by the different practices is presented: the generation of referrals and a subtle marketing effort to increase the public awareness of the company without being too aggressive.

I THE IMAGE OF WALL STREET INSTITUTE IN ENGLISH

TRAINING INDUSTRY

1. The Presentation of Wall Street Institute

1.1 Wall Street Institute International

Overall Introduction

Wall Street Institute is the leading company for English instruction for both individuals and corporate clients all over the world. Headquartered in Baltimore, USA, Wall Street Institute has trained more than 2 million students. It is ISO 9001:2000 and ISO 9001:2008 certified and it is recently research supported by The University of Cambridge ESOL Examinations. Wall Street Institute operates both company-owned and franchised centers. It possessed nearly 450 centers in 27 countries mostly in Africa, Asia, Europe, Latin America and the Middle East. Its major markets include France, Italy, Turkey, Chile, Venezuela, Colombia, Korea, China Hong Kong, Germany, Portugal and Brazil. Wall Street Institute International supports its franchisees through an international management infrastructure consisting of 50 employees across America and Europe. It also directly manages a few learning centers in Germany as model centers for testing new products and developing best practices for the franchise network.

History of Wall Street Institute

Dr. Luigi T. Peccenini established Wall Street Institute in Italy in 1972. Within only two years of the establishment of the first center, 24 more centers were opened across Italy. Wall Street Institute improved language learning as a business by using aggressive marketing approaches linked to an efficient business model. By 1979 there were in total 48 centers opened in Italy.

Wall Street Institute started expanding internationally in 1983, first focusing on the European market; then by the early 1990s, centers were opened in Mexico, Chile and Venezuela. At the beginning of the late nineties, Wall Street Institute expanded into the Middle East and then to Asia, which have become a significant part of the business today.

In 2010, Pearson Group purchased the Wall Street Institute. The Pearson Group is the global leading educational materials company that has 37,000 employees based in more than

60 countries around the world. Pearson Group is also a major publisher that owns Penguin Books and the Financial Times newspaper.

Franchising

Wall Street Institute believes in developing by franchising due to the flexibility, efficiency and proximity to the market offered by small business units as well as the synergy effect generated by individual entrepreneurs. The point is to keep its own structures small, competitive and highly motivated. According to its official Research and Development website, the structure is based on three elements (wsi-develop.com):

Franchised WSI Center

- *Operates in retail locations with Centers of 250 square meters or larger.*
- *Sells and provides services in that area.*
- *Has a ten-year licensing contract with the Territory Head Office or Franchisor to whom it pays royalties and from whom it buys educational material.*

Territory Head Office

- *Launches the business in a country by opening Corporate-owned Center(s).*
- *Manages and expands the business in a country or region.*
- *Sells and provides services in its area.*
- *Has a ten-year licensing contract with the Franchisor, to whom it pays royalties and from whom it buys educational material.*

Franchisor – WSI International

- *Responsible for the creation of new products (R+D) and systems*
- *Assists or manages Territory Head Offices in the initial launching of the business, operations, services, marketing, administration and training. Manage, support and develop the Wall Street Institute brand.*

The Market

Nowadays, with more than 4.5 billion people who do not speak English, English is, by far, the biggest market for language learning. In fact, more than \$50 billion US has been estimated for the global market and it is growing every year. According to The British Council Estimates, there will be more than 2 billion people starting to learn English in the near future.

The Product

The Wall Street Institute product is an innovative learning experience, which contrasts with the traditional classroom learning forms, known in the industry as “blended learning”. The Wall Street Institute method combines comprehensive multi-media lessons, Internet-based courses and validation lessons with native English instructors. The student is placed into the appropriate level after passing an entrance test. On the average, students normally study with Wall Street Institute for 12 to 18 months. In France, it is more like 3 to 18 months. Most of the courses and the learning experience take place in the Wall Street Institute center, which is generally 250-500 square meters in size. The Wall Street Institute centers are located to high traffic pedestrian areas or public transportation hubs. Each Wall Street Institute center includes a Speaking Center where the student self-studies with the computer-based multi-media lessons; the Encounter rooms where the students work in small groups that consist of no more than 4 students for validation of lesson points; the complementary class rooms where students work in relatively bigger groups that limited to 8 students for oral activities. As most of the students are adults, who are ranging from 18 to 55 years old, the Wall Street Institute method and environment are designed to provide the students with a flexible learning schedule that meets individual needs.

1.2 Wall Street Institute France

Overall Introduction

Natanaël WRIGHT is the current CEO of Wall Street Institute France, whose father opened the first Franchise in Paris in 1983. Today, with around 25 000 students signed up every year, Wall Street Institute France is the leading provider of private English training in France. Currently, with 61 centers and € 40 millions in revenues, Wall Street Institute is far ahead its main competitor, Berlitz, whose turnover rate is about € 20 million. But still, Wall Street Institute France is still looking for further development, it plans to open about 100 more

centers in the zones that cover 80 000 to 200 000 residents. One third of the future centers are reserved to be established by existing franchisees and the two thirds will be reserved for new franchisees.

Unlike the Wall Street Institute centers in China, Wall Street Institute France provides also the service of preparation for TOEIC and BULATS (international evaluations of business English capability). Besides, the training in Wall Street Institute France is eligible for financing under the ‘DIF’ (droit individuel à la formation: the individual right of training) as well. France is the second largest market for WSI after China.

Wall Street Institute France Isère

Wall Street Institute France Isère owns 3 centers, in Grenoble, Montbonnot, and Moirans. The traffic and parking problems that plague Grenoble has caused the company to modify the usual hyper-urban business model. They are all owned by one independent company called Seven O’clock and managed by the same direction group. Wall Street Institute France Isère has currently 14 people working full time and 4 people working part time, in total, 18 employees working in all three centers. Wall Street Institute France Isère was established on June 5th 2001, and today there are about 250 students in Grenoble Center, 120 students in Montbonnot Center and 100 students in Moirans Center.

1.3 Wall Street English China

Overall Introduction

After achieving the success in Europe, the founder of Wall Street Institute, Dr.Luigi T. Peccenini continued his dream in China where, according him, is “the land with opportunities and future” for Wall Street Institute, in May 2000. In the intervening years, more than 60 learning centers have been established in big cities in China including: Beijing, Tianjin, Qingdao, Shanghai, Hangzhou, Guangzhou, Shenzhen, Nanjing, Suzhou, Wuxi and Foshan. More than 160 000 WSE graduates and students have been served by Wall Street Institute China over the years. Pearson Group currently owns Wall Street Institute China, all centers in China are, therefore, managed by the same direction group.

Wall Street English China Shenzhen, Kexueguan Center

In Shenzhen, there are 8 WSE centers, Kexueguan center is the first WSI center in Shenzhen whose opening marked as the WSI flagship in Shenzhen. Kexueguan Center has about 30 full-time employees with one service team and one sales team. In 2011, there were about 500 active students in the center.

2. The Organizational Environment of WSI France Isère

2.1 The General Environment

ANALYSIS OF PESTEL

Political

- Continuing education is increasingly monitored and regulated by the state. This adds more administration burdens for institutes.
- The procedure for continuing educational institutions getting paid by pari-mutual training funds (OPCAs) is getting more and more complicated.
- Unemployment is getting more serious nowadays, and the government is focusing more and more on continuing education to train unemployed labour.

Economic

- Ability of people to raise funds for optional trainings has declined due to the economic crisis.
- Cost of providing resources:
 - Staff – teaching & support
 - Basics – official WSI materials – quite expensive
 - Technology solutions
 - Computer maintenance
- Bank interest rates are relatively low but it is very difficult to get credit from banks nowadays.

Social

- According to planetoscope.com, there is a slight decline in birth rate since 2008, but France is still the champion of Europe in terms of fertility.

- Statistics show on cartesfrance.fr that the population of Grenoble in 2013 is 405,664 (metro), and 156,793 (city of Grenoble) ; the number has been growing steadily since 1990.
- There is no social networking – blogs, facebook, twitter specifically for WSI Isère
- More and more English qualifications are expected by recruiters
- The risk of highly valued, key staff moving on to more up-and-coming establishments

Technological

- Changes to standards/ equipment required by the supplier: WSI International.
- Technical constraints for remotely accessing the courses for students and using the WSI online systems for staff.
- New computer viruses may affect school/ college operations
- Computer hardware being out of date
- Computer software being out of date
- Time to manage IT systems

Environmental

- The main avenue in front of the WSI Grenoble Center is currently under construction, which can increase the chances of sucking in more dusts as well as creating inconvenience for students on their way to the center. This also causes accessibility and visibility issue for the center. The removal of trees has also created an overheating issue in summer.
- During the summer, the tramways are under maintenance so there is a bus stop set up in front of the WSI Grenoble Center
- WSI Isère uses a significant amount of paper and photocopier toner to produce printed information.

Legislative

- Working hours in France are 35 hours per week, though small companies like Seven O’Clock may raise that to 38,5.
- Legislation of recruiting foreigners: 5 weeks of not finding the right candidate with French nationality + 1500 Euros administration fees. In WSI Isère, almost half of the employees are foreigners.
- French training policies like DIF and CIF help bringing WSI Isère clients

- The French government subsidizes training for the unemployed via Pôle Emploi, and the various OPCAs. The money comes mostly from a tax on companies and is redistributed by Pôle Emploi.

2.2 The Operating Environment

Customer

Wall Street Institute France Isère has three kinds of clients, which are individual clients, company clients and unemployed clients subsidized by the government.

Individual Clients

Individual clients who sign up courses in Wall Street France Isère are those who have a short term or middle term English-related goal to achieve. The common English-related goals are passing exams like TOEIC, having successfully doing job interviews in English, or going aboard for a certain amount of time. The characteristic of these individual clients is that they want to see the result of improved English in a short time. They are mostly quite motivated to finish their contract on time and take in part in as many as activities they can. However, once they pass the exams or pass the interview they tend to become less and less motivated. Some will even need to be pushed to come back to the center to attend lessons.

Company Clients

Company clients' courses in Wall Street France Isère are paid by their companies, therefore they are less motivated compared to the clients who come from other sources. The characteristic of these clients is that they come to study regularly at the beginning of their contract but less and less later on. Nevertheless, they are relatively more sensitive to the sponsorship proposed by Wall Street France Isère which means that they are willing to introduce friends or co-workers to come signing up courses so that they can benefit from one free level of English courses (about 30 hours). However, company clients' learning process can be easily interrupted by unexpected events like going to a business trip for a few weeks or having to work on the day where their lessons have been scheduled. After a few breaks like that, their passion of learning English can decrease as well as result in a relatively poor English learning performance in the long run.

Unemployed Clients

Unemployed clients are usually subsidized by the French government, via Pôle Emploi, and they are becoming one of the most important sources business for Wall Street France Isère since the economic crisis. The characteristic of these clients is that since they need to have at least a hundred and eight hours of English learning done in a short time, and sometimes as many as 300, therefore they sign up to intensive courses and they have to take English learning as a full time job in Wall Street France Isère. As a result, they are the most motivated students in the center and they are the ones who normally achieve the most significant improvement in English. However, if there any important personal event happens during their short contract like deaths in the family, which will demand some time of absence, they risk not being able to finish their contract within the required timeline.

Competition

Wall Street Institute France is the leading company of English training industry in France. There is no major competitor to compete with Wall Street Institute France. However, the market is highly fragmented and there are a large number of smaller competitors splitting the market with Wall Street Institute France.

Labour

Wall Street Institute Isère recruits English teachers, language assistants, administrative assistants and course consultants (salespeople). The turnover rate in Wall Street Institute Isère is low, employees tend to stay at least 2 years, and several employees have remained from the opening of Wall Street Institute Isère in 2001.

For recruiting English teachers, Wall Street Institute Isère receives regularly spontaneous applications by e-mails or at the reception. Grenoble welcomes many native English speakers every year, and since Wall Street Institute is a global English training brand, native English speakers who want a job teaching English are likely to resort to Wall Street Institute Isère. Therefore, the company has enough back up applicants to fill in if needed.

For recruiting language assistants, it is relatively more complicated compared to recruiting English teachers since this position requires applicants to be fluent both in French and in English. Wall Street Institute Isère receives spontaneous applications for this position at the reception as well but not so many as for the English teacher position. Wall Street Institute Isère will also contact Pôle Emploi when there is no existing and satisfying applicant suitable for this position.

For recruiting course consultants, the company selects more carefully its applicants and tries to establish a long-term employer-employee relationship with them since a high turn over rate of courses consultants can cause losses to the company in the long run. Course consultants are the ones who sell the English courses for Wall Street Institute Isère; currently there are 2 course consultants, one of whom sells to private individual and unemployed clients, the other taking care of selling courses to company clients. The private consultant in Wall Street Institute Isère tends to achieve a significant number of signed contracts. Having started as an “alternance” employee, he has stayed in the company ever since. The other consultant is a professional salesperson with a 5 year business degree.

Supplier

Wall Street Institute Isère has two main suppliers: Wall Street Institute France and Wall Street Institute International. Wall Street Institute France takes 8% of Wall Street Institute Isère’s revenue in total for marketing service and royalty contribution. Wall Street Institute Isère orders student manuals from Wall Street Institute International, which is considered as one of the most significant expenses each month for the company. Besides, Wall Street Institute Isère has other suppliers for Office equipments, computer maintenance and cleaning service.

2.3 The Internal Environment

Infrastructure

Wall Street Institute Isère Grenoble

Wall Street Institute Isère Grenoble has three floors in total. The first floor consists of a speaking center, a reception working area, an encounter classroom, a waiting space and a toilette. The second floor consists of a teacher's room, a big classroom, a waiting area equipped with a television, a library area and a dining space for employees. The third floor is the office area. There are four offices in total, two course consultant offices, one administration assistant's office and one director's office.

Marketing

Marketing by Wall Street Institute France

Wall Street Institute France does the national marketing for Wall Street Institute Isère and all other Wall Street Institute Franchising centers in France. The 3% of revenue of Wall Street Institute Isère is contributed to the marketing service and 5% of the revenue is given as the royalty contribution. The marketing approaches applied by Wall Street Institute France are occupying the head lines of popular research engines like Google and Bing, the Wall Street Institute France websites and online English tests, Facebook page activities and external signs like advertisements on the Paris's subways. Franchised centers receive extra marketing propositions like digital models for "stand-rue" posters, flyers, etc.

Local marketing by Wall Street Institute Isère

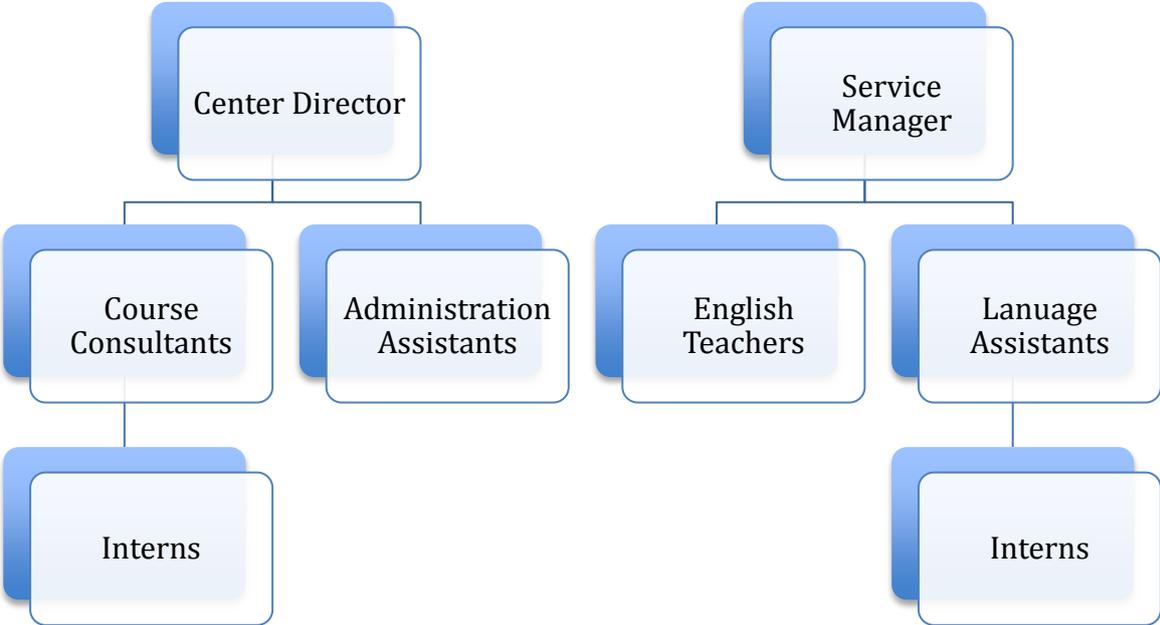
Wall Street Institute Isère has done some local advertising before but this has been aborted for the last couple of years due to high cost and poor results. The current local marketing approaches are emailing and sponsorship among students.

Finance

Streams of revenue for Wall Street Institute Isère come from the course fees from students. They can be paid in different ways: cash, cheques, financing, company cheques, or from OPCAs via third-party payment agreements.

Organization

The organizing of Wall Street Institute Isère is as the graphic below:



II The Comparison of The Different Practices of WSI France

Isère and WSI China Shenzhen

3. Identification of major differences

3.1 Infrastructure

Reference Object	WSI France Isère	WSI China Shenzhen
Surface	- 3 floors in total for all the center, in total about 220 square meters	-Only one floor for all the center, about 250 square meters in total
Comments	The difference of the surface is due to the market size, the center in Shenzhen has about 500 active students and the one in Isère has about 300 students	
Speaking Center (<i>Computer lab for students to do multimedia lessons</i>)	- One Speaking Centre for all students - 12 computers. Does not have first lesson room	-One regular Speaking Centre for regular students and one VIP Speaking Centre for VIPs - 64 computers for regular SC and 20 for VIP Speaking Center -One first lesson room is in the Speaking Center
Comments	This difference is due to two reasons: 1. The quantity of the students, since there are fewer students in France than in China so the Speaking Center is bigger in China. 2. The cultural reason for the VIP Speaking Center in China, since in China, upper-class people like to feel privileged and better treated than other people, having their own study area satisfies this psychological phenomenon. 3. Chinese students tend to all study at the same times after work. In France studying is dispersed throughout the day.	
Encounter Room	- One encounter room on the	- Four encounter rooms on

<i>(Validation lesson with native English instructors)</i>	ground floor	the ground floor
Comments	This difference is due to the quantity of students, more students then more classrooms.	
Complementary Class Room <i>(Conversation lessons with native English instructors)</i>	- One big classroom on the first floor used as Complementary Class and Social clubs room	-One big classroom on the ground floor used as Complementary Class and Social clubs room
Comments	This is the same in both centers.	
Library	- One book shelf filled with English books to be borrowed by students	None
Comments	The French center is smaller and it provides its students with warm, homey atmosphere. The Chinese one is more corporate style.	
English TV set	-One entertainment set with English channels showing all day long -Plenty of movies in English for students to borrow	None
Comments	The entertainment set in the Grenoble center is served as a waiting area for students who are waiting for their lessons, in china, there is a big hall for students to socialize with each other when they are waiting for their lessons.	
Changing Room	None	-One changing room for staff to put on uniform and have lunch
Comments	This is because the employees in WSI china wear uniforms but not the ones in WSI France (in France, the wearing of uniforms is not done by staff in educational settings and would seem extremely odd.)	
Course Consultant Office <i>(Course Consultant are</i>	- Two Course Consultant offices on the second floor,	- Seven Course Consultant offices on the ground floor

<i>salesmen)</i>	one for individual clients, one for corporate clients	for all clients
Comments	The Chinese clients are not used to booking appointments with salespeople, that is why in WSI china, there are about 10 courses consultants working at the same time to be ready to receive every possible client. Therefore there are more offices for them. In France, course consultants receive clients by appointments.	
Teacher's Room	- One teacher's room on the first floor which can hold 2 teachers prepping for lessons at the same time	-One teacher's room on the ground floors which can have 5 teachers prepping for lessons at the same time
Comments	More teachers in WSI China then bigger the office is for them.	
Coffee Machine	- One coffee machine on the ground floor, owned by external Partner. Not free	- Two coffee machine owned by the center, free for everyone
Comments	This is just a different choice made by the direction. WSI Isère decides to have a partnership with coffee machine company while WSI China buys their own coffee machines.	
Rest Room	- Two rest rooms, one on the ground floor for students, one on the second floor for employees	- One big rest room for everyone on the ground floor
Comments	Since in the WSI center in China, there are more students, a big rest room with separate toilet cabins is more economical for the company.	

3.2 Service

Reference Object	WSI France Isère	WSI China Shenzhen
Function of study advisor/ personal tutor/ language assistant	- Multifunctional: the French ones need to do the job of a study advisor + customer service assistant. But they do not need to get referrals and do not do English Corners.	- Teaching in the speaking centre, follow students, prepare English corners, and help generate referrals.
Comments	Labour cost in china is much cheaper than labour cost in France. So WSI China can afford to hire more workers to take charge of specific tasks.	
Encounters	Same	Same
Comments	Encounter is one of WSI International's core products. No WSI center can change the style or the content.	
Level check point interview	-Student will have a mid-contract appointment with the course consultant to see how the lessons go	- One level check point interview done by study advisor after every level in order to get new manuals, new booking card and generate some referrals.
Comments	In WSI China, the level check point interview is a way to get the study advisor involved in sales in order to help the sales team generate as many referrals as they can. But in France, the culture does not allow this, since this is considered inappropriate.	
Booking card	-Booking card kept by the centre at the reception - The card has the basic information and login account of the student. Contract starts date and end date.	-Booking card kept by student, it is changed every level. The booking card has basic information contains only name and level of the student. -There are encounter and CC

	- If any renewals, booking card need to be updated manually. -One booking card till the end.	and SC blanks on the back so that it is very easy for study advisor to track the student's study habit.
Comments	This is a different choice of organization in terms of following student's process made by different practices. Since WSI China has more students, its style of management of booking card can help study advisor to track down student's study habit (one lesson per visit, 4 encounters done per level) more easily.	
Complementary Classes & Social Clubs	Optional for students	Mandatory for students
Comments	In WSI China, when course consultants sell courses to clients, they present complementary classes and "Social Clubs" as one of main course components, because in the Chinese culture, with the same price, more is better. It is the quantity that counts, so students take these two optional supplementary activities as seriously as the main validation class like encounters. However, in France, students understand the hierarchy of the courses and they keep in mind the different purposes of different courses, it is the quality that counts the most for them.	
English Corner <i>(English conferences held by teachers and study advisors about different topics)</i>	None	- Everyday activity, considered as an important extra service provided for student
Comments	For Chinese clients, English Corner is an optional activity for them, every evening there are at least 3 sections of English Corners talking about different topics, it is an occasion for students from different levels to bond with each other and create a social network between them.	
Value-added services	-English Anytime -The village	-English Anytime -The village

	-Library -Rental DVDs -Dictionary -Coffee machine	-FT.com -Longman online Dictionary -Channel WSE -Harvard Manage Mentor -Coffee machine
Comments	These are mostly extra products provided by WSI International, each of them cost a lot of money. Since Pearson Group owns WSI China, so it can afford more products than independent franchisees in France.	
TOEIC	- One of the official TOEIC exam sites. - Provide manuals and advising session for students	None
Comments	Integrated the TOEIC preparation service in WSI France help bringing more clients because TOEIC Result is well recognized for recruiters in France. However, TOEIC is not as popular as TOFEL and IETLS in China, and WSI China do not have the right to hold official English examinations.	
Opening time and closing time	Monday till Saturday expect on holidays	Non stop
Comments	In China, since it is a country without official recognition of religious traditions, all business run even on Sunday, especially the service industry. It is a cultural habit. On the other hand, WSI France follows the age-old French cultural habit of taking the Sunday off.	

3.3 Sales

Reference Object	WSI France Isère	WSI China Shenzhen
<p>Bonus system</p>	<p>-Bonus system only for course consultants -Starting salary for course consultants are fixed and attractive -Study advisor's salary is fixed</p>	<p>- Besides the bonus system for course consultants, there is a bonus system even for study advisor - Starting salary for course consultant are not fixed</p>
<p>Comments</p>	<p>- The fixed salary for course consultants in France is stable and attractive in order to maintain low turn over rate. However, the fixed salary for course consultants in China decreases every month in order to put stress on the course consultants. -WSI China takes a more aggressive marketing approach than WSI France. Since Chinese students mostly sign a contract for 2 years, study advisors mostly have a close relationship with the students, therefore WSI China benefits this good relationship to generate referrals. The bonus system for study advisors is to motivate them to push referrals.</p>	
<p>Clients' approaches</p>	<p>- Marketing by WSI France head quarter. - Different approaches like walk-in, in-coming calls and internet inscriptions</p>	<p>-Telemarketing, stand, co-operate with other industries to promote WSI china, walk-in, in-coming calls. - Internet is only for downloading English learning materials.</p>
<p>Comments</p>	<p>WSI France resorts to mostly e-marketing and visual advertisements, nothing aggressive like pushing people to come visit the center due to the French culture. However, the Chinese marketing is much more aggressive; in front of each</p>	

	center, there will be promoters to convince passers-by to come visit the center. Also, Chinese people are alert of putting basic personal information like names and phone numbers on the internet – a principal source of client contacts in WSI France.	
Clients sent by Pôle Emploi	- One of the main source of the clients	None
Comments	This is due to the French welfare system and well-developed political system to treat the issue of unemployment. The Chinese political environment is still not there yet.	
DIF/CIF	- Due to the French training policy, a lot of students come from this source.	None
Comments	DIF and CIF are specific training policy in France that helps employees develop more skills. But in China, companies are only responsible for internal training of their employees.	
Instalment payment services	- Partership with Franfinance (Société Générale)	- An employee from the bank base in the centre
Comments	Since the course fee in WSI is relatively high, so students can pay their courses with the help of the bank loan.	

3.4 Others

Reference Object	WSI France Isère	WSI China Shenzhen
Entrepreneurial form	Franchises	Owned by Pearson Group
Comments	Pearson Group bought WSI China in 2010, so WSI China is now a corporate-owned company. In France, it is still franchising system.	
Student recruitment policy (<i>WSI Students can apply for vacancies in the center, their applications will be considered first</i>)	None	- Play an important role as the client fidelity plan
Comments	In China, WSI has a good image as a successful corporate, which suits the psychological phenomenon of working in a big company for most Chinese people. Therefore, many students participate in this programme. It is a win-win solution for both students and the company.	
Cleaning Service	Hire a cleaning guy	- Partnership with a cleaning service company
Comments	This is due to the size of the company. WSI China has 9 centers in each city, so it is the cleaning service company take charge of sending workers for all the centers in the city.	

4. Analysis of the different practices in economical factors and cultural preferences

4.1 The major differences due to economical factors

Entrepreneurial form

The different entrepreneurial forms determine directly the corporate culture. WSI China is more corporate-style because all 60 centers are run by the same direction group. So all the centers have the same standards and follow the same work code. Therefore a strong WSI network has been built all around China. WSI France applies the entrepreneurial form of franchising. The headquarter supplier provides individual entrepreneurs with the core product as well as a well-developed management and organising system. It also leaves the individual entrepreneurs freedom to develop their own companies. However, all franchisees are not necessarily involved in helping each other in the same franchising network and different franchisees can decide their own company policies and product pricing. The different entrepreneurial forms are due to the potential market size and the financial ability of local WSI headquarters.

Value-added services

Since WSI International offers all the value-added services/products, it depends on the financial ability of individual WSI Company to buy them or not. WSI China has stronger financial capacity than individual franchisees of WSI France.

Function of study advisor/ personal tutor

Chinese labour costs much less than the French labour, and yet French and Chinese centers charge comparable fees to their clients ; this is the essential factor why WSI China can afford to have more study advisors responsible for specific working areas. Also, there are less strong labour protection laws to protect Chinese labour. A French employee is four times more expensive than a Chinese one, therefore, one French employee has to cover more working areas and be more productive than a Chinese one. Also, French labour law heavily regulates dismissals, and it is thus difficult for employers to get rid of less productive employees.

4.2 The major differences due to cultural preferences

Speaking Center (*Computer lab for students to do multimedia lessons*)

Chinese people may generally not leave work to study English during the day, so in China the Speaking Centers must be particularly large to accommodate the evening rush. The existence of VIP Speaking Centers in China is a product of Chinese culture. Chinese upper class people like to be visibly more privileged than people from the lower social classes, unlike the French upper class people who are more likely to have a low profile and be discreet about revealing their wealth. A VIP course in WSI China costs twice the price of a regular course, so since the learning content is the same, a more attentive service must be provided in order to make the VIPs feel privileged. That is why there is a more spacious and comfortable VIP Speaking Center built specifically for them as well as VIP study advisors to help them along the learning journey.

Number of course consultants (*Course Consultant are salesmen*)

The reason why there are more than 10 courses consultants working at the same time in WSI China is because Chinese clients do not have the habit to make appointments to purchase something. When they are interested in taking English lessons in WSI, they go directly to the nearby center and expected to be welcomed and get to know the product immediately, otherwise they will feel rejected and go to the competitors. That is why in WSI China centers, there must always have enough salespeople available to receive every possible client. In France, clients respect the organization of a company, and with labor expensive and scarce, they are used to having to make appointments for any personal service. That is why 2 course consultants are enough to handle clients with different needs, who manage their time and availability by setting appointments.

English Corner (*English conferences about different topics*)

English Corner serves two purposes in WSI China. One is to make clients feel that they are getting more value out of the same price they pay. The other reason is that, WSI China wants to create a strong network among the students. Since WSI courses are very expensive compared to the Chinese average income, WSI China gathers people from the same social class. In China, “GUANXI” which means having a good connections is a very important key to success. So knowing people from the same social class also become one of the reasons why people come studying English in WSI China. However, since all the other lessons are either

done by individual or in small group, English corners are for students from all levels, gradually, it becomes a social event for building network among students.

4.3 The differences by choice

Student recruitment policy

The Student recruitment Policy plays an important role in the client fidelity plan in WSI China. All WSI students have the right to apply for position vacancies in WSI China and their applications will be considered first once there is a vacancy. WSI China requires potential employees who have high level in English skill. Therefore, looking for the right employees among students who are learning English can be a win-win solution for both the company and the student. Even for students who do not apply for the vacancy, they appreciate having the option of being able to apply for the WSI position in the future.

Library and English TV set

Having a library and English-language TV programming in WSI France provides the students with the possibility of borrowing English books and DVDs. It is also considered as one of the extra services in WSI France. Books and DVDs in France are not cheap compared to the ones in China. Therefore, having this resource for students can increase their satisfaction towards the company.

Booking card management

The WSI China's style of managing booking cards makes it very easy for study advisors to track down the students' studying habit and to do the follow up. Since on the booking cards, it has the number of encounters, complementary classes and social clubs the student has attended. On the other hand, the WSI France's booking cards only serve the purpose of letting student to go studying in the speaking center, as encouraging optional class activity is considered less important.

Level check-point interview

Level check-point interview is an interview with the student to see if he or she has fully understood the WSI study method and WSI study habit. In WSI France, the LCPI is done by the course consultant but in WSI China, it is done by the study advisor. The reason why WSI China asks the study advisor to do the interview with the student, is that study advisors can

help generating referrals more effectively since the relationship between the study advisors is often stronger than the one between course consultant and the student.

Bonus system for study advisors

In WSI France, the salary for study advisors is fixed. However, in WSI China, there is a bonus system for study advisors. Since study advisors need to follow-up students' studying habits and study progress, there is a target every month for them to achieve. 80% of booking rate, 80% of doing one lesson per visit, 80% of encounters done within the last 30 days, etc. Therefore the study advisors are more motivated to call the students for booking lessons and reinforce the study habit.

4.4 Summary of the possible differences that can be adopted by WSI France

Isère

- WSI China's Booking card management
- Level check-point interview done by study advisors to generate referrals
- Having English Corners
- Build a bonus system for study advisors
- Put in place the student recruitment plan

III The proposal of two marketing approaches inspired by the different practices

5. The Generation of Referrals

After joining Wall Street Institute Isère for more than two months, I noticed the company had stopped doing local advertising for a while. The generation of referrals programme has been put in place before but it is not actively promoted. After comparing the different practices of WSI France Isère and WSI China Shenzhen, I realized that it would be a pity to not be able to do anything to capture the market of the network of existing students. As I was listed in the previous chapter of what Wall Street Institute China Shenzhen did to generate referrals, I am going to propose a new referral-generation programme inspired by WSI China Shenzhen for WSI France Isère, which will be adjusting to its own practice and its market characteristics.

Definition of REFERRAL

REFERRAL means a potential client introduced by existing clients, it can be a friend, a family member, a co-worker or simply an acquaintance of an existing client of the company.

The Target market

The market of referrals includes all the people who are interested in English learning who surround the existing students in the company. Currently Wall Street Institute Isère has 470 students, thus, the market of referrals can be at least twice the size of the existing market. Among all students, satisfying students and company students are the targeted clients. Students who are satisfying with WSI courses are more likely to be interested in the benefits that come with the programme. Company students are the most sensitive ones to the referral programme since it is the company who pays his or her courses and they are the ones who have the most contacts from work who need to use his or her DIF and CIF.

General Idea

When a student brings a friend who is interested in the WSI English courses and successfully sign a contract, the student can benefit from one extra free level (12 multimedia lessons, 4 encounters, complementary classes and social clubs) of English courses in Wall Street Institute.

In Wall Street Institute China Shenzhen, it is the study advisor who plays an important role of pushing referrals due to 2 reasons: 1. The relationship between a study advisor and a student is relatively stronger than the relationship between a course consultant and a student, because it is the study advisor who accompanies the student with his or her study process, which is normally at least a few months period. Therefore, a study advisor can easily identify which student is more receptive to benefiting from the one extra free level by observing and constantly talking with the student. 2: There are standard procedures needed to be done by study advisors with every student, like having first lessons, second lessons and level check-point interviews, in this way, it is impossible to miss one student, all of these standard procedures can be an opportunity for the study advisor to promote referrals. That is why, Wall Street Institute China Shenzhen adds the “referral promoting” procedure into the level check-point interview since it takes place at the end of every level. In other words, if one student buys 5 levels in WSI, then the study advisor will inevitably have the opportunity to push referrals at least 5 times with the same student. These 2 reasons can also apply to Wall Street Institute Isère.

Implementation in Wall Street Institute Isère

The standard procedures for meeting students by study advisors in Wall Street Institute Isère are “First lessons”, “Second lessons” and “level check-point interviews” with company students. First lessons wouldn’t be the best opportunity to promote referrals since the student has just been sold WSI courses by course consultants and he or she is just getting to know the company and the WSI method, so he or she still does not have an opinion about the courses. It would seem too aggressive and unprofessional if the study advisor started talking about the referral programme so soon. However, the second lesson and the level check-point interview can be a good occasion. A Second lesson takes place after the first cycle of a student’s first course level, by the time when a student needs to schedule a second lesson with a study advisor, he or she has just finished 3 multimedia lessons, 1 encounter (validation lesson with an native English instructor) and probably has done one or two complementary classes and social clubs, it is the moment where the student has just experienced all different aspects of the courses and is still feeling particularly excited about it. Therefore, at the end of a second lesson, after verifying if the student has understood the WSI method and good WSI study habits and having a feedback of how he or she feels about WSI, a study advisor can start talking with the student about the referral programme. Since the referral programme does not cost extra money for the student and he or she can actually benefit from the programme,

normally the student won't refuse listening to it. Study advisors should target the most satisfied students and company clients since they are the ones who are receptive to this programme.

Once a student agrees to bring someone to come, he or she will sign a referral card with the basic information of his or her referee includes: name and phone number. Then this referral card will go to the course consultant's hand.

Materials needed for the referral programme

A brochure of the programme included information of what the student can benefit from and how much does it value. The old referral programme card, which is given by course consultant, can be put in use.

Sample:

Parrainage

Gagnez 1 niveau d'une valeur de 1090€ en parrainant un proche

OU POUR VOUS UN PROCHE

Wall Street
INSTITUTE
SCHOOL OF ENGLISH

www.wallstreetinstitute.fr

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Advantages

- Low cost for the company
- Maximize the market
- The students become actors in promoting the company
- Win-win situation for students and the company
- Does not require extra personnel

Risk

- Risk of having the company image of being marketing aggressive
- Extra work for study advisors

6. The Art of being subtle in marketing: to be known without being aggressive

After observing the different marketing style of Wall Street Institute France and Wall Street Institute China, I noticed that there is a big difference between the two marketing styles. Wall Street Institute China applies aggressive marketing approaches, from telemarketing to having promoters in front of every center to “drag” passengers into the center. In contrast, in the French marketing culture, this kind of aggressive marketing approach is a taboo. This makes me think of what can WSI France Isère do to maximize the public awareness of the company without being aggressive at the same time does not cost much extra money. Since WSI China is actively increasing the public awareness of the company by holding extra company-promoting activities outside of centers, I am going to propose a subtle way of getting more and more people to know WSI France Isère outside of the center without being aggressive.

Definition of out-center social clubs

Social clubs are one of the supplementary courses proposed by WSI. In contrast with encounters, social clubs are more entertaining and the topics of class are flexible. Standard social clubs topics in WSI France Isère are business clubs, movie nights, watching football games, TV series, picnics in the park, etc. Most of the time, the courses take place inside of the learning center, however, there are still some social clubs that are held outside of the center, like Movie Night, Picnic in the Park and watching American football games in a bar-restaurant and these social clubs are called out-center social clubs.

General Idea

When a group of WSI France Isère students are having an out-center social clubs with a native English instructor in public, it is very noticeable since it is quite rare to see a group of people doing activities in English. Therefore, the out-center social club itself can draw people’s attention as well as having the effect of promoting the public awareness of the company, but the question is how to let people know that it is WSI Isère who is holding the activities.

Implementation in Wall Street Institute Isère

In order to let observers who have the curiosity of knowing why there is a group of French people speaking English when they are participating in out-center social clubs, some external signs will do the trick. A one-meter height standing poster, a holding poster and table reservation stand with the company name and logo on it can be placed in the area where the out-center social club takes place. Having the external signs while doing out-center social clubs can have two effects: 1. To let the WSI students to know where exactly the social club is happening. Sometimes, when the student does not know the teacher, he or she can have a hard time finding the WSI social clubs groups. 2: To let the people around to be aware of that WSI France Isère is having activities and these activities contain two elements: English practicing and fun. Therefore, when they need to learn English in the future, WSI France Isère will come to their mind. If anyone is interested in having information of WSI France Isère right away, they can take a contact card, fill in their name and phone number, then the teacher will deliver these contact cards to the course consultants' hand.

The Target Market

The target market includes all observers who are interested in English learning.

Materials needed

- A one-meter height poster with company name and logo on it for social clubs in big public area like parks.
- A holding poster with company name and logo on it for social clubs in restricted public places like cinemas.
- A few table stands inserted with fitted size posters with company name and logo on it for indoor out-center social clubs in places like restaurants and bars.
- New easily distinguished contact cards to be filled out by potential clients.

Advantages

- Increased public awareness of company without being marketing-aggressive
- Low cost for the company
- The social club itself becomes an act of marketing

- Does not require extra personnel
- Does not require extra working time

Risk

- Extra trouble for teachers of bring the external signs
- Interruption during the social clubs by potential clients

CONCLUSION

Wall Street Institute International is the global franchisor for all Wall Street Institute centers all around the world. China is the largest market for Wall Street Institute and France is the second largest market after China. In China, Wall Street Institute China is wholly-owned by the international franchisor, and develops in collaboration with international headquarters. Wall Street Institute France, on the other hand, develops through its franchising network. It is planning on having 100 more learning centers in the next few years, funded and driven by the sale of new franchises.

WSI China and WSI France share the same “know-how”, management system and organization structure, however, the practices of WSI China and WSI France are very different as well as the cooperate culture, due to the market characteristics and needs. The differences of the entrepreneurial form, the number of value-added services offered and the function of study advisors are due to economic reasons. Moreover, the differences of a VIP speaking center, the number of course consultants and English corner service are due to the cultural preferences. Furthermore, there are some differences that are due to the choices of the direction group like: having the student recruitment policy in WSI China, having a library and DVD collection in WSI France, having a bonus system built for study advisors in WSI China, etc.

After comparing the different practices of WSI France and WSI China in terms of four levels, which are: infrastructure, service, sales and others. A summary of five possible differing practices that could be fruitfully adopted by WSI France Isère is given, which are: WSI China’s Booking card management, level check-point interview done by study advisors to generate referrals, having English corners, build a bonus system for study advisors and put in place the student recruitment plan.

At last, a proposal of two local marketing approaches that inspired by the different practices is presented. The first one is a referral- generation plan executed by study advisors in second lessons. The other one is to use external signs like stand up posters, holding pastors and table stands with company name and logo on it when having out-center social clubs in order to increase public awareness of WSI France Isère. The Director of WSI Isère is already implementing some of these ideas with my support, and the others are under consideration.

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