Chapter 2
International Marketing of Higher Education

2.1 INTRODUCTION

From a layman’s point of view marketing is the selling of a product or service. It may be of different types – product-based or service-related, retail or wholesale, consumer-oriented or industry-related, direct or multi-channeled, domestic or international.

There is no denying the fact that selling a product or a service requires creativity and skill and, therefore, it is generally considered to be an art. There are also those who believe it is a science for it makes use of tenets of sociology, psychology, mathematics, economics and other scientific disciplines. In this chapter we discuss the concept of marketing, including international marketing and service marketing, and review the marketing of education as practiced in India.

2.2 MARKETING

2.2.1 Marketing Defined

Kotler et al. (2009) point out that one of the shortest definition of marketing “meeting needs profitably”. This is close to the layman’s perception described in the introductory paragraph above. The emphasis is on selling but then, as pointed out by Kotler et al. (op. cit.) selling is not the most important part of marketing. The more important part is customer satisfaction. Druker (1973) pointed out that the aim of marketing should be to make selling superfluous. He states: “The aim of marketing is to make selling superfluous. The aim of marketing is to know and understand the customer so well that the product or service fits and sells itself”. Instead of marketing the, building of the brand should be the objective. Speaking in the context of higher education institutions Harvard or MIT or Oxford or Cambridge do not need to market their education as students from multiple countries apply on their own and in numbers much beyond that which can be admitted.

Over the years the meaning and definition of marketing has undergone an evolution. Thus, Kotler (1988) wrote “Marketing is a social and managerial process by which individuals and groups obtain what they need and want through creating and exchanging products and value with others”. This definition emphasizes six core concepts, viz., needs, wants and demands; product; utility, value and satisfaction;
exchange, transactions and relationship marketing; markets; and marketing & marketers. Kotler (op. cit.) enumerates other definitions, which include:

“Marketing is the process by which an organization relates creativity, productivity and profitability to the market-place”.

“Marketing is the art of creating and satisfying customers at a profit”.

“Marketing is getting the right goods and services to the right people at the right places at the right time at the right price with the right communication and promotion”.

Subsequently, Kotler et al. (2008, 2010) described Marketing to be “the process used to determine what products or services may be of interest to customers, and the strategy to use in sales, communications and business development. It generates the strategy underlies sales techniques, business communication and business development”.

The Chartered Institute of Marketing defines marketing as “the marketing process responsible for updating and satisfying requirements profitably”.

The American Marketing Association in its official definition describes marketing “as the process of planning and executing the conception, pricing promotion and distribution of ideas, goods and services to create exchanges and satisfy individual and organizational objectives”.

Whichever definition is preferred the bottom line is that the customer has to be the focus of activities.

2.3 CORE CONCEPTS

In order to adequately appreciate the nuances of marketing one has to understand the core concepts of marketing as described by Kotler (1998). This section essentially reproduces, in summarized form, his writing with examples that are more appropriate to the Indian situation and to marketing of higher education.

The core concepts are:

2.3.1 Human Needs. Wants and Demands

2.3.1.1 Human need

Human need is the most basic concept underlying marketing. It a state of felt deprivation. Humans have many, varied and complex needs. These include basic physical needs for food, clothing, warmth and safety; social needs for belonging and
affection; and individual needs for knowledge and self-expression. When a need is not satisfied, a person will do one of two things: look for an object that will satisfy it; or try to reduce the need. Thus, these needs are not invented by marketers; they are a basic part of the human make-up.

### 2.3.3.2 Human wants

Human wants are the form taken by human needs as they are shaped by culture and individual personality. A hungry person in South India may want an *idli*, a *dosa* and a *vada* along with coffee; a hungry person in Germany may want a ham and cheese roll, salad and a beer; while a hungry person in China may want a bowl of noodles, pork and jasmine tea. Wants are described in terms of objects that will satisfy needs. As a society evolves, the wants of its members expand. As people are exposed to more objects that arouse their interest and desire, producers try to provide more want-satisfying products and services. People have narrow, basic needs (e.g. for food or shelter), almost unlimited wants but also limited resources. Thus they have to purchase products that provide the most satisfaction for their money.

### 2.3.3.3 Human demands

Human demands are fuelled when the individual has the ability to pay. In that state wants become demands. Consumers choose products that give them the best value for their money. Thus a Maruti car means basic transportation, low price and fuel economy. On the other hand a BMW means comfort, luxury and status. Given their wants and resources, people demand products that give most satisfaction.

### 2.3.2 Products and Services

#### 2.3.2.1 Product

Product is anything that can be offered to a market for sale and something that may satisfy a want or need. Usually, it is physical object, such as a car, a television set or a bar of soap or it may also be an abstract concept like education. People satisfy their needs and wants with products. Simply put a product is anything that can be offered to a market to satisfy a need or want. Examples are books and a laptop.

#### 2.3.2.2 Service

Service is an activity or benefit that one party can offer to another. It is essentially intangible and does not result in ownership of anything. Examples are banking, education and health services.
2.3.3 Value, Satisfaction and Quality

2.3.3.1 Customer value

Customer value is the difference between the values the customer gains from owning and using a product or service, and the costs of obtaining the product. For example, higher education may cost a considerable amount of money. Yet it is instrumental in getting a person a good job which over the years will provide him output far in excess to his input in the form of tuition fees. Unfortunately, customers often do not judge product values and costs accurately or objectively. They act on perceived value. Customers perceive the educational institute that provides quality education to be of greater value then another which charges less but provides average-quality education. They are, therefore, willing to pay higher fees.

2.3.3.2 Customer satisfaction

Customer satisfaction depends on a product or service performance in delivering value relative to a buyer's expectations. If the product's performance falls short of the customer's expectations, the buyer is dissatisfied. If performance matches expectations, the buyer is satisfied. If performance exceeds expectations, the buyer is delighted. Smart companies and institutions aim to delight customers by promising only what they can deliver, then delivering more than they promise.

2.3.3.3 Quality

Quality is usually defined by excellence I performance or value for money. As illustrated by the example of the institution providing quality education, customer satisfaction is closely linked to quality.

2.3.4 Exchange, Transaction and Relationship

2.3.4.1 Exchange

Exchange is the act of obtaining a desired object from someone by offering something in return. Exchange is only one of many ways people can obtain a desired object. For example, hungry people can find food by hunting, fishing or gathering fruit. They could beg for food or take food from someone else. Finally, they could offer money, another good or a service in return for food. As a means of satisfying needs, exchange has much in its favor. People do not have to prey on others or depend on donations. Nor must they possess the skills to produce every necessity for them. They can concentrate on making things they are good at making and trade them for needed items made by others.
Thus exchange allows a society to produce much more than it would with any alternative system. For an exchange to take place, several conditions must be satisfied. First, at least two parties must participate and each must have something of value to offer the other. Second each party must also want to deal with the other party and each must be free to accept or reject the other’s offer. Finally, each party must be able to communicate and deliver. These conditions simply make exchange possible. Whether exchange actually takes place depends on the parties coming to an agreement.

2.3.4.2 Transaction
Transaction is marketing's unit of measurement. It consists of a trading of values between two parties. It is a trade between parties that involves at least two things of value, agreed-upon conditions, a time of agreement and a place of agreement. In a transaction, we must be able to say that one party gives to another party and gets money in return. For example, you pay a retailer Rs 30,000 for a laptop or Rs 100,000 as tuition fee for a course. This is a classic monetary transaction, but not all transactions involve money. In a barter transaction, you might trade your old refrigerator in return for a neighbor’s second-hand television set.

2.3.4.3 Relationship marketing
Relationship marketing is the process recreating, maintaining and enhancing strong, value laden relationships with customers and other stakeholders. Smart marketers work at building long-term relationships with valued customers, distributors, dealers and suppliers. They build strong economic and social ties by promising and consistently delivering high-quality products, good service and fair prices. Increasingly, marketing is shifting from trying to maximize the profit on each individual transaction to maximizing mutually beneficial relationships with consumers and other parties. In fact, ultimately, a seller wants to build a unique company asset called marketing network.

2.3.5 Markets
Traditionally, the term market stands for the place where buyers and sellers gather to exchange their goods. In economics the term market refers to a collection of buyers and sellers transacting over a particular product or service. In other words a market is the set of actual and potential buyers of a product. These buyers share a particular need or want that can be satisfied through exchange. The size of a market depends on the number of people who exhibit the need, have resources to engage in exchange, and are willing to offer these resources in exchange for what they want.
In advanced societies, markets need not be physical locations where buyers and sellers interact. With modern communications and transportation, a merchant can easily advertise a product on a late evening television programme, take orders from thousands of customers over the phone, and mail the goods or services to the buyers without having had any physical contact with them. The higher education marketing is a good example.

2.3.6 Marketers and Marketing

2.3.6.1 Marketer
A marketer is the more active party in seeking an exchange during a buying-selling process, and the second party is referred to as the Prospect. Thus the marketer can be either a seller or a buyer.

2.3.6.2 Marketing
Marketing is the response to the existence of markets and the activities of the marketer. It means working with marketers, in market of different types, to actualize potential exchanges. In essence marketing is the meeting of needs, wants and demands, for products and services, at utility value and to the customer’s satisfaction, through exchanges, transactions and relationships, at the right place and right time, in markets of different types.

2.3.7 Marketing Activity and Marketing Concepts
Marketing activity takes place in accordance with six fundamental concepts (Kotler, 1988, Kotler et al., 2009), namely:

2.3.7.1 The production concept
The production concept is the one that holds that consumers will favor products that are available and inexpensive and that management should, therefore focus, on improving production efficiency, low costs and distribution efficiency through mass distribution.

2.3.7.2 The product concept
The product concept is the one that holds that customers will favor products that offer the most quality, performance and innovative features, and that the organization should therefore, devote its energy to making continuous produce improve merits of the product.
2.3.7.3 The selling concept
The selling concept is the one which postulates that the view that consumers, if left alone, will not buy enough of the organization’s products. The organization must, therefore, undertake aggressive promotion and aggressive large-scale selling and promotion effort.

2.3.7.4 The marketing concept
The marketing concept is the one which holds that the achieving organizational goals depends on determining the needs and wants of target markets and delivering the desired satisfactions more effectively and efficiently than competitors. The job is not to find the right customer for your products but to find the right products for your customers.

2.3.7.5 The societal marketing concept
The societal marketing concept is the one which holds that the organization’s task is to determine the needs, wants and interests of target markets and to deliver he desired satisfactions more effectively and more efficiently than the competitors in a way that maintains or improves the consumer's and the society's well-being.

2.3.7.6 The holistic marketing concept
The holistic marketing concept recognizes that everything matters in marketing, that a broad marketing perspective is necessary and that the breadth and inter-dependencies in marketing must be recognized. There has to be a close coordination between development of a product, its production and the implementation marketing programmes, processes and activities. A typical holistic marketing strategy may generally cover all the 7 Ps of the Marketing mix in the context of the education industry.

2.3.8 Marketing Channels
The route along which a product, moves from producer to consumer or from service provider to customer, is referred to as marketing channel. The type or length of a channel is usually described on the basis of the number of intermediaries. Thus in the case of a zero-level channel (also known as direct-market channel or direct marketing) no intermediary is required with the producer/provider selling directly to the consumer. Examples are tele-marketing, TV marketing, Internet marketing. A one-level channel has one intermediary like a retail seller. A two-level channel has two intermediaries like
a wholesale dealer and a retail seller. A three level channel has three levels of intermediaries like a wholesaler a jobber and a retailer who is in direct contact with the end-user. Thus, we can have multi-level channels, the number increasing with the complexity of sales planning and delivery operations. The (Fig 2.1) shows the typical multilevel channels namely, 0-level, 1-level, 2-level, 3-level respectively.

**Fig 2.1: Consumer Marketing Channels (After Kotler et al. 2009)**

In the case of higher education marketing much of the selling is through direct marketing, or one-channel marketing using a single intermediary. The latter may be the international students’ centre/company of a university or an agency (Fig. 2.2). It is for the educational institution to devise an ‘education dissemination system’. If the minimum or optimum level of operation has been reached, and the target area and target group established, many institutions have their own international education centre. However, if the target area is spread out an agency is to be preferred.

**Fig. 2.2: Marketing Channels in Educational Marketing**
Australian universities have been promoting their higher education quite aggressively and a good example is provided by the Monash University. McBurnie (2000) points out that the Monash University perceives international education to be both an enterprise and a profession. He stresses the fact that in planning and implementing international education activities the Monash University adopts business approaches like identification of target areas and groups, financial planning, commissioned market research and risk identification techniques have been used. In order to raise its profile Monash International undertakes professional marketing including packaging information about University programmes and servicing student requirements. The example of Monash illustrates the fact that international education is indeed a serious business and shows that the higher education institutes in Australia have adopted effective and sophisticated marketing principles to market their higher education.

Monash International, a company created by the university provides a variety of services on a contractual basis including:

- International marketing of Monash programmes.
- Recruitment, enrollment and administrative support to students.
- Reception and orientation services for international students.
- Non-academic counseling – matters related accommodation, health services etc.
- Identification, negotiation and management of international educational opportunities.

Today, cross-border higher education (CBHE) is becoming increasingly important and many institutions in the developed countries, as also some in the developing countries, are becoming providers of education. CBHE covers two specialized fields of marketing – service marketing and international marketing.

2.3.9 Marketing Strategy

Marketing strategy has been defined by Kotler (1988) as drawing up the “broad principles by which the business unit expects to achieve its marketing objectives. It consists of basic marketing decisions on total marketing expenditure, market mix and marketing allocation”. Companies need to draw up their marketing expenditure in terms of a budget-to-sales ratio. It is then necessary to allot the budget between various tools in a marketing mix which is “the set of marketing tools the firm uses to pursue its objectives in the target market”.

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There are a plethora of marketing-mix tools including the four Ps popularized by Mc Carthy. These are:

Product/ Services: Anything that can be offered to a market for attention, acquisition, use or consumption that might satisfy a want or need. It includes physical objects, organization and ideas.

Price: The amount of money charged for a product or service, or the sum of the values that consumers exchange for the benefits of having or using the product or service.

Place: Anything that can be offered to a market for attention, acquisition, use or consumption that might satisfy a want or need. It includes physical objects, organization and ideas.

Promotion: Activities that communicate the product or service and its 'merits targeting customers and persuading them to buy.

In the case of services product is to be substituted by services and three other Ps need to be considered. These are:

People: All persons involved in the marketing process including the customer.

Process: The procedure or methodology by which the service is delivered.

Physical evidence: Tangible evidence that provides information and confidence about the service including the physical infrastructure associated with the service.

In the case of higher education services the 7 Ps are:

Product/ Services: Education programmes, content, syllabi, soft skills etc.

Price: The fees for the degree diploma, Cost benefit to the student and the HEI, Cost of living for the students, placements and average pay offered by recruiters to students.

Promotion: Education fares, broachers, advertising in print and electronic media, logo, and brand.

Place: HEI location/city/geography.

People: The human elements which play a part in service delivery are stake holders forming a part of the service delivery team.

- Teaching staff.
- Administrators and management.
- Non teaching staff.
- Students.
**Process:** The flow of activities by which the service is delivered—the procedures which result in the delivery of all services related to providing education. Admissions, eligibility, course duration and examination policies.

**Physical Evidence:** The environment in which the service is delivered and any tangible component that facilitate perception.

- Student composition.
- Learning equipment
- Living facilities, learning and campus infrastructure.
- Uniforms, dress code.
- Quality of teachers and staff.
- Accreditations, recognitions affiliations and linkages.

Price determines the value for money is given by the equation non-price variables divided by price. The 7 Ps for Higher Education Services is shown in Fig. 2.3.

![Diagram of 7Ps of Higher Education Services](image)

**Fig 2.3: The 7Ps of Higher Education Services**

### 2.4. Services and Services Marketing

#### 2.4.1 Services defined

Services, explained in the simplest terms, *are deeds, processes and performances* (Zeithaml and Bitner, 2003). This, somewhat abstract, definition reflects the fact that unlike products, that have tangible forms, services are intangible in the sense that they
cannot be seen, touched or felt, but can be described in terms of deeds and performances. Service is also subjective for it may satisfy one customer but not another. More importantly it requires use simultaneous to purchase. A more practical definition of service is that given by Quinn et al. (1887) who define services to include “all economic activities whose output is not a physical product or a construction, is generally consumed at the time it is produced, and provides added value in forms (such as convenience, amusement, timelessness, comfort or health) that are essentially intangible for its first purchaser”.

2.4.2 Development of Services

During the closing decades of the twentieth century there was a substantial growth in services in comparison to products and in most countries the DNP showed a change in composition with a perceptible shift in favor of services. This was reflected at the global level by an appreciable shift from trade in goods to trade in services. About 50 per cent of what consumers spend goes for services and 80 per cent of non-agricultural jobs are in the services industries. By 2008 all fastest-growing occupations were in services (Etzel et al., 2010). The global economic community found it necessary to disband the General Agreement in Trade and Tariffs (GATT), which had been the negotiating form since 1948, and in 1995 replace it with the World Trade Organization (WTO). Under WTO two areas have been clearly identified for multi-national agreements – trade in merchandise and goods and trade in services. The latter is now covered by the General Agreement on Trade in Services (GATS) which covers 12 services and 161 sub-services, including educational services with six sub-services, namely primary education, secondary education, higher education, adult and continuing education and other education.

GATS is based on the premise of progressive liberalization of trade in services and, therefore, an increase in trade in services at the international level is to be expected. The trade can take place through four different modes, namely cross-border supply, consumption abroad, commercial presence and movement of natural persons. In the case of higher education consumption abroad (student crossing national borders for studies) and cross-border supply (educational material crossing borders) are bound to grow at a fast rate. Hence, marketing activities, both to attract students and to sell educational products abroad are bound to intensify.
In the late 1990s many business organizations that were viewed as being manufacturing giants started shifting their focus to services. IBM led the way (Kirkpatrick, 1999) and as its CEO, Genstner, put it “Services are going to move in this decade to being the front edge of industry” (Ante and Sager, 2002). Deutsch (1977) put it in the following words: “From General Electric to Wang, from Xerox to Hewlett-Packard, companies that a few years ago got almost all their profits from selling widgets are rapidly transforming themselves into service providers”. General Electric’s termed the shift as ‘the third revolution’ and by 2000 were generating three-fourths of its revenue through services.

2.4.3 Characteristics of Services

There is a Product-Services Continuum with the product-end being represented by such goods like clothes and automobiles and the services end by insurance, consultancy and teaching. Virtually all services require supporting goods/products. Education is very close to the services end the main purpose being to provide learning but there has to be support in the form of books, CD ROMs and physical infrastructure including buildings. There are four characteristics that differentiate services from goods (Etzel et al., 2010). These are:

- **Intangibility**: Services do not exist till they are consumed for it is impossible to feel, touch, see or smell them. Their precise standardization is difficult and the benefits of education depend on the brand and goodwill of the provider institution.
- **Inseparability**: Services, typically, cannot be separated from the creator/producer/seller of the services. Moreover, creation, dispensing and consumption are almost simultaneous.
- **Heterogeneity**: It is near impossible for a service firm, or an individual seller to standardize output. Both the consumer this means that it is difficult to forecast quality in advance of consumption.
- **Perishability**: Services are not lasting for existing capacity cannot be stored and the requirements change continuously. Inventories of lectures even if built up soon become out-dated.

2.4.4 Services Marketing and Communication

Sale of services requires effective communication and more often than not varied forms of communication have to be used. It is usual to have a ‘communication mix’
including personal communication, advertising, sales promotion, publicity and public relations, instruction with materials and corporate design.

The possible elements in a marketing communication mix are shown in Fig. 2.3 reproduced from Lovelock et al. (2006). The mix includes 6 groups of elements namely personal communication, advertising, sales promotion, publicity and public relations, instructional materials and corporate design. In so far as marketing of higher education is concerned the principal means of communication are advertisements (print, TV broadcasts, Internet and direct marketing), instructional materials (web sites, brochures and CD ROMs), and publicity (exhibitions and road shows, and education markets).

2.4.4.1 Advertisements

It has long been recognized that sales promotion can be effectively done through advertisement. The basic premise is that while choosing a product or a service the consumer gives preference to a name or brand about which he or she is familiar. It is, therefore, for the supplier to ensure that his product or service has a familiar ring. Advertisement is very effective in this respect. It is for this reason that educational institutions use advertisements extensively to reach their target groups. Mass-media (newspapers and periodicals, radio and television) are extensively used for advertising. In a recent presentation at NAFSA Smith-Murdock emphasized the fact that print materials are an essential tool for marketing and recruitment of higher education and that Print promotion and print advertising continue to be essential marketing tools for International student recruitment.

2.4.4.2 Websites

Websites are being increasingly used by educational institutions for promoting their educational programmes. This is because of the relatively low cost of establishing a website, the popularity of the Internet amongst the student population, the amount of precise information that can be conveyed and the effectiveness of search engines.

An attractive and informative website is vital for a successfully marketed HEI, as for any other organization in the service industry, because of the following reasons:

1. It can be the initial interface for the students, and especially for international students.

2. Most of the USP like placement track record, recognitions and accreditations, admissions procedures can easily be put across on a monitor screen.
3. It is extremely cost efficient and reliable way to shortlist the HEIs the students
would like to apply to.

2.4.4.3 Exhibitions and Road Shows
A large amount of information is presently being made available to prospective
students through exhibitions and road shows. In these exhibitions the education
providers make available detailed information through attractive brochures, manuals,
audio-video cassettes and CD ROMs. These instructional materials more or less
duplicate the information provided by websites.

In the case of exhibitions, that are held annually, the organizers provide space to
different institutions to exhibit their educational programmes and products. The most
popular annual exhibition is the annual NAFSA meet organized in the United States for
a global audience, and organized in the UAE predominantly for students from Asia and
East Africa. Most countries are also conduct, through their representatives, road shows
that travel to important centers within a host country and in which different institutions
present their offerings covering the high potential tier one and tier two cities of the host
country.

2.4.4.4 Direct Marketing
When the geographical target area and the target groups have been identified it is
common to approach the potential consumer directly through letters, e-mail and even
mobile phone. It is usually necessary to have an intermediary who provides the
addresses and phone numbers. The intermediary could also provide market intelligence
for the particular area

2.4.4.5 Personal Contact
When the potential customer is clearly identified it is often preferable to make a
personal presentation to explain the benefits to be accrued by the customer. This also
helps in building customer relationship.

The communication modes are in general classified into personal communication,
advertising, sales promotion, publicity and public relations, instructional material and
Corporate design.

Each of these communication modes are further sub-classified as shown into various
sub heads as shown in the figure. The Marketing Communication Mix for Services is as
shown in Fig 2.4
Successful marketing requires a proper understanding of a customer’s needs and cost implications of meeting the needs. These must be consistent with the strength of the organization. There has also to be a proper understanding of the market trend and growth. A marketing plan needs to be developed after adequate market research. According to Zeithaml and Bitner (2006) there is a need to develop effective communication through:

1. A proper selection of the target audience including current users and potential consumers.
2. A determination of the communication objectives such as creating awareness, disseminating knowledge, and assessing likes and preferences.

3. A decision regarding the budget including the total amount that could be spent and the allocation to different to various promotional types.

4. Creation of a message capturing what to say and how to say it.

5. Choice of a media for communication, both multi-media (such as television) and targeted media (such as specialized periodicals and direct mail).

6. Obtaining of feedback about the effectiveness of media and the meeting of objectives.

   Incidentally each of these steps involves many sub-steps and each must be carefully worked out. Additionally there has to be clear internal communication and coordination.

### 2.5 INTERNATIONAL MARKETING

#### 2.5.1 Definition

The American Marketing Association defines international marketing as “the multinational process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, and services to create exchanges that satisfy individual and organizational objectives.” The inclusion of the word ‘multinational’ (absent in definitions of marketing) implies that marketing activities are undertaken in several countries and that such activities should somehow be coordinated across nations. From a careful reading of the definition it is clear that:

First, what is to be exchanged is not restricted to tangible products (goods) but may include concepts and services as well. Governments and international organizations like UNESCO and WHO are very active in marketing ideas and concepts.

Second, the term international marketing applies not only to market or business transactions but also to international nonprofit marketing. Governments are active in marketing they offer in order to attract foreign investment.

Third, that it is improper for a firm to create a product first and then look for a place to sell it. It is often more logical to determine consumer needs before creating a product.
Fourth, the definition acknowledges that “place” (distribution) is only part of the marketing mix and that the distance between markets makes it neither more nor less important than the other parts of the mix.

Fifth, the “multinational process” implies that the international marketing process is not a mere repetition of using identical strategies abroad. The four Ps of marketing (product, place, promotion, and price) must be integrated and coordinated across countries in order to bring about the most effective marketing mix.

A World Bank paper (Bashir, 2007) points out that international trade in higher education services has grown rapidly in a number of forms the most common being student mobility followed by the delivery of foreign higher education programmes and institutions in transition and developing countries. In 2005, the annual export from five leading exporters of education was ten times the annual commitment of multilateral and bi-lateral aid. In spite of the reluctance of developing countries to make binding commitments under GATS trade in higher education is bound to diversify and increase, the paper adds.

2.5.2 Domestic Marketing Vs International Marketing

Marketing techniques employed within a country constitute *domestic marketing* while the techniques employed in a foreign country constitute *international marketing*. International marketing is more complex than domestic marketing because it involves two or more sets on uncontrollable variables against only one set in the case of domestic marketing. Consequently an organization’s marketing mix is determined by the uncontrollable variables at home and also the incontrollable variables in each of the different countries where it operates.

In international marketing, apart from difficulties related to actual marketing, the marketer has also to cope with a different, sometime incomprehensible, cultural, legal, political and monetary systems (see Section 2.6.3). In addition, there are other risks like indifferent security, limited and inefficient infrastructure, language difficulties and cultural differences that are encountered to a much lesser extent in domestic marketing.

India is relatively well placed in-so-far as international marketing of services is concerned. It is a world-leader in the export of ITS and ITeS. Indian software service providers account for 26 per cent of the market for the development and maintenance of software applications (Onkvisit and Shaw, 2009). The Indian software company NIIT is
a leader in the export of IT-related education. It has just ventured out in the marketing of higher education and made much progress in the export of higher education through the distance mode to West Asia and Africa, especially in countries that have a significant Indian Diaspora. As many as 16 Indian higher education institutions have set up off-shore campuses. The Indira Gandhi National Open University is assisting in the setting up of virtual universities in Africa. The potential exists but what is now required is performance.

2.6 Marketing of Higher Education

2.6.1 Global Perspective

For centuries education has been considered to be a social necessity the provision of which was the responsibility of the government, and of the community at large. Till the middle of the twentieth century it would have been sacrilegious to talk of education as a business. However, with the massification of higher education governments found it difficult to support it and started charging significant tuition fees. The advent of Thatcherism in the 1980s saw educational institutions in the UK adopting business models, including marketing education, in order to secure larger revenue. With the signing of the General Agreement on Trade in Services (GATS) in 1996 (see Powar, 2002) education services became a tradable commodity. Business organizations seized the opportunity offered by increased demand and education became a business so-much-so that the Times Higher Education Supplement, London, in its issue dated September 19, 1997, concluded in its column ‘Opinion’: “Higher education is an international business and universities cannot afford to become parochial... They (the universities) are par-excellence an industry in a cut-throat global market”.

In the closing years of the last century the incoming of marketization troubled many, and especially the traditionalists. The subject was considered important enough by the International Association of Universities to bring out, in 1997, a special issue of its journal Higher Education Policy on the theme ‘Markets, Higher Education and Social Responsibility’. The special issue included 10 papers from educators from different parts of the world and the consensus was that markets and marketization were acceptable provided they were accompanied by social responsibility.

In the ‘Preface’ Neave (1997) aptly stated: “The place of the ‘market’ or marketization of higher education ... is subject to dissection and scrutiny, not merely
from the natural standpoint of the economist, but also from the social perspective of its sociological consequences, and the changes institutions and staff are required to make to cope with it”.

Analyzing the incoming of marketization in the United Kingdom, Williams (1997) stated: “An important condition for markets and quazi-markets to operate efficiently is that both sides of the market have access to accurate information. In education it is important for providers to know the costs of the services they supply and for purchasers to have good information about the quality of services they are buying, in order to limit the opportunity of suppliers to reduce prices by lowering the quality of their services”.

Dill (1997) examining the situation in the U.S., historically the most market-oriented of higher education systems, concludes that in that country a market suggests “unrestricted competition amongst academic institutions, limited only by their own creativity and society’s scarce resources”. The two major rationales for markets are: first, a desire for economic efficiency described as ‘value for money’ and second, the motive to use market competition as an incentive for greater innovation and adaptation in higher education.

Meek and Wood (1997) pointed out that a key feature of Australian higher education has been to introduce market-like relationships in the higher education system in order to introduce greater institutional efficiency and adaptability. The Australian government was the first to declare that it regarded provision of higher education as a source of revenue. It has systematically promoted the internationalization of its programme and marketing its education in the developing countries as a result of which export of education is the country’s fourth largest revenue earner.

The emergence of marketing in higher education has been greeted with mixed responses. Maringe (2005) points out that the critics of ‘marketing’ of education, and in higher education in particular, have focused their arguments on the notion of what we could call an incompatibility theory, based on what they see as a clash of values between the world of business and the arena of education. On the one hand, there are also those who have accepted the development wholeheartedly, seeing it not just as a key aspect for twenty-first-century higher education management, but also as an inevitable response to the overarching economic forces (Smith et al. 1995).
Maringe and Gibbs (2005) believe that higher education should never be commoditized. They, however, suggest that its value can be more effectively delivered using a marketing perspective. Further, they argue that the concept of marketing goes beyond the accepted views of advertising and marketing. The concept is also about exchange and delivery of value between those who provide the education service and those who seek to benefit from it. For them marketing is not an end but a process of building relationship based on trust and aimed at empowering the user.

2.6.1.1 Reasons for Acceptance of Marketization

There are six over-arching reasons for the acceptance of the concept of marketization in higher education, and these reasons appear to be valid for both the developed and developing countries.

First, in the developing countries, in spite of unprecedented expansion, the demand for higher education is far in excess of the capacity of low-fee charging public institutions to supply it. With governments unable to increase the number of public institutions the private sector has been provided with an opportunity to enter the higher education sector. On the other hand in the case of the developed countries the capacity is more than demand for demographic reasons, and the excess capacity has enabled these institutions to enter the education market as providers.

Second with economic progression of many developing countries the percentage of the middle and upper-income groups has substantially increased and with it their paying capacity. Many students from these classes, who cannot get entry into quality public institutions, now opt for the private sector institutions.

Third, with massification of education there has been increased heterogeneity in both the academic programmes and the social groups. The economically well-endowed families prefer to take admission in elitist institutions, even if it means paying much higher fees.

Fourth, there has been a paradigm shift from teacher-centered to student-centered education and with it the desire of students to have education that they desire. Traditionally, the universities and colleges taught what they wanted in a way they wanted. This no longer holds good. Students want education that would ensure employment and if they have resources they opt for foreign education which more geared to global needs. Significantly, the demand has shifted from ‘higher education’ to
‘relevant education of quality’ - a concept which the high-fee charging private institutions are willing to cater to.

Fifth, the acceptance by the private sector institutions of the fact that student satisfaction is all important. Complacency of the faculty and the support staff is not tolerated, unlike in the case of public institutions.

Sixth, the need felt by young people, especially in the developing and under-developed countries, to have internationally recognized qualifications required by emerging regional and global markets for highly skilled labor.

2.6.1.2 Acceptance of Marketization of Higher Education

The strong public reaction to marketization of higher education is chiefly because it has marginalized opportunities for the weaker sections of society. It has led to the incoming of a quasi-market higher education environment in most countries. It has compromised, even jeopardized, academic values and led to commercialization. The latter, according to Bok (2003), could weaken standards for academic excellence, damage academic collegiality and harm the reputations of universities. Pusser (2002) notes “market-based, consumer-driven systems are not able to produce opportunities for universal access, leadership training, or the redress of social inequalities”.

There are others who believe that marketization based on a business model could offer positive contributions to the betterment of higher education (Susanti, 2011). According to her some studies on for-profit education indicate that marketization and privatization makes higher education more efficient, more accountable and less bureaucratic. They place students and parents’ satisfaction over faculty’s complacencies. Further, the use of a business model for higher education could highlight the need to continuously improve the quality of instruction.

The incoming of free-market economy, the massification of education and the need for greater resources have all contributed to the economic rationale assuming an important role in the internationalization of higher education. Today, universities are close to becoming market places with degrees and diplomas as commodities and students as buyers. The danger is that, as the economic rationale assumes a stranglehold, the less-affluent students of the developing world may be deprived of good-quality higher education.
The United States is a unique example of a country in which higher education institutions having a social commitment co-exist with totally profit-oriented institutions. While the majority of institutions are not-for-profit institutions, supported by the state governments or by philanthropic trusts, there are also non-profit institutions established for social and religious reasons and out-and-out, for-profit institutions sponsored by business like the University of Phoenix and the Kaplan Group institutions.

Australia was possibly the first country to openly adopt a policy which treated education as a business. It publicizes the fact that education is its fourth most profitable export sector after coal, iron ore and gold (In fact education slipped from third to fourth place only because of the exceptional increase in the price of gold during the recent past few months). It has been aggressively marketing education, a practice now adopted by UK, Canada and New Zealand. The United States has not found it necessary to market its education simply because the commonly perceived superiority of its education makes it the first choice of international students all over the world. Yet it is the largest beneficiary of trade in education. Presently practically all developed countries, and many developing countries, are making serious efforts to market their educational wares. Even small countries like Singapore, Malaysia and the United Arab Emirates have visions of becoming commercially viable educational hubs. Indian institutions had established by 2009 as many as 16 off-show campuses/centers (Pawar, 2010)

De Wit (2010) draws attention to the fact that international students are making substantial contributions to the economies of countries where they study. With practically all countries charging differential tuition fees, with the fees paid by foreign students being considerably higher than the fees paid by local students, the international students are making substantial contributions to the budgets of home universities. They also contribute to other sectors of the economy by way of living and other expenses.

It is difficult to get a reasonably accurate estimate of the money involved in CBHE-related trade. In this regard Bashir (2007) points out that very few countries collect and present data on import and export of education. And even amongst those who do, there is no differentiation on the basis of the level of education. This may not be important in the case of most countries for their export is largely related to higher education. However, in case of some countries, like Australia and New Zealand a significant contribution is made by secondary education and vocational training. Five of the top eight countries hosting international students do collect and make available the relevant
data. These are USA, UK, Australia, Canada and New Zealand. The remaining three (Germany, France and Japan) do not collect the data but these also do not export education to any significant extent.

According to Bashir (2007), the five leading countries, in 2005, exported education (the monetary contributions of international student in terms of tuition and other fees, travel and living expenses) of the order of US$ 28 billion. The United States alone accounted for US$ 14.1 billion. The share of UK was US$ 6.1 billion and of Australia US$ 5.5 million. Over the years the export earning must have gone up substantially. According to Varghese (2010) US higher education exports reached US$ 17.8 billion in 2009. This is a huge increase from 2002 when international students contributed only about US$ 40 million to US economy by way of tuition fees and living, traveling and other expenditure (Vincent-Lancrin, 2004).

There is, today, keen competition between the leading developed countries to attract as many international students as possible to their home campuses. The countries market, at least partially, their educational programmes through quasi-government organizations – USA through Education USA which operates 450 advising centers, worldwide; UK through the British Council with more than 100 international offices; Germany through its German Academic Exchange Service (DAAD) with 64 offices; France through Campus France with 100 offices; and Australia through its governmental arm Australia Education International with 25 offices (Green and Koch, 2010a, 2010b). In addition, individual universities also put in concerted efforts to market their education wares and enroll international students.

2.6.1.3 Indian Scenario

The concept of marketing of higher education is based on ‘the existence of a provider and a purchaser’ (Powar, 2003). In the case of India there are many higher education institutions capable of providing quality education consistent with the needs of a global economy. The inability of Indian HEI to market their wares on a large scale is possibly related to a lack of sustained, professional effort. The purchaser has to be sought in the developing world where the need for quality education is high and facilities insufficient. For India this would mean West Asia, East Africa, the SAARC countries, Malaysia, Indonesia, Vietnam and Thailand. In these countries the developed world has already made inroads but India should have little difficulty in stepping in for its education would be relatively cheaper and culturally more relevant. However the purchaser who
has the ability to pay is the ultimate determinant in the market. Discerning students look for institutions that have a tradition, are known to provide quality courses and are relatively less costly.

In India, international marketing of education is in its infancy in India. Till now Indian institutions have had a non-professional approach based mainly on the conceptual/personal understanding of the leadership. Unfortunately, it is neither aggressive nor consistent, nor is it based on market research. Marketing is done through placement of advertisement, participation in international exhibitions, and provision of information on websites and to a small extent through direct marketing via letters, e-mail SMSs and phone calls. Unfortunately, little or no feedback is available and the provider decides on the success, or otherwise, of operations on the basis of financial returns available at the end of the year.

2.6.2 Marketing of Higher education at International level
Marketing of higher education across cross-border is carried out using different tools including advertisement, education fairs and road shows, education markets, the Web and direct marketing.

2.6.2.1 Advertisements
One of the principles of marketing is to first identify the target group (in the case of Indian higher education it is the upper and upper middle class in the developing countries, especially those having a significant Indian Diaspora) and once this is done the next step in marketing is advertising in the print media (newspapers and education/business related periodicals) and on television. Indian higher education institutions have been following this practice. Attractive advertisements are inserted in newspapers and periodicals which highlight the traditions of the institution and the facility which it provides, specify the programmes on offer, and describe future prospects (often in glowing terms) and even guarantee placements after graduation. The advertisements are largely meant for Indian students but find their way to foreign audiences through international editions and airline periodicals. However, it is not uncommon to see advertisements that are legally correct but present a picture that may be misleading.

Advertisement on TV is now common. The advertisements take to form of 15 or 30 second spots during breaks, or place on strips that are played continuously at the bottom of the TV set. The Amity Universe, which includes four Amity universities, was the
first to use TV advertisement for the promotion of its programmes starting in about 2003, and its growth testifies to the success of the strategy. Another university that has successfully picked up the strategy is the Lovely Professional University, Jalandhar.

Many institutions have a policy of having a high frequency of advertising in the print media possibly following the philosophy that repeated advertising is a method to improve brand recall and gain visibility. This policy of continuous advertising in India is followed by a few institutions from the developed world to promote western education. Advertisements do generate interest in an institution even if they do not do not always lead to recruitment of students or the selling of education wares. For the discriminating parent or student and for the shrewd educationist/businessman it is necessary to adduce evidence of academic excellence.

2.6.2.2 Educational Fairs and Road Shows

Educational fairs have proved to be very effective media for the promotion and marketing of higher education internationally. In India the United State-India Education Foundation (USIEF), the British Council (BC), Australian Education International (AEI) and the German Academic Exchange programme (DAAD) all organize such fair to promote higher education available in their countries. The ‘road show’ moves from one city to another in India. For example, the World Education Fair, an important road show in India, covered 10 cities in three weeks during February, 2012. The success of this mode is evidenced by the increasing number of Indian students proceeding to countries like Australia.

The educational fair gives prospective students an opportunity to meet representatives of different universities and get first hand information etc. Students are specifically interested in, and obtain information about:

- Reputation of the university, and its history and traditions.
- Quality and the range of the programmes on offer and the international character of the curricula.
- Cost of education.

India has been slow in adopting this mode of propagating its education though the University Grants Commission has irregularly organized such exhibitions with Indian universities as participants in the Gulf Region and in East Africa.
2.6.2.3 Educational Markets

Marketing of higher education involves much more than recruitment of students. Therefore, education markets are becoming important. These are large events that provide a forum for discussion on matters relating to education policies, chiefly those relating to student mobility. They also have stalls that exhibit and promote the sale of educational materials and academic programmes. They provide an opportunity for formalizing of agreements between institutions and different countries. An example is the, now defunct World Education Market (WEM), the third and fourth installment of which was held in Lisbon in May 2002 and May 2003 respectively. It provided a unique educational platform for networking, buying and selling, and building business partnerships. It is claimed that WEM was a place where one felt the pulse of the education marketplace, observed the best and the latest from around the world, and landmark activities. The third world education market reportedly attracted 1947 participants, from 71 countries and 347 exhibitors who displayed their educational resources and expertise (data from WEM broachers issued before the 4\textsuperscript{th} WEM).

Presently, the most important global gathering educators is at the annual meeting of NAFSA: The Association of Educational Educators in the United States which attracts about 5500 educators, many of whom are interested in admission of foreign students to US and/or in Study Abroad programmes for US students. The meet is also useful for the development of institutional links. An International Education Expo is also organized at the time of the annual meeting in which provision is made for hundreds of booths for exhibitors. There are also a series of lectures and panel discussions on topics that are useful to the participants. The University Grants Commission and the Association of Indian Universities have been participating in the NAFSA meets which has also been attended regularly by many educational institutions, mainly from the private sector.

The Gulf Education and Training Exhibition (GETEX), organized annually in the UAE provide a good opportunity for higher education institutions to project their educational wares and recruit students. Quite a few Indian institutions, especially those offering professional education, are known to participate.

2.6.2.4 The Web

As mentioned earlier, the web is probably the cheapest and best medium for the dissemination of information. In a globalized world where young people are computer savvy it is a means of awareness. Almost all academic institutions have home pages and
portals that can be accessed globally. The portals provide almost every piece of information that is required by a student seeking to proceed abroad. Strictly speaking, web surfing is not a part of marketing because the initiative is that of the student. Apart from putting together information on the website the institutions do not contribute to the ‘selling’ process. However, the web does play an important ‘role’ in the selling process.

A good website generates interest and can give a correct perception of the institute. It can impress prospective clients by highlighting infrastructure and living facilities, and thus create a positive brand image. Most of the USPs, like placement track record, recognitions and accreditations, admissions procedures can easily be put across in a website.

The websites of Symbiosis Institute of Business Management (SIBM) and Symbiosis International University (SIU) can be used as illustrations to show that an attractive and efficient website can be used as a marketing tool by HEIs. They can be browsed at a good speed (user-friendly) and the links on the pages are also very brisk.

The websites have the ability to connect in terms of the influencing factors of recruitment decision making as all of the following are addressed:

- Admission processes.
- Information on collaborations and linkages.
- NAAC rating.
- Placements/ Overseas placements.
- Why SIBM.
- Summer placements.
- List of recruiters.
- Initiatives.
- Alumni Events.
- Life at SIBM.
- Communication of social responsibility activities of the HEI.
- Infrastructure and campus overview.
- Quality of life at campus.
- Student composition.

Incidentally, placing all information regarding an institution on the Website is now a statutory requirement for higher education institutions. Most privately sponsored
institutions (who are the main seekers of international students) today have attractive websites. They provide detailed information about the programmes on offer, the faculty and their qualifications, the infrastructure in place and the fee structure. It makes choosing easier for the customer.

Fig 2.5: Web-page for international students in website of Symbiosis International University

2.6.2.5 Direct Marketing

Indian higher education institutions that have established off-shore centers are now resorting to direct marketing as the target groups and individuals are identifiable. The direct approach is through letters, e-mails, SMSs and even phone calls. The Internet is the first truly global medium and has revolutionized the concept of marketing of higher education. It has allowed instant advertisement and immediate clarification of doubts. It has made online admissions possible. However, in the case of direct marketing identification of a local partner is necessary for an adequate coverage of all prospective customers. Care needs to be taken while identifying the partner and his credentials need to be verified.
2.6.3 Difficulties in International Marketing of Education

The difficulties faced by educational institutions in marketing their education are protectionism in the form of regulations, the need to have a local partner, cultural differences and the difficulty in assessing customer satisfaction.

2.6.3.1 Protectionism

Most developing countries are worried about commercialization and exploitation by fly-by-night operators. They have put in place a variety of regulations that need to be satisfied before operations can begin. These include tariffs and duties, discriminatory taxes, limitations on operations and stringent conditions for quality assurance. Hence, it is desirable that only institutions with established reputations that are capable of quality provision and fulfillment of commitments should venture abroad. Exploratory ventures tend to close down quickly as is evident from experiences of Indian institutions in UAE.

2.6.3.2 Need for a Local Partner

Most developing countries insist on the foreign provider having a local partner who has all the legal authority. Finding a reliable partner is often difficult. A trustworthy partner, who is willing to invest his share, is a primary requirement.

2.6.3.3 Cultural Differences

Cultural differences often come in the way of providing effective education. The differences may be in the form of general behavior, manners and norms of public life. It is important to understand the local culture and customs and work according to them.

2.6.3.4 Difficulty in Assessing Customer Satisfaction

Measuring the level of customer satisfaction is difficult in international environments since local cultural and socio-economic factors also influence satisfaction levels. The problem is compounded by difficulty in obtaining appropriate feedback.

2.6.4 The Need for a Change in Approach

The Indian approach to international marketing of higher education is largely lukewarm and in contrast to that of the universities and institutes of higher education in advanced countries. They have been adopting quite aggressive tactics and strategies with a view to attracting foreign students to their institutions. The Vice-Chancellors, the heads of international divisions and their nominees often visit countries like India, organise ‘education melas’ or exhibitions and promote their respective universities quite actively.
Unfortunately, similar tactics have not been resorted to by our universities due to which our institutions of higher education have not been able to compete with their counterparts in the developed countries in attracting foreign students. It is high time that our universities and institutes organise systematic promotion campaigns, visit their target countries and organise talks, meetings and all other activities relevant to the issue in an ongoing manner. It is imperative that our ministries of HRD, Home and External Affairs facilitate the efforts of our universities and institutes in all the possible ways and forms. It should be sufficient for the Vice-Chancellors to seek permission from their Chancellors or immediate patrons; howsoever he or she may be designated for going abroad for promoting Indian higher education through contacts, talks, educational fairs, etc.

Apart from this, the universities also should disseminate information about their universities, courses being offered, facilities being provided and other relevant information in an on-going manner through their websites, Internet, e-mail and their alumni, etc.

2.6.5 Ensuring Relevance and Quality

Critical to the success of international educational programmes is the development and delivery of programmes that meet the customer’s requirements in terms of relevance and quality. Maringe (2005) suggests that currently higher education marketing lacks an appropriate contextualization, is poorly organized and coordinated, is largely responsive rather than strategic and that its application lacks formal operational guidelines. A possible solution may be found in the CORD model (standing for Contextualization, Organization & Coordination, Research and Development) which provides a framework for raising the profile, the strategic focus and for developing a home-grown educational marketing philosophy.

**Contextualization** is a process that requires universities to understand in a more intimate way both the internal and external environments in which they intend to develop their curriculum. **Organization & coordination** amongst team members ensure that the marketing function becomes a grassroots process involving a diverse range of university staff. **Researching** the marketing interface allows developers to employ a variety of marketing techniques that enable the developers to devise a curriculum which not only reflects the needs and wants of potential customers, but can also make a valid claim for inclusion and incorporation in the new educational environment. **Development**
encompasses a well-rehearsed cycle of curriculum development which includes trials and evaluation as integral aspects of the development process. It has to be remembered that research and teaching are inseparable and that therefore, there has to be an identification of these core functions in the development of programmes.

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