

## OPTIMIZING THE MARKETING MIX - AN ESSENTIAL ELEMENT IN DEVELOPING COMPETITIVE STRATEGIES IN THE FIELD OF HIGHER EDUCATION

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### Abstract

*The reason why marketing strategies were implemented in the field of academic activities, where intangible goods are being provided, was the similarity between these and the field of service provision. Higher education aims at preparing specialists in all fields of activity so as they can successfully meet the increasingly sophisticated labor and thus universities contribute significantly to the achievement of this desideratum and to the enrichment of knowledge in order to ensure social development. In this context, the present study emphasizes the 7 elements of the academic marketing mix by using a series of concrete examples. Given the fact that the main purpose of the implementation of the marketing strategies in the academic environment is that of facilitating the orientation of higher education institutions towards the market, after the elaboration of this paper, we have concluded that the academic marketing mix in higher education services is a concept which needs to be developed so as to ensure the academic success on a competitive market and to develop strategies to attract quality students, in this way higher education institutions being able to fulfill their mission to prepare specialists in all fields, thus providing education and contributing to the scientific development through their research.*

**Keywords:** university, marketing mix, education services, strategy.

**JEL Classification:** M31, I23

### Introduction

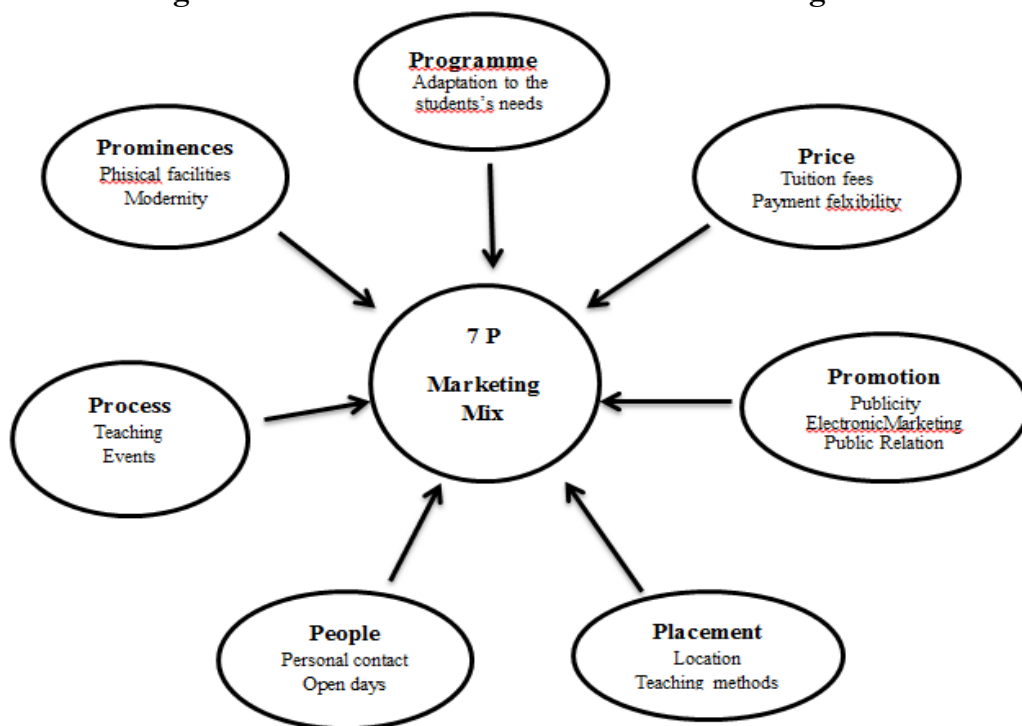
In a society where competition is increasing, higher education institutions, more than ever, are developing and implementing marketing strategies meant to lead to the attainment of long-lasting competitive advantages. The existence of “*an external marketing and a provider-client relation marketing* alongside an internal marketing in the field of services, determined various specialists to propose the addition of another 3Ps to the existing 4Ps: *personnel, procedures and physical evidence*.” (Kotler, 2004, p. 275). Kotler and Fox (1995) identified the 7 elements of the marketing mix in the

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education field: *programs, tariffs, location, promotion, physical facilities, personnel and education processes*, as one can see in figure no. 1 below where the 7Ps of the academic marketing are presented.

**Figure no. 1 – The 7Ps of the Academic Marketing Mix**



Source: *Adaptation after* – Ivy J. (2008) - *A new higher education marketing mix: the 7Ps for MBA marketing*, The International Journal of Educational Management, vol. 22, no. 4, ISSN: 0951-354X, p. 294.

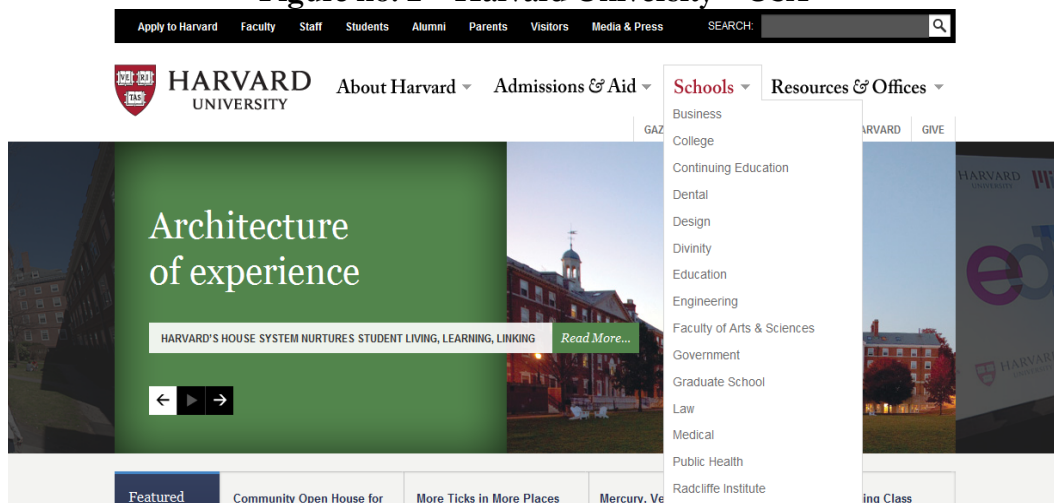
It can be noticed that in the area of services, to the 4Ps of the traditional marketing mix, i.e. product, price, placement and promotion, another 3Ps specific to this area are added: personnel, processes and prominences.

Based on the above-mentioned, this research, made of two parts, seeks to present the specificity of marketing mix in higher education services as an essential element in developing competitive strategies in the field of higher education. The first part describes the traditional elements of the marketing mix, the second part deals with the elements specific to the area of services and the final part is made of conclusions and propositions.

## 1. The traditional elements of the higher education marketing mix

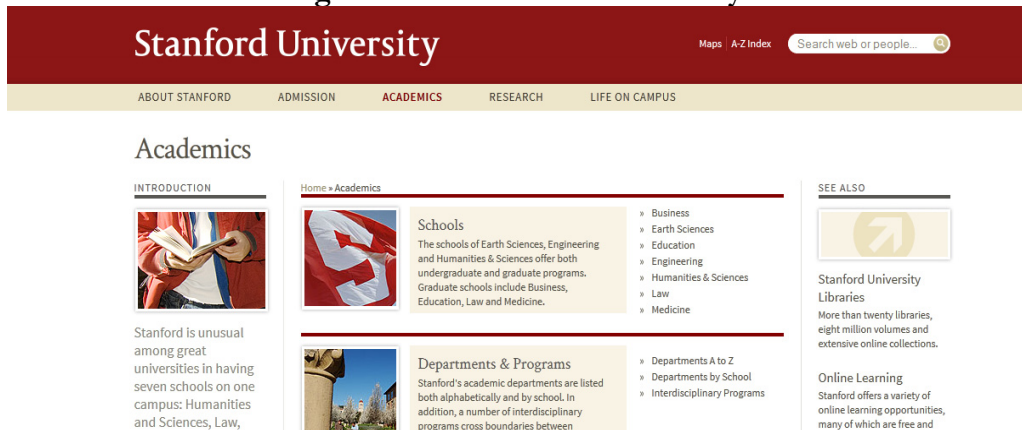
”The concept of Marketing Mix was debated by McCarthy in 1960” (El-Ansary, 1974, p. 553) who introduced the 4Ps: product, price, placement and promotion. *The academic product* – the first element of the marketing mix in a higher education institution, whose main component are the **study programs**, is an extremely complex notion, representing what is subject to consumption, an ensemble of benefits destined to satisfying the knowledge needs existent in society. The most important decision universities have to make is that referring to the development of these so as to satisfy the needs of the higher education consumers. (Soedijati, Pratminingsih, 2011, p. 2125) Worldwide universities have developed extremely different study programs, concerning all fields of activity and areas of interest. In what follows, we shall exemplify the study programs developed by some universities classified by ARWU (The Academic Ranking of World Universities) as having the highest performance rates in 2012 (<http://www.shanghairanking.com/ARWU2012.html#>), based on data availability.

Figure no. 2 – Harvard University – USA



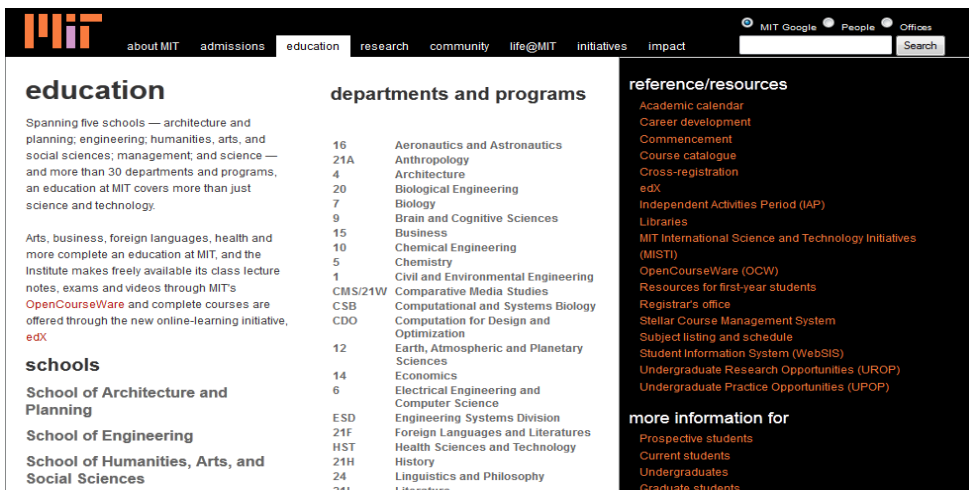
Source: <http://www.harvard.edu/>

*Harvard University* is one of the oldest higher education institutions in the United States, founded in 1636. (<http://www.timeshighereducation.co.uk/world-university-rankings/>) It offers extremely diversified study programs: business, engineering, education, design, law, medicine, public health, etc. Therefore, the university meets the education needs existent in the society through its varied offer. This provides the youth eager to become specialists a series of study programs such as: business, design, engineering, law, medical sciences, public health, etc.

**Figure no. 3 – Stanford University**

Source: <http://www.stanford.edu/academics/>

Stanford University, located in San Francisco and San Jose, is one of the most prestigious research and education centers in the world, founded in 1891. (<http://www.stanford.edu/about/>) The study programs offered by this higher education and research institution are very diverse and include domains such as: business, earth sciences, education, engineering, human sciences, law and medicine.

**Figure no. 4 – Massachusetts Institute of Technology University**

Source: <http://web.mit.edu/education/>

Massachusetts Institute of Technology is an education and advanced research institution, which offers various study programs, preparing therefore specialists in: architecture, engineering, human sciences, art and social sciences, management, aeronautics, anthropology, biology, economy, chemistry, mathematics, music and theatre, political sciences, urban studies, etc.

The second element of the marketing mix is the **price**. In higher education, this refers to the amount of money which individuals pay for benefiting from academic activities and thus both students and their parents take into account the financial implications of higher education. (Soedijati, Pratminingsih, 2011, p. 2125) Tuition fees represent an income for the university, but at the same time, they indicate students' perception regarding quality. (Ivy, J., 2008, p. 289). **Harvard University**, one of the most prestigious higher education institutions in the USA, has established for the 2012-2013 academic year the following fees and expenses for academic studies – see table 2.1:

**Table no. 1 – Tuition fees – Harvard University**

Fees / academic year		
Full-time student	Fee / academic year	\$38.480.00
Part-time student	Fee / academic course	\$ 4.810.00
Doctoral studies advance fee	Fee / academic year	\$ 3.848.00
	Fee / semester	\$ 1.924.00
Health fee	Fee / academic year	\$ 3.098.00

Source: [http://www.gse.harvard.edu/admissions/financial\\_aid/tuition/](http://www.gse.harvard.edu/admissions/financial_aid/tuition/)

As one can see in the table above, at Harvard University tuition fees are very high as compared to other European or Romanian universities, these varying between \$3.098 and \$38.480 for an academic year.

In table no. 2.2 below one can see the tuition fees from Stanford University for the 2012-2013 academic year.

**Table no. 2 – Tuition fees – Stanford University**

Student Budget		
2012–2013 Academic Year		
Budget Item		\$ Per Year
Tuition	?	41,250
Room and Board	?	12,721
Books and Supplies	?	1,500
Personal Expenses	?	2,400
Orientation Fee	?	438
Campus Health Service Fee	?	537
Travel	?	Varies
<b>Total</b>		<b>\$58,846</b>

Source: <http://www.stanford.edu/dept/finaid/undergrad/budget/index.html>

The level of the tuition fees in the 2012-2013 academic year is \$58.846 and represents the following: tuition (\$41.250), room and board, books, personal expenses, orientation fee, medical care and travel. As regards the tuition fees at Massachusetts Institute of Technology for the 2012-2013 academic year, these are divided on seasons: \$13.920 in summer and \$20.885 in autumn and spring. (<http://web.mit.edu/registrar/reg/costs/>)

For transmitting academic activity-related information, higher education institutions use **promotion** strategies which help them in publicizing themselves among the public and in attracting potential students by means of promoting the education offer, public relations, efforts to attract students and doors open day. (Ivy, J., 2008, p. 290) The student as a higher education consumer cannot address to an unknown institution. In fact, the promotion policy provides *introductory* information, which helps in making a first impression of a certain university and its advantages and that is why the youth must be encouraged to try. As regards *reminding*, this is necessary for determining students to act according to the institution's interest, especially when the offer is time-limited - for instance applying for a university's admission exam. (*Adaptation after* - Cetină I., Brandabur R., Constantinescu M., 2006, p. 206)

In higher education, **placement** refers to the way in which the academic offer must be distributed so as to exceed consumers' expectations, as well as to the virtual access to didactic materials, to the possibility of distance learning (Ivy, J., 2008, p. 290) and to the availability degree of study programs which must satisfy students.

Therefore, the 4Ps of the traditional marketing mix exert a powerful impact on the performance of the academic environment and that is why the potential consumers of education services pay a great deal of attention to these elements when making the decision of enrolling on the courses of a university. In what follows we shall present the 3Ps specific to the area of services.

## 2. The elements specific to the marketing mix in higher education services

The similarity of the academic activities to those in the field of services makes possible the consideration of another 3 elements specific to the marketing mix, such as: personnel, education processes and physical facilities.

In their activity, higher education institutions need a well prepared **personnel**, i.e. academic staff and related-academic staff, capable of doing their work at high quality standards. The academic success is associated with the personnel because consumers are constantly evaluating employees' quality based on the interaction with them. (Soedijati, Pratminingsih, 2011, p. 2126) At the same time, the academic success depends mostly on the personnel's quality and especially on its research performance, mirrored by the relevance of the published articles, books and different specialty studies, as well as by the participation in scientific conferences with the purpose of disseminating information.

*The higher education process* represents another element specific to the marketing mix in higher education services which enables the student to benefit from the chosen activities, contributing thus to the formation of his/her experience regarding what he/she is being offered. In these processes there is a direct, i.e. face-to-face, provider-beneficiary relationship. For education processes, especially for the teaching ones, to be at high quality standards, the university needs certain **physical facilities**, which in a higher education institution refer to the totality of tangible elements that contribute to the good development of the academic activities. (Soedijati, Pratminingsih, 2011, p. 2126) These are responsible for creating a first impression among students regarding the university when they enter for the first time the premises of the academic campus. In this context, the relevant elements are: the modern aspect of the building, modern equipment, various lecture and seminar rooms, a well-equipped library, different specialty laboratories, recreation areas, a gym and a cafeteria.

### Conclusions and propositions

By elaborating the present paper we have tried to improve the knowledge referring to the marketing mix which can be implemented in higher education services as prerequisite to jointly develop competitive strategies for higher education institutions. The 7 elements of the marketing mix in higher education defined by Kotler and Fox (1995): *programs, tariffs, location, promotion, physical facilities, personnel and education processes* were transposed by Ivy J. (2008) in the 7Ps specific to the field of higher education: programs, price, promotion, placement, personnel, processes and prominences. As Gajić J. (2012) points out "the main purpose of marketing in higher education institutions is that of defining the quality of the education system, of providing a market-orientation and services with social advantages in order to satisfy the education needs" (Gajić, 2012, p.30) existent in society. For the achievement of this desideratum it is necessary to develop the elements of the academic marketing mix, because these will ensure the success on a competitive and globalized market.

"The increasing costs of education and the increasing competition among higher education institutions both nationally and internationally force universities to adopt market-oriented strategies in order to differentiate their services from those of the competition in order to attract as many students as possible." (Butt B. Z., Rehman K.U., 2010, p. 5447) Therefore, the marketing mix strategies developed by universities' „differ from public universities to private ones, having a special importance within the second field." (Mainardes E.W., Alves H., Raposo M., Carvalho de Souza Domingues M.J., 2012, p. 57) That is why the promotional strategies "have a central place that help higher education institutions to become prosperous in a open and competitive environment" (Frölich N., Stensaker B., 2010, p.359) In this context, developing marketing strategies to help increase student

satisfaction in college years is a precondition for their retention within the future study cycles as "student retention is considered an indicator of their satisfaction" (Butt B. Z., Rehman K.U., 2010, p. 5447) and in general of the academic success.

Given these reasons, we conclude that in a business environment where only the strong survive, by developing appropriate marketing strategies, higher education institutions will be able to conquer the market and to captivate students, and also fulfill their mission - to prepare specialists in all fields, thus providing a superior education. In the end, high-quality education is reflected in students' professionalism.

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