

MARKETING HIGHER EDUCATION USING THE 7 PS FRAMEWORK

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Abstract: *This paper aims to develop the use of 7 Ps framework in the educational marketing field. By presenting several important educational market forces the context of the discussion is revealed. Then the 7Ps framework is used to gather information. One by one the product, price, placement, promotion, people, process and physical evidence strategies are presented. It is shown that each has a particular role when it comes to educational market and the synergy effects are important. The advantages of the 7Ps approach are underlined.*

Key words: *marketing, services marketing, educational marketing.*

1. Introduction

In the recent years, the educational market has become more dynamic and complex. There are many market forces that are trying to shape the educational environment. The competition between universities is increasing and it will continue to increase as long as the number of students falls due to a decrease in the number of pupils enrolled in primary and secondary education [10]. As more and more money is being paid for tuition and other taxes, the public is more careful about the higher education field. [9] Therefore, the politicians are becoming more focused on this issue. Along with all these market forces, student's satisfaction and employer's satisfaction remain as top priorities among any university objectives. [8]

In this context, the universities are looking for new ways to improve their market presence and to increase the satisfaction of the partners. The marketing can be one of the solutions [5, 12]. Even though, at this point, the universities are

not fully market oriented, the changing environment and the increasing pressure from social groups and the public will force the educational institutions to develop ways to address the challenges of their markets. Studies [3, 5, 7] have shown that, by using a marketing approach, new information can be gathered and the decisions can be improved. Starting with the market analysis the educational market has developed research methods to understand the market mechanisms and the customer needs. Knowing what the main market forces are and what the customer expectations are the marketing has developed tools to approach the situation. One of the most important tools is the marketing mix.

Given that the educational product has all the characteristics of a service (intangibility, inseparability, variability, perishability) the best suitable marketing field is *the services marketing*. The *services marketing* is offering the opportunity to work with seven marketing

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strategies. Along with the four traditional ones (product, price, placement and promotion) three more options are available: people, process and physical evidence. These three strategies are able to provide relevant insights about the educational product and useful tools to develop successful marketing strategies.

2. Aims and objectives

This paper aims to further develop the understanding of the educational marketing for higher education institutions. The Romanian educational market will be briefly analysed in order to grasp the market situation and the context of the discussion. Then the 7 Ps framework will be used to understand the higher education product and the way the marketing mix can be developed. The conclusions will summarize the findings.

3. Context – Romania case

Considering the number of persons enrolled in the tertiary education system, Romania is placed 8th among European countries, being outranked by: Turkey,

United Kingdom, Germany, France, Poland, Italy and Spain. [6]

With such an important number of enrolled pupils the higher education system has to consider many factors when it comes to understanding the market situation. Three of them can be considered the most challenging for Romanian higher education institutions: the demand fluctuations, the expectations gap between students, professors and companies and the competition between universities.

In 2001/2002 in Romanian universities were enrolled 571,613 students. Seven years later, in 2008/2009, were enrolled 891,098, therefore an increase by 55 percent. Meanwhile, the number of pupils enrolled in the secondary education level dropped by 18 percent from 2,250,339 to 1,864,456. For the primary education level the decrease was by 17 percent, from 1,028,288 to 859,169. [10] The only good news is that, for the pre-school category, the numbers increased each year so that the positive difference is around 6 percent. In Table 1 a detailed situation is presented. The Figure 1 shows how the enrolment structure was affected by these changes.

Enrolled pupils for 2001/2002 – 2008/2009 school year [10]

Table 1

	Educational level [thousands of enrolled pupils]						
	Preschool	Primary	Gymnasium	Lyceum	Vocational	University	Total
2001/2002	615,86	1028,29	1291,34	706,67	252,33	571,61	4466,10
2002/2003	629,70	990,40	1207,03	736,61	270,19	586,57	4420,50
2003/2004	636,71	1005,09	1116,27	755,58	279,11	611,78	4404,53
2004/2005	644,91	969,65	1025,84	770,89	289,48	641,40	4342,17
2005/2006	648,34	939,33	961,23	767,54	284,39	716,46	4317,30
2006/2007	648,86	919,44	922,77	778,35	250,37	785,51	4305,29
2007/2008	650,32	865,18	924,52	788,83	220,32	896,26	4345,42
2008/2009	652,86	859,17	893,17	782,06	189,23	891,10	4267,58

It is obvious that in the past years the demand for higher education programs has increased. But, at the same time the demand for secondary and primary education has decreased. In this environment a university is looking for ways to find a balance between policies that address the current situation and the ones that are preparing the future.

Another important factor that needs to be taken into consideration is the relevance of the study programs. The role of the higher education is questioned. A recent study [8] presents eight gaps between the perceptions of the students, professors and companies regarding higher education issues. For example, the study shows that the three categories mentioned before have different perceptions when it comes to: responsibility of training for labour market, the diploma functions, the graduate profile and the type of training. Given this situation the policies and the procedures of the higher education institution should be focused on reducing these gaps.

From the school year 2005/2006 until 2008/2009 the students enrolled in private higher education institutions has doubled [11]. This situation is changing the behaviour of the public educational institutions. In recent years the private institutions have managed to better understand what the student expects. Therefore, these institutions have developed programs able to respond to the demanded expectations and increased their market share.

The market forces described above are able to shape the whole educational market. Given that other forces, like political or economic environment, are also present on this market, it becomes obvious that a framework able to provide relevant information and suitable instruments will improve the market presence of any higher education institution. One of these

available frameworks is provided by the educational marketing.

4. The 7 Ps of educational marketing

As a branch of services marketing, *educational marketing* uses tools and instruments that were developed for services markets. One of the most important add-on is the 7 Ps approach. By adding other three variables to the traditional marketing mix (people, process and physical evidence) an educational institution can use a complete marketing strategy to address the market situation and to follow objectives. All the 7 Ps have a special place in the marketing mix and each of them is affecting the student in one or several phases of the service consumption. Even that the framework considers each strategy one at a time, the synergy between each component should be taken into consideration. Each component is able to enhance or reduce the others' effect.

4.1. Product

In traditional marketing the product plays a central role in the marketing mix. In educational marketing even though its role is not reduced, it can be improved by all the other 6 components of the marketing strategy.

The educational product has all the characteristics of a service: intangibility, inseparability, variability, perishability. Because it deals with an intangible product the marketing mix will emphasize the physical evidence as a solution to the lack of form. Being inseparable from the student, the product strategy will rely on the people strategy as long as the people are the ones that create the educational service. The variability characteristic has the same impact on the product strategy as the inseparability characteristic. The perishability of the educational product is forcing every educational institution to

create services only as long as the educational programs have customers.

The product strategy can be seen from two different perspectives. We can consider that the product is the educational service and that the customer is the student. But also we can consider the student as the product delivered to the labor market.

In the first case, if the student is the customer, the university will focus on the student demands and it will try to answer them. An extreme example of student focused universities is represented by “diploma factories”. [1] In order to attract more students these universities don’t use a strong enrollment selection and the educational program that is provided is not always suitable for the labor market. These universities are following only the student need for a diploma. They are not taking into consideration the fact that the diploma is just a part of the physical evidence strategy meant to offer a physical proof of the knowledge the student acquired.

In the second case, when we consider the labor market as the customer, the university will focus less on the student needs and more on the knowledge needed in order to successfully start a career. This kind of educational product will have a strong connection with the latest industry advances and with companies from that field of study.

The above options should be balanced and they should try to reduce the perception gaps between students, professors and companies. By creating a program that takes into consideration not only the student needs, but also the labor market needs the university will be able to reduce these gaps. This will increase the students’ and companies’ satisfaction therefore it is one of the first and easiest steps to start an educational marketing mix for a university. [4]

4.2. Price

The price strategy is the only strategy capable to directly influence the incomes of an educational institution. The price of an educational program, the tuition, is influenced by costs, demand and competitors price. Because, in Romania, the universities are receiving additional funds directly from the national budget the most important factor in selecting the price of a program is the cost. Therefore, a strong connection between the price strategy and the funding strategy of the system is expected. If an educational program has strong demand on the market the tuition for that program will rise. Also if the program is unique on the market (it’s a collaboration between two strong universities, it offers additional opportunities, etc.) or the competition on that segment is not strong the price will be higher.

The price strategy is also an important brand statement. A higher cost of an educational program can signal a better university, faculty or that the program is new or rare on the market.

4.3. Placement

Similar to the product strategy, the placement strategy has two perspectives. First, by considering that the educational service is the product, the placement strategy will try to find the most efficient methods to deliver the knowledge to the students. Second, if the product is considered to be the graduate student, the placement policy will try to develop ways to efficiently place the student on the labour market.

In the first case, the new technologies are playing an increasingly important role. Given that access to information has become easier and faster the knowledge distributed through universities is following the same pattern. Universities are able to use TV or radio channels to broadcast their knowledge. Internet portals

are able to reduce the workload of the administrative staff by providing on-line information. The same portals can be used as learning facilities if lectures and other informations are available to the students. It can also be a good feedback tool if the communication process happens in both ways.

In the second case, the contact with the economic sector becomes more and more important. If the design of the educational product it's taking into consideration the necessities of the economy, the placement strategy will be successful. Otherwise, the knowledge delivered to students will not be relevant to the needs of the labour market or society.

Even that the placement strategy might look easy to ignore, it is able to provide additional services that can make the difference between fulfilling expectations and exceeding expectations.

4.4. Promotion

Given that a higher educational institution has many important channels which should be fed with information the promotion strategy is focused on finding efficient ways to reach its recipients.

One of the most important categories of recipients is represented by the students. The first challenge is to adequately present and explain the educational product to potential students. In this phase an important communication channel is the web site. A web site able to inform and to direct the candidate to the next step is an useful tool for a good enrolling process.

Then the university needs to communicate in an efficient manner its demands and opportunities. As mentioned before a good approach can be an internet portal. Given the characteristics of the students, a relevant information portal can become a valuable asset.

After graduation the contact with the former student will allow the university to assess the success of the educational

program. More than that, the former student can become a future funder.

Another important category is represented by the public opinion and the funders of the university. If, for the first category, the university tries to underline the benefits for each potential student, when it comes to the second category, the university is advertising the benefits for the whole society. For this category, a more direct approach can be suitable. Focusing on significant people a university can influence the public opinion. Also the public relations office can become a strong tool, able to improve the promotion strategy of the educational institution.

But the promotion strategy it's greatly influenced by the image of the institution. The image of a university is able to enhance a message. Because the educational environment proves to be a difficult place for rebranding, the universities are interested to develop and keep a good reputation. Therefore, the reputation management has become more present in modern educational institutions.

4.5. People

Being an inseparable and variable product, the educational service is strongly connected with the people involved in delivering it. Both the teaching staff and the administrative staff are important in attracting students and funds and in delivering a satisfactory service. Even more, the people strategy is a strong influence factor for the product strategy, the price strategy, the process strategy and for the promotion strategy.

The administrative staff plays a major role when it has to deal with the potential students requests – the enrolment process. Given that the answer to these requests is going to form the first impression the importance of the administrative personnel is paramount. After admission, together with the process strategy, the administrative staff strategy becomes

responsible for important issues unrelated to knowledge transfer.

The teaching staff is definitely a key component of the entire marketing mix. If a university is able to promote and motivate good professors major benefits can be obtained: better educational products, enhanced image, satisfied students and society.

Having the right people to develop and deliver the knowledge is a key step to design a successful educational service. The ability to deliver the content in a correct manner is paramount.

Strong teaching staffs offers public visibility. If the university is able to connect to media channels and to public opinion through its professors the promotion strategy can use this advantage and it can enhance the university image.

If the public image is coherent with the educational programs it offers and the demand for these programs is addressed in a correct manner the student and the society will be satisfied.

The people strategy is the most important add-on from services marketing. Starting with a correct assessment of the personnel and by confronting its strengths with the market opportunities a university can start to build a powerful marketing mix.

4.6. Process

Along with the administrative staff strategy, the process strategy is responsible for a smooth service delivery. As long as the educational services will imply paperwork and bureaucracy the process strategy can be considered an important factor that can reduce the dissatisfaction among all the people involved.

One of the major roles played by the process strategy is the enrolment process. Being the only process that transforms a candidate into a student all the strategies involved in it are important. In cooperation with the people strategy and with the physical evidence strategy, the process

strategy is able to improve the institution image and to attract more candidates. A successful enrolment process is able to provide prepared students, able to take advantage of the knowledge transferred. This will affect the quality of the educational product (because is inseparable and variable) and the results of the institution (lower dropout rate, faster labour market integration).

4.7. Physical evidence

Because the educational product is intangible the physical evidence plays a major role as a proof of the product that is going to be delivered – in the enrolment phase – and as a proof of the knowledge acquired by the graduate – the diploma.

In the enrolment phase the buildings and facilities of the campus, the hardware and all the other tangible evidence reflects the quality of the service that is going to be delivered. All the physical evidence components contribute to the first impression. Given that all the other strategies have a small impact on any of the five senses, the physical evidence is the strategy responsible for a tangible meaning for the educational offer.

5. Conclusions

Originally developed for the services market, the 7 Ps framework can be applied in educational marketing as well. It offers strong add-ons able to respond to the special characteristics of the educational environment.

The product strategy is strongly influenced by the service characteristics. More than that, the fact that the customer can be both the student and the labour market needs a good understanding of the educational market.

The price strategy is the only strategy able to directly influence the revenue of the university. It is correlated with the funding strategy and it signals the quality of a program.

The placement strategy can make the difference between a regular university and a successful one. Being able to efficiently deliver the knowledge and, then, to help the graduate to find its place on the labour market can be the first step to exceed customer expectations.

The promotion strategy is focused on two main segments: the student and the public opinion. Both categories have different characteristics and, therefore, the strategy should be different for each of them. The promotion strategy is also responsible for the brand and the reputation of the university.

The people strategy is the most important addition from services marketing. The people in the educational sector are the most important assets. This strategy can change the other strategies according to its resources.

The process strategy plays a major role in delivering a smooth educational service. It has a major role in the enrolment process, too.

The physical evidence is the only strategy that can give a shape to all the educational service. Therefore it can help ensuring the customer about the quality of the service.

In a market with increasing competition and with different perceptions about the services and their quality the marketing mix offers solutions and tools to reach the goals. In higher education, marketing proves to be able to provide a framework to understand, analyse and change the market forces that are present in this environment. By using the 7 Ps framework a university will be able to create a coherent marketing mix, able to address its objectives.

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