

EDUCATIONAL MARKETING CHALLENGES - UNIVERSITIES AND GRADUATES' EMPLOYMENT. A CASE STUDY

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ABSTRACT: Important suppliers of educational services, the universities must create appropriate marketing policies in such a way as to ensure the correspondence between their offer and the consumers' educational needs, and, at the same time, the social needs. Simply by creating the most appropriate offers (academic programs, faculties, studies etc.) for candidates is not enough to realize a successful activity. Universities must be preoccupied with what kind of "products" they deliver (which in this context means graduates) and in what environmental conditions so that they ensure an appropriate answer to the labor market's demand. The aim of this paper is to emphasize the importance of the distribution policy in the educational marketing mix and, based on a marketing research, to determine the students' opinion regarding the importance of universities' involvement in graduates' employment.

KEYWORDS: marketing, education, services, distribution, graduate

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Introduction

Implementing marketing in educational services provided by universities represents a complex problem, but, at the same time, a strong necessity. The marketing advance in social environment is particularly interesting because this environment is generally regarded as relevant for a social logic that is close enough to that of education (Dupouey, 1990). As suppliers of educational services, nowadays the universities are facing several problems, generated by economic causes (family income, the high level of education taxes, economic development, crises, etc.), demographic causes (number of pupils, candidates or students, number that varies from very small for some profiles of studies to very high for others), by social-politic or technological causes (new technologies that can generate new approaches, new disciplines or educational areas). Thus, the decision factors from macro or micro educational system levels must initiate and develop a marketing process. Particularly in the case of universities, the decision factors must research the demand for educational services and identify the characteristics of the educational services market, must target the market segment and position their offer, and must assemble the most adequate mix of marketing policies. The marketing mix for educational services provided by universities is based on four fundamental pillars: product, price, distribution and communication policy (Dupouey, 1990; Olteanu and Cetină, 1994). The preoccupation of educational services' suppliers must target the creation of the most desired products for clients (students, companies, public institutions, etc.), the setting of the most appropriate prices for these products, the delivery of these products, and their

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promotion in such a way as to reach the consumers.

Generally, for a graduate a job is a problem of knowledge, profile of study, level of instruction, skills, preferences or even chance.

But universities must be more preoccupied with what happens with their graduates and how to improve their activity in order to provide students with the necessary skills for the personal, social, and economic life. Not only must the universities be preoccupied with what kind of knowledge they transfer and “distribute” to their students in the whole learning process, but at the same time, they must collaborate with social actors in the direction of identifying solutions for creating the most appropriate “products” (programs of studies, level of instruction, graduates, etc.). Based on these preoccupations, universities can find both the answer to the individual needs of people and to the social and economic demand (expressed by the labor market) and, at the same time, can identify solutions that facilitate the “placement” and the insertion of their graduates into the labor market.

Educational Marketing – A Distinct Area of Services Marketing

In the marketing specialists’ opinion, a service can be considered as any action or work that can be done by an entity for another, that is intangible and does not result in the transfer of the property on a good; the achievement of a service can or cannot be bounded to a material good (Kotler, 1997).

Services have some particularities, such as the following (Kotler et al., 1998):

- Intangibility, which means that services do not have a material support, but can be materialized through several elements such as: physical evidence, people, equipment, information, symbols or prices;
- Inseparability between service production and consumption, because these two processes are simultaneous;
- Variability, which means that a service will never be the same as another, because it depends on place, time and people involved;
- Perishability, which means that services cannot be stored for later use.

All these characteristics previously mentioned can be particularized for educational services. Thus, knowledge is intangible, but it can be materialized through the teacher’s skills and personality, equipment, and physical ambience of the classroom or building. The success of a teaching lesson also depends on the teacher’s speech and on the students’ curiosity and involvement. The teaching process is variable, because students are different from one class to another and from hour to hour, teachers can be enthusiastic or tired, and, at the same time, represents a perishable process because the teacher’s speeches cannot be stored and used later.

In the marketing specialists’ opinion, the marketing vision in services area is defined through three approaches: external marketing (the usual activity of the firm: preparing the offer, setting the prices, place, and service promotion), interactive marketing (marketing the activities which have as result the delivered services, through the specific interaction between the customer and the services supplier), and internal marketing (referring to the training and motivational activities for company employees in such a way as to deliver services of high quality for the consumers) (Gronroos, 1984; Kotler, 1997; Olteanu, 2005).

In the academic area, these three types of approaches can be exemplified in the following ways:

- The external marketing can be described during the first meeting between the pupil and the universities’ representative factors (teachers, students, administrative personal, etc.), when

the pupil asks for information and expresses the desire to apply and to be admitted in a certain university;

- The interactive marketing is the result of all the processes that have as results the created and delivered educational services: courses, examinations, projects, applications, simulation etc. This chain of processes is based on the constant interaction between the students and the educational services suppliers (teachers, libraries' staff, secretaries, administrative staff, etc.);
- The internal marketing refers to the processes and relations that concern the exchange of information between persons (transmitters, as teachers, and receivers, as students or other components of marketing environment) through specifically communication means (direct or intermediate communication). Universities must take care of their staff and act as if they were their clients, because a satisfied and content personnel can ensure a much more successful activity.

In the marketing specialists' opinion, the educational services supplying process is very complex, because almost each activity can be decomposed in partial processes (Olteanu, 2005): processes specific to the educational cycle (maternal, primary school, gymnasium, college, university, etc.), on years of study for every cycle, on semesters for every year of studies. All these processes are based on specific educational tools (plans, programs, teaching courses and books, etc.) and are established based on specific laws and rules. In the same opinion, demand fluctuates from year to year, and supply only with difficulty adapts to demand variations.

Concerning the marketing environment, one of the most important elements of the microenvironment is represented by the clients. Clients are approached from a double perspective: on one hand, from the personal perspective and individual need of education of every pupil or student, and on the other hand, from the economic and social perspective, expressing organizational and social needs.

At the same time, the competitors are a very important micromarketing element, especially in the academic environment, where the legislation (an important element of the marketing environment *per se*) allows many possibilities to set up new educational suppliers.

As a marketing function, environment analysis has a complementary character and, using a managerial approach, has a "feedback" role for all decisions adopted alongside the management cycle (Olteanu, 2003).

The marketing policy in educational area is based on a strong correlation between micromarketing and macromarketing techniques and tools. Based on the economic and social realities and needs, the educational strategy is coached by central educational authorities (ministries or departments) and, especially in the case of universities, is correlated to the marketing policy formulated by the educational services suppliers.

The marketing mix is structured considering the market strategy.

Marketing specialists consider that, traditionally, the four elements of marketing are product, price, place, and promotion (Borden, 1964; McCarthy, E.J., 1978), where price plays a unique role in managing the marketing mix. This is because on one hand, it is the only element that allows capturing the value created for the customer through the product, place, and promotion, and on the other hand, it is the only element that brings resources to the firm (the other elements consume resources) (Tybout and Calder, 2010).

In the service marketing literature, there are several opinions regarding the structure and the composition of the marketing mix in the services area (Zeithaml and Bitner, 2000; Payne, 1993; Lejeune, 1989; Lovelock, 1991; Langeard and Eiglier, 1987). In this paper, the approach of

marketing mix in educational services is based on the four traditional elements: product, price, distribution and promotional policies.

The **product policy** can be structured based on the educational services' characteristics. Thus, the product can be approached based on the concepts of global service consisting of unitary services, grouped into basic, auxiliary, and supplementary services, starting from the key role that these several services activities play in satisfying consumers' needs (Gronroos, 1990; Olteanu and Cetinã, 1994).

One of the most important aspects in the educational product policy is to ensure a high level of quality for the "products" and to see the products' "behavior" during the consumption process.

Based on the particularities of the educational activity, this process can be approached from two perspectives: on one hand, how the academic programs respond to the graduates' needs and to contribute to the growth of their knowledge horizon, to create and to improve their professional skills and training, etc., and on the other, how these programs respond to the social needs, more precisely how many graduates are employed or work on their own, concordant to jobs' specific needs.

As a strategic element of the global product, universities must be preoccupied with ensuring the appropriate approaches during the life cycle of their products (new programs or faculties, post-graduate programs, modern didactical technology, etc.).

The **pricing policy** in educational services has particular accents. As the marketing specialists consider, the price is the only element of the marketing mix that generates revenues, all the other elements generate costs (Kotler et al., 1998). The price policy must be correlated to the other elements of the marketing-mix. Based on the specific characteristics of educational services, the products may become tangible due to the price level, which may also indicate the quality of these products. The connection between price and distribution can be analyzed based on some specific situations, such as the type of marketing channels and the type of educational services (full time studies, distance learning, primary school, secondary school, academic level, etc.). With regard to the communication policy, price can replace promotional activity (when the price is very low, especially in the case of public education), or can require a strong promotional activity (when the quality of the educational services is very high, or the consumers of educational services must be informed about new offers, or the competition is very strong, etc.).

The **marketing communication policy** is focused on internal (students, teachers, other categories of staff) and external public categories (candidates, local authorities, companies, mass-media, etc.), and is realized through both promotional and continuous tools. Promotional tools consist of: printed advertising materials (such as flyers and brochures), outdoor advertising, free advertising and direct marketing, and even sales promotion, especially tax reduction, for students with remarkable results or particular social status. Public relations activities play an important role, using different tools, such as press interviews, Doors Open Days, scientific or anniversary events, etc. Among the continuous preoccupations of educational institutions is that of creating and consolidating a distinctive brand image, by using many of the tools previously mentioned.

The **distribution policy** is mainly focused on the labor market and some aspects of its importance and contents will be detailed in the next paragraphs.

The Distribution Policy in the Marketing Mix of Educational Services

Between the elements of the marketing mix specific to educational services, the distribution policy holds a distinctive position, as there is a very low possibility for it to be controlled by educational institutions.

The distribution policy must be connected and harmonized with all the other elements of the marketing mix: with the product policy (because from the social point of view, the “products” that are delivered on the market must correspond to the employers' needs), with the price policy (because those products must be delivered with prices corresponding to their quality), and with the promotional policy (because the candidates or graduates must be informed about the possibilities to be prepared by the educational institutions, according to their own needs and to the social needs, on one hand, and the employers must be informed about the “products” delivered by schools and universities, on the other hand).

Generally, in basic marketing theory, the distribution refers to the physical and economical circuit of merchandises, to the relationship between market agents, to the activities of a big mass of heterogeneous units, with different economic profiles (Balaure, 2002). In the same opinion, as a component of the marketing mix, the distribution policy is delimited into two essential areas: the design and the operation of the marketing channels and the distribution shapes, on one hand, and the physical distribution of merchandises, on the other hand.

Taking into consideration the marketing specialists' point of view, a marketing channel is an assembly of operators that participate in the flow of information and goods on the market from producers to final consumers or users, and play the role of satisfying and stimulating the demand, and creating value for the consumer or user (Bălan, 2006).

Based on the number and type of participants, the distribution can be realized through direct channels (without intermediaries), short channels (with one intermediary agent between the producer and consumer), and through long channels (with two intermediaries, one being a wholesaler and the other a retailer) (Florescu, 1992).

Based on various changes of the business environment, the marketing specialists consider that nowadays, for companies it is very important to design and to implement a channel strategy, and to manage the channel system (Baker, 1995). For educational institutions however, it is very difficult to design and to implement a channel strategy.

The distribution strategy should consider at least two major areas of action:

- The knowledge distribution, (from teachers' courses, libraries, textbooks etc. to pupils and students, in accordance to the educational plans and programs);
- The graduates' distribution (were, when and if it is possible) on the labor market.

In the first case, the distribution can be realized in a direct manner, in school classes, in the full time studies system of education or through new technologies in the system of distance learning.

In the second case, that of graduates' distribution, the situation is complex and difficult to manage.

In the case of universities, the insertion of students and graduates into the labor market is an activity that can be initialized through different ways of cooperation between universities and employers, such as: agreements for student internship programs, research contracts, etc. Distribution strategies can be designed based on various criteria, such as the number of intermediaries or the level of distribution control. Direct distribution involves the existence of a special department in the universities that ensures direct contacts with market agents; for example, a department of professional advisory. A department such as this can create and manage databases of jobs offers (which may be accessed by students). Employers may receive from universities information about research programs, students' specialization, type and level of training, etc. Students may be advised about legal aspects, may sign contracts for receiving scholarships or temporary jobs, etc.

Distribution through intermediaries implies the cooperation with organizations specialized in labor force placement (public institutions or private crewing agencies).

The most difficult aspect is that universities do not have enough information about the number of employed graduates and about their jobs. A general perception is that graduates do not find it necessary to provide information about their professional status or they simply do not trust the universities' capacity to assist them in finding a job.

According to the Lisbon Agenda objectives, universities play a crucial part in developing a knowledge based society and therefore, it is only natural that graduates' employability is a great concern at the level of the entire European Union. Following Romania's accession to the EU in 2007, particular importance was given to the transition of students from school to active life and a considerable number of EU funded projects were implemented in universities up to the present moment. These projects focused mainly on career counseling, internship programs, practice enterprises, vocational training, and other activities and courses aimed at reducing the gap between universities and labor market, and to counsel and familiarize students with real job requirements.

Although steps have been made towards a stronger and more efficient relation between universities and labor market, graduates' employability is still a rather thorny issue, and is aggravated by the consequences of the financial crisis.

In order to observe and assess the importance of these aspects for students and graduates, we have conducted a short research to get knowledge of their opinion about the necessity for universities involvement in graduates' employment process.

Case study on Economy Students Opinion Regarding the Role of Universities in Graduates' Employment

Methodological considerations

In order to determine students' perception on the role of universities in monitoring and facilitating students employment a questionnaire based research was conducted between February and May 2016 among master degree students from the Faculty of Economic Sciences, "Ovidius" University of Constanta.

The 15 questions of the questionnaire focused on the respondents' motivation for choosing the study program and the university, their employment status, and their opinions regarding the role of the university in graduates' employment.

The sample included 87 master degree students, from all master degree study programs of the faculty.

The data were analyzed using IBM SPSS Statistics 23.

The sample

66 of the respondents (75.9%) are women, while only 21 (24.1%) of them are men.

Most of the respondents, 86.2%, live in urban areas, while only 12 of them (13.8%) live in rural areas.

As far as the average monthly income per family member is concerned, most of the respondents (48.3%) indicated a level between 1,000 and 2,000 Lei, 27.6% indicated a level above 2,000 Lei, while 20.7% indicated a level between 500 and 1,000 Lei.

Data analysis and hypotheses testing

When analyzing the respondents' motivation for choosing the university, it was apparent that most students, 72.4%, chose to study a master degree program in the same university where

they studied the bachelor program, while 20.7% chose the university due to its prestige and educational offer. A reduced number of respondents, 18, chose the university on proximity criteria.

By contrast, the reasons for choosing a particular master degree program seemed to be more diverse: to follow on the same field (economics) -37.9%, the prospects of finding a job -34.5%, personal aptitudes and skills -17.2%, the need for further study due to present job requirements – 6.9%, and admission criteria – 3.4%.

The next two research questions focused on finding out students' opinion on the proficiency of the theoretical education and practical training respectively, in building up students' skills with regard to specific job requirements. For both questions, a five point semantic differential was used, from 1- little proficient to 5-highly proficient. The general scores obtained indicated a more favorable opinion regarding the proficiency of the theoretical education (4.52) compared to that regarding the proficiency of the practical training (3.03).

At the time the research was conducted, 69% of the respondents were employed, while 19.7% were entrepreneurs or self-employed. The employed respondents indicated that they obtained their current job following an advertised interview (60%), following a recommendation (35%), while only 5% obtained the job following an internship program organized by the faculty. In 75% of the cases, the professional activity of the respondents was in the same field as the studies graduated. A five point semantic differential (from 1- little important to 5 –highly important) was used to assess the opinion regarding the importance of developing professional activities in study field. Surprisingly, the average score was of 3.72 indicating a rather medium perceived importance.

When asked about the role played by universities in graduates' employment, all respondents agreed that universities should engage in a more active manner both in following the professional course of their graduates and in facilitating their access to the labor market. Regarding the specific means of involvement of universities in this task, the respondents indicated: a stronger cooperation with student bodies and organizations for creating a data base of job offers transmitted by potential employers, following collaboration protocols signed between universities and employers – 51.7%, hosting job fairs -27.6%, and implementation of projects and business simulation activities, involving universities, local communities representatives, and business environment representatives – 20.7%.

The vast majority of the respondents (86.2%) considered useful that universities create and administer a detailed data base containing information about graduates' professional course.

Three research hypotheses were formulated.

Hypothesis 1. The opinions regarding the courses of action the universities should take in order to increase their involvement in graduates' employment are not significantly influenced by respondents' employment status.

In order to test the hypothesis, a Chi Square test was conducted.

The test results, $X^2(2) = 0.35$, $p=.84$, indicated the opinion regarding the courses of action the universities should take in order to increase their involvement in graduates' employment are not influenced in a statically significant manner by respondents' employment status.

Hypothesis 2. The opinions regarding the proficiency of university theoretical education in building student skills compatible with job requirements are not significantly influenced by respondents' employment status.

In order to test the second hypothesis, a Mann-Whitney U test was performed.

The test results, $U = 754$, $p=.836$, showed that there was no statistically significant difference of opinion between respondents, function of their employment status.

Hypothesis 3. The opinions regarding the proficiency of university practical training in

building student skills compatible with job requirements are not significantly influenced by respondents' employment status.

The results of the Mann-Whitney U test performed, $U = 754$, $p = .830$, showed that there was no statistically significant difference of opinion between respondents, function of their employment status.

Conclusions

Graduates' employability is a constant pursuit of universities at least from two major points of view- on the one hand there is the universities preoccupation with students training in order for them to achieve the necessary skills and abilities, and on the other hand there is the concern regarding the steps and measures needed to connect graduates' to the labor market. Given also the fierce competition between universities and the unemployment issue aggravated by the consequences of the financial crisis, graduates' employability becomes one of the major challenges of educational marketing.

The conducted research presented in this paper revealed several interesting findings on economy master degree students' opinions regarding the role of universities in graduates' employment. Only one third of the respondents chose the master degree program having in mind employability prospects; the others chose the program due to personal skills and aptitudes, in order to study the same field as the bachelor studies, or due to admission criteria. Generally, the respondents considered that the theoretical education received in the university is more proficient in building up their skills according to specific job requirements than the practical training, and considered that developing professional activities in the field of studies was only averagely important. Regarding to the role of universities in graduates' employment, all respondents agreed that universities should engage in a more active manner both in following the professional course of their graduates and in facilitating their access to the labor market, and indicated as most efficient means of involvement of universities in this task: a stronger cooperation with student bodies and organizations for creating a data base of job offers transmitted by potential employers, following collaboration protocols signed between universities and employers, hosting job fairs, and implementation of projects and business simulation activities, involving universities, local communities representatives, and business environment representatives.

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