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## **MARKETING STRATEGY OF A UNIVERSITY: THE «7P» SYSTEM**

***Annotation.** This article describes the model of a university as an open system influenced by the factors of the marketing environment. Based on the systemic approach, the concept of the «7Ps» as a part of the marketing system is highlighted, and its application to the development of the marketing strategy of a university is explained.*

***Key words:** strategic map, marketing strategy, the «7P» Concept.*

***Анотація.** У статті описано модель університету як відкритої системи, на яку впливають фактори маркетингового середовища. На основі системного підходу висвітлено поняття «7П» як складової системи маркетингу та пояснено його застосування до розробки маркетингової стратегії закладів вищої освіти.*

***Ключові слова:** стратегічна карта, маркетингова стратегія, концепція «7P».*

**Introduction.** Marketing management of a university is a part of a generalizing function of business activity. It aims to ensure a university's effective functioning in the

market and, therefore, obtain proper results from its marketing activity. Based on the conclusions about how effective the current university marketing strategy is, decisions regarding the choice of its future strategy are being made.

How do we evaluate the effectiveness of university marketing? Well, experts usually want to know answers to the following questions: is a university's chosen orientation justified? Is its functioning profitable? Is the productivity of marketing tools used by the university sufficient? What is the competence of marketing managers at this university? Are the expectations and the needs of its «consumers» fully met, etc.?

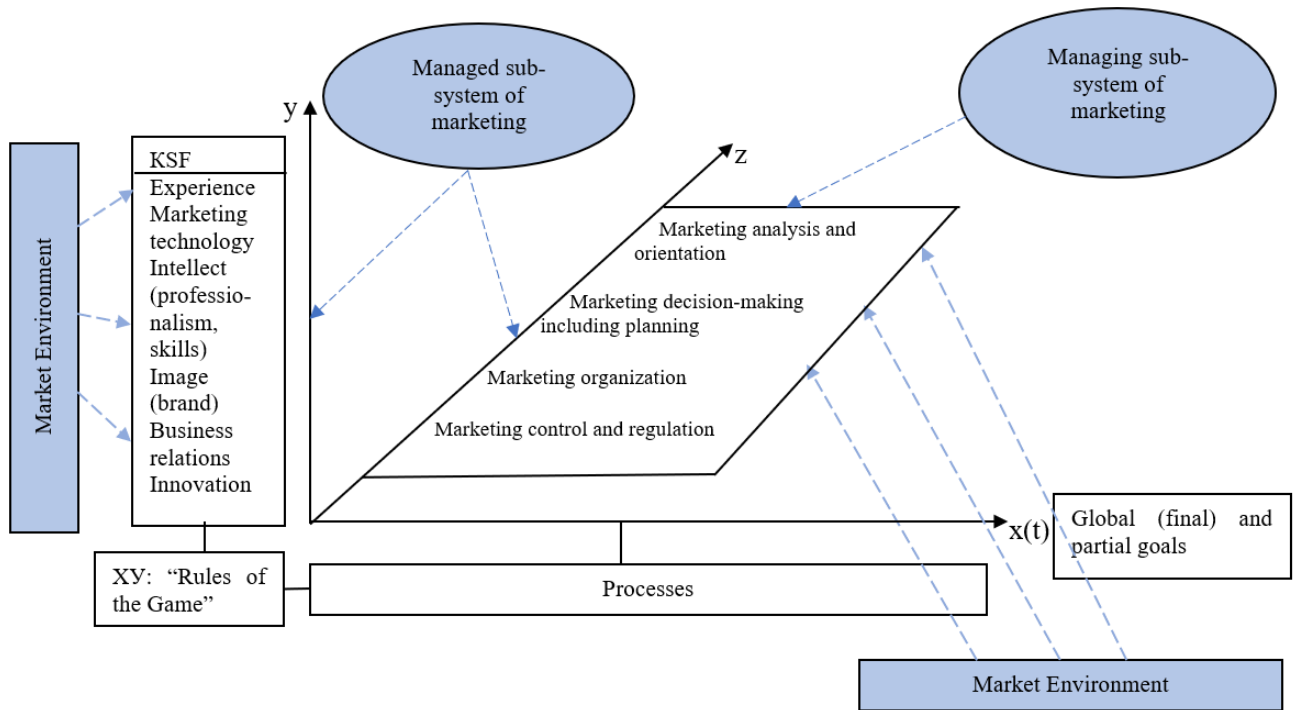
It is believed that the mission of individual departments of a university is to generate profit and ensure sufficient return on investment. However, the concept of strategic planning is much broader and includes the planning of investments in the intellectual capital of the university (which is part of its brand capital), the establishment of systemic relations with consumers, and the creation of modern information systems. Most of this work is carried out outside the central offices of the university. There is a danger that the desire to profit here and now prevents the university from making the right decisions in the long run.

To bring the system of traditional marketing indicators to meet the more important goals for a university's development, let's present the general model of a university as a complex system. This approach is based on the concept of strategic maps by R. Kaplan and D. Norton [1]. The concept of using strategic maps as a way of adjusting the goals of activity and control over their achievements was first proposed by the authors mentioned above and was further developed in the works by Nils-Göran Olve, Jan Roy, Magnus Wetter, Richard Lynch, etc.

**The aim** of the article consists in the unveiling of the marketing strategy of the university - system «7P».

**Results.** A university (like any other organization) is a complex system (literally translated from Greek as «a whole thing made of components» [1]). So, the university is not just the sum of its components but a unity having a quality that differs from its

components. To obtain an estimate of its activities, including marketing, it is necessary to conduct systematic research, meaning to identify a complex of interrelated issues, which will help understand the objective state of the system and possible directions of its reorganization (fig. 1).



**Fig. 1. Conceptual Model of the Marketing Performance of a University as an Open System**

On the axis «OY», let's show the Key Marketing Success Factors (KSF), which are actions to implement the marketing strategy, competitive opportunities, and results of activity that the university should provide to achieve competitiveness and marketing success [2]. They include experience and marketing technologies, professionalism of employees and their organizational abilities, the image of the university and its brand in general, marketing innovations, etc.

The «OX» axis shows the processes as a result of which the products (services) of the university are being created and reach the final consumer [3]. The «OZ» axis represents the process of marketing management of the university. Its activity is

provided by the «regulatory base», which defines the «rules of the game» in the market. The university interacts with the market environment and responds to its changes.

In the educational services market, the object of sale is not the education itself (the process of acquiring knowledge) but an educational service (a complex of material and intangible resources necessary for the learning process).

The marketing strategy of Ivano-Frankivsk National Technical University of Oil and Gas (IFNTUOG) should aim to function in the market of higher education products following the interests of society, which must be coordinated through the active interaction of the institution with all its stakeholders.

The modern university includes the interaction of education, science, power, and business. This is the main model directing the external and internal performance of the university.

In the field of educational services, not only external marketing but also internal marketing and marketing of interaction are required.

External marketing determines the university's performance regarding the formation of educational services, pricing, distribution, and supply of services to the consumer.

Internal marketing is a work on training and motivation of higher education staff aimed at improving the quality of educational services. The involvement of each employee in marketing activities is the most significant contribution of the marketing department to the success of a university.

Interaction marketing determines the ability of staff to provide high-quality services. The consumer judges the quality of service not only by its performance (for example, whether a student has received the necessary knowledge and qualification) but also by its functional quality (for example, whether teachers and administration were friendly and caring).

*Studies show that when choosing a qualification, the potential student is guided by the following criteria:*

- «Knowledge application» – whether it will be easy to get a job according to the qualification after receiving the diploma – 45 points [4]. Based on the marketing mix concept of “7P”, this refers to the elements «Product» and «People».

- «Price of educational services» – 30 points [4]: this is the element of the marketing mix «7P” «Price».

- «Qualification prestige» – 15 points [4]: this is the element of the marketing mix «7P» «Promotion».

- «Terms of study» – first of all, the university’s «face» is evaluated as well as whether is it difficult and interesting to study there – 10 points [4]: this refers to the elements of the marketing mix «7P» «Place», «Process».

Let’s consider the elements of marketing strategies within each component of the «7P».

**P1. «Product»:** How can IFNTUOG demonstrate the quality of its services?

Strategy: «Product expansion». Universities have the opportunity to choose different ways of offering services. In addition to traditional service options (full-time, part-time, evening, remote learning, and dual education), IFNTUOG can begin to position itself as a university that is creating startups.

IFNTUOG should continue and expand its practice of «double diplomas», which means searching for partners and entering into agreements for teaching students at famous universities in Europe.

IFNTUOG should continue and expand its practice of advanced training, retraining, and adaptation of military veterans and other vulnerable members of society.

Consumer orientation is a key principle and the main target of an educational institution. To estimate consumer satisfaction, constant monitoring is required, which can be implemented as marketing research. The information received will help the university forecast the demand and identify potential consumers among applicants,

graduates, and those wishing to receive additional education.

Traditionally, in the structure of an educational institution, the marketing department should be in charge of collecting information. Besides, this should be in the line of duty of the Admissions Committee, the Center for Student Promotion, some teachers, and students. Marketing research should also cover other categories of potential consumers, like graduates who want to get a second or additional education.

The Admissions Commission plays an important role in the personification of potential consumers («drawing a portrait of a consumer»). The major information about consumers of educational services is collected during the introductory campaign. At this stage, a database of consumers, which is later used to segment applicants according to different criteria, begins to form in higher educational institutions. Such segmentation allows you to further differentiate and organize information about applicants in order to develop marketing solutions.

**P2. «Price»:** How does IFNTUOG calculate the optimal competitive price for its product?

Strategy: «Value Pricing» is a price setting in order to help the university get more profit by achieving a favorable «value/cost» ratio.

**P3. «Place»:** Did IFNTUOG optimally choose the channels of distribution of its services?

Strategy: «Integrated Channels/Systems» are such an organizational form of distribution channel in which producers and intermediaries representing different levels of the channel and their service partners interact within a single system under the supervision of the curator of the channel who determines the vector of integration, the type of power, and the nature of partnerships.

In addition to the traditional Direct Sale, which is the primary sale of educational services, IFNTUOG should also use X-Sale and Up-Sale. X-Sale is the cross-sale of educational services when students with related qualifications are offered to receive additional related education. Up-Sale is when the best students who have already

received a certain level of education are offered to raise their level in the same direction (in particular, through international programs and projects) [5]. As an X-Sale channel, advertising actions such as «Bring a friend and get a discount on learning» advertising on ATM screensavers and in banks serving and crediting learning, etc. are very efficient. Up-sale webinars, online games, online platforms, and other remote educational technologies have proven themselves well, too.

**P4. «Promotion»:** Is IFNTUOG's marketing communication policy effective?

Strategy: The Integrated Marketing Communications System is the concept according to which the university coordinates the work of its numerous communication channels, advertising in the media, personal sales, sales promotion, propaganda, direct marketing, social networks, etc. This is done to create a clear, positive, and convincing idea of the university and its services.

In order to improve the image and informational transparency of the university, it is recommended to do the following:

- Conduct joint social measures with local authorities;
- Organize consultations on various issues (both on a non-profit and commercial basis);
- Cooperate with the employment fund, and participate in social projects;
- Connect with representative and executive authorities (including lobbying), sectoral associations of employers, trade unions, etc.

The following measures could be efficient for the International Promotional Strategy of IFNTUOG:

- Organization of international contacts with foreign universities in the framework of student exchange, internship of teachers;
- Participation in international projects, programs, and grants;
- Cooperation with tourist firms;
- Joint events with embassies;

- Communication with foreign students of other universities through English-language courses and clubs, etc.

**P5. «People»:** Can IFNTUOG provide a «star» staff both among the teaching staff and the administration?

Strategy: «Improving Quality of People», which is finding ways to increase the qualification of existing staff and attracting the best workers for a decent financial reward for their knowledge, skills, and efforts.

**P6. «Process»:** Can IFNTUOG confirm that it treats the client as a core value?

Strategy: «Loyalty Building». The processes relate to all activities that the university undertakes to maintain close relationships with its consumers. These relationships should contribute to better monitoring of the university's consumers at all stages of contact with it – if IFNTUOG does it well, it will achieve consumer loyalty. So, the university should think over options for loyalty programs.

Some factors contribute to the formation of loyalty to the university. They include a system of personal beliefs, social involvement in the university, realization of expectations, specificity of corporate culture, university stability, management style, university support, organizational justice, etc.

Analysis of these factors and experience of learning in IFNTUOG has allowed us to distinguish methods that influence the formation and increase of students' loyalty:

- organization of corporate holidays, events, competitions, etc.;
- involvement of students in community and coworking;
- cooperation with enterprises and organizations aimed at practically oriented students' learning;
- systematic informing of students about exchange programs, double diplomas;
- early practical acquaintance of the first-year students with the life of the university based on word-of-mouth of teachers and senior students;
- fast and free Internet access;
- modern, powerful computers;



- convenient and intuitive numbering system of rooms and learning space;
- reasonable distribution of learning hours with priority in profile disciplines;
- rational schedule of lectures and workshops/laboratory classes;
- updating of lecture materials and methodological instructions;
- visualization in the learning process;
- feedback on students' homework;
- quality materials for remote learning;
- teachers' IT and software skills, etc.

The learning process comfort also matters, including learning space design, equipment of rooms, quality of teaching materials to students and consulting, politeness of the teaching staff, etc.

The loyalty of students to the university can change – from categorical disagreement due to indifference to value sharing. Considering all these factors and reasonably using the tools and methods of increasing students' loyalty, it is possible not only to strengthen the competitiveness of the university but also to influence the quality of education.

**P7. Positioning:** How is IFNTUOG seen by its target audience?

Strategy: «Image Positioning». Positioning is how the university is seen by the consumer. Its goal is to take a privileged place in the consumer's mind so that the university brand will be remembered, recognized, and preferred. Positioning is synonymous with presence, which is the strongest competition in marketing. IFNTUOG should identify its strongest qualities and become their leader.

**Conclusions.** So, the university is a complex open system, a unity having a quality that differs from the qualities of its components. It consists of the managing and managed sub-systems influenced by the market environment. Marketing strategy of the university is part of the managing sub-system, which aims to function in the market of higher education products, following the interests of consumers and society as a whole. Marketing strategy is presented as a combination of the «7Ps» applied to the

university.

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