

Challenges that Educational Leaders are Facing in Response to Marketing Orientation in Higher Education Institutions in Thailand

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Abstract: *The study aimed to explore the application of marketing-oriented activities in higher education and to ascertain the responses of educational leaders towards marketing orientation in higher education, Thailand. Content analysis and semi-structured interview were employed. The major findings are 1) the practice of marketing orientation in higher education was extensive. 2) Educational leaders' responses towards marketing orientation are at a superficial level. 3) 11 issues were proposed for leaders in HE in response to MO.*

Keywords: *Educational Leaders/Marketing Orientation/Higher Education/Challenges/ Globalization*

1. INTRODUCTION

Higher education (HE), presently, has to operate within the increasingly challenging and complex environments. The issues of globalization, the knowledge economy, competition, reduced government funding, accountability and changing expectations of stakeholders require HE to operate very differently from the way they did in the past.

It is argued that in today's universities, students are often referred as consumers, academic colleges as revenue centers, education as a product, and research as intellectual property. Moreover, presidents of universities-- now often referred to as Chief Executive Officers. University leaders used to take the traditional roles of academic leadership and educational policy-making; instead nowadays, they focus more on raising the necessary funds to compete with other universities nationwide.

Moreover, the global changes as the main power, drives the emergence of new economy based on knowledge and information. When knowledge and information become the basic elements of global economy, the globalization produces tremendous influence on knowledge content and the way of achieving it. Knowledge, in globalization, will no longer be the special power of academic field. Therefore, the universities, used to be the only providers of knowledge, are being greatly challenged.

Last but not the least, along with the increasing competition, the traditional universities, as "the major providers of higher education" are "being challenged by non-traditional organizations, such as corporate and virtual providers." (Coaldrake et al, 2000, p.1)

Facing the contextual changes and challenges, higher education leaders have been forced to possess entrepreneurial spirit and marketing orientation (MO) in order to survive and compete. To explore the various applications of MO in education, Kolter (1985)'s four types of marketing-oriented issues were adopted as the major framework.

Issue 1: Attracting Perspective Students

Students provide most educational institutions with their reason for being. School image initially includes defining a clear and effective mission and then employing suitable media vehicles to advertise it.

In order to define an effective mission, Kotler (1985) came up with three dimensions: the first is *consumer groups*--who are to be served and satisfied. Students are regarded as customer groups nowadays. The second dimension is *consumer needs* -- namely, what is to be satisfied and the third is *technology*-- namely, how consumer needs are to be satisfied.

After writing clear and effective mission statement, appropriate media vehicles should be used to send the institution's messages to the target market and attract their attention. Advertisement can play a role in an institution to transfer the message to the public. "More and more schools and colleges are turning advertising", as Kotler (1985) stated, and advertising "consists of *nonpersonal forms of communication conducted through paid media under clear sponsorship*" (p.297).

Advertising can take many forms and serve many purposes. The most commonly used medias are *magazines* and *newspapers*, *radio* and *television*, *outdoor displays* (such as posters, signs, billboards, skywriting), *direct mail*, *novelties* (blotters, calendars, pens, pencils), *cards* (bus, subway), *catalogs*, *directories*, and *circulars*.

Besides, Penn (1999) proposed that universities' public image and constituencies' satisfaction can be promoted by focusing on outcomes-based research, that is, show that we do what we say we do in our promotional materials. Claims of employment for graduates, acceptances to graduate schools, graduates' ability to pay off loans, and reasonable time to complete a degree need to be substantiated to demonstrate to the public and to our own students and their families that their investment in time and energy is worthwhile.

Issue 2: Increasing Student Satisfaction

To generate a high level of student satisfaction, educational leaders should devote themselves to assure the education quality and create a "responsive educational institution" or "market-oriented institution" which "makes every effort to see, serve, and satisfy the needs and wants of its consumers and publics within the constraints of its mission and its budget" (Kotler, 1985, 28).

However, as Maringe and Gibbs (2009) noted, students as customers should not only be considered important: they should be made to feel important. High customer satisfaction should become a key goal of the institution. It is not always easy though to get staff to adopt a customer orientation, especially in the university sector. The writers also summarized the key elements which can be adopted by institutions that have actively embraced a customer services culture: a total organizational commitment to customer service; a commitment to knowing your customers completely; a clear statement of the standards of service quality performance; on-going management and working towards continuous improvement.

Issue 3: Designing Excellent Programs

The programs refer to the education service. This kind of intangible services include, in this study, undergraduate curriculum as well as other programs provided related to the needs of the public and market.

Curriculum development has been greatly influenced by social changes. In order to produce the kind of graduates who match the needs of the national employment system, the HEIs have increased the links and alliances with business field. Besides, according to Duke (1997), partnership between educational institutions as well as between education and industry represents one means of managing, and managing in, and uncertain environment. Partnership can marry further education's strengths of local accessibility, market intelligence and user-friendliness with the university's national and international standing.

Issue 4: Enlisting Financial Support

As Ihrig and Sullivan (1995) discussed the context that the HE is within, the decline in state and local government support, the inability of tuition increases to replace this decline and the modest changes in other traditional income sources are likely to continue indefinitely. These circumstances suggest strongly the need for public HE to place increasing emphasis on seeking and expanding new revenue sources. Moreover, he also argued that the leaders of public HE are being challenged to alter their focus, to seek new and expanded revenue opportunities that can contribute to funding their primary mission, instruction.

Challenges that Educational Leaders are Facing in Response to Marketing Orientation in Higher Education Institutions in Thailand

Without enlisting enough financial support in such a governmental-funding-cut context, it is impossible for any educational institution to succeed in attracting more and better perspective students and satisfy their needs by providing high-quality teaching and services.

Financial support, in this study, includes to two kinds of activities: one is through fund raising, Apart from seeking external help, institutions, according to Ihrig & Sullivan (1995), will also need to continue to reduce costs, find new ways to teach, and reduce their overhead expenses. The contemporary colleges and universities need to focus on the dual strategies of reducing *expenditures* as well as diversifying and increasing their revenue sources.

2. METHODS

2.1. Content Analysis

2.1.1. Dendrogram

This study employed *Dendrogram* to demonstrate the content analysis results.

According to Christopher (2008), the dendrogram is a graphical representation of the results of hierarchical cluster analysis, which presents the information concerning observations being grouped together at various levels of similarity or dissimilarity. At the bottom of the dendrogram, each observation is considered its own cluster. Vertical lines extend up for each observation, and at various similar or dissimilar values, these lines are connected to the lines from other observations with a horizontal line. The observations continue to combine until, at the top of the dendrogram, all observations are grouped together.

2.1.2. Materials

The content analysis materials used in the study were selected according to the following criteria:

- Books only;
- Book titles showing the key words—higher education;
- Books were chosen from two libraries in Assumption University, Thailand: Cathedral of Learning and St. Gabriel's library.

Totally, 180 books were qualified with the above criteria in two libraries and 166 books were used for content analysis. Symbols and code numbers were used in separating data and excerpts taken from the books:

- Key ideas: 1-5 (1 digit)
- Number of books: 001-200 (3 digits)
- Book page numbers: 001-500 (3 digits)

2.2. Interview

There are 165 Thai HEIs that include 78 public HEIs; 68 private HEIs; and 19 community colleges. Among 78 public HEIs, 65 are limited admission universities and institutions, 2 are open admission universities and 11 are autonomous universities. Four presidents and/or vice presidents from four types of universities were selected as samples. The above four universities represent limited admission, open, autonomous and private universities respectively.

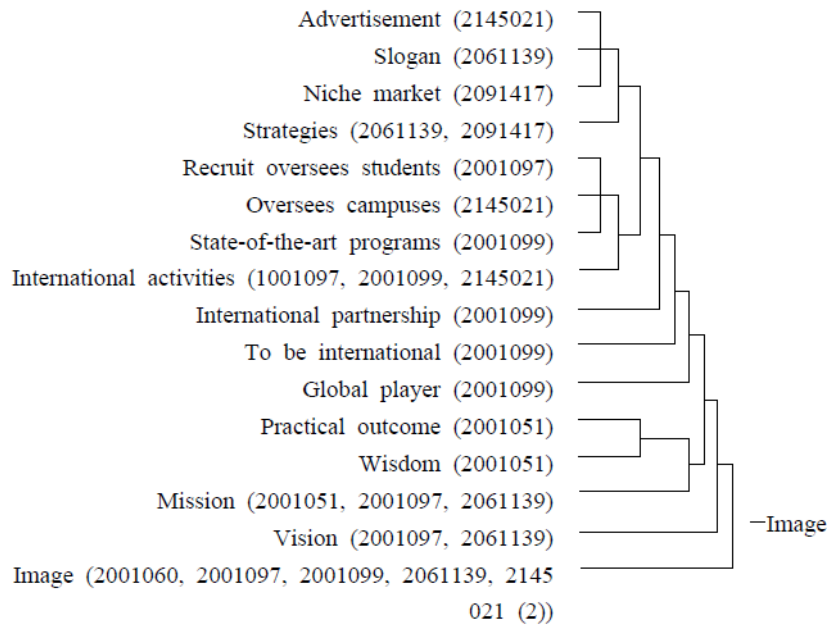
3. RESULTS AND DISCUSSION

3.1. Results of Objective 1: The Application of MO in HE

Issue 1) Attracting Perspective Students

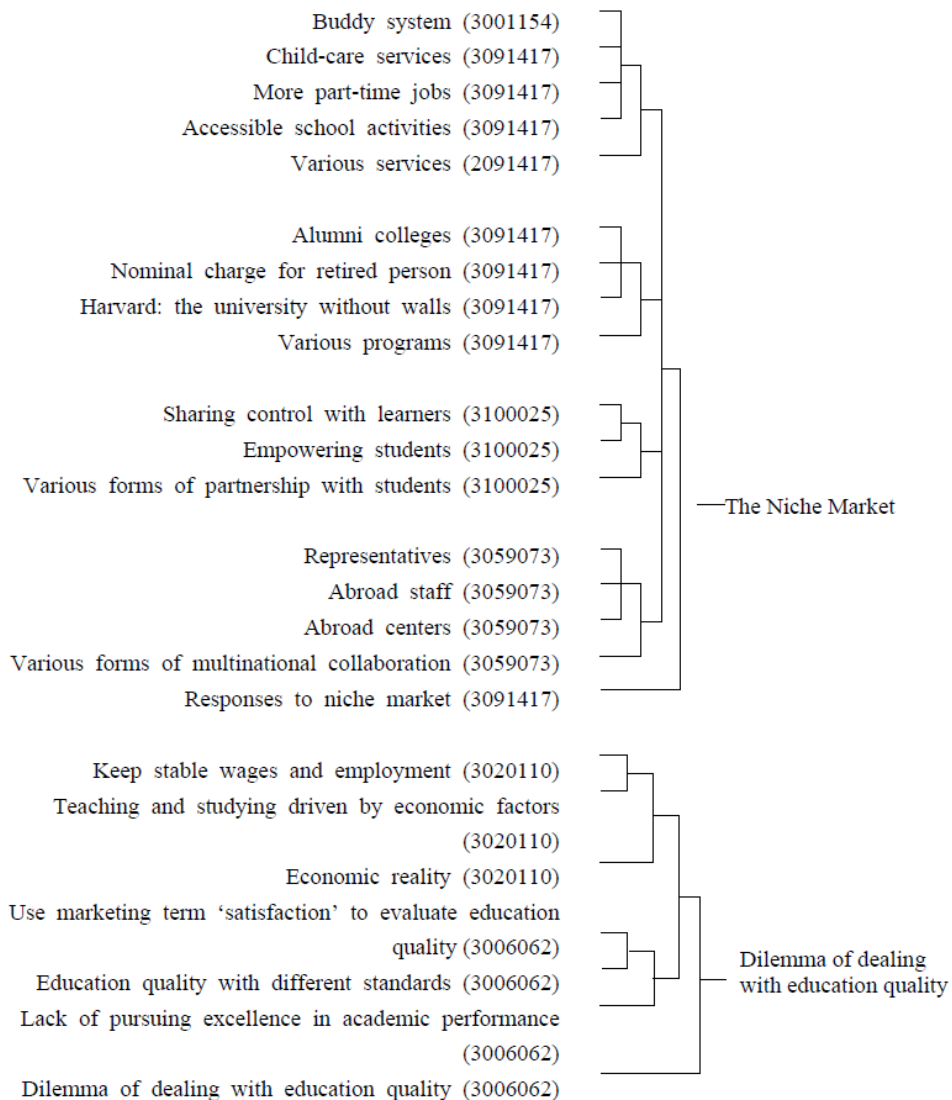
Dendrogram 3.1 reveals the methods used in HEIs to attract perspective students in practice. As Dendrogram 1 shows, image of HEIs played key roles in order to attract more and better students. HEIs in their practice aimed to become global players through being international. In order to become international, international activities, such as recruiting overseas students, setting up overseas campuses and state-of-the-art programs, were conducted. The purpose of such activities was to build up an international partnership in the global educational market. Furthermore, strategies mainly employed were advertisement, slogan and the carefully sorted out niche markets. Apart from the goal of becoming global players, the mission was shifted to practical outcome of HE and wisdom. Therefore, the good and strong vision was the key to create institutional image.

Dendrogram3.1. Attracting Perspective Students



Issue 2) Increasing Student Satisfaction

Dendrogram3.2. Increasing Student Satisfaction



Challenges that Educational Leaders are Facing in Response to Marketing Orientation in Higher Education Institutions in Thailand

Dendrogram 3.2 indicates the application of strategies applied to increase student satisfaction. According to Dendrogram 3.2, HEIs, on the one hand, conducted various activities to increase the satisfaction of different target groups; and on the other hand, had to deal with the dilemma of education quality.

In order to increase student satisfaction, special services were provided for adult learners, such as the Buddy system, child-care services, more part-time jobs, and more accessible school activities, etc. Besides, various programs were also offered to alumni and retired people, such as, alumni colleges providing courses centered on special themes, nominal charge for retired people, Harvard: The University without walls. In order to better service international students, different forms of multinational collaboration were established through representatives, abroad staff, and abroad centers. Interestingly, building up partnership with students in classroom was another way to satisfy students, for instance, sharing control with learners or empowering students to the decision-making process, etc.

At the same time, HE was also aware of the dilemma between the economic reality and education quality. In reality, both teaching and studying were driven by economic factors, rather than the genuine interests in teaching and learning; education quality standards, however, were criticized because of being evaluated by using marketing term 'satisfaction' and therefore, lacking the pursuit of excellence in academic performance.

Issue 3) Designing Excellent Programs

The findings of designing excellent programs are shown in Dendrogram 3.3. As revealed in Dendrograms 3.3, in order to design excellent programs, HE carried out reforms in curriculum based on a business platform.

First of all, the traditional university-type education, used to work as public services, service industry, or financially sustainable non-profit enterprise, was gradually adapting itself in terms of the practical context. HE was no longer the ivory tower; rather, it was greatly influenced by the external global society driven by high technology revolution, internationalization, and globalization. Furthermore, the emerging social changes and policy changes as well as the competitive market for students were other realities that HE was facing.

Besides, government also played an important role in the reform. The government took initiatives to promote the collaborations between HE and industries through its official publications, national strategies, policies for education and training, and policy and act. Furthermore, special councils, such as Industrial Training Boards, governmental institutions, were responsible for providing training for the labor force, etc. Most importantly, the government initiatives were based upon the practical objectives and the understanding of market forces. ,

In addition, the reforms in curriculum were demand driven, rather than supply-driven. HE tried to provide qualified graduates who are well trained and motivated or graduates as specific manpower that could fulfill different industry needs focusing on specialization, profession preparation, trained-minded or raw materials, etc. Apart from industrial needs, HE was also required to achieve needs and demands of labor market, careers, and working adults, etc.

In order to meet the market demands, reforms in curriculum in HE possessed three characteristics: new special education system, interdisciplinary form as well as competency-based curriculum (see Dendrogram 3.3).

Firstly, new special education systems referred to diversities in learning methods, in learning opportunities, in delivery of education. Diversity in learning methods comprises both informal and formal education and training. Thereinto, informal education and training consists of business cooperative courses, such as non-credit extension courses, short-cycle courses, contracted training courses, etc.; and special cooperation education requires both on campus classes and off-campus work experiences. Besides, students could achieve more learning opportunities through continuing education, further education and training, online/ distance services, recurrent education, lifelong education as well as open universities.

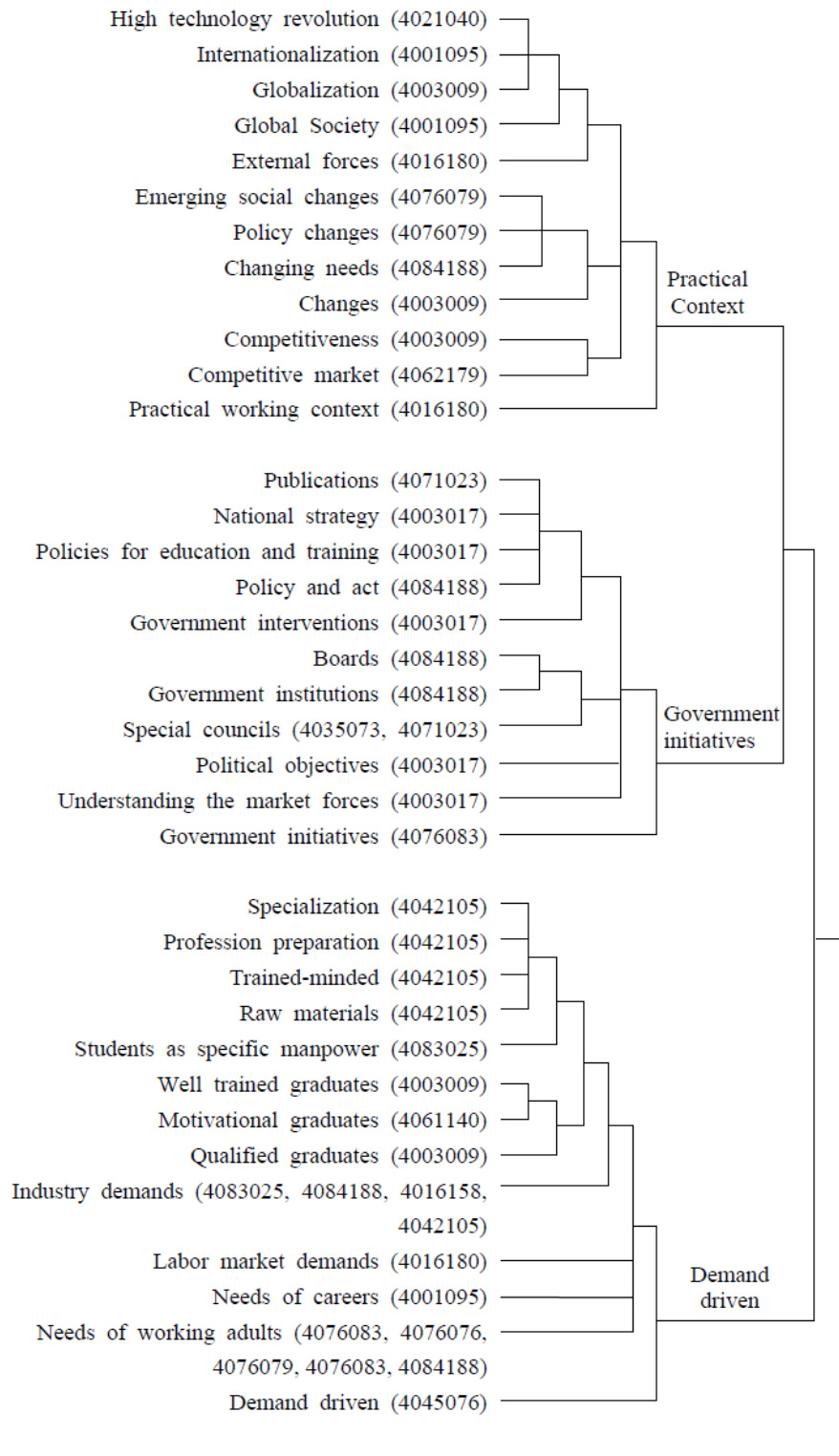
The second characteristic was interdisciplinary form, which not only required students to master subject knowledge, but also acquire wider abilities. On the one hand, subject knowledge was

supposed to achieve impeccable quality, academic criteria of standards and internationally acceptable standards; on the other hand, wider skills implied practical skills that are more work-related, flexible, adaptable, transferrable, and occupational, etc.

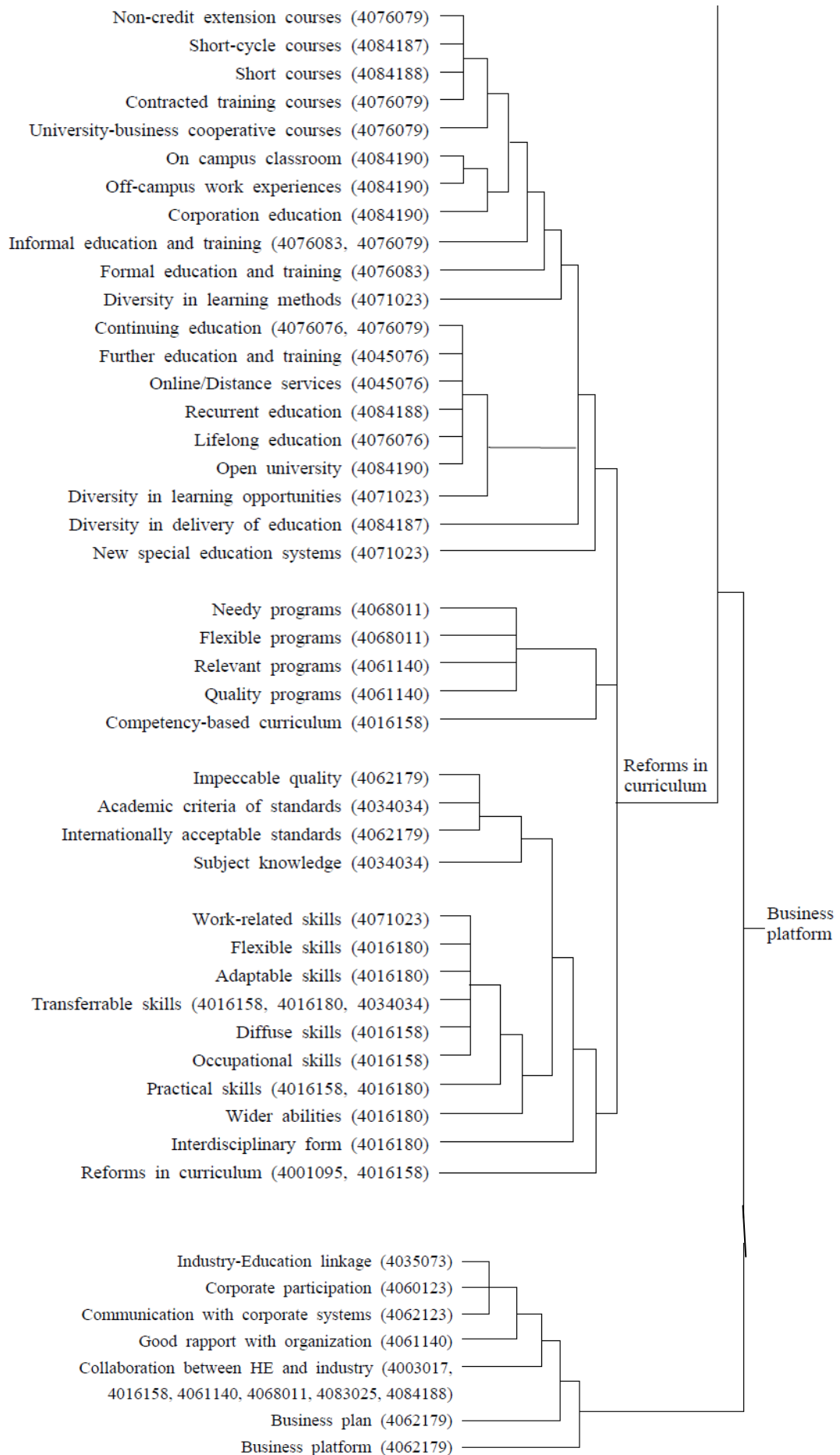
Last but not least, curriculum was also to be competency-based, that is, HEIs put lots of efforts to set up needy, flexible, relevant and quality programs to satisfy different needs and demands.

Therefore, HE was hoped to run on a business platform, which was underpinned by an effective business through strengthening the collaboration between HE and industries. In order to achieve this goal, HEIs tried to build up a good rapport with organizations through industry-education linkage, corporate participation, and communication with corporate systems, etc.

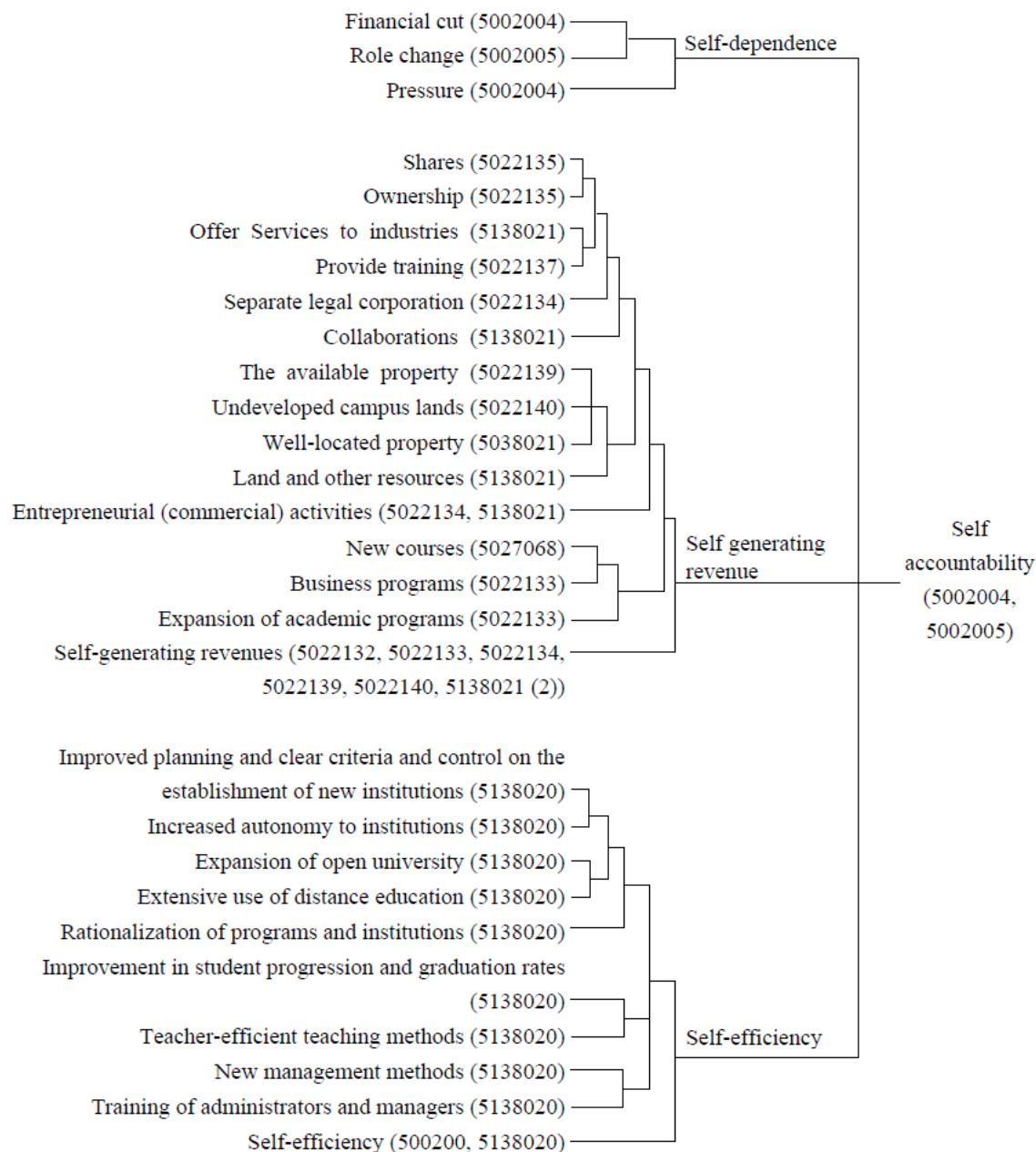
Dendrogram3.3. Designing Excellent Programs



Challenges that Educational Leaders are Facing in Response to Marketing Orientation in Higher Education Institutions in Thailand



Dendrogram 3.4. Enlisting Financial Support



Dendrogram 3.4 depicts the findings of enlisting financial support in HE. According to Dendrogram 3.4, HEIs had to be self-accountable when enlisting financial support. Because of the pressure caused by financial cut and role changes, HEIs were becoming more and more self-dependent on financial issues. In general, the financial support sought in practice was mostly through self-generating and self-efficient activities.

First of all, self-generating activities included two major aspects that are entrepreneurial or commercial activities as well as academic ones. One part of entrepreneurial revenues were from the collaborations with industries, such as holding shares in companies from its ownership; offering services or providing training to industries. In order to avoid political and public judgment and criticisms, the separate legal corporations were created as valuable tools. The other part of entrepreneurial activities was to make full use of lands including available properties, underdeveloped campus lands, well-located properties, etc. The academic activities mainly referred to the expansion of academic programs, i.e. setting up new courses, or adding more business programs.

Apart from self-generating revenues, HEIs were also aware of being self-efficient in several aspects, such as to better utilize buildings and equipment; to rationalize programs and institutions;

Challenges that Educational Leaders are Facing in Response to Marketing Orientation in Higher Education Institutions in Thailand

to extend the use of distance education and expand open universities; to use teacher-efficient teaching methods to improve student progression and graduation rates; to improve planning; to set up clear criteria and controls on the establishment of new institutions; to increase autonomy to institutions; to apply new management methods as well as to improve training of administrators and managers, etc.

3.2. Objective 2: Responses of Educational Leaders towards MO in HE, Thailand

Marketing activities were applied in Thai context to certain degrees. Firstly, most of universities had the awareness of specifying target market to serve. Various media vehicles were employed to advertise the information of universities. However, it was argued that the content of advertisements should focus on students' activities and achievements, rather than commercial advertisement. Secondly, to increase student satisfaction, emphasizing quality of curriculum and personnel were the common foci among universities. Thirdly, although few big changes in curriculum were conducted, one common feature of putting effort to international programs or collaborations with industries or other universities was shared. Regarding partnership with industries, it was pointed out both universities and industries should take responsibilities to provide qualified graduates to the society. The fourth application concerns financial support. Results revealed that government funds were just one part of financial support and far enough to satisfy the needs. Other major parts of income were from self-sufficient activities.

Two interesting findings were indicated in terms of partnership between universities and industries. The first one was that Thai culture might be one of the barriers that results in kinds of misunderstanding, in which, there lacked a mutual understanding between universities and industries. The other one was that government's involvement might be a powerful force to push and enhance the collaborations.

Besides, the importance of marketing strategies was recognized as necessary and useful. Nevertheless, the application of marketing in education was different from that in business sector, as argued in the results. Therefore, although there was a positive attitudes towards application of marketing strategies among Thai educational leaders, certain conditions should be followed: a) the academic standards of education must be maintained; b) the functions of marketing were to get people informed; c) the advertisements should focus on quality of education and graduates, comply with the reality and stick to the facts without overstating. Besides, in terms of the usage of 'customers' to refer to students, an acceptable attitude was revealed.

4. CONCLUSION

Maringe and Gibbs (2009) argued that the emergence of marketing in HE has been greeted with mixed responses. On the one hand, people who embrace the idea wholeheartedly see it not just as a key aspect for twenty-first-century HE management, but also even more importantly as an inevitable response to the overarching forces that have necessitated its role and place in HE

Although leaders in HEIs, Thailand, recognized the importance of marketing strategies, in other words, they regarded them as necessary and useful; it was worth arguing that the marketing in education was different from that in business sector.

Many people (including leaders in HEIs, Thailand) think adding a marketing function (advertisements) means that the institution has adopted a marketing orientation. This could be further from the truth.

Magringe and Gibbs (2009) emphasize the value of adopting a marketing orientation for university institutions. They argue that marketing is more than a set of functional activities such as advertising, public relations and selling. Rather, "university marketing is an underlying cultural and organizational disposition to position the customer at the center of all decisions in the critical tripartite university business of teaching, research and service." (p. 162) In other words, it is an organizational strategy aimed at creating and delivering value to its customers, therefore, the university should aim to keep customers happy regarding the way university executes this core business.

For Kotler (1985), a real marketing-oriented institution should possess two basic characteristics. First of all, it must meet customers' wants and needs of target markets, in other words, the main

task of the institution is to determine the needs and wants of target markets and to satisfy them through the design, communication, pricing, and delivery of appropriate and competitively viable programs and services.

The second characteristic is to serve the long-term interests of consumers and society. According to Kotler (1985),

The longer-range of interest (of customers, students in educational context) may require not only a diploma but also real mastery of information and skills that the diploma stands for. The school or college must set the curriculum and standards that will ensure this. Education also serves the larger needs of society by preparing people to be productive and carry out their civic responsibilities. (P.10)

Therefore, nowadays, a growing number of marketers see their responsibility by taking four factors into account in their marketing decision making: consumer needs, consumer wants, consumers' long-term interests, and the interests of society, which is also called a "societal marketing orientation:",

A societal marketing orientation 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 satisfaction that preserve or enhance the consumer's and society's well-being and long-term interests. (Kotler, 1985, p.11)

Therefore, in response of MO, eleven key issues raised from the research findings should be emphasized:

Issue 1: image

Apart from employing advertisements, slogans, recruiting international students, building up overseas campuses, claims of employment for graduates, acceptances to graduate schools, graduates' ability to pay off loans, and reasonable time to complete a degree need to be substantiated to demonstrate to the public and to our own students and their families that their investment is worth the time and the money.

Issue 2: vision and mission

The research findings indicated there was a shift to practical outcome. HE should modify their vision and mission to respond to the needs and demands of the market. The vision of the future should also be able to compete globally, to generate social demands, and to generate local economy, etc.

Issue 3: niche markets

The school or college need to distinguish among the different segments that make up the market, choose one or more of these segments to focus on, and develop market offers specifically to meet the needs of each selected target market. In practice, there are a lot of strategies applied to satisfy the niche markets of HEIs: working people as well as adult learners through providing various convenient services, programs, collaborations, etc. Because of the fierce competitions, HEIs should use marketing concept to specify their target markets as well as figure out their niche markets to serve in order to better satisfy their needs and demands. The major target markets consist of the largest home students, fast-growing international students and the mature age students comprising adults coming to HE not directly from school, as Maringe and Gibbs (2009) discussed.

Issue 4: reforms in curriculum

Curriculum development has been greatly influenced by social changes. As indicated in research findings, reforms in curriculum consists of diversity in learning methods, such as on campus classrooms, off-campus work experiences, noncredit extension, short-cycle courses, etc.; diversity in learning opportunities, which refer to learners studying through different types of education: continuing education, further education and training, on-line/distance services, recurrent education, lifelong education, open universities, etc. Besides, curriculum should be competency-based which aims to set up needy, flexible, relevant, and quality programs. Such programs not only consist of impeccable quality with internationally acceptable standards, but also focus on

Challenges that Educational Leaders are Facing in Response to Marketing Orientation in Higher Education Institutions in Thailand

practical skills, such as work-related, flexible, adaptable, transferrable, diffuse, occupational skills.

Issue 5: partnership with industries

In order to produce the kind of graduates who match the needs of the national employment system, HEIs have increased the links and alliances with business field. A business platform refers to the collaboration between HE and industries. As Blackman and Segal (1992) discussed, on the one hand, there are now numerous examples in which the curriculum of courses run by HEIs has explicitly taken into account the needs of industry. On the other hand, cooperation takes place in the teaching and continuing education of industrial employees. (p. 940)

Issue 6: demand-driven

Concerning customers driven, Seymour (1995) suggested that in HE, the redirection of attention to customer-driven quality can yield tremendous gains in both effectiveness and efficiency. In the research, it was found that the practical context of HE is demand-driven, which not only includes customer demands, but also the demands of industries, public society, citizens, stakeholders as well as innovation. Therefore, HE should take all these demands into account when defining and evaluating the quality of education.

Issue 7: government initiatives

Government plays important roles according to research findings. Firstly, government interventions include formulating national strategies, education policies, acts as well as setting up special councils to provide education and training. Besides, government is expected to get involved to enhance the collaboration between industries and HE.

Issue 8: quality assurance

Educational marketing "apologists" are worried about the quality of education in a market-oriented environment. From their perspective, schools are paying much more attention to their image and the ways in which they can attract pupils and they are busy with building up good relationships with external shareholders, parents, the public, communities, therefore, the role of schools in ensuring sound substance of schooling is ambiguous (Gold and Evans, 1998, cited in Thrupp and Willmott, 2003).

This concern of quality assurance was also reflected in research findings. It was pointed out there was a dilemma between economic reality and the ideal vision of pursuing excellence in academic performance. However, to be marketing-oriented does not mean to ignore the quality of education. It is always the first priority and center in a marketing-oriented environment to make sure the achievement of quality with criteria of national evaluation and international benchmark.

Issue 9: self accountability

Universities need to develop the capacity to become good at changing themselves and responding imaginatively and with foresight to the changes in society taking place around them. To be self-accountable, HE should produce self-generating revenues, which can be gained from entrepreneurial activities, i.e. collaboration with industries, uses of lands and other properties, knowledge, etc. and expansion of academic programs, i.e. new programs, business-related programs, as well.

Issue 10: co-existence

Traditional universities, used to be the main knowledge providers of HE, had been challenged by other forms of education providers, like corporate providers, virtual providers or some specialist research institutions. It is getting trade concept involved, rather than as a simple public good. Therefore, new concept of co-existing with other forms of HE provisions should be accepted. Furthermore, cooperation and partnership should be sought, rather than competition.

Issue 11: values and ethics

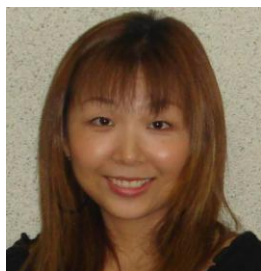
The research findings revealed that although all the leaders held acceptable attitude towards marketing concept, they did show their concerns regarding it: the ground rules are to act morally

and to comply with education values, etc. Furthermore, even there existed a positive and acceptable attitude towards the application of marketing strategies, it was pointed out by educational leaders the marketing in educational sector was different from that in business field. Therefore, the application of MO should comply with the context of education.

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