



MARKETING HIGHER EDUCATION IN INDIA: AN INTEGRATED APPROACH

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Abstract

Globalization has brought about a tremendous transformation in almost all aspects of life. Education especially higher education has also seen and is continuing to see drastic changes due to globalization. This paper discusses the challenges faced by the Indian Higher Education in the era of globalization where knowledge is increasingly a marketable commodity that moves between countries. The paper outlines an integrated model of marketing suitable for higher educational institutions so as to enable them to gain competitive advantage. The components of this model must creatively and innovatively work around the traditional factors like product, price, promotion, place, people, and physical evidence, so as to give the institution the competitive edge. The paper highlights that the need of the hour is to effectively combine educational programs which offer value for money, delivered by quality staff as per the convenience of students coupled with tangible factors like infrastructure and all of this to be effectively communicated to prospective customers through promotional strategies. It is proposed that such an integrated approach to marketing can help higher educational institutions to develop competitive advantage and survive and thrive in the globalised education market thereby resulting in economic gain to the country.

Keywords: Globalization, Competitive Advantage, Marketing, Higher Education, Excellence.

INTRODUCTION

Globalization as an all-encompassing phenomenon has brought about a tremendous transformation in almost all aspects of life. Globalization has revolutionized the very thought of space and time, shrinking the both to an unbelievable magnitude. The enormous growth in the technologies of communication and transport during the later decades of 20th century has miniaturized the globe, facilitating real time interactions among people poles apart and mobility at an incredible speed. Globalization associated with Liberalization, and Privatization has been a major force for social, economic, political, and cultural development around the World. This has created a situation where in the economy of every country is impacted, if not linked, with those of countries surrounding it and around the world. Education especially higher education has also seen and is continuing to see drastic changes due to globalization.

IMPACT OF GLOBALIZATION ON HIGHER EDUCATION

In the present era of globalization knowledge is increasingly a commodity that moves between countries. In the globalizing economy higher education has featured on the WTO agenda, not for its contribution to development but more as a service to trade in or a commodity for boosting income for countries that have the ability to trade in this area and export their higher education programs. So governments have increasingly come to realize the key role of higher education in global national positioning, creation of national wealth and welfare and attracting significant foreign exchange. In global knowledge economies, higher education institutions are more important than ever as mediums for a wide range of cross-border relationships and continuous global flows of people, information, knowledge, technologies, products and financial capital. Not all universities are (particularly) international, but all are subject to the same processes of globalization partly as objects, victims even, of these processes, but partly as subjects, or key agents, of globalization (Scott, 1998, p. 122). Even as they share in the reinvention of the world around them, higher education institutions, and the policies that produce and support them, are also being reinvented.

Higher education is of paramount importance for economic and social development. Institutions of higher education have the main responsibility of equipping individual with advanced knowledge and skill required for positions of responsibility in every sphere of human life. Today institutions of higher education exist and function in an environment characterized by economic interconnectedness, market economy, consumerism, and global interconnectedness via the information technologies, particularly the internet. With the liberalization and globalization of the Indian economy, it has grown at a faster pace which in turn led to the increase in demand for access to higher education. Since globalization will not disappear but will continue to predominate, the opportunities that it offers must be seized by higher education. (Stiglitz, Joseph E., 1999). Universities, which are essentially knowledge providers, can no longer function as cottage industries in such an environment rather they have to constantly evolve (Simbar, 2008)



HIGHER EDUCATION: THE INDIAN SCENARIO

In the globalized world Indian higher education is at cross roads due to several reasons. India was one of the first colonial States and therefore one of the few privileged countries to have access to both spoken and written English, as an integral part of our education. Unfortunately however, absence of focused efforts by successive governments, both at state as well as the centre has resulted in India losing first mover's advantage. Secondly, teaching as a profession, though considered noble, has failed to attract good talent. This is primarily because educationists and academicians have always been among the most neglected cadres in the country both in terms of monetary compensation as well as recognition. The salary structure of Indian academic community is nowhere comparable to those of their counterparts in Europe or United States; in fact it has been one of the lowest in the country even by standards of public sector. Finally, though India can take pride in terms of the best professional educational providers by way of IITs and IIMs in global parlance, the general standard of higher education (University higher degree or Ph.D.) needs a substantial facelift as significant mediocrity has crept into the system.(Sengupta and Parekh 2009)

The advent of GATS has led to the need to have a uniform understanding of education and to come to an understanding to what extent they are covered under provisions of globalization. In India education services definitely come within the purview of GATS. This is because education in India is not exclusively provided by the government, free of cost or at cost (not for profit) and there are private players in respect of the said service. The only way universities can remain competitive in the era of GATS is by focusing on quality. Quality in higher education can be assured only through a drastic and revolutionary change in the outlook of all those concerned with education be it students, teachers, educational administrators, politicians, promoters or the public. The institutions and people who fail to conform to quality standards and meet the expectation of the stakeholders in GATS era may be compelled to withdraw from the system. (Suryanarayana,2002). According to Aruchami (2002),the challenge facing higher education in global era primarily revolves around providing wider accessibility, ensuring continuing relevance of courses and quality assurance by educational providers. GATS would open India's education sector to foreign universities. India will have to respond in a proactive manner by adopting an open and flexible structure letting students to combine traditional, open and skill oriented education and allowing private providers. At the same time, it will also have to export higher education. Government rules and regulations will, therefore, have to be more conducive for easy export. GATS is a challenge which is to be met without compromising on considerations of equity and access to Indian students. University Grants Commission would identify and fund universities and colleges which have 'potential for excellence'.

Does Indian education really measure up in terms of excellence? Given below are some of the facts and figures relating to education at a glance in India:

- The number of universities has grown more than six times in the last four decades
- India has more than 33,000 colleges with one-third of the colleges having been set up in the last five years
- Student enrollment in HEIs has grown 12 times in the last four decades
- India ranks second in the world in terms of enrollment of students in higher education institutions
- India's GER not only significantly lags behind that of developed countries such as the US, Switzerland, Japan and the UK, but also that of developing countries including China, Brazil, Malaysia and the Philippines
- While enrollment in higher education has grown six times in the last 30 years, faculty strength has grown only four times.....resulting in shortage of faculty and high student-teacher ratios
- Academics in China authored five times more research papers than India's in 2011
- The relative impact of citations for India is half of that of the world average
- As of March 2010, NAAC had rated 62% of the universities and 90% of the colleges as average (B) or below average (C) on specified quality parameters
- Only two Indian higher education brands featured in the QS World University Rankings 2011-12 of the top 500 global universities
- Out of the 48 countries studied, India ranks last in the U21rankings of national higher education systems

Today, the country has the largest higher education system in the world in terms of the number institutions. It is the second-largest in terms of enrollment. While India has shown impressive growth in the number of institutes and enrollment in the country, it still faces challenges on several fronts. Some of the problems plaguing the higher education scene in India are low and inequitable access to higher education, shortage of faculty, deficient infrastructure as well as low-quality and inadequate research, resulting in sub-optimal outcomes. Here in lies the concerns about achieving excellence in higher education.

Given the above scenario it is not surprising that a large number of our students choose to move to foreign universities in the pursuit of higher education. This may be welcome news for the many institutions in Europe and North America that are the main recipients of Indian students, however it is a cause for deep concern for India as it means lost revenue. The main reason for this outflow is the shortage of quality institutions in India as well as a perception that a foreign degree translates into better employability. In marketing parlance Higher education Institutions in India are losing as they are not able to leverage a competitive advantage.

HIGHER EDUCATION MARKETING: NEED AND SIGNIFICANCE

Globalization has resulted in a situation where world over many students leave their home country to study abroad. Therefore marketing has become crucial for higher education institutions. After the inclusion of education under GATT, marketing of education is now a more profitable proposition. According to Bonsardi and Ekwulugo (2003) a centrally important principle of marketing is that all marketing activities should be geared towards the customer. This means higher education institutions trying to market themselves should target students, both at the national and international level, with a twofold objective. On the one hand they should try to retain students from their nation, on the other hand they must attract students from other nations. There are push and pull factors which influence the flow of students from their mother country. McMahon (1992) examined the flow of international students from eighteen developing countries to developed countries during the 1960s and 1970s, testing an outbound or 'push' model and an inbound or 'pull' model. The push model suggested the student flow was dependent on the level of economic wealth, the degree of involvement of the developing country in the world economy, the priority placed on education by the government of the developing country and the availability of educational opportunities in the home country. His pull model suggested student attraction to a host country was influenced by the relative sizes of the student's home country economy compared to the host country, economic links between the home and host country, host nation political interests in the home country through foreign assistance or cultural links and host nation support of international students via scholarships or other assistance. McMahon (1992) found a negative correlation between economic prosperity in sending countries and the volume of international student flows, perhaps because greater educational opportunity counteracts the effect of improved GDP per capita. A positive correlation was found between the size of the host nation and the sending nation's economies. The other explanatory factors within the 'pull' model varied from country to country.

Globalization has resulted in the massive expansion of the service sector in developing nations like India, and education is recognized as an important component of the service sector. Higher education institutions all over the world including those in India have to develop competitive advantage in order to survive and thrive in the new market conditions. The term competitive advantage is the ability gained through attributes and resources to perform at a higher level than others in the same industry or market (Christensen and Fahey 1984, Kay 1994, Porter 1980 cited by Chacrabaghi and Lynch 1999). The study of such advantage has attracted profound research interest due to contemporary issues regarding superior performance levels of firms in the present competitive market conditions. "A firm is said to have a competitive advantage when it is implementing a value creating strategy, not simultaneously being implemented by any current or potential player" (Barney 1991 cited by Clulow et al.2003). Competitive institutions are those which are able to find the easiest way to adapt to these changes in the environment and adopt innovations. Competitive Advantage of an educational institute is based mainly on the intangible assets which cannot be imitated within a short period of time. One of the most important parameters which can be taken into consideration for developing a competitive advantage of educational institutes is communication with the target market. Reputation, innovation, financial power, social responsibility and management quality shape the image of the educational institute and thereby help in developing a competitive advantage. Higher educational institutions must leverage competitive advantage through developing a suitable marketing mix.

INTEGRATED MODEL FOR HIGHER EDUCATIONAL INSTITUTIONS

In order to develop a marketing strategy for educational institutes, competency of the institute must be utilized in the best way to co-ordinate and overpower the challenges and constraints of the market and achieve the mission and vision of the organization. According to Kotler and Keller (2009), a number of decisions must be taken while designing a marketing strategy for higher educational institutions. Some of the important decisions pertain to whether to continue with, build or drop the current institutional programs and building in new market opportunities. Designing a marketing strategy involves analyzing the competitors and positioning the institution with respect to the competitors. Further a target market should be selected and an appropriate marketing mix should be designed. Since the educational market is huge and dynamic a proper marketing mix is necessary for institutions to gain a competitive advantage. The components of such a marketing mix must creatively and innovatively work around the traditional factors like product, price, promotion, place, people, and physical evidence, so as to give the institution the competitive edge.



Product

Education is a service and its primary product includes the curricula which should be at par with the market requirement in this versatile globalized world. However the educational product also includes the various other facilities like classes, library, information services, athletic facilities, placement services and counseling centers. The peculiar challenge of marketing the educational product is that it is a complex whole consisting of a combination of both tangible and intangible elements. The essence of a service is determined not only by the user's experience but also by the perception of the service without experience. If students are considered as customers, the essence of the service they are looking for is knowledge, however knowledge is intangible and is experienced by the student after enrolling. So, in order to attract prospective students, tangibility can be added by providing good infrastructure, introducing personal growth programs, placement services and career counseling centers. While designing the marketing mix of an educational institute decisions must be made not only about factors like curriculum but also for more tangible features.

A number of Indian higher educational institutes teach a curricula which is almost at par with institutions abroad. This is evident from the fact that Indian students are not only getting employment globally but they are also excelling. However there is very little stress on the tangible aspects like information services, athletic services, counseling centers etc. Higher educational institutes are only in the race of developing curricula as per the global standards but little or no stress is being paid in customizing these products as per the needs and demands of the ever changing market. This is responsible for the migration of students from India to abroad. A comparison of student enrollment for traditional courses as against technical or professional courses in India indicates a preference for the latter. This is primarily due to the fact that a closer match exists between the offerings of such courses and the demands of industry thereby enhancing employability prospects.

Price

A crucial aspect in the marketing mix of an educational institute is the price factor. This is because it is linked to the institutions short term and long-term goals. Price always acts as quality indicator which in turn affects the image of the institution. Price thereby acts as an important strategic element for developing competitive advantage. In higher education prospective customers are more concerned about the effective price which can be evaluated as educational benefit received relative to the total cost incurred. However in education price cannot be the sole consideration while determining a strategy for marketing. Price is just one of the components which students or parents take into consideration. Education represents an experience which cannot be evaluated before attending the educational institute. Potential students are ready to pay higher price if the quality of service is good, vast choice of subjects is available and also more importantly if the prestige of the institute/university is good. So in order to develop a competitive advantage the Indian higher education institute can charge a competitive price if that price really adds value for the students. Economic prosperity and easy availability of educational loans have resulted in a situation where Indian students and their parents are now ready to pay a price if the educational degree that they obtain is genuine value for money. The value of the degree depends upon the extent to which it matches the industry standards, and the offerings of foreign universities. As a result of this there has been a proliferation of the number of private institutions. These institutes lead the traditional ones in terms of enrollment though they are charging very high price for the product that they are providing. Consideration and use of the price as a marketing instrument cannot be observed separately, rather only as a part of overall marketing strategy.

Promotion

Promotion is a process of communication between a university and the users in order to create a positive attitude for the service. (Gajic, 2012). The universities or higher educational institutes in order to be successful have to find a way to communicate themselves effectively to the consumers. Merely imparting quality education at a competitive price is not sufficient to guarantee success in the present market scenario. The service user and all those interested need to be informed of the goals, activities, offers of the institution and be motivated to join and become users. The users have to be informed about the services by the service provider. In educational services, public relation seems to be the most convenient vehicle for promoting the service as it encourages an open two way communication which helps in developing a positive attitude towards the organization. Higher educational institutes communicate not only with the students but also with parents, prospective employers, alumni who also act as media vehicles for institutional promotion. Honesty should be the hallmark of such communications. The unique selling propositions (USP) of the institute are the enrolled students who act as word of mouth communicators. Social media also helps in promoting the institute to its customers. There is no unique strategy for promoting higher education however research points to the central role being played by enrolled students and the alumni associations in promoting the institutes. Indian institutes greatly lag behind their western counter parts in effectively communicating about their services to prospective students and society at large. Indian universities must understand that promotion is crucial to survival in a competitive market. Other than developing public relations and promoting through social



media the Indian higher educational institutes can also promote themselves by forming alliances with foreign universities and other multi-national or trans-national corporate houses. The above alliances will open a new corridor for the prospective students which in turn will help the institute to develop a brand identity in the market. The Indian higher educational institutes should believe in developing long term relationship with their customers in order to market themselves in this competitive world. Higher educational institutions must identify the potential students, recognize their needs and customize

the offerings to meet these needs. At the same time they must also analyze the promotional activities of competitors. However, promotion will be effective only if other factors like people, product etc. efficiently perform their roles. Promotion cannot compensate for weaknesses in efficiency of these factors.

Place

The concept of place can have more than one meaning with reference to educational services. It could be the place where the institute is located or the area where the institute would find prospective customers. A proper place mix is also required for gaining competitive advantage. Since the educational services cannot be stored the institute needs to make their services more convenient to reach their target audience. Indian higher educational institutes should move beyond regional and geographic boundaries and initiate opening up of branches in various locations. This will make it easier for them to reach the prospective customer and vice versa. Programs through distance education would help students to enroll themselves irrespective of the location of the institute. Running courses in collaboration with other foreign or national institutes would lead to increased enrollment there by putting a halt to migration. Thus delivering the service to the customer at their convenience would help in developing a competitive edge

People

People are an extremely important component of any service because it is only through people that the service reaches the customer. In the context of education it consists of academic and administrative staff. Academic and administrative staff together participates in the effective delivery of the service. Success and reputation of a higher educational institute depends on the quality and dedication of the staff. Selection and retention of staff is influenced by factors like suitable remuneration, academic freedom and career growth opportunities. The Indian higher education scenario is deficient in these areas and hence is not able to attract the cream of the market. Educational institutions are often forced to recruit mediocre staff because the best do not apply as they do not find the job challenging or lucrative. Low pay packages, little or no funding for research activities leads to high employee turnover in most of the institutes. Turnover of teaching staff leads to insecurity among students and poor word of mouth publicity about the service. Service quality depends on skills, motivation and mood of service deliverer (professors and student service staff). Poor quality of services damages the brand image of the entire service. Indian higher educational institutes must work towards retention of quality staff by ensuring that the monetary as well as non monetary incentives are comparable to world standards.

Physical Evidence

Education is a service and by its very nature highly intangible. However certain tangible elements can be built into the system in order to improve reputation in the market. Some tangible elements that can be added include modern amenities, good infrastructure, digital libraries, and conducting more of International seminars and conferences. These activities have been given importance by the private institutes in India as a result of which they are in a better competitive position than the state or the central universities. By putting importance to the physical evidence of educational services institutes of higher education can gain competitive advantage.

CONCLUSION

Higher education in India has a long way to go before it reaches global standards in all respects. However the growth of private players and the increased corporate presence in the education scene in recent years is an encouraging development. Corporate and private players are well versed with using marketing strategies and transfer of these concepts to higher education as a service is the need of the hour. At the same time government funded universities cannot afford to lag behind and they must shake off their laid back approach and actively work out a marketing mix so as to gain competitive advantage. Some of the major stumbling blocks in this direction are government policies which must be addressed immediately. The need of the hour is to effectively combine educational programs which offer value for money, delivered by quality staff as per the convenience of students coupled with tangible factors like infrastructure and all of this to be effectively communicated to prospective customers through promotional strategies. The changes envisaged above require investment. However, such an investment will fetch high returns for the nation primarily by helping achieve the two fold objective of reducing student migration to other countries and attracting students from other countries. Such an effective marketing mix can help higher educational institutions to develop competitive advantage and survive and thrive in the globalised education market thereby resulting in economic gain to the country.



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