

# Educational Management and Strategic Marketing: Introducing an Institutional Audit in Higher Education

Michael Thomas

## Abstract

This paper focuses on the use of strategic marketing principles in the context of educational management and administration. The development of a model for an institutional audit in the Higher Education sector is described and used to address the development of an e-learning solution for a Language Centre of a large, state University in Central Europe. Part One provides an overview of the institutional context of the Language Centre. Part Two outlines the research methods and tools that have been chosen to analyse the current market position of the University's language services. Part Three considers the data collected in the light of existing educational management research models. In the Conclusion, the main findings of the research are articulated and a number of recommendations, both for the structure of the e-learning environment and for the future marketing strategy of the Language Centre, are outlined.

## 1. Introduction

The market for distance learning in Higher Education has been estimated at \$300bn worldwide (Newby, 2000). Effective planning and marketing strategies will need to be developed if HE institutions, many of which are often unaccustomed to long-term strategic planning, are to be successful in these new global markets. This article presents a model of an institutional audit that could be used to facilitate the introduction of an Internet-based distance learning programme in an international university. It considers strategic marketing as a management process that is 'responsible for anticipating, identifying and then satisfying consumer wants and needs' (Gray, 1991, p. 2), rather than as mere advertising, promotion or selling.

The research is based on a case-study of a Language Centre in an Alma Mater University in Central Europe which has been considering its competitive positioning in the distance learning market (Schulmeister, 2001, p. 51). Following a series of initiatives by the University, the development of e-learning now occupies a prominent place in its future thinking and has prompted discussion about the development of new educational programmes using a course administration system such as Blackboard or WebCT. The Language Centre is investigating the possibility of offering language courses to support increased student participation rates in Business, Law and the Natural Sciences that are taught wholly or partly in English.

## 2. Institutional Context

The University of Old Town, one of the oldest in Europe, is situated in the state of Baden-Württemberg, in the south west of Germany, between the financial city of Frankfurt in the north and the manufacturing and regional capital of Stuttgart to the south. Old Town is an international university and has approximately 27,000 full-time students, of which 15% come from other countries outside Europe. The university has in addition, 437 Professors and 3,430 non-professorial teaching and research staff. Since its foundation, the original four faculties have grown to 17. While Theology, Law and Medicine have been there from the beginning, the original Faculty of Philosophy has since developed into new areas, and now includes the humanities and the social and natural sciences. Since its foundation in 1975 the Language Centre has been located under the wing of the Faculty of Modern Languages.

In the mid-1960s the university authorities began to consider the improvement of practical foreign language education for students from the Faculty of Modern Languages and the Institute of Translation and Interpretation. The basis of this reorientation were the developments in the methods of applied linguistics, especially in the audio-lingual and audio-visual approaches. At the end of the 1960s the university developed three separate institutions for language studies and translation, supported by one specialist technician. In early 1971 this system of organisation was challenged by the idea of having the foreign language services under one roof. Following the foundation of the AKS (*Arbeitskreis der Sprachenzentren, Sprachlehrinstitute und Fremdspracheninstitute in der Bundesrepublik Deutschland*), the development of autonomous Language Centres became the mode. A faculty commission's report in June 1971 led to the formation of the Language Centre - a centralised language learning facility in the Faculty of Modern Languages.

Given the broad aims of the new institution, the existing specialist areas of Speech Science (*Sprachwissenschaft*) and Speech Education (*Sprecherziehung*) were also integrated. As a university document from 1983 states, the Language Centre consists of two specialised institutes: (a). a foreign language teaching and research institute that accompanies the students' main university studies (*Studienbegleitende Fremdsprachenausbildung*); and (b). Speech Science and Speech Education, academic areas in their own right. The objectives of the Language Centre were accordingly set out in the University's official regulations (*Universitätsgesetze*) in 1975:

- to create the conditions for effective language instruction using the tutor and self-study system
- to contribute to the education of language students as well as the practical education of the philology students
- to contribute to the further education of foreign students in the Department of German as a Foreign Language - as well as with the students doing summer school courses
- implementation of intensive and audio-visual language courses (also in the semester breaks between winter and summer semesters) for students from all faculties of the university as well as all of the teaching and administrative staff who work in the university
- to contribute to the foreign language education of trainee teachers in cooperation with the Teacher

#### Training Colleges (*Pädagogische Hochschule*)

- introduction of a programme to help teaching staff with questions and problems relating to technology in the area of foreign language learning, especially for language laboratories
- development of research seminars for methods of foreign language learning and teaching, with particular emphasis on new forms of technology for teachers and trainee teachers

This detailed list of tasks (*Aufgabenkatalog*) sets out what would today be called the ‘objectives’ of the Language Centre. This is especially prevalent for example in point four, which commits the Language Centre to offering its services to ‘all students and staff working in the university’. As the German name of the institute indicated, it was founded with the ambition of being a truly *central* institution. It was therefore envisaged that it would have a unique place in the organisation of the faculty, working as a complementary force to the specialisation offered by the philological departments. The Language Centre is divided into a number of separate sections, each of which offer courses from Beginner through to the Advanced Level, where more specialised courses are available. These languages include: English, French, Spanish and Italian, as well as a range of other less mainstream languages such as Czech, Russian, Swedish, Chinese and Polish.

### 3. Strategic Marketing in Educational Management

In considering the available research on strategic marketing in educational management a number of key themes emerge:

1. The acceptability and relevance of management and marketing theory in education
2. The definition and role of the customer in education
3. Marketing models available in an educational context
4. The relationship between marketing and strategic planning
5. Research on the implementation of e-learning projects

#### From Management to Marketing Theory in Education

In the “Introduction” to *The Principles of Educational Management* Bush and West-Burnham (1994) describe the changes that have taken place in the English and Welsh education system since the 1988 Education Reform Act as: ‘An increase in institutional autonomy, with commensurate accountability, operating in the context of increased client choice balanced by central direction of the curriculum’ (pp. 1–4). Nowhere is this more in evidence than in the changes promised by e-learning initiatives. These changes have subsequently impacted on educational institutions around the world, and led in turn to arguments that educational institutions share many characteristics with business. In “Management in Educational Organisations” West-Burnham (1994b) considers seven key objections to this analogy:

- Management theory is primarily concerned with profit; education is not

- Management is mechanistic, education should be organic; systems are hostile to the essential creativity of education
- Management is about clear goals; educational aims are diffuse, varied and conflicting
- Management denies professional status
- Management theory is pragmatic and expedient
- Management theory is pseudo-scientific
- Management theory cannot be reconciled with the special status of children. (West-Burnham, 1994b, p. 19)

A response to these accusations is outlined in *Understanding Schools as Organisations* by Handy and Aitken (1986). The authors describe how educational institutions perform many of the tasks of businesses on a day-to-day basis, often unconsciously however and without a rigorous understanding of the processes involved. Educational institutions share the characteristics of business organisations in that they:

- decide on their key tasks and the constituencies that they serve (the *strategy*)
- divide up the work to be done (the *structure*)
- find ways of monitoring what is going on (the *system*)
- recruit the right people and keep them excited and committed (the *staff*)
- train and develop them in the competencies required (the *skills*)
- work out the best way to lead and relate to the people (the *style*)
- above all, create a sense of mission and a common set of beliefs (*shared values*). (Handy and Aitken, 1986, p. 458)

Nevertheless, Handy and Aitken argue that while such characteristics make educational institutions distinctive, that they are in fact a different type of organisation, they are not a different *category* of organisation: ‘A school has to decide what kind of organisation it is ... who its customers are, what they want and how it is to be delivered and measured’. Marketing is normally identified with precisely these questions.

The adoption of a strategic marketing position also implies a certain form of organisational behaviour. In “Theory and Practice in Educational Management” Tony Bush (1994) identifies five key theories of management: bureaucratic, collegial, political, subjective and ambiguity perspectives. Bureaucratic theory is identified with a hierarchical authority structure which pursues goals determined by leaders, with little room for personal initiative. Leaders are chosen to exercise their authority over the other members of staff and are accountable to the governing body. As Bush recognises, ‘Bureaucratic theories focus on the organization of an entity and ignore or underestimate the contributions of individuals within organisations’ (Bush, 1994, p. 37). Power therefore exists ‘at the top of the pyramid’ in what is essentially a top-down model.

Collegial theories are normally advanced as the most appropriate for running educational institutions. They are predominantly identified with the ‘authority of expertise’ rather than ‘positional

authority’, a ‘common set of values’, and the idea that ‘decisions are reached by a process of discussion leading to consensus’ (pp. 38–39). Such a theory is based on the notion that ‘members have equal authority to participate in decisions which are binding on each of them’. They have the disadvantage that they underestimate the power of sectional interests and the idea that managers are willing to give up power and responsibility too easily (p. 39).

TABLE 1 FIVE MODELS OF EDUCATION MANAGEMENT

<b>Elements of Management</b>	<b>Formal</b>	<b>Collegial</b>	<b>Political</b>	<b>Subjective</b>	<b>Ambiguity</b>
<i>Level at which goals are determined</i>	Institutional	Institutional	Subunit	Individual	Unclear
<i>Process by which goals are determined</i>	Set by leaders	Agreement	Conflict	Problematic	Unpredictable
<i>Nature of structure</i>	Objective	Reality	Hierarchical	Objective	Reality

Table quoted from West-Burnham et al (1995), p. 12.

Collegial theories are most often strongly identified with customer satisfaction, both internal and external. Sallis (1993) argues that a Total Quality Management solution is a very effective way of responding to the significant changes that have affected educational institutions in recent decades. He suggests that the four imperatives he identifies—moral, environmental, survival, and accountability—are all best served by TQM theory because educational institutions should be microcosms of the wider democratic society (p. 24). Here too the role of the customer in education is clarified, principally because of the need for close ties between the people who use the services and the service providers.

In *Strategic Marketing for Educational Institutions*, Kotler and Fox (1995) define marketing as:

the analysis, planning, implementation, and control of carefully formulated programs designed to bring about voluntary exchanges of value with target markets to achieve institutional objectives. Marketing involves designing the institution’s offerings to meet the target market’s needs and desires, and using effective pricing, communication, and distribution to inform, motivate, and service these markets. (p. 6)

The need for marketing therefore arises when ‘an institution determines the desired level of transactions that it wants with a target market’ (p. 71).

But this is not simply a case of giving students what they *want*. As indicated above, education implies social and moral responsibilities. Giving students what they want may amount to easy courses, multiple-choice and no work in the afternoons. Kotler and Fox outline a position called the *societal marketing orientation* which ‘holds that the main task of the institution is to determine the needs, wants, and interests of its consumers and to adapt the institution to deliver satisfactions that preserve or enhance the consumer’s and society’s well-being and long-term interests’ (p. 10). Kotler and Fox

go on to define the main benefits of marketing for educational institutions in terms of:

- greater success in fulfilling the institution’s mission
- improved satisfaction of the institution’s publics
- improved attraction of marketing resources
- improved efficiency in marketing activities

Marketing is more than the ‘use of selling, advertising, and promotion to create or maintain demand. Marketing is the skill of planning and managing the institution’s exchange relations with its various publics’ (p. 28).

### **Customers in Education**

Kotler and Fox (1995) see the customer as the defining agency of ‘quality’: ‘The organisation should be sensitive to emerging customer and market requirements, and strive to retain customers over the long term’ (p. 35). Institutions must strive to create cultures that aim to satisfy customer’s needs and concerns. But who are the customers in education?

Mt. Edgecumbe High School, an organisation that is a leading advocate of TQM, offers the following explanation of the relationship between the customer and Quality Management: ‘A management philosophy, supported with a comprehensive set of processes and tools, aimed at achieving a culture of continuous improvement, driven by all the people within an organisation, in order to satisfy and delight all customers and stakeholders’ (Mt. Edgecumbe High School, 2000, p. 3). TQM therefore places a special emphasis on identifying customers, continuously surveying their needs, and addressing customer requirements, and it is seen to be wholly consistent with the objectives and practices of educational institutions.

Though much of the TQM theory maintains a focus on the customer, the term is defined in a very flexible fashion. In “Listening to the Voice of the Customer”, Schauerman et al (1994), define the customer in very general terms: ‘A customer is someone who receives your product or service; they are people whose quality requirements you must satisfy in order to succeed’ (Schauerman et al, 1994, p. 244). Efforts must be made in order to continually understand and relate to customer requirements. Feedback mechanisms, surveys, and focus group meetings can all play an important function in this respect.

Secondly, the needs of the customers should be addressed in terms and language that they understand. Clear strategies of communication should be adopted to guarantee the meeting of customer targets.

Thirdly, theorists further break down the notion of the customer in terms of internal and external relations. El Camino College, another leading advocate of TQM in education, has developed a matrix that usefully describes the relationships between internal and external customers (see Table 2 below). According to this matrix, the internal customer is any person or group of persons for whom the organisation delivers *direct* outputs, in this case, students and teachers. Here the employees are also the customers of the management. Indirect customers are also identified as the staff of the

Administrative Office and the members of the Board of Trustees.

The external customer is defined as any person or group of persons who is located outside the system but who nevertheless receives outputs from an organisation. Again this is broken down in terms of direct customers, members of the community and of course potential employers, and the more indirect focus attributed to parents and taxpayers.

TABLE 2 THE EL CAMINO MATRIX OF CUSTOMER RELATIONS

	<i>Internal</i> Those who work in the system and are affected by the institution.	<i>External</i> Those who are affected but outside the system
<b>Direct</b> Those who <i>use</i> the system	students teachers	community employers
<b>Indirect</b> Those who <i>need someone else</i> to use the system	administrative office board of trustees	parents taxpayers

Table quoted from Schauerman et al (1994), p. 245.

It must be recognised however that the customer concept runs into problems when theorists try to apply it to the compulsory education sector. The model cannot cope with the problem that different customers require different outcomes. The power of the parents and the age of the children—between 5 and 16 years—diminishes the applicability of the notion of choice and customer. When the customer is a loud and abusive 12 year old, it is clear that the mantra—the customer is always right—does not apply. Given these constraints, it is only after that age, in further and higher education, that it is possible that students are faced with a range of choices in this sector i.e. they can choose between educational institutions, and between education and employment.

Blackiston and Sabatella (1996), for example, argue that TQM and the customer concept ‘does not necessarily challenge the wisdom, creativity and experience of the education profession. Instead it seeks to challenge and improve the critical processes that support managerial decision making and professional achievement’ (Blackiston and Sabatella, 1996, p. 52). They emphasise the compatibility of education and other industrial organisations, seeing the latter as a way of introducing a much-lacking spirit of innovation and experimentation.

The service sector rather than manufacturing has been seen to provide the best models of marketing for education. In *The Principles of Marketing* (1986) Kotler defines a service as ‘essentially intangible’, as something ‘which cannot be seen, tasted, felt, heard or smelled before they are bought’ (Kotler, 1986, p. 681). The marketing of services provides a number of models for the higher education sector.

### Marketing Models for the Educational Sector

In *Strategic Marketing for Educational Institutions* (1995) Kotler and Fox outline how institutions can identify marketing issues in four ways:

- complaint systems, importance analysis, and research-based approaches can be used to gauge the customers’ point of view
- a *marketing problem inventory* can be used to list problems
- institutions could determine the demand patterns for their products and services
- and a comprehensive marketing audit can be undertaken to ‘determine the status of its current marketing activities’ - a process which effectively replaces the first two options. (Kotler and Fox, 1995, p. 68)

In “Marketing the School as an Educational Institution” (1992) Gray also gives an overview of the marketing strategies which are necessary for post-incorporation educational institutions. Educational institutions are identified alongside service industries - it is therefore necessary that a ‘distinctive marketing orientation is readily identifiable’ (p. 177).

In *Marketing Education* (1991) Gray describes how the use of marketing in service industries normally relies on the following five stage model:

1. marketing needs/problems
2. marketing research/audit
3. marketing planning
4. the marketing mix
5. marketing strategies and tactics (Gray, 1991, p. 13)

Kotler and Fox (1995) outline a similar model of a standard marketing plan (Table 3). The eight stages of the model provide a comprehensive step-by-step approach to all aspects of the marketing process. A clear demarcation of the processes allows a series of key questions to be identified for the researchers.

TABLE 3 A STANDARD MARKETING PLAN

SECTION	PURPOSE
I. Executive summary	Presents a brief overview of the proposed plan for quick management skimming.
II. Current marketing situation	Presents relevant background data on the market, publics, competition, distribution, and macroenvironment.
III. Opportunity and issue analysis	Identifies the main opportunity/threats, strengths/weaknesses, and issues facing the institution/programme.
IV. Objectives	Defines the goals the plan wants to reach in the areas of enrolment, donations, quality improvement, etc.
V. Marketing strategy	Presents the broad marketing approach that will be used to achieve the plan’s objectives.
VI. Action programmes	Answers: what will be done? who will do it? when will it be done? how much will it cost?
VII. Budget	Specifies costs and forecasts the expected financial and other outcomes from the plan.
VIII. Controls	Indicates how the implementation and effectiveness of the plan will be monitored.



### **Marketing needs/problems**

For marketing needs, a number of methods are available. As James and Phillips indicate in “The Practice of Educational Marketing in Schools” (1995), a SWOT analysis of the organisation’s strengths, weaknesses, opportunities, and threats is a common strategy. Gray (1991) also suggests that a SWOT analysis can be deployed to collect suitable data on the strengths and weaknesses of the institution. The result of the SWOT process is a marketing plan which takes the data and turns it into a programme for action or a ‘marketing mix’ (p. 10).

In *Strategic Marketing for Schools* (1997) Davies and Ellison outline how the SWOT analysis can be used both at the macro and micro levels in educational institutions. The SWOT analysis is easy to assemble: it consists of merely four lists. The form itself can be completed in several ways: staff can be asked on an individual basis or, after noting their own views, they can articulate them to a group whose task it is to reach a consensus about future action. The elements of the SWOT analysis are self-explanatory—strengths need to be capitalised on, weaknesses identified and overcome, opportunities clearly identified, and threats articulated in terms of a future-oriented vision.

The SWOT analysis is then a popular tool of marketing analysis, which can be applied quickly to collect large amounts of data, with little or no special skills required. It can, however, base its conclusions on very ‘subjective’ points of view, collect diverse data that cannot easily be aggregated, and lead to an imbalance between minor and major issues (Davies and Ellison, 1997a, p. 105).

### **Marketing Audit/Research**

The marketing audit, as James and Phillips (1995) point out, is concerned with navigating the way between two questions: from ‘where are we now?’ to ‘where are we going?’ (p. 76). Kotler and Fox (1995) describe how the marketing audit ‘examines existing information, such as application and enrolment trends, fund-raising results, and other institutional reports, and also interviews administrators, faculty, staff, students and others’ in order to gather ‘information critical to evaluating the institution’s marketing performance’ (p. 71). This is not a marketing plan then, but an assessment of the problems facing the institution.

Davies and Ellison (1997) suggest a comprehensive range of market research techniques for educational institutions. First, secondary information can be gathered. This is information readily available in the institution, including internal information (existing school documentation, central and local government information, books, journals and other media, as well as miscellaneous sources, such as exhibitions, open events, professional associations etc.). Kotler and Fox refer to the process of collecting secondary research as an essential component of the *marketing intelligence system* (Kotler and Fox, 1995, p. 73).

Primary information can be collected in numerous ways: observational research, telephoning educational services to check on quality, sending of brochures, acting as a prospective customer, tracking a student, assessing environmental factors such as the location of the institution, analysing competitors, identifying market segments, and mapping the recruitment area (Ellison and Davies, 1997, pp. 41–98).

Gray (1992) views the ‘mission statement’ as central ‘to the planning process and it is reflected

in the positive image of the school promoted through its marketing' (p. 181). Customers and the needs of customers are central to the marketing plan adopted: 'These needs are regarded as the central reason for the school's existence' (p. 178).

The curriculum is identified as the 'product' of educational organisations, and a concern with the quality of curriculum management must emerge: 'A marketing perspective must contain centrally within it the clear recognition that the public service should be available to satisfy the needs of all its pupils' (ibid.). This focus should be reflected in a dual strategy: assessing existing degrees of customer satisfaction through a market audit, followed by an investment in future strategies as a result of market research. The marketing plan therefore needs to 'be considered alongside the mission, goals and agreed objectives already established for the organisation' (p. 180).

### **The Marketing Mix**

For Gray (1991), the marketing mix has five elements when applied to public sector or service industries, sometimes identified as the five P's: Product (the goods or services being offered to the market), Place (the location and accessibility of the goods or services), Price (the resources needed by the customers to obtain the goods or services), Promotion (the activities communicating the benefits of the goods/services to potential customers) and People (those involved in selling or performing the service and the instruction of customers receiving the service).

An approach must be developed that establishes a 'marketing mix' and incorporates:

1. promotional techniques, including advertising and public relations
2. focus on the curriculum as product or service
3. the environment of the educational institution as place
4. the price of using education
5. people costs including staff development, training and organisation

The first area addressed was the definition of a product. Following Kotler (1986), it is defined as 'anything that can be offered to the market for attention, acquisition, use of consumption that might satisfy a want or need. It includes physical objects, services, persons, places, organisations and ideas (Kotler, 1986, p. 78). The product is primarily the services offered by the educational institution and therefore normally includes courses and any other services such as catering, or computing resources. The product can be further broken down into Product Range (the number or diversity of products offered), Product Benefits (how beneficial courses are to the students? Are they consumer or producer oriented?), Product Life (courses for example have a life-cycle, though they are often assumed to be around forever), and Product Quality (does the product satisfy the quality requirements demanded by consumers?).

The price element consists of two parts. Costing refers to the task of finding 'a close match between institutional spending and benefits to the customer' (James and Phillips, 1995, p. 80). The second, called Pricing, refers to the task of ensuring that the 'recipients are charged sums in line with the institution's objectives' (ibid.). Three further aspects of pricing can be identified: Differentiation

(the greater number of products in the commercial world means that there is more freedom to set prices), Pricing Factors (in order to set a price, the value of the product to the customer and the market saturation of the product, need to be understood), and the Cost of Product Development (how expensive is it to produce the product range?).

The Place is concerned with the 'location, appearance and the facilities of the place where the service is delivered which influence the accessibility and availability of the service' (p. 81). This is broken down into three sections: Appearance (how effective is the appearance and location of the institution?), Customers and their Visitors (a customer-oriented culture must consider the customer, the potential customer and other visitors to their buildings, including disabled people for example), First Contact and Accessibility (concerned with how an individual makes contact with the organisation and with how easy it is for them to make it).

Promotion refers to the task of informing and persuading the market to choose the service that is being offered. This is normally achieved through a 'Unique Selling Proposition' (USP) and effective design and publicity materials. In order to achieve effective communication, a number of questions have to be asked: What has to be achieved? Over what time scale? What resources are available? Which customer group is being addressed? The key features of promotional material are:

- to attract ATTENTION
- arouse INTEREST in the product
- create DESIRE for its benefits
- prompt ACTION from potential customers

This process is normally referred to as AIDA and it is further broken down into three sections. Promotional Tools relates to:

1. Advertising: the use of television, radio, posters, press and considerations include cost, target market, timing and the consistency of the advertising medium with the ethos of the organisation
2. Public Relations: this is usually more cost effective than advertising, as its aim is to achieve editorial coverage
3. Outreach materials: this includes all materials which are produced to communicate with a specific audience i.e. prospectus, leaflets, letters and videos

The People element is related to those involved in selling and performing the service and the interaction of the customers. A further four subcategories emerge.

The People are the Service: in this sense service industries are the people who deliver them, especially as up to 90% of people have customer contact as opposed to only 10% in the manufacturing sector.

Good Motivation is Good Organisation: through staff training, involvement and other incentives, service industries need to organise structures and staff motivation policies.

Quality and Code of Conduct: service industries need good codes to determine and maintain

standards.

Corporate Strategy: the centrality of the marketing element cannot be overestimated for successful service industries. When this is the case, the marketing and corporate strategy are one and the same. The marketing mix should be determined by an individual who coordinates the marketing efforts of the staff. In this sense, the role should not be confused with marketing activities - it concerns more marketing strategies and tactics.

The last category of the marketing mix is called Proof: what evidence is there to confirm that customers have received services appropriate to their needs? Whereas in manufacturing industry the proof of the successful sale of the product is easily obtained, services industries offer more of a challenge. The challenge therefore is to develop procedures which will monitor and assess all aspects of the marketing strategy. In education, one simple proof would be to examine the success of the qualifications and certificates gained by the students.

In "The Practice of Educational Marketing in Schools" James and Phillips (1995) add two more elements to Gray's marketing mix:

—Process

—Proof

This model is called the 'seven Ps' as opposed to Gray's (1991) 'five Ps'. In their study the marketing mix was used to analyse a group of 11 schools who were offering their services in a competitive environment. None of the education managers and members of staff had any specialised knowledge of the concept of the marketing mix, and none of the schools 'had any documented marketing policy' (James and Phillips, 1995, p. 77).

James and Phillips conclude that though they deliberately chose to examine educational institutions in competitive market environments, the dominant theme of the research was 'the general lack of coherent marketing practice' (p. 86). However, all of the schools were 'active in the various elements of the marketing mix albeit in an inconsistent and intuitive way'. While the basis exists, implementing a successful marketing strategy in education requires 'adopting an entirely different "mind-set" which sees all the organisation's activities in terms of the customers' requirements'. Such a philosophy is concerned with distinguishing between 'customer wants' and 'customer needs'. Understanding this relationship is instrumental in moving the service away from a totally provider/producer led service.

One further shortcoming is related to this lack of professional knowledge about marketing. The overemphasis on promotional activities at the expense of a coordinated marketing strategy proves the point. In order to refine understanding in this area, a more comprehensible notion of the stakeholder is required—customers are not just parents but also pupils and students.

In "Strategies for Introducing Markets for Non-profit-making Organisations" Kotler (1987) describes 'third sector organisations'. As opposed to profit making and governmental sectors, the third sector is positioned as a middle way between the profit motive on the one hand and government bureaucracy on the other. In this respect, third sector organisations tend to be 'socially responsive' and

‘service oriented’ in that they ‘specialise in the delivery of services that are not adequately provided by either business or government’ (p. 3).

Kotler identifies a series of management problems in many third sector organisations and attempts to outline how a marketing strategy can alleviate the major contextual insufficiencies. The main thrust of Kotler’s argument is that marketing is all too often simply equated to selling or promotion in the non-profit making context. His message of course is that it amounts to much more than this, and that marketing must be understood in relation to strategic planning or market-oriented strategic planning (p. 6).

In order to develop a successful marketing strategy, organisations should undertake a thorough marketing audit. Final recommendations would therefore be made on the university’s mission, strategy and portfolio. The portfolio would identify which parts of the university’s ‘product mix’ should be built, maintained, phased down or phased out. The criteria for such an assessment process should include:

- (a). the centrality of the academic programme to the mission of the university
- (b). the programme’s academic quality, and
- (c). the programme’s marketing viability (pp. 6–7)

One of the perceived dangers is that the full-scale adoption of marketing in non-profit making institutions will ruin smaller ones as a result of promotional warfare. For Kotler, however, such a scenario is not realistic. The real gains to be acquired from marketing is that each institution must search for ‘a more meaningful position in the larger market’ (p. 13). This means that organisations will be concerned with determining the effectiveness of the ‘distinct service mixes to serve specific market segments. Marketing competition, at best, creates a pattern of varied institutions, each clear as to its mission, market coverage, need specialisation, and service portfolio’.

In “Strategic Marketing for Educational Systems” Hanson and Henry (1992) also make the case for transferring marketing practices from the private to public sectors, and set out a model of strategic marketing. They distinguish between public relations and institutional marketing. Public relations is defined as ‘a planned and systematic two-way process of communications between an educational organisation and its internal and external publics designed to build morale, goodwill, understanding and support for that organisation’ (quoted Hanson and Henry, p. 257). PR therefore tends to be a ‘broad-based’ or ‘multifaceted’ approach to ‘building public understanding’ for the full range of activities going on within an educational institution.

### **Marketing and Strategic Planning**

The relationship between marketing and planning has been a key theme of strategic marketing. Kotler and Fox (1995) define strategic planning as:

the process of developing and maintaining a strategic fit between the institution’s goals and capabilities and its changing marketing opportunities. It relies on developing a clear institutional

mission, supporting goals and objectives, a sound strategy, and appropriate implementation. (p. 95)

In “Strategy, Policy and Planning” West-Burnham (1994a) shows the centrality of strategic planning to educational institutions, locating it at the nodal point between vision, values and the deployment of resources. Though strategic planning is problematical - principally in that it assumes a high degree of rationality - it remains central to the task of translating the aspirations of the mission statement into the concrete steps of management action. West-Burnham outlines a model which aims to integrate a number of the key aspects of post-incorporation:

1. Vision, values and core purpose
2. External demands, expectations and influences
3. Focus on the clients of the educational institution
4. Prioritising the deployment of resources
5. Managing complexity and uncertainty. (West-Burnham, 1994a, p. 97)

In the context of the new educational market place, strategic planning and the turn toward an ‘extended time-frame’ is justified as ‘central to effective management’ in non-profit organisations (p. 79). The point is that in this context the mission and the plan are the ‘good intentions’ but successful strategies are needed to realise them.

This analysis places planning at the heart of management. Planning should:

- be an integrative process
- include all staff and stakeholders
- change in response to evaluation
- inform other management processes
- be a continuous process
- work for a long-term perspective

Based on this notion, strategic planning is defined as ‘a process operating in an extended time-frame (three to five years) which translates vision and values into significant, measurable and practical outcomes’ (p. 84). Policy is defined as ‘the statement of how the strategic plan will actually function’. And ‘development planning as a short-term process (12–18 months) which identifies how the strategic plan is to be implemented in a way consistent with the policy’ (p. 85).

The Strategic Planning Process leads to a model of “The Strategic Planning Cycle” which has the following elements:

1. Values, Vision, Mission
2. Environmental Analysis
3. Institutional Resource Analysis

4. Generating Alternatives
5. Agreeing Priorities
6. Implementation
7. Evaluation

Once again the significant elements are: (a) that it is value driven by the mission, (b) the mission is interpreted through the environmental and institutional needs, (c) it focuses on the generation of alternatives to create consultation and involvement, (d) strategies are translated into specific policies, and (e) plans and targets are measured against intentions and whether they are consistent with the mission (p. 95).

### **The Marketing Implications of E-learning Solutions**

In *The Virtual University* (2000) Ryan et al offer three definitions of the Virtual University:

- a direct provider of teaching and learning
- an organisation that has been created through partnerships to facilitate learning without being directly involved
- and a hybrid model that combines a conventional campus-based institution with the strengths of face-to-face teaching. (pp. 2–3)

As the authors argue, however, the ‘relevance of CIT (Communications and Information Technology) for universities needs to be viewed within the context of an increasing emphasis on lifelong learning and the impact CIT is having on all aspects of education’ (p. 9). Learning will thus occur throughout a person’s life and develops as their educational needs and objectives change. Ryan outlines a number of elements of the virtual university and the way that it uses the new technology:

- teaching staff can use the web to find resources for their classes
- guiding students to resources on the web as well as students finding resources themselves
- whole courses or large parts of them (developed locally or purchased) are being delivered online
- students and teacher are using email, bulletin boards and computer conferencing systems for communication and support, both on and off campus
- the use of computer aided assessment
- course management systems are supporting registration and course administration as well as providing feedback on assessment and other performance data. (p. 3)

Ryan refers to this as Resource Based Learning (RBL), ‘an integrated set of strategies to promote student-centred learning in a mass education context, through a combination of specially designed learning resources and interactive media and technologies’ (ibid., p. 4).

The term e-university has been developed to describe these changes. As a consequence of these technological changes then, the demands of the students/customers will also affect the institutions.

Schulmeister (2001) outlines four models of the virtual university:

- the classical Open University will develop virtual components to compliment degree programmes
- the traditional Alma-Mater Universities develop virtual courses, sometimes with the support of other institutions
- Virtual Universities develop as independent institutions in their own right
- the development of Corporate Universities in large companies (p. 50)

Ryan predicts that the new consumers will ‘demand flexible, targeted, accessible learning methods’, that there will be a ‘huge population of new learners’, and that the new e-universities will present ‘traditional’ education providers will strong competition (Ryan et. al, 2000, pp. 12–13). The key, however, is that in order to meet this demand, the Internet will allow universities to keep costs down. As the Dearing Report pointed out: ‘If universities are to widen participation and provide access to more students of all ages, they will need to find pedagogically acceptable combinations of teaching methods and cost structures to sustain increased student numbers’ (quoted Ryan et al, 2000, p. 14). Dearing recognises that the mass system requires more and more teachers if it is to operate as now in an environment of ‘tightly constrained costs’ (p. 15).

As Ryan’s data indicates (see Table 4), the traditional approach to teaching with a strong emphasis on small groups would become increasingly expensive as the numbers of students rises. As a result the current method - lots of lectures with some RBL - has replaced it, but as Dearing notes, this has ‘diminished the student learning’ (quoted Ryan et al, 2000, p. 14). The future model would try to redress these disadvantages by increasing RBL, indicating that 50% of RBL would be purchased from outside the institution, as the costs would be beyond most educational institutions.

In Table 5 Ryan considers the three models as student numbers double. The steady rise in costs for the traditional model evidence that it is not sustainable. The current model ‘contains costs’ but is based on a decrease in student learning quality. The future model has the advantage that it ‘starts from a lower cost base but also retains its cost advantage as numbers continue to expand’ (p. 14). Sharing resources that have been developed collectively and increasing RBL will allow the expansion in HE to continue. Given the financial restrictions on HE institutions, a mixture of open and distance learning methods is likely to be the best model for the future.

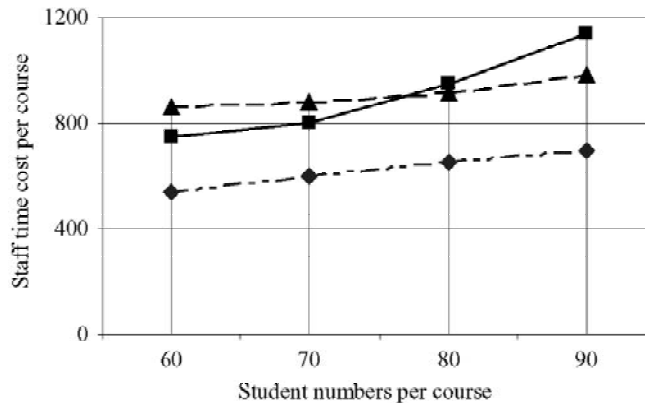
TABLE 4 ALTERNATIVE COMBINATIONS OF TEACHING METHODS (DEARING, ONLINE)

Methods	Traditional Study Hours	Current Study Hours	Future Study Hours
Lectures	30	60	10
Groups	50	5	3
RBL (extended)	15	15	50
RBL (in-house)	5	20	10



The most successful institutions according to Ryan will seek partnerships with industry to forge attractive courses for students. Newby finds this point also relevant: ‘While universities provide most of the academic expertise - and crucially the “branding” necessary for market credibility—the partners provide production facilities, distribution, and marketing, as well as much of the underlying technology, in order to proceed on a truly global basis’ (Newby, 1999, p. 9).

TABLE 5 COMPARATIVE STAFF TIME COSTS FOR ALTERNATIVE COMBINATIONS OF TEACHING METHODS (DEARING, ONLINE)



In this new environment HE institutions are under pressure to develop new strategies to appeal to new markets. As Bates (1995), puts it, institutions must develop ‘a clear vision and strategy for managing this change process’ (p. 42). In the context of this article, the task is to develop a strategic marketing policy to understand and drive through the changes needed by this paradigm shift in learning and training for educational providers.

#### 4. Methodology

To enable an effective data collection process, a model from Davies and Ellision (1997) has been adapted to fit the research needs. This framework encompasses four main elements:

- **Environmental Analysis**

An environmental analysis will allow the Language Centre to consider long-term trends in a range of global areas, including technology and education. A PEST analysis was chosen to produce a detailed examination the four main levels that shape educational institutions: Political/educational, Economic, Socio-cultural and Technological factors.

- **Analysing the Competition**

Language Centre managers must consider a number of important questions: Who are its major competitors now? and Who (or what) is likely to be a major competitor in the future? How are the

competitors dealing with the local, national and global trends in e-learning in the HE sector in Central Europe? The second research tool uses a matrix developed by Bakir (1993) entitled: 'A Summary of Competitors' Strategies', which tabulates information by focusing on a prominent competitor institution.

- **Analysing the Clients**

Data is required about the Language Centre's internal and external clients in order to determine the range of customers and their e-learning wants and needs. An effective marketing strategy requires a clear understanding of its target audience and market segments. Detailed interviews with students were used to establish their understanding of these critical issues.

- **Analysing the Institution**

A process of self-questioning must examine what the Centre currently offers - its strengths and weaknesses—before it can decide about the future marketing and strategic planning of e-learning-based products. A Boston Consulting Growth Matrix was used to determine the strengths of the Language Centre's Product Portfolio. A SWOT analysis was subsequently used to articulate client and staff perceptions on the Centre's strengths, weaknesses, opportunities and threats.

## **5. Analysis**

The educational sector strongly identified the emergence of trends that have been affecting HE for the past decade. On the global level, increasing competition between educational institutions; centralisation of decision making for key areas like the curriculum and assessment; the emergence of e-learning initiatives; and an understanding of the expansion of HE with fewer academic staff expected to administer such changes (Bush and West-Burnham, 1994).

Respondents targeted the emergence of life-long and flexible learning programmes supported by national or international accreditation procedures. The picture is of a form of studies that is shaped by the day-to-day pressures of the clients' lives. Students increasingly engage in work and study, interrupt their courses when appropriate, and continue at different institutions, at times that are convenient for them. This indicates a change from producer- to consumer-centred modes of education and training. In the local context, web-based materials and resource-based learning (RBL) were specifically mentioned, showing a growing familiarity with the more detailed aspects of e-learning.

Economically the macro-trend was toward increasing globalisation. Nationally this was recognised by the emergence of more joint ventures between educational institutions in the state sector and private companies that supported educational technology initiatives. Nevertheless, a shortage of good quality employment in the state system was identified with the high turnover of part-time positions rather than fixed-term contracts. Computers may not replace teachers, but teachers who are more familiar with e-learning might replace those who are not. Nationally this has led to the emergence of a new adult based client group, from different cultures and backgrounds, with varying degrees of past success in pre-university education. In returning to the post-18 educational system, they want a

more flexible and student-centred form of studies. New technology is seen as the impetus for many of these global, national and local trends. Nationally this has led to a series of projects concerned with the development of eUniversities and virtual learning (Ryan et al, 2000, pp. 7–21).

TABLE 6 PEST ANALYSIS: STAFF

<b>Factors</b>	<b>Global</b>	<b>National</b>	<b>Local</b>
<b>Political/ Educational</b>	‘competitiveness’ ‘centralisation’ ‘internet online learning’ ‘commercialisation’ ‘mass system, more students, fewer teachers’	‘competitiveness’ ‘centralisation of curriculum’ ‘life-long learning’ ‘national curriculum’ ‘the learning society’ ‘national credit system’	‘competitiveness’ ‘collegiality’ ‘centralisation of curriculum’ ‘e-learning’ ‘resource based learning (RBL)’
<b>Economic</b>	‘global economy’ ‘expansion of global economy’ ‘interconnected world’ ‘private and public finance’	‘private and public financed initiatives’ ‘job insecurity’	‘shortage of teaching positions’ ‘part-time work’
<b>Socio-cultural</b>	‘no job for life’ ‘flexible working’	‘adult learners return to training’	‘more competition from institutions’ ‘learners from different cultures around the world’ ‘part-time work, high turnover of staff’
<b>Technological</b>	‘growth of networks’ ‘email’ ‘distance learning’ ‘study anywhere, anytime’	‘eUniversity’ ‘virtual university’	‘networks’ ‘learning packages’ ‘CD ROMs’

These national and international trends in education policy reinforce Bush’s and West-Burnham’s understanding of the changes in terms of ‘An increase in institutional autonomy, with commensurate accountability, operating in the context of increased client choice balanced by central direction of the curriculum’ (Bush and West-Burnham, 1994, pp. 1–4). The data collected from the Environmental Analysis powerfully supports the reality of e-learning as it is:

- more attractive to HE administrators as increasing numbers of students can be catered for. This route remains a cheaper alternative to employing more ‘presence-based’ teachers
- a more diverse customer base, principally adult students, those who work full- or part time, or seek a mixture of presence and distance learning courses in order to update or improve their qualifications base
- new university degrees offered in English will require English language support, either on a presence, e-learning or combination basis
- in Germany, education reforms are increasingly adapting solutions from the Anglo-American system, including the BA and MA degrees, a growing number of which are aimed at international

students and are taught exclusively or partly in English.

### **Analysing the Competitors**

In the ‘Table of Competitive Forces’ three main categories of institution were chosen and within this nomenclature, four existing providers identified: local private schools, regional traditional universities, regional universities of applied science, and global specialised providers of e-learning. From an analysis of university documents the following categories were used to build up a detailed picture of the e-learning products of the competitor institutions:

- A—full distance learning courses
- B—combination distance learning courses requiring campus residence
- C—distance learning courses using email and video conferencing
- D—distance learning courses in Germany
- E—international distance learning courses

Three main existing providers were pinpointed. A local private language school is offering full distance learning courses in Germany using e-learning technology. It was attempting to develop a partnership with private software companies and publishing houses to offer high quality products with full ‘presence’ teacher support, both in-house and over the Internet.

A regional traditional university is developing both a teaching and research interest in e-learning. It is offering a variety of courses: combination distance learning courses requiring campus residence, distance learning courses using e-mail and video conferencing, and distance learning courses in Germany.

A regional university of applied science was offering e-learning to encourage more and more students to apply for its courses, to encourage a mass system with a diverse full- and part-time student population. It has developed full distance learning courses, combination distance/campus courses, and uses a range of e-learning technology to underpin the effective delivery of its programmes.

TABLE 7 A TABLE OF COMPETITIVE FORCES

<b>Competitors</b>	<b>Institutions</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
<b>Existing Providers</b>	Local Private Language School	×			×	
	Regional Traditional University	×	×	×	×	
	Regional University of Applied Science	×	×	×	×	
<b>New Entrants</b>	Global Specialised Provider of e-Learning	×		×		

The global player is based in the United States but has teachers throughout the world. The German and Asian markets are clear targets for its round-the-clock teaching and support service. They have developed quickly on a worldwide scale and created a specialist team of academics and technical experts to provide 24/7 support for private and business customers. The company has developed a number of contracts with large German companies to offer Internet-based training. In addition to general and business courses, they offer a TOEIC and TOEFL test preparation centre.

The analysis of competitors indicated the development of a number of trends in the e-learning market:

- the emergence of product targeting in course provision
- global and local partnerships spanning public and private sectors
- the consolidation of English language programmes in non-language learning contexts such as business, IT and engineering

TABLE 8 SUMMARY OF COMPETITORS' STRATEGIES

Institution	Strengths	Weaknesses	Plans & Strategy
<b>Institute A Local Private Language School</b>	<ul style="list-style-type: none"> <li>‘modern city centre location’</li> <li>‘partnership with e-learning portal’</li> <li>‘good private client base’</li> <li>‘well qualified staff’</li> </ul>	<ul style="list-style-type: none"> <li>‘relatively small scale in relation to an old, traditional university’</li> </ul>	<ul style="list-style-type: none"> <li>‘continue to expand e-learning projects’</li> <li>‘develop projects with private software houses and publishers’</li> </ul>
<b>Institute B Regional Traditional University</b>	<ul style="list-style-type: none"> <li>‘progressive Language Centre organised around the new technology’</li> <li>‘strong image in the area’</li> <li>‘a newer university with a good reputation for practical as opposed to theoretical studies’</li> </ul>	<ul style="list-style-type: none"> <li>‘unattractive city location’</li> <li>‘overshadowed by older university’</li> </ul>	<ul style="list-style-type: none"> <li>‘strong emphasis on practical nature of training and building relations with industry and potential employers’</li> <li>‘practical oriented language training’</li> </ul>
<b>Institute C Regional University of Applied Science</b>	<ul style="list-style-type: none"> <li>‘specialist in vocational training’</li> <li>‘new image with emphasis on “no frills” approach’</li> <li>‘strong contacts with local IT firms and excellent IT facilities’</li> </ul>	<ul style="list-style-type: none"> <li>‘no track record in specialised language studies’</li> </ul>	<ul style="list-style-type: none"> <li>‘develop MBA or related programmes to support transition to the BA and MA courses’</li> </ul>
<b>Institute D Global Specialised Provider of E-learning</b>	<ul style="list-style-type: none"> <li>‘a global player that is also active in the German market’</li> <li>‘dynamic start-up business environment’</li> <li>‘quickly established itself as market leader in online language training’</li> <li>‘combination of academic quality and entrepreneurial flair’</li> </ul>	<ul style="list-style-type: none"> <li>‘subject to fluctuations in global demand’</li> <li>‘as a global company it must establish itself locally if it is to succeed’</li> <li>‘must offer a combination of teacher oriented and language learning software to offer customers interaction and feedback’</li> </ul>	<ul style="list-style-type: none"> <li>‘move from general provider to specialist provider for children’s English, TOEFL, TOEIC, Business English and other ESP courses’</li> <li>‘expand in European, Asian and South American markets’</li> </ul>

### Analysing the Clients

Interviews with undergraduate students from the Language Centre were conducted to gauge opinions and experience of e-learning. The students were overwhelmingly positive about the introduction of e-learning, citing strong evidence that it would allow them to study at a time dictated by them (Strongly Agree 23.6%, Agree 61.8%), making the service effectively available on a 24-basis (Strongly Agree 35.3%, Agree 55.9%). Nevertheless, although respondents thought that ‘e-learning could be successfully integrated with presence learning’ (Strongly Agree 38.2% Agree 47.1%), they clearly supported the notion that ‘traditional classroom learning based on the “presence” of the teacher and students is the ideal form for effective language learning’ (Strongly Agree 32.3%, Agree 41.2%). The results point to an understanding of the inexorable rise of computer-based learning and a need to adapt viable product solutions that combine new with old. It is no longer the enough to make the case for why e-learning should exist alongside traditional forms of learning. E-learning has to describe the unique nature of its contribution to course design and implementation.

In ‘E-learning and Clients Wants’, this students identified some of the familiar advantages of e-learning.

TABLE 9 CLIENTS E-LEARNING WANTS AND NEEDS

11.	E-learning would allow me to complete online assignments more effectively than in a traditional classroom environment.	11.8%	21.5%	52.9%	13.8%	0%
12.	E-learning would allow me to keep in contact with my fellow students.	8.8%	14.7%	41.2%	35.3%	0%
13.	E-learning would keep me more up-to-date with what is happening on the course.	5.9%	35.3%	26.5%	29.4%	2.9%
14.	E-learning would encourage me to be more disciplined in my studies.	0%	16.8%	37.3%	25.3%	20.6%
15.	E-learning technology would allow me to be more resourceful in acquiring knowledge of English language.	14.7%	47.1%	29.4%	8.8%	0%
16.	I would learn better because my teacher is able to give me better feedback through e-mails.	5.9%	29.4%	32.3%	26.5%	5.9%
17.	With e-learning I would expect to be in closer contact with my teacher.	0%	19.7%	42.9%	31.5%	5.9%
18.	E-learning would allow me to learn at my own pace and in my own place.	38.2%	47.1%	11.8%	2.9%	0%

The new technology is associated with encouraging the development of certain skills, communication with fellow course members and with teachers (Agree 19.7% ), self-discipline (Agree 16.8%), researching (Strongly Agree, 14.7%, Agree 47.1%), and promoting effective feedback from teachers (Agree 19.7%).

In the final section, ‘Client Competence in e-learning and IT’, students responded to their

experience of e-learning and IT facilities. Given their enthusiasm for e-learning students indicated that they would benefit from an IT and e-learning course (Strongly Agree 8.8%, Agree 29.4%). IT is shown to be a fairly central part of their studies and they are confident enough that they would be able to assimilate the basics of the new technology very quickly (Strongly Agree 20.6%, Agree 52.9%). Finally the students understood that by using e-learning and IT they could encourage the development of skills which could be useful in the job market in the future (Strongly Agree 26.5%, Agree 38.2%).

The data from the questionnaires supports the development of e-learning solutions across the range of levels in the English Section. The students demonstrated an increasing awareness of e-learning technology and saw a number of language- and career-related advantages. The data points to a number of factors:

- a number of solutions should be developed, principally concerning the interaction between a ‘presence’ teacher and additional or supplementary e-learning facilities
- Students do not expect the disappearance of the teacher, but the teacher to integrate e-learning strategies into teaching practices where possible
- The ratio between a ‘presence’ teacher and e-learning increases at the lower language levels - students at the advanced levels require more self-study and less directed learning

### **Analysing the Resources of the Language Centre**

A Boston Consulting Growth Matrix (Table 10) was used to assess the strength of the products of the Language Centre. The matrix identifies three main ‘star’ products: Business and Law (two courses), Beginner level courses (two courses), and the intermediate level Bridging courses (five in total). The market position of these products should be consolidated.

The English Section has persisted with a joint course for Business and Law students although the trend in Germany is toward the development of specialist courses for both student groups. Instead of the present two courses, it would be possible to develop four, two each for the respective disciplines. As one of the specialist course areas, Business and Legal English offer the best chance of developing programmes with the faculties which contain a compulsory English language element. Students in Business and Law would then have to follow a compulsory English language course as part of their main studies.

In such a context, questions of completing coursework assignments on time, participation and attendance would be more pressing in students’ minds. Given the fact that modules in these subject areas are more and more frequently being taught in English, an e-learning mode would be precisely apposite. This would allow more students from these two subject groups to have access to English language support and an e-learning solution would be much cheaper than employing new teaching staff to cope with the extra demand. Language Centre documents consistently reveal a large excess of students applying for courses as opposed to course places. This data restates one of the central arguments behind the demand for an e-learning solution as indicated by Ryan et al (2001, p. 14): the disproportionate number of students and teachers. The excess for the English Section is 25.2%—a figure that would more than justify product expansion. German as a Foreign Language is the highest

student group (14.8%). This can be explained by the predominance of German as a main subject, usually in connection with a teacher training qualification.

TABLE 10 THE BOSTON CONSULTING GROWTH MATRIX

HIGH	Problem Child Medicine and Science Cultural Studies	Stars Business and Law Beginner Course Bridging Course
	Dogs	Cash Cow TOEFL
LOW Market growth rate		
	LOW	HIGH
	Relative market share	

The Boston Matrix shows that the two TOEFL courses were identified as ‘Cash Cows’ in that they have a high share of a declining market. This reflects the widespread opinion that the TOEFL test is now outdated, especially because of its lack of an oral component to assess students’ speaking abilities. During the last ten years TOEFL has been gradually overtaken by the IELTS.

No products have been identified as a ‘Dog’—products that have a low share of a mature or declining sector. In terms of the history of the Language Centre, interpreting existing statistical data from course applicants and course places reveals that it is in a phase between growth and maturity. The problem is not lack of students, but rather lack of funding to support the coordination of more courses for excess number of students.

The Boston Matrix has given an overview of the products in the English Section. It shows that demand remains high for English language courses, especially in the key areas in Business, Law and English for Special Purposes (ESP) where further consolidation should be aimed for. These products offer the best opportunities for e-learning, especially when these main degree level subjects are joined with a compulsory language element.

In addition to the Boston Matrix, a SWOT Analysis (Table 11) was used to collect data about the strengths and weaknesses of a range of e-learning facilities in the Language Centre: computer clusters, computer technical support and help, range of e-learning and multimedia software, effectiveness of working environment for studying, ease of availability and access. The SWOT analysis provided a quick and effective way of measuring key marketing competencies. Both staff and clients agreed on the strengths of the present facilities, which include access to Internet, email, laser printing and CD ROMs. Staff saw this as a significant move forward and were aware that there were some plans to extend the facilities should the financial support be available.

Nevertheless, the relatively small number of PCs and equipment are severely limiting especially for a teaching context. It is necessary to have at least two rooms, one for teaching purposes and one



for general self-study which could be used for teaching when demand requires. So although plans are in the air to further develop the hardware and software facilities, a full-time technician who can help staff and students alike would be greatly welcomed.

Students also viewed e-learning as an opportunity to increase the flexible nature of their studies. They understand that e-learning will seek to make language learning more stimulating and introduce new learning methods into classroom teaching. Students are highly aware of how e-learning is affecting their friends in other universities and would like to see similar trends followed at the University of Old Town in order to protect and further its reputation.

TABLE 11 ANALYSING THE LANGUAGE CENTRE (SWOT ANALYSIS)

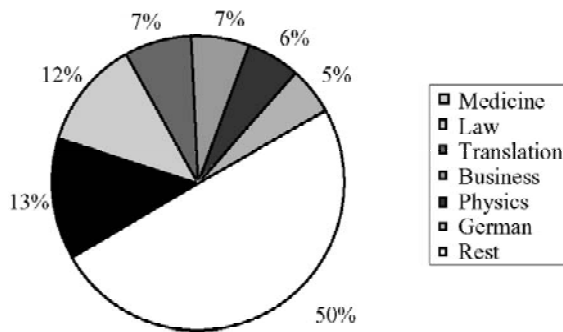
SWOT Categories	Staff Perceptions of IT	Client Perceptions of IT
Strengths	'some new equipment' 'laser printing facilities' 'unlimited access for students, to internet and emailing' 'intention to develop the lab further'	'new multimedia PCs' 'ongoing internet access' 'access to printing facilities'
Weaknesses	'no specialist who is responsible for e-learning strategy' 'no specialist technical support' 'no specialist IT training programme for staff' 'limited funds available' 'limited facilities—only 5 PCs' 'a big problem is the separation of library, PC room and Self-study Centre'	'only 5 PCs available' 'no availability in evenings or weekends' 'no full-time specialist support' 'computing rep is not a specialist' 'students work in the Self-study Centre and they're not specialists'
Opportunities	'the Centre needs to invest to capitalise on the big markets for the major subjects like business and science' 'so many subjects are being offered in English now' 'the Centre offers good courses from a famous university, it needs to take advantage of its position more'	'e-learning is the new big idea in education' 'I'd like to learn at my own pace with more flexibility' 'the university should invest in this new technology to make it better for the students' 'more students should mean more money and more money more students'
Threats	'competitors seem much better equipped' 'competitors are more able to move faster with less bureaucracy' 'other schools are smaller with more dynamic curriculums'	'some of friends say the less famous unis have better facilities' 'this uni lives a lot on its reputation, it needs to go with the flow of the times' 'this uni needs to look at what the others are doing'

Among the threats identified by the staff is the relative caution that seems to undermine university initiatives. Student interviewees also compared the Centre unfavourably with many of the newer universities in East Germany, whose facilities are much more extensive. Both groups of interviewees indicated that they would like to see a new readiness to develop an extensive strategy in e-learning,

especially one linked with an obligatory English language element in the main subject area of the university.

Given these trends the Centre needs to realise that a number of opportunities exist in e-learning. For the staff, the opportunities are based on the advances being made by English as a teaching language in German universities. Increasingly in order to make these degree courses attractive to German and international students, English language support has to be offered. The Centre's own statistics provide accurate data in this respect. The diagram below (Table 12) indicates the key subject groupings in courses since the beginning of the Centre. A number of subject areas account for the majority of students applying for courses in the Centre. Of particular importance are Medicine, Law, Translation Studies, Business and German.

TABLE 12 APPLICANTS FOR LANGUAGE COURSES WINTER SEMESTER 1976/77–SS 2000



This is a high percentage and supports the idea that the English Section could adopt a number of additional strategies to enhance the application procedure for students. This could be done through developing English preparation courses for study abroad. Another method would be to maintain contact with students enrolled on programmes in the English speaking universities, giving academic and pastoral support, advice and feedback. E-learning technology using email, discussion boards and synchronous communication could play an important role in new product offerings (Warschauer and Kern, 2000).

The SWOT analysis identified a range of opportunities for further product development in English. By addressing the weaknesses of the current IT facilities, e-learning solutions could be developed that would capitalise on the favourable opinions expressed by staff and students. E-learning is currently viewed as an opportunity for the Centre which could be developed into a major strength.

## 6. Conclusion

As a consequence of the four-pronged analysis of environment, competitors, clients, and existing resources, several marketing opportunities and threats were identified and a series of recommendations can be articulated in terms of the 5-point Marketing from Gray (1991): Product, Place, Promotion, Price and People.

## **Products**

It is recommended that the Centre should build bridges with the larger faculties in the university, in particular with Law, Medicine, Business Studies and the Natural Sciences. In these areas it would be attractive to create products that integrate compulsory language elements with standard study programmes at under- and postgraduate level. This would be attractive to national and international students. Such programmes could be supported by a mixture of traditional and online language learning techniques. This would allow the Centre to pursue specialised courses and create a competence at the higher language levels among its teachers and staff.

It is envisaged that students would be offered an integrated programme that is based on face-to-face teaching (4 x 90 mins) and a task based supplementary programme of learning over the Internet (2 x 90 mins). The Internet will offer interactive exercises and synchronous technology to allow students to practice and consolidate their presence learning. Online information would allow students to access lecture notes, video lectures and resources on a 24-hour basis. Teachers and university administrators would be able to coordinate attendance, online activities and grading through administrative functions of the software.

## **Place**

Students should be able to access learning materials from private or university-based computer terminals. Sufficient resources must, however, be available on the university campus or specifically in the Language Centre to enable and promote ease of access. The strength of the concept is its 24-hour and 7-days-a-week accessibility.

In IT multiple strategies should be available to promote student interaction with e-learning. This includes the development of two specialised rooms with internet access. One room would be envisaged as a teaching room, the other as an open self-study centre. Facilities should be located near to the departmental library for ease of access to extra resources and student support.

## **Price**

Unlike general degree courses in Germany, students are charged for attending language courses in the English Section. The standard semester fee is Euro 51. This course fee is reduced to Euro 26 in the following cases:

- students in receipt of Bafög (state support)
- international students who receive a scholarship
- students from the former DDR who completed their High School education before 1995

In order to supplement existing resources, funding is expected from the university and should not be raised through increased course fees. The addition of extra computer hard- and software is estimated as Euro 20,000. Additional sources of funding from the European Union should be examined in relation to its European e-learning projects.

### **Promotion**

It is recommended that in order to develop a successful e-learning component, offered first on a campus level with the later possibility of national and international possibilities, the mission statement should be changed to reflect its new markets, range of interests, and specialisms (Gray, 1992).

The Centre's new mission statement should reflect its openness to new ESP specialist markets and teaching quality in these subject areas. The new 24/7 Language Centre should take advantage of the university's strong national and international presence in teaching and research, and its new online marketing campaign to launch this new orientation. The Centre should relaunch itself as a provider of services emphasising the three core areas of e-learning:

- 24-hour learning community
- enhanced student-teacher relations through synchronous technology
- and improved feedback

### **People**

The emphasis on the concept of e-learning 24/7 must be supported by a range of new staff. Staff would like to see the introduction of new administrative structures which encourage working practices. This would give added emphasis to the investment in e-learning competence. In addition these new developments would lead to more staff appointments:

- support staff are required in the new self-study room
- 'presence' teachers need to have regular training on using and adapting e-learning hard- and software for their own language learning purposes

In addition to internal customers, the new concept of e-learning 24/7 targets a number of particular external client groups:

- adult learners returning to education on a part-time or distance learning basis
- students from all language levels from the key subject areas: Business, Law, Medicine and Natural Sciences
- international students studying courses in Germany that are taught in English

In order to proceed efficiently in the direction of these recommendations, the Language Centre should keep in mind Kotler's and Fox's (1995) understanding of strategic planning if it is to be successful: 'a process of developing and maintaining a strategic fit between the institution's goals and capabilities and its changing marketing'. The effectiveness of the four-stage marketing planning outlined in this paper rests precisely on its ability to continually promote and renew these producer-customer relations.

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