PROBLEMS OF USING CUSTOMER-ORIENTED MARKETING STRATEGY IN THE MANAGEMENT SYSTEM OF EDUCATIONAL INSTITUTIONS

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1. Introduction
1.1. The object of research
The object of research is marketing activities in higher education to remain competitive.
1.2. Problem description

Educational activities are among the areas in which in recent years are actively penetrating the ideas, concepts and principles of marketing. The high level of competition, as well as the significant impact of adverse demographic processes, which affect all educational institutions, determine the need to reorganize the activities of educational institutions in order not only to respond quickly and flexibly to market challenges, but also the formation of markets themselves.

Thus, the conditions of existence and competition in the market of educational services force to adequately change the methodology of management of educational institutions and priorities of their activities. If earlier work was more focused on the development and implementation of modern educational programs and research, now for many universities, institutes and colleges the biggest problem is the recruitment of students, their motivation to study, participation in research and public life. In recent years, conditions of educational institutions in Ukraine have changed. This is due to many factors: government policy aimed at reducing the number of higher education institutions and the volume of state orders, active marketing activities of neighboring universities (Poland, Czech Republic, Slovakia and others) to promote their educational programs; demographic factors (emigration and birth rate reduction); competition with various forms of non-formal education (e.g. computer schools and cooking courses) and the state of the labor market. In fact, educational institutions have been forced to turn into commercial structures, which do not correspond to their mission and purpose. In recent years, student (entrant) for institution becomes a client to which the complex of marketing and management must adapt to the mutual needs satisfaction. Student-centered approach is becoming one of the important requirements for licensing and accreditation of educational programs. But “student-oriented” and “customer-oriented” are not exactly identical concepts. Their discrepancy can be illustrated by the fact that some students are not interested in the learning process, but only need a diploma. Such “client” requires reducing the requirements for knowledge control and simplifying training. From the point of view of traditional marketing, where the customer is always right, the fulfillment of its requirements seems acceptable. From the position of the state as one of the “client” of educational process, this is impossible. There is an urgent need to find balance in all this by taking into account needs of students, state, staff, administrators and other stakeholders and structures.

Most educational institutions have many years of work experience, stable staffing and well-organized mechanism in accepting different decisions, which in the traditional model of university management was a positive moment. But this system can complicate the process of reorientation to the client.

1.3. Suggested solution to the problem

Peculiarities of the market functioning of educational services and tendencies of its development are investigated in the works of Harvey J. A., Busher H. [1], Alina Filip, Paricio, J. [2], Carlson, P. M. and Fleisher, M. S. [3], Antohov A. [4], Bozhkova V., Prokopenko O. [5], Hondiy O. [6], Akhnovskaya I. [7]. The authors consider in detail different approaches to market research from the standpoint of systemic marketing and institutional approaches, analyzed factors of demand for different types of educational products. In works of Gerasimchuk V., Teletova A. [5] and Zhar-skaya I. [8] tendencies of changes in this market and separate segments in Ukraine and other countries of the former USSR are investigated.

Problems in the processes of relationships with consumers in the market of educational services were considered by Neretina O. and Soloviev T. [9]. They emphasized the need to use a customer-oriented approach as one of the main factor in ensuring the competitive advantages of the institution.

Amaia Lafuente Ruiz de Sabando, Pilar Zorrilla [10] and Riina Koris [11] analyzed the experience of adapting university management system in the context of education commercialization and concluded that marketing principles are insufficiently implemented in educational institutions, management system does not keep up with changes in external and internal market environment. The works of F. Kotler, K. Fox [12], K. Keller are devoted to the prospects and features of marketing activities in educational institutions. These scientists have determined that the leading marketing trends in higher education will be modern information strategies, branding, image building activities and marketing partnerships. Deinega I., Savitska N., Zhegus O. [13] dealt with practical
issues of implementing the principles of marketing in the activities of educational institutions of the post-Soviet educational system.

Despite the fact that a lot of research has been conducted on this problem, published scientific papers and recommendations, the management system of educational institutions does not always respond in time to changes in the environment of educational activities, social and business trends. The discussion continues on who should be considered a client in educational institutions and how many educational programs should be adapted to the students’ needs. There is a need in recommendations for the creation of competitive strategies in the development of educational institutions in the post-Soviet space, which take into account the final approach to education financing and the immaturity of the labor market in countries with transition economies.

The aim of research is to identify ways of creating customer-oriented strategy for higher education institutions with limited financial resources and the mechanism for its implementation in the condition of rapid changes in external environment.

2. Materials and methods

During the study general scientific and practical methods were used: abstract-logical analysis and systematisation of the process of identifying the nature of problems experienced by the educational sector, highlighting features of separate consumer segments. Quantitative research has been carried out using comparative statistical analysis of open data from the government of Ukraine [14], and also social research carried out by the authors in universities and colleges based in Kharkiv between June and October 2019. The study involved responses from 350 students and 28 teachers from 8 educational establishments.

3. Results

The formation of the market of educational services in Ukraine has been going on since the early 90s. Its formation began with a significant increase in the number of higher education institutions. In 1991 in Ukraine there were 149 higher education institutions, 742 colleges and technical schools, but in 2009 there were 353 higher education institutions of state (including communal) ownership and private. Among them, 175 are universities and 66 are academies. The total number of students in universities, institutes and academies increased from 881.3 thousand (in 1991) to 2364.5 thousand (268 %) in 2009. At the same time, from 1991 to 2009 the number of students in colleges and technical schools decreased from 757.0 thousand to 354.2 thousand. The number of colleges during this period decreased to 511 (31.1 %). But the increase in the number of educational institutions and students who graduated from them did not have positive impact on the development of science and industry in the country. The reasons for this process, in our opinion, are following.

1. Imperfection of the labor market, rapid changes in supply and demand for labor. Employers during this period often did not know how to specify the requirements for candidates, overestimated the level of education required to perform their duties (for example, a furniture store seller with a higher education and knowledge of a foreign language). This encouraged young people to obtain several diplomas. Thus, the demand for obtaining just document on, but not for knowledge and skills.

2. Lack of state supervision and control over the spending of budget funds for education. This has led to corruption in this area, the possibility of money laundering, and the creation of conditions for additional earnings for many civil servants.

3. Traditions of public respect to the education. Within the framework of this public opinion, it was believed that higher education enhances a person’s image, becomes a guarantee of success in life. Simplification of admission requirements has increased the number of students, but has reduced the level of knowledge of university graduates, academies and institutes.

4. Limited barriers to entry into the market for educational services. The consequence of this was the possibility of rapid opening of educational institutions with limited space and equipment. The staff of such institutions could consist of teachers who worked simultaneously in several organizations.
Since 2010, the market situation has changed significantly. There was a significant reduction in the number of educational institutions. The number of higher education institutions decreased by 20.8 % to 281, colleges to 338 (another 33.8 % decrease). But even more rapidly there is a reduction in the number of students (Table 1).

**Table 1**

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<td>742</td>
<td>664</td>
<td>505</td>
<td>371</td>
<td>372</td>
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<td>Number of people in higher education institutions (thousand)</td>
<td>757</td>
<td>528</td>
<td>361.5</td>
<td>230.1</td>
<td>208.6</td>
<td>199.9</td>
<td>173.6</td>
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<td>Number of people admitted to higher education institutions, (thousand)</td>
<td>241</td>
<td>190.1</td>
<td>129.1</td>
<td>63.2</td>
<td>59.1</td>
<td>53.5</td>
<td>47.1</td>
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<tr>
<td>Number of people graduated from higher education institutions, (thousand)</td>
<td>228.7</td>
<td>148.6</td>
<td>111</td>
<td>73.4</td>
<td>61.2</td>
<td>55.5</td>
<td>50.2</td>
</tr>
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<td>Number of people studying in a higher education institution</td>
<td>1020</td>
<td>795</td>
<td>716</td>
<td>620</td>
<td>561</td>
<td>540</td>
<td>514</td>
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<td><strong>Universities, academies, institutes</strong></td>
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<tr>
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<td>315</td>
<td>349</td>
<td>288</td>
<td>289</td>
<td>282</td>
<td>281</td>
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<td>Number of people in higher education institutions (thousand)</td>
<td>881.3</td>
<td>1402.9</td>
<td>2129.8</td>
<td>1375.2</td>
<td>1369.4</td>
<td>1322.3</td>
<td>1266.1</td>
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<td>174.5</td>
<td>346.4</td>
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<td>259.9</td>
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<tr>
<td>Number of people graduated from higher education institutions, (thousand)</td>
<td>136.9</td>
<td>273.6</td>
<td>543.7</td>
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<td>333.6</td>
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<td>Number of people studying in a higher education institution</td>
<td>5915</td>
<td>4454</td>
<td>6103</td>
<td>4775</td>
<td>4602</td>
<td>4689</td>
<td>4506</td>
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*Note: *compiled according to the State Statistics Service of Ukraine

During this time, the number of students in higher education institutions decreased by 46.46 % and in colleges by 56.64 %. In fact, the number of students in higher education and colleges decreased by 12.21 % compared to 1991. But this process continues. It is possible to expect a further reduction in the number of people wishing to study at Ukrainian universities, academies and colleges. The reasons for this process are following.

First, the economic situation in the country has forced the government to gradually reduce spending on educational programs. Second, in 2005 Ukraine joined the Bologna Process, forcing education managers to improve quality control requirements. Third, the demographic situation in the country (the number of school graduates in 2015–2017 decreased by 50 % compared to the 1990s). Fourth, the situation on the labor market has changed.

Greater development has taken place in trade, catering, agribusiness, services, and the IT industry. In these areas, employers do not necessarily invite people with higher education. The level of narrow professional training for activities in many organizations can be obtained in specialized courses. Thus, there was competition between formal and non-formal education. Fifth, the number of Ukrainian students studying abroad has increased. In 2019, more than 70,000 Ukrainians studied abroad, including 40,000 in Poland.

Thus, the market of educational services is gradually forming, which is not perfect now. A controversial trend is the growing share of students funded by state and local budgets (Fig. 1).

The market of educational services, defined by A. Antokhov [4], is a complex of socio-economic system of educational services producers (educational institutions, research and teaching staff, legal entities) and consumers (state, regional authorities, households, individuals, legal en-
During the study of the market of educational services conducted by A. Ahnovskaya [7], O. Hondi [6] and other authors it is possible to identify five main segments of consumers on it.

1. Graduates of schools and vocational education systems.
2. People with education who want to get a second, usually higher, education.
3. Enterprises that order educational institutions to train or improve the skills of specialists.
4. Population that participates in state training programs for retraining.
5. Foreign citizens and people from the uncontrolled territories of Ukraine (Crimea, Donbas).

I. Zharska [8] approaches this classification from another point of view. She divides consumers into three segments: consumers who value the image of the school; consumers who consider the specialty the most important; consumers who need higher education.

The results of the educational institution primarily depend on the organization of interaction with consumers of educational services, the effectiveness of the potential long-term relationships with them. Therefore, the central part of the marketing strategy of the relationship should be a client who wants to buy educational services. The specificity of the organization of the relationship of higher education with consumers is the duality of its position in relation to the markets of educational services and labor. The educational institution acts as a link between the market of educational services, where educational programs are offered as products, and the labor market, where the offer is graduates (specialists, bachelors, masters) who have been trained in a particular educational program.

One of the areas of strategic marketing of educational institutions, according to L. Papenko and N. Khlistunov [15], can be a customer-oriented approach. Customer orientation is a key competence of the company, which is expressed in the formation and development of partnerships with customers, as well as with any counterparties of the organization in the business environment (internal and external) [9]. This approach involves understanding and meeting needs of active and latent) of all participants in this relationship and maximizing profits on this basis.

There are significant features of the implementation of customer-oriented approach to educational activities. The ultimate goal of managing the relationship of the educational institution with other actors in the markets of educational services and labor is to effectively and most fully meet needs of all participants in the interaction. Students receive education and document that allows them to get a prestigious job in the labor market. The educational institution has prospects of successful development, improvement of material and technical base, carrying out of basic scientific researches, development of international connections. Businesses, organizations and institutions receive qualified professionals who can improve their activities.

But there are certain problems in implementing this approach. First, educational institutions are non-profit organizations in their mission. The state model of educational activity management actually limits commercial activity. This is especially true of controlling the costs that are necessary for marketing activities. Secondly, the uncertainty of the “client” concept for educational institution.

Fig. 1. The share of applicants for higher education institutions who study at the expenses of the state
At first glance, for educational services, the concept of “client” is identical to the concept of “student”, “cadet” or “pupil”. But it seems that this is permissible only in cases where students choose the educational institution and pay for their own education. There are several other situations where a student studies at the expense of the state, organization, sponsor, or family members. Proper identification of customers of educational services allows to focus on them marketing mix and establish partnerships with them.

The algorithm of the realization process of the customer-oriented approach to the activity of higher education institutions consists, in our opinion, of the following stages:

1. **Study of customer characteristics in the selected target market.**

   During the implementation of this procedure, the elements of the model of consumer behavior in the market of educational services are determined (diploma recipient, initiator of training, sponsor of training, purpose of training, reference groups, etc.).

2. **Identification of clients and consumers needs of educational services.**

   Methods of identifying needs can be: opinion polls, interviews, analysis of attendance and active participation in research, clubs and community events.

3. **Selection of products (services, goods) provided to consumers of educational services.**

   Such products can be not only educational programs for which students are recruited, but many additional ones. Among them it is possible to offer: search for temporary or permanent jobs in free time; assistance in organizing their own business by students and graduates; training courses for non-formal, sometimes narrow-profile education (courses in public speaking, personal development, foreign languages, dance, etc.); assistance in participation in international exchange programs, obtaining diplomas of foreign educational institutions, international certificates of professional skill; translation, pastille, paperwork services; providing premises, gyms, playgrounds for training and holding various events.

4. **Organization of the educational process in accordance with the requirements of customers, consumers, legislation, the wishes of stakeholders.**

   This requires the art of compromises between the requirements of compulsory attendance and free schedule, the choice of forms of communication between teachers and students (Internet, social networks, mobile communications).

5. **Development of a creating strategy and maintaining the competitive advantages of the educational institution in the market of educational services.**

   The competitiveness of an educational institution depends on many factors: high rating, image, reputation (consists of formal and informal indicators); availability of material resources (premises, laboratories, modern technical equipment); financial resources (volume of state order, international grants, sponsorship, competitive price, revenues from paid services); human resources (availability of highly qualified scientific and pedagogical staff capable of working in conditions of fierce competition and rapid changes in the external environment); level of management (availability of development strategy, ability to set priorities, ensure the relationship of goals and opportunities, the presence of a perfect organizational structure of management, clear definition of responsibilities, powers of employees, an effective system of motivation and stimulation of staff); the presence of a specific target market of potential consumers of educational services, which is directed to the marketing complex of the educational institution (for example, a significant part of entrants to medical, military, railway educational institutions are children of parents working in this field); skillful positioning of the educational institution, which allows to bring to potential clients their differences from competitors.

   The customer-oriented strategy should be based on an effective organizational structure of educational institution management, in which the marketing function is sufficiently ensured. The analysis of the practice of higher education institutions of Ukraine allows to draw conclusions about three main approaches to the implementation of marketing activities. Centralized marketing based on the development strategy of the educational institution. This creates an appropriate structural unit that conducts analytical, planning and organizational work in the market of educational services in coordination with the administration and departments.

   The market competition strategy includes skillful positioning of the educational institution and its programs on the market, which is aimed at bringing to customers their unique features and preferences, promotion activities, brand building, positive image creation, hu-
man resources and financial development program and well-established management system. Examples of such approach are Kharkiv National University of Economics, at the Department of Marketing and Corporate Communications, Kharkiv National University, was established to manage this activity. V. Karazin (Public Relations Center), Kyiv National University. T. Shevchenko (Corporate Relations Center). The advantage of this approach is the use of professionals in the field of marketing, public relations, advertising in research and organizational activities. A relative disadvantage is the increase in the cost of setting up these departments and staff salaries.

Decentralized marketing involves the transfer of marketing functions to the departments and faculties of primary schools (for example, the National Technical University “KhPI”). With this approach, there is some competition between the university’s divisions in the market of educational services, which act as separate subjects of relations and sometimes offer educational products similar in their properties. In such a strategy, the main participants in the process are teachers and staff of educational units, which simultaneously conduct teaching, research and communication activities. The advantage of this approach can be considered high motivation of performers, and the disadvantages are limited resources and lack of professionalism in this area.

In our opinion, combined option should be considered promising, which provides for a centralized governing and methodological body that develops a strategy for the participation of all employees of the institution with the participation of all stakeholders, forms the technology of communication operations, brings recommendations to performers. This unit should be staffed by marketing, business, advertising, public relations, and law professionals.

According to M. Romanchukevich [16], the client-oriented approach to the activity of any company consists of the following stages.

1. Understanding (awareness) of their target consumers.
2. Selection of responsible performers.
3. Education of loyalty of executors to the business.
4. Education of employees on the principles of a new corporate culture of customer orientation.
5. Motivation of employees.
6. Creating a position of defender of the client’s interests within the company.
7. Technologization of customer orientation.
8. Monitoring the level of customer orientation.

The system of implementation of customer-oriented approach in educational activities should consist of following subsystems.

1. Subsystem of analytics, its functions: analysis of motivation of potential entrants and students to choose an educational institution and the learning process; analysis of customer satisfaction with learning outcomes; analysis of external and internal factors influencing the motivation of real and potential customers; monitoring of world trends in the educational process and their opportunities to influence the Ukrainian market of educational services; assessment of the competitiveness of the educational institution; analysis of demographic factors in the world, country and region; analysis of normative documents of organization of educational services; analysis of the effectiveness of the organization of the educational process in the educational institution.

2. Subsystem of development and improvement of educational programs, its functions: definition of perspective educational products (programs, services); definition of disciplines for filling educational programs; optimization of existing educational plans in accordance with the wishes of clients and the capabilities of the educational institution.

3. Subsystem of organization of educational processes, its functions: development and optimization of schedules of educational process according to wishes of clients and offers of educational institution; choice of forms of full-time, part-time, distance learning, etc.; choice of places for classes.

4. Subsystem for the promotion of educational services, its functions: advertising of the primary institution and its individual programs; choice of communication channels with consumers and customers of educational services; organization of public relations, holding conferences with
various stakeholders, mass media, authorities, concluding partnerships with foreign and domestic educational institutions; organization of the site of the educational institution on the Internet, work in social networks.

Summing up, it should be noted that the content and management of marketing activities of the university will change and develop dynamically depending on the improvement of market relations in Ukraine and especially in the labor market. But this is a separate topic of study. Communication and marketing activities in the field of education are just beginning to develop as an independent professional direction. There is an understanding that corporate communications need to be engaged in order to effectively position the educational institution in the market of educational services. But it is necessary the right combination of different marketing tools depending on goals.

4. Discussion

The study of the market conditions within the educational services sector in Ukraine allow for the conclusion that there is a need for change in the system for management and marketing of higher educational organizations and colleges. The key indicator of the effectiveness of the system should be the focus on customers and not perfecting educational programmes and selecting the best teaching staff, which has been typical for educational system management in Ukraine. This focus area, in our opinion, is important, but is a consequence of adopting customer-oriented principles. This idea generally coincides with the research conclusion Paricio, J. [2], Riina Koris [11], in spite of some researchers Bay, D. and Daniel H [17], Eagle, L. and Brennan, R. [18] believe that it is a mistake to align educational system towards commercialisation.

The suggestions developed by the authors on implementing the algorithm of managing marketing activities of educational organizations are of fragmentary, conceptual nature and need to considered depending on the size of the educational organization, market situation and aspects of the activity. This will become the topic for further new research.

5. Conclusions

The study undertaken demonstrate significant changes towards tougher competition in the educational sector in Ukraine due to the reduction of applicants and higher client expectations. This has led to the fall of the number of organizations by 20.8% in the last 10 years. The situation is even more serious among colleges, which number has shrunk by 1.5 times. Establishing long-term and mutually beneficial relationships with consumers of educational services provides the university with a competitive advantage that is strategic in nature. In this regard, educational institutions need to understand the ideas, principles of construction and conditions for successful implementation of the client’s approach to university management. Customer orientation in the market of educational services is much more difficult to organize than in other types of business. This is due to the specifics of services, many aspects of assessing their quality and demand.

The implementation of the customer orientation strategy should be based on a fundamentally new corporate culture, in which customer loyalty is combined with staff loyalty. Among the necessary areas of further research should be noted the choice of indicators for assessing customer satisfaction with educational services, customer orientation of the institution and indicators of staff loyalty to the implementation of new principles of customer relations.

References
Lifelong learning and professional development


