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**THE NEED OF NEW RELEVANT STRATEGY
AT UNIVERSITIES**

– MARKETING AND UNIVERSITIES –

Abstract

The reality in which universities work has become more competitive over the years. Strong and dynamic changes are issue for universities and academic environment. Around the world, market elements have been implemented into the sector of universities. Universities are facing a challenge which requires application of marketing approach. The research paper highlights the market orientation concept applied within the context of higher education. Considering the important changes taking place in this sector, a strong willingness of universities to adopt marketing concepts is needed. It is necessary to develop marketing-oriented university management. Research: Interviews with students from the state Universities of the Republic of Macedonia. The Republic of Macedonia is part of the global world in which universities are facing a major challenge of the time and a test of their ability to respond to the changed nature of the market. It is highlighted that the application of new marketing concepts in the process of the functioning (management) of the universities in the Republic of Macedonia is necessary in order to meet the demands of students and companies, and competitiveness in the regional and global market. Marketing as a function, with all its features, especially the new marketing concepts developed in the spirit of universities, would help eliminate the defects found in the system. If our institutions keep on functioning based on the old system / bureaucratic concept, the success will never come. Markets are constantly changing, and only those who are ready for proactive change will succeed.

Keywords: marketing, universities, new marketing concept

INTRODUCTION

The universities around the world are facing a growing pressure to respond to the market changes. The period in which the universities are functioning today can be characterized as turbulent with regard to the economic, social, cultural and political aspects which additionally increases the necessity of implementation of marketing orientation in their operation. These changes in the society have as a necessity the change of the way of management of the universities, in which direction the European Union higher education is being transformed, that is, the conceptualization and the way of functioning of the universities (R. Córcoles, Y.; S. Peñalver, J. and Tejada Ponce, 356-376, 2011). Modern economy is completely focused on, and defined by the quality of the knowledge, that is, quality higher education. Taking into account the complexity of the social processes and the high competition which does not recognize boundaries (neither national nor regional) anymore, quality education is the key resource and foundation for competitiveness of each (legal, economic) entity. The needs in the 21st century for new skills, techniques, new knowledge-based paradigmas, and thus, mainly the communications, creativity and critical thinking, require new approach and reform of the old way of functioning of the university (Ledward, B.C., Hirata, D., 2011). The period of the Fourth Industrial revolution which is at its beginning, exceeds the standard of pure Industrial Age and goes beyond challenging the human's capabilities, thus leading us to a Knowledge Age (http://www.shiftingthinking.org/?page_id=58, Accessed on 2 March 2017).

Changing of the entire context of the higher education in a situation of an open market driven by the principles of the market powers exerts impetuous pressure over the university managements and requires new ways of managing these institutions (Bugandwa-Mungu-Akonkwa, pp. 311–333, 2009). Given the globalization of the market, there is no sector that has remained immune to the increased and strong competition (Campbell-Hunt, pp. 127–154, 2000). Being in the focus of a significant growth in the last decades, the higher education demands changes in the organizational culture, management and administration of the universities (Maringe & Gibbs, 2009; Bugandwa- Mungu-Akonkwa, 2009). Companies, including universities, create values for their consumers through various skills and activities which they place on the market. What is important is that these activities must be managed in accordance with the marketing orientation (Boo Ho Voon, pp. 595–619, 2006). The higher education market, after the numerous changes, requires grounded and justified discussion on and about the functioning of the universities in the Republic of Macedonia, not only at national, but also at regional and global levels. In this period when the Republic of Macedonia is developing in conditions of economic crisis at home, in the region and especially in Europe, it is of key

importance how it will direct its know how in meeting the demands of the economy. One of the most important factors for meeting the requirements of the modern industry is producing quality employees based on the labor market demands. This is the role of the education and the issue is whether the current higher education is able to respond to the needs of the companies driven by the demands of the world market.

MARKETING AND UNIVERSITIES

The world is changing from day to day and becomes smaller and more tightly connected in many different ways. The role of the education is transformation of the society through redefinition of the values based on the concept of knowledge. The education through the modern technology, internet and social networks becomes increasingly informal, and on the other hand, the formal education system assumes new forms and structures through utilization and application of models used in the business sector. The higher education sector is facing globalization and strong competition. Exactly due to it a need of professional management structures and entrepreneur style in the leadership of the university appears. Under the pressure of competition the universities have to work on their continual improvement, measurement of the results achieved and on their efforts for building impeccability in their development. The increased competition in the higher education sector increasingly contributes to the orientation of the universities toward the consumers of their services (Cassidy R., 2014). In this intensive competitive setting the universities show tendency of globalization and branding.

The management of the universities refers to a complex set of actors and processes which are involved in decision making within the university. The higher education management is historically new phenomena and its appearance is connected to the changes of the institutional form of the university. Traditionally, the operation of the universities was regulated or controlled, not managed, that is, administrated. The situation in the developed western world begins to change, when the so-called “Management Revolution” begins in the higher education (**Amaral, Alberto, Meek, V.L., Waelgaard, Lars, 2003**). The business methods which are used in the economy should be applied to the operation of the university management. The universities in the previous decades have faced various challenges and, thus, their survival has depended on how they would respond to the new conditions and “threats” to their operation. Each different phase of change of the social life, especially in the part of different industrial revolutions which cause tectonic displacements in each part of human living, leads also to changes, threats or challenges for the universities. One

of the biggest threats for the universities is the competition among the universities, both in terms of students and resources. Therefore, experts recommend that for the survival and development the implementation of the marketing and orientation of the universities toward the consumers and other stakeholders is inevitable. Transformations which the universities experience in the environment where they realize their activities have increased the degree of competition in this sector and pointed to the need of introducing marketing elements. The universities of the new reality mostly respond by placing emphasis on the improvement of their study programs; however, this change is not always the best option for creating more favorable image or reputation among their stakeholders.

The student as a consumer must become the starting point, followed by creation of culture of work which would be marketing-oriented. In order to survive and develop in the face of the changes and challenges in the academic community, the universities must also recognize and spot the need of utilization of the marketing. The period from 1970-72 is important for the initial discussions regarding the utilization of the marketing orientation in the operation of the universities. The first who has initiated this issue is A. R. Krachenberg, (1972) with his work "Bringing the Concept of Marketing to Higher Education", which is also the first public reading text available for discussion about the marketing approach in the colleges and universities. Starting from drawing students and creating tax policies to the compilation of draft project for research, each action undertaken by the university regardless who has done it or where exactly in the institution it has been made, is based on marketing. One of the researches focused on the utilization of the marketing orientation in the academic setting is also the work titled "Marketing in Higher Education: Benefits and Risks for the American Academic System" by Larry Litten (Litten, Larry M., 1980). Literature which refers to the higher education largely indicates that the marketing represents a source which offers large number of practical tools that can help the higher education institutions to survive, and even to develop and advance in the competitive setting. Improvement of the study programs must be accompanied by analysis of the customers' needs, that is, the stakeholders of the university, in order to properly satisfy their needs for marketing oriented university. The university should pay attention to its relation with the stakeholders taking into account that through proactive and respectable cooperation with the stakeholders the university can gain more reputation and competitive advantages (J Llonch, C Casablancas-Segura, MC Alarcón-del-Amo, 2016). Therefore, the approach of stakeholder-oriented operation of the universities is also important through establishing appropriate relations with its stakeholders. The universities not only work according to the market rules to satisfy the needs of the customers, but at the same time they operate in the spirit of, and are motivated

by their mission and the values they advocate in order to accomplish their social responsibility and social needs. As Narver and Slater, Jaworski, Kumar and Kohli (John C. *Narver*, Stanley F. *Slater* (1990); Ajay K. *Kohli*, Bernard J. *Jaworski*, Ajith *Kumar* (1993) point out, one of the most important benefits gained by the application of marketing orientation in the operation of the universities is the increased and improved performance of the institution. Among the various researches conducted in this sphere I would single out the studies of Caruana, Ewing and Ramaseshan in 1998 (Caruana, A02., Ramaseshan, B., & Ewing, M. T. (1998b); Caruana, A., Ramaseshan, B., & Ewing, M. T. (1998a), who have conducted research at the universities in Australia and New Zealand, especially at the state universities; they point out that both researches confirm the positive effect and correlation between marketing orientation of the university and higher impact performances. Another two studies, one prepared in 2010 and the other in 2014, by the authors Webster, Hammond and Rothwell (Robert L; Hammond, Kevin L; Rothwell, James C. (Jul 2010); Robert L.; Hammond, Kevin L. Rothwell, James C. (2014), make a step forward and provide additional benefit in the implementation of the marketing orientation, that is, focusing on the students and potential employers of the students who come out as a product of the university. The entire higher education institution must be structured according to the demands of the market and the modern industry (certainly, within the legal possibilities), starting from curriculums, profile of teaching staff, way of application of theory and practice, way of communication with the students and the community, and many other aspects which are compound part of the institution, to the complete rebranding of the institutions that at the end will become recognizable brand which will evoke desire in the student to become a part thereof, and will offer quality assurance. All of this should be made and applied in continuity, always having in mind its positioning on the market, and the quality offered should be in accordance with the demands of the users, students and companies. The changes of the higher education market demand changes in the management methods of the universities as well. The acceptance of the marketing orientation of the university through active establishing of relations with the marketing environment of the university is the right solution. Marketing activities are very important for the competitive position of the university on the market. The way of operation which includes taking activities for improvement of the satisfaction of the students and employees of the university and other stakeholders should be applied. The acceptance of new conceptions of marketing orientation will contribute to improvement of the perception of the university, its image on the market, and finally, will increase the students' and other stakeholders' loyalty to the university.

EMPIRICAL RESEARCH – RESULTS AND DISCUSSION

Being one of the most important stakeholders of the universities, the opinion of the students is marginalized when we speak about the higher education in the Republic of Macedonia. Exactly because of that, this paper consults the Student. E-interview was distributed to the students of the state Universities in R. Macedonia. Research is made within 10 days, in the first half of March 2017. One hundred twenty four (124) students / respondents were interviewed. This paper will present the research questions and answers. The answers are shown in percentages.

Research questions can be divided in three groups:

Are the students quality-oriented, or value-oriented with regard to their higher education?

If you choose today the university you will attend, which of below offered categories would be important for you when you make your choice (quality; tuition; reputation or goodwill, other)? Most of the students have chosen the quality category (82% students of the total number of respondents), and the category reputation / goodwill was chosen by 14 % of the students. These figures indicate that regarding the choice of the university, its quality is most important to the students.

How do the students perceive the university they attend?

*Do you hold that the university you attend can be competitive and recognized on the global market? Slightly over half of the respondents (59 %) answered affirmatively, and the other 41 % of the respondents held that the university they attended could not be competitive and recognized on the global market. *Do you hold that the university you attend meets the needs that are imposed to the higher education by the society in the 21st century? 76 % of the respondents answered negatively, and only 24 % of the students answered affirmatively.

What is interesting regarding the answers to these two questions is that even 76 % of the respondents hold that the university they attend does not meet the needs of the society in the 21st century, but 59 % of the respondents believe that the university they attend could be competitive and recognized on the global market. Concerning the answers to these two questions it is important to underline that the students have built their own (critical) position and specific perception of the capacity of the university they attend.

What are the considerations of the students regarding the application of the modern concept of university management and its impact on the achievements of the students?

*How would you describe the organization of the university you attend? Only 6 % of the respondents have answered that the university they attended had a modern concept and it led to creation of values. High 94 % have responded that the organization of the university was based on obsolete and chaotic concept. Some of their responses also pointed out the need of changing the way of operation of the university. *Do you hold that the university you attend has delivered more or less compared to your expectations before your enrollment? Only 2 % of the respondents have answered that at the university they have got much more than they have expected, 9.9 % have got more than they have expected, while 29.7 % of the respondents have got as much as they have expected. 37.6% of the respondents have got less than they have expected, and 20.8 % have got even lesser. The answers to this question point out the students' disappointment from what they have expected versus what they have got at the university. The answers to this question and the answers to the question referred to in point 1 indicate the need of paying attention during the creation of the strategies and plans for operation to the improvement of the quality of university operation and the need of taking into account the students' expectations in the course of the new changes of the higher education market at global level. *Do you hold that the university you attend will provide for you applicable knowledge and skills for working in the economic sector of the global market? 51.5 % of the respondents have answered to this question affirmatively, while the other have answered negatively, which clearly indicates that the students have divided opinions. *How much are you interested in the change of the way of operation and management of the university following the example of the successful modern universities in EU and USA? Out of the total number of respondents, 7.9 % were highly disinterested, 2 % were disinterested, 19.8 % were indifferent, 46.5% were interested, and 23.8 % were highly interested. Through their answers to this question the students have shown initiative and desire for better university management. *Who should initiate the change of the way of operation and management of the university? 23.8 % of the respondents hold that the teaching and research staff should be the bearer of the changes, 5 % hold that the initiator should be the administrative staff, 8.9 % of the respondents hold that the initiators should be the students, and 5% hold that the initiator should be the Government. Most of the respondents or 53.5 % hold that the initiative for changing the way of operation and management of the university should result from joint efforts of the University, economy and the students, by which the importance of Triple helix is confirmed. *Does your achievement in studies also depend on the organization and good operation of the university? Most of the respondents have answered affirmatively (68.3 %). This result represents a significant indicator for the university because the students' achievement is closely related to the organization and good operation of the very university.

From the viewpoint of the student being one of the most important stakeholders of the University, the results of this group of questions also refer to the conclusion that a new way of management and administration of the university is needed.

CONCLUSIONS

The goal of the conclusions in this paper is to provide a recommendation to the higher education sector in the Republic of Macedonia in regard to the change of the way of managing and functioning, with special emphasis on the marketing orientation. To leave the philosophy of product-orientation, which is prevailing in the universities in the Republic of Macedonia and to accept and implement a comprehensive holistic marketing-focus with clear orientation toward its stakeholders as soon as possible.

The key matter should be comprised of deeper knowledge of the needs of the university students (current and prospective). The global society requires new skills and higher levels of academic achievement. Through a new concept of management the university will understand the needs of the students which are necessary for them to achieve success in the real world. In that way the university can create a higher education environment which fits in the 21th century.

The universities should be devoted to their stakeholders trying to identify their needs, to meet their requirements and to develop an appropriate system of cooperation. The university, in each of its dimensions should be driven by increase of the satisfaction and loyalty of its most important stakeholders. Realization of two goals: satisfaction of the stakeholders; creation of a form which will contribute to better perception of the universities. Quality, image and goodwill / reputation is what the people respond to.

It is of key importance to start investing in every dimension of the university structure which leads to establishment of a new strategy of functioning through implementation of the marketing concept. How to be creative and self-reliant, how to conceive what the students and other stakeholders demand, as well as the application of all of that in practice, in order to respond to the challenge that is of importance in the 21th century.

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