MARKETING APPROACH IN THE MANAGEMENT OF HIGHER EDUCATION INSTITUTIONS

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Abstract The purpose of this paper is to present relevant aspects of the marketing approach of the universities' activities in the current market conditions of higher education institutions. Universities are placed in the position to find solutions to the problems of stakeholder characteristics and to the competition on the educational market. Marketing approach of educational services involves the orientation to internal and external customer needs, adapting the educational and scientific research approach to create a brand image of the institution as a guarantee of its sustainability in a competitive market. The conclusion that emerges is that there is a rich specialized literature appeared especially after the 80s that presents the marketing tools that allow the construction of viable competitive strategies as components of university management performance.

Keywords: university marketing, relational marketing, stakeholders, brand image

JEL Classification Codes: A23, I21, M31.

1. THE NEED OF MARKETING APPROACH IN THE MANAGEMENT OF HIGHER EDUCATION INSTITUTIONS

Higher education goes worldwide through a process characterized by significant changes both in educational demand and in the educational offer. Higher education institutions are put in a position to find solutions to problems arising from internal and external customer characteristics. The changes in higher education from public and private sectors were presented by authors like Kirp (2004), Maringe and Gibbs (2009), Levy (2002, 2003, 2004, 2006a, 2008), Kinser and Levy (2005).

The need for universities in the public and private sectors to address this market of higher education in terms of marketing was due to the expansion of the private sector and the emergence of performant universities, which led to increased competition in the educational market. Maringe and Gibbs (2009) found that in Europe, higher education specific to knowledge-based society has become a good and therefore it recourse to the use of marketing tools. Levy (2006) believes that competition features differ from region to region and from country to country as marketing tools implementation is different compared with the acquired market experience. Marketing application in the field of educational services is known as educational marketing, component of social marketing. On the general, the higher education market is characterized by exchanges, transactions between units providing educational services and organizations within the national economy that benefits of human resource prepared in a specific area based on a curriculum and between schools and consumers of educational services to acquire
knowledge, form their skills and abilities to fill a job. Today, this concept of change has generated a broader concept that educational institutions have begun to develop, the concept of relationship (Campbell 2002). Considering the importance that goes to the educational market, it is making it necessary to adopt the concept of market-oriented strategic change defined by Piercy (2002) as the organization’s effort to pursue more customer requirements, to identify those factors that determine the customer neglect, to adapt the functional structure so that the employees know very well the requirements of customers that they try to satisfy at the highest level, better than the competition, creating a competitive advantage. Market orientation has been one of the most interesting research fields in the recent 20 years. The whole specialized literature has grown from two major works published in the Journal of Marketing by Narver and Slater, Kohli and Jaworski. Recently, some authors (Pandelica A. s.a, 2010) believe that marketing orientation should be developed as a business model. In higher education institutions, the ultimate goal of business should be external customer satisfaction (students, employers, society, etc.) and internal customers (teaching and non-teaching staff) as a guarantee of sustainability of a market institution constantly changing.

The approach of marketing educational services envisages the orientation to satisfying the customers’ needs and using the marketing strategies to the level of university institutions which the education consumers will identify, who are interested in the educational offer for which they have capabilities and will allow adaptation to make it more attractive. The aim of higher education institutions must be the determination of needs, wishes, the education consumers’ interests, the adaptation of educational and research approach to offer programmes that maintain or improve long-term satisfaction of their and the society’s interests.

The process of education, the special needs of supplier services and those of the consumers should be carefully explored as fundamental elements of the education system. The supplier services is directly represented in the relationship with the students by the teachers who are responsible for the generation and transmission of knowledge. The educational process is also maintained by the necessary infrastructure, by the cultural organization, by management that does not always accept quickly a change and for this reason the expectations of educational service consumers are secondary. (Sirvanci MB 2004).

2. THE SPECIFIC ACADEMIC MARKETING

Contemporary marketing can be defined as: “...a social and managerial process by which the groups and individuals obtain what they need and want by creating and exchanging products, services, ideas or rights with other groups or individuals.” (Kotler, Ph., Dubois, B., 2000, p.35).

The care for customer and the guidance given by him to the service organization give shape to marketing orientation in the higher education institutions. The essential elements of marketing orientation have been outlined by Kotler, Armstrong (1998) and are the following:

- the customer segments for which the institution is able to satisfy the needs in much better conditions than the competition
- various, complex and dynamic consumer needs
- the coordinated marketing which refers to systemic treatment of activities from the institution starting from the market requirements and the need for awareness that customer satisfaction is achieved only by involving every employee
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expressed profitability for higher education institutions through their sustainability education market.

University marketing has certain specific features determined by the fact that educational services are characterized by increased intangibility customization ability, abstract character, high cost and heavy impact on consumer. The factors that influence the university activities are numerous (Marzo, Pedraja, Rivera, 2007): some can be controlled by them (the quality of education, university curricula, university management), others are part of the external factors (changes in age structure, labour market trends, educational market globalization, the emergence of more attractive education alternatives, lack of motivation for learning among young people, etc).

The creation and delivery process of the educational services is based on tangible elements (buildings, equipment, staff) that consumers can partly directly contact before consumption and also intangible elements that can be evaluated only at the end of the consumption (intensity and effectiveness of student–teacher collaboration, the quality of internal communication etc.). The main functions assigned to the high education institutions are those of learning, training and shaping the personality of each student with the help of the teachers who are dedicated to their job and to the modern teaching and communicating systems. Added to this is the scientific research function with the role of generating, interpreting and applying new knowledge to technological and scientific progress. In the view of Bologna Process, the university will become an innovative creativity centre and constructive thinking able to determine the social development of human personality in the European social and cultural area, to create the preconditions necessary for the integration in labour market and the professional insertion of trained specialists.

The application of marketing in higher education institutions facilitates obtaining certain categories of benefits, respectively a better resource capacity to fulfill the mission of the institution as a result of using marketing tools, increase customer satisfaction with the impact on attracting customers for the upper stages of study and on the attraction of financial resources.

The university marketing strategy is in a relationship with the higher education institution strategy as directing the efforts and resources to accomplish the mission and the strategical goals, it facilitates making decisions on marketing mix components.

It is considered a successful strategy that approach by which are identified the target groups and their needs by using marketing research, followed by designing and implementing a balanced marketing mix. The strategies by which is analysed the achievement of competitive advantage are those that take into account variables: quality, material and human support used in teaching and research, price level and facilities in price policy.

Obtaining an attractive reaction from the target market is conditioned by building the vision on the education market from the perspective of university using the marketing mix, namely the five P (product, price, placement, promotion, personal), tactical marketing tools higher education institution can combine and control them. To create a marketing mix closer to the identified customer needs is useful to consider the marketing mix in terms of customer needs and desires, the costs incurred by the consumer (student), comfort, the purchase convenience and communication activity, meaning for the four C (Kotler, 2003).

**Educational product or service** is a transfer of knowledge, attitudes and behaviours from one person to another and the process by which a person is helped to acquire new capacity (1995 Alves). According to Kotler and Fox (1995), most educational...
services are a combination of tangible and intangible components, therefore, insusceptible to be considered pure services.

The global product offered by a higher education institution consists of basic educational services plus additional services for scientific research, professional practice training activities and social and cultural services designed to meet needs of accommodation, leisure. Educational services must be addressed on three levels: central (university mission, the main reason for a student to opting for a particular university) peripheral (services that focus around the central service value and improve the central or basic service) and additional or complementary defined by additional benefits given to the target market.

The price of educational services includes the taxes paid by the student for his education, the scholarship received from the state. Since the amounts received by higher education institutions from the state budget covers a relatively small part of operating costs, in order to ensure institutional continuity, increasingly depend more and more on school fees and, therefore, the price becomes a very important issue.

According to Kotler and Fox (1995) price should take into account costs, demand and competition. Little (1997) suggests that universities should opt for a variable pricing strategy, taking into account the demand, the domain of university training. This strategy is not agreed because there is no experience in this regard. It is important to note the fact that besides the monetary component, students also supports so-called non-monetary, psychological and effort costs (the proximity or remoteness of his residence, number of years of study). Kotler and Fox (1995) believe that in the selection phase of the university is difficult to assess the price actually paid for educational benefits since the price will be determined only after the consumption of educational services and when the graduate is looking for a job or advances in his career. According to Heller (1997), the price increase will determine the decrease of the probabilities for a student to apply to a particular university. Eiglier and Langeard (1991) believe that price is an instrument for measuring the quality of services that students will get and the only clear information item that holds before consumption. According to Eiglier and Langeard (1991) the immateriality service determines the need of a good promotional communication using besides traditional means also direct marketing. Kotler and Fox (1995) propose as main forms of communication used by these: the institutions, public relations, marketing communications and advertising that will strengthen the institutional image, to shape the feeling of confidence of future students and the loyalty of former students to provide information about institutional services, to complete information about the institution, to encourage the initiative of prospective students to apply for the promoted study programmes. A very important aspect related to communication about schools is the direct communication promoted by parents in the circles of friends, students, teachers, which is considered to be the most used channel of communication in connection with the university. That’s why this channel of information should not be ignored, because in case the negative information is transmitted, the institution may have serious problems and this can lead to a real aversion to the institution that will be difficult to change (Edmiston-Strasser 2009).

Placement or distribution in education are important aspects that university success depends on. According to Kotler and Fox (1995) the size distribution system of educational service may include:

- location, physical environment including accessibility, ambience, facilities
- study programs and their ability to attract students
- technology, schedule.
Physical environment, ambience is considered by experts as having strategic importance because it facilitates a better interaction of the institution with the external customers, but also with its own employees, it can serve as a differentiation element between competence and positioning among current consumers and the potential ones.

**Staff educational institution** is considered another strategic element because it enters in direct relationship with the external customers, it represents the institution, is a positioning and differentiation element in terms of competition. It is an essential component of quality educational service, being embodied in professionalism, courtesy, empathy with the significant role in the achievement of the organization’s objectives, in the increasing of the institution’s contribution to the smooth running of the entire society. The educational process should be understood as all the interactions required by the service providing, respectively the planning of conducted activities within each program of study, their properly structuring, the efficient management of services by identifying the operational procedures to apply and customizing the services.

### 3. CUSTOMERS OF HIGHER EDUCATION INSTITUTIONS AND RELATIONAL MARKETING

Applying the concept of marketing in the activities of the higher education institutions determines the need to define the customers and identify the needs and desires to satisfy them properly. Generally the client is the individual or legal entity that acquires a product or service from a supplier. For the university education, the client can be an individual or an organization that makes a payment directly or indirectly for an educational service (direct clients of university institutions, economic agents that benefit of qualified human resource, the society that benefits from knowledge, technological innovation for business development). From this statement, in the specialized literature it is used the concept of stakeholders or the parties interested in the services provided by the universities, which are represented by: students, their families, local communities, society as a whole, staff from institutions, authorities and public administrations, employers organizations (Rowley, 1997; Macfarlane and Lomas, 1999; Marcet, 2001; Cooper, 2002; Ernawati, 2003; Sahney, Banwet and Karunes, 2004).

The specialized literature provides generally a wide list of authors who have defined the customers of educational services (Winch, 1996; Galloway, 1998; Johnson and Golomski, 1999), and also the customers of higher education, especially Madu and Kuei, 1993; Conway, Mackay and Presor, 1994; Fram and Camp, 1995; Hebert, Della and Bass, 1995; Cuthbert,1996).

In the education process, students occupy several positions (Veres, Hetesi, Vilmányi, 2009):

- products of the educational process resulted from the processing as raw materials in the early stage of university training into finished products at graduation
- domestic service consumers that contribute to the delivery of basic service (library, receiving services in student dormitories)
- workers in the learning process, a role identified for the first time by Sirvanci (1996)
- domestic consumers of courses, of study materials, considered as the main role of the students (Sirvanci, 1996). Starting from these considerations, it is useful to identify students with the concept of final user of the educational services (Veress 1999; Miskolciné Mikáczó 2006).

Educational services are interesting for the direct and indirect consumers of educational services (students, parents, employers, society) because they satisfy a complex category of needs. Students are interested in obtaining a balance in terms of investment of
time, energy and effort in learning and the result at the end of the training process as specialists. Prospective employers are interested graduates to be able to solve problems commonly faced by the organization that will work in. The society has its own expectations regarding the proper functioning of the economy also in the social plan due to the effort of the graduates of higher education both during the initial training and continuous training.

In a world where information resources represent more and more the key of progress, it becomes more necessary the concern of higher education institutions as providers of services for a good relationship with the economic agents to which they have to offer viable solutions for a sustainable development, both in terms of training of specialists and in terms of scientific production.

An important role in this regard goes to the critical analysis of the relationship between graduates as consumers of the educational and university services, essentially rendered by the image of the university among the graduates, their satisfaction, the interaction between the professor and the student, respectively the graduate.

Recent studies made in the field of university marketing (María Walesska Schlesinger Díaz, 2010) have shown that the competitiveness of the university is built on the relationship graduate – university played by its image among stakeholders. The quality of student-teacher interaction is reflected in the satisfaction of the graduate and in the content of the university image perceived as concept with cognitive, affective dimensions. The favourable image of the university among the graduates help in maintaining the relations with the graduates also after graduation and it must constitute into a strategic goal of marketing and university management.

Attracting, maintaining and strengthening the relations with the customers represents relational marketing (Berry, 2003). It is very important to strengthen the relationships with the existing customers for a long term success. Graduates can become further clients as master students, PhD students and then economic agents interested in the knowledge and the innovations created by the universities and employers of graduates of higher education or master degree.

Relational marketing is more useful in the field of education services as it exist alternatives for the client in choosing a service provider. It should be understood as a philosophy, as an integrated way of thinking based on the placing on the market of a service that creates value for both client and organization. The service providing must be accompanied by an adequate promotion and a flexible organizational structure. Transforming the indifferent customers into loyal customers means the real marketing activity (Berry, 1983). In the outlining of the relational marketing strategies, Berry suggests to consider five aspects: basic service, costumizing the relationship with the client, service development, incentive price, internal marketing. Berry also believes that the most important aspect in implementing the relational marketing is the service provision that meets the need identified in terms of quality and giving confidence to the customer.

The quality of educational service is given by the degree of materialization, professionalism, honesty, trust, rigor and empathy of the service. Because the result of service consumption is the benefit that can not be known by the client before consumption, the clients will remain loyal to those suppliers that give them confidence.

Relational marketing, viewed as whole activities by which are developed and maintained long term relationships with customers and with other interested parts made the subject of the concerns of many specialists. (Berry1983,2003, Payne şi Ballantyne 1991, Morgan and Hunt, 1994; Grönroos1997, 2000).

Gummerson (2002) extends this concept considering relational marketing as a total marketing based on relations, networking, interaction between customers, organization,
market and society, the obtained value being created jointly by all concerned parties. Gummerson added three important theories to the classic marketing fundamentals that contribute to the shaping of relational marketing concept: total quality management, corporate network, considering the human capital as an asset creator of value. TQM is considered not only a revolutionary of quality management, but also a consolidation of marketing orientation to the client, to the quality perceived by the client and by his satisfaction.

The fundamental principles of quality management: orientation to the client, leadership, staff involvement, process approach, the correlation of the processes that consider the relation with the clients and with other actors from the organization arena, mutually beneficial relationships with customers are related to the marketing approach of customer relationship.

Rust, Zeithaml and Lemon (2000) and Heskett, Sasser and Schlesinnger (1997) have proposed a new concept, the equity for the customer which implies satisfaction, loyalty, profitability as elements that contribute to obtain the profit chain for each service. Following the implementation of marketing practices, Kaplan and Norton (1996) describe the organization capital as also being constituted from the capital given by the customers value. To this is added the notion of intellectual capital, consisting of people holding qualities and skills. The university should build also a structural capital represented by the connections, relations between functional departments, organizational culture.

Hunt and Morgan (1994) have proposed building the relational marketing as network competition, including all marketing activities by which is established, developed and maintained the success on the market place by integrating all the value chain links (buyer, supplier, employees).

A modern relational marketing should not be restricted only to the final customer, the external customer. Berry believes that is useful also the consolidation of the relationships with the internal customers (service providers), respectively the marketing approach of this category of customers because only by attracting, retaining and motivating a quality staff it is improved the organization ability to provide quality services, an important condition in building a solid relationship with the clients. Strong relationships with employees of the organization lead to a sustainable relationships with customers.

4. BRAND IMAGE – THE CENTRAL ELEMENT OF SUCCESS FOR HIGHER EDUCATION INSTITUTIONS

In a market that has become competitive, higher education institutions must increasingly consider the problem to build a successful image both among prospective students and among employers to maintain an advantageous position on the market. The image must be accompanied by the correct information, a good promotional communication, performant university management based on marketing principles. So far, most universities were not concerned enough to know the size of their own images in the minds of stakeholders. It is important to build a brand image because the intangible component of the product offered by the university has a considerable weight and reduces the risks posed to the future student placed in a position to choose a higher education institution.

For the universities, the value is given by the favourable image that will benefit on the educational market. The image of the university is a strategic component as the university marketing operates especially with intangible aspects whose mental representation is essential. University’s mission, the pursued purposes, organizational structure functionality represent aspects that contribute to shaping the
Building a positive image is useful to start with an accurate communication, complete about the capabilities, resources and strengths of the university, which in terms of image it means the image most often transmitted or broadcast through stakeholders. Depending on the ability to understand and value system of each person belonging to the target group, it must be reached the image transmitted to the incoming image that has a strong subjective character. The most important aspect in terms of marketing approach is to study the actual image that represents the synthesis of the subjective images received at an individual level and considered at a social level.

The American Marketing Association defines a brand as a "name, term, design, symbol or any other feature that identifies a good or service as distinct from those of other sellers". It is an abstract concept associated with a company, product, service, and that is reflected in a certain manner by the clients, staff, partners, investors. This abstract concept is associated with thoughts, feelings, perceptions, images, experiences, beliefs, attitudes resulting from stakeholders experience with the brand and which is materialized in information and expectations associated with a company, product or service. A strong brand is one of the most valuable intangible goods for any company (Clark, 2002; Keller, 2008; Keller and Lehmann, 2003).

Berry (2000) introduces the term “brand equity service” which is determined by the brand’s company, external communication and the service consumption experience. Since the introduction of the concept in the specialized literature in the 1980s, it appeared more points of view on the importance of brand equity as a marketing tool available for the enterprise: Aaker (1991,1996), Franzen (1999), Ambler (2000), (Keller, 2003). Rust, Zeithaml and Lemon (2000) created a model for this concept of brand equity consisting of three components: customer brand perception, emotional value that is produced to the customer, customer loyalty to brand.

Vargo and Lusch (2004) refer to the brand as part of the intangible asset of the enterprise services with the value given to the customers who are considered by the two authors and also by Prahalad (2004), co-producers of value to the enterprise services. While Prahalad (2004) and Webster (2000) consider brands to have a role just in the relationships of the company with the final customers, (Brodie,Glynn, Little,2006) suggest that the brand should be examined as being part of the marketing system taken as a whole. Little (2004), who investigated the value creating process for the clients at an organization level suggested that the notion of customer value is closely related to the service brand and together lead to the increasing of the organization value. The service brand should be understood and approached as a relational asset. The brands are in the middle of the marketing activities as of the business strategy (Doyle, 2003), and building a brand equity is considered as one of the key success factors of the organization (Prasad şi Dev, 2000). Martensen and Grønholdt, (2003b, 2004) developed a brand equity model for the customer based on the relationship client-brand treated from the rational and emotional point of view. In their opinion, brand equity is a mental brand that includes the mental associations of the consumers and clients and are influenced by six determining factors: the quality of the product, the service quality for clients, the brand differentiation, the fulfillment of promises contained by the brand, brand trust and credibility. (Martensen and Grønholdt,2010, p.301)

Also the employees can contribute to the creating of the organization brand by the behaviour based on courtesy, responsibility, empathy, support. Such behaviour has been
shown to help shaping the perception of service quality by the consumers with impact on customer loyalty.

The task of providing customers service experience in accordance with their expectations and create a desired brand image rests primarily with the employees. That’s why a challenge for any organization, especially for service provider organizations would be training the employees to be able to reflect the favourable image of the organization. The employee or human resource brand was conceptualized in several ways. (Estell, 2002; Farrell, 2002; Frook, 2001; McKenzie, 2001, Mitchell, 2002).

A global model for the understanding of the human resource branding process was designed by Miles and Mangold in 2008. For its designing, they started from defining the human resource brand, the source of messages received by employees, factors that affect employees perceptions acquired positive consequences determined by the employee as a result of branding efforts.

Miles and Mangold (2008) appreciate that human resource branding can be understood as a process by which employees internalize the desired brand image and are motivated to project the image to customers and other organizational components. The internalisation of the brand image of human resource is possible when employees receive coherent and credible messages from the internal systems of organization. The internalization process allows employees to accomplish better the explicite and implicit promises necessary in the process of creating the image and brand of the organization. (Greene, Walls, Schrest, 1994).

The organization image projected by its employees and by the stakeholders represents the central element of the success of human resource brand. To build a brand of a successful human resource, it is necessary the organizations to create a favourable image of the organization in the employees minds before they interact with customers, meaning to build a strong relationship between employer and employee. Human resources branding process can be considered as a source of competitive advantage (Miles and Mangold, 2008).

CONCLUSIONS

The following remarks can be derived from the paper:
- the marketing approach is a necessity for the success of the management of higher education institutions determined by changes both in terms of the demand of global product offered by the university and the educational supply existent on the market of higher education institutions
- the university marketing strategy is in relationship with the strategy of higher education institution and forms that step by which are identified the target groups and their needs, followed by designing and implementing a balanced marketing mix
- a competitive advantage can be obtained by considering the variables: quality, material and human support used in teaching and research process, price level and facilities in price policy
- identifying direct and indirect customer needs and desires determines the need to implement all actions seen as relational marketing which develop and maintain long term relationships with customers and other interested parts as a guarantee of competitiveness of the university; there is a rich specialized literature on this subject since the early ‘80s
- so far, most universities were not concerned enough about knowing the dimensions of their own images in the minds of their stakeholders. It is important to build a brand image because the intangible component of the product offered by the university has a considerable weight and reduces the risks posed to a future student placed in a position
to choose higher education institution. The brand image of the university is built successfully if the university raises the questions of developing also a brand of human resource in developing and maintaining a sustainable and effective relationship with stakeholders.

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