



Marketing of educational services

Lecture 1

The concept of marketing of educational services

Education is

the process by which society deliberately transmits its accumulated knowledge, **skills** and **values** from one generation to another through institutions.

The act or process of imparting or acquiring general knowledge and of developing the powers of reasoning and judgment.



Education as a Service

- Services are those separately identifiable, essentially intangible activities, which provide want satisfaction and are not necessarily tied to the sale of the product another service.
- Education is a service which is geared primarily to the consumer market.



The Educational Services Sector

comprises establishments whose primary activity is education, including:

- public
- not-for-profit and for-profit establishments.

Included are:

- elementary and secondary schools,
- community colleges and CEGEPs,
- universities, business schools
- management training, technical and trade schools,
- other schools and instruction and educational support services.



Non-Profit and For-Profit Distinctions in Higher Education

Non-Profit

Tax-exempt

Donors

Endowment

Stakeholders

Shared governance

Prestige Motive

Cultivation of knowledge

Discipline-driven

Quality of inputs

Faculty power

For-Profit

Tax-paying

Investors

Private investment capital

Stockholders

Traditional management

Profit motive

Application of learning

Market-driven

Quality of outcomes

Customer power

Educational goods

- Educational programs cannot operate without educational materials and equipment.



- These constitute the industry in educational goods. Commercial activities include the design, manufacture and sales of textbooks, teaching materials, vocational and scientific equipment, educational software, videos, multimedia, and school furniture as well as school supplies.

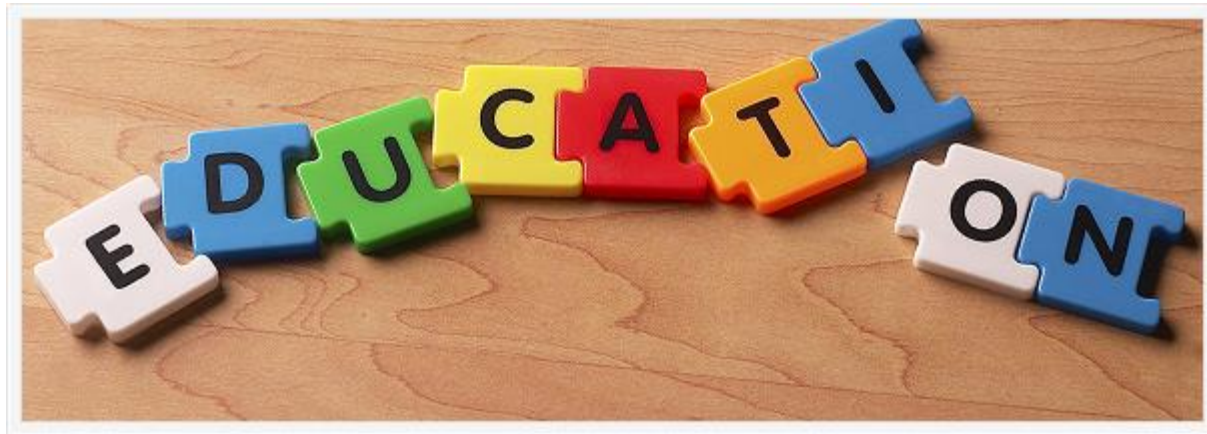
Need for Marketing Educational Services

- Need to market their services has not really been felt by the educational sector, this is because there is always Demand > Supply;



- Large number of institutions for specialized fields have been set up in the recent years for fields like management and computer education, this has lead to increase in competition

Characteristics of Educational Services



Intangibility

Education is an intangible dominant service:

impossible to touch, see or feel



Perishability

- Production and consumption are simultaneous activities
- No inventories can be made up.

Example: a lecture scheduled cannot be stored



Inseparability

There is a need for the service provider to be present when the service is to be performed and consumed

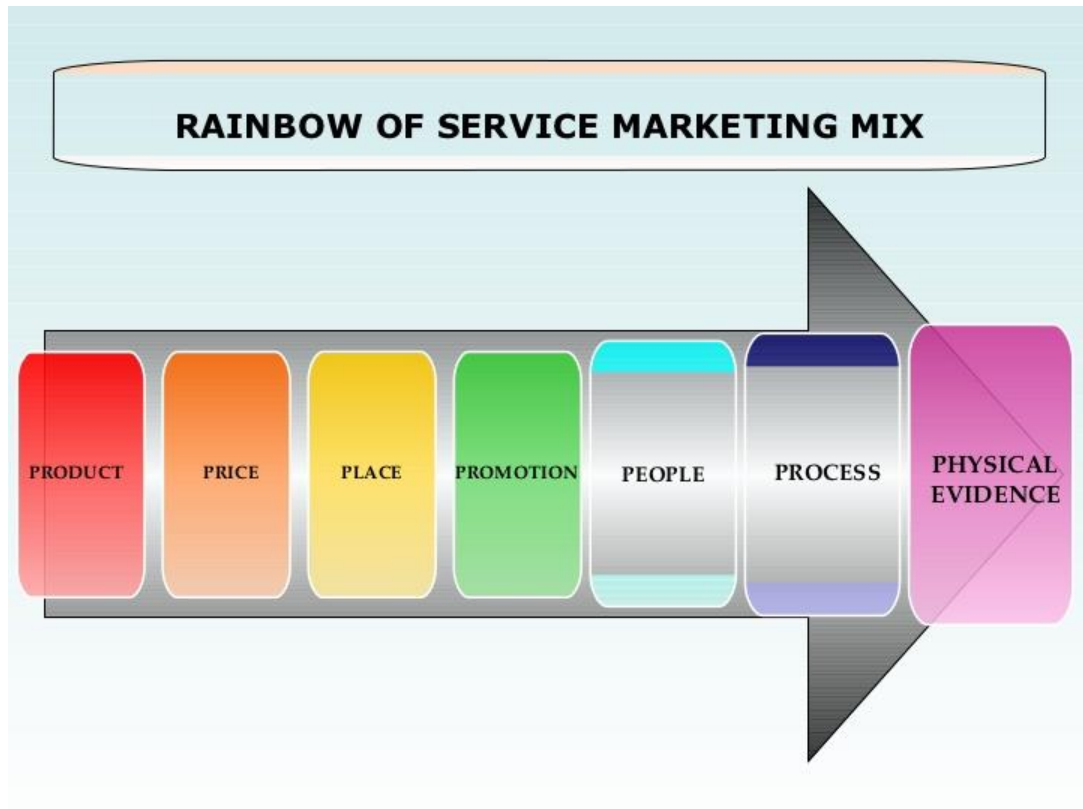


Others

- High fixed cost
- Low variable cost
- Specialized and need based
- Competition
- Customer limitations
- Heterogeneity



Marketing Mix of Educational Services



2. Price (Fees)



The price is the amount a student pays for the services availed by him or her.

It is determined by a number of factors including:

- competition,
- service quality,
- placement,
- reputation of the university,
- private or public ownership,
- infrastructure,
- facilities provided,
- location of the institute,
- mode of education,
- brand name of the educational institution etc.

Here, price reflects the quality of services provided to the students. Hence, it can be used as marketing tool by the institutions.

3. Place

- Place represents the location where an educational institute is established.



- It is often referred to as the service centre. If the institute is located at a Metro city, it will provide much more competitive edge, than if it is located in rural place. So, place is also a vital promotional tool for them.

4. Promotion

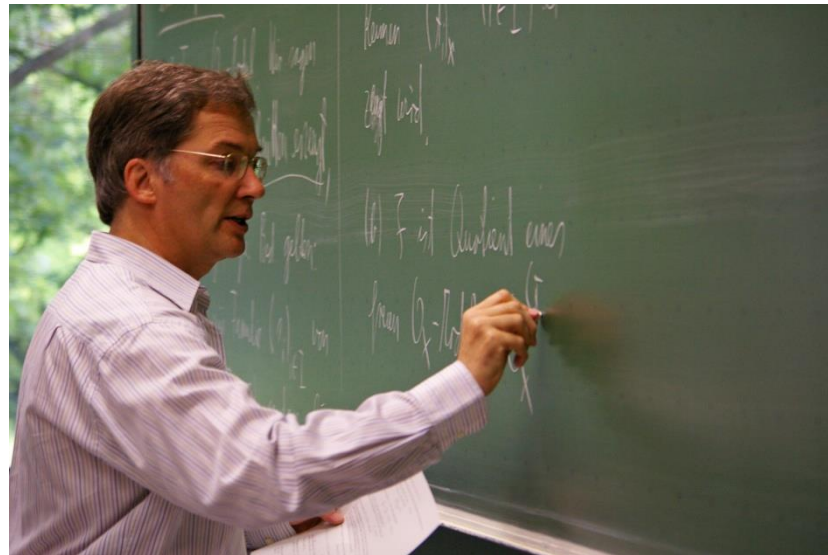
Promotion represents all of the communications that a service provider uses in the marketplace.



Promotion has a few distinct elements such as advertising, public relations, word of mouth, point of sale, publicity, direct & web marketing, etc.

5. People

mean teaching fraternity and non-teaching community directly and indirectly associated with the services rendered to the students.



- The system of payment and incentives for university workers requires significant adjustment by university's social policies strengthening.
- Current payment system does not take into account teacher rating made by students (the main consumer of educational services). Many universities hold contests for the title of "Best Lecturer", but this is not stimulated in any significant material way.
- Motivation for instructional and guiding work virtually does not exist.
- Most faculty members do not understand new wage system; therefore, the attitude toward it is ambiguous.
- The majority of teachers moonlight in other universities in part-time status, considering the possibility to look for jobs as an extra incentive to teaching.

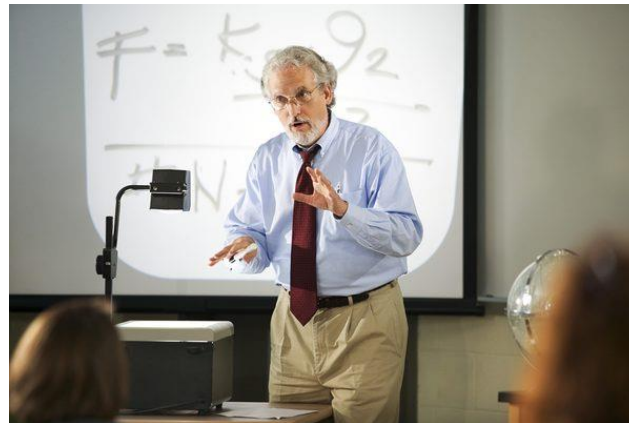


Comparative characteristics of teacher's role in the framework of classical and new educational paradigm

Classical paradigm	New paradigm
Main mission of education: to prepare new generation for life and work	Main mission of education: to ensure the conditions for personal self-determination and self-realization
Human being is a simple system	Human being is complicated system
Knowledge comes from the past ("school of memory")	Knowledge comes from future ("school of thought")
Education – transferring to student known samples of knowledge and skills	Education – creation the image of world itself through active lodging in the world of objective, social, and spiritual culture
Student – object of pedagogical impact, someone who is being taught	Student – subject of cognitive activity, someone who perceives knowledge
From subject to object, monological relationship between teacher and student	From subject to object, dialogue between teacher and student
"Responsive", reproductive student activity	Active, creative student learning activities

6. Process

The procedures, mechanisms and flow of activities which lead to an exchange of value are called the process.



7. Physical Evidence

It is the direct sensory experience of a service that allows a student to measure whether he or she has received adequate facilities by the educational institution.



It might include state-of-art technology, building, total ambience, parking facility, play ground, gymnasium, swimming pool, indoor stadium, transportation facility, hostel, AC class room facility, computer laboratory, canteen, library, number of books and journals, different modern teaching aid etc.



Marketing of educational services

Lecture 2

**The process of non-commercial
marketing of educational
organizations**

Conceptual components of non-commercial marketing of educational organization

- 1) Understand the marketplace and customer needs and wants**
- 2) Design a customer-driven marketing strategy**
- 3) Construct an integrated marketing program that delivers superior value**
- 4) Build profitable relationships, create customer delight**
- 5) Capture value from customers to create profits and customer equity**

1. Types of customers of educational services and their needs:

- the needs of students and their parents
- the need for employment services
- labor exchanges
- licensing and accreditation of educational institutions and others
- the needs of society



2. Types of segmentation of education market

- The consumer groups (consumers, individual consumers, employers, state and local government education)
- The parameters of educational services
- The competition



3. Construct an integrated marketing program that delivers superior value



4. Build profitable relationships, create customer delight

Non-profit educational institution should use more resources than commercial, as a priority objective is to achieve social impact, which should be combined with the solution of the secondary, but vitally important issue of financial support



5. Capture value from customers to create profits and customer equity

- The non-profit status of most educational institutions determines their priority orientation to achieve profit goals, their social mission.
- This implies that their commercial activities support acts only on the basis of social-oriented activities and should focus on value exchange with consumers in both monetary and nonmonetary terms.