

DEVELOPMENT AND IMPLEMENTATION OF RELATIONSHIP MARKETING PRINCIPLES IN ROMANIAN HIGHER EDUCATION ENVIRONMENT

Costel Iliuță Negricea
Emanuela Maria Avram
Raluca Cristina Eftimie¹

Abstract

The thirst for knowledge and the evolution of human society determines the development of marketing activities designed to discover the real needs of society, to intuit new needs and to satisfy them into profitable purposes. Internationalization of higher education is a consequence of globalization. Today, higher education institutions want to become bigger, to develop more and more research programs, to attract more students better prepared to cope with the continuously increasing competition coming from the foreign large universities.

Keywords: educational marketing, relationship marketing, quality, satisfaction, loyalty

JEL Classification: M31, M39

Introduction

The purpose of the present paper is to highlight the connection elements between relationship marketing - defined as “... *an organization function and a set of processes which creates, delivers and communicates value for customers and administrates long-term relationships with them, in the benefit from the organization and its partner*” (A.M.A., 2004, p.17-18) and educational marketing, seen in our opinion, as a new optical system of education at a national and international level, a new way to relate to the market.

Within any market, for any business, a marketing view offers us the perspective of giving base to any step of offering value by studying human behavior and organizational needs and searching the means of meeting their requirements in superior conditions and with a higher efficiency than competitors do. Providing value is a comprehensive process which requires all the resources of the organization and consistently involves a continuing effort to manage the relationship with the customer and the other components of the micro-organization.

In education things are similar. Educational institutions should act within the market starting from knowing the needs expressed within the social and cultural

¹ Costel Iliuță Negricea is Lecturer of Marketing at the Romanian American University in Bucharest. E-mail: negricea@yahoo.com

Emanuela Maria Avram is Assistant of Marketing at the Romanian American University in Bucharest. E-mail: emanuela.maria@yahoo.it

Raluca Cristina Eftimie is PhD student in Marketing at Academy of Economic Studies Bucharest. E-mail: raluca.cristina.efitimie@gmail.com

context of the individual and society and ending with the specific needs of the organizations. The individual needs to acquire certain knowledge and skills to be able to deal with actual labor market requirements. The educational institution as a provider of educational services, has to maintain relationships with the effective and potential education consumers and beneficiaries in order to ensure its continuity in a world where globalization process force you to use marketing activities designed to help you in the process of customer loyalty.

1. Long term customer relationships.

“The need to see the educational activity in a marketing view is determined by the similarities it has with the economic activities in the service field. In this sense, schools are placed in the position of environmental agents, their success or failure being ultimately determined by the degree of integration within it” (Smedescu, 2004, p.412).

The primary purpose of providing educational services is to anticipate current and prospective customers' needs for education and to produce intellectual satisfaction.

In today's world education institutions are increasingly oriented towards investigating the needs of society so that they can act as an intermediary between the carriers of the demand for education and labor market. Education appears as a very complex system that is designed to train individuals from an intellectually point of view in order to meet labor market requirements which have evolved a lot today. “It may be noted that school maintains marketing relationships with two categories of clients: on the one hand with the economic entities from the national economy, labor recipients who supply themselves with the specific human resources, in which the educational institution appears as a supplier of labor, on the other hand, students who supply with the necessary knowledge for a job. In this case school is a provider of education services” (Smedescu, 2004, p.412). The need for specialists in a particular represents the base of the demand creation. Thus it is important that various schools and universities to be responsive to market developments in order to change the bid in line with these changes.

Young people show great sensitivity to labor market when making the decision to invest in their training and to pursue a higher education institution because they easily feel the best professions in terms of both earnings and employment opportunities. In this context education and research are the means by which we build a new type of society.

Knowledge society, the computerization of education, sustainability, globalization and the European Union construction, problems of contemporary world and the gap between educational systems from Europe, countries in the Pacific and North America, the increased dynamics of labor markets, the multiplication of higher education providers and the increased competition both between universities and between universities and various agents in the socio-economic or cultural environment, have led to profound and multidimensional transformations at the level

of the European universities in order to increase their international competitiveness, which imposed a new thinking and designing the entire system of higher education” (Teodorescu, 2009, p.226).

Now more than ever, universities are using increasingly sophisticated means to attract top students by promoting a superior educational offer which fully meet the rapid changes in science, technology and labor market, focusing on building long – term relationships with educational services consumers.

So between educational marketing and relationship marketing there is a very strong connection, both putting an emphasis on lasting relationships. Relationship marketing focuses on establishing long term relationships with customers and keeping them, because experience has shown that it is much easier for a company to retain customers than to attract new customers. Long term relationships are based on an amount of knowledge acquired over time, experience and confidence gained from collaborative relationships with customers.

“Organizations that want to exploit the potential offered by applying the principle of relationship marketing calculates and monitor an extremely important indicator, *the customer value throughout the entire period of the relationship with the organization* (the client value during his “life” along with the organization as its suppliers). This value is calculated as the present value of the entire stream of profits generated by the client/ student relationship, taking in account a medium term or a long term. Practitioners often considered a period of two to five years to estimate the future value date. Estimating the monetary value of those units (VVi) can be achieved using the following formula:

$$VVi = \sum_{t=1}^T (Sit - CDit) - CMit \left(\frac{1}{1+\delta} \right)^t$$

where: i identifies the considered client; t (from 1 to T) is the time unit (month, year etc.); Sit are the goods brought by the client i (the sales of the organization to the client i); $CDit$ are the indirect costs associated to the client i ; $CMit$ are the marketing costs associated to client i ; δ it's the interests rate (the capital cost used to calculate the date net value)which correspond to the time unit t ” (Bălan, 2010, p.38)

2. Satisfaction – a primary component of the higher education system

University as part of the educational market should not be content only with funding tools to attract the student as a supreme aim of its existence. The work of these culture and education institutions must be much broader oriented to the satisfaction audience.

Through student satisfaction we can understand a sum of activities and processes of integration into the socio-economic dynamics through which the educational institution provides a proper environment for the mental, cultural and professional development of the individual, through selection, a curricula adapted to specific market demands, teaching staff and quality educational services, vocational counseling, skills development for the assertion of the individual creative personality

adapted to the various areas of specialization, continuous improving of the brand of the university, personalized relationships, post graduation relationship management. It is possible that this satisfaction will be conscious by the student after graduation, in the labor market, its recognition being even more important. But between the current and later perceived value, the value offered and perceived by the current student will determine his retention in the same institution in master and doctoral cycles, and the attraction of other education consumers. Student satisfaction appears as the main goal that guide the work of a higher education institution to adopt the most effective strategies to assure maximum success.

“The psychosocial climate of the courses and seminars is a major landmark in student satisfaction. The professor involves in teaching with his entire personality, he is emotional investing, he shares his cognitive and life experience with his students, establishes certain relationships with them. These relationships depend on his structure, personality, his style of leading the educational activity, his individual features and on the group of students” (Turtureanu, 2003, p.35). It is necessary that the teacher know his students in order to induce them the competition spirit, selflessness, to develop a personalized relationship with each student individually, and to encourage them in being partners into the knowledge process, because they are motivated by these elements. *“Students should not be considered to be an object of educational action, but one of its topic, active participants in their own development. The teacher will sow the idea that they both have to learn continuously to meet the educational requirements”* (Turtureanu, 2003, p.37).

Student satisfaction comes from the quality of the educational act, the high level of professional training of teachers staff, the quality of the material base, but also from his personal qualities, acquired during the previous years of study, because the quality of each cycle depends decisively on quality of previous cycles. “Customer satisfaction occurs when expectations were met. Reaching the maximum level of satisfaction leads to *customer enthusiasm*” (Schüller and Fuchs, 2004, p.209).

Thus we can say that university educational marketing involves a system of activities focused on the satisfaction of its students and anticipating their requirements having a strong resemblance with the relationship marketing which is oriented towards satisfying customer needs at a higher level and to retain and create a long lasting relationship with them. In the activities based on relationship marketing, customer satisfaction comes when he is satisfied with the goods or services acquired from a firm this leading to *preference*, meaning that state of wanting more and more to work with a firm because it meets a lot of his expectations. Educational marketing also involves investigating the education consumer behavior, innovative ideas and develop predictions about the evolutionary trends of the educational market, as the relationship marketing targets the investigation of the consumer’s behavior, its influence factors and the roles that each person has within the consuming process.

To keep your customers, it is necessary to make them happy with the goods or services you deliver, that's why relationship marketing emphasizes customer satisfaction as educational marketing targets the educational consumer satisfaction.

In education it is important that both the student and teacher to understand that *“learning is not an objective transmission from one holder to a recipient, but bidirectional development, a concerted transformation of a master who is confirmed as such leaving his disciples to affirm the value, and a disciple who wants to become master itself. There isn’t only an exchange of services, but an evolution in the destiny of those who are involved”* (Popescu et. al., 2004, p.4). To ensure the quality of education it is required a periodical review of the analytical programs, encouraging student to work throughout the semester by various methods such as assessment tests, tutorials, case studies, checking the presence of students - all leading to an increased work efficiency.

Measure the quality of education will be fully evaluated by the student only after graduation, but before that happens we consider highly important that for the teacher to develop empathetic relationship with the student by which he will understand the attitudes, feelings, students' personal experiences, all of this enabling communication and contributing to higher performance through sharing so different emotions or states, teachers becoming in this way accomplices in the further training of those whom they guide.

3. Evaluating the relationships with the consumers.

Like an educational institution, we consider also that in a company it is necessary a regular evaluation of the customer database, encouraging the work of staff through various incentives in order to enhance work efficiency and thus to ensure a better relationship between employees and customers.

“Relationship marketing involves establishing *personalized relationships* with customers to gain their loyalty” (Preda et. al., 2009), as educational marketing involves creating a *personalized relationship with students* so that both student and client to feel they are the focus of the organization, to feel important for the company or for the institution with which they work, in this way increasing the trust and loyalty. Also in relationship marketing the measure of quality will be evaluated based on the customer and employee relationship and also based on the good or service provided.

The satisfaction status of a customer does not always mean a higher quality of goods or services supplied by a particular company because there are many customers who are satisfied with less. Therefore, quality evaluation is made by researching the satisfaction of many customers from different backgrounds and different income so that error to be minimal.

Relationship marketing requires a completely different approach of the relations with business partners and primarily those with customers, from the classical manner, based on ties of immediate advantage (opportunity time). From the classic *“Make and Sell Marketing”* we reach to *“Sense and Response Marketing”*, said Ph. Kotler (Kotler et al., 2002, p. 26). A keen understanding and anticipating of the customer long term needs takes place of the main effort of expanding the market based on a quantitative increasing supply and number of buyers (Pop, 2006, p.35). This classical sale - purchase relationship is replaced by a longevity partnership between trade partners based on trust, respect and effective collaboration.

The trust and satisfaction generated by business relationships with a partner represents premises in the process of creating its attachment to the organization with which he is developing those links (Pop, 2006, p.37). The professor Grönroos says about relationship marketing that it is “... *the process of identification, stabilization, growth and if necessary, end of the relationships with customers and other stakeholders, so that the objectives of all parties involved are met.*” (Grönroos, 2005, p. 101).

In educational marketing and also in relationship marketing, the consumer becomes the nucleus around which all marketing efforts revolves, because it is seen as a source of profit for any institution. “Private universities in the U.S. are a good illustration of this principle. They attempt to create a *single relational culture* that links the university students and graduates with the institution they are studying or have studied” (Pop, 2006, p.40). This thing highlights the similarities between relationship marketing and educational marketing which aims to establish personal relationships with education consumers in order to know them better, creating in this way the possibility to discover new needs that can be answered in the shortest time.

4. Consumer loyalty

As in the case of educational marketing, “relational marketing focuses on attracting, retaining and regaining the lost customers. In essence, each organization must make simultaneous actions in order to attract and retain customers, but investing a different amount of resources in each of the two areas, depending on the life stage of the organization, product / brand and market” (Bălan, 2007, p.39).

To retain customer is needed a lot of involvement. Customer retention is the result of a process that creates a long term relationship with the customer and which leads the customer to a stage of real preference for the company. Preference is the result of an intense collaboration, following which the customer is satisfied with the services rendered. A previous step in gaining students loyalty within the framework of educational marketing or clients loyalty in the case of relationship marketing and also for the implementation stage is the attachment for the institution. The attachment for the organization, product or brand, needs a certain change in customer's behavior through different ways of making them feel important for the organization. Loyalty programs for student or for a client involve a number of activities such as providing quality services, integrated communications and brand which maintains its value on the market, providing support services around products basic, exploiting feedback, use of cooperative strategies, offering bonuses or recognition of loyal consumers and of their merits. Customer retention is a complex process that requires coherent action plans from period to period.

Education institutions in Romania can build consumer loyalty programs through continuous quality improvement of the educational offer, by offering competitive advantages to the graduates. In a changing educational market, in an increasingly competitive environment of the educational institutions must differentiate themselves by consistently provided valuable to the audiences and others groups of interest.

Conclusions

By the above we can say that between relationship marketing and educational marketing there is a strong connection, as both focus on building long – term relationships, proximity to customers, quality and satisfaction, an efficient communication, retention of clients and students and their attachment and loyalty, as customers for a company and students for an university are the engine that ensures the continuity and prosperity of the institution.

We consider important for any organization to put in the center of its activity the client, as well as any university should put the student in the spotlight of its activities, in order to ensure superior value for the consumers and society as a whole. Peter Drucker argued that “*marketing is so important that it can not be treated as a separate function*”, considering that it represents” the “*whole business seen from the viewpoint of the end result, the customer's perspective*. “.

Educational marketing as well as relationship marketing must adopt an ethic and social orientation heading to high quality and satisfaction standards for the consumers, creating also a new development perspectives by adopted a new work style based on an increasing confidence.

REFERENCES:

1. Asociația Americană de Marketing în Revista “Marketing News”, publicație A.M.A., 15.09.2004, pag. 17-18
2. Bălan C. – *Atragerea, retenția și recâștigarea clienților: priorități de marketing relațional*, Revista de Marketing Online Vol. 1 Nr. 3, p. 38-47
3. Grönroos, Ch. (2005). The relationship marketing process: communication, interaction, dialogue, value, în *Journal of Business & Industrial Marketing*, vol. 19, no. 2, p. 101
4. Kotler, Ph., Jian, D., Meesincee, S. (2002). *Marketing Moves*, Boston, Harvard Business School Publishing Co
5. Nedelea A. – *Marketingul Educațional*, ROCSIR, Revista Română de Studii Culturale (pe Internet), 1-2/2002, pag. 96-115
6. Negricea C., Dumitru N., Edu T. - *Between Hope and Reality. The Role of Romanian Universities in Student-Employer Relationship*, Holistic Marketing Management, Vol.I, Issue 1, 2011, p. 66-74
7. Pop A.N. – *O noua paradigmă în marketingul contemporan: Marketingul Relațional* - <http://www.managementmarketing.ro/pdf/articole/21.pdf>
8. Popescu S., Bratianu C., Atanasiu G., Rusu C., Oprean, C. Curaj A., Buzărnescu S. – *Ghidul Calității în învățământul superior, Proiectul CALISRO*, Ed. Universității din București 2004, p. 4 - <http://ace.ucv.ro/calitate/GhidulCalitatiiInInvatamantulSuperior.pdf>
9. Preda O., Avram E., Furdie I.,(2009) - *Relationship Banking Marketing and its implications on Piraeus Bank*, Romanian Economic and Business Review, Vol. 4, No. 2, p. 95

-
10. Preda O., Ivanescu I., Furdui I. - *Self Service Technologies Speak For Themselves*, Romanian Economic Business Review, Romanian-American University, vol. 4(1), March, 2009, pages 11-17
 11. Schüller, A.M., Fuchs, G. (2004) - *Total Loyalty Marketing*, 2 Aufl., Gabler Verlag, Wiesbaden, p. 209-210
 12. Smedescu I. – *Marketing* – Ed. Universitară, București 2004, p. 412
 13. Teodorescu L. – *Învățământul centrat pe student – Reper principal al procesului Bologna* - Buletinul AGIR nr. 1-2/2009 aprilie-septembrie, p. 226
 14. Turtureanu M. – *Studentul – partener al profesorului în activitatea educativă*, ROCSIR, Revista Română de Studii Culturale (pe Internet), 1/2003 - http://www.rocsir.usv.ro/archiv/2003_1-2/4Monica2003.pdf, p.35
 15. Vintanu N., *Educatia universitara*, Ed. Aramis, Bucuresti, 2001, <http://www.cepes.ro/>