MARKETING MANAGEMENT OF A NON-PUBLIC UNIVERSITY
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Summary

2005 was the peak year for the university sector. Nearly 2 million students attended Polish universities, and the favourable trend has continued uninterrupted for 15 years. Such a high demand for knowledge also resulted in a strong growth in the number of universities. However, since 2006 the number of students has begun to fall, and taking into account the demographic data it should be assumed that this trend will continue in the years to come.

Research conducted for the Ministry of Science and Higher Education indicates that the methods of university management in Poland are outdated in comparison with global solutions. This is because research is centred around scientists, and not geared towards expectations of the students. In light of unfavourable demographic trends, and thus increasing difficulties of the universities to remain in the market, it should be expected that university authorities will have to focus on market expectations to a greater extent than today and will have to focus on development of skills of marketing management. Although this situation is also partly true as regards public universities, this article takes into account mainly the perspective of private universities.

The aim of this article is to present the possibilities and barriers to building a strong competitive position of universities in the sector. The scope of considerations presented in this paper covers issues of strategic management of a university, marketing and aspects of university personnel management. This article is developed on the basis of available literature, reports, more than a dozen years of work experience in a number of private universities in Poland and on the basis of the author's research performed in order to prepare marketing strategies for such universities.

Key conclusions of this article are as follows:

- Universities should pay more attention to the importance of strategic planning
- In determining management priorities, universities should take into account to a greater extent the point of view of the customers, namely the candidates and the current students
- The key activity of strategic importance to the university should be to build a strong image of the university and to develop teaching skills of lecturers.

Keywords: client, consumer, marketing, non-public university, personal relationship market, student, marketing management, personnel management
Introduction

The situation of the higher education sector in Poland, both as regards private and a large part of public universities has not been more critical over the past 25 years. The shrinking market of candidates could threaten the existence of even half of the existing universities in Poland over the next 10 years. The fight for survival will have to be based on skills in acquiring students.

However, as the show reports, university management skills, including marketing management skills lag behind the professional practices of the best companies.

The purpose of this article is to demonstrate the areas which could be improved by private universities in Poland, areas which could strengthen market position of the universities. This article has been prepared mainly on the basis of the available reports and author's own experience.

Changes in the higher education sector

Rapid development of higher education in Poland started in the early 90s. The number of students at that time was around 400,000. Over the next decade, new institutions were created and the number of students increased quickly. The peak moment of development of the sector was 2005, when the number of students at Polish universities was close to 2 million. By this time it was difficult to talk about real competition among universities. Currently, Poland has 460 universities, including 328 private universities, which have to compete for the number of students which has been dwindling by few percent each year, and which is currently less than 1.8 million.\(^1\) It can be assumed that the negative trend will continue over the next years. The number of adolescents at matura examination age in 2002 was around 700,000. By 2020 this number is to fall to around 350,000 (i.e. by 50%!). Today, it is difficult to say whether this trend means inevitable elimination of approximately 200 universities over the next 10 years. However, taking into account the above data, one can safely assume that the next 10 years will be a critical period for the universities, with fierce elimination of the weakest ones. Moreover, it can be assumed that for the sake of survival, universities will intensify their marketing activity to a much greater extent, and will be forced to develop management skills in a broader sense.

It is worth noting that the higher education sector is a relatively stable and predictable sector of the economy, thus improvement of the university management methods does not require introduction of revolutionary changes. To illustrate this situation and outline the reference point, the following example can be given:
The oil industry holds relatively few surprises for strategists. Planners know [...] that global supply will rise and fall as geopolitical forces play out and new resources are discovered and exploited. They know that demand will rise and fall with incomes, GDPs, weather conditions, and the like. Innovations and new companies in the internet software industry pop up frequently, seemingly out of nowhere, and the pace at which companies can build-or lose-volume and market share is headspinning.² Often, a small IT company with an innovative idea can change the rules of the game in the industry.³

Management of a university is certainly not an easy task. However, given the scale of the oil industry — the IT industry, the education sector is definitely closer to the companies operating in the predictable oil industry than the revolutionary software industry. The number of competing universities is basically constant, the barriers to enter the sector are very high, the number of potential candidates is predictable for the forthcoming years, and the customer who becomes a student provides the university with secure income for the next 3–5 years of studying, because speaking Porter's language, there are high psychological costs of switching the provider (i.e. the university) for the student.

Thus, taking into account environmental factors, it should be considered that universities operate in a relatively stable and predictable environment in which the main market challenge is the decreasing number of candidates.

**Strategic management of a university**

In 2009, a report commissioned by the Ministry of Science was prepared as regards diagnosis of the state of higher education in Poland. It was prepared by Ernst & Young and the Gdańsk Institute for Market Economics. It is one of the most concise, very to the point documents, that is generally accessible and which describes the current state of management of Polish universities. The report discusses, among others, the strategic management skills and preparation of strategies by the boards of Polish universities. It reads: “The great challenge of managing an autonomous university to precisely define its mission, develop a vision for the future and forge it to a thoughtful and feasible realistic strategic plan. Most universities do not have such plans, because the university authorities are either unable to prepare them or, even worse, do not feel the need to have them.”⁴ It is rather a sad picture of management skills of Polish universities, even more so as this report refers to, inter alia, business universities whose goal is to teach good management practices. The report also emphasizes that although some
universities try to have documents which describe their strategies, still, the report finds that their level is rather low, i.e. it does not meet the conditions that would allow the plan to become a real management tool. The strategies have usually been implemented by the universities which had to prepare such a document to acquire EU funds — because that was the requirement of the application, which had to be filled out in order to apply for the funds.

Another evidence of marginalization of the importance of strategic management, according to the authors of the report, is the analysis of reports that the vice-chancellors have to submit at some universities. The reports demonstrate that the vice-chancellor rarely mention the university’s strategy, which is evidence that the importance of strategic management is rather low, because it is not the subject of attention of the highest authorities of universities in the official annual reporting documents.\(^5\)

Similar conclusions can be found in the report prepared by the World Bank. “Management in the higher education sector is rather outdated and proves that there is no recognition of the importance of setting goals, selecting priorities, creating incentives or verification of implementation of the objectives set.”\(^6\) The report also indicates improper method of selecting university authorities, where the priority are frequently scientific achievements of the candidates instead of the substantive knowledge of institutional management. Although this document is five years old and no other document of similar importance has been prepared since, nothing indicates that the philosophy of university management could have radically changed in Poland over that time.

**Barriers to marketing management of a university**

Marketing management is the process of planning and implementing ideas, shaping of pricing, promotions and distribution of goods, services and ideas that are to lead to an exchange that meets the expectations of the target groups of customers of the organization.\(^7\) In contrast to management focused on the production or even the sales, marketing management refers to the way of thinking and operations of the organization which is focused on the customer. The aim of marketing management is to provide the customer the greatest possible value from the products and services of the enterprise, and thus to gain their loyalty and consequently, the profit. It is difficult to imagine the possibility of survival of an enterprise operating in a competitive market that underestimates the importance of customer expectations.
Efficient marketing management requires identification of a clear purpose, definition of priorities, development of a clear organizational structure, clear communication of expectations and making of efficient decisions. With a system operating in such a manner, the customer can be delivered value and customer expectations can be met at the right level.

There is usually a fairly clear division of roles and tasks in a commercial enterprise. The management determines the direction of development of the company and sets priorities, managers implement assumptions made by the authorities of the company, using their subordinates. All business units, at least in official statements, implement a single mission that is to provide high value products and services to the customer. As far as private universities go, there is a clear dissonance between academic staff and university management in terms of identifying key priorities which should be followed by the university. The attention of the academic staff is mainly focused on scientific issues. Here, the key criteria for assessing the quality of the university are the number of publications issued under the auspices of the university, the score of the periodicals published by the university, names of full-time professors, or the quantity and quality of scientific conferences endorsed by the university.

Meanwhile, authorities of private universities cannot ignore the importance of the annual recruitment of candidates, who provide the university with funds to cover costs and its development. Therefore, in order for the university to survive and thrive, it must satisfy expectations of the customers. From the point of view of the candidates, the criteria which are the priority among the academic staff, usually have no importance for high school graduates. Studies which were conducted by the author at three private universities in order to prepare the marketing strategy of the newly introduced curricula demonstrated no direct link between the scientific activity of the university staff and results of the recruitment process. Focus research conducted on first year students showed that no student considered scientific activity of the university when looking for information about the university. It is common knowledge among marketing personnel of universities, who in the promotional materials usually ignore scientific achievements of their own universities, unless these are spectacular achievements well covered by the media.

This significant difference between the perception of the key priorities for management of a private university between the academic staff and the management creates the first management barrier.

The second barrier is associated with communication issues. In addition to
delivering classes and research activities, the academic staff perform organizational functions at universities, including managerial functions. It is known that efficient communication between tiers of management and effective delegation of responsibilities is a condition necessary for the effective management.

The factor that can not be ignored in the deliberations on the university management is the organisational culture that is peculiar to the academic environment, with a deep-rooted authority of the degrees. This directly translates to the issue of communication, decision-making and “being right” in the debate. A higher academic degree is usually more right than the lower degree in discussions in the academic circles. In such a situation it is very difficult for a PhD to push their opinion if the professor thinks otherwise. Thus if the superior in the organizational structure of the university supervisor is an employee with a degree lower than their subordinate, communication and giving instructions is not only difficult but sometimes impossible.

The third management barrier is conditioned by conflicting organizational roles. The best example is the dean, who formally is the superior of the head of the department. At the same time the dean is a member of the department, or in fact a subordinate to the head. In other words, official relations between such positions are ambiguous, and thus one function's ability to decide and influence another function is limited. If the dean is an employee with a PhD degree and the head of the department is usually a professor, the difficulty of official relations deepens even more.

These three barriers are not the only ones that make it difficult and often impossible to copy proven methods of management in commercial enterprises and transferring them to the university. In enterprises, the management board may decide autocratically or transfer decision-making powers to mid-level managers, may punish employees for improper execution of instructions, and require them to develop in the direction preferred by the company. In the academic circles, the nature of relations among employees is somewhat “softer”. The ability to impose the will by the superiors and transferring decision-making powers to subordinates is limited. Punishment for mistakes is not accepted as appropriate, and influencing the direction of development of a researcher is perceived as violation of their autonomy.

Therefore, marketing management of a university can be implemented efficiently only in those areas where researchers are not directly involved. These include
administrative, financial and marketing units of the university. The problem is that university staff play the key role in creating and delivering value to university customers.

**Expectations of the customer (student)**

Some of the information most desired by marketing departments is the criteria used by potential customers in making decisions on choosing a company or a product. Most universities study the reasons why students chose a particular university. The most frequently repeated are:

- opinions of current students studying at the university
- information about the university found online
- university ranking
- location
- experience of contacts with recruiters
- price

Authors of the research also stress that the candidate is not the kind of acute analyst and would rather not take a decision on choosing the university on the basis of methodically collected information. This is firstly due to a fairly ambivalent attitude of high school graduates to choosing the university, and secondly to the lack of a real possibility of assessing the relevant criteria, such as the quality of curricula, and thirdly poor availability of detailed information. Thus, the candidate who would like to thoroughly analyse the quality of education at the selected university has only certain general information available, such as rankings, university website and opinions of fellow students that may be found in person or online. In other words, as regards universities with courses of interest to the candidate, the candidate usually makes their decision on the basis of the price and opinions heard about the university.

It should be mentioned that the place in rankings is important only to those students who are interested in studying at prestigious private universities, which is usually more expensive. For candidates targeting mid-range universities, rankings are not that important. Because of the significance of these criteria for further considerations, they are shown in the figure below.
Figure 1. University selection criteria applied by candidates

It is also worth noting that although recruitment for the next academic year usually starts in June, most admissions take place in September, often in the second half. This means that even such an important life decision is left by the candidates at the last minute before the end of the recruitment process.

Building a university brand image

University reputation is basically another name for the concept of the brand. According to the classical definition by Kotler, brand is "name, symbol, design or combination thereof used to identify the goods or services of the seller or their groups and distinguish them from the competition". However, this is a narrow definition of the term, which refers more to the visual trademark. Here, the concept of the brand will be understood as "all the subjective perceptions and knowledge of reality that has been created as a result of perception of the impact of the media." It should be noted that the brand image is affected not only by actions of the company and facts, but also rumours and popular opinions created by customers, the media, the Internet and competition. Therefore, to a certain extent, each organization can influence how its brand is perceived from outside.
Three main sources affect building the brand image of a university or shaping impressions and opinions desired by the university in awareness of the public:

1. opinion of current university students
2. market opinion and
3. rankings

Ad 1) Opinion of current students — it is affected by four basic factors: infrastructure of the university, the dean's office service standard, activities and events organized by universities for the students and attractiveness of the classes:

- Infrastructure is the overall appearance of the building and premises of the university — the halls, corridors, lecture theatre, cafeteria and technical equipment, including its quantity, condition, and availability, for example computers, library resources or the quality of the Wi-Fi connection.
- Dean's office service standard — its quality is assessed through the prism of staff politeness, readiness to offer help and the time needed to perform activities important from the point of view of the student. What is characteristic for this factor is that students are unlikely to recognize high standards of work of the dean's office, but any drawbacks will be noticed and will become the object of their criticism and negative PR.
- Actions and events — these include cultural, artistic or sports events for students, as well as conferences, contests, competitions, scientific circles, student magazines, etc.
- Attractiveness of classes — this encompasses the general level of culture and knowledge of the lecturer, relations built by the lecturer with students, ability to conduct classes using active methods and credit requirements. Requirements of the lecturer do not have to be low for the lecturer to be well perceived by the students, however, the requirements must be seen as fair.

Ad 2) Market opinion — the result of PR actions of the university, promotional activities, clarity and content of information on the website, comments on social networks, information in the media regarding participation of the university in events, interviews with academic staff and students, and the like. In other words, market opinion are commonplace comments, rumours and bits of information about the university known to the local community.
Ad 3) University rankings — in reliable magazines, such as Perspektywy, Wprost, Polityka, Newsweek, which are important in marketing terms only for the top universities in this ranking. For further places, students do not pay attention to rankings.

Again, it should be stressed that the number of scientific publications, including publications in the leading periodicals valued by the academic staff, opinions of the State Accreditation Committee on the university, or the quantity and quality of degrees of university staff is virtually of no importance to prospective students — in so far as these matters are of no interest to the media. These factors are however important to the university to build university position in the rankings.

The structure of basic dependencies which shape the opinion about the university is presented below.

![Figure 2. Structure of sources for creating opinions about a university](image)

**Brand positioning**

Taking care of the good and satisfaction of the student, organization of cultural, artistic or sports events, participation in contests, promotion of such activities are things necessary for the university to build a strong image. However, these actions are not sufficient. The fact that an organization is active in marketing terms does not automatically mean that it gets the attention of customers, or that it builds a strong image.

The aim of the board of the university which follows the principles of marketing management should be such shaping the image so that it can acquire a distinctive identity which makes it stand out from the competition in the eyes of the customer.
To quote Dostoevsky: “There is nothing so annoying as to be fairly rich, of a fairly good family, pleasing presence, average education, to be “not stupid,” kind-hearted, and yet to have no talent at all, no originality, not a single idea of one’s own-to be, in fact, “just like everyone else.” In order not to be like everyone else, a university has to make an effort to position its brand. Positioning is deliberate designing of associations of names and symbols with certain benefits. It is creating a stereotype in the minds of customers.

When analyzing promotional materials of universities in Poland, one may notice that the majority of universities, if they reflect on the concept of building the image at all, they tackle this subject in a similar way. The universities want to present themselves as universities with a high standard of education which allows the students to find a good job after graduation. It is the most natural image of a good university, but it blurs and fades when all universities in the region promote themselves in the same way.

If a university wishes to build a strong image among the customers, it has to promote such an image of itself more aggressively than competitors or look for another, different but similarly catchy and persuasive message. Examples of strong brand positioning may be associated with specialization of the university and its cultural difference, e.g. Polish-Japanese Institute of Information Technology, or relations of the university with business and practicalities of teaching, for example Impac University from the US specializes in teaching practical knowledge of management. The best proof of credibility of its curricula is the Impac-Systems consulting firm established by the university, whose offices are located in 60 countries around the world.

The range of capabilities for distinguishing the university is significant but certainly not unlimited. The key to success is, however, consistent and long-term marketing policy of a university that builds a clear image.

Creating student opinions of a university

As argued above, studies demonstrated that the opinion of current students is the most important source of spreading information and forming opinions about a university. Student opinions are “distributed” in the market, both in private contacts with high school graduates and through significant activity of this group of young people on forums and blogs online. “Management” of student opinions should be the main goal and challenge of university marketing management.
A student forms their opinions about the university on the basis of a variety of factors. Students participate in classes and evaluate them, use services of the dean's office and comment on the behaviour of employees, spend time in the cafeteria discussing the taste and presentation of food, wait for the next class in the corridors watching the state of the walls and floors and discussing the quality of Wi-Fi. Several times a year, students have the opportunity to participate in events organized by the university, such as the winter prom, official awarding of diplomas, conferences or scientific circles. However, 80–90% of the time which a student spends in the walls of the university is associated with classes in lecture halls. It is therefore difficult to find a more important source of formation of opinions about the university than teaching activities and relations with the lecturer. For this reason academic staff are the key resources for universities in implementation of the marketing management policy.

Opinions of students on classes are mainly affected by the very subject of these classes. Most students will prefer light, discussion-provoking subjects instead of subjects that require concentration and deeply analytical thinking, such as mathematics, statistics or logic. The curriculum, however, is largely determined by ministerial requirements and specializations of the academic staff; it is difficult to look for solutions that facilitate opinion forming among students in this area. Besides the technical content, forming of opinions is influenced by the personality of the lecturer, their ability of clear and interesting presentation of the issues discussed and the methodology of conducting the classes, which can be dominated by lecture, which is in fact the least effective form of teaching, or activating methods. To put it synthetically, the key to building an opinion on classes is the climate of classes and relations which the lecturer is able to build with the student.

In any well-managed company that actively fights for the market, the issue of relations and customer service is an essential subject for the management board. Meanwhile, the matter of building a relationship between the lecturer and the student, the art of teaching, the art of shaping the minds of young people that is crucial for the world of science is one of the subjects that is least addressed by academic staff and the university managers. In a sense, it is a taboo subject, and any attempts to address this issue end in a casual response and quick burying of the topic.

The issue of the quality of teaching is one of the toughest challenges which the university boards face or in principle should face. This area shows the difference between managing a university and managing an enterprise very well. An employee, manager or even director of a company is part of a system the purpose of which is to deliver value to the customer in the form of a product or service. Usually, a problem
occurring at one workstation affects the effectiveness of another related workstation. For example, a delay in implementation of the tasks by the graphic department results in a delay in preparation of an advertising catalogue supervised by the head of marketing, which in turn affects the work of the sales department, which cannot effectively sell the new product of the company. These delays are usually quickly noticed by the decision makers who are tasked with taking corrective actions. This task takes the form of admonitions, reward systems, training as well as threats. In this way, efficiency of work is permanently monitored and corrected.

Meanwhile, work of a teacher with a student is considered to be an area almost intimate in an academic environment, and any attempts to interfere with it by university authorities are considered to be frustrating and undesirable. In some situations, these may lead to tension and conflict. Moreover, attempts to introduce measures aimed at development of teaching skills, such as mandatory training, are recognized in the environment nearly as a manifestation of “mobbing”. In a certain university where the author of this paper worked for several years, authorities tried to introduce training for academic staff in teaching based on activation methods. Unofficially, this curriculum was the subject of ridicule, and staff resistance was so great that after a few years the university decided not to continue the idea.

Now, a question should be asked. Given such strong resistance to change attitudes of the teaching staff, should the university resign from implementation of curricula that develop the teaching skills and building of relations between the staff and the students? If not, what can be done in the face of these difficulties to achieve positive results?

The author of this paper believes that achievement of any changes in this area requires a thought-out and long-term concept of action. The first step would be to prepare a programme to support the academic staff in development of their teaching skills. The concept of this programme should take into account the opinion of the teachers. Another factor in the success of the programme is selection of a coach. It has to be someone who, with their skills and personality, is able to win the respect among the academic staff, which is not a simple task. The third key element is selection of staff to be trained. Employees with a PhD or a higher degree should participate in such training on a voluntary basis. They should be encouraged by the authorities but not forced to participate. It must be assumed beforehand that staff with high degrees will not be the dominating majority among the participants. Training should be mandatory for all the assistants. The recruitment condition for young assistants after graduation should be to pass an exam on the teaching skills.
This programme would have to be long-term because its actual effects for the university would be noticeable after 3–5 years of its implementation. What is more, this programme could be successful only if participation in training, evaluation of the training, analysis of the progress would be subject to monitoring by the university authorities and an element of the motivation system. Meanwhile hardly any university pays attention to the skills of the teaching staff and the teaching staff motivation system basically does not exist in the sector. So far, no industry standards have evolved in this area.

Summary

Management of a private university is not an easy task despite the fact that changes in the sector are relatively easy to predict, the customer is not particularly demanding, and when the customer becomes a student, they remain in the same university for years and provide it with stable revenues. The main challenge for the authorities is therefore to win as many students so that university can thrive and develop, given the declining number of candidates in Poland each year.

By 2005, the higher education sector continued to grow. The number of universities and candidates increased. Most universities had no problems with finding students. Universities did not have to learn the sophisticated marketing skills to gain customers. However, since 2006 the number of candidates has been falling, which will undermine the legitimacy of existence of many universities in Poland. Universities that wish to survive must develop skills to acquire customers, in other words, focus on marketing management. Since the main criterion for selection of a university is common perception of the university, the formation of this opinion, or brand building, is becoming a key challenge for the sector. This article attempts to demonstrate that the key method of building an opinion on the university, besides quite well-developed promotion skills in the sector, is the development of teaching skills by the academic staff.

Thus, the most important tasks faced by managers of private universities include:

- Paying more attention to the importance of strategic planning
- In determining the management priorities, expectations of candidates and students should be taken into account to a greater extent
- More attention should be paid to building a strong image of the university and to development of the teaching skills among academic lecturers.
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3. For example, Linux operating system, popular with programmers and replacing the popular Windows from Microsoft, which was developed and promoted by one man, Linus Torvalds.
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