MARKETING STRATEGIES IN HIGHER EDUCATION WITH SPECIFIC
REFERENCE TO PUBLIC AND PRIVATE EDUCATIONAL INSTITUTIONS
WITHIN GAUTENG, SOUTH AFRICA

BY

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DISSERTATION

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DECLARATION

To:

My son Duardt, for not spending enough time with you the past few years, my parents for their support and looking after Duardt, my husband Leon for your love and support. Also to Elmarie, Ouma Henda and lastly my study group.

- I wouldn't have made it without your support -

Thank you

TABLE OF CONTENTS

PAGE

CHAPTER 1

CHAPTER 2

BIBLIOGRAPHY 125

LIST OF TABLES PAGE

LIST OF DIAGRAMS PAGE

ANNEXURE

The Marketing Strategy and Planning Questionnaire for Higher Education

CHAPTER 1
INTRODUCTION

1.1   INTRODUCTION

In Chapter 1 a methodology will be developed in order to research the identified problem. To be able to do this, the researcher will have to

i)   introduce the problem

ii)   then develop a problem statement

iii)   finally investigate methods of solving the problem

1.1.1   RATIONALE

Throughout the thesis the researcher will aim to draw a comparison between public and private educational institutions, by specifically investigating the external and internal factors that influences their marketing strategies.

Furthermore in this thesis, the mentioned factors that play a role in marketing strategies will be analysed so as to discover the impact that they have, or may have on Higher Educational Institutions in South Africa, more specifically in Gauteng. The researcher will have to discover what strategies should be useful to these institutions in accepting that education in South Africa is changing rapidly.

1.1.2   EDUCATION IS CHANGING

John Welch as cited by Ryans and Shanklin (1986: 5) says that strategy is trying to understand where you sit today in today's world. Not where you wish you were, or where you hoped you would be, but where you are.

This is the situation in South Africa's education today. It is difficult to keep up with the rapid changes taking place. There are several factors influencing the

marketing strategies of the educational institutions. Some of the factors we will discuss in Chapter 2 are:

i)   Marketing Management planning & strategies

ii)   The future of Higher Education

iii)   Role of South African Qualification Authority / National Qualifications Framework and various Acts

iv)   Market Segmentation

v)   Pricing

vi)   Customer service

vii)   Advertising

viii)   Sales promotion

ix)   Demographics

x)   Lifestyle

xi)   Location

xii)   Control, Research & Development

xiii)   Networked Future Education - Internet and many more.

1.1.3   WHAT IS THE NATURE OF THESE CHANGES

This thesis will try to establish the nature of changes taking place in Higher Education in South Africa, specifically in Gauteng. Furthermore the researcher will discuss and analyse the way in which educational institutions (private and public) respond to these changing factors. Lastly the researcher will try to guide both types of institutions on what would be the best marketing strategy to follow in order to adapt to these changes, and use these changes to their benefit (rather than seeing them as a threat).

1.1.4   ESTABLISHING KEY AREAS OF FOCUS

The following key areas to be focused on are:

i)   The nature of the changes with regards to government prescription

ii)   Nature of the changes with respect to the customer

iii)   Nature of the changes to enhance competition between institutions

1.2   THE PROBLEM STATEMENT

1.2.1 PROPOSAL:

The researcher proposes that there are similarities as well as differences between the private and public institutions. Is it true that the results regarding achievements and quality are better with private education institutions than with public institutions, with much more difficulties facing private education than public education?

1.2.2 PROBLEM STATEMENT:

What are the fundamental differences and similarities between the private and public Higher Educational institutions that lead to their marketing strategies?

1.3   SUB-PROBLEM ISSUES

In the past the rules and regulations from government didn't apply to the private educational institutions. However, government is trying to level the playing fields by bringing in changes to the South African Qualification's Authority (SAQA). Thus forcing private institutions to comply to the rules. The research will explore:

• Reasons why there are differences between them?

• How do these differences influence their marketing strategies?

• What impact will the new SAQA have on both institutions?

• What marketing strategy/s will be advantageous to use?

1.4   HYPOTHESIS

1.4.1 ESTABLISHING THE IMPLICATIONS OF UNDERSTANDING THE PROBLEM

According to Ryans and Shanklin (1986: 6) a strategy isn't a document that can be prepared every 3 to 4 years, it's a continuing task. To be aware of these changes, the institutions could benefit in the following ways:

❑ Marketing planning will be more realistic, which will lead to:

- More realistic strategic planning
- Institutions would be able to plan for the future
- Institutions would be better equipped to address customer needs
- Institutions would be able to stay competitive

1.4.2 ESTABLISHING THE IMPLICATIONS OF NOT UNDERSTANDING THE PROBLEM

Ryans and Shanklin (1986: 5) states that Technikons and Universities with a thick and unfocused strategic planning document are likely to be non-entrepreneurial which results in not moving resources quickly enough to seize opportunities. If the institutions don't understand and adapt to these changes they might risk the following:

□ Not establishing themselves in the market as a competitive player

□ Not expanding existing business and developing new business

□ Losing existing customers to competitors

□ Not keeping up with changes will lead to new product development and modes of deliveries

1.5 LIMITATIONS

The biggest limitation is that the researcher will only concentrate on Higher Education within Gauteng, South Africa and not Nationally. A further constraint is the shortage of South African specific literature regarding private educational institutions, the reason behind the existence and the need for development of private education. Furthermore, it won't be possible to investigate all possible factors, nor would the researcher exhaust the topic.

The researcher wants to better understand the influence and importance of marketing factors in order to guide Higher Educational institutions in formulating marketing strategies that would lead to competitive advantage.

1.6 THE VALUE OF THE RESEARCH

The research is important because it will provide different views and strategies necessary to be different in the educational field. It's not clear whether there is a difference between the private and public educational institutions and to what extend they differ. If there are no differences then they should be able to understand marketing trends and how to better implement these strategies. If they understand these changes that are taking place then they should be able to become more competitive. Throughout the dissertation the researcher will concentrate on the following goals:

- To provide deans, managing directors, marketing managers and other planners with marketing tools in order to assist them in strategic marketing planning within the Higher Educational environment

- To assist managers and marketers to evaluate the factors influencing the marketing strategies of both private and public higher educational institutions in Gauteng

- To evaluate whether these factors differ in private and public Higher Educational Institutions in Gauteng

- To equip marketing managers with enough information and knowledge to understand and address the above differences

1.7 RESEARCH METHODOLOGY

1.7.1 BASIC METHODOLOGY

After defining the problem and sub-problems the researcher will develop a suitable methodology in order to conduct the research.

1.7.2 LITERATURE SEARCH

The literature search will focus on various internal and external factors influencing the marketing strategies of private and public educational institutions within Gauteng. The search is very difficult because of the lack of South African references to the establishment of private higher education, and in general

relevant marketing strategies for education. Therefore the researcher will concentrate on the most relevant literature from other countries in order to research the problem. Lastly the researcher will utilise the worldwide web, internet, on-line libraries and other libraries to research various viewpoints.

1.7.3 SURVEY

A qualitative method will be used to assist the researcher in designing a questionnaire, which will result in the development of a database of responses.

The researcher will concentrate on public and private higher educational institutions in Gauteng province as the sample. This is a qualitative method of data collection and analysis, which will involve the study of relevant answers to questions, by answering relevant questions. Semi - unstructured interviews will be conducted with people familiar with and experienced in both private and public higher educational institutions.

1.7.4 DATA COLLECTION AND COMPARISON

The researcher will make a comparison between the data of the literature search and the data of questionnaires, once the questionnaires have been conducted and analyzed. The responses of respondents will be compared with facts drawn from the literature. The comparison will either confirm or contradict with what's been read in the literature. It would be therefore of essence to have an overview of how the differences depicted in the questionnaire influence the educational field today and how it will be influenced in the future. In conclusion the researcher will try to guide the institutions with their marketing strategies in future.

1.7.5 RESEARCH POPULATION AND SAMPLING TECHNIQUES

A semi-unstructured survey will be used. The sample consists of:

• The universe: A number of Public Universities and Technikons, and Private Institutions, in the Gauteng province within South Africa

- Conditions: The institutions only agreed to be interviewed on condition that the dissertation be shelved for a three year period, because of competitive concerns.
- Sampling Frame: The researcher scheduled interviews with the following institutions:

Public

Rand Afrikaanse University

Technikon Witwatersrand

Gordon Institute of Business Science

Wits University

Technikon Pretoria

Private

Graduate Institute of Management Technology

Damelin

Midrand University and Business School

Bond University

Monash
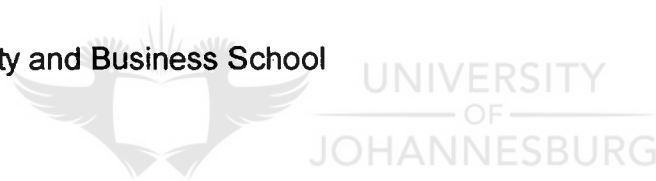
- Sampling method: A semi-unstructured survey method will be followed.
- Sample size: The sample size is very small, 5 public and 5 private institutions, therefore the method of semi-unstructured interviews. The sample was also very small, because the researcher only interviewed the specific decision-making person regarding the marketing strategy within the particular institution.

1.7.6 DATA COLLECTION, ANALYSIS AND INTERPRETATION

- **Collect and store** relevant data gathered in a database that will be constructed
- **Organise and categorise** the data into meaningful information

- The gathered data will be **written and edited** from the database and integrated into the document
- Differences and correlations will be **illustrated** by using columned responses
- The meaning and relevance of the columns and the analysed data will be **interpreted**
- **Discuss** the research topic with the various role-players in person or telephonically

1.7.7 ANALYSE COLLECTED DATA

The gathered data should be categorised in such a manner, that it's easy understandable. After categorising the data, comparison needs to be done between the data gathered and with what current literature is saying.

1.7.8 CONCLUSION

Lastly, with the gathered data and current literature in mind, a meaningful conclusion should be drawn.

1.8 LAYOUT OF RESEARCH REPORT

Throughout this thesis the researcher will investigate the various internal and external factors influencing a marketing strategy of an educational institution. A comparison will be drawn between the private and public Higher Educational Institutions within Gauteng.

Chapter 1:

The researcher will introduce the problem as well as indicate how this problem could be solved or understood better. This chapter will also make clear what type of research methodology and other instruments will be used.

Chapter 2:

A literature search will be done, investigating various internal and external factors. These factors could either influence the marketing strategy positively or

negatively. It could be that a positive factor on the public institution's side may be a negative factor on the private institution's side (and visa versa).

Chapter 3:

In this chapter the researcher will compare the results of data gathered from the semi-structured interviews, with that of the literature (as discussed in Chapter 2). It could be that the data gathered confirms what the literature says (or contradicts it).

Chapter 4:

This chapter will give a summary of the findings as discussed and gained through the research process. The researcher will also make recommendations that will be based on the gathered data and the interpretation thereof. Lastly a conclusion of the study will be stated.

1.9 SUMMARY

In chapter 1 the researcher gave and explained the rationale for the study, the aims and objectives, problem statement and terminology. Furthermore, background regarding the method of investigation and their processes were given. In chapter 2 the researcher will investigate relevant and current literature on marketing strategies used by educational institutions.

CHAPTER 2

LITERATURE REVIEW

2.1 INTRODUCTION

In this chapter, a literature review will be conducted regarding corporate marketing strategy, marketing planning and the role that government plays in the changes taking place in Higher Education within South Africa. The reason for this literature review is to confirm what the literature states with regard to the above topics. Once the literature has been gathered, it shall be compared with the data gathered from the respondents. The perspectives of the respondents will then be compared with the literature reviewed in this chapter. This should give a clear indication whether there are any significant differences between private and public institutions according to the prescribed theory. A further revelation will be to see whether any of the private / public institutions follow the method of formulating a corporate marketing strategy first, and then working out a marketing plan. Do these institutions know what goes into a corporate marketing strategy, and the associated marketing plan?

2.2 CORPORATE STRATEGY

The corporate strategy is the linking process between the organisation and its environment. If a company is drafting a corporate strategy they will include things such as: competitive advantage, distinctive capabilities and the need to be innovative (Thompson and Strickland, 1998: 48 - 49). The operational aspects of the company need to be in line with the corporate strategy, otherwise the strategy won't be successful. As discussed in paragraph 2.1, the environment plays an important role in the strategy. Therefore it would be to the benefit of the company to do an audit of these environmental influences.

This audit can be done via a PEST analysis.

P - Political Future

E - Economical Future

S - Socio – cultural Future

T - Technological Future

The PEST analysis will assist educational institutions in identifying future business strategies (the government is forcing institutions to change their educational strategies, for example the political future impacts these strategic decisions).

Furthermore some of the most important information the institution will gather through the PEST analysis is:

♦ The extent of product diversity

♦ Extent of branding

♦ Distribution channels used

♦ The number of market segments they serve (or do not serve)

♦ Extent of vertical integration

♦ Research and Development capability

♦ Cost position and

♦ How they utilise their capacity (Thompson and Strickland, 1998: 78 - 89)

It is important for institutions to understand the link between corporate strategy and corporate marketing strategy. A corporate strategy is looking at the overall strategy of the institution and is developed before the marketing strategy. The marketing strategy only addresses the marketing issues and will not function on it's own, but needs to address also the overall mission and vision of the institution. The marketing strategy is being developed after the corporate strategy and not the other way around. It is with this background in mind that the researcher will in more detail discuss the corporate marketing strategy and marketing planning, by looking at the difference between the two and whether the institutions know what these differences are.

2.3 MARKETING MANAGEMENT: PLANNING AND STRATEGIES

2.3.1 MARKETING STRATEGY

There is a difference between Corporate Marketing Planning and the Marketing Strategy and progress. According to Guiltman and Paul (1991: 14) the differences between the above are:

Corporate Marketing Planning	Marketing Strategy & Progress
Environmental Analysis	Marketing strategy
Resource & Competency Analysis	Product development
Corporate Strategy	Pricing
Product mix strategy	Advertising
Product objectives	Sales Promotions
Corporate Mission & Objectives	Sales & distribution

Table 2.1: Difference between Corporate Marketing Planning and Marketing strategy and progress

Table 2.1 explains the difference between Marketing Strategy and Marketing Planning. Marketing strategy is the link with the corporate strategy. When looking at the marketing strategy, the marketing manager will have to consider the factors as discussed in Table 2.1. The factors that need to be considered not only in the marketing department and strategy, but in the institution as a whole are:

- The mission and vision of the institution in order to do an environmental analysis.
- Determine whether they have the resources and competencies to address the above identified needs.
- What products and the product mix they want to offer their clients.

After the strategy have been developed, it would be necessary for the marketing department to draw up a marketing plan (Table 2.1 – marketing strategy and

progress) in order to achieve the goals as set in the marketing strategy (Table 2.1 – corporate marketing planning).

The marketing plan should become a daily working document with a full action plan. This marketing action plan will include the action to be taken, the date by when it's delegated and by when the action should be completed, who is responsible for a specific action and the outcome of the action. Sometimes a budget per action could also be included. The marketing actions that can be typically expected to be seen in this plan are: advertising schedules, special promotions, public relations and product development.

There are 4 basic steps to follow when compiling a corporate and middle management plan. These steps are:

1.   Conduct a situational analysis: this is to understand the current situations and trends taking place that will affect the future of organisations (Guiltman and Paul, 1991: 13). In this process one will do a SWOT analysis – investigating the company's Strengths, Weaknesses, Opportunities and Threats.

2.   Establish Objectives: Objectives will identify the level of performance, which the company hopes to achieve in the future (Guiltman and Paul, 1991: 13).

3.   Develop strategy and programmes: Before a company can get objectives they will have to have their long-term, as well as their short–term, planning in place.

4.   Coordinate and control: Various divisions within the company can have different goals and objectives. Therefore it's necessary to coordinate and control these strategies in order to ensure implementation of the relevant strategies and programmes.

Furthermore it is also crucial that these strategies and objectives change with the changes in the market and or situation.

2.3.1.1   VARIOUS CORPORATE MARKETING STRATEGIES

There is a view strategies the institutions can look at when selecting a corporate strategy. Throughout paragraph 2.3.1.1 some of these strategies will be discussed.

(i)   Growth and Consolidation Strategy

The following table shows the difference between the two strategies (Guiltman and Paul, 1991: 29):

Growth strategy	Consolidation strategy
For current markets Market penetration Product development Vertical integration	**Retrenchments**
For new markets Market development Market expansion Diversification Strategic alliances	**Pruning**
	Divestment

Table 2.2: Two types of strategy: Growth and Consolidation Strategy

These strategies are important to investigate when evaluating one's corporate strategic plan, namely are you entering a new market or is the institution settling with the existing marketing plan and strategy. The consolidation strategy will be followed when the institution wants to retrench, prune (downsize) or divest departments or even products. Some of the public institutions for instance want to go smaller with their offerings or size of business, therefore they will most probably follow the consolidation strategy. The private educational institutions will in most cases follow the growth strategy, because they are new entrants to the market.

(ii)   Strategy to substitute and to complement

Two more strategies that could be investigated (Guiltman and Paul, 1991: 179 – 180)

Strategy to substitute	Strategy to complement
Line Retention Variety of existing products	**Leaders** Promote one product aggressively and hope that the customer will buy other products as well
Flankers New brand to serve new segment of market	**Bundling** Combination of products are sold together
	Systems selling Individual products compatible with one another

Table 2.3: Two types of strategy: Strategy to substitute and to complement

These two strategies are very close and are the two that most institutions will be looking at when determining their marketing strategies. Some institutions can have a line retention strategy, but in the same time also have a bundling strategy. Some institutions could be both flanker and leader strategies. Some of the private educational institutions that only do training for industry or corporate companies, will follow the leader strategy, because they promote one product to a company and hope that there will follow-up training for them after the presentation.

(iii)   Position and Attack Strategies

According to Kotler (1997: 373 – 398) a further two types of strategies that can be followed are:

22

POSITIONS	ATTACK STRATEGIES
◆ Market leader: no 1 – expand market or defend position	1. Frontal attack: concentrate on leader's soft spot
◆ Market challenger: No 2 / 3	2. Flank attack: into a segment
◆ Market follower: copy the leader	3. Encirclement attack: into several segments
◆ Market nicher: focus on a niche	4. Bypass attack: diversification or technology leapfrog
	5. Guerilla attack: harass & withdraw

Table 2.4: Position and Attack Marketing Strategies

Certain institutions within the educational industry would see themselves as market leaders, others as an "attacker" and others as followers. Some of the institutions will once again have a combination of all the above strategies. For some it is difficult to just have one strategy, because they have a different strategy for each faculty or department within the institution. Sometimes they have different strategies per qualification. Therefore it is extremely difficult to determine an overall marketing strategy, After deciding and developing a marketing strategy, (being overall or per faculty or per qualification), the institutions need to design and implement a marketing plan.

(iv)   Marketing Commitment Model

What is also an interesting approach to marketing strategies and planning is the Marketing commitment model as proposed by De Kare – Silver (1997: 62). This model states that there are 3 dimensions in a marketing strategy. The first dimension is the commitment, the second dimension is the four axes of competitive advantages, such as price, emotion, performance and service hustle. The third dimension refers to the underlying sources of these competitive advantages, such as with price it would be where to position the institution, namely low, premium or shared. With service hustle it looks at personalised and availability of services. Emotion and performance address the innovative and

political side of the business as wells as the reliability and convenience of the commitment in the first dimension.

(v) Product Life Cycle: (Guiltman and Paul, 1991: 37-38)

Some of the companies however, make use from time to time of either the product life cycle strategy, or the product portfolio model. This is normally the case with a specific product, and not for the marketing plan as a whole.

The product life cycle represents a pattern of sales over a period of time.

❑ Introduction phase: When a product is new to the market with no direct competition for example a new degree or diploma programme within an institution

❑ Growth: product is known in the market place and is getting more competition in terms of other competitors entering the market. This is specifically what's happening with all the new private institutions entering the market.

❑ Maturity: More alternatives available and growth levels off. More institutions mean more products available in the market and therefore more competition.

❑ Decline: the Buyers' needs change and it could lead to entry of a new product. Especially looking at the training needs of industry and the changes taking place

(vi)   Product Portfolio Model (Guiltman and Paul, 1991: 39)

These models are used in determining future cash contributions and cash requirements.

❑ **BCG Growth-share matrix:** Stars, Cash cows, Dogs and problem child or donkey. This model could look at the institution as a whole or per qualification offered at a specific institution. If a qualification or institution is highly recommended it would be a star. A cash cow would be when a qualification contributes a tremendous amount towards the gross income of the institution. Dogs and donkey are the qualifications that are problematic and needs to be

cancelled or dismissed. Normally institution look at this model at the same time as when they will do a SWOT analysis (see paragraph 2.3.1)

□ **Directional Policy matrix: (Marx and van der Walt, 1993: 571)**

Low, medium and high ➜ market attractiveness

Competitive position ➜ strong, medium and weak

This matrix is a guideline and will give direction to institutions, by indicating whether they have

• high market growth rates, that are more attractive than lower growth rates

• larger market segments, that are more attractive than small market segments

• markets with few or no competitors or have strong competitors that are less attractive

• Are they strongly influenced by technological an economical changes that are less attractive

In conclusion it is clear that the institutions can follow a combination of the above marketing strategies, without choosing one specific strategy. There could be two reasons for a combination of strategies, namely

1) the institutions have grown over the years and are at various stages within the business cycle OR

2) they don't have a clear marketing strategy or goal to work form and are therefore falling around without any structure.

The researcher, will in paragraph 2.3.2, discuss the tools the institutions will need to develop a marketing plan.

2.3.2 MARKETING PLAN

A marketing strategy can not be successful without a well-defined marketing plan After looking at the different strategies one may ask the questions for example:

what are the benefits of marketing planning and what are the barriers to marketing planning?

2.3.2.1 BENEFITS OF MARKETING PLANNING: (McDonald, 1992: 15 – 16)

McDonald (1992: 15-16) explains in his article what are the benefits and barriers to successful marketing plans, (Wales MBA notes from the marketing lectures were also used here).

Benefits of Marketing Planning
1. Greater profitability
2. Improved productivity
DUE TO: ◆ Identification of opportunities and threats ◆ Specification of sustainable competitive advantage ◆ Preparedness to meet change ◆ Improved communication ◆ Reduction in conflicts among individuals / departments ◆ Involvement of all levels of management in the process ◆ Better resource allocation ◆ Consistency of approach ◆ More market-focused orientation

Table 2.5: Benefits of Marketing Planning

An effective marketing plan will hold benefits, such as greater profitability and improved productivity, to the institutions as can be seen from Table 2.5. If the marketing department within an institution work according to a daily marketing action plan, they will work smarter and faster, therefore it will lead to greater profits and better productivity.

2.3.2.2 BARRIERS TO MARKETING PLANNING

When investigating the benefits of a marketing plan it is inevitable that one would encounter some barriers to marketing planning. These barriers as identified by

26

McDonald (1992: 15-16) are divided into 6 types (see Table 2.6). Which of these barriers apply to which institution? In chapter 3 it would become clearer, but out of experience most of the institutions struggle with one or more of the identified barriers. One of the reasons for this could be that the wrong type of person is appointed to head the marketing effort within the institution.

Barriers to Marketing Planning	
1. Cognitive	♦ Lack of knowledge and skills
2. Procedural	♦ Lack of systematic approach to marketing planning
3. Information	♦ Lack of data
4. Resource	♦ Lack of time / people
5. Cultural	♦ Lack of belief in planning and or marketing and or need to change
6. Behavioural	♦ People behave in inappropriate way e.g. fail to disclose valuable information or are confused about their roles.

Table 2.6: Barriers to Marketing Planning (SOURCE: Wales MBA Class Notes: 1998)

Apart form the above (Table 2.6) "almost obvious" barriers, McDonald (1992: 17-19) identifies five more barriers to marketing planning. These barriers are linked more to the marketing and corporate strategy, whereas the previous barriers are because of poorly or uneducated marketing staff. He identifies the following barriers:

1. Structural Barriers:

The typical structure of an organisation is based on the functional areas such as: Finance, Human Resources, Production, Operations, Distribution and Marketing. This structure could lead to a lack of loyalty towards customer satisfaction. In order to overcome this barrier, the company must define their strategic business units. The actual structure of the organisation could stop the educational institution from performing marketing planning.

27

2. Lack of in-depth analysis:

Only a few managers (if any) would be able to answer the following questions. This links to the research part of the marketing strategy. How much of their profit increase is due to:

- ❑ Market size growth?
- ❑ Market share growth?
- ❑ Price increase?
- ❑ Cost reductions?
- ❑ Productivity improvements?
- ❑ The manager should furthermore be able to read the trends in: the environment, markets, competitors and internal strengths and weaknesses
- ❑ Do the private and public institutions know of changes in market shares (are they doing research on this?). Furthermore do they know about environmental changes within education?

3. Confusion between process and output:

The focus of the marketing plan would be vague if there is too much information in the marketing plan. The marketing plan should be simple, concentrating on specifics rather than on non-specifics. There should be a complete action plan linked to the marketing plan, including time, action taken, by whom, when and result of action. The institutions need to evaluate the action results in order to plan better and smarter for the future.

4. Lack of knowledge and skills:

McDonald (1992: 8) conducted a series of experiments whereby he found that most marketing practitioners didn't know the difference between a corporate objective, a marketing objective and an advertising objective. If this is the case, then they won't be able to come up with an innovative and proper marketing strategy. Do educational institutions know the difference between corporate, advertising and marketing strategies?

5. Lack of a Systematic Approach to Marketing Planning:

Leppard (1987) as quoted by McDonald (1992: 18) discusses different kinds of planning systems necessary for organisations. By looking at these systems, there are some **mistakes** often made with marketing strategies and marketing planning. These mistakes are:

❑ **Isolating marketing function from operations:**

➤ to isolate marketing from operations is one of the most common causes of the marketing planning failure within an institution. Everybody within the organisation should be involved in marketing i.e. product development, finance, customer service and sales. The common feeling (out of experience) is that only the marketing department is involved in marketing and nobody else within the educational institution. If this is the case, they are heading for major disappointments.

❑ **Still confusion exists as to what marketing is:**

➤ confusion with sales: Do the educational institutions understand what the difference is between marketing and sales. Are they more interested on getting "bums on seats"?

❗ some managers argue that they have no time in their company for marketing until sales improve. When does marketing start? Only after they enrolled more students?

➤ confusion with product management: Do the institutions know what product they sell?

❗ some companies think that if they do have good products nothing can go wrong. This is simply not true - a well-known company such as Concorde went bankrupt, because of this belief. Do educational institutions not market because they believe their "products" are superior?

➤ confusion with advertising

❗ You as a company can have excellent advertisements, but if there isn't good service delivery the whole exercise will be futile. Is this not a problem being experienced by institutions? Good marketing but poor service?

➤ confusion with customer service. Marketing = customer service!

‣ Do the educational institutions cater for their customers (for example their office hours?)

The most important message out of all of this is that marketing is BOTH an attitude of mind and a series of functional activities! (McDonald, 1992: 17)

2.4 THE ROLE AND INFLUENCE OF LEGISLATION

The current changes in the South African Educational Acts will have a significant impact on educational provision in Gauteng. These acts include:

- **South African Qualifications Authority (SAQA) Act of 1995**

  This act established SAQA and it was tasked to develop the National Qualifications Framework (NQF). The NQF will make it easier for learners to access the education and training system. The Act furthermore provides for the establishment of National Standards Bodies (NSB's) for setting of national standards and qualifications, Standards Generating Bodies (SGB's) and Education and Training Quality Assurance Bodies (ETQA's) for monitoring achievements in terms of national standards. The SAQA accredits these bodies (SAQA 2000, An Overview).

- **Higher Education Act of 1997**

  This Act for the first time provides the government with the ability to regulate providers of private higher education. It has now the power to control the registration of private institutions, determine their scope and withdraw accreditation of any programme offered.

- **Further Education and Training Act of 1998**

  Through this Act it is hoped that the number of young people undergoing vocational training will be increased. This Act also emphasises the recognition of prior learning (RPL) and the need for future training.

- **Skills Development Act of 1998**

  The objective of the Act is to increase investment in education and training in the labour market and to improve the skills level of the South African

workforce. Sector Education and Training Authorities (SETA's) are established in order to coordinate skills training in sectors (currently 25). This training will be aligned with the NQF and take place through learnerships.

- **Skills Development Levies Act of 1998**

  The government's Skills Development Strategy will be partially funded through a payroll levy on employers. Employees can claim money back from tax if training is given, to their staff, by recognised educational providers.

- **The Council on Higher Education (CHE) Report of 2000**

  The Higher Education Act provided for the establishment of the CHE to advise the Minister on matters relating to Higher Education. One of the tasks was to advise the Minister on the size and shape of higher education in South Africa (Wentzel, 2001: 6). All the proposed "mergers and acquisitions" in education currently come as a reflection of the report.

According to the Council of Higher Education (CHE, 2000) the private sector is still seen as being inadequately regulated. There are a few concerns from the CHE, namely:

- The private sector is *driven by the market* and is therefore unpredictable and uncontrollable. The government therefore forces the private sector to work towards the national goals, within a structured environment.

- Private institutions only offer their services *to those who can pay*. This creates the impression that it is exclusive, and perpetuates the social imbalances that exist. The government can't afford to create imbalances and needs to slow down the private sector. But is this fair play, one might ask.

- The private sector *erodes the public institutions' income base* in the following ways:

1. The private institutions *attract the richer students*, leaving the public institutions with a great proportion of the poorer student (that results in bad debt). Many of the so-called black institutions struggle with significant student debt.

2. The private institutions, by *skimming the cream* of the market through value innovation, and by offering only the popular courses, get the best students.
3. The public institutions are forced to *spend more money* to be able to compete with the private institutions.
4. Private institutions *occupy attractive niches* even where public programmes are successful.
5. Relative to public institutions, the private institutions are not legislatively bound. This leads to conflict. On the one hand the regulation of the public system is necessary, but it is this regulation that makes it difficult for the system to survive. This is why the government is *trying to level the playing field* by applying more regulation to the private sector.
6. The private sector is *not focused on achieving developmental and social goals.* Certain public institutions offer certain courses because they are needed by society (medicine / theology) and not because they are necessarily profitable.
7. Public-private partnerships *blur the boundaries* between them and make the regulation of private institutions more difficult.
8. *Affiliation with foreign universities* divert student away from public institutions, since students want to obtain an "internationally recognised" qualification. The government has clamped down on such internationally recognised qualifications. But one must also ask one critical question? "Is not the cross-pollination which certain overseas universities (such as the Wales University and Technikon Witwatersrand MBA Qualification) of greater benefit to <u>both</u> institutions?"

This is a short overview on the relationship between the government and the private sector. Therefore it is understandable that the private sector experiences the government (and SAQA) as its biggest threat and enemy.

2.5 MARKETING RESEARCH

What is Marketing Research? It is the design, collection, analysis and reporting of data and relevant findings to a specific marketing situation facing the company, to provide marketing intelligence to improve the quality of decision-making. (SOURCE: Wales MBA Notes: 1998).

If the institution wants to determine their market in order to develop marketing plans and strategies, they will have to engage in market research. Market research will include the following:

□ Competitor analysis – which educational institution competes with which?

□ Advertising effectiveness – determine how effective is their advertising and the response thereof.

□ Corporate Image assessment – What is their corporate image?

□ Market entry or new product development – which new institutions have entered the arena e.g. Monash, Bond Univertisty and Gordon Institute of Business Studies (GIBS).

□ Market size, growth, market share, market structure – What is their market share within the educational industry? And how do they define their market share?

2.5.1 FORECASTING

Another function important for an institution is to continuously do marketing forecasting. Educational institutions need to forecast (based on accurate data). How must they do forecasting? Figure 2.1 below shows that they should firstly start with the economic influences of the market, going through the market demand and market share forecasting, up to the number of sales.

Economic Outlook	→	Industry / Market Demand	→	Market Share Forecast	→	Sales
Econometrics		Market Research Quantitative Methods Collective opinions		Company resources Objectives Competition		By product Target Market segment
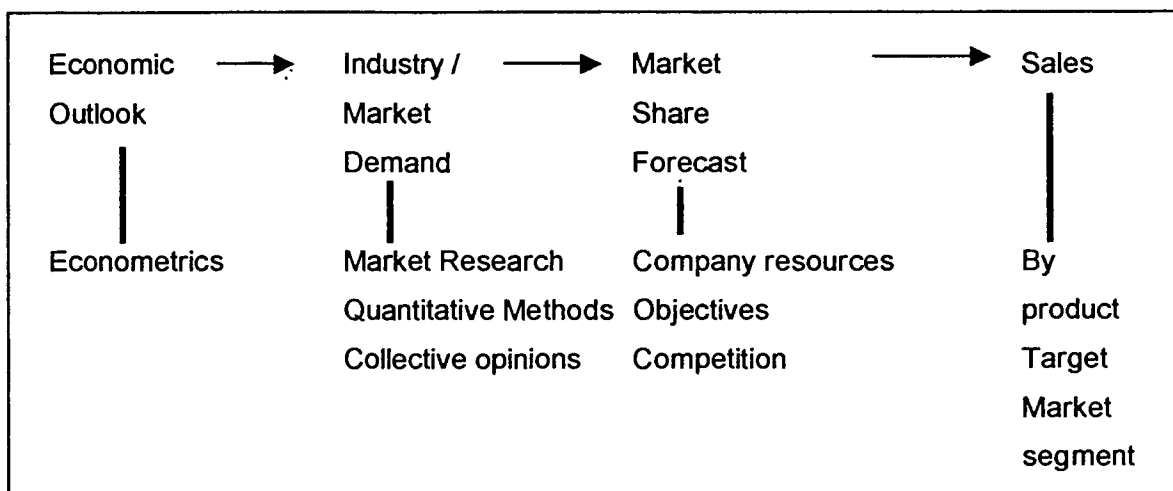
Diagram 2.1: Marketing Forecasting. (SOURCE: Wales MBA Notes 1998)

As discussed in paragraph 2.3.1 the institutions need to determine whether they have sufficient resources and competent staff to address the identified needs, resulting out of the research process. All of the factors researched will have an influence on the sales effort of the institution. This obviously has an impact on the overall budget of the institution.

2.5.2 MARKET SIZE / SHARE ANALYSIS

Educational institutions should examine their market size and share of the educational industry. This could assist them by knowing where and how to position themselves.

Market size is a function of the following:

♦ Population – this will indicate which people are drawn to which institution.

♦ Demography – who do your cater for?

♦ Socio-economic Status - Education, occupation, income, wealth

♦ Lifestyle – on what and how do they spend their monthly income

Do educational institutions practice target marketing or do they just rely on "people walking in" and enrolling? Most public institutions out of experience rely very much on people just walking in and do not practice target marketing.

34

Market share is a function of the following: in terms of competitors and own market share

Product Lines	Pricing
Availability	Network
Advertising	Promotion
Research	

The question to be asked is " do educational institutions look at market share data? Is any data available?" The perception is that the institutions don't do any research, therefore there are very little data available. Assessing one's market size and share is one of the first steps in marketing. Without this the whole marketing exercise will be futile.

2.6 COMPETITIVE ANALYSIS

In order to determine how our customers rate our products and services we need to do a competitive analysis. This analysis will indicate to a company how customers rate and evaluate their products and services. The competitive analysis is also an integral part of positioning (as discussed in paragraph 2.8).

2.6.1 COMPETITIVE ANALYSIS STEPS

There are five steps that a company can follow in doing a competitive analysis (Kotler, 1997: 238 – 244). These five steps are:

1. Define the target market:

The educational institutions need to decide whom the relevant market is they want to serve. They will determine this by either identifying a generic need, product class, specific products or specific market segment.

2. Identify the direct competitors:

It could be that an institution is losing a number of students or clients over a period of time. One of the reasons could be that a competitor is offering the same type of product, with a slight difference in price, but with the same benefits. An

35

institution should know their competitors and what they offer that are different to what they offer in order to outsmart them with promotions. Both the Technikon Witwatersrand and The Rand Afrikaans University offer a Logistics Programme, for example.

3. Assess the competitive dynamics:

An institution should assess their competitors by forecasting how the competitive market looks. This also relates back to paragraph 2.3.1, where it's important to understand the difference between new market entrance and / or discontinued product ranges, to name just a few. The institutions need to know what new educational products are entering the market. In other words what are the competitive dynamics in the educational industry?

4. Assess the intensity of the competition:

Institutions should know what are the biggest differences and similarities between competitors. This would indicate where there is a gap in the market for a new product or product range. The company that will respond the quickest to the market needs and gaps will be the one reaping the benefits. This reflects very clear in the private institutions, being quickest to respond to industry demands and needs.

5. Assess the competitive advantage:

The first thing one should look at will be to look at the skills and resources the competitor offers. Are they using high profile academics to develop and design their programmes? What else give them a competitive advantage? Is it perhaps more than a product?

The second thing is to analyse the positional advantages. With this in mind one must analyse the competitors' customer value and pricing. How expensive are their products? What extra value added services are they providing?

Lastly one should look at the competitors' level of satisfying the needs of the customer, as well as the level of market share, customer – company loyalty and profit sharing (see also Guiltman and Paul, 1991: 82 – 93).

2.7 PROMOTION

2.7.1 SALES PROMOTION

Sales promotion involves a wide range of incentives designed to have short-term effects on specific behaviours of consumers, intermediaries or the sales force (Kotler and Andreasen, 1991: 566).

(i)   TYPES OF PROMOTION DIRECTED AT FINAL BUYER

Sales promotion is the short-term offer directed at the buyer. Guiltman and Paul (1991: 286) discuss different types of promotions that are directed at the final buyer see also Marx and van der Walt (1993: 437).

Objectives	Alternate programme
Inquiries Competitions	Free gifts, mail-in coupon, exhibits
Product trial - New product - Related product - Brand switches	Coupons, % off, Free sample, contests, premiums
Increased rate of purchase	Multipacks, special price on more purchase

Table 2.7: Types of sales promotion directed at final buyer

Most of the educational institutions are involved in inquiries and competitions. They are all hosting open days similar to exhibitions. Institutions such as the Technikon Witwatersrand and the Midrand University and their Business School have competitions whereby students can win a bursary or get discount once they register and are accepted for a specific qualification.

37

(ii)   SALES PROMOTION BUDGET

It is necessary to investigate the costs involved in sales promotions. It isn't a very easy task, because it is difficult to predict. There are a few factors to consider when developing a sales promotion budget.

Sales promotion

Objective

Advertising Budget

Estimates of marketing Response

Product profitability

Cost of sales promotion

Sales promotion
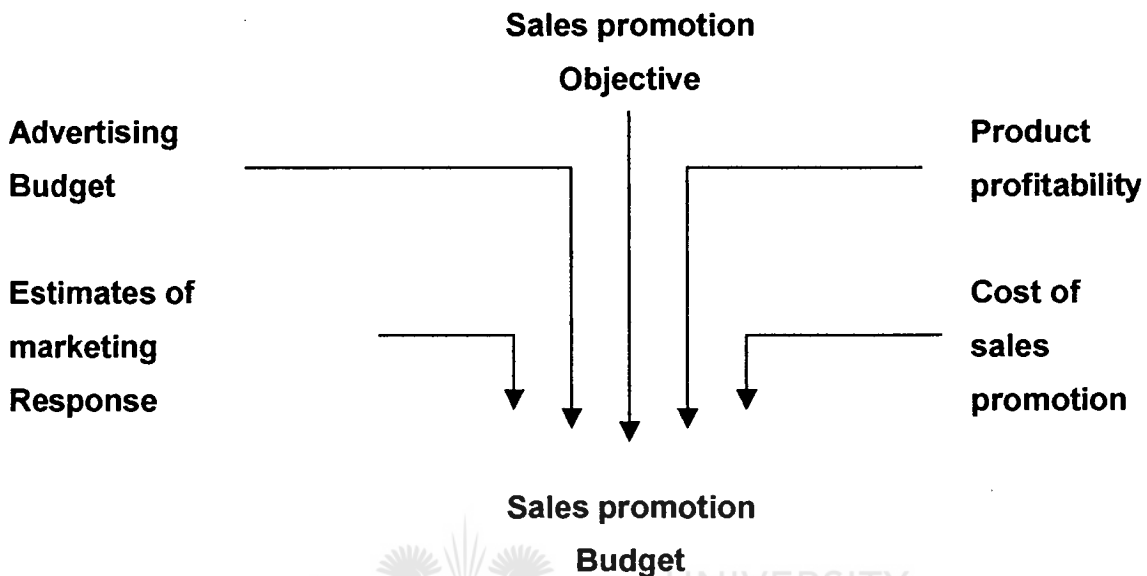
Budget

DIAGRAM 2.2: Factors considered in developing sales / promotion budget

Diagram 2.2 clearly indicates the complexity of designing a promotional budget. The institutions need to include all these factors when developing the promotional plan. One of the major mistakes most institutions make is to look at advertising as their only way of communicating to potential customers. This promotional expense should be included in the budget per qualification or programme. Most of the institutions according to my knowledge don't consider the cost of marketing per student enrolment / customer response. This could be a worthwhile exercise for them to do.

(iii)   SALES PROMOTION EXPENDITURE

There are also two main reasons for the difference in sales–promotion expenditure (Guiltman and Paul, 1991: 299).

1. Lower levels of promotion **(less costly promotion)** relative to advertising are associated with brands that:

- Have a high level of brand loyalty
- Have strong competitive differentiation
- Are in the growth and maturity stages of the product life cycle
- Have a large market share

This is to a certain extent referring to the public educational institutions. Although within the same type of institution they are distinguished between market share and brand loyalty. Furthermore the private institutions are also now entering this arena.

2. Higher levels of promotion **(more costly promotion)** relative to advertising are associated with brands that:

- Little brand loyalty
- Little competitive differentiation
- Are at introductory or decline phase of the product life cycle
- Small market share

This refers to the private educational institutions, which are new entrants to the educational industry. It is clear from advertising spend in various mediums, that the private institutions are spending much more on promotions, than the public institutions.

The sales-promotional decisions and budget also link to the push – pull marketing strategy. The company should once again decide who their target audience is, because this will lead to the appropriate type of promotion. Kotler (1997: 627) defines the difference between push and pull strategy as:

Push:

Supplier　➜　Channel　➜　End-user

Pull:

The supplier pulls directly on the end-user. This strategy is normally associated with mass markets. Which educational institutions "push" their products and which "pull" their customers. Once again it would appear that the private institutions will "push" their products, whereas the public institutions "pull" their students.

(iv) THE COMPONENTS OF PROMOTION

The table below shows the various promotional methods.

Component	Characteristic	Examples
Advertising	Paid, non-personal communication through publicly available media - Pull strategy	-TV, radio, cinemas - Press: newspaper, magazine, trade journals, directories - Mailshots - Posters, Billboards, Buses, Taxi's - Promotion handout
Personal selling	Face-to-face persuasion - Push strategy	Sales representatives
Public Relations	Develop a mutual understanding between organisation and its customers	- Press releases - Sponsorship /Functions - Corporate logo / identity
Sales promotions	Form of persuasive communication to boost sales	- Special offers, competition, gifts - Trade fairs & exhibitions, seminars - Point-of sale / Direct mail

Table 2.8: Components of promotion

Which of these do the educational institutions use? Most of the institutions, public and private, use advertising more frequently. The private institutions are

concentrating more on personal selling and sales promotions than public institutions. We will individually discuss in paragraph 2.7.2 to 2.7.4 the various components as mentioned in the above Table 2.8, with specific focus on the educational institutions promotional efforts.

(v) FACTORS INFLUENCING THE PROMOTIONAL MIX:

❑ Resources available

❑ Nature of the market   –   geographical size

                                -     degree of concentration

                                -     type of consumers

❑ Nature of the product - industrial versus consumer

❑ Stage in the product life-cycle – at which stage in their product life cycle are specific educational products / courses?

❑ Buyer readiness stage – awareness, conviction

❑ Strategy: Push versus Pull – pull customers to the institutions or push the customer through aggressive selling

❑ The budget available for institutions to do promotions

2.7.2 ADVERTISING

The main reason for using advertising is to persuade / remind or inform potential customers about the company, their products, price and distribution (Marx and van der Walt, 1993: 358). It is important to choose the correct vehicle for the above (for example magazines, newspapers, radio or TV). This medium must be able to address and attract the proposed target market. It is however not always possible for the company to use the preferred medium because of cost implications. How many institutions for example advertise on Television? Currently not one in South Africa. Why? There is only one institution that is advertising on the big screen at the cinemas, and this is also a costly exercise.

41

(i) ADVERTISING SPEND CRITERIA

How do we allocate the advertising spend? Guiltman and Paul (1991: 264 – 265) describe three criteria for advertising spend:

1. Product objectives:

The product portfolio analysis will determine which product should receive increased, sustained / reduced support. Institutions will promote a specific qualification, because it is currently popular in the market place, for example the Logistics course at the Technikon Witwatersrand.

2. Product profitability:

The greater the contribution margin, the smaller the increase in sales needed to cover costs of increased advertising budget. Courses where the fee per course have a higher contribution margin, will make greater profit per extra student enrolment.

3. Productivity judgements:

This is useful to determine the effect of change on a budget. The level of advertising might be increased in order to maintain market share at current level. The institutions do general awareness advertising to obtain greater market share.

2.7.3 PERSONAL SELLING

The market type plays an important role in looking at personal selling. In the consumer markets, personal selling is only third on the list of promotional tools (Kotler, 1997: 665 - 668). The best promotion tools in **consumer products** are, in the order of importance:

□ Advertising
□ Sales promotions
□ Personal selling
□ Publicity

Since educational institutions focus on consumer products, they should use all of the above tools. The question remains whether the institutions use these tools available to them to market to their products or institution?

For the **industrial market** the tools will be (in the order of importance):

- Personal selling
- Sales promotion
- Advertising
- Publicity

It would be important to know which tool to concentrate on in order to reach the identified target audience. Companies or institutions can easily use the wrong tool to reach their target market and this could be the reason why they don't perform as expected.

2.7.4 PUBLIC RELATIONS

What role do Public Relations play in a company or institution? Kotler (1997: 671 - 674) says that Public Relations is the "deliberate, planned and sustained effort to establish and maintain understanding between an organisation and its publics" (see also Kotler and Andreasen, 1993: 570).

(i)   OBJECTIVES AND ADVANTAGES OF PUBLIC RELATIONS

There are four objectives and advantages to having a public relations department or company doing it for you. They are:

Objectives:

- Obtain favourable publicity – institution is positively viewed
- Build up a good "corporate image" – institutions are highly regarded
- Handling / heading off unfavourable rumours and events
- Effective internal and external communication vehicle – a tool in internal and external communication with customers

Advantages:

- Stronger public awareness at lower cost – publicity is free for most of the public institutions, through their internal Public Relations department
- More credible than advertising – if they use the correct "stories to tell"
- Media not paid for by sponsor
- Greater reach with more information – can persuade more people to enroll at your institution via good Public Relations

(ii)   PUBLIC RELATIONS TOOLS (Kotler and Andreasen, 1993: 579 – 585)

There are certain Public Relations tools that will help you reach your target audience. These tools are:

1. Newsprint   -   press releases
2. Speeches   -   in-house / public / TV & radio
3. Special events   -   grand openings, news & conferences
4. Written material   -   annual reports, brochures, newsletter
5. A/V materials   -   video, slide show, multi-media
6. Corporate Identity   -   logo, stationery, signage, Business cards
7. Sponsorships   -   promotions
8. Public service activities -   social responsibility programme
9. Promotional gifts and personal contact
10. Toll free number   -   to get free information on courses / institution

The public relations department should be extremely professional in their approach. General awareness of an institution can be either to their advantage or to their detriment. The image you portray will either attract the correct target audience or chase them away. All of the above promotions need to be in line with the chosen segments as well as positioning. No false message must be sent out, because it could ruin the company in total. Most public institutions have an internal public relations department, whereas most of the private institutions outsource their public relations activities. The cost involved in having either an internal or outsourced department would be interesting to see.

2.8 POSITIONING

Turnbull (1981: 216) confirms that the buying behaviour of organisations / companies is influenced by a wide variety of factors from both inside and outside the organisation. To be able to understand these factors it is critical in the competitive positioning of the company to develop appropriate business and marketing strategies and plans.

Positioning and advertising go hand in hand, because most institutions use advertising to position a new product. It is not the product that's been positioned, but the mind of the potential buyer / prospect (SOURCE: Wales MBA Marketing Notes, 1998). Some positioning slogans in the educational industry are:

- Preferred choice for excellence – Technikon Witwatersrand
- Serving Africa ... and the world – Midrand University's Business School
- Igniting your mind. Guiding you all the way – Midrand University
- Turn the COG to your advantage – Rand Afrikaanse University, Department of Human Technology

The advertising agents or internal communications specialists spend a lot of time to research the gaps in the market so as to position their clients, which in this case are educational institutions. Positioning is not there to confirm something new to the customer, but to manipulate what's already there in the mind of the buyer.

More and more people are engaging in advertising their products. It becomes more and more difficult for the buyer to decide which product to buy, because of the over doses of advertising. Advertising in general is often broadly focused and that's why positioning will assist an institution in narrowing down the message. Only the bare essentials must be said in the advert. By positioning themselves an institution won't overload the customer / market with unnecessary information.

How can institutions position themselves? It is crucial to find a window in the mind of the person you want to reach. This links to segmentation, whereby you know who your target market is, and therefore you'll know what makes them "tick". This also links to brand loyalty. You need to focus first on your product, and then make sure that the buyer won't switch brands. Are customers in Gauteng brand loyal to certain institutions? No current research is available on this topic. Thus, it is important to see that all these factors (for example segmentation, advertising, positioning and branding) are all interlinked with each other in an effective marketing strategy.

As with anything in life it is essential to be consistent in the positioning exercise. One must be honest in the positioning of the institution, because you can not market the wrong message to the buyer. Therefore coming back to the opening statement − it is very important to research the positioning of the institution in order to portray the right message and image to the customer.

2.9 PRICING

The pricing plan is there to indicate how a company set their basic price. To be successful, an institution must "establish prices for products / courses that will allow for a profit margin, will be competitive with similar institutions and will be acceptable to the customer" (Pinson and Jinnett, 1996: 85). This links back to once again the marketing research and strategies. Without this knowledge the institution can not be successful.

2.9.1 MARKETING STRATEGY WITH CORRELATING PRICING OBJECTIVE

For every marketing strategy as mentioned in paragraph 2.3.1 there is a correlating pricing strategy as can be seen in Table 2.9 (Guiltman and Paul, 1991: 226). The strategies as mentioned in Table 2.9 relate to the various strategies in paragraph 2.3.1. The product line strategy refers to the substitute and complement strategies. The selective demand strategy refers to some extent

46

to the growth and consolidation strategies. There is also some link to the product life cycle model as well as the product portfolio model.

Marketing strategy	Pricing objectives
Primary demand strategy	
1. Increase number of users	3 Reduce economic risk & offer better value
2. Increase rate of purchase	4 Enhance frequency of consumption
Selective-demand strategy	
1. Retention	1. Meet competition (price parity)
2. Acquisition	2. Undercut competitor on price & use price to signal premium quality
Product-line strategy	
1. Substitutes	1. get buyers to "trade-up"
2. Complements	expand range of products & attract new clients

Table 2.9: Marketing strategy with relevant pricing objective

2.9.2 VARIOUS TYPES OF PRICING

Apart from the pricing objectives one gets various types of pricing (Guiltman and Paul, 1991: 239 – 241). These types are:

- **Penetration pricing:**

This is when you use low price as a major basis for stimulating demand. In the education industry as in other industries, low price is associated with low quality. This could pose a problem then to lower your price in order to attract or stimulate business.

- **Parity pricing:**

When you set the price near to the competitor's price without "rocking the boat". This is normally the case where institutions have similar qualifications and wants to dominate or increase their market share.

- **Premium pricing:**

Put the price above the competitor's levels or when there is no direct competition. This is when institutions feel very confident about a specific qualification or are a new entrant to the market.

De Kare-Silver (1997: 176 – 180) confirms the above types of pricing, although he identifies 4 types of pricing. He uses different headings to explain the various types, namely

- **Low pricing:**

Reasonable quality of goods at low price. This is similar to penetration pricing. Most public institutions are following the low pricing strategy.

- **Premium pricing:**

Add some additional value with the product as well as the price. Creates perceptions of exclusivity. Could be seen as similar to the previous premium pricing

- **Value pricing:**

The customer will feel they pay a reasonable fee for the value of the product they purchase. The quality of the qualification is in line with the price they pay.

- **Share pricing:**

This is when you achieved a deep customer relationship. The customer is part of the price decision-making process. This way you will keep competitors out. This type of pricing occurs with corporate client presentations than with full-time undergraduate qualifications.

Although they might appear very different to each other, they actually say the same thing and that is, that price is one of the most important things that will influence the demand of goods and services (Guiltman, 1991: 225) and (De Kare-Silver, 1997: 173). So it is with Post-school education. Price does matter. Freemantle (1998: 10) feels that price isn't the sole determinant of what customers like, but that if a customer likes you he / she will come to you no matter what the price. This is not the case in South African education. People

know they need to pay for good education, but they don't want to pay too much. Kasturi Rangan (1995: 110) says that the company's own structure needs to play an important role in the price planning process. This refers back to the link between strategy and pricing as discussed in Table 2.9.

Looking specifically at the Higher Educational Institutions in South Africa, Altbach (1998: 2) confirms that most private universities and colleges (internationally, as well as in South Africa) depend for most part of their financial income on the students who pay for their tuition. This is the major reason for the price discrepancy between public and private educational institutions. There are however, in some countries private institutions that do receive state subsidy (for example in Japan, India and the United States of America). Should certain private institutions in South Africa receive state subsidy?

2.10 SEGMENTS

Why do we need to investigate segments? Because this will enable the institutions to tailor the marketing mix in order to address the unique needs of the various segments Kasturi Rangan (1995: 187) see also Pinson and Jinnett (1996: 51).

2.10.1 SEGMENTATION ACCORDING TO THE TRADITIONAL BASES OF SEGMENTATION

What do we mean by segments? There are a few bases of segmentation the institutions can investigate:

- **Demographic** descriptors for example geography, account size and population size – targeting urban students in Gauteng.
- **Product end use** or **application** – wants to be an engineer.
- **Buying situation** – who is the final decision-maker regarding a programme.
- **Customer decision-making style** – how do I reach a decision.
- **Customer benefits** – will the student be able to get a good job with this qualification from this University or Technikon?

2.10.2 HOW TO IDENTIFY A SEGMENT

A further question may be asked namely, what process do we use to identify the target market or segment and how many institutions segment their market?

Guiltman and Paul (1991: 75) suggests that the institutions ask themselves the following questions:

- What are the demographics / lifestyle characteristics? Institutions need to know who are their customers, where are they from and can they afford to study with them?

- Who are the key decision-makers in the family or company / organisation? Promotional tools need to address the final decision-maker as well as the initiator. The parents of a scholar are the final "buyer" of the product, or it could be a company who sponsors a student. In both cases the final buyer must be persuaded that this institution will deliver what they've promised.

- What media are they exposed to? This slots in with the advertising and choosing of the right medium to reach your target market. The institutions will know which medium to use as soon as they know whom their target audience is. If the student comes from a poor background, with maybe no exposure to Radio or Television, then it's useless to use one of these tools to reach the prospective client.

2.10.3 SOURCES OF COMPETITIVE ADVANTAGES IN RANKING OF INSTITUTIONS

De Kare–Silver (1997: 216) takes it further and gives us sources of competitive advantages that play a role in customer's ranking by segment. These sources are as follows:

- Performance – Does the institution perform overall (good results, sport and culture involvement)
- Service – Does the institution deliver excellent service
- Hustle
- Price – Is the price in line with the quality of product
- Emotion – Does the institution build a relationship with the customer

These sources will determine which part of the segment will be attracted to which institution. Customers will go to another institution if the service, performance and price are not attractive enough.

2.10.4 SOUTH AFRICAN SEGMENTATION

In South Africa the market is much smaller, but we have the same classification of the segments, as described above. The segments reveal the homogeneous needs, demands, preferences and lifestyles. In the South African market a new method of identifying segments have been designed, namely the **Sociomonitor**. This method of segmenting reveals 4 major segments in the white consumer market and the same segments for the black market. Van der Walt (1992: 121 – 123) have gone further by extending the segments in the black market to more personalised urban black segments.

Segments in the white consumer market: (Van der Watt, 1992: 121)

☐ **The Branded Me: Students that want the best quality and are very status conscious will choose an institution, which satisfies their status needs.**
Materialistic
Status seeker
Use possessions to build their image
Tend to take the easy way out
Rely on external means rather than on their own efforts

☐ **The Responsible Me: A conservative student will choose a conservative institution.**
Strongly committed to family, country and religion
Very conservative
Prepared to act aggressively if threatened

☐ **The Self-motivated Me: The private institutions are catering for these type of students.**
Prepared to devote considerable time, money and effort to themselves
Very self-indulgent

Their goal is their own well being

❏ **The Innovative Me: The liberated student will choose the liberated institution.**

Reject traditional attitudes and ways of doing things

Always ask "why"?

Prepared to accept new products of ideas

Segments in the black market consumer market

- **The Branded Me: The upcoming "yuppie" student will choose an institution that fit their personal image.**

No ambition beyond achieving recognition among their peers

Extremely brand conscious

Buy a brand even though they can ill afford it

No planning for the future (about 25% of the market)

- **The Responsible Me: The parents have a strong influence over these students and will choose an institution accordingly.**

Conservative

Middle class

Interest of family comes first

Work hard

Value their jobs

Confident of future in South Africa (About 17% of the market)

- **The Rebellious Me:**

Frustrated and resentful

Inclined to solve problems aggressively (About 23% of market)

- **The Liberated Me: This is the liberated student who wants to study at a liberated institution.**

Take pride in being black

Very ambitious

Very involved in their jobs

Materialistic

52

Do not have time for aggression

Realise that they will lose much in any unrest (About 35% of the market) *(Van der Watt, 1992: 122-123)*

The institutions need to take into consideration these differences between the two markets as discussed above. The markets are totally different, and will therefore need very different marketing approaches.

2.10.5   SEGMENTATION ACCORDING TO DELIVERY METHOD

Segmentation can furthermore be according to the specific programme or qualification's mode of delivery delivery, within an institution. The modes of delivery could be either, full-time face-to-face delivery or part-time face-to-face delivery. Distance Learning, Block Release and Open Learning are now getting more in demand. The reason for this can be that more and more students can't afford to study full-time. Therefore they need to study in such a way that they can still work during daytime and complete their studies part-time.

2.10.6   E-LEARNING SEGMENTATION

Another way of segmentation is discussed, namely e-learning segmentation. Apart from the change of training delivery this is a very real issue and needs to be addressed by both public and private institutions. This topic can be a research document on its own; therefore the researcher will only touch on the segmentation of e-learning and not discuss it in depth. Weggen (2000: 2) has provided a segmentation of e-learning that seems to be accepted by providers and analysts. The proposed segmentation is per product or service offered and can therefore easily be applied to both the conventional education and training markets. Segmentation can be divided into three categories, namely: content, delivery / technology and services. The content segment consists of providers that furnish course structure, multimedia, simulations, testing and assessments. The content might be customised or newly developed. Some of the institutions try

53

to apply E-learning through video-conferencing and include the virtual classroom in the specific programme.

The service segment includes institutions that provide needs assessments, programme design and development, site management and hosting, maintenance and on-line monitoring. The technology segment (also known as delivery solutions) sells technologies that will enable institutions or organisations to gain access to learning via e-learning. This will typically include providers of authoring tools, course management systems, virtual classrooms and add-on tools. According to the analysts, the content segment will be the most favourable over the short and long term (Weggen, 2000:). There are only one or two institutions currently in the whole of South Africa that are applying the e-learning method of study.

Gotschall (2000: 4) states that there is no market need for e-learning as such, but there is a need for convenience, lower costs or improved organisational performance. According to the Business Day (6 September 1986) it is very difficult to identify the target market correctly today, because of the rapid changes occurring in the social-political, economic and technological arena in South Africa. To identify the correct target will be the prime determinant of the institutions in the South African market place (Business Day, 6 September 1986). This, once again emphasises the importance of all these factors when deciding on your type of promotion. Do clear target markets exist in South Africa's mixed markets (black and white together)? How many institutions know exactly who there target market is? The other bases of segmentation, such as demographics, customer turnover, lifestyle and buying centre will be discussed in paragraphs 2.12 to 2.16.

2.11 CHANGE IN DELIVERY OF TRAINING

Barron (2000: 2) in the matrix below shows how new training tools develop out of changing needs. This has changed from Just-In-Case where one size fits all, to Just-In-Time where training is delivered when needed and in a form that is needed at that specific time. These changed needs would never have been satisfied if it were not for new media becoming available such as computers, CD-ROM, intranet, internet, groupware and artificial intelligence.

Training in the world of the new media requires using new media tools. Such tools include teaching through the internet, video-conferencing and CD ROM. How many South African educational institutions (in Gauteng) are using such tools? A few are, such as the Technikon Witwatersrand (ISDN and virtual classroom).

EMBEDDED HELP	KNOWLEDGE MANAGEMENT
Performance Support Tutorials – Wits University Wizards	Traditional, or in combination with e-learning – most of the institutions
CLASSROOM REPLICATION	ELICITATION
Self-paced courseware – UNISA Virtual classes – Technikon Witwatersrand	Simulations Games – Tukkies Business School Learner-designed expert systems

DIAGRAM 2.3: Delivery Methods Matrix with examples

The change to e-learning, and what is involved in this, is obviously also a big factor in changing the training delivery, new technology and approaches. Educational institutions need to understand the new trends in training delivery, to be able to market new modes of delivery to potential customers.

2.12 CUSTOMER TURNOVER: HOW DO THEY KEEP CUSTOMERS

Guiltman and Paul (1991: 61) explain that the term customer turnover refers to the rate at which an institution must replace all or a substantial part of the individuals in its market, because of a change in some aspects of the buyer's characteristics. This refers to the process of life long learning within educational institutions. Today's full-time student's are tomorrows parents, meaning they can't study full-time anymore, but will have to be catered for on a part-time, distance learning or more flexible mode of delivery.

In other words it could also refer to what the institutions are doing to retain business with the same customer that has changed over the years? Ryans and Shanklin (1986: 5) said the same thing namely: that state-supported institutions need to become increasingly entrepreneurial through ventures such as part-time and profitable short course presentations. This is exactly what's been happening in a lot of private institutions today. Things such as service levels, customisation, flexibility and practical – "Return on Investment" courses are playing a very important role in developing and retaining alumni. The private institutions are maybe a bit more advanced in using the above (because this is essential to their survival) and because they are not subsidised by government. Therefore they are forced to respond quickly, in order to meet market demands and forces. This is one of the changes, starting to take place in public higher educational institutions – the change over to more business orientated institutions, because of continuous cuts in state subsidy from government. Public institutions need to become more flexible and customer focused. They too will have to learn how to survive as state subsidies continue to shrink / dwindle.

2.13 BUYING CENTERS: WHO PAYS FOR THE STUDIES

What is a buying center? In companies receiving corporate training, it would be all the relevant people involved in the "buying decision", which in this case would

be training and development departments. Not only should Higher Education institutions target the particular candidate they want on a specific programme, but also concentrate on relationships such as: The student → The parent and the employer → the employee. Each of these becomes a potential buyer of educational products.

Children under age do not have "buying power" yet, it is the parents that will influence the child to make career choices, mainly because of the cost implications. The same applies to the employer / employee relationship. Both must agree on the same institution (Guiltman and Paul, 1991: 61). Institutions need to realise that for both parents and employees the final return on their investment is extremely important. They need to develop the student in such a way that a first time graduate will get a job and the corporate trainee would be able to implement practical knowledge to their daily work.

With corporate training, there are various other factors and people influencing the buyer. Sheth as quoted by Turnbull (1981: 221) indicated that there are three major company variables that will influence the composition of the buying centre. The three variables are: **company size, degree of centralisation and company orientation.** Alexander *et al* already in 1961, Anyon in 1963, and Hill & Hillier in 1977 (as cited in Turnbull, 1981: 218) tried to determine exactly how many people are involved in the buying process. It varied from 3 to 40 people, depending on the size of the purchase. Therefore it is crucial as a marketing manager or marketer within the institution to know who is involved in the decision-making, when researching the relevant market.

There are various roles within this decision-making. The roles are:

- Initiator – the original contact of the institution with the company. The parent.
- Information collector – the internal researcher of the company, investigating various institutions. The child as well as the parent.
- Final decider – either the Managing Director or Training Department within company. Often not the student but the parent.

- Pusher / influencer – Person that wants to use a specific institution, will push for their training.
- User / consumer – the people that need to be trained could have a say in the choice of provider.
- Financier – the finance department that needs to approve the quote from the institution for training. The parent that pays the fees.
- Buyer – the person choosing the course.
- Gatekeeper – the person that oversees processes and whether all the relevant steps are followed (SOURCE: Wales MBA Notes: 1998)

Different authors such as Klass (1961: 56) and Webster & Wind (1972: 67) had different headings for the roles within the buying centre, but the most common ones throughout are: users, buyers, influencers, deciders and gatekeepers. All these roles include the relevant departments within an organisation (for example research & development, engineering, finance, purchasing and production). Most of the time training investment is costly and decisions can't be made over night, because the financial implications could be enormous. Do educational institutions approach Training or Human Resources Managers who influence training decisions? It is therefore very important for a marketer to identify the allocation of real decision-making power. It will save time and energy if you know whom to speak to, in order to market the programmes of the institution.

2.14 LIFESTYLE: WHAT LIFESTYLE DO STUDENTS WANT

According to Pinson and Jinnett (1996: 53) lifestyle refers to a person's manner of living. It also refers to a customer's activities, interests and opinions. Students do consider lifestyle choices when making educational decisions (consider Rand Afrikaans University's shopping complex for example).

The marketing Manager needs to ask the following questions when determining the lifestyle of their customers:

- How do people spend their time? – what sport must they offer
- What things are important to them? – what cultural activities must they offer
- What opinions do they have of themselves? – how do they see themselves
- What opinions do they have about the world around them? - what do they like doing after hours? Watching Television or movies?

This could reflect the way in which your product would fit into a potential student's normal pattern of living (Guiltman and Paul, 1991: 60). Do any of the institutions know the lifestyle of their potential customers? If they do possess this information, it would mean that their advertising should be more successful, because it would be more in line with the lifestyle of the student.

2.15 DEMOGRAPHICS

Age, sex, education, occupation and family size fall under the heading of demographics. The importance of knowing your demographics will influence where and how the institution will advertise to prospective customers. It should be the right medium, with the right message to the right group of students.

What type of person should an institution appoint to market their products to potential students / customers? The appointee should be a specific type of person for a specific type of client. The sales person should be able to "fit in" with the target market (for example Postgraduate student as opposed to undergraduate students). Undergraduate full-time students are school leavers that want to speak to a young and vibrant person. Postgraduate students want a mature, but also lively, person to speak to with regards to their studies. In both cases the marketer should be well informed and knowledgeable about the specific programme offering.

A further question to ask is what are the factors to consider should the demographics change? Jaques (1985: 43) indicates that three factors could be considered when the demographics change:

1)   movement in demand – programmes need to change with the requirements of industry.

2)   needs of government – government might need a change in the skilled workforce / manpower.

3)   continuing education – learning should be lifelong.

In South Africa the above issues are being addressed, to some extend by the South African Qualifications Authority (SAQA) and the new national educational framework of South Africa.

2.16 LOCATION OF THE LEARNING INSTITUTION

In the educational world this is an important topic, because of the diversity of students and clients. Location will also influence decisions such as accommodation and transport. Should a student want to study at a specific institution, then accommodation becomes an issue. Most of the private institutions don't have accommodation on campus, as is the case with most public institutions. This could lead to a student not enrolling at a private institute, but rather enrolling at a public institute.

Furthermore the exact physical location of the public and private institution plays an important role. The reason for this is often related to safety and accessibility to other parts of the town or city. How accessible is the campus to bus routes, stations (trains) or other forms of public transport? How easy is it to get to the campus from work, for part-time students? Is it close to a highway or other main routes? Is the area in which the institution is located safe and environmentally friendly? Will there be adequate parking and security? Are the buildings new and modern or is it old and dilapidated?

All of the above plays such an important role in determining which institution to attend. The perception obviously exists that private institutions have more money to spend and can therefore purchase a building that looks more professional and safe. This will influence your postgraduate students when comparing various institutions, for study purposes.

2.17 RELATIONSHIP MARKETING

Relationship marketing is about developing a long-term relationship with the customer – the student. With relationship marketing one refers back to strategy and in particular back to the retention strategy (as discussed in paragraph 2. 3. 1). The retention strategy looks at the variety of products in order to enhance the chances of repeated business. This could only be achieved by forming formal interpersonal ties with the buyer or client. One wants to use strategies to retain customers, students in the long-term. This relationship building could lead to a long-term contract, which means that the institution is secured of income and the client can be assured of limited price increases. Educational institutions do try to control their price increases.

Most institutions undervalue the importance of relationship marketing or maybe don't understand the value thereof. It is also a very time consuming type of marketing, because of the capital outlay the potential customer / company will encounter. The determining factor in order to secure business, will be customer service and pricing (Guiltman and Paul, 1991: 175). As de Kare-Silver (1997: 152) said, competitive advantage is not only about serving, but also keeping the customer! Relationship marketing is about developing strategies to keep the customer.

2.18 CUSTOMER SERVICE

Customer service is the extent to which your clients are satisfied with the quality of service they receive from the provider.

2.18.1 CHARACTERISTICS OF POOR CUSTOMER SERVICE

What are the characteristics of poor customer service? According to de Kare-Silver (1997: 149) some of the characteristics are: broken promises, impersonal / emotionless reactions, silent treatment or lack of communication with the customer or misplaced priorities. Staff involved in customer service should constantly challenge and ask themselves: how can I (or we) do it better or make a difference? This will unfortunately only happen if there is a culture of understanding and the desire amongst staff to go above and beyond the call of duty.

Jesper Kunde as quoted in Freemantle (1998: 3) goes further to say that the degree to which customers will like your company and the people who represent it, has a critical impact on the success of the business. He also indicated that the use of technology (for example e-mail and the internet) could reduce your risk of losing clients, because your staff won't directly communicate with customers and could therefore keep emotions out of the discussion or disguise their emotions. What makes it difficult to maintain customer service is that no one customer is the same. Good service for the one could not be acceptable to the other.

2.18.2 ZONES OF CUSTOMER INFLUENCE

There are 4 zones of customer influence, as indicated by Freemantle (1998: 131 – 133). The zones apply to customer service (marketing) in educational institutions. The question to be asked is: "into which zone do our customers fit". The zones are:

1. Zone of recommendation:

When excellent customer service takes place. The customer is always satisfied with the service. He / she will always refer and recommend new customers, friends and family to use your product or institute. Private, more than public institutions, depend on "referrals" from satisfied customers. Public institutions are relying on the fact that students will always choose them first, before considering private institutions.

62

2. Zone of normality:

This is when service is being taken for granted. The service is acceptable, but not excellent. Feedback to friends and family will be minimal, but still positive. Institutions to some extend will be able to survive with this type of service, but not for a long time. Students will change from one institution to another, as soon as another institution delivers better service,

3. Zone of tolerance:

The customer in this case is not satisfied with the service, but will put up with it, because there are no alternatives. As soon as there is competition, the customer will move. The end result would furthermore be that no positive or negative feedback will be given through to friends and family. This will be the starting point of losing market share. To get out of this situation, will mean a lot of hard work and publicity for the institution to regain position in the market place.

4. Zone of rejection:

This is normally the last resort for a customer. They can not tolerate the bad service any longer and will move to the competition. This customer will have strong views about the bad service and will have a negative influence on others. As an institution, you don't want to be in this scenario. You will only be able to attract a very low quality of students that can not go somewhere else. To rebuild a reputation from this level, is extremely difficult.

2.18.3   MONITORING CUSTOMER SERVICE

Institutions can draw up and sign, service level agreements with their customers. This is an indication to the customer of the seriousness of the institute's intent to do good business. "A promise we make is a promise we keep".

The marketing or services manager should also evaluate customer complaints. The manager can then improve customer service if he / she knows, what and

where, the problems are within the institution. Customer satisfaction and service is also a critical part of marketing research (Kotler, 1997: 480 – 482).

2.19 COORDINATING AND CONTROLLING MARKETING RESEARCH AND DEVELOPMENT IN EDUCATIONAL INSTITUTIONS

Educational institutions must make sure that programme development goes hand-in-hand with research. The marketers are the people that get the specifications from the client, who then give it to the R&D department to either develop a new product / programme or customise an existing programme. All internal departments of an institution should be involved with maintaining high levels of customer service. It won't do any good if the marketing department delivers excellent customer service by identifying training needs and the R&D department doesn't react quickly enough by either designing or customising a new programme. So to educational institutions need to research their markets and tailor their products.

De Kare–Silver (1997: 237) confirms this interrelationship of all internal departments. This is explained in DIAGRAM 2.4.

Competitors

Commitment

View of future market

Existing & potential new ones

Supplier		*Customer / Market*
Which product successful?		Segmentation
Which product profitable?	**COMMITMENT**	Current / future needs
Which declining? ⟶	**IMMERSION** ⟵	Buying criteria
Why declining?	**ADVANTAGE**	Rate different
	↑	Supplier
Long-term		Recognition of
		individual
New opportunities?		Supplier

Employees

New market opportunity

Roadblocks in company

Steps to accelerate programmes

Other Threats

DIAGRAM 2.4: Research and analysis – strategic development process

(Adapted from de Kare-Silver, 1997: 237)

The above Diagram gives a summary of all the factors influencing the marketing strategy and plan. This is what research and development is about. New product development means that the marketer should know what the competition is offering in order to develop something different and new. Furthermore the institution needs to identify the segment of the market that will be interested in obtaining such a qualification. Sometimes there is a history of previously tried programmes within an institution. The supplier of such offerings will know whether it would be profitable to develop a similar programme. Lastly, the research department needs to investigate whether the resources within the institution will be sufficient to address the specific training need. The institution

65

(as previously said) that will respond the quickest to new product development, will be most successful.

In conclusion, the new product development process should start with the broad goal and strategy of the organisation. Once this strategy is in place, Research and Development could start with their new innovative thinking and working on new ideas. New ideas and services are essential in education. There are various sources that can generate and stimulate new product development, as discussed in the previous paragraph. After a new product has been identified it is the duty of the Research and Development department to research the feasibility of the new proposed product. In the same process they need to determine the financial implications. Will this new course be profitable or not? After all this has been done, and the product has been developed, it is time to present the new product to the market. The biggest and most important part of launching a new product is the timing thereof. All the relevant promotional material such as advertisements, sales promotions and pricing must be in place. Educational institutions need to advertise their new courses in the year preceeding enrollments.

What does it mean to talk about new business in the educational field? Also how does one go about designing and getting new business in the educational field? According to Rodger (1973: 103) one would identify the development of new business in education into two phases. The first phase would be to identify and structure the demand for Educational Products and the second phase to provide information for marketing and product entry and strategic development of selected products.

Phase 1: Identify and structure
In this phase it is necessary to develop and gather information on market size and growth of each product and market segment. In the process one should already eliminate misfits to the strategy and where the growth potential is too low. Once the list of all usable products are available it should be prioritised.

Phase 2: Provide information for marketing

There are five different issues to consider when busy with this phase. Each will be discussed individually. The first one is the **market size**. Normally the market size is being valued in Rand terms (for example R 1 million). After this the market will be sub-divided. In order to sub-divide the market, the marketing department should look at the products and size of new business needed. This in layman's terms means that each sub-business should be financially viable and self-sufficient.

Next the expected **market growth** should be investigated. Market growth is perceived as making the environment attractive for development. This new development could be with increased clients or products or employees. **Compatibility** is the third issue under discussion in this phase. Institutions need to determine how compatible is the new business with the existing business. The way in which compatibility could be researched is by the existing markets, company image, technology, production, management and sales and marketing – normally done by a SWOT analysis. Fourthly the institution needs to look at their competitors and what they do and offer – investigate the **climate of the competitor**. It could be that the competitor is offering exactly the same product or a very different one. The fifth issue is to determine whether there is an **opportunity to make profit**. It is however very difficult to determine whether your competitor is making a profit or not.

2.20 CONCLUSION

We see in this chapter that it is critical for educational institutions to develop effective marketing strategies. These strategies can lead to institutions becoming more financially self-sufficient ("viable" in the case of non-profit making public institutions) and profitable (in the case of private institutions). Furthermore an effective education system, with both good private and public institutions, will lead to more skilled and better equipped employees, thus leading to a more profitable economy in the long-term.

CHAPTER 3

DATA GATHERING, ANALYSIS AND EVALUATION

3.1 INTRODUCTION

In this section, the researcher will use a semi-unstructured survey to establish the respondents' knowledge and perceptions regarding corporate strategies, marketing strategies and marketing plans within their institutions. The researcher will conduct the semi-unstructured survey personally, and feed the data into a database. Lastly the researcher will use the answers of the interviewees to draw a comparative analysis between private and public institutions.

3.2 SAMPLING

A sample will be gathered by interviewing the Marketing Director, Marketing Manager or Managing Director of the institutions. The researcher will personally interview all the identified public and private institutions. Only three private and three public institutions were willing to participate in this research. It is a very small sample, therefore the decision was taken to do a semi-unstructured interview, rather than a quantitative questionnaire. This sample represents a variety of institutions, for example Universities, Technikons and Business Schools with undergraduate and postgraduate qualifications. Before the interview could start, the reason for the research and interview was stated to respondents. The researcher also agreed to a confidentiality clause, namely a restriction on the publication of this document for a three-year period.

3.3 THE RESEARCH SURVEY DATA

In this chapter, an analysis of the data gathered will be made. This data will then be compared with the literature on the topics that were asked. This includes:

❑ An analysis of the knowledge and perspectives of the respondents regarding their corporate strategy, marketing strategy and marketing plan.

68

❑ A comparison between the research data and the literature surveyed.

By comparing the literature with the gathered data, one can ascertain whether the perspectives of authors are confirmed or denied by the respondents. As already indicated interviews were conducted with the Marketing Director, Sales Manager, Marketing Manager or Managing Director. All the respondents are on Middle to senior management level. The questionnaire was structured according to the topics as discussed in Chapters 2.

3.3.1 OPEN DISCUSSION QUESTIONS – Addressed to Public Institutions and Private Institutions

QUESTION 1, 2 AND 3:

Q1: Does your institution have a corporate strategy?

Q2: Please describe how you arrived at this corporate strategy?

Q3: Is the strategy formalised into a document and how frequently do you visit this plan

Questions about the corporate strategy are asked, to understand the importance of this aspect to the private as well as the public institutions. The perception is that the Faculties or Departments formulate their own strategy before looking at the corporate strategy of the institute.

PUBLIC INSTITUTIONS	
PU A: Public Institution A	PR 1: Private Institution 1
Yes, they have a corporate strategy. The respondent is involved in a specific faculty or school within the institution and is therefor responsible more for that specific department's strategy rather than for the bigger institute. In this case there is a corporate strategy for the "mother institute" and a mission and vision for the	Yes, it is a formal document that is developed in cooperation with the parent company for a five-year period. It has evolved over the past few years. The strategy is being reviewed annually and the operational plan every quarter. The corporate strategy was first designed and then the marketing strategy. The strategy

department specific. This department's vision and mission is in line with the corporate strategy of the mother institute. According to the respondent their strategies are formalised into a written document, which are revised every 3 to 5 years. Therefor the strategy in this case is a long-term planning document, which will be visited annually. Most of the respondents are not sure how did the institute arrive at this corporate strategy, because it was either done before their time or they are not involved in this particular process.	is formalised into a written document.
PU B: Yes, they have a corporate strategy, but it's not formalised into a written document. Because they are a very small management team, the strategy is unstructured. They are however, very aware of where they want to be. They have identified the lack of sufficient management skills within South Africa. By identifying this need, they decided to develop partnerships with corporate companies such as SASOL. They have a focused strategy on a specific market i.e. middle to senior management training.	**PR 2:** Yes the company has a corporate strategy. There isn't a structured corporate marketing strategy linked to the corporate strategy. Strategies are formulated ad hoc and are not reviewed, but are shelved. The marketing strategies are also not communicated to middle management to communicate it even further. There is no shared strategy throughout the "head office" down to all the branches. Each branch does it's own thing without working towards a mutual goal.
PU C: Yes, they have a formalised 3-year rolling plan. It does change but they don't adjust the plan accordingly. They arrived at the strategy by looking at the internal changes as well as external changes in the	**PR 3:** Yes, they have a formalised corporate strategy for the University and the Business school. The Director of Studies and the MD are involved in the planning and presentation of these plans. This

70

educational industry. The internal challenges are more important.	should be in line with the strategy of the parent company. The strategy includes the numbers of student, budget and forecast of the business.

EVALUATE ANSWERS:

The survey confirms the following:

- Private institutions have a flatter management structure. Therefore it is inevitable that the middle and senior management be involved in determining the corporate strategy. The gap between faculties / departments and junior staff members is not as vast as one would find in the public institutions.

- With both public and private institutes, the researcher found that they had an idea of what a corporate strategy should look like, but that they don't really live by it. Only PU A , PR 1 and partly PR 3 showed that they know what is meant by having a corporate strategy and frequently refer to it (even though it is a long term plan).

QUESTION 4:

Who is involved in the corporate planning?

This question determines how important this issue is to the institute. By involving all relevant parties, it also reflects on downward communication within the institute. If one are not part of the team working on a corporate strategy, one needs to at least know what's been discussed and expected of all departments.

PUBLIC INSTITUTIONS	
PU A: The typical public institution is a much bigger organisation than your smaller private institutions. Therefor their management structure is not as flat as with private institutions. In their own academic	**PR 1:** The respondent is the Managing Director of the institute (and the management team). The management team consists of five people. Thus, the strategy formalisation is done at the highest level

department the answers differ from institute to institute. In the case of this institute's Department of Human Resources, there is only one person who is responsible for the department's corporate plan.	within institution.
PU B: The three directors of whom the respondent is one, are involved in formulating the corporate strategy. Otherwise the executive committee consists of 6 members, and they frequently have meetings regarding the business. Every member of staff is very much aware of the business strategy, by means of verbal communication.	**PR 2:** The executive committee is involved in formulating the corporate strategy.
PU C: It is a group effort consisting of top management, council members, union representatives and student representatives. Thus a high profile group of people.	**PR 3:** The Director of Studies and the MD formulates the strategy, and it is presented to the CEO of the parent company.

EVALUATE ANSWERS:

The survey confirms the following:

- In both cases the private and public institutions, the senior management team is involved in developing the strategy.

- In both cases it is however the communication of this strategy to the rest of the staff that is a problem. The staff involved in daily operational tasks do not know what is expected of them, and towards what goal they are working.

- There is very little downward communication in the public institutions.

QUESTION 5:

Where do you start with the planning process?

This question establishes the necessary factors that should be included in a corporate strategy, according to the institution. What do they consider first, before drawing up a marketing plan.

PUBLIC INSTITUTIONS	
PU A: When the respondent started at this institution the mother institute's corporate strategy was already formulated. She then looked at this overall strategy and formulated her own departmental strategic issues. For each of these issues a communication plan was designed in order to reach a specific goal.	**PR 1:** The marketing plan starts by being market orientated. Then one investigates the strategic choices available, and lastly one does an environmental assessment. After all this has been done it is time to implement the marketing plan.
PU B: It is a new institution, founded in 1999. Therefore the strategy was only formulated in 1999. (It is still new)	**PR 2:** There is no real starting point. Because they don't have a structured plan it isn't well thought through. Planning takes place more at branch level and then moves upward to top management at "head office". Reaction to these plans is not always positively considered and implemented.
PU C: They start by looking at their internal environment and determine what is working and what is not. They have then embarked on a downsizing exercise to scale down on elements that are not contributing to the institution. They are at the end of their 3-year rolling plan and	**PR 3:** Look at the previous strategy and determine what worked and what did not. From there they will include new ideas.

need to start looking at the next 3 years.	

EVALUATE ANSWERS:

The survey confirms the following:

- There are various viewpoints on this question. The closest however to what the literature describes will be PR 1, who seem to implement their marketing plan correctly (according to the literature).

- PU C is only concentrating on their internal resources and competency analysis at the moment and will have to start from scratch to look at their product objectives and product mix (See Paragraph 2.3.1).

QUESTION 6:

What role does marketing play in your institution's corporate strategy?

This question determines the role and importance of marketing within the institution.

PUBLIC INSTITUTIONS	
PU A: Marketing plays a very strong role. The strategy has a very strong marketing element.	PR 1: Marketing is the key role and focus of the business. The institution has key corporate clients ± 40. Retaining and developing these clients is essential.
PU B: Marketing plays a very strong role in the strategy. The institution believes that they are very creative and innovative in thinking.	PR 2: Marketing doesn't play any role in the corporate strategy. There are a lot of marketing ideas, but none written down nor implemented.
PU C: In their department there is a strong marketing focus. If the same is happening else where in the institute the respondent can't really say. They have a strong	PR 3: The marketing strategy and plans are included in the corporate strategy. The emphasis at the University is more on media communication and school liaison

customer relation perspective. Therefore the focus of the strategy is more external than internal.	whereas with the Business School it is more on sales.

EVALUATE ANSWERS:

The survey confirms the following:

- All of the institutions indicated, marketing plays an important role in the corporate strategy except for PR 2.

- Interesting to note that in the private institutions, most of the Managing Directors are either people with strong marketing and or sales backgrounds.

- In the public institutions the financial department plays a determined role and is therefore in conflict with the marketing departments. By this I mean that often the financial department does not appreciate the value of sound marketing.

QUESTION 7 AND 8:

Q7:   Thinking specifically about marketing planning, does your institution have a marketing plan?

Q8:   Is this plan formalised into a document?

The aim of this question is to establish whether the respondent's institution is serious about marketing, or is it more sales orientated. It furthermore determines whether the institutions know what they need to do in order to be successful in terms of their marketing.

PUBLIC INSTITUTIONS	
PU A:	PR 1:
Yes, they have a marketing plan.	Yes, they have a formalised marketing plan. They have a workshop whereby the marketing plan is developed. Included in the marketing plan is a sales plan. The sales plan is the key driver. The marketing

	plan is revisited quarterly and the sales plan every two weeks.
PU B: Yes, they know what marketing tools they want to use, but it's not formalised into a written document.	**PR 2:** No they don't have a formalised written marketing plan. Each branch does marketing on an ad hoc basis. The company has now appointed a national sales manager and national marketing manager, which will hopefully address the marketing strategy and marketing plan issue.
PU C: Yes, within this department there is a plan, but it's not as detailed as what the respondent would like it to be. It is formalised into a document. This plan is revised once per year. This plan is linked to a strict budget.	**PR 3:** Yes, they have two formalised plans, one for the university and the other for the Business School. The marketing plan is a daily working document and revisited yearly, normally linked to the new budget.

EVALUATE ANSWERS:

The survey confirms the following:

- The private institutions are more structured in terms of plans and the detail of this plan. It is also the private institutions who have a more advanced plan in terms of "what, when, who and where" (See chapter 2, paragraph 2.3.2) .

- If one goes back to the literature it is clear that most of the barriers to marketing planning can be related to both private and public institutions (See paragraph 2.3.2).

- Some of the barriers that could be identified during the interviews are: lack of knowledge and skills; lack of systematic approach; lack of data; lack of belief in marketing and lack of correct behaviour (see paragraph 2.3.2). There is also confusion between the process and the output.

QUESTION 9:

What according to you is the difference between a marketing strategy and a marketing plan? Is there a difference?

This determines whether the institutions know what the difference is and what it includes.

PUBLIC INSTITUTIONS	
PU A: The main difference according to the respondent is that the strategy is what you want to achieve and the plan is how to achieve the planned strategy. Her marketing plan is flexible, in order to proactively meet the changing needs of customers. This influences their positioning in the market and promotion.	**PR 1:** The marketing strategy is the direction of where you want to go, and the marketing plan is how to get there.
PU B: Strategy, according to the respondent, is the thinking process of what you want to do, and planning is the how to do part of the strategy.	**PR 2:** According to the respondent the marketing strategy is a long-term vision. The marketing strategy should address the future market or segment as well as where to position oneself in this future vision. The strategy needs to also be determined how the company will make the market aware of their programmes and offerings. The marketing plan is more specific in the practical delivery of the marketing strategy e.g. ads, promotions and editorials.
PU C: A strategy is where you look at the external factors such as segments, competitors and capabilities of the institute e.g. infrastructure and finance. This is how it	**PR 3:** The strategy looks at the why you do want to have a marketing plan. You furthermore look at the existing student numbers and market. The marketing plan is "when,

should be. A marketing plan is the operationalizing of the strategy.	where and how to reach the target audience".

EVALUATE ANSWERS:

The survey confirms the following:

- All of the institutions gave a broad explanation of what the difference is or should be, between a marketing strategy and a marketing plan. None were able to tell me exactly what to expect in a strategy and a plan. Some elements of the marketing strategy were mentioned in the answer to planning. Most institutions think that if they have a marketing plan it is equivalent to having a strategy. Some see sales as being marketing and not as something separate. Although the private institutions once again had a better understanding, it was not 100% accurate.

QUESTION 10:

Describe the marketing planning process:

10.1 What information do you base your plan on?

10.2 Do you formally scan the environment or

10.3 Do you know what should go into the plan?

With this question the researcher establishes whether the respondent knows what a marketing plan consists of. Do they research the market in order to know what will assist them in reaching their corporate strategy?

PUBLIC INSTITUTIONS	
PU A:	PR 1:
They base their plan on the scanning of the environment and what their customers expect from them. They have a call centre that is proactive in their approach, namely getting information from potential customers. They also sent a questionnaire	They only market to the leading brand companies. How they do this is by concentrating on the top 200 companies in the country, the top 20 para-statels. They only concentrate on listed companies. Therefore they start by identifying the

to their existing students to determine what they expect form the institute. Therefore the plan is based on research.	above and work out their action plan. When they want to research a market, they appoint a professional market research company to do the research. They scan the environment. Media scanning is less than 10%, whereas personal relationship marketing is 90%. They have constant contact with existing customers.
PU B: Yes, when they started the Business School they outsourced research to MARKINOR in order to determine what the market needed. They targeted qualified MBA's, specific age groups and companies. The plan basically concentrates on direct selling, advertising, mail shots, radio campaigns, TV time, forum events and integrated marketing. They use e-mail for sending information and communication with prospective customers.	**PR 2:** As said previously, there isn't a formalised marketing plan. They decide ad' hoc how they want to reach their market. In the past they have consulted external research companies to determine their target market and how to reach them, but this research document was again shelved with the corporate strategy. The marketing plan is based on opinions and not on facts. According to the respondent they have stagnated in the business. No new innovations.
PU C: They plan to do promotions, events and communication. A big part of the plan consists of reaching the school leaver market via school liaison. They are involved in marketing research, as well as outsourcing it to external researchers. What happens to the research is not clear (Implementation?). According to the respondent they scan the environment to determine the content of the plan. Their main market is the school leaver market, therefore they are very focused.	**PR 3:** Yes at the university they do formal research. They send a questionnaire to existing customers. They also scan the environment, because the market is changing and they need to know what marketing tool will work for them and what is not. The marketing plan is based on the target market, geographics, budget allocations, enrolments, segments and new business. The plan is not that clear for the Business School.

EVALUATE ANSWERS:

The survey confirms the following:

- Most of the public, as well as private institutions, indicated that they are scanning the environment. Most of them also appointed external research companies to do marketing research for them. They also do their own market research.

- Once again none of them could provide the researcher with an accurate description of <u>how</u> and <u>what</u> do they mean by scanning the environment.

- One element of marketing research, namely marketing forecasting, is an element that none of them mentioned (and it could not be determined whether they are involved in this or not). By doing marketing research they were also supposed to know how their market size, demographics and socio-economics play a vital role in their marketing (See paragraphs 2.10 to 2.16).

- Most of them know what type of advertising is working for them (for example what day in a specific newspaper).

- Strangely enough most of the public institutions didn't feel that the private institutions are a threat to them. This is a clear indication that they don't know their competitors and could be surprised by them, and will loose clients because of the lack of knowledge regarding their competitors.

QUESTION 11:

Who is involved in your marketing planning process?

Here we establish whether management is involved in marketing planning, or whether it's the marketing department's issue alone.

PUBLIC INSTITUTIONS	
PU A: Only the respondent is involved in drawing up the marketing plan. She alone is in the marketing department.	PR 1: The Managing Director and CEO give inputs to the parent company. Then the senior management team draws up the plan, which is facilitated by an outsourced

	expert.
PU B: The three directors formulate the marketing plan, as well as the marketing staff on a more informal basis.	**PR 2:** Each branch has a manager / principle that takes responsibility for the survival of that branch. Therefore they are involved with the type of marketing tool that should be used. It is not necessarily only the marketing orientated people.
PU C: The director of marketing and heads of departments within the marketing department formulate the marketing plan. In future they want to include the faculties and the finance department.	**PR 3:** At the university it is the marketing manager and the business manager. At the Business School it is the marketing manager (same as university) and the MD.

EVALUATE ANSWERS:

The survey confirms the following:

- This question emphasises the importance of marketing and the role it pays within the institution.

- It should indicate whether they are serious about marketing or not. It appears that most organisations are fairly serious about their marketing plan, however most still see it primarily as a top-management planning exercise.

QUESTION 12:

How much detail do you include in this plan?

Is it only a list of nice to have's, or is it a working document with action and time lines (dates) attached to it?

PUBLIC INSTITUTIONS	
PU A: According to the respondent it is a	**PR 1:** There are two drivers of the working document, namely the media plan and the

comprehensive document. It consists of a target audience (segment), how they can reach this audience, what action is to be taken, and by when it is to be completed. They also know which promotional action doesn't work for them e.g. advertising. Word of mouth, image and name branding are the tools that work for them.	sales plan. The sales plan accounts for 80% and the media plan 20% of the document. There is also a financial plan linked to the marketing plan. This is a detailed, formalised plan.
PU B: The person involved in communicating with customers knows the detail of the plan, but otherwise no detail is given in a written document. The majority of energy is spent on direct selling.	**PR 2:** There are no plans, therefore no detail. But they do concentrate very heavily on advertising.
PU C: As previously said they don't include that much detail in the plan. The general awareness campaign is relatively detailed, but the specific programme offerings is not planned at all. They would like to get it more detailed in future.	**PR 3:** It is a very detailed plan. It includes things like the research and it's outcome, why they chose a certain marketing tool and also new ideas they think can work during the year. At the Business School they have a detailed plan, but it is based on gut feeling and not facts.

EVALUATE ANSWERS:

The survey confirms the following:

- The private institutions are again more structured than the public institutions.
- Public Institutions are doing well, but can still improve in terms of a more detailed plan and the execution and control of these plans.
- Private Institution 3's Business School needs some improvement in terms of market segments and branding, because the lack of such segmentation and branding influences their marketing plan (See paragraph 2.7).

QUESTION 13, 14,15 & 16:

Q13: Do you have clear marketing goals?

Q14: Are these goals quantified?

Q15: What is your main goal?

Q16: How do your marketing goals fit in with the broader corporate goals?

Do they know where they want to go? Is it only a marketing dream or is it an institution goal?

PUBLIC INSTITUTIONS	
PU A: Their department's marketing goals are in line with the goals of the mother institute's goals. The respondent identified 9 strategic issues out of the "bigger goals" to be addressed by her academic department. These issues address how to expand the student numbers / enrolments, research opportunities and community development involvement. The main goal is to provide life long learning opportunities to students. As previously said there are bigger goals than the department's goals. Therefore her set of goals is how she is evaluated.	**PR 1:** Yes, they have clear marketing goals. These goals are divided into seven categories e.g. objectives, goals, deliverables. It is furthermore linked to a set timetable with a breakdown of monthly sales. The main goal is to become the top Business School in Africa. It is part of the broader corporate goals and yet separate. The parent company has an emerging strategy, whereas this institution has a directed strategy. They are positioning and focused at the top end of the management triangle.
PU B: They know what the goals are, but once again it's not in a written document. It isn't quantifiable. Their main goal is to be the global business school. They are already that, with their international links and lecturers. Marketing goals are in line with the corporate goal, by providing training to the "upper-market" candidates.	**PR 2:** Staff turnover is very high, therefore it is very difficult to build on a strategy and goals if there are new ideas every 6 months. Thus, no, there are no clear goals and they are not quantified. Once again there is no broad goal for the whole company, determined at top management level. But it is rather goals at branch level

	moving up to the top. It is also difficult to have goals if you don't have the backing of top management, but rather negative feedback and reaction. No strategy or goal can survive a lack of management support.
PU C: They have objectives, but these are not clear or quantified enough marketing goals. Their goals are in line with the broader vision and mission. Marketing goals are also a separate set of goals, although they are part of the vision and mission.	**PR 3:** Yes at the university they have clear marketing goals e.g. increased student numbers to reach capacity and retention of student over the years. They are losing their students and they don't know why – it's a very high percentage. They need to do research in order to determine the reason. Their main goal is to increase numbers and to have a profit in the end of the year. Obviously with profit goes quality. At the Business School there is no clear goal except to increase numbers and to show a profit. The emphasis is much more on survival than retention.

EVALUATE ANSWERS:

The survey confirms the following:

- For most of the institutions, the question regarding "marketing goals" focusses on segmentation and positioning. Only PU A, PR 1 and PR 3 (university) really new what the researcher meant by marketing goals (and have them in place).

- All of the institutions agreed that the marketing goals should be in line with the corporate goals. This will be a problem for those institutions that don't have a clear and formulated corporate strategy and goal.

QUESTION 17:

What is the gist of your strategy?

To determine what is their strategy.

PUBLIC INSTITUTIONS	
PU A: On the one hand, it's a focused strategy by concentrating on a specific target market, (namely Human Resources Managers) and on the other hand it is differentiated by concentrating on individuals who are interested in the field of study.	**PR 1:** Porters model is used. Tailored courses are offered and these are product driven. They provide the total solution to the corporate. They are focused (top 200 companies), and differentiated by providing total educational solutions.
PU B: Providing creative and different training to corporates. They want candidates to make a difference after they have attended one of their courses. They target the middle to senior management group.	**PR 2:** Try to be everything to every body. Take any business that comes their way. No focus or specific market. Brand building is very important, but doesn't necessarily mean that it's working to their advantage at the moment.
PU C: To reach people and to develop them (human development). With the variety of programmes on offer they try to be all things to all men. They are very customer-focused.	**PR 3:** There are various elements e.g. create more awareness, only provincial awareness at the moment (and they are not yet credible). Also create the opportunity for life long learning. At the Business School it would be the same strategy.

EVALUATE ANSWERS:

The survey confirms the following:

- It seems that there are a variety of strategies that the institutions follow. They obviously didn't want to share their specific strategy with the researcher, therefore I needed to determine on my own what strategy they have chosen.

- According to paragraph 2.3.1, there are strategies for growth and consolidation, product life cycle or portfolio models, and substitute and complementary strategies. Paragraph 2.3.1 also gives a comparison between where you position yourself and what type of attack strategy they should follow.

- It is difficult to determine what strategy **PU A** is following. According to the given strategies one can make the assumption that they are positioning themselves as a **niche marketer**. The respondent indicated that they are in a very specific market and that they could also diversify. This could also be a **growth strategy** for new markets – diversification or complimentary products (see paragraph 2.3.1)

- **PU B and PR 1** use two strategies, according to the researcher, positioning themselves as market leader no 1 with a **frontal attack strategy**. They could also have a **complimentary strategy** – they promote only one product and hope that the customers will buy other products later. **PU B** could also be looking at a **growth strategy**, because of the fact that they create partnerships with industry. PR 1 didn't mention that they do not form partnerships, but was talking about providing a one stop service. It could also be interpreted as forming strategic alliances with industry.

- **PR 2** is very difficult because of the fact that they haven't had any product development or innovation for a long time. It would be therefore safe to say that they have a **substitution strategy**. They have a variety of existing products. Most probably one could also assume that they would have to go through a consolidation strategy, namely divestment in order to get rid of some of the unsuccessful products.

- **PU C** is definitely going through a **consolidation strategy**, because the respondent indicated that they are investigating internally what is working, and what is not, and outsource non-core functions. Other than that, it seems as if they could be market followers with an encirclement attack strategy.

- **PR 3** is difficult, because the respondent represents more than one campus. Nevertheless, the university campus has a **growth market expansion**

86

strategy, as well as a **flanker strategy**. They could also be **market follower or challenger no 2/3 with a flank attack strategy or an encirclement strategy**. The Business School's strategy however, is difficult to determine because of the lack of segmentation and positioning. If I need to advise them it would be to have a **substitute flanker strategy or a complementary bundling strategy** focussed on a niche market.

QUESTION 18, 19 & 20:

Q18: How do you use this marketing plan after it has been approved?

Q19: To what extent is this marketing plan referred to during the year?

Q20: How often is the plan updated or reviewed?

PUBLIC INSTITUTIONS	
PU A: An Action plan is written down for each identified issue or goal. This plan is a daily working document and could therefore be updated daily.	**PR 1:** It becomes the road map of our business. The marketing plan is reviewed quarterly, and the sales plan every 2 weeks.
PU B: They implement the plan by the communications person responsible for advertising and PR. The direct selling is done by 3 people. The marketing plan is daily referred to in order to stress the importance of what they want to achieve. They are not happy about the measurement of successes, and need to work on that.	**PR 2:** There is no plan, therefore they don't implement anything and don't have anything to update. Maybe now with a concentrated effort of the newly appointed marketing and sales managers as well as the new CEO, it will happen.
PU C: They only refer once a year to the marketing plan. Each department is responsible for the implementation of their	**PR 3:** There is an action plan linked to the marketing plan. The first would be to meet with the media and work out the schedule

part of the plan. Overall they should all work towards the same goal. The marketing department is the reflection of what is happening in the institution. They also take on more roles than what is expected of them. Each faculty also has their own business and marketing plan.	for the year. This will include free space for editorials and advertorials. They also have an outside company doing their Public Relations. They need to work out an awareness campaign to enhance their credibility. This plan is a daily working document. This also allowed the respondent to know exactly where they stand in terms of budget expenditure. This plan is revised once every year and is linked to the budget allocation for marketing. In future there will be a marketing update and feedback to the CEO of the parent company, which is a positive step for marketing.

EVALUATE ANSWERS:

The survey confirms the following:

- If the institutions visit these plans frequently it would have significant benefits to them (as could be seen in paragraph 2.3.2).

- As previously stated one of the biggest barriers is that there is a lack of communication from the decision-makers to the operational staff in terms of "what is the plan and how to reach it's goals".

QUESTION 21, 22 & 23:

Q21: How do you go about developing your marketing plan?

Q22: What aspects do you pay most attention to?

Q23: Which section of the plan is most detailed?

To determine how innovative the marketing department is and to what extent do they have the freedom to market the institute. Also how much money do they have to market themselves and their products.

PUBLIC INSTITUTIONS	
PU A: The marketing plan is developed after the completion of the marketing strategy. It indicates what is working, and what is not working in reaching the target audience. They rely very much on word of mouth marketing, seminars and exhibitions to reach their target audience. Advertising is used to create general awareness and to build the brand. They also use the internet and e-mail as tools to reach their target market, as well as to do research with existing clients. There isn't one part of the plan that's more developed than the other. The plan as a whole is a comprehensive document.	**PR 1:** Start by doing research. They pay most of their attention to the sales plan − 80% of the marketing plan. Therefore this is also the most detailed.
PU B: They start with the marketing plan after research on the market. They use advertising for creating awareness. Direct selling focusses on creating and building relationships with companies. Other mediums used to reach their target market are TV and radio. They also invite corporates to forum discussions. Once again there isn't any written document to see which part they concentrate on more. It will however seem as if they concentrate more on direct selling and retaining the business.	**PR 2:** If they had a plan it would concentrate mostly on advertising, because that is the only thing they do.
PU C: Each department looks after their own role and will have their own input into the	**PR 3:** They start by looking at the research outcomes and at the history of what

overall plan. They don't have a very detailed plan, but they rely on advertising and school liaison to reach their target market.	worked and what did not. They pay the most attention to the media plan for both institutions. For the university they also concentrate on things like school visits and winter schools. The Business School is also moving into that direction, because of the change in their market. The university works very hard on attracting school leavers, by forming a long relationship with them e.g. Easter time – easter eggs, good luck exam wishes, road trips etc.

EVALUATE ANSWERS:

The survey confirms the following:

- Both public, as well as private higher institutions, spend hundreds of thousands of rands on advertising. It is however, clear that the private institutions spend considerably more than their competitors (the public institutions). What would the reason be behind this? Mainly (according to marketing managers) because of perceptions about private institutions. The perceptions are about quality, accreditation, fly by night institutions, and those not accepted by the Department of Education. They need to do a lot more general and brand awareness campaigns than the public institutions.

- If one looks at paragraph 2.7.1 the institutions are following a mixture of promotional tools. Most of the institutions concentrate on 1) advertising 2) public relations 3) direct selling and 4) sales promotions.

- Furthermore according to Kotler (1997: 627, see paragraph 2.3.2) all the institutions follow a combination of push and pull strategy. The emphasis is very strongly on pull strategy rather than push strategy. They all try to "draw" students to their institution.

- The private institutions don't have a full-time public relations or corporate communications department as one would typically find in the public

institutions. They use consultants to build a good image and get favourable publicity.

- The type of public relations these consultants and internal departments are involved with is discussed in paragraph 2.7.4. They are mainly involved with press releases, Television and radio, grand openings, annual reports, corporate identity and social responsibility.

- The marketing plan is definitely the one thing all the institutions concentrate on. PR 1 and part of PR 3 concentrate the most on sales promotion, by having a sales team working on enrolments. The other institutions rely more on advertising to generate enrolments. Therefore they are using a push strategy rather than pull strategy. They "push" their products to prospective customers.

Question 24, 25, 26 & 27:

Q24: How do you determine your strengths and weaknesses?

Q25: How do you use your strengths?

Q26: What do you do about your weaknesses?

Q27: How do you measure your strengths and weaknesses?

This will indicate whether they know their market and their needs as well as what their competitors offer.

PUBLIC INSTITUTIONS	
PU A:	**PR 1:**
They do a SWOT analysis every 5 years when they review the corporate strategy. They determine their weaknesses and strengths when doing their research. The existing student's comments indicate to them where they should better themselves and what are their strengths. The strengths will be used in the marketing plan – to determine the right marketing tool	Internally: using the balance scorecard. Half yearly doing a 360° review, by talking to 4 clients, 4 peers and 4 colleagues. Also they do a service level assessment every quarter. They furthermore do a cost benefit analysis of the organisations they provide training for. The individual is positioned within the team and will get assistance accordingly. The threats are more

to enhance the strengths. The biggest weakness according to the respondents is that being part of an undergraduate environment restricts them, by creating a professional upper and corporate market image. Therefore it doesn't create a business culture, which means better customer service, and in the long run could hurt their biggest strength, namely word of mouth marketing.	important to them, namely competitors and SAQA. They can address internal strengths and weaknesses, but the threats are out of their control.
PU B: They do individual and company evaluations of delegates to determine their strengths and weaknesses. The companies want ROI and that's what they evaluate with the companies. This will lead to retaining business and relationships. They are very serious about customer service and react very strongly to criticism. Their biggest threats are internal – not to loose innovation and creativity.	**PR 2:** A major weakness is the high staff turnover, especially the marketing staff and management. There is also a decline in market perception of the company, which is bad, considering the fact that they rely very much on their brand. Lastly the lack of innovation and new development is also a major weakness. Their biggest strength is the geographical spread of the branches. The name brand is already established in the market, they just need to build on that to restore it to the previous level. Some of their threats are: SAQA, competitors, the economic decline and the decline of students passing Grade 12.
PU C: When they have their session with regards to corporate strategy, they also look at their strengths and weaknesses. The major weakness is that they work a lot on gut feelings. Their strengths are: a track record of providing good products, re-orders from industry, a geographical, product mix, in	**PR 3:** They determine their strengths and weaknesses by the research they do. Some of their strengths are: small class groups, facilities, individual attention and relationship building with students. Some of the weaknesses are retention of business, perceptions of the market. The

line with trends in labour. Their threats are: product mix, competitors and geographical (factors for after hours students).	biggest weakness for the Business School is that they don't know whom their customers are, and segment of the market is. A strength is their flexibility and special offerings they have, such as guest speaker programmes. The biggest threats are: legislation (SAQA) and credibility of programmes.

EVALUATE ANSWERS:

The survey confirms the following:

- Only PU A and PR 1 could answer the question fully regarding their strengths and weaknesses. They were the only two who knew how to determine strengths and weaknesses. PU A uses a SWOT analysis as suggested in paragraph 2.3.1.

- PR 1 uses a 360 ° review. This type of review is when pertinent sources are approached to provide constructive feedback regarding the sales staff and service. This will include more than just the supervisor's feedback. It will be feedback from peers, customers, suppliers, other managers and anyone who can closely observe the specific individuals' or group performance. The one major disadvantage of this review is that the questionnaire is very extensive and therefore time consuming (Carrell et al 1998: 387).

- Both of these methods are crucial in the evaluation of the corporate marketing strategy and plan. If institutions don't evaluate their strengths and weaknesses they will not be able to address these problems, and will not be able to do future forecasts.

- It was easier for the institutions to talk about external threats, rather than *their own* strengths and weaknesses.

QUESTION 28:

How do you define the business that you are in?

PUBLIC INSTITUTIONS	
PU A: We are in the training business, namely training: the school leaver market / Part-time and postgraduate market and Corporate market. We only concentrate on the human resources management market.	**PR 1:** They are the providers of total solutions to the corporate market in South Africa. They don't offer a lot of variety, but rather concentrate on the things they do best. They are only focused on management development and not other fields e.g. science and engineering.
PU B: We provide Interactive, innovative and creative management training for middle and senior management delegates.	**PR 2:** Mass education to the fulltime and part time undergraduate student. There is also a brave attempt to enter the corporate market, but with no real success.
PU C: We provide excellence in Human Development. Is it a service they offer or a product? The respondent feels it is more service orientated than product orientated.	**PR 3:** It is a complex market with a lot of competition. It is business that changes constantly and you need to keep track and up to date with this.

EVALUATE ANSWERS:

The survey confirms the following:

- Only PU B, PR 1 and part of PR 3 have very clear and easy to determine answers as to what business they are in. They are there for development of a specific segment of the market on a part time basis. The rest are very broad, because they all have undergraduate and postgraduate programmes on a full time as well as part time basis. They also cater for the corporate market.
- One may ask the question if this is not precisely the problem: that they want to be everything to everyone, in stead of concentrating on only one specific segment of the market?

94

- Looking back at Questions 1 to 3 and 17 it is clear that PU A, PR1 and partly PR 3 have a clear corporate marketing strategy, which relates back to this question about the type of business they are in. If you don't know the type of business you're in, it would be difficult to determine your type of strategy.

Question 29:

How do you define the product that you offer?

PUBLIC INSTITUTIONS	
PU A: Needs driven product development. Also evaluating existing products and changing them where necessary.	**PR 1:** They are not really product orientated, but rather solutions orientated.
PU B: The longer programmes that are their flagship, are described as a life changing experience.	**PR 2:** Short focused practical educational training for the school leaver and working person. Highest qualification is a MBA.
PU C: It has three elements to it, namely: career advancement, product advancement and end product. Therefore it's a life long process.	**PR 3:** At the university it is applied, hands-on practical courses. With a lot of individual attention. At the Business School they try to offer both undergraduate and postgraduate programmes – also applied, practical and hands-on. It makes it difficult to offer both on the same premises, because you address two different markets. The facilities at the Business School are also a problem because they don't address both markets / needs.

EVALUATE ANSWERS:

The survey confirms the following:

- Six different product descriptions were given, namely: hands-on and practical, life changing experience, life long learning, solutions orientated, and needs driven product.

- These descriptions of what products they offer should be part of their advertising and brand building exercise. But is it? It appears not.

- Product distinctiveness should also be a determining factor in distinguishing themselves from their competitors. According to Guiltman and Paul (1991: 82 – 93) in paragraph 2.6 the intensity of the competition should be assessed and this will assist them to determine where there is a gap in the market for a new product or product range.

QUESTION 30:

How do you define your customer?

Do they know the demographics, culture and which segment they fall into?

PUBLIC INSTITUTIONS	
PU A:	**PR 1:**
Three different target markets are segmented, and is very difficult to administer. There are the school leaver: school liaison via mother institute's marketing department. The part-time and post graduate market via word of mouth, advertising and exhibitions that will attract individuals. Corporate training: the lecturers with industry liaison will identify needs and develop or customise a specific corporate training solution. There is no personal selling taking place. In most instances it is a reactive response, and not a proactive response to needs.	Our customers are groups representing a specific company. It is the top listed companies and parastatels.
PU B:	**PR 2:**

Our customers are mature and on middle to senior management level.	As said in the previous answer, the school leaver and working person.
PU C: Primarily it is undergraduate students, and secondary it is industry.	PR 3: At the university it is very specific, wealthy upper market school leaver students. They don't want accommodation, because they all stay close to the campus and have cars. At the Business School the undergraduate student is very different and is mostly coming from the same suburbs – especially south of the city. The postgraduate students are all professionals on middle to senior management level.

EVALUATE ANSWERS:

The survey confirms the following:

- The way in which you identify your customer links very closely with your segmentation.

- According to paragraph 2.10 there is the traditional way of segmenting the market or the new way of segment the market (which uses "the method of instruction" approach).

- Although the researcher analysed the above answers according to the literature, it doesn't mean that the institutions do segmentation analysis properly.

QUESTION 31:

Do you identify segments in your market or not really?

Is it broad segments or very refined segments?

PUBLIC INSTITUTIONS	
PU A: No, it is broad as discussed in Question	PR 1: It is industry specific. They know in which

30. Not refined to the smallest detail.	industries they're not successful e.g. the retail industry.
PU B: It is company specific. The company determines the delegates. We have a good mixture of race and gender. If we advertise, it would be in the Business Day, because of the customer reading this newspaper.	PR 2: They cater only for face-to-face tuition for the school leaver and working person – this accounts for 99% of the market. There is a change in the market in the sense that students can no longer study full time, because of the high costs involved. Therefore the change from full time to part time students. There is also a change in the need for face-to-face education, to a combination of the above method and distance learning. They need to be aware of these changes in order to be proactive in their future planning and approach.
PU C: Our segments differ: from a domestic worker's child to a MD of a company. The respondent feels they cater for the middle to upper middle student / school leaver. In some cases they only want the best and they do get the best.	PR 3: At the university it is parents and children. At the Business School it is both parents and children. On the undergraduate level it is unskilled full time students and skilled part time students. At the university it is the upper-market segment, whereas at the Business School it is middle class and sometimes the upper-market. The Business School does not know who their segment is!

EVALUATE ANSWERS:

The survey confirms the following:

The literature review concentrates on the more traditional ways of segmentation, namely demographics, buying power and customer decision-making style (See

paragraphs 2.15, 2.13. 2.14). The above information can be interpreted with this in mind, or one could look for a new approach (as described in paragraph 2.10).

- Another way of segmenting the market is by looking at the method of instruction one is using and not only at the type of person you are marketing to. Paragraph 2.10 indicated that the accepted segmentation would be between face-to-face, and distance learning, whereas other analysts added block release and open learning segments to the list.

- PR 3 – The biggest advantage of the Business School would be that they are the only institution under discussion that is in line with the above segmentational method of instruction. They are however, not in line with the traditional segmentation.

- PR 1 and PU B have a combination of face-to-face, and distance learning segmentation. The other institutions have only face-to-face instruction.

- Your public institutions will be, according to Zemsky and Shaman (1997:3) typically name brand segments. This means that they attract the younger student seeking the full time university experience by doing a 3 or 4-year undergraduate qualification.

- Most of the private institutions fall in the market core segment, because the students seek either name brand experiences or value experiences. This is exactly what PR 1 answered in Question 29, that the customers want a solution meaning, "want to add value to the company".

- PR 2 addresses more the convenience / user-friendly segment, because they teach larger numbers of part-time and intermittent students who don't necessarily want a formal degree (see paragraph 2.10).

QUESTION 32 AND 33:

Q32: What triggers new product development in your institution?

Q33: How do you go about new product development?

Is product development done via constant research, does it react to demand?

PUBLIC INSTITUTIONS	
PU A: The call centre and exhibitions trigger new product ideas for corporate presentations. Lecturers are supposed to visit industry and identify needs. In most of the cases product development is reactive rather than proactive. After identifying a need, they will go through to the relevant academic specialist to develop or customise a new product.	**PR 1:** The solution the client expects from them triggers the new product development process. They don't have a department which only looks after new product development. They outsource new solution development.
PU B: Direct selling staff bring back identified needs from companies. They also do their own needs analysis of new products. They have internal experts to develop specific programmes, otherwise they contract experts in the specific fields of interest.	**PR 2:** They are not proactive to analyse needs or develop new products. It happens to be per luck if somebody contacts the institute and requests for a new product to be developed. Once there is a need, a project team will be formed to develop a programme. This project team normally consists of academics, financial people and management – there is no marketing involvement.
PU C: Industry needs determine new product development. They should be seeing more development than what they see currently. They form committees, with industry to determine their needs and to offer exactly what they want. How they do that is by doing an industry survey and getting the support from industry. The full time academic staff is responsible for new product development. If there is a need for a new National Diploma it should go	**PR 3:** It should be the need in the market that will determine new product development. At the university and Business School they have full time and part time lecturers that are aware of new trends in the market. They will identify these needs and put it forward to be developed. At the university they also have a very strong recruitment drive whereby they receive feedback from industry, regarding their students, and what they lack in terms of training. There is

through the state first and then it could be presented. This can be a long and slow process. With short courses the process is quicker.	one full time staff member at the university that overlooks the recruitment drive.

EVALUATE ANSWERS:

The survey confirms the following:

- As discussed in paragraph 2.19, there should be a close working relationship between R&D (research and development) and marketing.

- In the case of Higher Educational Institutions, the marketing department who are involved with industry, should do the research. The academic staff will then develop the content according to the specifications provided by the marketing department. But this does not seem to happen in most cases.

- All of the institutions (apart from PR 2) are involved in R&D and are doing what Guiltman (1991: 371) suggests should be done, namely listening to their customer's needs.

- It seems that all relevant departments are involved in the process of R&D as suggested by De Kare Silver (1997: 237), paragraph 2.19.

- There is however, scope to better themselves in terms of identifying new product developments as discussed by Rodger (1973: 103) in paragraph 2.19. The issue is not just new products, but also about the timing of launching such a product.

- None of the respondents have mentioned that timing is important or that competitors are important in R&D.

QUESTION 34:

On what level do you brand your market offering? On the institutional level or qualification level?

Do the institutions rely on their name brand, or are the products branded in the market?

PUBLIC INSTITUTIONS	
PU A: Their strongest brand is the name of the institution. Then their specific department name is also well branded in a specific field of interest. Therefore the institutional level.	**PR 1:** The institutions brands on and institutional level, because their customers don't want a qualification for credit purposes, but rather for Return on their Investment (to make more money for the company).
PU B: A combination of both. They do heavily rely on their name in the market. Although the respondent did indicate that the product (especially the MBA) is a strong brand.	**PR 2:** On a national level or "head office". It is institutional branding, but on branch level it could be qualification and brand. They need to address this urgently, because the market does not positively perceive the institutional brand at the moment.
PU C: A mixture of institution, qualification and faculty. In some cases the faculty brand is stronger and in others the qualification is stronger. The name of the institution also changed number of times over the past few years, and this makes it difficult to establish an institution brand.	**PR 3:** In both cases the institutions are very new to the market and need to do a lot more branding. At the university, the brand is established both on the institutional and qualification level. This specific insitution also has an interesting brand, namely the individual lecturer. They use these lecturers successfully in their advertising campaign to attract new students. The Business School does not know who their segment is, and it is therefore difficult to brand.

EVALUATE ANSWERS:

The survey confirms the following:

- One of the biggest marketing strategy and planning mistakes for a company to make is to think that if you have an excellent product nothing could go wrong. The same applies when one relies on only one's name and has no

superior products. You can't rely only on one aspect. It must be on more than one aspect (for example product, name and customer service). Certain institutions are too reliant on just their name.

QUESTION 35, 36, 37 and 38:

Q35: How do you position yourself?

Q36: How do you support or reinforce this positioning?

Q37: If you have a slogan: what does it mean? To the institution and to the market?

Q38: How did you arrive at it?

PUBLIC INSTITUTIONS	
PU A: We position ourselves as the only one other private provider that specialises also in specifically Human Resources Management Training. Accreditation from SAQA is very important, because most of the private institutions don't have full accreditation yet. Therefore corporate's will rather use their programmes instead of their competitor's programmes. Furthermore they do, from time to time, send information to potential new customers and try to get the business. Unfortunately that doesn't happen on a full-time basis. Yes, they have a slogan: "knowledge for a new generation". People can't go without training and training can't be done without people.	**PR 1:** They position themselves at the top end of the management grid. They reinforce that by offering excellent customer service and have service level agreements with clients. Don't really have a slogan, but we can use "join the global classroom". Their programmes are being presented in 47 different countries, because of their international link. Therefore it is top class and with top delivery.
PU B: They position themselves as the provider of creative and innovative life changing	**PR 2:** They position themselves in two markets, namely the school leaver and young

programmes. They position themselves at the top end of the management grid. Word of mouth is their strongest marketing tool. Satisfied customers reinforce their selling position. Being new it was difficult to create a slogan. Therefore, no, they don't have a slogan.	working people. They only use advertising to reinforce this position. There is a very high cost involved with this type of marketing e.g. the competition they ran in movie houses. It is very dangerous to have a slogan, especially due to the different interpretations one will get. There is a new slogan: real skills for real people. The skills part could mislead people by thinking that there qualifications are already accredited by SAQA, and furthermore that the corporation will get their money back from the SETA. This is clearly not the case at the moment. The positive side could be that the market will think that the training is relevant and practical, and will therefore enroll with the institute.
PU C: Technological institute in the industrial heartland. They have also a social mission by government to address. Private institutes don't have this social responsibility. Yes, they have a slogan. It was during a brainstorming exercise at the strategic session as discussed in Q1 – 3 that they came up with the slogan. They feel that everybody wants to be associated with excellence. They offer qualifications and experience to be excellent. If they are not perceived by the market to be offering this, they have a problem.	**PR 3:** The previous question goes hand in hand with the last. Therefore it is difficult with the Business School to position, because they don't know their segment and can't be branded nor be positioned. At the university, however, they position themselves mainly in the English upper market environment. They are moving into the Afrikaans upper market as well. They reinforce this position by a strong advertising and school relationship building campaign. The university tried to be in line with their market – appealing to the young and vibrant who want something different. Most of your public universities have a formal logo and Latin slogan. That's why

	they tried to be different. The "guide" in the slogan emphasise the individual attention students get when studying with them. The Business School however, saw a gap in the market (years ago) when they started with globalisation. They had international links when they started, but don't have that anymore, therefore it is no longer valid, unless they establish another international link.

EVALUATE ANSWERS:

The survey confirms the following:

- For PR3's Business School it would be difficult to position themselves, because they don't have a clear segment and don't know their target audience. Therefore they don't know how and where to position themselves. They will have to engage in research first, before making any statements as to their slogan. Turnbull (1981: 216) in paragraph 2.8 warns companies to be honest with their positioning, not to give customers the wrong message. The institution can be giving customers the wrong message by promising something that they don't offer.

- All of the institutions obviously try to be creative in their slogans in order to attract potential customers, but maybe don't realise that they create certain expectations by using a specific slogan.

- A slogan should just confirm what the customer already knows of the institution (according to Turnbull, 1981: 216). Positioning is not a new promise or something we want to strive towards over a long period of time. It is something you already have achieved, and achieve every day (See paragraph 2.8).

- Most of the institutions are promising something that the customers don't understand and could create false expectations.

QUESTION 39 AND 40:

Q39:   How do you position yourselves in terms of pricing? Do you receive a state subsidy?

Q40:   What other assistance do you provide to potential students? E.g. bursaries, loans etc.

To determine whether price influences their marketing strategy and plan?

PUBLIC INSTITUTIONS	
PU A:	**PR 1:**
They do receive a state subsidy for some of their programmes. But not for all, especially the short courses for corporates. The lecturers will determine the price for a corporate programme, which will be market related. The price per course is market related and not cheap, because of the quality of the programme. Within their department they also work on the profit per course, specifically the programmes that don't get a state subsidy. She didn't indicate whether the price influences the marketing effort. From the discussion it didn't sound like it made any difference.	They are once again at the top end of the pricing. Their method of delivery is not cheap. Companies need to pay up front, when a presentation starts. They don't receive any state subsidy. They have a fixed formula whereby they determine the price. They work according to the profit per course. The sales team work on a commission basis.
PU B:	**PR 2:**
They position themselves in the upper-market, in terms of pricing. They feel they deliver a high quality product and service, and this justifies the high price attached to that. They also use international lecturers, which is a costly exercise. They get some state subsidy that goes directly to the parent institute, which is the public	They don't really have a pricing strategy. It should however be in line with the marketing strategy if they have one. Pricing is also linked to quality, especially with private institutions, therefore they should offer better quality products and service, at a higher price. They offer bursaries and loans to students. They don't

university.	receive any state subsidy.
PU C: They price themselves at the lower end of the market. This could be a problem by people perceiving this as a reflection of bad quality programmes. They are not profit driven, but have a social responsibility. The faculties are changing more to business units. Even though they do receive a state subsidy, it is not enough. Therefore they are changing to be more profit driven. They use their money for things such as new product development. They should in future try to get the balance correct, not too high nor too low. They have bursaries for students.	PR 3: The segmention strategy of the university makes it possible for them to price their programmes accordingly. At the Business School it is once again very difficult to position their courses in terms of pricing, because they don't know who the segment is. The MBA being presented at the Business School is definitively not focused on the upper-market, but rather focuses on the middle class market. The price must be linked to the quality of the programme otherwise you won't have any enrollments. At the university they allocate bursaries per year. They also have various competitions whereby a student can get a % discount on their studies spread over the duration of the programme.

EVALUATE ANSWERS:

The survey confirms the following:

- The major difference between the private and public institutions is that the public institutions receive a state subsidy and the private institutions don't. Therefore the private institutions need a different approach to attracting students, because of the cost of their products.

- The competition is going to intensify in the future for public institutions, because the state is reducing their subsidy from one year to the next. This will lead to increased course fees, which will in the long run mean that they are entering into direct competition with the private institutions (and the demographics of their target market might change as their prices rise).

- Guiltman and Paul (1991: 226) makes it very clear that there is a specific pricing strategy linked to the marketing strategy (See paragraph 2.9). None of

the institutions indicated that they consider a specific pricing strategy. It seems that it is more off a thumb sucking approach, with the private institutions. Government plays an important role in determining the public institutions' fees.

- PR 3 (university), PR 1and PU B (according to the literature in De Kare Silver, 1997:176 – 180) are very close to value pricing and premium pricing (See paragraph 2.9). They are very arrogant about the fact that they are not shy to charge astronomic fees to customers, because they feel they offer quality programmes that no one else offers or can offer.

- PU C has a low pricing strategy. They have reasonably good, quality products at a low price (De Kare Silver 1997: 176 – 180) as can be seen in paragraph 2.9.

- PU A (according to the literature) engages in parity pricing, by setting the price near to the competitor's price without rocking the boat.

QUESTION 41:

Who are your strongest competitor/s? Why them? What are the differences between the similar institutions?

PUBLIC INSTITUTIONS	
PU A: Their biggest competition is two private institutions, namely Damelin and Maccauvlei. They have established a name in the market for quickly responding to the needs of customers. It doesn't necessarily mean that it's a quality product they offer. We are seen by the corporate market as part of a public institution that can't respond to their needs very quickly. We need to market themselves more aggressively in terms of our offerings.	PR 1: The external competitors are institutions like Wits Business School, UCT, Stellenbosch University and ICMD. They vary from public to private institutions. The public institutions because of their brand name and the private because of their flexibility, response to needs of the customers and price structures. This institute has however been rated for the past two years by PMR as the best private provider of Management training.

PU B:	PR 2:
According to the respondent they don't have any external competitors, only internal threats.	Any other institution offering the same programmes to school leavers and young working people, e.g. Midrand University and their Business School.
PU C: Other Public Universities and Technikons, because of their location, price and quality of programmes. Private institutions, because in the eyes of the consumer, they are perceived as better.	PR 3: Government and there legislation is their strongest competitor. They prevent students from enrolling because of the time they take to fully accredit the qualifications, and provide them with credibility. Other than that, institutions like Monash, Demontfort and Bond University are their strongest competitors. Also public institutions that receive state subsidy and support. They don't know who is the strongest competition for the Business School, because of previous reasons.

EVALUATE ANSWERS:

The survey confirms the following:

- All of the institutions except for PU B knew exactly who their competitors are. To know your competitors is crucial for survival. If you don't know the competition it would be difficult to be proactive and innovative in R&D (as what Guiltman and Paul, 1991: 82 – 93) in paragraph 2.6 suggests).

QUESTION 42:

What according to you, is the difference between private and public higher educational institutions?

PUBLIC INSTITUTIONS	
PU A: **Public:** Focus on research, name branded over years, Quality programmes, SAQA accreditation, Lecturer titles. **Private:** No or little research, Not fully SAQA accredited, Less quality – fly by night.	**PR 1:** **Public:** They are product orientated, conservative, resistance to change, not customer service orientated and their response to addressing the needs of clients is slow. **Private:** The opposite is true of the private institutions.
PU B: **Public:** slow to react, no innovation, red tape, slow reaction to market needs **Private:** quick response to market needs, innovative and creative, reaction time is short and quick.	**PR 2:** **Private:** The biggest mistake the private institutions are making is that they only address some of the requirements of the clients and not all of the requirements e.g. to give an international qualification, but don't address the accreditation issue. There is also the perception that private institutions only want to make money – it can be so if they have integrity, and excellent quality programmes and service. Overall they are more innovative and quick to respond to the needs of industry. **Public:** They have the advantage of SAQA accreditation and an institutional brand developed over many years. They are not customer focused and are very resistant to change.
PU C: **Public:** They are seen as bureaucratic, red tape, unionised institutions. They don't respond quickly enough, and don't have international links. **Private:** They are most of the time linked to international programmes, responsive,	**PR 3:** **Public:** They have state support and buy-in, and are credible because of their brands. **Private:** Struggle to be accepted by the state and public, and are perceived to not have quality offerings.

innovative, but don't necessarily have quality programmes. They want to make money and don't have much social responsibility.	

EVALUATE ANSWERS:

- This is a further indication of whether the institutions knows their competitors and what according to their customers are the differences. Some know their competitors intimately, others do not.

QUESTION 43:

What sets you apart from other higher educational institutions?

PUBLIC INSTITUTIONS	
PU A: My specific programme delivery is very well established in the market. Other universities don't compete with us to attract the same market. It seems that every university has a speciality they concentrate on to position themselves. We are very flexible in terms of presentation and course content. I don't know too much about my competitors to comment on this.	**PR 1:** We're the best private provider of training solutions. We cater only for middle to senior management.
PU B: By being different and having a lot of corporate and industry contacts. They create partnerships with clients to establish a life long relationship.	**PR 2:** Our geographical spread is our biggest differentiation factor. It is also short programmes that won't take you years to complete.
PU C: Quality of programmes and service are what differentiates us from other learning institutions.	**PR 3:** Their flexibility at the Business School, and their small class groups, and individual attention at both institutions.

EVALUATE ANSWERS:

The survey confirms the following:

- The private institutions (and partly PU A and PU B) are very much in line with customer needs and demands, which is one aspect of setting them apart from one another (Ryans & Shanklin, 1986: 5).

- Another factor could be identifying the correct buying power or centre. None of the institutions, except PU C recognised the influence of the person/s who will pay for the specific training to take place. If you know who is involved in paying the fees (as suggested by Ryans and Shanklin, 1986: 5, in paragraph 2.13) you will immediately have a competitive advantage. It will also influence your promotions, because you need to know how to reach these decision-makers.

- Another advantage public institutions have over private institutions is accommodation. However, private institutions, that supposedly cater for the more up-market customer, have the advantage of being situated in an up-market location, and many of their customers live at home and often have cars (See paragraph 2.16).

QUESTION 45:

What impact does SAQA have on you? Is the playing field level or not?

PUBLIC INSTITUTIONS	
PU A: They comply with all the regulations of SAQA. All their programmes are outcomes based. It doesn't influence their marketing negatively, but rather positively. Their competitors are private institutions that are not fully accredited. This advantage will reduce as soon as the private institutions get full accreditation.	PR 1: SAQA has a huge impact on our business. The playing fields are not equal. There are public institutions that deliver bad service and programmes, which are automatically accredited by SAQA. Whereas they (private institutions) who deliver higher quality training have to pay thousands of rands to get accreditation.
PU B:	PR 2:

It does play a role, but being part of a public institution, they are automatically accredited. It doesn't have any influence on their marketing strategy.	They comply with all the requirements from SAQA. They have a big problem with the fact that top management believe that their market doesn't know and understand who and what SAQA is. Therefore they don't think it's influencing their business. A BIG MISTAKE! Thus no impact or influence on their marketing strategies. Lastly another problem is that their own sales staff don't understand the role of SAQA, and can't answer questions in this regard, which creates a negative image, and could be to their disadvantage.
PU C: SAQA doesn't play a role in their marketing strategy. The respondent feels that it's good for private institutions to go through this exercise, because of certain bad quality programmes in the market. They comply with all the rules and regulations of SAQA.	**PR 3:** As mentioned in Q41, SAQA is their strongest competitor. As soon as they receive full accreditation, they will feel that the playing fields are equal and fair.

EVALUATE ANSWERS:

The survey confirms the following:

- SAQA poses no threat to public institutions, SAQA is rather protecting them against private institutions (see paragraph 2.4).
- All private institutions are experiencing SAQA as a major threat, and this should form an important part of the marketing strategy, because they need to convince the industry about the quality of their products and service.
- Referring to the Skills Levy Act of 1998 (see paragraph 2.4) the public institutions won't have a problem by providing training to industry, as well as in claiming their money back, whereas the private institutions are not automatically accredited and companies might not get their money back.

113

QUESTION 46:

How does technology impact your business? How will it affect your marketing and marketing plan?

The question was asked to determine the impact of electronic methods of educating learners.

PUBLIC INSTITUTIONS	
PU A: They are already busy with the internet to present course material on the internet. They do relationship marketing via e-mail communication. It will definitely influence their future marketing strategy and plans. They need to investigate whether their market has access to the internet and e-mail, otherwise they will lose their market segment.	**PR 1:** They already provide online tutor support and mark papers online. In October they want to launch their first full programme online. E-learning is a big issue in the whole organisation and will be the next step to follow.
PU B: They have course material available on the web. They don't want to move into distance education, because that is not their market. They will rather go the route of putting information on CD's than on the web. Delegates can communicate to them via e-mail.	**PR 2:** E-learning is only going to address a specific market segment. They don't see themselves being involved in that specific market. It is a problem that the parent company wants to focus strongly on e-learning as a whole. This would not address their specific segment. Research must be done, before embarking on this route.
PU C: Technology will have an impact on the teaching methodology and how they are preparing the students for there future jobs. Being an institute of technology they should be on the forefront of new	**PR 3:** The parent company is investigating e-learning and the role it is going to play with all its stakeholders. They are also investigating the possibility of developing a brand new range of products just for e-

114

developments. They are however not competing in the distance learning market. In marketing they utilise the electronic mail function a lot to communicate with each other and clients. They must look at their market and determine if there is a need to change.	delivery. All the students have access to free e-mail and internet use. They also use e-mail to communicate with their students and market new events. Their website is also advanced in terms of teaching via the website. They have tutorials and a business review that people can subscribe to that is educational and interesting.

EVALUATE ANSWERS:

The survey confirms the following:

- Private institutions are more geared towards new technology and the use thereof in educating learners (See paragraph 2.10 and 2.11).

- To change one's methods to new technologies should be part of the corporate strategy of the institution. New technologies such as internet and e-mail have a tremendous effect on the marketing of the institution.

QUESTION 47:

Tell me about your marketing department?

PUBLIC INSTITUTIONS	
PU A: The respondent is the only person in the marketing department. They have a call centre of 2 people and the lecturers do marketing in industry. The respondent has a Masters Degree in Communication and has several years marketing experience	PR 1: It is a very flat structure overall in the institution. Out of the 26 staff members, 7 are in marketing. Advertising and PR are outsourced to agencies. The marketing / sales staff are all highly qualified, with MBA / M Psychology degrees amongst others. The respondent provides sales training if the staff lack experience.
PU B: They have an external PR agency doing	PR 2: This differs from branch to branch. The

115

their communication, as well as an internal communications person. Then there are 2 people involved in direct selling and 1 person in selling of executive programmes. Working experience and creativity plays a more important role with employee than a formal qualification.	manager of the branch has overall responsibility for the sales staff. The sales staff are very low level employees, with no formal qualification. It is more telesales people that are reactive, rather that proactive in their approach. They don't work on incentives and therefore motivation is very low to perform better.
PU C: The focus is moving from a more public relations department to a more marketing department. Marketing is now divided into 5 departments, each with a Head, and several staff members. In total there are 30 staff members. On senior management level the staff need to have at least a 3 year degree or diploma. For the lower level staff, a formal qualification is not crucial, but rather working experience. It will however change in future to more marketing related qualifications and experience. It could also change to be more sales orientation.	**PR 3:** The university has a marketing manager and 3 student advisory unit members. The marketing manager in this situation is more a communications person, than a direct marketing person. At the Business School they have one sales person, and a corporate marketing manager overseeing the sales office. The manager is not involved in the marketing strategy and plans of the Business School.

EVALUATE ANSWERS:

The survey confirms the following:

- In the private institutions, sales staff are linked to the personal sales of their products to their targeted audience. They work according to either monthly targets, or student intakes, or an overall target per annum. Some institutions work on an incentive scheme, or contests or sales rallies or "gongs" (for example floating trophies). Whether it's working in the educational field is

116

debatable. Most of the educational institutions don't sell a tangible product that could be measured in terms of short-term success.

- Public institutions are not really that strongly marketing and sales orientated, and don't work according to an incentive or bonus scheme. If however, the state keep on reducing their subsidy, these institutions will have to become more sales orientated.

We see then in this chapter the different approaches and strategies used by the private and public institutions. Let us now turn our attention to what conclusions we can come to, based on the above research.

CHAPTER 4

FINDINGS, CONCLUSION AND RECOMMENDATIONS

4.1 INTRODUCTION

Throughout this research it became more evident that the marketing managers are relying on their gut feeling with regards to trends and planning of their marketing activities. None could convince the researcher that the proper procedures and steps were followed with regards to strategy and planning. It would be imperative for the marketing managers to assess this situation in terms of their market share and competitive analysis. In this summary, recommendations are based on these findings.

4.2 RESEARCH FINDINGS

The following findings were made in the research:

- Although all the institutions are aware that they should have a corporate strategy and corporate marketing strategy, they do not know what exactly should be done when determining this strategy. Although none disclosed what type of strategy they follow it was clear that they don't have a specific strategy to work with, but rather a thumb suck (based on experience) (see paragraph 2.2; 2.3; 2.3.1 and 3.3.1 questions 1 to 6)

- The private institutions are smaller and therefore have a flatter structure. Middle management is involved in all projects and can make quicker decisions (see 3.3.1 question 4 and paragraph 2.2 and 2.3.1)

- The private institutions are more organised in terms of having a marketing plan. Neither of the institutions, both private and public, are aware of the barriers to marketing planning (see paragraph 2.3.2 and 3.3.1 questions 7 and 8)

- The private institutions have a better understanding of what the difference is between a marketing strategy and a marketing plan (see paragraph 2.3.1, 2.3.2 and 3.3.1 question 9)

- All of the private institutions outsource the marketing research function, whereas the public institutions do it internally and externally research (see 3.3.1 question 10).

- The private institutions know their competitors far better than the public institutions. They furthermore regard the public institutions as competition, whereas the public institutions don't regard the private institutions as competition (see paragraph 2.5 and 3.3.1 question 10, 41 and 42)

- Some aspects such as demographics and socio-economics, are considered more often by the private institutions than with the public institutions (see 3.3.1 question 10, 21 to 23 and 43)

- Private institutions have more detailed marketing plans and use them as a daily working document (see paragraph 2.3.2, 2.6.1 to 2.6.4 and 3.3.1 question 12, 18 to 23)

- All of the institutions know what are their strengths and weaknesses. It seems however as if the private institutions are more results orientated, meaning they respond quicker to their weaknesses and threats than the public institutions (see 2.3.1, 2.4, 2.5 and 3.3.1 questions 24 to 27 and 10)

- Apart from weakness and strengths, the biggest threat to private institutions is South African Qualifications Authority (SAQA) (see 3.3.1 question 45 and 24 –27). This is not a real problem for public institutions. It will become one as soon as SAQA accredits the private institutions' programmes.

- It is clear that if the institutions don't have both a clear corporate and marketing strategy they wouldn't know the type of business they're in (see paragraph 2.3.1 and 3.3.1 question 28). They would also not be able to have correct marketing plans (see paragraph 2.3.2 and 3.3.1 questions 12, 18 to 23) and wouldn't know their customers, market segments and how to position themselves (see paragraph 2.7, 2.9, 2.10, 2.11, 2.12, 2.13 and 3.3.1 questions 30, 31 and 35 to 36).

- As discussed in paragraph 2.9 and 3.3.1 question 31, segmentation can also be per mode of delivery such as e-learning, block release and open learning. The private institutions tend to be more open to this type of segmentation as opposed to the public institutions.

- Private institutions don't necessarily have a better understanding of what are the needs of industry, but they are more focused on reacting quicker to addressing those needs, than the public institutions (see paragraph 2.15, 2.16, 2.17, 2.18 and 3.3.1 questions 32, 33, 43 and 46).

- Public institutions are more inclined to have an institutional brand than a product brand.

- Private institutions are concentrating on the product and in some cases the lecturer is the brand, therefore personality (see paragraph 2.2.2 and 3.3.1 question 34).

- The public institutions are very comfortable with where they position themselves in terms of pricing. Should the state subsidy keep on reducing this advantage, the private institutions will have an advantage (see 3.3.1 question 39 and 40)

- Some of the private institutions are on the other hand misusing the fact that they need to charge more, because they don't receive a state subsidy. The private institutions are also more conscious about their market segment, and know what their customers can afford, and where to position themselves (see paragraph 2.8 and 3.3.1 question 39 and 40).

- The highest authorities at private institutions is involved in the marketing strategy and planning process (see 3.3.1 question 11and 47).

- The marketing goals of the private institutions are more clearly quantified. These goals should be in line with the corporate and corporate marketing strategies. Although all have agreed to this, the researcher got the impression that the private institutions once again were more advanced than the public institutions (see paragraph 2.2, 2.3 and 3.3.1 questions 13 to 16). Private institutions had clearly defined marketing goals, whilst public institutions were often a little "hazy" regarding their marketing goals. Is this because private

institutions more appreciate the value gained from marketing than public institutions?

- It was difficult to determine what exact marketing and corporate strategy the institutions are using, but the researcher tried to put a strategy to a specific institute (see 3.3.1 question 17)

- It was however, clear that there is only one private institution that clearly knows the various types of strategies that are available, and most probably have decided upon one, and worked their whole marketing campaign around that (see paragraph 2.3.1 and 3.3.1 question 17).

- In all three investigated private institutions the Managing Directors are from industry, and are from, or have, strong marketing backgrounds (see 3.3.1 question 47).

- The private institutions are more inclined to do business marketing and sales, than the public institutions (see 3.3.1 question 47)

- The public institutions are more inclined to having Public Relations staff as marketers, often these public relations staff don't understand the marketing concept (see 3.3.1 question 47)

- The private institutions will not engage in developing their own e-learning technology, but will rather enter into an agreement with an already existing provider. Once again the private institutions are quicker to respond to changes in technology (see paragraph 2.19 and 3.3.1 question 46)

- All of the institutions are proactively using the e-mail facility to communicate to potential and existing students and industry clients (see 3.3.1 question 46).

4.3 EVALUATING THE VALUE OF THE RESEARCH FOR HIGHER EDUCATIONAL INSTITUTIONS

For years the differences (or the alleged differences) between the private and public institutions can now be proven correct or incorrect. The public as well as the private institutions can benefit from this research. They can now stop "thumb sucking" with regards to marketing strategy, and start planning what needs to be

done. Although all the institutions indicated that they know what to do in terms of strategy and planning, they could not convince the researcher that they do. Institutions need to re-look at their segmentation, products, promotions and how to position themselves. This could lead to competitive advantages and increased market share.

4.4 SUGGESTIONS FOR FUTURE RESEARCH

The aspect of marketing strategies and planning for Higher Educational Institutions has only been discussed in its most basic form. This research holds tremendous potential for future growth with regards to competitive advantage. This research could be even further extended to analyse not only the trends in the Gauteng region of South Africa, but to investigate the national and global market. This extended research could be even more beneficial to the marketing discipline within Higher Educational Institutions.

4.5 SELF CRITIQUE

The researcher went through a major learning curve whilst undertaking the literature review and interviews for this thesis. This was certainly a revelation to the researcher that the perceptions existing between private and public institutions are not only perceptions, but in most cases are facts.

As indicated in chapter 1 and 3 possible shortcomings of this research are the relative small sample of interviews with institutions. Another shortcoming was that the research was limited to Gauteng and not the other provinces. The last shortcoming is the lack of sufficient South African literature available regarding this topic. Were a much larger sample to be taken, the trends in the data could be seen as more reliable. It would be interesting to survey the entire grouping of public and private Higher Educational Institutions in South Africa and compare the responses with those of this limited sample. Lastly a further analysis can be

made between the difference between public and private institutions within the other provinces of South Africa.

4.6 RECOMMENDATIONS

The following recommendations are made based on the results of this research. The recommendations given below are in many cases not new, but just a confirmation of what the Deans, Marketing Managers and Managing Directors, should know, **but do not do** in order to achieve their marketing goals.

4.6.1 EDUCATION PROVIDERS FOLLOW BUSINESS PRACTICES

According to Wentzel (2001: 49) there are types of business practices Higher Educational Institutions can follow.

- The first practice is **value innovation** as discussed by Kim (1997: 3); Chipman (1998: 1) and Taylor (1998: 1). Value innovation is finding out what exactly your customers value, develop an offering that provides higher satisfaction in higher areas that are valued, dropping everything else from the offering as far as possible and adjusting the perception of the price accordingly. As soon as an institution offers something different from the normal, it falls firmly in the category of the value segment of the market. Thus, it is all about adding value. Institutions need to offer value-added products to customers.

- In order to move towards value innovation, institutions need to sometimes outsource (or unbundle). Chipman (1998: 2) and Stahlke et al (1996: 5) states that Higher Educational Institutions need to look at the core business of education. The core business is tuition, assessment, certification, design of learning experiences, career services and research. Some of the institutions don't even get the basics correct, therefore they won't be able to be innovative and creative. Creating strategic partnerships with providers, if they can't provide one of the core elements, will be beneficial. Anything that is not part of core business should be outsourced.

- Public institutions need to change from providers of courses and programmes to providers who sell whole educational solutions. This is done via customisation and forming of partnerships.

The researcher concludes that both private and public institutions could greatly benefit from understanding and applying effective marketing strategies.

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QUESTIONNAIRE

I am investigating marketing planning practices among Higher Education Institutions. This survey will be confidential and your responses will not be linked to your institution's name in tabulations or in the report in any way. I am also more interested in the processes than in your actual strategies, so please feel free to express your frank opinion.

Question 1:
Does your institution have a corporate strategy?

Question 2:
Please describe how you arrive at this corporate strategy? Is it a formal process?

Question 3:
Is this strategy formalised into a document?

Question 4:
Who is involved in the corporate planning?

Question 5:
Where do you start with the planning process?

Question 6:
What role does the marketing aspects / information play in your institution's corporate strategy?

Question 7:
Thinking specifically about marketing planning, does your institution have a formalised <u>marketing plan</u>?

Question 8:
Is this plan formalised into a document?

Question 9:
What according to you is the difference between a marketing strategy and a marketing plan? Is there a difference?

Question 10:
Please describe the marketing planning process:

10.1   What information do you use to base your plan on?
10.2   Do you do marketing research?
10.3   Do you formally scan the environment or do you know what should go into a plan?

Question 11:
Who are involved in your marketing planning process?

Question 12:
How much detail do you have / include in this plan?

Question 13:
Do you have clear marketing goals?

Question 14:
Are these goals quantified?

Question 15:
What is your main goal?

Question 16:
How do your marketing goals fit in with the broader corporate goals? or do they form a separate set of goals in their own right?

Question 17:
What is the gist of your strategy?

Question 18:
How do you use this marketing plan after it has been approved?

Question 19:
To what extent is this marketing plan referred to during the year?

Question 20:
How often is the plan updated or reviewed?

Question 21:
How do you determine your strengths and weaknesses?

Question 22:
How do you use your strengths?

Question 23:
What do you do about your weaknesses?

Question 24:
How do you measure your strengths? And weaknesses?

Question 25:
How do you go about developing your marketing plan? Where do you start?

Question 26:
What aspects do you pay most attention to?

Question 27:
Which section of the plan is the most detailed?

Question 28:
How do you define the business that you are in?

Question 29:
How do you define the product that you offer?

Question 30:
How do you define your customer?

Question 31:
Do you identify segments in your market or not really?

Question 32:
What triggers new product development in your organisation?

Question 33:
How do you go about new product development?

Question 34:
On what level do you brand your market offering? Institutional level or qualification level?
Why is this?

Question 35:
How do you position yourself?

Question 36:
How do you support or reinforce this positioning?

Question 37:
If you have a slogan: what does it mean? To the institution and to the market?

Question 38:
How did you arrive at / to it?

Question 39:
How do you position yourself in terms of pricing? Do you receive state subsidy?

Question 40:
What other assistance do you provide to potential students? Bursary, loans etc?

Question 41:
Who are your strongest competitor/s? Why them? What are the differences between the similar institutions?

Question 42:
What according to you is the difference between private and public higher educational institutions?

Question 43:
What sets apart from other higher educational institutions?

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Question 44:
What do you do to attract new students or business?

Question 45:
What impact does SAQA have on you?

Question 46:
How does technology impact your business? How will it affect your marketing and marketing plan? How will it change your teaching methods / business?

Question 47:
Tell me about your marketing department?
How is the department structured?
What is your title?
How many staff do you have in this department?
What training or qualifications do your marketing staff have?
What are your staff's marketing experience?

Thank you for your co-operation. I really appreciate your help.