CHAPTER - 1

INTRODUCTION
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The subject selected for research relates to “Marketing of educational services in Technical Institutes in the light of Liberalization and Globalization.” It is mainly based on the existing marketing strategies adopted by the technical education institution and changes need to be adapted by them to compete in the global market in the present rapidly changing scenario. Due to the advent and fast growth of information technology, our previous concepts are entirely changing, now the market place is not what it used to be. It is radically different as a result of major, sometimes interlinking social forces that have created new behaviours, new opportunities and new challenges.

The digital revolution has created an age of information. The industries was previously characterized by mass production, mass consumption, stores staffed with inventory, advertisements everywhere and rampant discounting. The information age promises to lead more accurate levels of production, more targeted communications and more relevant pricing. More over much of todays businesses are carried on over electronic networks- Intranet, Extranet and Internet.

The technical advances in transportation, shipping and communication have made it easier to the market players to play in other countries and also easier for consumer to buy products and services from marketers in other countries. This change is known as globalization.

Many countries have converted Government enterprises
to private ownership as management to increase their efficiency on generous terms or conditions. From 1991 India has adopted the policy of liberalization*.

Customers increasingly expect higher quality and service and some customization. They are more time starved and expect more convenience, they can obtain extensive product information from the internet and other sources; which permits them to avail more facilities more intelligently. They show more price sensitivity in their search for value. The companies also have capacity to interact with the customers personally, through personalize messages, services as relationship, using smart software, equipment, catalogue houses etc. So this is a situation of customer oriented market which enables producer to compete with each other for customers.

The competition in every field is so high that even the brand name owners are facing intense competition from foreign and even domestic contestants.

This position have briefly elaborated just to know the global scenario in every walk of life and educational services in technical institutions are not untouched of it.

In this age of Science and Technology, the role of technical education in various walks of life, vocations and professions are achieving significant importance. It is influencing so greatly that the social, economical and political culture of the world is undergoing almost a complete change on account of technology. New jobs in the fields of computers, electronics, software, I. T., etc. which were unheard of a few years ago, have come into existence.

It is realized that the basis of development of any country now lies in its industrialization. More the industrialization more is the development, but it depends on technical education to its personnel, besides the availability of raw-materials, minerals etc. It is also being realized that the economic, political and military power of a country depends upon its technological power. In India although we have the third largest scientific and technical personnel, in absolute terms it is only 3.8 per 1000 population while countries like Japan have 170 for the same*.

Technology has an overwhelming presence in our world and has a tremendous impact on the life of every person. Technology is found from world experience to give winning edge to a nation. Shri Pandit Nehru, first Prime Minister of India on occasion of laying foundation stone of I. I. T. Mumbai, on 10th March 1959 said “Technology Institutes are the centers of knowledge and new technology where future of people is created. They are fountain heads of new technology”. The institute will play a crucial role in building India as a technology oriented nation. What investment India makes today in technical education decides the fate of people tomorrow*.

Dr. Manmohan Singh introduced a policy of Liberalization, Privatisation and Globalization (LPG) in the month of June 1991. Meaning of it is to open the doors of country’s economy to the entire world and face competition bravely and daringly. One needs to be competitive to succeed against global competition. Global competitiveness is a basis for the success of any country or industry. Due to global competitiveness customers are more quality and cost conscious*.

Globalization implies flow of information relating not only to science, technology and economy across the border, but also almost everything that affects human life today. Globalization has come to stay and we have to meet the challenges emerging from it for higher education in our country. We have to extend the circle of excellence within a frame work of equity in order to enable more students access to the temples of learning and demonstrate their ability globally. We are proud that our country has provided an overwhelmingly large number of professionals, mainly, scientists, managers, doctors and engineers not only to the developing but also to the developed countries including the USA, Canada and Europe.

As an impact of the continuing liberalization of economy in industries and service sector in India we are facing major challenges of national and international competition. As a result it is forcing rapid modernization and the introduction of new technologies and marketing approaches.

High quality technical and scientific man power is essential for such developments. The higher technical education system of India needs to stand against the challenges posed by rapid globalization and should be able to extract various benefits from its policy of liberalization.

Internationalization of education is the integration of an International element, which can manifest, in educational activities such as student and faculty mobility, institutional collaboration with research, teaching, designing of curriculum in a global perspective, so as to stop the migration of prospective students to other countries.
and also attract the number of foreign students to our institutes. More than 54,000 Indian students are studying in American institutions and Universities for their degrees, 16,000 students in UK, 7,500 in Canada, 21,000 in Australia, 3,000 in New Zealand, 4,200 in Germany and 1,200 in France, where as very less number of US and other countries students have part in India. We have to develop potential to convert this ratio in our interest*.

**SCENARIO FOR AMRAVATI UNIVERSITY**

Initially the technical education in Amravati University region enjoyed the monopolistic status, so that there was no need of marketing of institutes to attract students, but recently the number of institutes have increased in country and also the advent of new trends of liberalization and globalization have changed the scenario. Now a days institutes are to compete in two areas.

The first area being the quality of education provided by the institutes. The forces of competition and performance are compelling the organizations to look out for the best talent in their human resource pool. The quality of education defines the quality of graduates coming out of the institutes.

Secondly finding the opportunities for growth and expansion to create reputation in global market. So that flow of potential students can be attracted towards our Institutions not only regional but from other University regions at national and international level.

By understanding changes and challenges arising out of

Ref. : *http://portail.unesco.org, 2004*
global competition, now there is time to think the modern concept in marketing field. In this globalized era market place is not only the place where marketing takes place. Now marketing activities include the production concept, the product concept, the selling concept, marketing concept and holistic marketing concept, which can be briefed as under :-

1) **The Production Concept** :- Traditionally we were practicing this method, achieving high production efficiency, low costs and mass distribution. This orientation makes sense in developing countries like China. But in the field of technical education we cannot succeed by implementing this method. Hence simply granting wholesale permissions to the technical institutions under the guise of liberalizations will not serve the purpose.

2) **Product Concept** :- This concept holds that the consumers always prefer the superior quality, performance or innovative features. This theory holders focus on marketing superior products and improving them overtime. But in the prevailing situation this too will not sufficient; unless the product is priced, distributed, shaped well as advertised using modern techniques and sold properly.

3) **Selling concept** :- Believes in taking aggressive selling and promotion efforts. This concept was practiced by SERGIO ZYMAN, the then Vice-President of Coca-Cola. The technique used was to sell more stuff to more people, more often, for more money in order to make more profit. This concept can be found utilized in Insurance and other sectors.
4) Marketing Concept: Together with the above three traditional marketing concepts the era of globalization saw the emergence of this new trend on the horizon. It started in the 1950s, instead of a product centered “make and sell” philosophy, business shifted to a customer centered “sense-and-respond” philosophy. Instead of “hunting” marketing is “gardening”. The job is just not to find the right customer for your products but the right products for your customers. The new concept holds that the key to achieving organizational goals consists of the company being more effective than competitors in creating, delivering, communicating, superior customer value to its chosen target market.

In the words of the Odore Levitt of Hardward University, “a perspective contrast between the selling and marketing concepts selling focuses on the needs of the seller, marketing on the needs of the buyers. Selling preoccupied with the sellers need to convert his product into cash, Marketing with the idea of satisfying the needs of the customer of things associated with creating, delivering and finally consuming it.”

So in the present scenario, it is essential to put the technical educational offering into the context of a marketing process, for it is the logical progression within the process that can help institutions to understand who are their ‘customers’ how their needs are changing and how an institution needs to adopt and develop marketing strategies and changes to meet these needs.

Customer for technical institutions are students, their parents and also the industries. Students are the prime and direct customers of the technical institutions while their parents are also the customers (but indirect) because they generally pay for the students education and mostly it is their future investments. Further, industries are indirect customers because they are providing employment opportunities to the students. So they are expecting quality output from technical institutions which can be absorbed and utilized by them readily, so that wastages will be reduced.

The institutes should have the marketing approach having knowledge of customers needs and wants orientation tackled by integrated marketing efforts aimed at generating customer satisfaction. It is the key to organizational goals. Marketing strategy of institutions should be around the 4p’s i.e. elements of marketing, product, price, promotion and place.

Here the product stands for educational services offered by institutes and quality of educational services for global requirements. Price refers to the money value that the students have to pay. Promotion is the aspect of advertising or communication that provide information regarding the benefits of services to the customers. Place here refers to location and channels selected for transferring the educational services. Marketing of technical education has to be taken synonymously with institutional marketing.

Marketing of educational services in technical institutions can be defined as “An activity of transferring the knowledge to the
customers of institutions to derive their full satisfaction by providing an economical, and developmental opportunities and making them capable to face the global competition.

Marketing strategy adaptation, is nothing but implementation of change in existing system of technical education. It includes streamlining the education system, provide quality technical education, to develop curriculum which can meet the global requirements, to increase training and placement opportunities, adequate infrastructure and facilities, more emphasis is to be given on research and development programs. It should also incorporate adequate and affordable fee structure. Promotional strategy and efforts are to be directed in such a way that they should secure the attention and interest of prospective students towards the institution. This will ultimately help the institutes to reorganize themselves, to create brand image and face the challenges posed by liberalization and globalization.

Fig 1.1 explains the idea for marketing strategy for technical education institution. It is started from arising need for adopting change in service strategies (adopted) by technical institution in shadow of new liberalized and globalized era. Then after identifying customers, identifying their needs and wants and then adopting marketing strategies around elements of marketing for customer satisfaction. By this there is end in an improved brand image and reputation of institution, which will open the opportunity for expansion and growth of the institution in changed scenario.
Fig. 1.1  MARKETING STRATEGY FOR
TECHNICAL INSTITUTION

Globalization  →  Changing
            Educational Scenario  →  Liberalization

Technical Institution

Locating Target Market

Identifying Customers

Finding Elements For Customer Satisfaction

Applying Effective Marketing Elements

Developing Products And Services

Satisfaction And Benefits to Customers

Brand Name And Growth of Institution