



Marketing of educational services



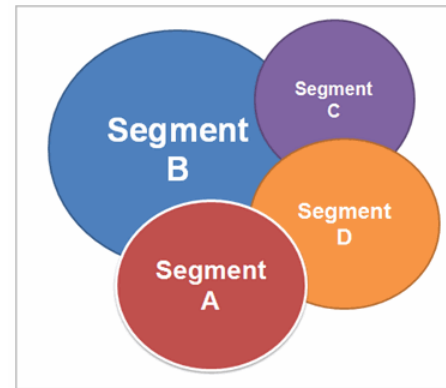
Positioning

Lecture 4

Positioning the institution in the market

Market segmentation

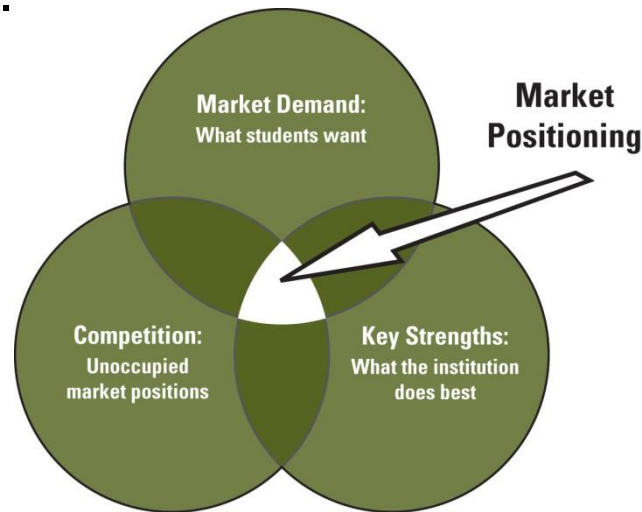
- The goal of market segmentation is to feed into the institutional positioning process.



- Hirsch (1976) has argued that:
“ Higher education is a ‘positional good’ in which some institutions and their degrees offer better social status and lifetime opportunities than others in the eyes of students, parents and employers”.

Positioning the university

- The challenge for new institutions is that of fully understanding the global branding environment and then deciding how to fit and blend into this overall image.



- The starting point in this process is to identify the structure of the market and the positions currently held by competitors within the market.

Clarifying the terminological jungle surrounding the concept of segmentation

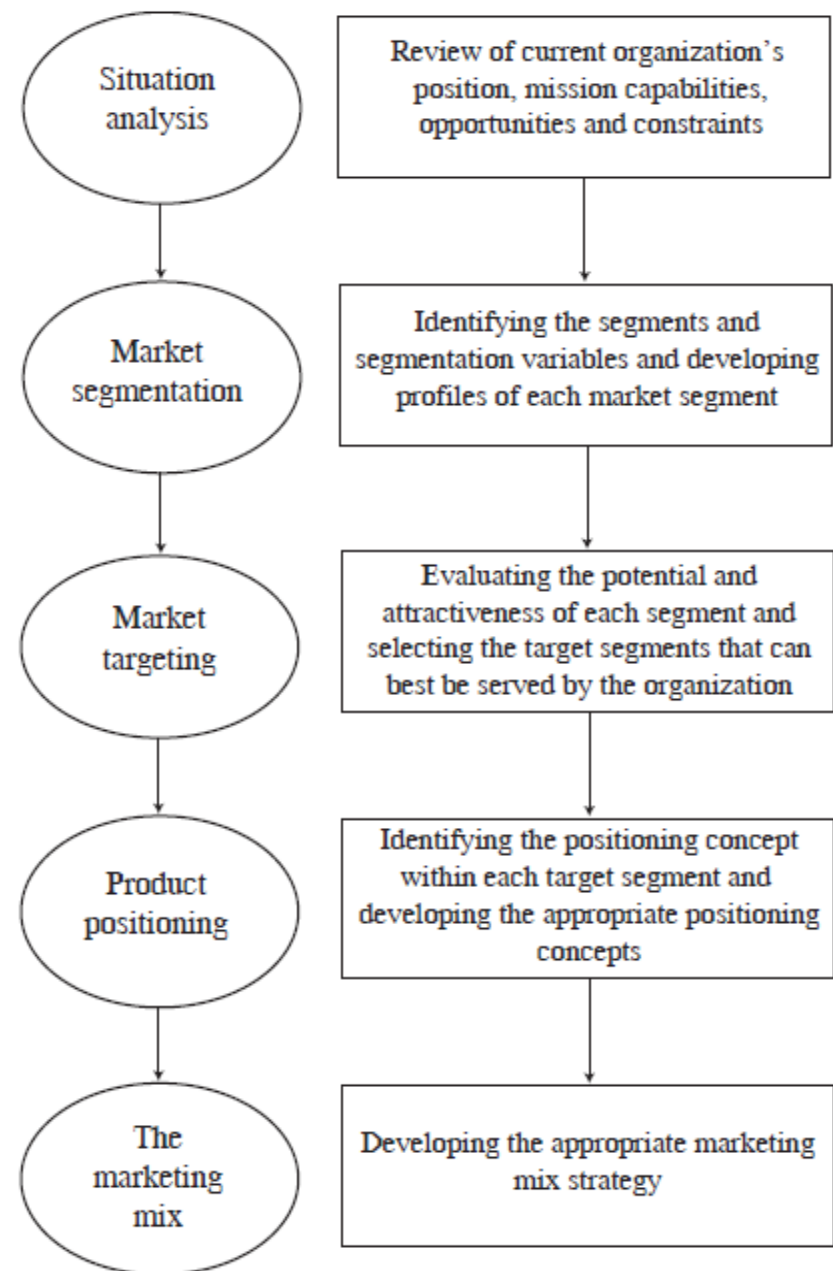


Figure 1 Stages in segmentation, targeting and positioning process
Source: Adapted from Wilson and Gilligan (2002).

Market segmentation

Under this broad assumption about markets, segmentation has been defined as:



- the means of categorizing potential customers into like groups based on common characteristics;
- the grouping of customers and non-customers with similar characteristics – especially purchasing behaviour;
- the division of a market into different homogeneous groups of consumers.

The purpose and value of market segmentation

Doyle (2002) has identified five broad reasons for market segmentation which we shall examine briefly in the context of higher education:

1. To meet consumer needs more precisely;
2. To increase profits;
3. To gain segment leadership;
4. To retain customers;
5. To develop focused marketing communications.



Approaches to segmenting markets

Segments worth pursuing in the market should be:

- Measurable;
- Accessible;
- Substantial;
- Unique;
- Appropriate;
- Stable.



The bases for market segmentation

Essentially there are four broad categories into which segmentation strategies can be grouped.

These are:

- geographic or geo-demographic;
- demographic;
- behavioural;
- psychographic.



Analytical tools

- Factor analysis
- Cluster analysis
- Profiling
- Regression analysis
- Correspondence analysis
- Conjoint analysis

