



MANAGEMENT EDUCATION IN INDIA: THE NEED FOR MARKETING MIX

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Abstract

Globalization and technological advancement have put the entire world into one arena. The changes created by globalization have affected virtually every sector of the economy and the education sector is no exception. Indian higher education institutes are facing stiff competition in the globalised world. Management education in India – which started a little less than half a century ago, has made rapid strides over the past decade in the post liberalization period. The demand for management education has resulted in a mushrooming of management institutes in India. Despite the growth in management education in India there are several deficiencies. Institutes offering business education are considered as storehouses of knowledge. They are regarded to be creators of those who are able to help this knowledge grow. The mushrooming growth of business schools in India laid emphasis on marketing their schools. Gradually management education has acquired the status of “Marketable Commodity” both within the country as well as across the national boundaries. Business schools in India can effectively use these four P’s to market themselves to the prospective customers (students).

The paper highlights how these management institutes can use the four P’s of marketing to attain a competitive edge over other institutes.

Keywords: *Globalization, Marketable Commodity, Marketing Mix, Competitive Edge.*

INTRODUCTION

Globalization and technological advancement have brought about tremendous changes in the 21st century. The entire world is today one global arena. One of the features of a globalized world is the impact that even minor changes in one part of the world have on the world economy. So in a globalized world Indian economy is also affected by the booms and slumps of Wall Street. The changes created by globalization have affected virtually every sector of the economy and the education sector is no exception. In fact in the globalized this sector has gained prominence.

Indian higher education institutes are facing stiff competition in the globalised world. The entry of private players has resulted in commercialization and corporatization of Indian higher education institutes in the 21st century creating a need to market education. Management education in India – which started a little less than half a century ago, has made rapid strides over the past decade in the post liberalization period. Today, an MBA or an equivalent degree is looked at by many as a passport to a good career – a career which is highly challenging and extremely rewarding. The demand for management education has resulted in a mushrooming of management institutes in India. Despite the growth in management education in India there are several deficiencies. As a result, students migrate from India to foreign nations to earn the same degree. Some of the problems of Indian higher education are unwieldy affiliating system, inflexible and uneven academic structure, eroding autonomy of academic institutions, and the low level of public funding. The other deficiencies are dysfunctional regulatory environment, accreditation system that has low coverage and has no consequences, absence of incentives for performing well, and the unjust public funding policies. (Mishra, 2012). The concerns for systematic growth of management education and its standards by the Government of India and AICTE have been evident in the appointment of a number of committees during the last ten year. India needs to understand what management graduates it needs in 2025. The need to evolve marketing practices to Business Management education is necessitated due to the changed perception of Business Management education in knowledge economy. In the light of this, paper highlights the importance of developing marketing mixes.

MANAGEMENT EDUCATION IN INDIA

Business education should impart in depth knowledge to the students so that they are able decision makers in different walks of life. It aims at an overall development of the individuals. Institutes offering business education are considered as storehouses of knowledge. They are regarded to be creators of those who are able to help this knowledge grow. The important question is whether the growth of b-schools delivering management education in terms of quantity as well as quality are in tune with the challenges posed by the changing economic and business environment. The apex regulator for technical education - All India Council for Technical Education (AICTE) has revealed that there are 3644 Business schools in the country offering Master of Business Administration (MBA). More than 2 lacs of students aspire every year for this career. Currently, there are 13 IIMs in India. In the recently announced Budget 2014, finance minister Arun Jaitley proposed six new IIMs. Apart from these IIM’s, management education in India is also imparted by University Departments within their respective campus, affiliated colleges (both public and private) under these universities, autonomous institutes, deemed



universities, technical institutes, distance learning Universities and private colleges set up in collaboration with foreign universities. Thus there exists a huge versatility in the management education in India. But irrespective of all these we still find a huge pool of management graduate still unemployed. Besides many institutes seats remain vacant irrespective of such huge student population.

SOME FACTS

1. Earlier a management degree was a confirmed ticket to job but due to the irrelevance of the present management models most of the graduate's do not fit in the paradigm of the industry need.
2. Only 10% of the graduates are getting job every year in the corporate sector.
3. In the last five years, the number of B-schools in India has tripled to about 4,500 amounting to as many as 3,60,000 MBA seats, collectively.
4. The need to update and re-train faculty in emerging global business perspectives is practically absent in many B-schools, often making the course content redundant.
5. About 160 schools offering Master of Business Administration (MBA) courses are expected to close this year.
6. Campus placements have gone down significantly.
7. Many students choose to go abroad to pursue their masters in business education rather than study in India.

NEED FOR MARKETING MANAGEMENT EDUCATION

A number of committees on management education have been formed by the Government of India to find out the reason for the imbalance in Demand and Supply. The business schools in India should lay emphasis on marketing their schools. Gradually management education has acquired the status of "Marketable Commodity" both within the country as well as across the national boundaries. India has a huge pool of students as well as good number of management institutes to cater to the demands of these students. Still the recent statistics shows that many of the seats in these institutes go vacant. The reason behind this can be because of the ineffective marketing mix developed by these colleges. Still the management institutes in India do not feel the need to market them. They occupy the last seat in comparison to their foreign counterparts while advertising their institute.

Marketing occupies an important position in the organization of business unit. Marketing is the management process responsible for identifying, anticipating and satisfying customer requirement profitably. Marketing deals with creating customers. Customer value and satisfaction are the heart of modern marketing and practices. Educational marketing can be defined as "a planned and systematic two way process of communication between an educational institutes and its internal and external public designed to build moral, goodwill, understanding and support for that organization.(Balaji,2011).Educational marketing can be synonymously used with institutional marketing. Institutions need to market themselves in order to redefine institutional goals as per the requirements of the target market. The changed perception of business education has given it the need to market them.

MARKETING MIX FOR BUSINESS SCHOOLS

Marketing mix as defined by Mc Carthy consists of the efficient use of the four P's of marketing i.e. Product, Price Place and Promotion. Business schools in India can effectively use these four P's to market themselves to the prospective customers (students).

Product

Product is one of the important P in designing the marketing mix for any organization. Education being a service its primary product includes the curricula. The other aspect of educational product includes the faculty, type of teaching method and the facilities provided by the institute. The curricula provided by the management institute should match the industry standards. It should be structured to suit to the needs of an individual. In India different type of management institute follows different curricula. Thus weighing an institute on this criterion becomes very difficult thereby resulting in confusion amongst students. The management institutes must ponder on the changing needs of the industry and design a more pragmatic curriculum. Since education is completely intangible, the best way to market it is by adding tangible elements to its product. These elements help the prospective customers to better understand the institute. An essence of tangibility can be added to it by stressing on the method of teaching adopted. Management institute should rely both on theoretical as well as case study based teaching so that the student sees both theoretical and practical problems at the same time. The institutes should have more of industry connection to place students for internship which adds value to their product. Recruiting experienced and highly qualified faculty also helps them to gain a competitive advantage over their competitors. Faculty members help to develop a brand for the institute which can act as the institutes USP. Employing people from corporate companies as adjunct faculty



will help the student's get more of industry exposure. Good and better infrastructural facilities also add material value to their image. The prospective customers view these factors while considering the choice for an institute. Institutes should stress on placing their students in reputable companies which adds value while marketing them to the students.

Price

Price is an important element in designing a marketing strategy. Price always acts an indicator of quality. Though in a professional degree like M.B.A price does not act as a barrier in decision making. Students are ready to pay price if the degree fetches them a handsome salary. Institutes like IIM's are charging as high as 6 lacs of rupees. Prospective customers are ready to pay because of the prestige associated with the degree. So other institutes can also add value to their degree and charge for the same. Students in India are also opting for foreign universities to get a M.B.A degree which is also very expensive. Thus it suggests that pricing at par with the facilities provided and the degree given will help them to market easily. 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. Institutes can form tie ups with the financial institutions to release easy loans for their prospective customers. 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 in India. Institutes can also form alliances with the corporate companies wherein if the fees of needy students are borne by the company in return for a placement in that company. Such institutes can lead in terms of enrollment though they charge very high. Thus price is no more a constraint in marketing any institute. Rather Institutes which are charging high but providing value are more in demand today amongst the business schools. Price can be used as an effective instrument for forming the marketing strategy of an institute.

Promotion

Promotion is a communication process between the organization and the prospective customers. Post liberalization the growth in number of management institutes has made it compulsory for them to effectively communicate to their customers. Merely imparting quality education at a competitive price is not sufficient to guarantee success in the present market scenario. These institutes need to inform their prospective customers about the institutional goals, activities and other facilities in order to motivate its customers. The management institutes can use different media vehicles to advertise their institutes. Many colleges are becoming media partners for radio and television channels. The institutes can also promote themselves by sponsoring various national events. Also undertaking CSR activities help them to gain eminence. The colleges can also use various social media's available. These are the media used extensively by the present youth. Management institutes can conduct free seminars in undergraduate colleges which help the future students to get an insight about the institute. Positive word of mouth by the enrolled students also helps to popularize the institute. Other than developing public relations and promoting through social media the Indian management 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. This will thus help these institutes to fill the gap between the expectations and perceptions of their students.

Place

Place hold dual meaning in the education industry. It could be the place where the institute is located or the area where the institute would find prospective customers. Since the educational services cannot be stored the institute needs to make their services more convenient to reach their target audience. Indian management 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. Location of the institute also affects the enrollment of these institutes. The management institutes either should be easily accessible or should provide good accommodation in order to attract customers. Also running allied courses in collaboration with foreign universities will add value to the degree. This will help to stop migration of students. The students if get added value for the same degree would prefer to move to any location. Thus the management institutes should design a proper place mix in their marketing strategy to efficiently market themselves.

CONCLUSION

Indian management institutes are not way behind the global standards in terms of their curricula or facilities provided. Corporate companies and private institutions have played a very important role in shaping the image of management education in India. In addition to the private institutes, Traditional university departments and their affiliated colleges cannot afford to lag behind and must shake off their laid back approach and actively work out a marketing mix. These institutes must realize the importance of marketing their institutes. The institutes should try to make proper use of the marketing mixes in order to develop a marketing strategy for them. The institutes pay little or no importance to market them. 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. Such an effective marketing mix can help the management institutes to gain recognition in the market. This will in turn help India to restrain its student pool from migrating outside for the same degree.

LIMITATIONS

The study uses only 4P's of marketing. Though education being a service sector has 7P's. The researcher feels that the 4P's are more important to be stressed in management institutes in India in the present scenario.

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