A Study of Effective Marketing Strategies followed by Management Institutes in Pune

CHAPTER 2

LITERATURE REVIEW

Ph.D. Thesis of Arindom Satyaranjan Sarkar
CHAPTER II
REVIEW OF LITERATURE

2.1 Education in India
Education system of India is often cited as one of the contributors to the economic growth of India. Much of the progress in education has been credited to various private institutions. The private education market in India is estimated to be worth $40 billion in 2008 and will increase to $68 billion by 2012. However, India continues to face many challenges in this context. Despite growing investment in education, 40% of the population is illiterate and only 15% of the students reach high school.

2.2 An Overview of Business Education in India
The development of management education can be traced back to eighteenth century. From eighteenth century to twenty first century, management education has seen lot of changes and developments. Management education in India is predominantly a derivative of western management thoughts and practices. Most of the practices followed in management schools in India are adopted or inspired from western management principles and techniques. Occasionally, management schools draw some inferences from Indian epics, shastras and age old practices. Some management theories and practices are also developed from practices of kings and religious books written by saints. It may be worthwhile to note that management itself as a discipline has evolved from fundamental disciplines of philosophy, psychology, economics, accounting, computer science, mathematics, statistics and industrial engineering. In India, management education was for a long time viewed as an education for the elite. Often, young men and women are attracted to management education not because they need some education, exposure and experience to create something wonderful and hence useful to society but are usually motivated by the positive consequences associated with management education.

India in the twenty first century is witnessing a sea change in its educational system. The process of liberalization, privatization, globalization (LPG) has not only replaced the traditional approach with a more efficient professional approach but also introduced new and relevant courses in accordance with industrial demands which has more economic value in today's context. Management education is one among those which got a new dimension with the changing times. Initially, marketing, finance and human resource management were considered as functional areas of management, but
now management education includes many more functional areas like operations, information technology, international business, supply chain management, retail and more is being added to the list. India has witnessed a continuing growth in this sphere of education because of the rising demand for trained management graduates.

Management education in India is not very old. Soon after the establishment of the Indian Institutes of Technology (IITs), there was a dire need for similar establishments in the field of management education. Thus, came into existence Indian Institute of Management Ahmedabad (IIM-A), followed soon after by one in Kolkata Indian Institute of Management, Calcutta(IIM-C). Starting with the establishment of four Indian Institutes of Management Ahmedabad (1961), Calcutta (1962), Bangalore (1973), Lucknow (1984), now management education is being offered as full time/part time MBA programs by some leading universities in the country. Specifically during the last four to five years, the country has witnessed a tremendous growth in the founding of management institutions, most of them in the private sector offering management programs in different functional areas of management. The rampant growth in number of management schools is to such an extent that often the term ‘mushrooming’ is used in this context.

Management education in India was initiated just after independence with the establishment of Indian Institutes of Management. Since then, various changes challenges issues and implications has been observed. Sahney et al. (2004) observed that Indian educational system has been subjected to fast and radical changes over recent years. Panandiker (1991) pointed out that knowledge and knowledge creation will be far more central to the management education of the future rather than technology. He further added that humans will live not by bread and car alone but far more by knowledge, wisdom and ideas. This fundamental transformation of management education is both inevitable and necessary because the present consumption patterns of mankind can only take him thus far in its evolution and no further.

MacNamara et al. (1990) stressed on action learning in management education as management institutes are often criticized for focusing more on theory and on quantitative analysis while neglecting interpersonal relationships and quantitative findings. It is often stated that management education should be experience-based, dynamic, have a problem solving approach and based on continuous feedback and changes based on the feedback.
Gill and Lashine (2003) emphasized that due to globalization and advancement in information technology, the role played by management education in enhancing knowledge base has been placed under a sharper focus thus, it has become imperative to look at management education from the market oriented perspective and take a strategic view to align business education with the requirement of the global market. The authors Sharma and Roy. (1996) pointed out that internationalization of management has been promoted along several dimensions such as curriculum, research activities and executive development programs. It seems that, educational institutions and supplementary providers of management education have no choice but to rise to the challenges of global competition.

Management education plays an essential role in today’s dynamic business environment. The rapid rate of globalization and technological changes have made it difficult for organizations to survive in the competitive world. As a result the importance of management education has been increased many folds. There are more than 3900 B-schools in India where students pay a hefty sum hoping to find their dream career after completing their program. Unfortunately, these business schools are not even able to place more than 50% of the students excepting for a few top B-schools. This is really an issue for concern and various reasons can be attributed to it. The main reasons being the institutes not performing their roles of imparting education properly, the students seeking education not being responsible and serious enough and affiliating authorities not being very stringent about compliance of norms. This is the reason the quality of the institutes and the students have deteriorated drastically. There are fundamental issues of input quality of students. In addition, there are fundamental issues of academic delivery quality as most run-of-the-mill colleges/institutes spend a meager amount of their revenues on actual academic delivery and siphon off the rest.

Most college management bodies complain of not being able to have enough admissions in spite of investing on college infrastructure and start-up costs and those that are able to fill capacity admit anyone and everyone who applies for admission thus resulting in poor input, leading to poor results and placements. After the introduction of ranking system for B-schools, B-schools took a proactive approach in making changes, although they focused primarily on institute infrastructure and facilities and marketing by using sponsored surveys and write-ups in newspapers. A
study on management education has shown that there will be a fundamental shift in B-schools product offerings away from traditional MBA programs and the trends of evolution of management education indicate that knowledge creation is becoming more student based (Friga, Bettis and Sullivan, 2003). This will result in various changes such as closer interaction among industry, students and faculty. It is clear that management education will emerge as one of the main pillars of higher learning, due to its growing demand. It has been stated that B-schools, if they have to survive, have to focus on research to solve problems of enduring importance and to build such curricula that can actually prepare students to be effective in practicing the profession. Jha and Kumar(2012) observed that high level studies are required for increasing demand competencies in an economy with the attitude of innovation and technological progress. Sahana(2009) found in his study that qualitative expansion is the basis of quantitative expansion in higher education. He further said that quality creates opportunity for us and imposes challenges for others. Raina (2008) stated that the boundary of management education should not be confined to the doors of university and colleges but it should be opened to the entire society. Ravindran and Kalpana(2010) stated that study in management education should be based on practical orientation and not on theoretical orientation. He made it clear that 75% discussions should be based on the case study of latest / present, existing and future problems and 25% on theoretical and past problems. Carlsson and Eliason (2003) interpreted how quality is perceived by different groups of customers, namely the students, parents, faculty members and employers, regarding the quality of education and classified these perceived qualities into an Input-Process-Output (IPO) framework. Input refers to the entry requirements, process to the teaching and learning process, and output to the employability and academic standings. Narang and Dwivedi (2008) observed in his work on “professional education and its relevance in present society” that the university and college must be the center for the solution to the social, economic and political problems. He further said that the social face of higher education is the point of its relevance today. There has been a significant growth of management institutions after globalization. The table shows that in 2005-06 there were only 1888 management education institutions which has increased to 3858 by 2010-11. Similarly the enrollment of students also increased from 1,22,663 to 3,78,907. But in spite of such a growth, there
is a big gap in the demand and supply of management graduates which needs to be bridged up at the earliest. India’s manufacturing, health care, information technology services, infrastructure and banking and insurance sectors have also grown rapidly during the period. There is a need of large number of highly talented and skilled managers with specialization for efficient operations of these sectors in order to maintain stability and sustainability of the Indian economy.

Table No: 2.1 Growth of Management Institutions/Seats (Approved by AICTE)

<table>
<thead>
<tr>
<th>Year</th>
<th>Institutions</th>
<th>Seats</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005-06</td>
<td>1,888</td>
<td>1,22,663</td>
</tr>
<tr>
<td>2006-07</td>
<td>2,031</td>
<td>1,44,372</td>
</tr>
<tr>
<td>2007-08</td>
<td>2,062</td>
<td>1,85,780</td>
</tr>
<tr>
<td>2008-09</td>
<td>2,734</td>
<td>2,27,989</td>
</tr>
<tr>
<td>2009-10</td>
<td>3,482</td>
<td>2,73,732</td>
</tr>
<tr>
<td>2010-11</td>
<td>3,858</td>
<td>3,78,907</td>
</tr>
</tbody>
</table>

The emergence of new sectors in different industries, together with positive economic conditions and prosperity has altered the whole business scenario of India. Organizations and businesses have become more complex, multifaceted, challenging and reaching up to the desired standards to face those challenges has become major objective of today’s young managers. To achieve this, the budding managers need keen insight about business, flexibility to adopt and adapt, pro activeness and the ability to relate the management theories learnt in classrooms with the action plans. One has to have a global outlook and holistic view of the business, while at the same time be keenly aware about local conditions. There is a change in belief which means if someone wants to stand out in the business world he needs to have exclusive and path breaking business ideas to convert theories into actual plans. A properly groomed and educated MBA graduate can do it successfully. In the backdrop of growing need of professional business managers it is vital to focus on country’s professional
management education. India is a big country with expansive education system for its billion plus population and in recent years country’s higher education has undergone sea changes yet it has not been able to create a platform even though an adequate infrastructure is being made available which can produce sufficient numbers of managers. Today, management students are getting exposed to updated curriculum and faculty are well trained offering better teaching pedagogy which can help in building future global managers.

2.3 Special Characteristics of Educational Marketing

Educational Marketing is a service-based business and it is different from marketing a goods based business. There are several major differences between traditional marketing and educational marketing. In case of educational marketing:

- The buyer purchases are intangible,
- The service may be based on the reputation of a single person,
- It's more difficult to compare the quality of similar services,
- The buyer cannot return the service (McIntyre Roger P and Stephen W brown 1994)

Inseparable

Educational marketing is a service which is inseparable from the point where it is consumed, and from the provider of the service. For example, one cannot separate the academic results of students with effectiveness of teachers or type of curriculum students have. Services cannot be separated from the service providers. A product when produced cannot be taken away from the producer in case of services.

Intangible

Educational marketing is a service which is intangible and cannot have a real, physical presence as product has. For example, educational service can be provided but they are not tangible because services are always intangible. One cannot hold or touch a service unlike a product. One can provide education, but one can’t hold “Education”. The consumer’s perception of customer service includes the location and inner outlay of where they are purchasing the service.
2.4 Application of Four Ps in Educational Marketing

In the early 1960s, Professor Neil Borden at Harvard Business school identified a number of company performance actions that can influence the consumer decision to purchase goods or services. Borden suggested that all those actions of the company represented a “Marketing Mix”. Professor E Jerome McCarthy, also at the Harvard Business School in the early 1960s, suggested that the Marketing Mix contained four elements: product, price, place and promotion. (Kotler, Philip, Keller, Lane 2005)

2.5 Cs of Educational Marketing

Educational marketing is unique. It has some features different from product marketing. Besides four Ps, there are Cs which are very important in educational marketing. (Patrick Forsyth 2004). The four Cs are client focus, continuous, co-ordinated and culture oriented.

Client Focused

The first ‘C’ in educational marketing is that it must be client focused. Educational marketing is about meeting client needs. In any educational marketing plan, it is necessary to focus on student needs i.e. educational requirements of the students, future of graduates and the market reputation of the graduates passed out from the college/institutes.

Continuous

This is the second ‘C’ of educational marketing. Educational marketing is a continuous process. There are many people who think that it is a thing of now and then. They regard it as something to be done when there is time. Timing may be important, but educational marketing is carried out throughout the year. All the activities of students and teachers become a part of marketing plan. Even examination results and other co-curricular and extra curricular activities are important aspects of the marketing plan.

Coordinated

This is the third ‘C’ of educational marketing. There are many elements of marketing, for example, promotional techniques, client needs assessment, different survey methods and so on. It is necessary to co-coordinate all the activities to get maximum


benefits with minimum efforts. What works best is usually an on-going campaign, well planned, though sensibly fine-tuned as time goes by. Simplest things work best when coordinated otherwise desired results are not obtained.

**Culture Oriented**

This is the forth ‘C’ of educational marketing. Marketing culture of an organisation is another important aspect. Educational marketing can only thrive and be successful when everyone within the firm is involved and playing his part, whatever and however extensive that may be. In educational marketing internal and external culture plays a very vital role.

More and more schools, universities and specialized colleges are going online each year, attracting attention from people who would otherwise have not considered the institute’s education services before. Not only this, online education is now playing a fundamental role in today’s work place.

**2.6 Education as a Service**

Marketing of education is a subject having very wide coverage. Taking into consideration that formal education begins in school and depending upon the choice, vocation and aspirations of the pursuant, moves through intermediate and culminates at higher and/or professional levels, benefits sought from higher and professional or vocational courses should be more tangible or measurable in terms of benefits acquired. Apparently, benefits sought from higher and professional or vocational courses are more tangible or measurable as compared to traditional education as they provide more opportunities of a livelihood.

Interestingly, the need to ‘market’ their services has not really been felt by the education sector, as educational institutions, be they colleges or Universities or institutions catering to specific fields like management, have always had more demand than they could cope with. For specialised fields like management and computer education, where attractive market potential has increasingly caused more and more institutions to be set up, competitive situation is changing. Even the institutions having heavy demand earlier have been confronted with the question of being able to choose the desired target customers, and therefore face issues like product differentiation, product extension, diversification and service integration. There is a basic concern for educational institutions with building and retaining
organizational reputation for creating a ‘pull’ in the market. All this has activated some interest in the hitherto neglected area of marketing of education services. American Marketing Association (AMA) defines “Services as those separately identifiable, essentially intangible activities, which provide want satisfaction and are not necessarily tied to the sale of a product or another service”. Providing a service may or may not require the use of tangible goods. However, when such use is required, there is no ownership transfer of these tangible goods in service buying transaction. Education as a service, then, can be said to be fulfilling the need for learning, acquiring knowledge, providing an intangible benefit (increment in knowledge, professional expertise, skills) produced with the help of a set of tangible (infrastructure) and intangible components (faculty expertise and learning), where the buyer of the service does not get any ownership. The service provider may have tangible physical evidence to show for the service exchange transaction but the actual benefit accrued is purely intangible in nature.

Higher education institutions are in a highly customer-centered service business making building relationships and providing quality service extremely important (Gronroos, 1994). In their paper Trustrum and Wee(2007) mentioned that major customers include students, parents and future employers. Parents often deal with the institution at the beginning when deciding on their children’s education or throughout in terms of fee payments and feedback of their wards. Future employers create partnerships with institutions as they are involved in the “buying process for placement services”. “It is common for client organisations to provide input to course content…and to work extremely closely with placement staff at the candidate selection stage to ensure a close corporate fit between student and the company”.

Michael Williams(2008) stated that Students want to be able to obtain the right information and advice from institutions in order for them to make the right decision about their education. This is important as whatever course selected will determine their career paths. Further, the retention rate will be high if students feel that they are on the right course, as they are more likely to stay and complete it successfully. Once the initial contact has been established and students have made their selection, institutions have to strategise to maintain and enhance the relationship by keeping in touch with them until commencement and then continuing from there. With whatever category of customers, institutions will be able to capitalize on word-of-mouth recommendations if relationships are established rightly from the beginning.
2.7 Attitudes towards the Commercialisation of Higher Education

Marketing has typically been employed in higher education for two primary reasons: (a) to attract the most desirable students and, to a somewhat lesser degree, academic and administrative staff (i.e. intellectual resources); and (b) to attract government subsidies, research funding, private donations and grants, etc. (i.e. financial resources). Although many academic institutions would like to believe that they are practicing professional marketing and following corporate principles, it is found that many are in fact falling short of the mark.

According to Ivy (2008), the concept of marketing in higher education is certainly not new. Here, Kotler and Fox (1995) probably offer the best description of marketing in this particular sector. They describe the practice as the “analysis, planning, implementation, and control of carefully formulated programs designed to bring about voluntary exchanges of value with target markets to achieve institutional objectives. Marketing involves designing the organization’s offerings to meet the target market’s needs and desires, using effective pricing, communication, and distribution to inform, motivate and service the markets.”

Ed Ziegler (2002) claims that higher education institutions, unfortunately, possess too narrow a view of marketing. He suggests that when institutions use the term ‘marketing’, they actually mean ‘promotion’ – brochures, direct mail, advertising, public relations efforts, etc. However, Ziegler contends that “marketing is more than advertisements and brochures. Marketing is a way of thinking that focuses on understanding and meeting customer needs. What makes marketing so powerful is the market research, planning, and strategy that is done before getting to the promotion stage.

It is not an uncommon perception of institutions that marketing equates to little more than two factors, many people think that marketing means selling or advertising (Perreault and McCarthy, 2005). As a result, many administrators tend to use only the promotion elements of marketing like public relations, advertising and personal selling to increase enrolments (Ivy, 2002).

Noble (1986) summarized in his research which indicated very little progress in the professional management of the marketing programs of colleges and universities. He asserts that these institutions may be promoting selling, but very few are actually practicing marketing. Such work prompted institutions to heed this call and become
more progressive. Buell (1996) noted that many colleges and universities had begun to hire marketing professionals and Beneke (2011) suggested that universities had started using many of the marketing techniques more commonly associated with consumer product marketing.

Schwartz (1993) and Rogers (1998) have detailed the aggressive efforts of some leading universities, including Northwestern University and Cambridge University, to market themselves using a variety of promotional tools such as advertising and direct marketing. However, Cetin (2003) questions the extent to which progress has been made to date, instead asserting that tertiary education institutions still suffer from too little marketing.

Kotecha (2003) suggested that institutions which are aggressively marketing themselves are the ones who are most likely to be deficient in some aspects. He continues to believe that for the university to produce new kinds of knowledge through research, it could not afford to be compromised by outside interests.

Carlson (1992), Fisk and Allen (1993), and Wonders and Gyuree (1991), amongst others, have recognised the increasingly important role marketing is playing in higher education institutions’ efforts to attract new students. Yet, they found that there was a general lack of understanding as to what marketing actually meant for higher education institutions.

Taylor and Darling (1991) surveyed 111 college deans from different academic fields concerning their attitudes, finding that these professionals largely supported the need for marketing, but questioned what impact it had on improving the overall quality of their institutions.

Kittle (2000) surveyed professionals at 59 institutions, focusing on their attitudes toward advertising related issues such as media usage and the relative importance of different target audience groups.

It is argued by some that the primary function of the higher education marketing team is to build the institutional brand. In this respect, it is thought that the image portrayed by institutions of higher education plays a critical role in the attitudes of the institution’s publics toward itself (Landrum et al, 1998; Yavas and Shemwell, 1996).

According to Kirp (2003), the institutional brand is synonymous with its reputation, regarded as a prize asset by most prestigious higher education institutions. In a similar vein, Paramewaran and Glowacka (1995) in their study of university image found that
higher education institutions need to maintain or develop a distinct image to create a competitive advantage in an increasingly competitive market.

Despite the differing viewpoints, it appears that contemporary views suggest that the need for marketing in higher education certainly exists. However due to this, there has been an over emphasis on marketing in higher education as a result of which higher education has become commercialized. Bay and Daniel (2001) contend that universities with a large number of international students are referred to as ‘export industries’, courses are termed ‘educational products’ (Adler, 1998), new instruction methods such as Internet courses are referred to as ‘distribution methods’ (Gatfield, 1998), and other institutions are referred to as ‘competitors’ (Landrum et al, 1998). Furthermore, potential students are sometimes referred to as the ‘customer base’ (Browne et al, 1998; Licata and Maxham, 1998), returning students are called ‘repeat business (Nichols et al, 1998), and attempts to determine to what extent the institution is meeting the students’ perceived needs are related to ‘customer satisfaction’ (Licata and Maxham, 1998).

Present attitudes toward marketing in higher education appear to be converging around a single idea, which is image of institution. Almost every aspect underpinning the continued existence of the institution is affected by the marketing there of.

2.8 Structure of Management Education in India

The national knowledge commission (NKC) was set up in 2005 to recommend and undertake reforms to make India a knowledge based economy and society. An important constituent of NKC function is professional education, particularly in the field of management. In light of its significance, the NKC decided to form a working group on management education. The working group was constituted under the chairmanship of Mr. P.M. Sinha (Former CEO, Pepsi India) and other members included prof. Amitava Bose (Former Director IIMC), Prof. Jahar Saha (Former Director IIMA), Prof. K. R. S. Murthy (Former Director IIMB), Prof. R. Gopalkrishnan (Exec. Director, TATA Sons), Dr. Nachiket Mor (Dep. M.D., ICICI Bank).

In the view of variety of institutions delivering management education the group used the term Management education Entity (MEE) to cover all management educational organizations including Indian institutes of management (IIMs), departments in
universities, affiliated and autonomous colleges, departments in deemed universities and private management institutes. In order to determine the full potential from the resources devoted to management education, all management education institutes have to be brought in line with the governance norms suggested by the Governing body, All India Council of Technical education (AICTE). There are presently six types of management education organizations. These are:

1. Indian Institutes of Management (IIMs) set up by the Government of India.
2. University departments of management studies
3. Colleges (government or private) affiliated to universities
4. Private or government institutes approved by the All India Council for Technical Education (AICTE)
5. Private colleges or institutes not affiliated to any universities nor approved by AICTE.
6. Private colleges or institutes offering MBA courses in India in collaboration with foreign universities, where degree/diploma/certificate is awarded by the foreign university.

All management education entities (MEE) will need to be fully autonomous. The implication for some of the existing education organisations are as follows:

a. All Indian Institutes of Management (IIMs), as also those that the Government of India or State governments may set up, should follow the rules of governance of institutes as specified above. They should be fully autonomous. Where funding for setting up new management institutes is by Central or State governments, the government will be treated as a promoter; and the government, as a promoter, would be subject to the same governance requirements as other promoters of institutes.

b. Management departments in the universities (as different from affiliate institutes to universities) should be fully autonomous. The NKC, in its Report (2006: 54) has mentioned, ‘the role of the UGC will be limited to disbursing public funds’. Therefore, the NKC desires that funding from UGC/Government should be promotional in nature, without impacting the total autonomy of the educational institute and all regulatory functions would come under the IRAHE (Independent Regulatory Authority for Higher Education). The Group, appointed by IRAHE, has recommended that the Governing Council for Management Education, to be set up by the IRAHE, will perform the regulatory role for management education
The University becomes the promoter of the Management department and may nominate directors on the Governing Board, as per the criteria for directors on Governing Boards.

c. Management institutes, even if they are affiliated to a University must follow the guidelines of MEE.
d. All existing and new management education institutes (including those recognized by AICTE) have to register with the Governing Council for Management Education and follow the mandatory governance requirements.

Although India produces a large number of management graduates, perhaps next only to the U.S., scholarly debate on curriculum, pedagogy, and innovation is negligible. There are many reports prepared on behalf of, or addressed to the Government or the regulatory authorities but little generated by or addressed to the professional community, which has to deliver the results. Action by government or regulatory authorities on the various reports is slow and sometimes inconsistent. Most institutions depend on curricula and materials developed elsewhere and have not developed an intrinsic capacity to respond and evolve to the changing needs of various sectors of industry and services, student interests, Non-Government Organisations, or the economy and society. Many are unable to fulfill the mandatory changes imposed on them, such as upgrading of the curriculum by the Universities or the Board of Management Studies.

There is need for greater autonomy for management education entities as well as a better regulatory regime. The market has to be informed enough and knowledgeable to consistently discriminate different programs / institutions based on their capacity to provide education of value. In a well functioning system, more and better resources have to flow to those institutes that have a capacity to consistently deliver better value and respond well to professional influence. There would be in such a system serious and continuing debate among management scholars and educationists on the goals, objectives and content of management education as the context and needs keep changing. Capacity growth would be guided by systematic forecast of the educational needs of the economy/ various sectors. Those institutes that have a higher level of commitment and depth of resources should be the ones that grow and respond to needs.

There are few systematic attempts at forecasting the demand for managerial manpower in India. There is a general consensus among industries that the needs are
increasing at an accelerating rate. Also, the emphasis is increasingly on quality, both at entry and middle levels. Management institutions in India are today estimated to be graduating approximately one lakh students annually (NKC report: 2006). HR managers in various industries, especially in the “sunrise” industries, foresee a manifold increase in their requirements. However, what proportion of the total requirement will be for the increasingly more expensive post graduates in management and what proportion would be for the less-expensive lower levels of managers is not clear. In the Group’s judgment, quite a large percentage of the huge additional requirement could be met more speedily and satisfactorily by adapting the Bachelor’s programs in Management so as to focus on specialisation and practice. The retail sector, which is expected to hire large numbers in future, has already initiated through several institutes long-duration educational programs and short-term sector-specific training of experienced managers. It is important to ensure that the students do acquire enduring knowledge, skills and aptitudes that are well recognized, as in a recognized professional degree, and upon which they can build later, if desired. Notwithstanding the above, there is no doubt there will be a steep increase in the demand for postgraduates in management. Based on the assessments of HR managers, as a best estimate, the Group foresees the need for a three-fold increase over the next ten to fifteen years. Thus, there will be a need to raise the output from the current level of one lakh managers to about three lakhs a year over the next ten to fifteen years. For these, specialized management training/development programs would be needed. However it is observed that in 2011 itself due to the steps initiated by AICTE and respective state regulatory authorities and affiliating universities the number of seats have increased to an alarming number of approximately three lakh eighty thousand.

The number of business schools has more than trebled in the last five years, with many of indifferent quality. The market has already started discriminating the quality of institutions and graduates. This is expected to intensify in future. A good information system on all the schools can sharpen the working of this market process, which is currently based on incomplete, and sometimes inaccurate, data and exaggerated claims of various educational organisations. An improved working of the market processes would have its consequences for those institutions not gearing up to meet minimum quality standards and expectations of the stakeholders. It is in this
context that the Group reiterates the need to put in place an appropriate promotional and mentoring agency, and a regulatory architecture and supportive infrastructure.

2.9 Management Education after Globalisation

Intense global competition has catapulted management education into playing a pivotal role in the success of business and Corporations. Given the fact, that the changing face of global business has created a greater need for management executives to deal with rapidly changing equations of trade and commerce, management education is available to all & sundry through management institutions, with all of them producing graduates at a fast rate. The world market for international education is measured by the number of students enrolled in education institutions outside their own country. The United Nations Educational, Scientific and Cultural Organization (UNESCO) collects data on international student movements from countries that receive such students in large numbers. According to UNESCO, there were 1.3 million foreign students, studying at the higher education level, in 50 host countries during 1993 (UNESCO, 1996). These students represent about 95 per cent of the known world total of international students. This suggests that there were about 1.5 million foreign students studying at the higher education level throughout the world at that time. Despite the importance of services, such as education, to national economies they have tended to be ignored or overlooked, due largely to their intangible nature (Lek, 1994). Indeed, prior to 1970s, service marketing was not distinguished as a separate field of investigation (Berry and Parasuraman, 1993; Fisk et al., 1993). One reason for this is the difficulty associated with the classification of services as "basically the range of services is too broad to allow meaningful, in-depth analysis of the entire field" (Lovelock, 1991). Business and economic research has, therefore, traditionally ignored services as intangibles, useful only in supporting the marketing of goods. However, as the importance of services within most economies grew during the decades following the Second World War, the level of interest in services as a distinct field of study increased (Berry and Parasuraman, 1993). In the present age of LPG, there is no doubt that India is going to become a large market of the world for employment and investment opportunities. Leading Multinational Corporations (MNCs) of the world are promoting their centers in India which goes to create immense employment opportunities for management graduates in domestic as well as in foreign markets. But high quality of education is
the only way for the success of managers either locally or globally. In a developing country like India there is a need for sustained development in the field of management education beyond what government and society is able to provide. Corporates have to come forward and extend their support to B-schools in the areas of finance, training and research. B-schools efforts must be to produce global manager with proper knowledge, attitude, skill, insight and foresight to meet the global challenges of 21st century.

2.10 Management Education at Crossroads
In the current economic scenario all over the world- "Management" - as a stream of education and training has acquired new dimensions. Management is an exciting field where one can have an immediate impact on the operations of any business organization. Day to day new tools and techniques are evolving to improve the three important P's of any organization i.e., performance, productivity and profitability. Management studies are an important medium that facilitates improvement of leadership qualities and turns out excellent future managers.

Educational institutions face marketing problems. Many encounter changing student needs and changing societal expectations, increasing competition for scarce resources, in addition to government and society asking tough questions about the educational institutions' mission, opportunities, and strategies. One result is that educators are often forced to examine marketing to determine how they might keep institutions viable and relevant (Kotler and Fox, 1985).

Studies conducted in the late seventies and early eighties by Phi Delta Kappa, the National Institute of Education, and the New York State Department of Education (Kindred et al, 1990) showed that superintendents in the case of educational institutes Director or Principal recognize the value of public relations and communications skills. Kotler and Fox (1985) stated that "an institution is not likely to develop a strong marketing orientation until its Director / Principal believes in it, understands it, and wins the support of other high-level administrators i.e. societies running the institute, for building this function".

Kotler and Fox (1985) stated that some administrators believe that marketing is for profit-making businesses, and that educational institutions should not be involved in marketing. They feel that educational values, ethics and techniques are on the opposite end of continuum of the values, ethics and techniques of business. Especially
in India, these two are different worlds and they should not be brought together. In recent years, industries such as health care and finance which were not promoted earlier, have been aggressively marketing their services. This departure from conventional attitude is a response to comprehensive changes in technology, demographics, and new customer demands.

- In the late eighties and initial part of nineties, there were fewer B-schools in the country, and filling up their intake capacity wasn't that much of a challenge as such.
- Seeing this trend, many promoters invested in B-schools, regulatory authorities went on giving permissions and there started mushrooming of B-schools all over the country.
- In the last couple of years, since 2008-09, situations are really turning adverse and difficult for the private management institutes as they are finding it difficult to fill the intake capacity with quality students. Institutes are using advertising and promotions to attract students but the response of the students to their advertising and promotional messages has been very lukewarm.
- This leads to almost a recession-like situation, like in business when quantity produced is much more than the takers. Similarly in institutes the number of seats offered are much more than the students willing to take admissions. Spending on advertisements in the print media and other publicity avenues has little or no effect in generating applicant interest.

If the B-schools fail to understand this, very soon they will lose their reason to exist, will become financially unviable and will have to shut down. Already, they have optimized their operational expenditures to a bare minimum (reducing visiting faculty, guest lectures, seminar, optimized infrastructure usage, class schedules, etc.). (Aiyer, 1987) If they don't take corrective steps right now, then they will surely be heading for a sad end.

A gap between the management education provided by the institutes and the actual expectation from the corporate can be bridged. Management education has become a big business across the world today. Global management education market is estimated to be around USD 22 billion. This gives an overview of the changing scenario of the management education. Management education has become a business and almost all the marketing strategies are being applied. Branding has become a key
factor in management education. A major change which can be observed today is that the learning these days is student centric. They are treated as customers. Management education should not only impart knowledge and skills but also values in students so that there is a wholesome development in students and they become successful managers and good individuals.

Management education should not only meet the needs of the students but also it should match the expectations of the corporate world. To fulfil the same, the B-schools should focus on educational programs as well as the holistic development of the students. The other challenging issues and the factors responsible for the quality of the Management education system in today’s competitive environment are as follows:

1. Quality of the institutes engaged in imparting management education
2. Availability and retention of qualified teaching staff
3. Innovation and creativity to enhance the program
4. Ratio of teacher to students.
5. Fluctuation in student’s admissions.

Besides the above quoted issues, there are some other issues as well. Firstly, as appointment of teaching and non-teaching staff in many institutions is made at the lowest possible salaries, the faculty members tend to deter from creativity in teaching and are not making the students abreast with the latest trends. Hence, the quality of the students remains undernourished, which in turn results in poor placements.

Imparting Education is a noble job but unfortunately some B-Schools have made Management education a channel for earning huge profits.

Secondly, the present system of evaluation is in-adept in testing calibre of students. The traditional system of evaluation which is common for professional and nonprofessional courses is a test of memory of the students rather than their skill and knowledge. The current system focuses more on conceptual and theoretical knowledge .The concern is that management students become good at acquiring theoretical knowledge but do not develop an understanding of the subjects and their applications.

Thirdly, the case of industry-institute interface, if the product (management graduates) coming out from the B-school (institute) does not meet the requirements, needs of the Customer (Industry) , the purpose of the institutes is defeated. It is seen that thousands of the management graduates who graduate from various B-schools, do not meet the requirements of the industry. Most of the organisations which recruit them first time
have to re-train them. This creates a negative impression about the management graduates as lots of time, energy and capital of the industries is wasted in making the management graduates employable.

Last but not the least the issue to be focused on, is the problem related to B-school administration. Many of the management institutes’ governing body members lack management expertise and do have the vision to run B-schools. The number of the MBA’s coming out in the job market is unable to meet the needs, standards of the current and potential users. Some of the suggestions for improving this situation are:

- The syllabus should be in tune with the industry requirements and evaluation of the students must be done more objectively than subjectively as is been done at present.
- Admission standards followed by university affiliated B-schools need to be changed and the standards need to be raised drastically. This will ensure that only students with a certain minimum aptitude join the course and then only they shall be successful. This is found in the case of students of benchmark, reputed and autonomous institutes.
- Faculty, the main resource should be given all the facilities and motivated for research, publications, case development to enhance their knowledge which then can be passed on to the students.
- Governing body for the management Education (AICTE) should have regular visits to approved institutes so that they can regulate the norms set by them are being followed. In case it is otherwise strictest action should be taken against the institutes violating the norms.

Management education in India is trying to adapt to global standards of management education to be competitive. Globalization has forced the B-schools to develop the executives according to global standards. The B-schools, to be successful in building and maintaining continuous relationships with the students have to ensure that the students are successful during the course and after the course in their career. For this the first step is proper segmentation of the market which should be a homogenous representation of population. Nursing of the segments is essential to ensure flow of admissions during lean periods.
Unfortunately many institutes have not been proactive in nursing certain segments and have only strategized on these segments when the need was felt. For example, many colleges have been approached when they felt that there was a need for these students to fill the vacant seats. Few have taken the approach of trying to determine what it is that the potential student really wants or needs and nurture that person through a continuum of relationship marketing. Often, once graduated, a former student is only thought of as an alumnus, with little regard for her/him on the lifecycle continuum. Segmentation is a practical marketing strategy but it needs to be done as part of a grander plan; not only as individual spurts of activity, often unrelated and with little continuity and cohesiveness.

It’s most important to understand B-school’s image in the marketplace to make sure they accurately and favourably reflect the realities and standards set.

Students as well as faculty applying for seats and jobs respectively in a B-school have to ascertain whether the present quality of the institute matches the reputation it has acquired in the past. In many cases it is found that institutes thieve on their past glories and are not reacting to the present realities. In such cases it is often seen that the institutes do not educate the students or faculty about their present status, but in fact keep them in dark.

Educating customers about products and services has long been a priority for leading companies. But new Internet-based approaches now enable them to develop far deeper customer relationships through on-going education and information sharing.

It’s no secret that the age-old maxim about educated consumers being the best customers has taken on a new significance in the Internet era. Advanced communications technologies now make it possible for companies to interact directly with their clients, distributors, channel partners and other important stakeholders in ways never dreamed possible until quite recently.

Leading companies are maximizing those opportunities with a variety of approaches to support their business objectives. Instead of focusing solely on product-related information, they pursue communication and learning strategies that emphasize flexibility, interactivity and understanding with a fundamental focus on enabling customer success. Educational content is often packaged for consumption via the Internet or mobile devices to win the favour of busy clients who are deluged with information.
The impact of such educational marketing programs translates directly to the bottom line. Research shows that customers who engage with a company’s educational marketing offerings are 29 times more likely to purchase a company’s product than those who are informed through media ads alone, and five times more likely to make a purchase than those reached by direct marketing.

A properly developed and executed educational marketing initiative is the antithesis of a hard-sell marketing campaign. It is a highly professional educational program dedicated to keeping valued clients informed about important issues and trends related to their interests. Its singular purpose is to help customers achieve success with their objectives and pursuits, not to push products and services. Effective educational marketing applies best practices of adult learning theory to ensure customer engagement and success.

It builds trust, loyalty and credibility with customers, which directly translates to increased customer retention and higher revenues. Educational marketing programs that are well executed also cut through the din of today’s incessant drumbeat of low-value, high-volume marketing “noise,” and credibly position companies with the coveted status of a “trusted advisor.”

Other marketing goals achieved through online customer education include a reduction in the high costs of product support, training and administration. Also, it is a cost-effective way to reach a customer base that increasingly ignores print publications.

**Suitability of online customer education**

The centre piece of any successful online program is an interactive and attractive website designed specifically for the targeted audience the firm is seeking to reach. The website’s sophistication and complexities echoes the organization’s training and communication needs and budget. But regardless of those factors, the site must have the appearance and usability of polished consumer websites that users value.

**Relevancy of educational marketing**

A successful educational marketing solution not only includes topics and formats that are customer-driven and designed keeping in mind the know how of use of specific products by customers, but also related topics that help customers achieve their objectives that are driving them to consider products and services.
Managing the websites

Behind the scenes, an effective educational marketing website needs to capture critical customer information, such as what content customers are viewing and the area of his interest, the links which are used more to get into the website and his observations after logging in.

Measuring performance of website

Google analytics, Website analytics and content consumption data enable marketers to see the impact of customer education on product sales and gain macro-level information to focus marketing campaigns.

Most companies utilize educational marketing solutions to drive top-line growth by building brand awareness and loyalty, attracting new customers, educating channel partners, etc.

Understanding customers’ needs, actions, work environment, learning inclinations and more is fundamental in developing a convincing educational marketing solution. One should know who their customers are, how they are segmented, how they make buying decisions and what information and learning opportunities they are seeking that one can provide. In addition, one needs to understand their competitive market space.

The stakeholders are the students, the parents, the industry, the teaching staff, the support staff, the suppliers, the investors, the government and the society. How the interests of the stakeholders are addressed and optimized and how to measure the satisfaction of the stakeholders is something that needs a long meaningful debate and interaction.

The Quality Revolution has not truly set in. The accreditations & certifications by the various bodies are not true indicators of quality. The Industry Institute Interaction in most cases is far from satisfactory. While the industry personnel require management graduates ready to perform from day one, hardly few organizations support the students when they go to them for organization study and specialization projects.

The students coming in from various streams of graduation look forward not only to a good conceptual foundation in management but also are interested in shaping up their personality to enter the corporate world or set up a business of their own. Whether these objectives are really achieved is a big question mark.
The promoters look for a very short payback period. They feel uncertain about the future of management education and would like to get back their money on infrastructure investments in the shortest time possible.

The teachers are like doctors. While the doctors are responsible for the good health of the society, the teachers are responsible for producing good citizens to contribute to the development of the country and society. In both professions, passion overrules other qualities. The teaching staff is not too happy and keep hopping from one institution to another very often. The bond between the students and the teachers is weak in most of the institutions. The support staff have their own grievances and are not able to work closely with the students. Happy employees produce happy customers. If the staff is not all that happy to work in an organization, they cannot produce happy customers. Many of the students just look for a university degree and do not realize the importance of holistic development. Many students take time to adapt to the rigorous two year program after a relatively easy three year / four year graduation program.

Such being the case, most institutions find that their vision of producing high quality, globally competent students/managers is not at all achieved. If the institutions have defined their Vision, Mission, Goals and Objectives, they should also evolve a mechanism for evaluation and corrective action.

The top management should treat the employees and students as internal customers and the industry as external customers. The Organization effectiveness is reflected in the way all the stakeholders, namely, students, parents, industry, teaching staff and support staff are knit closely together and work for one main goal i.e. holistic development of the students.

### 2.11 All India Council for Technical Education (AICTE)

All India Council for Technical Education (AICTE) was established in 1945 as a national level Apex Advisory Body to conduct survey of the facilities in technical education and to promote its development in the country in a coordinated and integrated manner. To ensure the same as stipulated in the National Policy of Education (1986), AICTE is invested with statutory authority for planning, formulation and maintenance of norms and standards, quality assurance through accreditation, funding in priority areas, monitoring and evaluation, maintaining parity
of certification and awards and ensuring coordinated and integrated development and management of technical education in the country.

AICTE grants approval to new technical institutions and to new courses and programs. The AICTE constituted National Board of Accreditation (NBA) under Clause 10(u) of the AICTE Act, to periodically evaluate technical programs on the basis of prescribed guidelines, norms and standards. NBA accredits programs rather than colleges or universities. The disciplines that are accredited by the NBA include engineering and technology, management, architecture, pharmacy, hotel management and catering technology, town and country planning, applied arts and crafts.

2.12 State Government
The State Councils of Higher Education have been set up in accordance with the National Policy on Education for the purpose of providing an effective platform for planning and coordination of higher education in the respective states. These Councils are aimed at bringing qualitative improvement in higher education and are responsible for establishment of State Universities and colleges, and provide plan grants for their development and non-plan grants for their maintenance.

2.13 Central Government
Central Government is responsible for formulating policies relating to higher education in the country. It provides grants to the UGC and establishes Central Universities in the country. The Central Government is also responsible for declaration of educational institutions as 'Deemed to be University' on the recommendation of the UGC.

2.14 Services Marketing
The developed countries, in the recent decades, have seen a trend where their economical growth has come primarily from the service sector. The services account for a major share of those countries gross domestic product. The United States (US) is the country with leading service economy in the world. More than 75% of private U.S. workforce is employed in the service sector and major service sectors include housing and household operations, medical care, personal services, transportation services and repair services. Canada, Great Britain, France, Italy, Japan and Germany
have almost 50% of their work force employed in the service sector. Developing and less developed countries are more dominant in goods production and they focus on agricultural production and developing natural resources. Their main thrust is on first satisfying the physiological needs like food, shelter and clothing. Even in these countries there is a growing increasing demand for services and service sector is growing rapidly compared to the manufacturing sector.

2.15 Reasons for Growth in Service Sector
As the physiological needs of the people got fulfilled, there was a demand for more satisfaction. The changing lifestyles, changing world, changing economies, technological advances, modernisation, liberalisation, privatisation and globalisation policies, exponential growth in several economic areas, advent of electronic data interchange (EDI) and computer explosion are some of the factors for stimulating the dramatic growth in services.

High complexity of products requiring skilled specialists, business internationalization de-regulation policies, need for use of expert knowledge to outsmart competition created a need for specialist services like consultants and professionals. Urbanisation, cost effectiveness drives, optimum use of resources resulted in security services, private detective agencies, Janitorial services, sub-contracting services, etc. Multimedia, advertising, data processing, internet, E-business services are consequence of information technology explosion.

Overall affluence, shift towards leisure and pleasure created recreational and entertainment services and travel related services. Desire to live long has resulted in special health care services like nursing homes, private hospitals, health and fitness clubs. There is an endless list but a general categorization of factors contributing towards the growth of services and some important reasons are reviewed here.

a. Overall increase in affluence associated with more desire for leisure gave birth to services like electricians, plumbers and agencies taking jobs of depositing electricity bills, telephone bills and water bills etc.

b. Increase in complexity of life, affluence and increased insecurity led to phenomenon of plastic money (credit cards).

c. Increase in percentage of working women and affluence caused beauty parlours, slimming centre, fashion and image consultancy to grow exponentially.
These are some of the key reasons for growth of services. However, the combination of more than one factors result in specific type of services. Recognising these developments, number of manufacturing firms are now choosing to increase their involvement in provision of services.

2.16 Positioning of services helps

- to create a distinctive place of a product or service in the minds of potential customers,
- to provide a competitive edge to a product or service i.e. an attempt to convey attractiveness of the service to the target market,
- to place an intangible service within a more tangible frame of reference,
- to influence both service development and the redesign of existing services,
- to follow consideration of competition's possible moves and responses so that appropriate action can be taken,
- to give the target market the reason for buying the services and then design the entire strategy and
- to provide guidelines for the development of marketing mix with each element being consistent with the positioning.

The process of designing a service has an impact on the image of the service in the mind of the customer. It is generally agreed that the term image represents the sum of beliefs, attitudes and impressions that a person or group holds of an object. Generally one has image of politicians, products and services, organisation or a country. It describes not only individual traits or qualities but the total impression that an object makes on the minds of others.

Image is the picture of an organisation as perceived by target groups. Identity is associated with the way in which a company presents itself to its target groups. Different type of images are:

- The Current Image : The way that a company is seen by different groups.
- The Mirror Image : The way that a company thinks it is seen by different groups
- The wish Image : The way that a company would like to be seen by different groups
The image or position, a firm chooses (Wish Image) dictates to some extent the essential features and design of the service process. This means the service process, specifications and positioning cannot be treated in isolation. They are inextricably intertwined and an integrated approach is needed. In an ideal situation the 'wish image' and the 'Current Image' should match. In case of any mismatch the service firms use various positioning strategies to close the gap.

Kotler (1991) comments that service is not a commodity like products. Every service offered has potential to be perceived by a customer as different. Customers who buy services have different needs and therefore are attracted to different offers. Thus, it is important to select distinguishing characteristics that satisfy the following criteria:

- **Importance**: The difference is highly valued to a sufficiently large market.
- **Distinctiveness**: The difference is distinctly superior to other offerings that are available.
- **Communicability**: It is possible to communicate the difference in a simple and force full way.
- **Superiority**: The difference is not easily copied by the competitors.
- **Affordability**: The target customer will be able and willing to pay for the difference.

Any additional cost of distinguishing characteristics will be perceived as valuable to compensate for the additional cost.

### 2.17 Effective Positioning

The marketers through products and services solve the problems of the customer and try to satisfy their needs and wants. To be effective in marketing, the positioning must promise the benefits the customer will receive and cater to the expectation and offer a solution to the customer's problems. In all circumstances, the solutions offered should be different from and better than the competitor's solution especially if a similar solution is already offered by the competitor. The positioning influencers are employee’s attitude, employee interaction at customer contact point, policies and procedures of an organization.
2.18 Service Classification in the Process of Education

A number of classification methods have been developed to classify the whole array of services according to some chosen variables. One of the simplest methods classifies services as consumer, intermediate and industrial service.

Education is a service that is geared primarily to the consumer market, therefore it can be classified as a consumer service rather than an intermediate or industrial service, though packages of industrial training are also designed for the organisational customers.

On the basis of the way in which services have been bought, education, depending upon the type and level can be classified both as a shopping service and as a speciality service. Swan and Pruden(1977) have suggested that establishing whether service is bought for instrumental motives (i.e. as a means to an end) or an expressive motive (as an end in itself) provides a useful framework for service designers.

For the majority of customers, education may fulfill the instrumental function, but there is always a category of customers for whom education and the pursuit of knowledge are expressive motives. Another classification method categorises services as equipment based and people based services, depending upon which resource is primarily used in the production of the service.

By its very nature, education is essentially a people based service though some service delivery systems may make heavy use of technology and equipment. Services have also been classified on the level of personal contact as low contact or high contact services. In this type of classification, education can be classified as high contact service.

Recent developments in open and distance learning systems have successfully countered the challenge of constantly maintaining high levels of contact, by creating specialised kinds of user friendly course material and using multi-media technology to gain access to students. Shostack (1971) stressed the intangibility characteristic of services and has classified services on the basis of dominance of tangibility/intangibility, along a continuum of a pure tangible product with high tangibility dominance to a pure service with intangibility dominance. Accordingly education can be classified as a pure service with dominant intangibility content.
2.19 Service Characteristics and Implication for Marketing of Education

1. Intangibility

Education like most ‘pure’ services is an intangible dominant service, impossible to touch, see or feel. Evaluation of this service however can be obtained by judging service content (curricula, course material, student workload, constituent faculty) and the service delivery system. The consumer, based on these evaluations, has a number of alternative choices before him and may make selection on the basis of his own evaluation referrals, opinions sought from others and of course a brand or corporate image of the organisation providing education. At the end of the service experience, the consumer gets something tangible to show for his efforts i.e. a certificate or a grade card denoting his level of proficiency at the given course/program. According to Bateson(1977), finer distinction of intangibility into palpable and mental intangibility, has implications for the marketing of the educational services. For reasons of both mental and palpable intangibility:

**Education cannot be seen or touched and is often difficult to evaluate**

It is therefore, imperative to build in “service differentiation” in the basic product to enable competitive positioning.

**Precise standardisation is difficult**

For educational packages of same levels and bearing similar certification (for example B.A., B.Sc., and B.Com. degree programs, postgraduate commerce and science programs, management diploma and degree programs) across universities and colleges, it is often difficult to bring about standardisation of course design as resources/needs/objectives of different institutions may differ. Institutions like Universities, though, try to manage equivalence in standards through Boards of Studies which are generally intra-university bodies. Technical education is sought to be standardised through bodies like the All India Council for Technical Education. Interestingly, the lack of standardization also opens up the marketing opportunity of creating highly differentiated, need based course packages, suited to chosen target groups of customers or serving specialized / localised needs.
**Education as a service cannot be patented**

This feature implies that courses designed or developed at one institution can be replicated and offered at other institutions. It also implies that as far as the service product features are concerned, all advantages of a given competitor have an essentially perishable character. Only those discernible strengths which have their basis in the human resource, cannot be easily replicated. Hence, the added importance of faculty selection and motivation is critical for educational institutions.

As these implications of intangibility become apparent to the service product designers and providers in the field of education, the following pointers to marketing planning emerge:

- Focus on account of intangibility should increasingly be on benefits delivered by the service system and the uniqueness of the package that is being offered. The benefit accruing to the student may originate from the service product—its depth, width, level or variety or from the uniqueness of the delivery system, the evaluation system or the extremely high goodwill enjoyed by the institution.

- Education, like most other pure services, should be tangibilised so that the beneficiary has some physical evidence to show for his achievements. Certifications for various levels of attainment, citations and separate certificates for any special achievements or activities should be duly prepared and delivered in time to be meaningful.

- Branding through effective use of Institute/University acronym, to aid instant identification and recognition should be practiced. Concerted efforts at building up organisation’s reputation through performance as well as through skillful use of communication tools would need to be carried out to associate this ‘brand name’ with a desired ‘brand image’.

2. **Perishability**

Services are perishable and cannot be stored. The perish ability of some services means that they cannot be placed into inventory, thereby creating the problem of under or over supply (Sasser, 1976) and this is true for education, although some aspects of modern technology (e.g. Web-based materials) may reduce perish ability. To an extent, education displays this characteristic which results in certain features.
Production and consumption are simultaneous activities

This is true of most conventional teaching institutions where face to face teaching necessitates simultaneous production and consumption. Open and distance learning systems which make substantial use of technology, however, have made it possible for production and consumption of the service to be carried out at different times—the use of audio-video units and preparation of course materials sent to the students across the consumer population, are designed to meet the challenge posed by the perishable character of services.

No inventories can be built up

This is true of most services, as well as education, as an unutilised service like a course on offer, or a lecture scheduled to be delivered, cannot be stored, if there are no students enrolling for the course or to attend the lecture. This factor opens up the challenge of managing the service in the face of fluctuating demand. Nearly all universities at one time or the other have faced the problem of overstaffing, when certain disciplines went out of vogue, like pure sciences and post graduate courses in languages. The marketing implications of perishable nature necessitate that a better match between supply and demand for educational packages would need to be made. Course design and course offers need to be preceded by a need analysis of the target population before the decision to launch them is made. This points towards the use of marketing research techniques for service development (designing the course concept) and planning, but more than that it necessitates a shift from ‘institution orientation’ to a student or ‘customer orientation’. Courses need not be offered because the institutions have available expertise in an area or it is something that the institution has been traditionally doing. In consonance with the marketing concept, the capability of finding a better fit between the needs of the society and the design of the offering, would define the difference between an effective and a non-effective institution.

3. Inseparability

Services are also characterised by the factor of inseparability in the sense that it is usually impossible to separate a service from the person of the provider. In the context of education, this translates into the need for the presence of the performer (the instructor) when the service is to be performed and consumed. This necessarily limits
the scale of operations to the number of instructors available. It also means that the distribution mode is more often than not direct in the sense that no intermediaries are involved; the transfer of knowledge is directly from the provider to the learner. Open learning systems have overcome the characteristic of inseparability by incorporating the teacher into the material and bringing about a separation between the producer and the service. A direct marketing implication of this inseparability is the need for obtaining/training more service providers as well as the need for more effective scheduling of operations.

The difficulty in separating production from consumption in services poses additional problems. One of its principal outcomes is the need to involve customers in the production of the service (Booms and Nyquist, 1981). This is particularly the case for education, where students' participation in their own learning process is a critical success factor (Shuell and Lee, 1976). Another aspect is the likelihood that more than one consumer will be jointly involved in the production of the same service (George, 1977; Gronroos, 1978). Education has long been undertaken within groups and the group has been viewed as an important cultural transmission process (Singleton, 1974). Most education institutions are "socializing organisations", designed to process large groups of people (Brim and Wheeler, 1966). The concentration of students into mass lectures or large classes with a common or "core curriculum" is an attempt by institutions to overcome the difficulty of centralizing production (Upah, 1980). However, high student-teacher ratios do little for the development of quality learning outcomes, due to the individual differences between peoples' learning behaviors (Riding, 1977).

4. Heterogeneity

Heterogeneity in the context of services means that unlike product manufacturing situations where design specifications can be minutely standardised and followed, the standards of services, educational services included, would depend upon who provides the service and how. This heterogeneity of performance renders service offers for the same basic "service product" from different institutes vastly different from each other. Even though standardisation of courses according to some prescribed norms may be attained, it is difficult to 'standardise' individual performance i.e. that of the faculty resource person. That, perhaps, is not even a desirable goal in education, but maintenance of a certain quality standard across 'performers' certainly is. In the
absence of accepted quality standardisation mechanisms in this context, it is the market forces alone, which would force quality standards on education. Dwindling registrations in institutions, snatching away of “market shares” by more effective competitors is what is making institutions take a renewed look at quality of service delivery and mechanisms for maintenance of standards.

In terms of marketing implications, the heterogeneity characteristic of educational services necessitates careful personnel selection and planning, constant and careful monitoring of standards which can provide cues to the prospective customers to aid their choice of institutions. Examples of these cues could be success rates of the placement program, the absorption of the institutions’ product in the job market, or the performance of the pass-outs at other competitive examinations.

The heterogeneity of services poses significant quality control problems (Berry, 1980; Booms and Bitner, 1981). Not surprisingly, therefore, quality management has become major focus of attention for education administrators in countries such as Australia, France, the United Kingdom and United States (Baldwin, 1991).

5. Ownership
Ownership or the lack of it also characterises service. In the context of education, the customer only buys access to education, or derives the learning benefit from the services provided. There is no transfer of the ownership of tangibles and intangibles which have gone into creation of the service product. Payment of fees (price for the service) is just the consideration for access to knowledge and for the use of facilities for a given tenure.

2.20 The Changing Face of Marketing in Relation to Services
For most of the last five decades the concept of the marketing mix and the four Ps of marketing – product, price, place, and promotion has been the accepted marketing model (Gronroos, 1994). The marketing mix refers to the collection of choices that an organisation makes to influence customers’ responses towards its goods or services (Bickerton et al., 2000), thereby creating exchanges in isolated transactions. This approach has a mass marketing and transaction orientation (Gronroos, 1996) where the seller is active and the buyer (customer) is passive (Ellis & Moon, 1998). Customers became numbers and figures for the marketing department who are
responsible for managing the marketing mix, isolated from the rest of the departments, with the rare help of external marketing consultants (Gronroos, 1994).

The development of long term relationships is vital for most services, between customers and the organisation, and between business partners in a network. In contrast, the traditional marketing mix approach focused on short term transactions. It was noted that each of these sectors identified the problem earlier and created their own approaches respectively, the marketing of services approach created in the 1970s, where interactions between customers and the organisation were considered, and the interaction and network approach, created in the 1960s, where “flow of goods and information as well as financial and social exchanges takes place in a network” (Gronroos, 1994). In the 1980s, organisations became more competitive and customers began to demand enhanced value around the core product rather than making decisions based on price. Customer relationship and customer retention assumed great importance for survival resulting in the reinforcement of the change required to be made to the basic marketing mix model (Gronroos, 1996). Supporters of the marketing mix paradigm then suggested that service should be added to the four marketing variables as the fifth but that would make service the responsibility of the marketing department. However, “relationship building and management or what has been labeled relationship marketing, a new marketing paradigm, which has emerged within the field of service and industrial marketing” (Gronroos, 1994) is the responsibility of the whole organisation.

Christopher et al (1991) described the extended Marketing Mix as having the addition of people, and processes to the original four Ps. Kotler et al (1996) suggested the extension of the Marketing Mix to include “People, physical environment and policies” in which the delivery context of the service is a major strategy. Perhaps there should be an additional P, most services are sold on the basis of Promises. This is because the intangible nature of a service product means that at the point of sale a seller is essentially making a promise of what will be delivered.

2.21 Delivering Customer Satisfaction

“The state of affairs is rapidly changing as more and more companies recognise that one of the most powerful means of achieving differentiation from competitors is through the quality of customer service” (Payne et al., 1998). Such quality is
determined by the service delivery process, which consists of service encounters with customers from the initial contact stage to final consumption and beyond. A service encounter is “a period of time during which the consumer directly interacts with a service” (Shostack, 1985) and experiences gained during the encounters contribute to the conclusions made by customers regarding the service quality of the organisation. At that point, customers may decide if they want to continue their relationship with the organisation or not. Shostack (1985) identified four characteristics of service encounters. Firstly, it is always experienced through one or more of the five senses, i.e. touch, taste, smell, hearing, and sight. Secondly, “a service encounter may or may not expose the consumer to the total service” but “from the service encounter(s), the consumer deduces or attempts to deduce the nature of the unencountered parts”. Thirdly, a service encounter may or may not occur at point of purchase and fourthly, it may or may not involve other human beings. A prospective student may have a service encounter with various higher education institutions before making the decision as to which to enroll in. Quality and consistency of service encounters are important to the success of service businesses as there is a possibility of recommendation by word-of-mouth subsequent to every encounter.

**Relationship Marketing:** Gronroos (1994) defines relationship marketing as “marketing to establish, maintain and enhance relationships with customers and other partners, at a profit, so that the objectives of the parties involved are met. This is achieved by a mutual exchange and fulfillment of promises”. Berry, as quoted by Gronroos (1994), views it as “a strategy to attract, maintain and enhance customer relationships”. Christopher et al. (1991) state “relationship marketing focuses on customer retention, long term time scales, high levels of customer contact” and the provision of “a strong commitment to high quality service.” Although relationship marketing is defined by different scholars, in essence, it places emphasis on creating, nurturing and enhancing relationships over long periods of time, and not one off short term exchanges.

Yau et al. (2000) identify four dimensions to business relationship – bonding, empathy, reciprocity and trust.

Bonding is defined as “the dimension of a business relationship that results in two parties (customer and supplier) acting in a unified manner toward a desired goal” (Callaghan et al., 1995). It involves establishing and enhancing a relationship by attracting and building the relationship with the customer so that economic goals are
achieved (Gronroos, 1994). Empathy enables the two parties to understand each other’s desires and goals “in a truly cognitive sense” thereby fostering a positive relationship between them (Yau et al. 2000). Reciprocity is “the dimension of a business relationship that causes either party to provide favours or make allowances for the other in return for similar favours or allowances to be received at a later date”, for example, “bilateral contingency and interdependence for mutual benefit” (Callaghan et al., 1995).

Trust has also been linked to the other three respective dimensions leading to cooperation, communication, bargaining (Yau et al., 2000) and most importantly loyalty. Loyalty is “associated with the customer’s willingness to continue in a relationship, which is often represented by switching behaviour, or the propensity to switch to another provider” and it involves “both behavioural and attitudinal aspects” (Rowley, 2003). Customers exhibiting loyal behaviour will engage in repeat purchases and those with loyal attitude will recommend the organisation to prospects via word-of-mouth. Organisations attempting to apply the relationship marketing approach have to consider several strategic and tactical issues (Gronroos, 1996).

The three strategic issues identified by Gronroos (1996) are, defining the organisation as a service business, managing the organisation from a process management perspective, and developing partnerships and networks.

As a service business, organisations must provide value added services to satisfy the long term needs and desires of their customers. Customers, nowadays, demand holistic services and not just a one off technical solution provided by the product (goods, industrial equipment, or services). They want “everything from information about how best and most safely to use a product, to delivering, installing, updating, repairing, maintaining and correcting solutions they have bought”. Further, these services must be delivered in a friendly, trustworthy and timely manner.

A process management perspective must be taken in order to ensure that quality service is provided to customers. The various functions and departments of the organisation responsible for different elements of the service that customer demands must support and collaborate with one another “in order to provide customers with a good total perceived quality and make them satisfied” (Gronroos, 1994). The chain of activities which the customer goes through is to be managed as one process (Gronroos, 1996).
In order to achieve an efficient synergy between the internal departments, the organisation must adopt the internal marketing concept where activities are carried out to ensure that the interface between each of these is marketing like and customer oriented (Gronroos, 1994). In other words, non-marketing employees can be considered to be part-time marketers.

Another strategic issue in the relationship marketing concept is the development of partnerships and networks. Organisations will sometimes find that they cannot provide customers with the total service demanded on their own due to lack of knowledge and resources (Ring and Van de Ven, 1992). The relationship between partners in the network must be one of trust in order for them to achieve the same goal, that is, the satisfaction of the customer. Gronroos (1996) then identified three tactical issues that organisations have to consider in implementing the relationship marketing approach – “seeking direct contacts with customers, building a database, developing a customer-oriented service system.” Organisations should seek direct contacts with their customers to get to know their needs, desires, and demands intimately in order to satisfy them and to gain their trust. Further, with the knowledge of who their customers are, advertising campaigns can be organised to target the well known ones making them feel cared for. Sales contacts and complaint situations can also be made to be as relationship-oriented as possible. In order to achieve such a level of intimacy with customers, systems must be developed to provide organisations with as much information about their customers as possible. Modern information technology provides “opportunities to develop ways of showing a customer that his or her preferences are known”. Once information is collected on customers, a database consisting of customer information files has to be established. “If such a database does not exist, customer contacts will be handled only partially in a relationship-oriented manner” (Gronroos, 1996). Maintaining such a database provides the continuity in relationships with customers as various functions or departments across the organisation deals with them. Customers get frustrated if the same questions are directed at them repeatedly within the same organisation. A “well-prepared, updated, easily retrievable and easy-to-read customer information file” is therefore required to make it possible for an employee to pursue a long term relationship with customers.

“Four types of resources are central to the development of a successful service system - employees, technology, customers and time. The service system is, to a growing
extent, built on technology. Computerized systems and information technology used in design, production, administration, service and maintenance have to be designed from a customer-service perspective, and not only or mainly from internal production and productivity-oriented viewpoints. However, having a great system does not ensure success in relationship marketing. Relationship marketing adopts a broader view of marketing by considering a wider range of markets. Besides the customer and internal markets, organisations should also consider supplier, referral, influence and employee markets (Christopher et al., 1991). Building close relationships with suppliers will reap benefits such as improved quality, faster time-to-market, more innovative products and lower levels of inventory” (Payne et al., 1998). Referral markets consisting of satisfied customers, or other professionals like lawyers and accountants can introduce new business contacts via word-of-mouth recommendation, one of the most powerful marketing strategies. Influence markets refers to those organisations that are able to influence the market within which the organisation competes. Employee markets are important in the sense that the organisation has to ensure that employees recruited will assist in achieving its goal and objectives.

2.22 THE MARKETING MIX

A. The Service Product-The Education Package
While deciding on the education packages to be offered to a consumer population, the starting point obviously has to be the consumer. It in imperative at the very outset of deciding the service product, to outline the distinction between what an educational institution offers in terms of its service and what benefit does its larger population derive from it. Central to the idea of a service product, are the consumer benefit concept, the service concept, the service offer and the service delivery system. While the consumer benefit concept defines what benefits does consumer derive from a particular educational package offered, the service concept is concerned with the definition of the general benefit the service organisation offers on the basis of the consumer benefits sought. Thus at the very basic stage of the design of the education offer, marketing orientation suggests that the offer should be fashioned as a response to the identification of the consumer benefits sought. According to Groenroos(1994), the service concept has to be defined at two levels. The general service concept refers to the essential utility being offered (a computer training organisation offers solution
to the problem of keeping up to date information flows within the organisation) while at the core of the service offer are specific offers (software training packages for bank employees). Developing the education product, according to the concept developed by Groonroos entails:

1. developing the service concept,
2. developing a basic service package,
3. developing an augmented service offering and finally,
4. managing image and communication.

1. The service concept defines the intentions of the organization in respect of offering a certain benefit to the consumers. The ‘basic service package’ describes the bundle of services that are needed to fulfill the needs of the target market. Extending this to the education sector, the basic service package determines the entire package offer which is designed to fulfill the learning needs of a target population. For decision making purposes it is essential to recognise this basic package as consisting of three elements. These are:
   a. the core service,
   b. the facilitating service (and goods), and
   c. the supporting service

a. The core service is the reason for being in the market. A management institute exists because it equips people with skills and abilities to manage organisations. Faculty expertise and the accumulated experience at the institute represent the core resource for supplying this benefit.

b. However, in order to make it possible for students to avail these services, additional services are required. A registration and admission service, class schedules, counselling service, enabling students to make relevant specialisation choices, and library facility are required so that the students are facilitated in deriving the benefits of the core service i.e. the learning. These services are called the facilitating services. It is important for the planners to realise that if the facilitating services are not adequately provided, the core benefit cannot be consumed. Sometimes tangible goods are also required to avail the benefit of the core service. Course material, in the form of books and prepared course notes, instruction manuals, computers, classrooms and class equipments are examples of facilitating goods that help access the core benefit.

c. The third element of service that goes to make the basic service package is the supporting services. Like facilitating services, they are also auxiliary to the core
benefit but their objective does not lie in facilitating the use of core service, rather they are used to enhance the value of the core service and to differentiate the service offer from other comparable offers. An efficient placement cell in a management institute, high quality residential facilities, good network of exchange relationships with business organisations, do not facilitate the learning process but add value to the service offer by adding to the utility derived from the total offer.

From a managerial viewpoint, it is important to make a distinction between facilitating and supporting services. In order to effectively access the core package, the facilitating services are necessary and the service package would collapse, if the facilitating services are not provided. The marketing strategy directive that can be developed here is that for highly intangible core service products like education, facilitating services should aspire to attain a quality level which enables them to become a competitive strength. Supporting services which are essentially designed as a means of competition, diminish the value of the package if they are lacking. The core benefit, learning however, can still be derived if the supporting services are deficient or absent.

2. The basic service package, however, is not equal to the service perceived by the consumer. An excellent basic education package, along with its facilitating and support service elements may be made ineffective by the way students are handled or student interactions are managed. How the whole service offer is perceived forms an integral part of the total service product. The basic service package and the elements that go into the service perception form what has been termed as the augmented service product.

3. The augmented service product integrates the concept of service process with the service offer. Three distinct elements which along with the basic offer go into the creation of the augmented service product as components of the perceived service process are:
   i. accessibility of the service,
   ii. interactions with the service organisation, and
   iii. consumer participation.

i. Taking the example of a university, accessibility of the service would depend upon:
   • The number and skills of the persons associated with providing the core, facilitating, and supporting service.
- Office hours, class and seminar schedules, time used for other services
- Exterior and interior of offices, classrooms, facilities.
- Tools, equipments, study materials etc.
- The number, quantity and aptitude levels of students involved in the learning process.

**ii.** The interaction between the service provider (the Institute) and its customer can be in terms of:
- Interaction with resource faculty (their expertise, skill, attention, attitudes)
- Interaction with other service interfaces (admission, evaluation, students’ enquiries, students’ welfare office, office staff, hostel wardens and rectors. Reception - attitudes and willingness of response, accurate answers.)
- Interaction with the physical environment (space, cleanliness, maintenance, noise levels)
- Interaction with accessory service system (waiting line for admission, results, enquiries, payment receipts etc.)
- Interaction between students and,
- Interaction of the various subsystems with each other (faculty, facilities, office personnel, other service departments).

**iii.** Customer participation is a concept which identifies the impact the receiver of the benefit has on the service he perceives. A student is expected to fill in various forms, exercise choices of disciplines and participate in the learning process through interaction and attention. The service rendered by the University would be dependent upon the quality of student participation in the above and allied activities. Specifically the aspect of student participation that are relevant are:
- students knowledge to identify their need or problem, and to exercise choice options offered by the University.
- Students’ reasonable awareness of the time and flexibility dimensions offered to them.
- Students’ preparedness and willingness to share information and feed back.
- quicker and more efficient ways of motivating participation from students.

In planning the total educational package offer, therefore the focus of the concern is not the course alone. The package has to be seen as a total offer along with its facilitating and supporting services. As planners identify that consumer perceptions
are also affected by inputs other than the core service, attention needs to be focused on the accessibility, interaction and consumer participation aspects as well as the basic service offer, so that the augmented education service offering can be effectively created and positioned.

4. Managing image and communication
Image has an impact as a filter on the experienced service. A favourable image enhances the experience; a bad one may destroy it. Therefore, managing image and communication becomes an integral part of developing the service product. Because of the intangible nature of services, market communication activities have not only a communicative impact on customer expectations, but a direct effect on experiences as well. This latter effect is sometimes minor, sometimes of more importance. In the long run, market communication such as advertising, sales, and public relations enhances, and to some extent forms, image.
Moreover, word-of-mouth is essential in this context. It has a long run impact on image, but word-of-mouth communication at the point and time of purchasing and consumption may have a substantial immediate effect as well. A negative comment from a fellow customer may easily change a given person's perception of the service he or she receives.

B. Pricing of the Education Service
Pricing decisions for the service offer are of a major importance and should ideally be related to achievement of marketing and organizational goals. Pricing of the educational offer however, typically represented as ‘tuition fees’, is subject to certain constraints and characteristics. Most educational institutions, in fact all public institutions like the Universities, Institutes of technology, medical and engineering colleges, come under the category of services where price are subject to public regulation. In all such cases the price element is not controllable by the marketer, instead it becomes a subject matter of public policy, where political, environmental and social considerations take priority over purely economic considerations. Prices may be based on the ability to pay (fee structure relating to parents’ income in case of Universities) or some socially desirable goals (total fee exemption for women candidates in states like Rajasthan and Gujarat). Autonomous institutions also subject themselves to formal self regulation of price for example, the institutions like AICWA, and AICA are subject to institutional regulations relating to fee structures
which they decide for themselves. On the other hand private institutions, typically in specialised fields like medicine, engineering, computers and management tend to price their services on what the market can bear. As most of these institutions operate in subject fields where demand far exceeds supply, prices charged depend upon economic condition, consumer feelings about prices, buyer need urgency, competition in the market place, level of demand etc.

Heterogeneity of services and different pricing considerations used by different types of institutions make price a less important determinant of consumer choice in educational services. The more the services are homogenous (undergraduate, graduate courses in the basic disciplines) the more competitive would tend to be the pricing.

Another generalisation that can be drawn from product marketing is that the more unique the education service offer, the greater would be the ability of the providers to vary prices according to the buying capacity of the consumer population.

Differential pricing, based on the consumer’s willingness to pay may also be utilized for the education service. The practice of charging different fees for the sponsored candidates and the non sponsored ones is common in professional courses, so is the practice of charging differential fees from full time and part time evening participants of the study program.

C. Promotion and the Education Services Offer

The objective of promotion in education services is akin to its role in other marketing endeavours. Accordingly, the basic objective that promotion as a marketing tool is expected to play for marketing of education would include:

- Building awareness of the education offer package and organization providing it.
- Creating and sustaining differentiation for the organisation and its offer from its competitors.
- Communicating and portraying the benefits to be provided.
- Building and maintaining overall image and reputation of the service organisation.
- Persuading customers to use or buy the service.
- Generating detailed information about core, facilitating, supporting and augmented service offer.
- Advising existing and potential customers of any special offers or modifications or new service offer packages.
Eliminating perceived misconception.

Educational institutions however, have not been able to use promotional tools effectively because of certain perceived notional barriers. Some of these barriers are:

i. Most educational institutions are product oriented rather than market or student oriented. They perceive themselves as producers of certain educational programs, rather than as satisfiers of certain learning needs. This lack of marketing orientation keeps those managing educational institutions from realising and exploiting the role that promotion could play in attaining their organisational objectives.

ii. Professional and ethical considerations may prevent the use of certain forms of promotion. Established educational institutions may regard the use of mass media advertising and sales promotion as being in bad taste.

iii. The nature of competition in case of educational institutions like Universities, technology and management institutes is such that they are unable to cope with their present demands and work loads. They therefore may not feel the need to promote for demand generation purposes. What has to be realised however, is that even such institutions need to use promotion for image creation and to sustain as well to maintain a secure market position, and to improve the quality of customers (students) seeking their services.

iv. The nature of consumer attitudes regarding education and their perception of mass media information sources may sometimes preclude the use of intensive promotion. For making their choices regarding a particular institution or a course package, prospective students rely mostly on subjective impressions of the institution, or use surrogate indicators of quality like the provider’s reputation or image. They also tend to rely heavily on word of mouth referrals rather than published literature or material supplied by the institution.

Due to some of the above considerations, as also because of prevailing ‘industry tradition,’ promotion of educational service has tended to rely more heavily on the component of publicity rather than any other element. Studies in the field of marketing of services indicate that the reluctance towards using mass media advertising or sales promotion is partly due to the inherent psychological barrier and partly due to the misunderstood role of these tools. Restrictions on advertising for several professional services are being slowly relaxed. Growing competition and the threat of losing market shares has awakened many a institution to realise the
importance of mass media tools like advertising for organizational as well as service offer promotion. Some guidelines that can be used while applying this powerful tool for generating awareness, interest and enrollment are summarised below:

a. Create Clear, Simple Messages

The real challenge in advertising educational services lies in communicating the range, depth, quality and level of service offers by a given institution in simple, unambiguous form. The need of giving pertinent information has to be balanced against the need to avoid wordy copy.

b. Emphasise Service Benefits

Based on an identification of benefits sought, advertising for the educational product should emphasise the benefits to be provided rather than the technical details of the offer.

c. Make Realistic, Attainable Promises

Education by its very nature is a high reliability service, where expectations are high. Unfulfilled promises create dissonance. Promises in terms of performance of services therefore should be realistic.

d. Build on Word of Mouth Communication and Referrals

Non marketer dominated sources in case of education marketing may be more important to the consumer. Educational organizations should therefore build upon the importance of word of mouth communication by:

- persuading satisfied consumers to share their sense of satisfaction with others
- directing ad campaigns at opinion leaders and
- encouraging potential consumers to talk to existing consumers.

e. Provide Tangible Clues

In terms of certification, records of attainments and past success figures providing the prospective target population with tangible clues to enable them to make choices.

f. Develop Continuity in Advertising

Most successful institutions position themselves in different ways, so that their images are discernibly different in the eyes of the consumer population. Positions could be built around innovative teaching methods, faculty expertise, research and development activities, international orientation, tradition of quality, range and depth of specialisations offered, progressiveness, delivery system, flexibility, supporting services or a combination of some of the above.
Once a theme has been identified, consistent use of themes, formats, symbols and images enables recognition of the organisation and its association with the desired values.

4. Place Decision and the Education Service

In most cases, the educational services represent the single location and direct distribution processes with no intermediary between the producer and the consumers of the service. The learning process is usually accomplished by the user of the service going to the service provider. However, because of buyer need urgency and the nature of the utility derived, accessibility and convenience for educational service location are not as critical a factor. Depending upon the competitive situation, the factors that have marketing implications in terms of location are:

a. the extent of the market demand for the service, uncertainty of purchase of service if institution is not conveniently located and criticality of accessibility and convenience in service choice decisions.

b. Whether competitors are finding alternative ways to reach to the markets and whether some competitive advantage can be gained by developing alternate/different norms of service location and delivery.

c. Flexibility, being technology or people based, affecting the educational service offer in terms of flexibility in location and relocation.

d. If there is an obligation on part of the institution to be located at a convenient site.

e. Criticality of the complementary services to the location decision.

Answers to issues like the above underline the critical importance of the location decision and may result in more systematic approaches than in the past.

Education planners, in order to plan the service offer well and deliver it effectively, need to understand the behaviour of the target population, and the criteria they use to exercise choice. The key to better delivery of the education service is not that it is performed by people but that it is performed for people.

People therefore represent the starting point for analysis to precede conceptualising the service offer and developing it into a marketable service package. The education service offered by the institution must reflect the organisational response to the identified needs and wants of the target segment, in a given socio-economic context.
2.23 Seven p’s of Marketing Mix

Education is a pure service sector which is characterized by intangibility, inseparability, heterogeneity and perishability. Here, the offers are intangible and the service may be based on the reputation of an individual. It is difficult to compare the quality of similar services and the buyer cannot return the service once it is availed. The uniqueness of educational services marketing is that, instead of the traditional Four P's, (Product, Price, Place, Promotion) there are three additional P's (consisting of People, Physical evidence, and Process) i.e. Seven Ps constitute marketing mix

2.24 Marketing mix elements of educational services

The elements of the marketing mix are often referred to as 'the Seven P's in case of educational services. The Seven P's often used as marketing tool by the educational institutions are Product / Service, Price, Place, Process, Promotion, People and Physical Evidence.

1. Product / Service

In case of educational institutes, the products are the students of the institutes. The students also are the customers of the institutes. Services are basically the intangible offers like the teaching / learning experience, the grooming of students, mentoring of students and the overall development of the students done by the institutes. It is through the product and services that the institutes strive to create a brand name in the market place.

2. Price / Fees

The price is the amount a student pays for the services availed by him or her. It is determined by a number of factors including competition, service quality, placement, reputation of the institution, private or public ownership, infrastructure, facilities provided, location of the institute, mode of education, brand name of the educational institution etc. Here, price reflects the quality of services provided to the students. Hence, it can be used as a marketing tool by the institutions.
3. Place
Place represents the location where an educational institute is established. It is often referred to as the service centre. If the institute is located at a Metro city, it will provide much more competitive edge, than if it is located in rural place. So, place is also a vital promotional tool for educational institutions.

4. Promotion
Promotion represents all of the communications that a service provider uses in the marketplace. Promotion has a few distinct elements such as advertising, public relations, word of mouth, point of sale, publicity, direct & web marketing, etc. Educational institutes emphasize mainly on two components of promotion viz. advertising and web-based marketing, rather than all. As far as promotion tool is concerned, positive word-of-mouth communication has been found to be the best tool for them.

5. People
Here, the people mean teaching fraternity and non-teaching community directly and indirectly associated with the services rendered to the students. Satisfaction and retention of the students solely depends on the way the teachers are in a position to deliver their best services to them. Teachers are not treated as ‘guru’, rather they are known as facilitators / services providers. Growth and existence of an educational institute, particularly the professional educational organization depends on the competency, effectiveness, efficiency, sincerity, dedication and devotion of the teaching fraternity of the institute. People have been proved to be as the most vibrant component of educational services marketing mix.

6 Process
The procedures, mechanisms and flow of activities which lead to an exchange of value are called the process. The way service providers render services to the students, plays a pivotal role in gaining the competitive advantages. If the service process is hassle free, simple, understandable, student friendly and technology based, it will definitely make the institution, an institution with a difference. Examples might include the way a
student is treated by a staff member and rendered service by a teacher, or the length of
time a student has to wait to get services from them.

7 Physical Evidence
It is the direct sensory experience of a service that allows a student to measure
whether he or she
has received adequate facilities by the educational institution. Examples might include
the physical environment in which service is delivered, the physical facilities provided
and the infrastructure created by the organization for them. It might include state-of-
art technology, building, total ambience, parking facility, playground, gymnasium,
swimming pool, indoor stadium, transportation facility, hostel, AC class room facility,
computer laboratory, canteen, library, number of books and journals, different modern
teaching aid etc. All of these play a crucial role in marketing of an educational
institute.

2.25 The seven P’s of marketing mix – which will help in CSGD (Continuity,
Stability, growth, and development)
In addition to elements of marketing mix mentioned above there are various other
marketing tools used by educational institutes. It might include lucrative job offer
made by the institute, ranking in the same industry, approval and affiliation of the
institute and the course from the appropriate authority / government (viz. MHRD,
AICTE or UGC), brand name of the institute, admission test followed (CAT, MAT
etc.) which determine the position of the educational institute in the industry.
All these can be used as marketing tools by the educational institute to better,
upgrade and regulate their job offer, infrastructure ,facility provided, teaching aids,
location of the institute, brand name ranking, pedagogy, admission tests and process,
approval, faculty, services offered and price / fees.
The marketing practices followed by the management institutions has had many
limitations. In most of the cases it has been experienced that these professional
institutions are simply boasting about themselves and have kept no stone unturned to
maximize profits. They always focused on highlighting their own strengths and
positive aspects only with a view to attract maximum number of students to their
organization. If one goes by the concept of modern marketing, it says that customers
should be the focal point of business and student / customer satisfaction should be the
top priority of the institution. They should adopt the societal marketing concept rather than sales concept which is being practiced by them. They do only profit-oriented business which is sellers driven.

As far as the professional educational institute is concerned 5 gaps have been identified which are mentioned in the following manner (Adopted from: Zeithaml, V. A., Bitner, M.J., Gremler, D.D. and Pandit, A. (2008). Services Marketing. (a modified figure):

**Provider Gap 1:** Educational institutions do not know the expectations of the students.

**Provider Gap 2:** Institutions are not having the desired service designs and standards to meet the requirements of the students.

**Provider Gap 3:** Educational institutions are not delivering service standards as required to deliver.

**Provider Gap 4:** They are not matching performance they are supposed to show and promises communicated to the students.

**Provider Gap 5:** There are lot of differences between expectations of the students and their perceptions, which is known as Customer Gap.

Once gaps are identified, the educational institutes should take some corrective measures to minimize those gaps. Firstly, they should realize the expectations of the students and try to meet the same accordingly, if need, customized services are to be rendered. Secondly, the institute should design the services which are market and student oriented. Thirdly, service quality and appropriate delivery process need to maintained properly. Fourthly, institutions ought to keep the promises communicated by them. Fifthly, they must not allow creating any expectation and perception gap in the mind of their students. Marketing strategy should be adopted which are exclusive for student / customer satisfaction. The consumer-centric business approach should be the appropriate path for them. Factors which suggest some measures to reduce the gaps between service providers and students are honest appraisal of performance, student relationship management (SRM), placements, rendering market oriented services, ensuring quality services, fair treatment to the students, welcoming and encouraging feedback and acting quickly.
For the professional educational institutes suitable placements for students after completion of the course should be the first and foremost consideration. Later on, placement can be used as a marketing tool by the institution. Whenever loopholes are identified, institute should act very quickly to resolve it. Student Relationship Management (SRM) must be maintained systematically for the long run benefit of the institution. Alumni are the most important stakeholder and the greatest contributor for the organization. Fair treatment to all the present and former students is very necessary because of the fact that they act like non-paid brand ambassadors of the institute. Especially when it comes to management of alumni, institutes tend to neglect them. Honest student appraisal and action on appraisal can make an institute with a difference.

During service delivery, time, quality and customization should be the ‘mantra’ to the service provider. Market driven services must be offered to the students. Service providers ought to welcome and encourage feedback from the students to dissolve all the grievances they have.

To sell the products i.e. students of the educational institute in the competitive market, institutes should cultivate ‘professionalism’ and inculcate the same among their students. They must ensure quality output from their institutions. Positive ‘word-of-mouth’ can be ascertained to create awareness among the target segment. Educational service organizations ought to focus on building stronger network with the existing and prospective employers in the country and abroad.

In this context ‘Industry-Academia Interface’ can be built. Long term relationship must be built with the employees and employers. ‘Student Relationship Management’ (SRM) i.e. relationship with the alumni, can be a very useful tool for promoting the present students and the institution as a whole.

Education marketing encompasses a wide range of areas, from the promotion of conferences to the advertising of a new course or education program to the announcement of education jobs. However, it is not appropriate to consider only the ideology and philosophy of an institution, it is also necessary and important to consider what educational marketing demands. Educational marketing is about managing relationships through effective communication. In commerce and industry it is often considered to be about managing the exchange between producers and
consumers. In the educational world, marketing is about managing the relationship between schools and their clients.

One of the marketing definitions of education can be: “the means by which the school actively communicates and promotes its purpose, values and products to the pupils, parents, staff and wider community”. (Davies and Ellison, 1997) Educationalists are often very suspicious of marketing because of its link with commercialism and selling.

Educational marketing is a type of service marketing. Almost all educational institutes try to market themselves but they use normal marketing strategies. Some things are special to educational marketing. Product companies find that education marketing is more effective than traditional "image" or "price and item" advertising. They help consumers do their "homework" by providing useful information about their product and category. While doing educational marketing the following points have to be kept in mind:

1. Stop selling and start helping the customers to buy. The old "hard sell" concept faded long ago. Consumers avoid being sold to. They embrace information that helps them buy the right products at the right time for the right purpose.

2. Build a relationship with the prospects. By providing useful information, one can build a relationship of familiarity and trust and thus, one becomes an expert resource for the customer.

3. Use educational marketing to create new customers. Educational marketing not only involves information about education services provided by different departments in an institute, promotion and propagation of new programs but, it is a powerful new advertising concept that converts sceptical shoppers into informed buyers.

Over the last decade, higher education institutions in India have faced increased competition and expenditures. Furthermore, they often have been forced to cater to the needs of an increasingly diverse group of students and thus design service strategies based on the unique needs of each group.

Around the globe, higher educational institutions are facing declining enrollment and increasing retention problems (Rowley, 2003) as they compete nationally and internationally with a growing array of competitors which include web-based and distance learning programs, corporate training centers, and smaller certificate-granting institutions (Veloutsou, Lewis, and Paton, 2004). Consequently, many institutions have adopted aggressive marketing activities and movement towards market-
orientation by focusing on student needs (Ivy, 2001). Higher educational institutions can benefit from the recent scholarly research in educational management, which has focused on issues such as image and positioning (Souter and Turner, 2002; Ivy, 2001; Nguyen and LeBlanc, 2001), strategic alliances and market planning (Bunnell, 2005; Trim, 2003), and quality control initiatives (Sohail and Shaikh, 2004; Sohail, Rajdurai, and Rahman, 2003).

One way to resolve the problem of declining enrollment would be to adopt a target marketing approach (Blasko and Saura, 2006). Utilization of the principles of segmentation and target marketing are especially useful when firms have to operate in a stagnant market made up of consumers with diverse needs in an increasingly competitive marketplace (Kara and Kaynak, 1997; Kotier, 2003). In such markets, firms can benefit by segmenting the marketplace in order to understand the unique needs of each group, and then designing product offerings to satisfy the needs of some or all of these segments (Dailey, et al. 2006; Diaz-Martin et al., 2000). The benefits of and methodology for formulating differentiated, needs-based strategies have been empirically demonstrated in many service industries. Some of the recent applications include the hospitality and tourism industry (Chung, et al., 2004; Bowen, 1998; Diaz-Martin et al., 2000), web products and services (Iyer et al, 2002), customer brand preference (Lin, 2002), financial product and service (Yang, 2003), and supermarket retailing (Segal and Giacobbe, 1994). Unfortunately, higher education institutions have not received similar attention in the academic literature (Blasko and Saura, 2006).

Allocation of service resources should be based on the size and needs of each segment, thus allowing institutions to control costs while increasing services to cater to the needs of a diverse student population.

There are many potential benefits for higher educational institutions which utilize segmentation and target marketing principles routinely in strategic and tactical decision-making.

Firstly, continual assessment of market segments would help them to understand the changing nature of the student segments and thus, facilitate them in designing appropriate marketing programs and service strategies.

Secondly, targeted customer service strategies can be used to differentiate an institution's service offerings and to gain a sustainable and differential advantage in competitive marketplaces (Kotier, 2003; Sharma and Lambert, 1994). The focus on
service strategies might be especially appropriate for higher educational institutions, since past research demonstrates that reallocation of customer service, based on the changing needs of market segments, can be one of the most cost-effective methods of gaining a differential advantage (Sterling & Lambert, 1989).

Thirdly, adaptation of target marketing principles would help build a culture of customer orientation among university employees. The services management literature demonstrates that customer orientation of employees in high interaction services such as education results in higher quality perceptions, increased commitment towards the organization, increased customer satisfaction, and enhanced retention (Guenzi & Pelloni, 2004). Furthermore, commitment of students to higher educational institutions positively impacts performance and moderates the role of service failure on loyalty (Strauss & Volkwein, 2004) (McMurtrie (2000) comments that finally, service strategies based on student needs have been shown to lead to greater student satisfaction and positive word-of-mouth response. Greater student satisfaction results in increased retention rates and greater alumni support, while positive word-of-mouth should make it easier to recruit new students (Braxton & Milem, 2000). Therefore, designing student-oriented service strategies is essential for the long-term prosperity of higher educational institutions.

2.26 Identifying Relevant Segmentation Bases

The services literature suggests that identification of student needs at a segment level can be accomplished by using a number of segmentation bases. Relevant segmentation bases include demographic information (e.g., employment status, occupation, income, age, nationality), psychographic information (e.g., lifestyle, motivation, family life cycle, attitude towards institution), and behavioral information (benefits sought, quality and/or service expectations). Moreover, if segmentation analysis must be conducted routinely to enable institutions to modify strategies based on the changing pattern of student segments, then the resource requirements of such a comprehensive survey must be considered. Conducting traditional segmentation analysis could well increase short and long-term resource requirements, and thereby put additional pressure on the dwindling resources of institutions which leads to an untenable situation. However, there is another segmentation analysis option. When students register for classes, their personal information is collected or updated for administrative purposes. Registration data is fairly reliable and available for analysis.
at little cost. How far registration data allow institutions to uncover the specific needs of each segment whether it helps educational institutions design, monitor, and adapt service strategies based upon a continuous assessment of student needs at little cost is to be ascertained.

Most of the variables in the registration database can be described as personal information of students. However, unless the available information can be used to infer student needs, it is not likely to be beneficial for segmentation and strategy formulation purposes (Frank et al., 1972). Therefore, the higher education literature was reviewed to identify personal variables that could be used to infer student needs. Several student focus groups and in-depth interviews with university administrators responsible for student enrollment and retention programs were conducted to better understand the relationship between personal information and student needs. (Ashar and Lane, 1996).

Education is now a global product with institutions worldwide competing for students and finding ever more creative ways to satisfy student needs and preferences. With the continuing rise in the preference for flexible distance learning, educational institutions are finding that when students and faculty have significantly different cultural backgrounds and learning styles then the expectations of the learning experience can be unfulfilled.

The furious competition that is taking place in the current global market has affected the educational sector. The marketing of education is a controversial issue. Although the opinions on the significance of the educational institution as a product and the students as the customers still remains arguable the transformation of the instruction process as a student-based model requires that the utilization of the marketing opportunities are used.

Teaching has been increasingly developed as a learner-centered model. Shaping the process as a life-long learners experience to match their existing knowledge and skills is crucial. A distance education institution being market oriented means adapting a client-centered perspective and managing the school in a way that matches the needs of primary and secondary clients. This student-based model is not much different than the client-based utilization of marketing strategy. In the marketing approach, the needs and desires of the customers are given a primary and major importance so they are treated as “kings”. When this strategy is employed in distant education the course programs and materials are observed to be shaped in accordance with the needs and
desires of the students and multimedia use also observed to be very common with
these are presented within the most appropriate channels to the students. The
customer “king” transforms into the student “king”.
Marketing is about achieving organizational goals and these are determined by the
values of the organization (its “culture”) which shape its decision-making.

2.27 Designing a strategy
Strategy is a plan, a "how," a means of getting from where we are and to where we
want to go. To design a strategy the institute should know what they are, where they
want to go, what are their strengths, weaknesses and also opportunities and threats.
The institutes have to consider the following while designing their strategy:

Competitive Positioning
Competitive positioning is about defining how one will “differentiate” its offering and
create value for the market. It’s about carving out a spot in the competitive landscape
and focusing the activities to deliver on that strategy. As in Pune more than 140
management institutes are operating, it is imperative to differentiate the institute from
the rest. It should be the foundation of all the activities done for managing the
institute. This is not easy, as the product all are offering is somewhat uniform.
Students always seek degree from university of Pune. For a particular strata of
students, institute is not important, just a university stamp is crucial for them. So
differentiating is very difficult. It is imperative from the advertising data of
newspapers that educational marketing is the leading sector among all the industries
contributing to 12% revenue of newspapers and magazines in advertisements.

Market profiling
The profiling includes analyzing market size, competitors, and stage of growth.
Competitive positioning strategy is the foundation of any business. Listing of
competitors, the positioning strategies they are adopting, size of the market, stage in
the product life cycle, all these aspects should be thought out very carefully.
Positioning strategy
The way the institute positions itself whether as an institute offering value for money program, innovative teaching pedagogy, best placements, quality at lesser cost, institute offering innovative practices, a bouquet of facilities etc. From the advertisements observed in the newspapers, it is very clear that the institutes try to position themselves as providing the best in all, right from placements, pedagogy, infrastructure, faculty, library facilities, activities at the institute, etc. This indicates that institutes are of the opinion that their best approach to positioning is by projecting themselves as an institute providing all the benefits at the highest quality for the students.

Staking a positioning strategy
The areas of vulnerability to competition are to be identified. It is to be determined whether one can focus on those vulnerable areas as they are major opportunities. Every B-school is participating in best B-schools surveys which are conducted by both renowned and less renowned media houses and rating agencies. This rating given by the agency is a major focus point projected by the institutes in any and every advertisement released by them. Every institute is trying to climb up the ladder but the race to reach at the top is definitely getting tough. It will become tougher with the entry of private and foreign universities. There is also major criticism about how the rankings and ratings are given to the institutes. There is a strong feeling and conviction that rating agencies rate the institutes based on the paid advertisements given by the institutes. Most of the rating agencies neither cross check the information which is delivered by the institutes nor do they visit the institutes. Thus rating can be a matter of debate.

Distribution channels
Most of the trusts running MBA program affiliated to university of Pune have isolated institutes within the city limits. However some trusts like STES, MIT, JSPM, Chanakya Education Society which have made their mark to an extent in engineering and management education in recent years, have opened up various institutes in the city to leverage the reputation and goodwill created by them. In other words, they have gone in for brand extension. This is also evident in the case of trusts running autonomous management courses like Symbiosis, Balaji, MIT who are following the
national and worldwide trend of encashing on their image by brand extension. For autonomous institutes location plays very important role. Well established autonomous institutes are offering programs in main areas of Pune city only, whereas some institutes are growing in surrounding parts of Pune like Lavale, Wakad, Hingewadi, Kharadi. etc. The reason of going to outskirts of Pune is the serene environment congenial for education, availability of land at affordable prices for building infrastructure and other facilities. Most of newly established institutes on the outskirts of Pune, beyond the city limits, are offering full time and residential programs.

Create process and tools
In marketing process and tools, the following are vital components : websites, messaging, naming, student relationship management, sales literature and tools and corporate identity.

The importance of website is utmost. Students go through different websites, details in it, mandatory reports, etc. So it is the first platform where students interact with the institutes. As “first impression is the lasting impression”, this touch point should be designed to be user friendly, attractive, should be updated and fully informative. Most of the leading B-schools where funds is not a problem have opted for the best designed websites. Not only that they have ERP enabled “campus management Programs” which helps them to monitor and control all the functions like administrative, academic, extracurricular, co-curricular activities in the institute. But on the other end of the continuum, there are institutes whose websites look outdated, have unattractive fonts, no animation, no updating of recent activities, are less user friendly, have pages under construction, where links are not working, wrong phone numbers and old photographs. On all characteristics of evaluation these websites will get 3 marks or less out of 10. But last two years have witnessed great awareness about importance of websites amongst institutes. That may be the reason, now institutes are ready to spend resources and time on designing informative websites.

Messaging
Messages are written and verbal statements that quickly describe the institutes and indicate how they are different from others. They are used throughout one’s interactions with the market. Communicating to the customer as early and as
aggressively on the various activities of the institute is a form of messaging. From all possible sources, institutes get contact details of the prospects. It can be from free seminars on management as a career, enquiries at the institute, enquiries at trade shows, exhibitions, from graduate colleges, etc. Then the institute starts to communicate about the happenings, events, placements and admissions to the prospects.

Very few university affiliated institutes rely on messaging services as a tool for student enrollment, retention and relationship management. But some institutes specially autonomous institutes use it extensively. They create a data base of students whatever the touch point is: exhibitions, job fairs, corporate meetings, inquiries in other institutes, online inquiries, facebook monitoring, etc. They keep on communicating with the prospects, students, alumni on recent news, happenings, placements or anything relevant to them to create and maintain space in the minds of students.

Naming
The name and logo of the institute has to be well thought of as it helps a lot in branding of the institute. It should be simple, easy to remember, not too long and catchy (e.g. IIM). In Pune words like studies, research and management are commonly used in the names of institutes. In naming the institutes it should be planned well and done meticulously. Most of the institutes in Pune have similar sounding names. Some institutes have also tried to rhyme their names with the names of leading and established institutes like IIM, SIBM etc.

Traditional transactional marketing strategies
These focus primarily on student recruitment rather than student retention and references from the students which should be the primary objectives of any educational institution. While traditional marketing strategies are useful for communicating information to a mass audience, it is insufficient for them in today’s education marketplace which is cluttered with many institutes offering same kind of facilities and programs.
Sustaining Relationships
The first step is to understand that relationship marketing must always be a continuous process. Developing relations, evolving and sustaining should be an unbroken process. The bodies like alumni association, student-alumni interaction cells, alumni advisory boards, alumni on governing body are some of the examples of mechanisms educational institutes should use to communicate, to get feedback, to encourage and involve students. When such kinds of mechanisms are in place and actively working, sustaining relationships is much easier. A sustained relationship with students always helps to propagate the institution’s name and image in the marketplace.

Sales Literature & Tools
Sales literature and tools help to communicate and strengthen the messages. They’re also known as “marketing communications” or “collaterals” and they may include institute brochures, product data sheets, case studies, white papers, power point presentations, websites, newsletters, reference lists and proposal templates.

The awareness in institutes about how the sales literatures and tools are used as a part of marketing strategy is less. But some institutes like Flame institute and ACE institute are taking considerable efforts towards using this tools as an important part of their marketing strategy.

Generate and Manage students
The various ways and methods of generating and managing students are :

Telemarketing
The phrase “cold calling” is not one of the preferred practices of business. It’s often viewed as an intimidating, difficult, and tedious process and that means it doesn’t get done as often as it should. Telemarketing campaigns help institutions reach a group of targeted prospects or customers to communicate a message, gather feedback, and determine the next step for the relationship in a short time with less expenses. Telemarketing can be an important part of any marketing strategy, for example, one can use it to generate leads, qualify prospects who have downloaded information from the website or attended a webinar, follow up on a direct mail or email offer, take orders for special promotions, keep the marketing database updated and conduct marketing research.
Trade Shows and Events
Trade shows and events are gatherings for businesspeople with common interests to achieve a goal. B2B companies use these events to generate leads, nurture prospects, build awareness, conduct training, or enhance relationships with existing customers.

Trade shows
In trade shows, institutes participate in exhibitions for exhibiting their programs, sponsor roundtable discussions or speeches, advertise in show materials and/or host reception at the hotel or a restaurant in town. Every year there are at least two education related exhibitions where hundreds of educational institutes try to promote their courses and generate enquiries.

Seminars or conferences
Sponsor an industry conference thereby creating an association with industry and also organize a seminar where industry personnel are invited as resource persons. Another method is to organize a seminar and invite prospective students and market the program to the students.

Networking meetings
Participate in and/or sponsor industry or local meetings; institutes also organise a one-time or ongoing breakfast or lunch meeting series for prospects to attend.

Webinars
Webinars are online seminars with slides and audio; institutes use them to generate leads and communicate with large groups at a cost lesser than which is spent on live meetings. But these trends are very uncommon among university affiliated institutes.

Events for the arts, sports or charities
Institutes can participate in these events as a sponsor by advertising, renting a stall and by promotions. Sometimes cultural festival of students are also sponsored by the institutes. Not only that institutes are sponsoring sporting events where they feel target customers will have interests. Many shows and exhibitions are regular
happenings in Pune city with lot of participants and audience where management institutes sponsor the shows and events.

**Email Marketing**

Email marketing has been a regular practice for consumer marketers since the mid-90s. A few years later, B2B marketers discovered its value, and email campaigns have become an important tool for businesses in all industries at all stages. Email marketing enables one to cost-effectively communicate with the market in a way that’s immediate and relevant. With email, institutes can nurture leads, build brand awareness, obtain prospects, build customer loyalty and generate sales.

**Search Marketing**

Search marketing is about gaining visibility on search engines when users search for terms that relate to business. For most organisations, ranking highly in search engines isn’t luck, it’s a result of solid effort in one or both categories of search marketing which are organic search and online advertising.

**Organic search**

When one enters a keyword or phrase into a search engine like Google or Yahoo, the organic results are displayed in the main body of the page. When the prospects search for information about the products and services, the desire is to rank highly in search engine results. By “optimizing” site, institutes are improving ranking for important search terms and phrases (“keywords”). Institutes are also improving ranking by getting other important sites to link to students.

**Online Advertising**

Internet marketing isn’t just for consumer marketers or large B2B firms – it’s a powerful vehicle for organisations of all sizes. Online advertising offers B2B marketers an opportunity to reach both a very broad or highly targeted prospects to generate leads, communicate a message and increase visibility. In the Strategic Marketing Process, the term “online advertising” refers to three general types of campaigns which are:

- Banner ad campaigns on B2B websites,
- Ads or sponsored content on targeted email newsletters, and
Affiliate programs that enable other companies to put ads on their sites in return for commission on clicks or sales.

**Benefits of online advertising reaped by the institutes are**

**Timing:** Reach target market when they’re actively looking for information, vendors and solutions.

**Immediacy:** One can test and launch very quickly and generate response almost immediately.

**Targeting:** One can deliver the message to very specific audiences.

**Lead generation and nurturing:** One can capture prospects early, provide valuable information, and nurture them throughout the sales process.

**Cost:** One can reach a large audience quickly and at a lower cost than many other media.

**Scalability:** One can run campaigns of any size at any budget level.

As, with any marketing program, it’s important to develop a good strategy, target market, test, measure and improve especially because it’s easy and inexpensive to test different aspects of one’s campaigns to generate the best possible results.

**Direct Mail**

For many years, direct mail has been an important marketing vehicle. Even though many companies have turned to email and internet marketing, a targeted and well-produced mail campaign can still be highly effective.

Direct mail campaigns can generate leads, promote special offers, support other campaigns, communicate with customers and raise visibility in the market. Some of the autonomous institutes are using very simple or creative mails depending on goals, for example,

a handwritten note,

a simple but effective sales letter,

a postcard with a four-color image on one side and a printed message on the back,

a digitally-printed brochure with the prospect’s name printed in the headline and body copy,

a custom piece that institutes develop for a specific purpose direct mail can be an efficient tool for institute. If one focuses on strategic, targeted mailings instead of large bulk mail campaigns, which draw very low response rates at much higher costs
than online marketing, it is more effective for institutes to consider using mail for small campaigns, invite current customers and top prospects to an event being held at a trade show, send product literature with the prospect’s name and custom specifications printed into the brochure itself (via digital printing) and, announce a compelling sale

**Traditional Media**

Institutes have used traditional media such as print, radio, TV, magazines, journals, yellow pages and even outdoor ads to reach consumer markets. Traditional media can also play a role in the marketing mix for management institutes. These media often reach a wider audience and thus are relatively more expensive. Also in a particular industry or region, they may be very effective in helping reach the target market. Educational advertisements enjoy largest market share in print advertisements. Almost every institute advertises during admission period. Most of them release advertisements four to five times in a year. Magazines and journals also are well utilized for advertisements.

**2.28 Brand**

The American Marketing Association describes a brand as a “name, term, sign, symbol or design, or a combination of them intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competition”.

More importantly, a brand is the source of a promise to the consumer. It promises relevant differentiated benefits. Everything an organization does should be focused on enhancing delivery against its brand’s promise. A brand is thus a product or service whose dimensions differentiate it in some way from other products or services designed to satisfy the same need. These differences may be functional, rational or tangible-related to product performance of the brand.

**Brand Extension**

Brand extension means applying the existing brand to new products, services, or consumer segments. If this is done by combining the existing brand with a new brand, the new brand is called a sub brand. Brand Extension is the use of an established
brand name in new product categories. This new category to which the brand is extended can be related or unrelated to the existing product categories.

**Brand Equity**

Aaker (1991; 1996) defined brand equity as “a set of assets (and liabilities) linked to a brand’s name and symbol that adds (subtracts) to the value provided by a product or service to the firm and/or firm’s customers”. Companies are responsible for managing numerous brand assets in order to leverage the value of the product for the consumer and the firm.

Keller (1993) viewed brand equity from the perspective of the consumer; he defined it as “the differential effect of brand knowledge on consumer response to the marketing of the brand”.

**Brand Identity**

Brand identity is a combination of visual, auditory, and other sensory components that create recognition, represent the brand promise, provide differentiation, create communications synergy, and are proprietary. Some define brand identity more broadly to include almost everything in a brand’s design, including essence, promise, personality and positioning.

**Brand loyalty**

According to Bloemer and Kasper (1995), brand loyalty implies that consumers bind themselves to products or services as a result of a deep-seated commitment. The strength of the consumers preference for a brand corresponding to his readiness or otherwise for using a competing brand can be termed as one definition of Brand Loyalty.

Brand Loyalty is often the core strength of the brand and often a major bearing variable in determination of brand equity.

Brand loyalty is the extent to which a consumer constantly buys the same brand within a product category. It is measured through methods like word of mouth publicity, repetitive buying, price sensitivity, commitment, brand trust and customer satisfaction.

Brand loyal customers are the foundation of an organization. Greater loyalty level leads to less marketing expenditure because the brand loyal customers promote the
brand positively. Brand loyalty is a key component of brand equity. Brand loyalty can be developed through various measures such as quick service, ensuring quality products, continuous improvement, wide distribution network, etc. 
Brand loyalty can be defined as relative possibility of customer shifting to another brand in case there is change in product’s features, price or quality. 
Once viewed as a distinct component of brand equity, brand loyalty has been repositioned as a potential consequence of brand equity. Keller (2008) did not include brand loyalty as a distinct component of brand knowledge. He believed that brand knowledge was only composed of brand associations and brand awareness. By that, it was meant that loyalty represents a more holistic perspective and may in fact mediate the relationship between brand awareness and brand associations and brand equity. 
Bauer et al. (2008) found a relationship between brand associations and brand loyalty. It was found that favorable, strong, and unique brand associations were related to a high level of attitudinal and behavioral loyalty on behalf of the consumer. From this examination, it seems that there is minimum consensus amongst scholars regarding brand loyalty as an outcome of brand equity.

Brand Leadership
Brand leadership is a broader discipline, more deeply rooted in the essence of the organization. It involves giving the organization a face and personality which strike personal, emotional chords and bring the organization respect and admiration. 
Brand leadership involves moving from a tactical level orientation to a consistent focus on strategic management. The focus shifts from emphasis of sheer image and preference to the building of sustainable customer loyalty. 
Brand leadership involves refocusing of attention across the broad spectrum of the organization.
It involves recognizing the unique characteristics of various markets served by the organization. 
Brand leadership ensures very high awareness, a lot of free publicity/buzz, uniqueness in relevant and compelling ways, admiration and has high purchase intent, increased customer loyalty, decreased price sensitivity, enabling the owner to charge a price premium, increased market share especially, for the target customers, increased bargaining power with business partners, a platform for growth beyond the current products and product categories, attraction and retention of talented employees,
ensures alignment of employees in support of the brand’s promise, clarity for budgeting and capital investment decisions, increase in organization’s sales, profit margins, stock price and market valuation.

**Brand Positioning**

Brand positioning is the way the brand is perceived within a given competitive set in the consumer’s mind. Ideally, it is a function of the brand’s promise and how the brand compares to other choices with regard to quality, innovation, perceived leadership, value, prestige, trust, safety, reliability, performance, convenience, concern for customers, social responsibility, technological superiority, etc. Relevant differentiation is the most important aspect of brand positioning.

**2.29 Effective Brand Management**

It is a fact that, not all customers desire a relationship with an organization, with some individuals more likely than others to form relationships (Barnes, 1994). This theory is further underscored by DeChernatony and McDonald (2003), who claim that a brand is an imperative relationship lubricant. If customers can be enticed to become passionate about the brand, and if they want to actively be associated with it, they are more inclined to enter into a relationship with the organization. Hence, ideally, the brand should act as a magnet, supplementing relationship marketing efforts and drawing all constituents closer together.

**Benefits of owning a compelling brand**

The American Marketing Association describes a brand as “a name, term, symbol or design or a combination of these items intended to identify the goods and services of one seller or a group of sellers, and to differentiate them from those of the competition” (Keller, 2003). “Brands embody dimensions such as the logo, design, smell, shape, sound, colour and communication, these factors all differentiate the brand, although some are often more prominent than others” (Van der Walt, 1995).

In particular, higher education brands may be used to send a strong signal to potential students about the quality and credibility of the institution (Thomson, 2002). Potential students may then use these cues to assess the attractiveness of a number of institutions (Utley, 2002). To this end, it is likely that strong higher education brands
hold a significant amount of appeal for senior high school scholars, who may aspire to be associated with these brands in the near future.

On the other hand, Keller (2008) also advocates that producers/manufacturers benefit from brands in a variety of noteworthy respects, namely:

- Brands are a means of identifying products in the marketplace, and easing their passage through the supply channel,
- Brands are a means of legally protecting unique features,
- Brands are a signal of quality level to satisfied customers,
- Brands are a means of endowing products with unique association,
- Brands are a source of competitive advantage and
- Brands are a source of financial returns.

In the context of the higher education sector, brands appear to be a means of labeling the quality of graduates (in effect, a seal of approval), establishing pulling power in enrolling students, endorsing the legitimacy of research products, and legally protecting advertising features (e.g. the use of a mountainous backdrop set against the main hall on campus, as used in one institution’s brand imagery).

### 2.30 Branding developments in Higher Education

Of late, administrators at educational institutes are facing the challenges of viewing the development and execution of marketing and advertising programs as a means of building an institution into a brand, as well as to recognize the implications of branding for the recruitment process (Rosen, Curran and Greenlee, 1998a; Rosen, Curran and Greenlee, 1998b; Sevier, 2002).

In marketing terms, the institutional name equates to the brand, and the goal becomes to optimize brand equity. Sevier (2001) considers branding in higher education in terms of brand image and brand loyalty. In this respect, brand image describes the desire of students, donors, and others to use brands as signs of status and success.

### 2.31 Perceived Risk in Higher Education Brand Management

In higher education, prominent institutions appear to be understandably proud of their brands and leverage these in the marketplace to attract financial and intellectual capital. In a nutshell, it seems that these brands are promoted by institutions in the expectation that they will provide a level of certainty to reduce risk for buyers of the educational offerings (i.e. the students themselves). Stone and Gronhaug (1993)
advocate that consumers are receptive to brands due to the fact that they reduce perceived risks. This may manifest itself in six forms: functional risk, physical risk, financial risk, social risk, psychological risk, and time risk.

The **functional risk** may be interpreted as whether the quality of the services of the institution meets the expectation of the student. Essentially, this concerns the issue of standards and hence the credibility of the educational offering. The student may therefore ask him/herself, “Whether the academic and administrative standards are higher or lower than that anticipated prior to registration” This query may only be answered after the student has enrolled at the institution and attended classes for a reasonable period of time. However, in the case of academic standards, comprehensive answers may only be made available when the individual begins his/her search for employment. In a study by Warwick and Mansfield (2003), several authors (Krukowski, 1985; Sekely and Yates, 1991; Shank and Beasley, 1998) found the quality of academic staff, quality of majors of interest, and overall academic reputation as being the most important factors when prospective students and their parents engage in the process of assessing functional risk.

The **physical risk** may be expressed as the level of safety on campus. For example, whether the campus is well protected by security forces and whether the lives of students are endangered by those individuals who may wish to disrupt academic proceedings and cause instability on campus.

According to Warwick and Mansfield (2003) who suggest that elements of the institution such as size, location and even weather are significant in terms of physical risk.

The **financial risk** entails whether the student, accommodation and/or social activity fees are deemed to be worth the price tag. According to authors Warwick and Mansfield (2003), Chapman (1993) found cost to be one of the most important factors in the college selection process. Similarly, Freeman (1984) found that financial aid also influenced this process, with the exception of high income (i.e. low to no need) students. Furthermore, Krukowski (1985) advocates that parents may be willing to pay high fees in return for better career opportunities for their children upon graduation, and Koshal and Koshal (1994) deem a religious environment (needed in order to fulfill beliefs) as worthy of a fees premium.

The **social risk** entails choosing the right institution or the right type of institution. For instance, it may be socially undesirable for exceptionally intellectual individuals
to study at an unbranded institute. This may cause embarrassment with reference to peers and family members, and may be ill advisable for this reason. According to Warwick and Mansfield (2003), Clark and Crawford (1992) propose two concepts, academic integration and social integration. The former relates to the degree to which the student achieves academic success, whereas the latter refers to the student’s personal and social success. They maintain that both types of integration are important for the student, since the greater the compatibility between the student and institution, the higher the probability that the student will complete the academic program.

The psychological risk may mean moving away from friends to study in a different city, or may even be interpreted as choosing a particularly demanding degree, which may prove to be too mentally challenging for the student. According to Warwick and Mansfield (2003), authors such as Conard and Conard (2000) and Murphy (1981) advocate that an institution’s reputation is, arguably, the most prominent influence in terms of minimizing psychological risk. However, Conard and Conard’s argument appears to lack the required depth and consideration of actual psychological risk factors. Instead, it is proposed that reputation is most important in mitigating functional risk.

The time risk may be expressed as the student being unable to easily transfer between institutions if the chosen option is found to be undesirable. This is due to the fact that the tuition periods of institutions largely coincide with each other, hence trading one institution for another may well add an extra year to the student’s studies. In this respect, time risk may also be considered as an opportunity cost. Thus, instead of studying, the student could alternatively be employed in a full-time position earning a regular income. Thus, a student’s lifestyle and life stage are also likely to have an influence on the concept of time risk.

2.32 Challenges and Pitfalls in Higher Education Brand Management

Unifying and accentuating the brand is often a challenge, as due to its multifaceted nature it is inherently difficult to manage. According to Wileman and Jary (1997), this is considered to be the ‘multiplicity effect’ and creates an instability which requires ongoing attention.

De Chernatony and McDonald (2003) acknowledge the challenge of services branding and the notion that the principles of goods branding do not necessarily apply
equally to services branding. In essence, they contend that this is too simplistic an approach.

In terms of higher education, “student life is a web of interconnected experiences which overlap and influence student satisfaction” (Elliott and Healy, 2001). Sevier (1996), similarly, comments that an institution’s product is the sum of the student’s academic, social, physical, and even spiritual experiences. However, this inevitably makes the educational offering somewhat difficult to brand.

Another challenge faced by brand marketers in higher education is the one pertaining to commercial advertising. To this end, advertising may, in fact, be potentially dangerous when the institution is already well established and respected in the market. Although advertising is generally perceived to be a brand building activity (DeChernatony and McDonald, 2003; Keller, 2003), it may be seen to be counterproductive in the realm of higher education. In this respect, there appears to be considerable skepticism concerning what strong brands have to gain by advertising themselves. This is seen as self-defeating in many circles. The question is then often posed, particularly by academics within the institution itself, as to the reasons one needs to advertise. Pulley (2003) identifies much resistance within the institutions themselves: “There is a lot of natural resistance, particularly from the faculty who don’t want to become too business-focused at the expense of things that make a university unique. There continues to be a debate about how commercial institutions should be.”

It seems that brand management has a role to play in building relationships between the institution and key stakeholders, as well as increasing the exposure of the institution in the community it serves.

Competitive forces in the higher education sector were found to include changes in government funding methods, globalisation of higher education bringing new competitors into the local market, and more discerning students becoming increasingly selective about institutions at which they enroll. Traditional institutions, accustomed to a surplus of applications on an annual basis, too need to pay attention to market forces which may serve to make or break the future of the institution.

Thus, it seems that loyalty toward these institutions is only as strong as the benefit they can provide to their stakeholders. This necessitates an elimination of complacency and a firm adoption of the competitive challenge. Managing the brand
(reputation) of the institution has been identified as a priority for any educational institution.

The institutional brand is akin to any other sort of brand, it reduces perceived risks for its customers and accrues stability and financial benefits to the owner of the brand. However, the task of managing an academic brand is considerably more challenging than it might initially appear. Firstly, actively managing the brand smacks of commercialism, something many institutions deliberately avoid. Secondly, the sheer multiplicity effect necessitates many layers of support when considering services-orientated brands such as institutional brands. In this respect, there are a multitude of factors which constitute the brand (e.g. signage at the institution, conduct of its students, research output, etc) and all these need to be sufficiently controlled. Lastly, Hay and Gensen’s (2008) higher education branding framework has been considered for the practical means through which this model can be utilized to support an institution’s brand management endeavours. It is recommended that institutions adopt a multi-tiered approach, including fixing internal factors which will then be filtered down to positively reinforce the external brand. In an environment in which perceptions are a reality, effective brand management simply cannot be overlooked.

2.33 Branding of the management institutes

Under current market conditions, brand name of the institute constitutes a major part of marketing strategy. Brand name is important irrespective of where it is located. For establishing a brand for a new management institute, it normally takes five to seven years. This is because only in the third year, the first batch of students pass out and join the work force and their placement and performance in the market helps to carve favourable image for the organization in the corporate world and in society. The reputation and status of an institution goes up if the students are placed well for four to five consecutive years and the placed students perform well after getting placed in campus placements. So the lead time for the management institute for creating brand is considerably large. To avoid this delay, most of the B-schools go into some kind of tie-up with reputed national or international colleges. This tie-up may be in terms of:

- using the brand name of some of the well-known national or international colleges,
developing association with some other internationally renowned colleges (for example ISB, Hyderabad is associated with three other schools of international repute namely Kellogg, Wharton and London Business School, MIT is associated with AUSIB.

- tie-up for student exchange program with foreign institutes. Autonomous institutes and deemed universities are tying-up with foreign institutes. It helps to attract good talent to the institute, helps in word of mouth publicity, helps to offer expensive courses and also helps in branding.

- Getting accreditation from NBA (National Board of Accreditation) or private domestic or foreign accreditation agencies. Institutes like MIT, HNIMR are getting accreditation from NBA or CRISIL or foreign rating agencies and are using its name, logo for advertising purpose.

The **branding strategy** should be comprehensive and well defined. It should be adapted and tailor made to meet the requirements of the organisation. Analysis of the following can be useful in building a strong brand name

- Analysis of brand architecture: which includes brand service, brand positioning, brand target, brand name, brand promise, brand character, brand emotion, brand quality, brand pricing, brand packaging, brand distribution, brand credential, and brand message.

- Analysis of target audience: which comprises, Demographic characters: Age/ gender among others. There are different branding strategies for employed people and for students. Similarly it may differ in case of gender.

  Target Market & Size.

  Attraction for the course and institute in students mind

- Credentials of the brand which includes:
  Past performance of the brand,
  Awards, medals, certifications received,
  Placements made in last few years,
  Service ranking given by different ranking agencies.

  Prestige of alliance partners and
  Brand status in the market place.
Brand building exercise is a specific and specialised job which requires high level of prudence and expertise. Leading institutes are hiring the services of professional agencies to develop a sustainable brand and status in the society.

**Branding and sustainability of the Institute**

While it may still be part of the expression of a brand, today brand value is determined how often customers i.e. students choose the service or courses based on their expectations and relationships with one brand over the alternatives. The way the alumni talk about the institute in the market place, their positive feeling about the institute will help in branding it at lesser cost. The manner in which the promised facilities are delivered to its basic stakeholders i.e. students, decides sustainability of the institution.

**2.34 A new Strategy for Marketing**

The concept of ‘one size fits all’ education may have been appropriate in old economies where students represented a homogenous group from the same cultural group with a known entry level skill set. Where students do not fit this form of stereotyping it makes sense to approach the task of designing an appropriate learning environment which suits the majority of learners. Eisner also claims that communication and multiple intelligence literature suggest that effective teaching involves reaching students, and that reaching students involves taking their frames of reference into account. Knowing where the students are coming from and meeting them there may increase the chance that students will absorb the information sought to teach (Eisner ,2003)

Indeed, the arrival of technologies to supplement, enable, enrich and mediate learning experiences challenges traditional education pedagogies. To actively respond to such pressures in a way that is positive can contribute to academic outcomes.

Businesses and governments have called into question the relevance and quality of the education that has been provided by post-secondary institutions as well as their continued ability to deliver education in a manner that the new forces of the globalized marketplace would deem efficient (Montgomery and Canaan, 2004).

The term learning styles is used as a description of the attitudes and behaviors which determine an individual’s preferred way of learning. Some students tend to focus on facts. Some respond strongly to visual forms of information, others are able to learn
more from verbal forms - written and spoken explanations. Some prefer to learn actively and interactively, others function more introspectively and individually. No one learning style is better than another, it is simply that people learn in different ways. The best learning style is the one that works for an individual in a particular situation. Costs would not be significantly different and yet the provision of alternative learning experience can be employed for both on campus and distance education institutions representing a way of marketing courses that may entice particular students to particular universities. The marketing strategy suggested is another form of product differentiation in the very active market for higher education. The emphasis is on the students as the student can select the mode of learning best suited to their personal learning style. These choices made available to students can thus be regarded as part of a suite of marketing tools that institutes can make use of. Generally, action must be taken to develop a complete marketing program to reach consumers (life-long learners) by using a combination of factors which can be referred to as the four P’s. The four P approach to marketing includes product, price, place and promotion are illustrated as follows:

**Product**

It is a good, service or idea the consumer needs for satisfaction. Physical product can be described in terms of its physical characteristics and is what most people actually think of as the product (Pardey, 1991). Some authors suggest that education is a product. For example: Garrison and Anderson (2003) suggests looking at distance education as a product instead of a tool for distributing education. The author says that in order to most efficiently use the resources, the needs of the student/consumer should be assessed.

**Price**

This concept embodies more than a value that someone will pay for it. The meaning associated with price changes is contextual. Institutions have different pricing policies and all institutions compete against each other to increase their application and enrollment rates. Pricing policies will impact student choice between institutions.
Place

It is a means of getting the product into the consumer’s hands. The personality of the place sends messages to the target audience. The vehicle which is used to reach the students can be a physical location or a virtual space where the connection speed of internet used, e-mail, can serve as a differentiating mechanism.

Promotion

Promotion is a means of communication between the seller and buyer. It includes advertising, public relations, personal selling, publicity, and sales promotions. If one higher education institution wants to enroll more students than other, it will need to use corporate advertising or engage in activities that create a liaison between the students and the institutions. Publicity provides media coverage to the institutions and visibility can create confidence about an institutions’ reputation and quality perceptions.

As education increasingly becomes borderless, universities compete for students in the same market, the global market. How universities have individually embraced this phenomenon have implications for their ability to attract certain segments of the education market. Those that continue to rely on ‘traditional learning’ in relation to the pre technology savvy students in the ‘old economy’ have a fixed view of the place for education in society. Such views are culturally defined and perceptions of knowledge have tended to be ordered and open to control. Traditional learning has been about imparting traditional knowledge using accepted methods with the expectation that learners would comply with and accept imparted facts. Traditional universities had captive markets based on a mixture of geographical proximity, barriers to market entry based on language, accreditation, culturally defined learning styles, and cost. This style of old economy, based on old perceptions of knowledge and old learning, is a thing of the past.

2.35 Marketing Strategy and Education

Marketing Strategy

A marketing strategy is a process or model to allow a company or organization to focus limited resources on the best opportunities to increase sales and thereby achieve a sustainable competitive advantage. Concentrating the organization’s resources on its greatest opportunities to better meet customer needs, outperform competitors, increase income, and achieve enduring success is marketing strategy.
According to Treacy and Wiersema a marketing strategy that is well-articulated will enable one to focus the marketing activities to achieve the marketing objectives.

Marketing strategy is the broad philosophical guide that describes the process a business will follow to accomplish its stated goals. It defines the marketing approach in general terms for the business. This strategy will determine the target market, product selection and development, pricing philosophy, distribution model, and overall organizational structure.

In the 1993 Harvard Business Review article that presaged their 1994 book, Treacy and Wiersema assert that three "value-disciplines" that can serve as the basis for strategy: operational excellence, customer intimacy, and product leadership. As with driving forces, only one of these value disciplines can serve as the basis for strategy. Treacy and Wiersema’s three value disciplines are briefly defined below:

**Operational Excellence**
Strategy is predicated on the production and delivery of products and services. The objective is to lead the industry in terms of price and convenience.

**Customer Intimacy**
Strategy is predicated on tailoring and shaping products and services to fit an increasingly fine definition of the customer. The objective is long term customer loyalty and long-term customer profitability.

**Product Leadership**
Strategy is predicated on producing a continuous stream of state-of-the-art products and services. The objective is the quick commercialization of new ideas.

Each of the three value disciplines suggests different requirements. Operational Excellence implies world-class marketing, manufacturing, and distribution processes. Customer Intimacy suggests staying close to the customer and entails long-term relationships. Product Leadership clearly hinges on market-focused R&D as well as organizational nimbleness and agility.

Henry Mintzberg, in his 1994 book, The Rise and Fall of Strategic Planning, points out that people use "strategy" in several different ways, the most common being these four:

1. Strategy is a plan, a "how," a means of getting from here to there.
2. Strategy is a pattern in actions over time; for example, a company that regularly markets very expensive products is using a "high end" strategy.

3. Strategy is position; that is, it reflects decisions to offer particular products or services in particular markets.

4. Strategy is a perspective, that is, vision and direction. Mintzberg argues that strategy emerges over time as intentions collide with and accommodate a changing reality. Thus, one might start with a perspective and conclude that it calls for a certain position, which is to be achieved by way of a carefully crafted plan, with the eventual outcome and strategy reflected in a pattern evident in decisions and actions over time.

**Pricing strategies**

Price is the exchange value of a good or service. Pricing strategy has become one of the most important features of modern marketing. Pricing strategies are the pricing policies for a business. After creation of the pricing strategy elements, such as criteria, pricing segments, line brand guideline plans, dealer guideline plans, etc, these elements can be used to determine a pricing strategy.

Pricing strategy refers to the method companies use to price their products or services. Almost all companies, large or small, base the price of their products and services on production, labor and advertising expenses and then add on a certain percentage so they can make a profit. There are several different pricing strategies, such as penetration pricing, price skimming, discount pricing, product life cycle pricing and even competitive pricing.

Like much of marketing, pricing strategy is something of an art. It is important to understand the factors that go into good pricing strategies in marketing. The factors to consider can be summarized in the 3 C’s:

**Costs**
The cost involved in producing the product or delivering the service typically defines a minimum price in order to make a profit.

**Customers**
The customers targeted will also define price, their typical budget, the extent of valuation given by the solution provided, the segments targeted whether high-end(luxury price) or low-end(budget price)
Competition
The price of competitive solutions in the market, competitors responses to particular product pricing.

Promotional strategy
Promotional strategy is the function of informing, persuading, and influencing a consumer decision. It is as important to nonprofit organizations as it is to a profit oriented company. Some promotional strategies are aimed at developing primary demand, the desire for a general product category. But most promotional strategies are aimed at creating selective demand, the desire for a particular product.

Selecting the appropriate promotional mix is one of the toughest tasks confronting marketers, but there are some general guidelines to assist in determining the relative allocations of promotional efforts and expenditures among personal selling, advertising, sales promotion, and public relations. These guidelines might be stated as a series of four rules:

- The first guideline is the decision whether to spend promotional monies on advertising or personal selling. Once this decision is made, the marketer needs to determine the level of sales promotion and public relations efforts.
- A second guideline is the market served by the good or service.
- The third guideline deals with the value of the product. Most companies cannot afford to emphasize personal selling in marketing a low-priced item. Higher-priced items in both industrial and consumer markets rely more on personal selling.
- The fourth guideline deals with the marketer’s needs to consider the time frame involved. Advertising is usually used to precondition a person for a sales presentation. An effective and consistent advertising theme may favorably influence individuals when they are approached by a salesclerk in a store. Advertising is often used again after the sale to assure consumers of the correctness of their selection and to precondition them for repeat purchases.

It has been pointed out in almost all studies on the subject of services marketing that strategic management and marketing strategy for each organisation needs to be unique in itself as it is organisation and situation specific. Some directions for marketing strategy for education may, however, be drawn keeping in mind the special
characteristics of education as an intangible dominant, people based, high contact consumer service. These are outlined below.

1. The dominantly intangible nature of education service may make the consumer’s choice of competitive offers more difficult.

2. In case of delivery systems where the performance of the service demands the presence of the instructor, marketing of education would need to be localised and offer the consumer a more restricted choice. Of course, as institutions build up their “pull” in the market, consumers are willing to relocate themselves to avail of the service.

3. Perishability may prevent storage of the service product and may add risk and uncertainty to the marketing of education, specially in the event of fluctuating demand for courses/instructors/disciplines.

The basic essentials for strategic marketing planning that need to be considered are:

i. **The business one is in**

   In order to properly define the mission and the overall objective of the organisation it is essential to define what business it is in, whether in the business of transmission and propagation of knowledge, in the business of creating new knowledge, in the business of developing professional skills, in the business of creating special skills or preparing people for a specific vocation. Theses essentials will lead the institution to identify its organisational mission and overall objective.

ii. **Identifying the customers and finding out the benefits sought by them**

   Identification of target markets and understanding the needs of customers, as well as the criteria they use to make choices, represents an important step in marketing strategy formulation. For an educational institution, the task translates to determine what is the nature of the benefits sought by its set of ‘customers’. Whether merely seeking a certification, or development of a specific kind of expertise or accumulation of knowledge the real value sought. Since the purchaser of the educational service is primarily buying the expertise or knowledge he believes the institution has at its disposal, it is important for the institution to be able to define the kind of expertise it is capable of producing. It is also important to develop an understanding of the criteria prospective students apply when they choose between competing institutions. A study in the Indian context, for management education, reveals that some of the criteria used by students to
choose between institutions were: reputation of the institution, number of applicants keen to enroll in the course, past success rate of placement, faculty expertise, width of specialisation offered, infrastructural facilities, and fees.

**Customers needs and expectation factors for Management Education**

All factors which were rated by respondents as important for management education are listed below. This is made by considering US students in mind. Twenty five factors in all emerge from the data which are selection criteria, teaching pedagogy adopted, knowledge imparted, skills, enjoyment, national and international collaboration, developing entrepreneurship, extra help and explanation to doubts of academically weak students, co-curricular activities, placement track record, environment, infrastructure of the institute, quality of teachers, personality development, creativity and innovation, curriculum, job-orientation practical know-how, industry exposure, class less than one hour, case based question paper, time for self study, fees, technical facility, industrial tours, global exposure and evaluation pattern.

iii. **The way in which the Institute can defend its own competitive position**

Every organisation has to consider an entry strategy into a market and then creation and protection of the competitive position. Though a number of alternative positioning choices are possible for educational institutions, task of positioning is a slightly more difficult proposition here, because of the absence of a strong tangible core to the service offer. One of the basic ways to achieve a strong competitive position is to build up strong service differentiation which can generate a clearly focused organisational and product image in the consumer’s mind. Indian Institute of Management, Ahmedabad, which through development and nurturance of highly specialised faculty resource and excellent industry interaction has built up formidable barriers to competition. These clearly differentiated positions enable these institutions to generate large number of aspirants and select the desirable quality of students.

iv. **The new service offers that help/strengthen the competitive position**

As needs and wants of the consumer population change, existing course packages or delivery systems may cease to satisfy them. A preemptive approach to educational planning suggests that ‘satisfiers’ to such needs be preemptively developed and offered before the need really becomes apparent to the consumers.
themselves. Since education to an extent, represents a derived demand dependent upon the final demand for desired qualifications for employment, changing job scenarios, industry requirements and consequent need for qualifications may be indicators to watch, for generation of new service offer ideas.

2.36 Marketing Strategies adopted and implemented by Management institutes

Beneke (2011) mentioned that necessitating a proactive stance on maximizing the appeal of the institutional brand so as to enroll desirable students and ensure that the institution’s strategic goals are achieved. Inherent in this approach is embracing the competitive challenge, effecting internal remedies and thereafter ensuring that all branding elements are cohesively aligned. Findings suggest that just like any other brand, an institutional brand has the effect of reducing perceived risk for consumers (the students) and allowing the institution a degree of stability in the market place.

The circumstances prevailing in the world forced both traditional Universities and Universities of Technology to become more proactive and to more carefully manage which students are admitted into their respective institutions, a trend which has also been observed internationally. Owing to competitive pressures, institutions therefore need to become more proactive in their marketing endeavours (Zemsky, Shaman & Shapiro, 2001) and, in response, many institutions have already turned to corporate principles to run their operation and to recruit their ‘customers’ (i.e. the students).

Arguably, the fundamental reason as to why this may be the case can be found in their heritage. Universities throughout India have historically “operated in a protected, regulated market with a steady income” (Hay and van Gensen, 2008). This has meant that they have not been exposed to truly competitive enterprise and are not accustomed to competing in an environment where survival, rather than being guaranteed, is a privilege that needs to be earned.

Additionally, it appears as though few institutions have a comprehensive, institution wide, co-ordinated marketing program. It would appear that at present, marketing is at best executed on an ad-hoc basis. Yet, an exception to this norm may be the attitude of institutes toward their alumni. These institutions appear to pay special attention to alumni in the hope that these alumni will act as fine ambassadors for the institution and, possibly more importantly, will provide future funding to the institution in the form of personal donations and/or placement opportunities to the students.
The Competitive Imperative

Indeed, institutions face a plethora of issues and challenges in the current era of higher education endeavours. In this respect, institutions are “being urged to provide high quality education, maintain its image as well-reputed institute, achieve enrolment success, improve competitive positioning, provide contemporary and well-designed academic programs, and maintain financial strength” (Cetin, 2003). This has forced administrators at institutions of higher education to begin to recognize that they need to function more like a business and market their offerings utilizing sound strategies (Hancock and McCormick, 1996). Marketing strategy in higher education has been growing in importance for a number of years. It is not just a phenomena of private institutions but of all universities and colleges and is concerned not only with attracting students but also in securing income from other sources, such as endowments, commercial consultancy, research and many other activities. Even where all universities are Government funded the competition for students and other activities has led to significant efforts being given to marketing.

2.37 Marketing Strategies adopted particularly at a time when relevance, utility, significance and future is questionable

Increasing competition in all aspects of business and growth of innumerable products in a monopolistic competition is making external marketing communication less effective. Education sector in India is not an exception to this situation. As a person comes across hundreds of advertisements and products daily, it is creating a clutter and confusion making it more challenging for colleges and institutes to make themselves recognized from rest of the clutter and impact decision-making. Therefore, the marketers today are trusting inbound marketing i.e. internal marketing to pull customers towards them. Some of the key internal marketing strategies that management education should adopt in today’s scenario are discussed below.

Here it is important to differentiate between outbound and inbound marketing. Outbound marketing is when one tries to push the product to customers by bombarding advertisements and asking customers to buy it. On the other side, in inbound marketing the customer gets pulled to the products because of the institutes marketing strategies which are relevant to their needs. Below mentioned strategies are some of the best marketing practices, which are adopted by schools, colleges and management institutes.
**Branding**

Branding is by far the best inbound marketing strategy. Everybody will agree to the point that it’s branding, which makes the high ‘number of applications per seat ratio’ in leading institutes in India like IITs and IIMs. Though branding is a slow and steady process, which takes a lot of time, once done successfully, the fruits one gets because of strong brand value, justifies all the efforts.

If branding is done in a meticulous way, it also becomes one of the most cost effective marketing strategies. The appropriate means are to make ones customers their brand ambassadors. Therefore, instead of providing a full page advertisement in all the national newspapers, the educational institutions should focus on how it can keep customers happy and delighted, this will do the magic for them. A brand is what people get attracted to and demand, and people demand for the things they are referred to by satisfied customers.

**Content marketing**

Content marketing is another impactful inbound marketing strategy for colleges and management institutes. Content marketing is a form of marketing, where products and services are promoted through various contents such as articles, whitepapers, posts, stories, updates or other references. Therefore, if one wants to spend on print media for a big advertisement, one can spend the same amount by writing a sponsored article about their institute which mentions how the courses are important, leading schools offering these courses and then adding name of the management institute in that list.

Content marketing has also proved beneficial for institutes because of buyers’ psychology. Parents generally browse through not only institute’s website but different forums and blogs related to education before selecting right college. Therefore, appearing in these blogs and writing on these forums will increase the number of people enquiring about the institute.

**Affiliate marketing**

Affiliate marketing is used, and is quite helpful in case of undergraduate colleges. These undergraduate colleges tie-up with junior colleges, and make them their affiliates. These undergraduate colleges, in turn, promote the colleges to students, who inquire further with the colleges after their graduation.
Other users of affiliate marketing are B-schools offering MBA and PGDM programs and engineering colleges who tie up with coaching classes for MBA or engineering entrance exams. The coaching classes are made the affiliates of B-schools and engineering colleges.

**Tradeshow marketing**

Tradeshow marketing has proved to be helpful for schools, colleges and management institutes for attracting customers. In education fairs and exhibitions it helps to make society aware about the institute and also helps in lead generation for the enrollment.

**Ambush marketing**

In ambush marketing, schools, colleges and management institutes associate themselves with various events, without paying any sponsorship fee, and capitalize on the success of these events. Educational institutions go for ambush marketing by participating in various concerts, talk shows, social events, contests, online discussions etc.

When it comes to branding, branding of an educational institute provides a good case to experiment, especially if the institute happens to be a leading institute which enjoys a good amount of reputation in the academic circles and in the corporate world as well. Some of the leading institutes have started following activities for branding and brand recall.

**Maximum online presence in "Institutes’ name" as prefix in students user name**

Students are told to be online and participate in lot of good online activities. They should not only use the regular sites like facebook, twitter or orkut but also contribute on blogs, websites and participate in discussions and forums etc. Wherever possible the suffix “Institutes name” should be added to their regular user name .Exp:-paritosh@institutes name, AJAY_ Institutes name etc .That will provide a lot of online visiblity to the institute.

**Have more and more mentorship programs**

Recently leading institutes have started one mentorship program in the niche field where a passed out alumni guides a few students in the given niche area. This not only helps in maintaining and building strong relationships between the college/institute and the alumni base but it also helps the current students to get some sort of industry exposure which directly or indirectly increase their employability skills.
Reactivation of Research boards
The Research committee are generally formed and with time they become dysfunctional. These committees should be activated. It is told that the students should take more and serious interest to contribute to this team. This is possible for first year students as second year students are working for placements and maintaining corporate relations so the onus should be on first year students.

Circulation of brochure
Placement committee generally give placement brochures to the students which they are supposed to submit in their SIP (Summer training / Summer internship) firms, but a single brochure per student is not adequate because in the entire process of summer project a student gets exposed to many companies wherever he applies. It will be in the of interest making brand image of college if a brochure is given not only to the SIP firm but also to all other related client firms to whom students get exposed to.

Referral marketing
It is being gradually used in marketing of services in India, like education .As more and more foreign universities are encouraging Indian students to pursue courses offered by them either in India or abroad, referral marketing will become path breaking tool in their marketing efforts.
In the present scenario, average population in Europe and US is aging, foreign universities want more students from outside and India is seen as a market with good potential for marketing of educational services by Foreign Universities. Referral marketing is making use of students currently studying in the institution, to bring in potential students. This can be an innovative tool in marketing of service like education. The existing students are perceived as important business partners of the organisation. The institutes should expand the role of its current students in enrolment of prospective students. The prospective customer always wants the testimonials of old or present customers so present students can act as vital tools for attracting prospective students.
The decision of opting for higher education can be considered high involvement decision, due to its high cost, high personal relevance, long term stakes involved, variety of different options available and time taken to make the decision Malmarugan & Sankaran(2007).Consumers make decisions after moving through
various stages of the decision process. Previous studies in Europe indicates that newspaper and television advertising are not as effective in convincing the purchase of services with enduring benefits like higher education, since these services are more expensive and requires higher level of involvement of customers. (Zeithaml et al, 1985). Many studies indicates that word-of-mouth communication is the most important source of information for higher education and can reduce risk for high involvement services since it gives the consumer the opportunity to receive clarification and feedback. Consequently, students may go to great length to increase their awareness levels and find alternatives available in the market place to secure a first-hand personal source rather than rely on impersonal sources, e.g. mass media. The main function of impersonal media of information for higher education service is, therefore, to direct students to personal sources of information. The information is then confirmed with close family members and friends (Hill, Romm and Patterson, 1991).

**Social Marketings crucial role in academic marketing campaigns**

In the marketing of educational institutions, digital marketing is playing an increasingly tactical role in reaching prospective students. More than sixty percent of undergraduate and graduate institutions, plan to turn to the power of online advertising as a key marketing tool by 2013. Interestingly, in light of this increasing use of digital advertising, institutes are reducing the cost and reliance on traditional marketing media and ways of promotion. Online advertising is being proven as an effective strategy for educational institutions, which requires fewer resources to stand apart from the crowd and reach prospective students. It is seen that even as total marketing budgets have decreased or stayed flat, display and online advertising is becoming a more critical part of that overall budget. Educational marketing is starting to leave its traditional approach and schools, higher Educational institutes are embracing the use of Social Media as a way of getting in touch directly with the prospective students. Educational institutes making plans for digital marketing now include the use of sites like Facebook, Linkedin, MySpace, Twitter, YouTube, Google plus and many other social networking sites.

It has been observed that different Social Media sites can be a good medium of communication for educational institutes as it empowers them in coming in contact directly with applicants and prospective students. The audience for higher educational
marketing, is students between the ages of 16 – 23 and it has been seen that 75% of that target market regularly use Social Media and spend hours on communicating with each other and it is becoming part of their lifestyle. Higher education institutes are using Social Media within its digital marketing plan in a number of ways; hosting videos on YouTube, Twitter page, a profile on Facebook, creative sponsored stories and ads on Facebook, contribution on blogs and profiles uploaded on LinkedIn. Though it should be said that all these digital marketing campaigns should be focused on communicating through social media and social websites to potential students only and not to the current students as face to face contact is always preferable for the current students.

**Digital marketing plans are taking the central stage.**
Social media are substantially adaptable to higher education’s changing digital marketing needs and the new way in which its target audience communicates. Not only should higher education institute change its digital marketing strategies, but also the way that social networking is used. For any higher education institute the bottom line for any marketing strategy is applications. Education marketing should always focus on the needs of these applicants and use their digital marketing to communicate to them effectively.

**The use of Social media for digital marketing of education would then be:**

**Institutes are listening to applicants**
75% institutes use social networking and social media, and also education related web pages where students may ask questions, queries regarding institute and institutes are replying back. But time taken for replying and the degree of information provided by the institute is a matter of question.

**Doing something different**
Using the Social Media is just an initial step in online marketing. Students are not going to take admission in a particular institute because the Facebook page is very attractive but the content, information, video and image posted by the institute is what will make the difference.